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Bird's nest prices soar two-fold

Supply shortage from Indonesia due to haze benefits local farmers

By ADRIAN CHAN

adrianchan@thestar.com.my

PETALING JAYA: What a reversal of fortunes.

Five years ago, many bird's nest farmers wanted to throw in the towel when the industry hit rock bottom after China banned its import, following claims that some bird's nests here contained an excessive amount of nitrite.

Farmers who persevered are now laughing all the way to the bank because of a windfall since last year, with prices soaring more than two-fold.

The supply void in Indonesia has caused Malaysian exports to go for as much as RM8,000 per kg.

The prolonged haze last year crippled Indonesia's production, with industry players estimating a drop of over half the volume in 2014.

The decrease in supply has forced suppliers to source for Malaysian bird's nests, causing them to surpass the pre-2011 price of RM7,000 per kg.

Association of Selangor Swiftlet Operators president Datuk George Kee noticed a gradual rise in price from August last year.

"In January last year, exports of processed bird's nests could only go for RM2,800 to RM3,000.

"Then in September came a sudden increase

in demand. China began to import our bird's nests at RM7,000 to RM8,000 for every kg," he said.

Experts believe the prices are here to stay as the Indonesian swiftlet population will take several years to recover.

Malaysia Bird's Nest Merchants Association president Lim Theam Siew pointed out that land-clearing in Sumatra had destroyed many of the swiftlets' food sources, causing them to starve.

"Swiftlets are not like livestock. You have to wait for them to reproduce naturally," he explained.

Lim believes that prices could go even higher following the abolition of the one-child policy.

However, he claimed

swiftlet farmers were not benefiting fully from the price hike, adding that unprocessed bird's nests were sold at less than RM3,000 per kg.

Lim, a swiftlet farmer himself, said they were forced to accept the prices set by companies which had been approved by the Certification and Accreditation Administration of China (CNCA) as these were the only licensed channels.

Following the discovery of nitrite in Malaysian bird's nests, China imposed a ban on the billion-ringgit industry for more than one year.

When the ban was lifted in 2012, only local processing establishments approved by the CNCA were allowed to export raw processed bird's nests to the country.

Bird's nest price

Cleaned bowl-shaped bird's nest
Before September 2015: RM3,000
Now: RM7,000-RM8,000

Cleaned triangle-shaped and fragments
Before September 2015: RM1,300-RM1,500
Now: RM2,800-RM3,000

Premium bird's nest could fetch RM66,000 per kg

PETALING JAYA: Retail prices for premium-grade bird's nests could go as high as 100,000 yuan (RM66,625) per kg in China.

The item is listed on a price guide on bird's nests by Beijing Tongrentang, a 300-year-old pharmaceutical company in China.

Premium bird's nests fetch around 40,000 yuan (RM26,648) to 100,000 yuan for every kg while the standard variety costs between

20,000 yuan (RM13,318) and 40,000 yuan.

The Federation of Malaysia Bird's Nest Industry Merchant Associations president Datuk Lee Kong Heng confirmed that processed bird's nests in Guangzhou, inclusive of tax, fetched between 17,000 yuan (RM11,306) and 23,000 yuan (RM15,297).

"These are for those with proper export documentation," he said.

Currently, only processed bird's nests can be exported to China via 16 companies approved by the Certification and Accreditation Administration of China.

Raw unprocessed bird's nests are not allowed into China, in line with a ban imposed in 2011, and are sold to local processing establishments for between RM2,500 and RM3,000 at present.

However, sources reveal that

China's black market for raw nests could fetch a higher price.

The Prime Minister's Special Envoy to China Tan Sri Ong Ka Ting said both the Malaysian and the Chinese governments were keen to see the ban lifted.

"Both sides are working at the final stage of approval for the export of raw unprocessed bird's nests to China," he said, without giving a date.

Ong, who was involved in the mediation, said he expected the price of unprocessed nests to rise further once the agreement was ironed out.

He believed that the Chinese nationals' purchasing power held much promise for the industry.

Ong pointed out that the ban was a lesson to be learnt, urging industry players to adhere to a higher level of professionalism.