

FOOD SUFFICIENCY: Ruminant Livestock Affordability and Availability

November 2019

Introduction

While animal products are the main proteins consumed in Malaysia, there is a large disparity between Malaysia's self-sufficiency in ruminant and non-ruminant livestock production. Despite significant demand, the production of the ruminant sub-sector such as cattle, sheep, buffalo, goat and deer are still lagging behind. Local production is mainly managed on a small-scale by small-hold farmers.¹ Contrarily, non-ruminant industry such as egg, poultry and swine production is more progressive and on a large scale. In fact, non-ruminant livestock has been at self-sufficient level since the 1980s.²

As an indicator on the extent to which the nation relies on its own production, Malaysia's self-sufficiency ratio for non-ruminant livestock in 2017 was at self-sufficient level. The SSR of chicken/duck egg (113.7%) was the highest followed by poultry meat (98.2%) and pork (92.1%)³. This is in contrast to ruminant meat as mutton and beef recorded an SSR of 10.7% and 25.5% respectively. The failure in the deliverability of the National Feedlot Corporation as part of the National Meat Policy that aims to achieve 40% sufficiency in meat production for local consumption by 2015, is staggeringly visible.



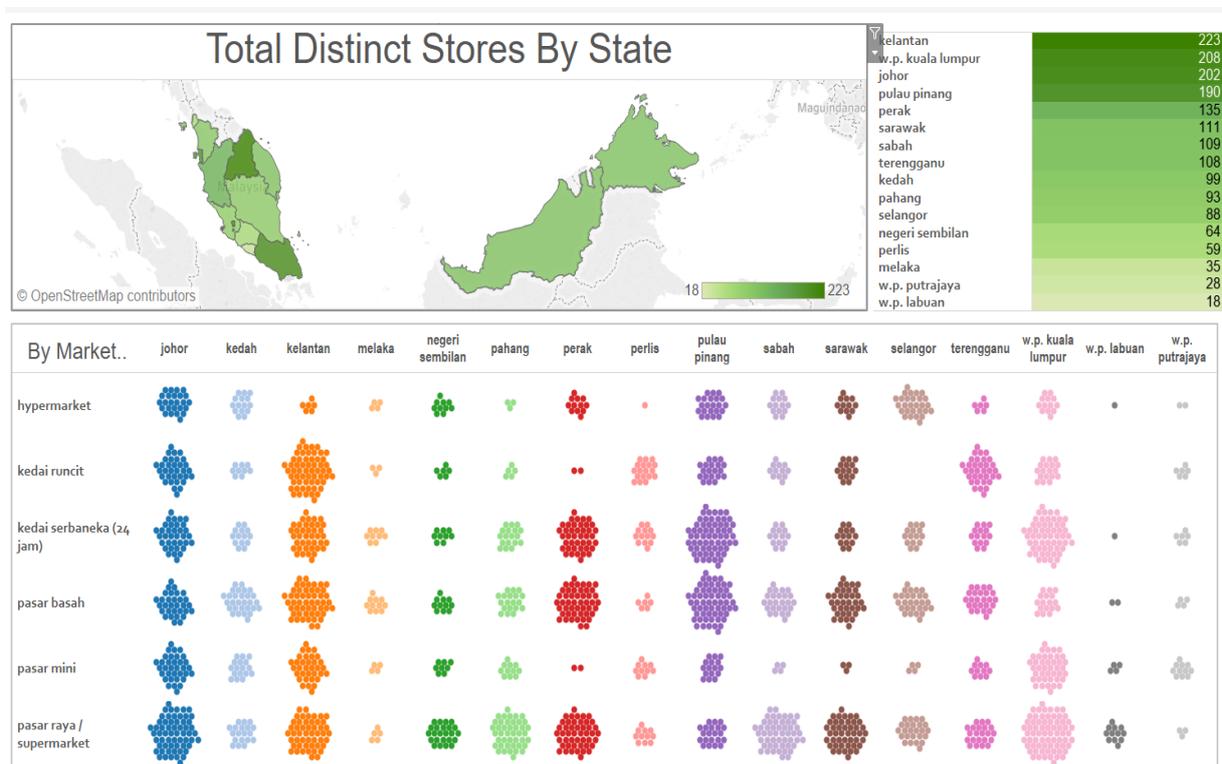
Source: Department of Statistics Malaysia

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Pricing Dynamics

Price monitoring website provides a useful insight on affordability and availability challenges in ruminant livestock supply. With price survey conducted daily, data collected from 1st January 2018 until 31st March 2019 is gathered and analysed. Aside from the price changes, the distribution of stores surveyed allows users to detect the availability of both local and imported ruminant livestock by location.

