

Written by 3K Admin

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A SUBSIDY of RM180 million has been given out but the rice is in short supply.

A Malay Mail probe has revealed that rice millers have reneged on their word to ensure a steady supply of Super Tempatan (ST15) broken rice despite having been paid the huge subsidy last September.

The severe nationwide shortage has even perplexed Agriculture and Agro-based Industry Minister Datuk Noh Omar, who yesterday told Malay Mail that the ministry wanted to get to the bottom of it.

"We have given out the subsidy, and we want to know where the rice has gone to. I will be calling all the rice millers, including Bernas, soon to get to the bottom of this," he said.

Noh said besides monitoring the situation, the ministry would also take appropriate action to address the problem. However, he did not give details.

The crisis, however, doesn't look like abating if the government continues to rely on local rice millers to produce the grade.

Bernas, which controls 25 per cent of the local rice market, yesterday said that private millers, some of whom used to supply the grade to Bernas, were reluctant to continue doing so due to the high cost of producing it.

An industry source said given the cost, the RM180 million in subsidy would have only lasted until March if it had been disbursed last September.

"This is a serious issue that needs to be addressed immediately. In tough times like this, it is hurting consumers as there are more people who rely on the grade to cut down on their household expenditure," said the source.

He said there were more than 100 rice millers in the country, with most based in the northern States, Selangor and Kuala Terengganu.

In total, these millers, including Bernas, are expected to produce 40,000 metric tonnes of ST15 monthly to meet demand.

"The government subsidises RM750 per metric tonne of the broken rice to encourage its production. This grade is for local consumption only and currently, the country is about 70 per cent self-sufficient. There is room to increase this capacity by a further 20 per cent if more land is cultivated for padi but this has not been done."

Malay Mail had reported yesterday that broken rice, sold at RM17.50 in 10 kg packs, had almost disappeared from the market since last December.

Our probe had revealed that sundry shops, retailers and hypermarkets have not been getting enough supply, causing their shelves to be empty most of the time. Retailers who actually get the supply, but insufficient to meet demand, claim the rice is snapped up "almost instantly".

We had reported instances of tempers fraying as frustrated customers accuse the retailers of hoarding.

Industry sources had revealed in our report yesterday that there was a possibility that the producers were under-producing the grade, given it was cheaper to channel the broken rice

## **RM180m spent but still no riceRM180m spent but still no rice**

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from the milling process to produce meehoon as it is more profitable.

They had also raised the issue of the government not setting a minimum production quota for the ST15 grade, resulting in it being easily exploited.

The sources had claimed that rice millers were reluctant to produce the ST15 as not much profit can be derived from its production when compared with the other grades.

Source: <http://www.mmail.com.my/content/rm180m-spent-still-no-rice>