Higher agriculture subsidies on the cards

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IPOH — The government is expected to increase agriculture subsidies in Budget 2016 because of the weaker ringgit.

This follows feedback from agriculture sector players and stakeholders under the Budget focus group discussions.

The group identified agriculture as a major sector affected by the strong US dollar.

Agriculture and Agro-based Industry Minister Datuk Seri Ahmad Shabery Cheek said the government aimed to continuously provide support to farmers.

"The government may reduce the cost of agriculture inputs, such as fertilisers, pesticides, animal feed and seedlings, he said.

"This would involve different aspects such as taxation policy."

Ahmad Shabery said the weakening of currencies had affected countries largely dependent on world commodity markets.

"When commodities prices fall the value of goods sold in their respective countries will also fall," he said.

"The government is seeking solutions to help these local farmers."

Asked whether the government would abolish Goods and Services Tax (GST) on agriculture inputs, Ahmad Shabery said he had raised the question in the Cabinet.

"This is what the farmers want so I will keep pursuing the matter with the government," he said.