Distribution of stores surveyed by type and state

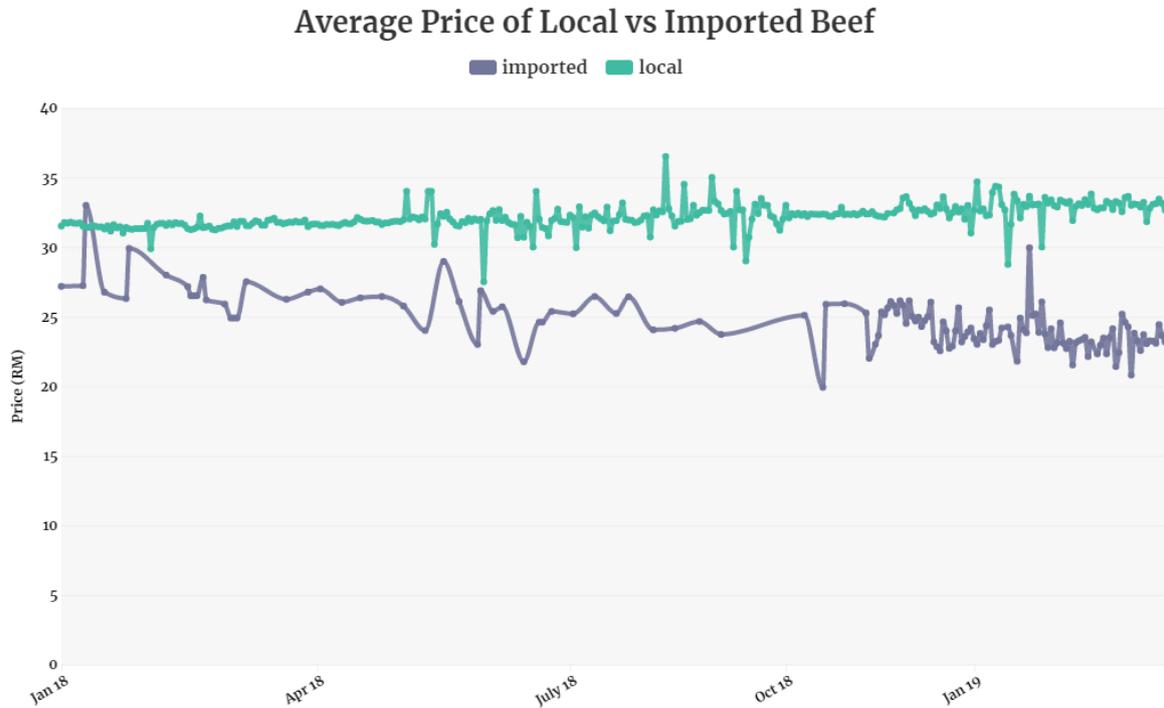


Source: <http://pricecatcher.infopengguna.com/>

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The type of stores surveyed include hypermarkets, kedai runcit (grocery store), kedai serbaneka (convenience store), pasar basah (wet market), pasar mini (mini market) and pasar raya (supermarket). As shown by the distribution pattern above, most of the stores are fairly surveyed across all states with some exception. Grocery stores were not surveyed in Selangor and WP Labuan. The price changes in local and imported meat are compared over the period. The listed imported meat is from India, Australia and New Zealand.

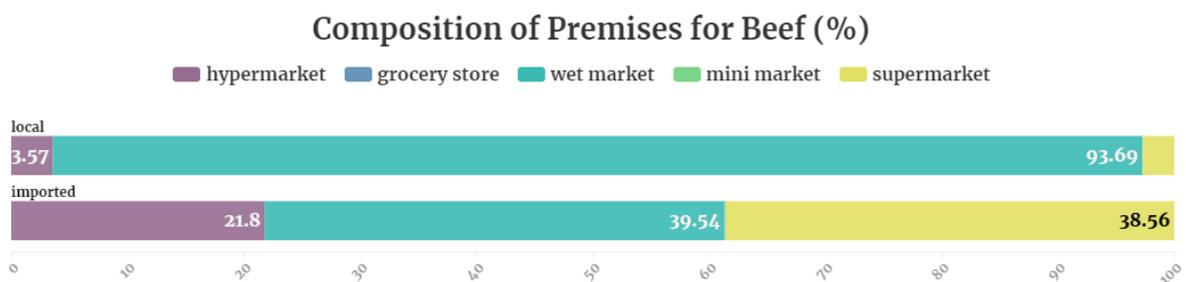
As shown by the following graph, the price of local beef is consistently above imported beef. While imported beef did once surpass the price of local beef in January, the following months witnessed a declining trend in a volatile fashion, with a price average of RM25. Local beef, on the other hand is more consistent in pricing, despite in a higher price range, around RM32.



