

Title: The Future of Malaysia: Building a Sustainable Ecosystem for All
Event: The 29th Tunku Abdul Rahman Lecture [Malaysian Institute of Management]
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Speaker: YAB Tun Dr. Daim Zainuddin

Good morning, and thank you for welcoming me here today.

As of late, I have become very interested in the agriculture sector, particularly the farming of agrifood, which is agricultural produce like fruits and vegetables. Some of you may be surprised, I am a farmer now, with a small farm.

As a result, my perspective on Malaysia's development is now firmly grounded in the idea that agriculture is one of our ways forward. Our nation's future lies mainly in precise, modern agriculture.

We must not ignore future industries too, such as AI and robotics. But food, like clothing and housing, will always be in demand and will continue to be a very important sector.

Our country has had a long history in both agriculture and aquaculture. Our people started off as fishermen and seafarers, depending on the land and oceans for our livelihoods.

When the colonisers arrived, they introduced large-scale farms, and we soon rose to become a major commodities producer. We quickly became the top producer of rubber, and palm oil soon followed as another major export.

And yet, the ones who profited were not the farmers – the people who actually did the planting – but the plantation owners. This was the same across the various agricultural sectors and regardless of race – it was plantation owners who reaped the benefits, not the people working hard on the ground. This is what capitalism is all about. Without access to capital, one cannot succeed.

And today, this dark legacy remains. Farmers and fishermen continue to be the poorest amongst our society, and many of the problems of those days have continued, and in some cases, worsened with time.

They toil on the seas and in the fields, and still they are held at ransom when the time comes for them to sell their produce. They are exploited by those who have access to things that they do not – land, retail contacts, disposable funds.

Meanwhile, consumers pay inflated prices for these goods, shouldering the burden of costs imposed along a bloated supply chain.

And at the end of the day, nobody is happy, except the middle man.

Distinguished guests,

What we must remember is that improving the livelihoods of our farmers and fishermen will improve the livelihoods of us all. We are all interdependent in this country, in fact, on this planet.

In my speech today, I would like to touch on what I envisage for the future of Malaysia, particularly, sustainable development that will benefit all Malaysians.

The reason why I always come back to the topic of farming and fishery is because these sectors provide us with food. As a businessman, I always held fast to the principle that if your business fulfils a basic human need, such as food or shelter, then there will always be a market for you.

There is a lot of discussion about the Industrial Revolution 4.0, Big Data, Virtual Reality, Artificial Intelligence, Internet of Things, cloud computing, automation, robotics, and the like. These are all the concepts and ideas that inevitably arise when we think of the future that lies before us.

Agriculture and aquaculture are not excluded from these discussions. Today, there are endless discussions on agritech, modern agriculture, e-farming, etcetera. All of them are just iterations of what the future of agriculture should look like – one that makes use of technology to improve efficiency, yield and profit.

But what benchmarks are we setting for these improvements? What is the future that we wish to see?

Ladies and gentlemen,

We all know we want economic growth. But it is especially important that this growth is both equitable and sustainable, and hence this is one of the benchmarks we must set.

If I am a poor farmer, and I have no money in the bank, it **doesn't** matter to me that my produce is worth RM2000. I need RM500 right now, and if someone can offer me that, I will take it, for the sake of my family. It does not matter that I lose RM1500.

This is not morally or economically right. How can we call ourselves a developed nation, if those providing us food, one of the most basic human necessities and indeed a human right, are left to suffer this way? We should have solved this problem a long time ago. Instead it persists till this day and may very well have worsened.

What role does modern agriculture play in fixing this problem?

Modern, precise agriculture means improved yields and higher income. This means increased profits for farmers. The farmers have more to sell, and their produce is of better quality, so they

can fetch a higher price. Increased profits in the long run means more disposable income, and if managed properly, generational wealth creation.

Automation and robotics mean that less human labour is required, which means fewer people forced into triple D jobs – dirty, dangerous, and demeaning. Artificial intelligence means that calculations and analytics are done quickly and automatically, saving time and money for farmers. Farming then becomes a high-quality occupation, one that generates a good, steady income, and one that does not require hours of hard labour in the fields.

By focusing on smallholders and farmers, we can work towards poverty alleviation and eradication. We must identify ways to improve their incomes, whether through the commercialisation of waste products, downstream activities, reduced production costs, or diversification of crops.

Besides the farmers themselves, the modernized agriculture sector will create jobs all along the supply chain. We will have better paid farmers, of course, but we will also need logistics providers, researchers and analysts, drone manufacturers, food technicians, nutritionists, ecologists, and veterinarians. We will need researchers on seed production, fertilizers, animal feed. We can start to do away with unpredictable income provided by the gig economy, and give our youth real long-term career opportunities. We can create careers, not just jobs; livelihoods, not just subsistence.

From the national perspective, we can improve our self-sustainability level, food security and food safety. Our food import bill for 2018 was RM52 billion. We also import most of our fertiliser and animal feed, further driving up the costs of production, and leaving us susceptible to currency fluctuations.

