

PRIME NEWS

NFC: Payout was by the book

ALLEGATION: Company denies receiving RM250m before loan contract signed

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THE National Feedlot Corporation Sdn Bhd (NFC) has denied an allegation that the company received the RM250 million government loan before any contract was signed.

NFC executive director Wan Shahinur Izmir Salleh said the loan agreement between the government and NFC was signed on Dec 6, 2007, and not 2010 as claimed by some quarters.

He said the first drawdown of

RM7 million was made in January 2008 according to procedure.

The loan covered a period of three years with a grace period of three years and repayment was to commence from the first day after the end of the grace period by way of annual instalment over 17 years at two per cent per annum, he said in a statement yesterday.

Wan Shahinur added that a separate implementation agreement was signed on March 8, 2010, with the Agriculture and Agro-based Industry Ministry.

"The loan facility extended to us in 2007 and amounted to RM250

million is for a planned, sustained and integrated beef production business that will enable the country to attain 40 per cent self-sufficiency.

"Beginning this year, NFC will start serving its loan repayment as stipulated in the agreement."

NFC, he said, could meet the orders for beef and beef products.

This month, he said orders had been valued at RM1.9 million and demand for beef and related products were projected to increase by 100 per cent yearly.

"Increasing the local beef production will be raised from 20 to

40 per cent by 2015.

"The mid-sized abattoir we are building has a capacity to slaughter up to 200 head of cattle per day. We are also fine-tuning a working model for contract farming, which will benefit some 150 entrepreneurs in animal husbandry and cattle-rearing.

"Once the contract farming component fully kicks off, the company will be slaughtering 186,000 head of cattle per year from 2015."

The controversy surrounding NFC started after the 2010 Auditor-General's Report described the

project as "messy" and failed to meet government targets.

In December 2007, the government approved a soft loan for NFC to start a national feedlot centre in Gemas, Negri Sembilan, to help reduce beef imports with an initial target of producing 60,000 head of cattle a year.

NFC assets had been temporarily frozen to facilitate investigations by the Malaysian Anti-Corruption Commission (MACC) and the police.

Women, Family and Community Development Minister Datuk Seri Shahrizat Abdul Jalil, whose husband, Datuk Seri Dr Mohamed Salleh Ismail, is NFC executive chairman, has taken a three-week leave from her ministerial duties pending the outcome of the MACC's investigations.

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**Wan Shahinur
Izmir Salleh
National Feedlot
Corporation
executive director**