Source: <http://pricecatcher.infopengguna.com/>

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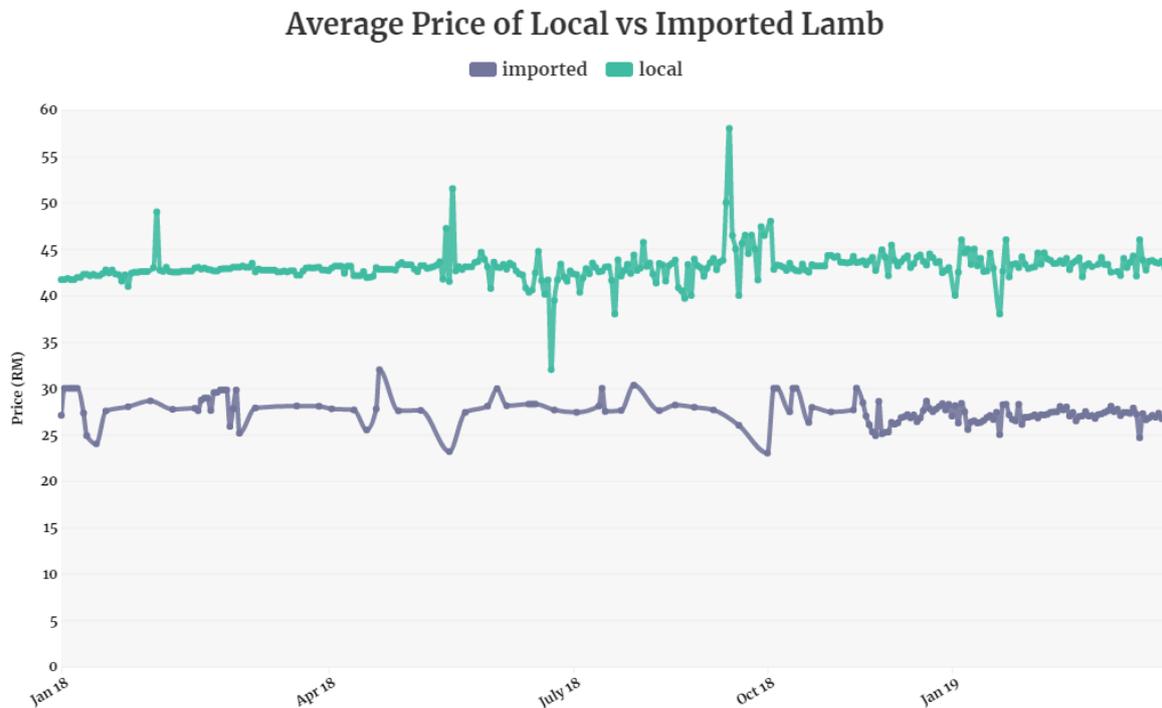
In contrast to premises availability of imported beef, local beef is mainly available in wet markets. The lack of availability of local beef in other premises suggests a smaller consumer base than imported beef. Given the fact that hypermarkets and supermarkets are more widely available in high density or urban areas, imported beef is more accessible to consumers.



Source: <http://pricecatcher.infopengguna.com/>

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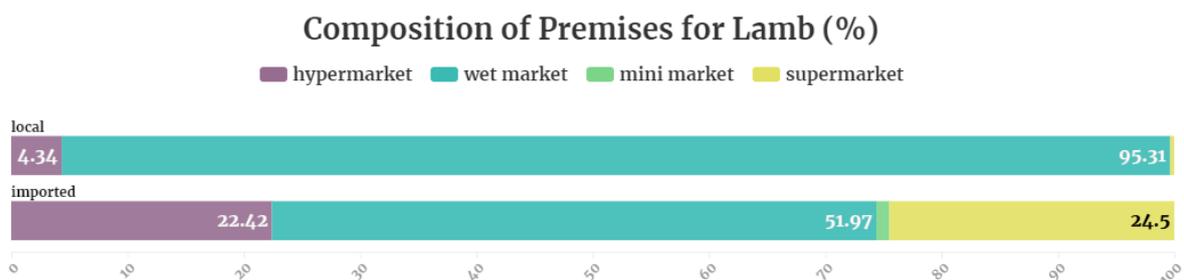
The price of local lamb is also consistently above imported one. However, unlike local beef, the pricing of local lamb is more volatile in nature, with a maximum price of RM59 reported in September 2018, in contrast to its average price of RM41. Imported lamb, on the other hand, can be bought at an average price of RM27.