With more local produce, both of agricultural inputs (seedlings, fertiliser, animal feed) as well as outputs (fruits, vegetables, dairy, meat) our food import cost can be reduced, and our dependence on imported products can be limited. We can increase our output and exports. Our food security will be ensured, and the ringgit will be strengthened. Food prices will come down.

The cost of living will come down. Surely that would be welcomed news for all of us.

As farmers start to earn higher wages, they will be able to save money too, for their future, and for their children. We will also see many more of them enter higher tax brackets, which means more fiscal security for the nation. These funds can feed into necessary government investments into welfare, like healthcare and education, to further improve the quality of life for all Malaysians.

As quality food becomes more affordable, more and more Malaysians will have access to quality nutrition. We will all have the chance to eat healthy, fresh local produce, as is our right. As affordability improves, so will our quality of life.

Where people are no longer living *kais pagi makan pagi*, they will have more time and energy to live meaningful lives. They will no longer struggle to survive, and instead, they will be able to participate in social activities, and feed back into their communities. They will have time to take care of each other, to raise their children, to care for their elderly. The rat race can be slowed down. People will not just fight to stay alive, they can truly live.

Honourable guests,

It is not only the economy we must think about, but also our planet.

I visited Hainan this year, where a huge agriculture project is underway. And yet, the water and air are so clean that it is deemed the "Hawaii of China".

This is because they are serious about ensuring the sustainability of their farming, and make use of their technology to maximise output with minimal environmental impacts. They make use of green walls and roofs to cut down costs and neutralize air-borne toxins.

In Holland, their agriculture industry is driven by the slogan "Twice as much food with half as much resources". They reduced water dependence for key crops, eliminated the use of chemical pesticides in their greenhouses, and reduced their use of antibiotics in poultry and livestock farming.

In New England, they use Big Data analytics to prevent overfishing, helping them to automatically identify target fish species and sizes, thus ensuring that their fish stock will be maintained for years to come.

They understand that the high initial cost of green technology implementation is nothing compared to the long-term costs of negligence. They use technology to increase output with reduced exploitation of natural resources.

We in the Global South are particularly prone to experiencing the brunt of climate change. Earlier this month, Antonio Guterres, Secretary General of the United Nations, warned that we are getting dangerously close to the point of no return, and that leaders around the world need to step up to address the impending climate change crisis.

We have experienced first-hand the effects of climate change in the unpredictable flooding of the past decade – and even today as I speak to you thousands have been evacuated because of flooding throughout the country. We have suffered through increasingly thick and toxic haze that descends upon us every year, plastic pollution that was dumped on us by so-called first-world nations. The death of Iman, our last Sumatran rhino, marked a dark day for us, foreboding other impending extinctions that are looming before us.

It is not too late to turn the tide, but we must act decisively, and we must act now. We are at a cusp where both preventive and restorative measures must be implemented with immediate effect, and clear KPIs set to ensure transparency.

Agriculture and aquaculture can be made sustainable with the use of technology – the tools are at our fingertips. New methods to ensure circular industries and zero-waste production already exist, we only need to implement them and we need to enforce them.

In agriculture, there are techniques based on traditional knowledge like agroforestry, to protect soil integrity, improve quality and output, and protect the environment.

We can capture carbon, and trap in the ground. In fact, in America, farmers are paid to sequester carbon in the soil, and this even improves the quality of produce. Intercropping helps improve biodiversity conservation, thus helping us ensure the sustainability of large-scale farming. As a major oil-producing country, Norway pays other countries, including a USD1 billion deal with Indonesia, to reduce their deforestation rates as a means to offset their carbon emissions. Meanwhile, Petronas has made clear their intentions to shift towards a low-carbon future, acknowledging the need to shift from an oil-and-gas dependent economy.

These modern mitigation techniques can be done in tandem with efforts to restore peatlands and forests, converting farms back into forests and restoring biodiversity. Boosting productivity will mean that less land is needed for agricultural activities, and so more of our land can be protected.

Dr Jane Goodall stated in a speech last year that “Saving the forest is one third of the solution” when it comes to mitigating climate change. Sadly, since 2001, our country has lost 15.7% of primary forest. That is equivalent to more than 2.5 million hectares. For context, that is more than 34 times the size of Singapore.

Malaysia is one of the world's top megadiverse ecosystems, and one of the corners of the Coral Triangle, and we must do our best to protect this.

In the area of fishery, there are methods to monitor catchment quantities and prevent overfishing, using big data to analyse and predict fish volumes as well as market demand. Just as they do on land, coral reefs and mangroves can be restored and repropagated, breathing fresh life into our marine ecosystem.

People need to be educated on the importance of environmental protection and must be given information on how each of us can play a role. Farmers and fishermen must be equipped with the knowledge on how to optimise their output with minimal impact to the environment, to ensure that food production is ensured for many generations to come.

More than ever before, information is power. And to ensure that everyone can benefit from it, we have to democratise access to this information.

We must empower people with the information they need to succeed. This means not only access to information, but also making the information easy to understand. And let us not forget that this information needs to be shared and instilled from a very young age. Our young must be taught to love nature and to appreciate her value.