Source: <http://pricecatcher.infopengguna.com/>

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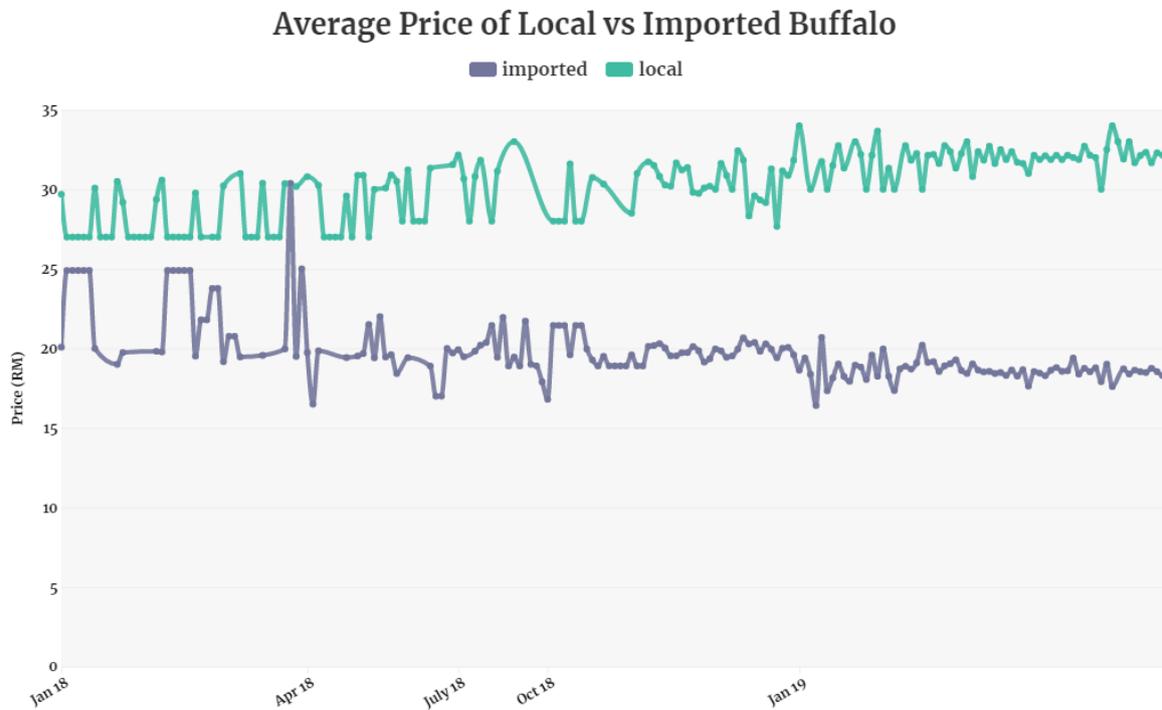
The premises composition of local and imported lamb is almost similar to that of beef. Local lamb is mainly found in wet markets while imported one can be found in wet markets, supermarkets and hypermarkets. However, unlike beef, both local and imported lamb are not sold in grocery stores. As expected, beef is more widely available than lamb.



Source: <http://pricecatcher.infopengguna.com/>

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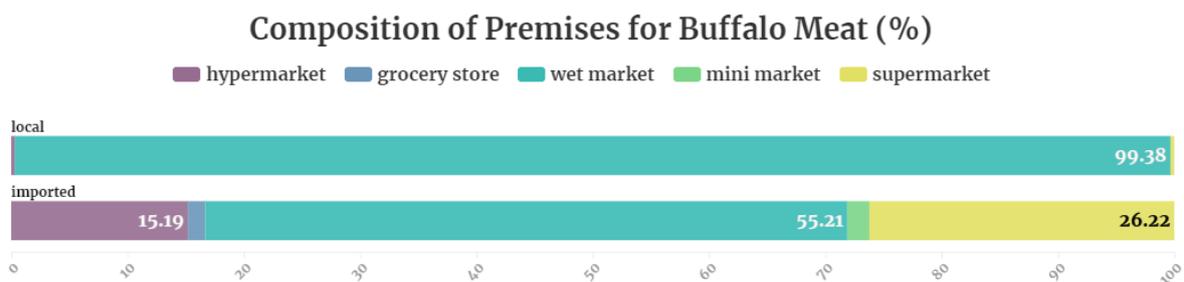
In comparing the three common ruminants, buffalo has the largest price differences between local vs imported meat. The following graph of local vs imported buffalo meat highlights a widening price difference across the period. The average price of local buffalo meat is at RM30 compared to RM19 for imported buffalo meat.



Source: <http://pricecatcher.infopengguna.com/>

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The lack of availability of local buffalo is even more acute. 99% of the local buffalo meat surveyed is found at wet markets only, indicating a lower reachability to consumers than that of beef or lamb. Imported buffalo, on the other hand, can still be found in hypermarkets and supermarkets, similar to imported beef and lamb.



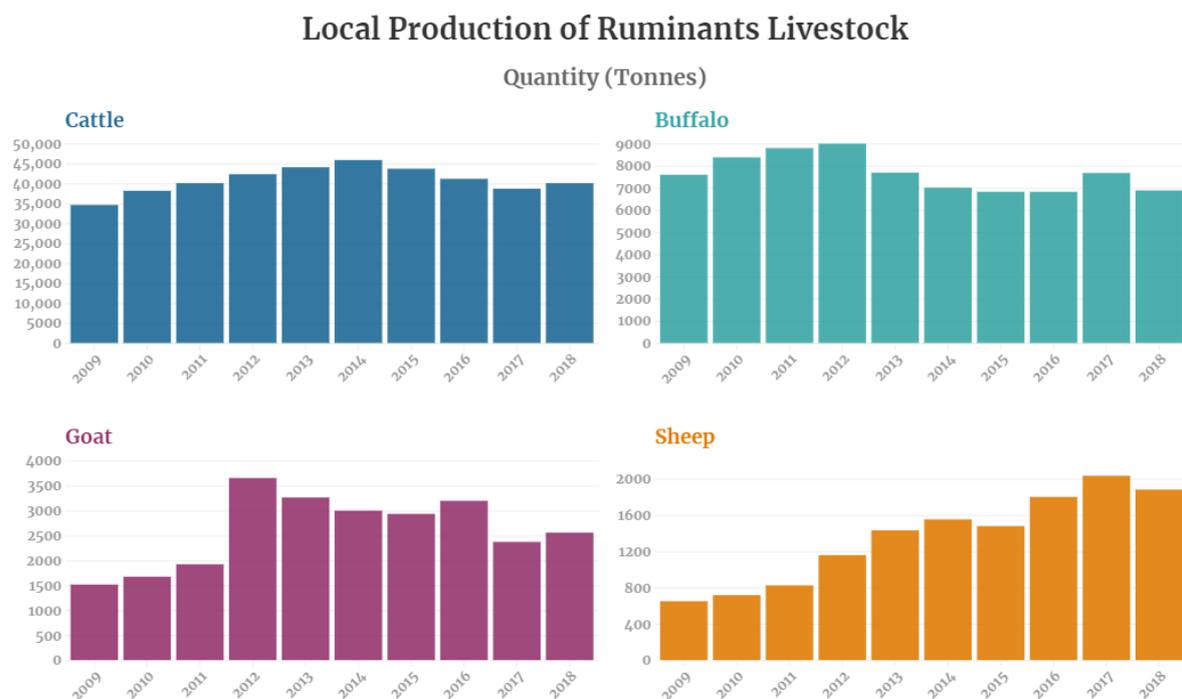
Source: <http://pricecatcher.infopengguna.com/>

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The Unmet Demand

Based on the pricing dynamics, imported ruminant livestock is more affordable than local meat. A look at the available premises also shows that local ruminant livestock are poorly presented in hypermarkets and supermarkets. With a higher price tag and lack of availability of local meat in major retail, this will inevitably increase dependence on imported meat.

A comparison on the production of ruminant livestock from 2009 to 2018 shows that the production is not increasing significantly over the last decade. With the exception of sheep that is not widely produced before, the production of other ruminants fluctuated within the same range and has even declined in recent years.



Source: Department of Veterinary Services

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This indicates the need to address the lack of sustainability in the meat industry. As Malaysia is known for its halal hub status on regional and international levels, there is a significant potential to revive the ruminant livestock industry, not only for local self-sufficiency but also for its global industrial value. Or else, the production of ruminant livestock will continue to meet only 29% of the nation ruminant needs⁴, with imports making up the rest.

References:

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