Education has always been and will always be the key to our future, and definitely to whether or not we can change attitudes towards nature and the environment. Malaysians must be exposed to the land and food sources from a young age so that they will be able to appreciate better the effort that is required to put food on the table.

Ladies and gentlemen,

I believe that agriculture not only holds the key to fixing our economy and saving our environment, but also to saving our communities.

Earlier, I mentioned a scenario where a poor farmer is forced to take a lower price for their produce, out of desperation for cash in hand.

We have an issue where access to credit and financial literacy is not universal. Social entrepreneurs around the world are trying to change this, providing platforms for micro-loans, peer-to-peer lending, insurance, and basic education on financial management.

We need to make it easy for people to obtain and understand information relevant to their industry. For farmers, this includes data on soil quality, weather patterns, suitable crops, market prices, and cost of agricultural inputs. How they make use of the data is up to them, but access to data cannot be confined to a privileged few.

Aside from information, we also need to give our farmers better market access. This means fewer steps along the supply chain, thus improving the profits received by farmers and fishermen, and reducing the end cost paid by consumers. There are so many apps in the making, new platforms for digital commerce to even out the playing field.

For one, e-commerce platforms can help ensure that farmers have more options as to who they sell their produce to, and as a result, more leverage. They can know the base selling price for their produce, and know what other wholesalers are willing to pay. They give data analytics that help farmers understand pricing trends, empowering them with the knowledge and leverage to get a fair price for their products.

And so, the farmers I mentioned before are no longer held at ransom. They have options. Perhaps they will still choose to sell to the middleman, someone they are comfortable with, and trust. Or perhaps they will take a leap of faith and utilise the now multiple options before them. That is the power of having a choice – they are no longer trapped. They can choose.

Technology is a powerful tool for democracy. It improves access to resources that were once guarded by gatekeepers who wished to make excessive financial gain. By using technology, we can reduce inequality, eradicate corruption, and return power to our people.

Technology can make many of the steps along the supply chain far more transparent. It can open up access to opportunities, allowing all people, regardless of age, gender, religion, or ethnicity to succeed. It evens out the playing field. It can be such a powerful tool for good.

Agriculture is also a means for organising and uniting people, socially as well as politically. Agriculture, like many other sectors, requires cooperation both amongst producers and along the supply chain. Co-operatives have long been a platform for smallholders to work together for a common goal, to pool resources, to voice their opinions. Agricultural cooperatives can band together to get fair prices for their members, share knowledge and technology, and protect the social welfare of their members.

Agriculture even has a role in alleviating the rural-urban divide. A vast majority of agricultural and aquaculture activities exist in rural areas, and if these rural economies develop, then so must their infrastructure. The livelihoods of our rural folk will be improved, and so rural-urban migration will be reduced as more and more people are able to make a decent living outside of the main cities. Schools, hospitals, roads, internet access, public parks and libraries must be improved to ensure that the quality of living in rural areas is elevated. Meanwhile, the strain of overcrowding and congestion in urban areas can be eased.

Part of this will require direct action from the government, particularly in terms of land and capital access, and improved delivery of certain services in rural areas. With agriculture forming an essential part of the economy, the government will be pushed into delivering these necessary infrastructure improvements in rural areas, in order to cater to the needs of these demographics.

Land rights and access, in the context of FELDA and FELCRA settlers, and especially our Orang Asli/Asal, must be closely examined if we want sustainable development for all Malaysians.

While land must be gazetted for environmental protection, access to already designated agricultural land must not come with multiple layers of hoops and barriers to access. These only present another hurdle for our farmers to jump over in order to succeed, and especially disadvantage those that may not have the means, contacts, time or money to keep pushing against the various closed doors in their way.

We must also pay attention to the collective voices of our farmers and fishermen. For instance, in the case of the Penang South Reclamation, where fishermen across the West Coast have voiced their concerns over threats to their livelihood and to the local environment. We must listen to them – they are the ones with their ears to the ground. They know better than we how development affects the eco-system.

Orang Asli have long fought for the protection of forests and customary lands, and many have died for this cause. Orang Asli must be consulted as active partners in the development of sustainable agriculture, and be uplifted socially and economically from their current status as one of the poorest segments of Malaysian society.

Social justice must be important to all Malaysians, because we as a nation cannot succeed unless we all succeed. Improving the agriculture sector is a means for this, By modernising the sector, we can ensure that all participants get fair compensation for their work, an equal voice in democratic processes, and equal access to opportunities and education.

This is the future we want – one where all Malaysian people are uplifted in an equitable manner.

Distinguished guests,

The benchmarks we must set for our future must therefore encompass social, justice, economic, and ecological considerations.

Profits must rise, and they must rise equitably, uplifting those at the bottom of the food chain first. Wages must be improved, allowing all Malaysians to live a fulfilling and meaningful life.

Ecologically, we must set the standard that improved environmental protections are a priority. Water quality, air quality, ecological diversity cannot be the price we pay for progress. These are non-negotiables.

The standard of living must be improved for all Malaysians; quality schools must be available to all Malaysians not just the rich, and everyone must enjoy their fair share of economic growth. The only future we should be looking at is one that benefits all Malaysians.

Thank you.