



MINISTRY OF DIGITAL

PRESS RELEASE

NAIO SETS NEW BENCHMARK IN AGRITECH WITH AI SOLUTIONS THROUGH RAKAN TANI

AI-Powered Agriculture Application “Rakan Tani” for Farming Communities’ Stability and Growth

Kuala Lumpur, 6 February 2025 – The National AI Office (NAIO), through its newly launched NAIO Lab, is taking bold steps to position Malaysia as a leader in AI-driven development. By creating a thriving ecosystem that nurtures innovation, fosters collaboration, and empowers startups, NAIO Lab is shaping the future of AI technology and its real-world applications. NAIO Lab is a crucial element of Malaysia’s immediate vision to make the nation a hub for AI innovation. It is an ecosystem where AI developers can thrive, experiment with emerging technologies, and create solutions that deliver tangible benefits to the nation.

With Rakan Tani, the first project launched under NAIO Lab, Malaysia is setting a new benchmark for AI-powered solutions that can empower the rakyat and revolutionise key sectors of the economy, starting with agriculture. Rakan Tani is a groundbreaking digital platform that uses advanced AI to transform Malaysia’s agricultural landscape. By integrating cutting-edge AI technologies, Rakan Tani is helping farmers streamline their operations, secure higher incomes, and reduce market volatility. The platform offers a comprehensive ecosystem that connects farmers with buyers early in the crop cycle, ensuring that they can lock in the best prices for their harvest. AI-driven order matching ensures farmers receive competitive pricing based on their projected yields, providing much-needed predictability and financial stability.

NAIO Lab: Building a Thriving AI Ecosystem for Malaysia's Future

At the heart of this transformation is NAIO Lab, a dedicated innovation hub that provides AI startups and developers with the resources, mentorship, and funding they need to develop scalable, impactful solutions. As part of Malaysia's national strategy to become a regional AI leader, NAIO Lab offers a collaborative space where AI experts, researchers, and entrepreneurs can work together to create solutions that address both local and global challenges. With access to both technical support and financial backing, AI startups in Malaysia are well-positioned to push the boundaries of AI innovation.

“The NAIO Lab will focus on citizen-centric AI applications in areas like agriculture, healthcare, and transportation. These are sectors that touch the lives of everyday Malaysians. By leveraging AI, we can improve productivity, enhance service delivery, and create new opportunities for growth,” said Digital Minister, Gobind Singh Deo, adding, “The NAIO Lab is designed to ensure that no one is left behind. Rakan Tani, our first proof-of-concept, is built with inclusivity in mind with a farmer-focused AI service delivered through WhatsApp. It's accessible in both Malay and English, and it's designed to help farmers improve their productivity and livelihoods.”

AI-Powered Solutions in Rakan Tani: Transforming Agriculture for a More Resilient Economy

Rakan Tani, that will be piloted in Terengganu in May 2025, exemplifies the transformative power of AI by connecting farmers with buyers, financiers and other stakeholders through a seamless digital marketplace. The platform offers a range of AI-driven solutions, each aimed at improving different facets of the agricultural supply chain:

- **Pre-Harvest Commerce:** By utilising AI-driven order matching, Rakan Tani allows farmers to secure the best prices for their crops early in the cultivation cycle. This provides financial predictability, mitigates market volatility, and allows farmers to plan better for the future.

- **AI-Driven Subsidy Access:** The platform automates the process of accessing government agricultural subsidies, making it easier for farmers to tap into financial support without lengthy paperwork. By integrating with national ID systems like MyKad, Rakan Tani ensures a seamless, transparent experience.
- **Agriculture Financing:** Farmers can leverage AI-powered pre-harvest orders as collateral to secure financing, ensuring they have access to the capital needed to expand their operations. This is especially beneficial for smallholders who may have limited access to traditional financing options.
- **Real-Time Cash Payouts:** Integration with digital banking platforms ensures that farmers have secure, instant access to their payments. This addresses the cash flow challenges faced by many smallholder farmers and promotes financial independence.
- **Logistics and Distribution:** The platform connects confirmed orders with distributors and logistics providers, streamlining the entire supply chain process. From collection to transportation, Rakan Tani optimizes the logistics of moving produce from farm to market, reducing delays and improving efficiency.

Deputy Minister of Agriculture and Food Security, Datuk Arthur Joseph Kurup said, “Through these AI-driven innovations, Rakan Tani is helping Malaysian farmers achieve greater economic independence, improving their market access, and providing them with the tools to thrive in an increasingly digital world. The initiative not only drives economic growth for the agricultural sector but also enhances food security and sustainability, which is critical for the nation's future.”

The success of Rakan Tani is the result of a strategic collaboration between the Ministry of Digital, Ministry of Agriculture and Food Security, NAIQ, GAIV, UPM, and Segi Fresh. Each of these partners brings essential expertise and resources to the table, working together to ensure the success of the platform and its long-term impact on the agricultural sector.

The Ministry of Agriculture and Food Security has been instrumental in ensuring that Rakan Tani meets the needs of Malaysia's farming community. Through its collaboration with NAIIO and GAIV, it has facilitated access to agricultural subsidies and other resources that make it easier for farmers to adopt the platform.

Looking Ahead: Advancing AI Innovation Through Strategic Collaboration

The launch of NAIIO Lab marks a pivotal step in Malaysia's AI journey, laying the groundwork for a future where AI-driven solutions drive sustainable growth and societal progress. By fostering strategic partnerships between government, industry leaders, academia, and startups, NAIIO Lab will continue to accelerate AI innovation, ensuring Malaysia remains at the forefront of technological advancement.

As a key partner in NAIIO Lab, the Global AI Village (GAIV), a premier AI engineering, innovation and talent hub co-created in Malaysia by US-based investor, The Hive Global AI Fund in partnership with 500 Global's Khailee Ng, plays a crucial role in accelerating AI-driven entrepreneurship in Malaysia. GAIV provides funding, mentorship, and strategic guidance to AI startups, ensuring they have the necessary support to develop and scale impactful solutions. Through its commitment to fostering AI innovation, GAIV strengthens the foundation for Malaysia's AI ecosystem, helping to drive the adoption of transformative technologies across various industries.

With initiatives like Rakan Tani, Malaysia is setting a strong precedent for AI's role in addressing real-world challenges. As AI solutions expand beyond agriculture into healthcare, transportation, and education, the opportunities for impact are boundless. NAIIO Lab remains committed to empowering AI startups and developers with the resources, funding, and collaborative ecosystem needed to scale their innovations and create lasting economic and social benefits.

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About the National Artificial Intelligence Office (NAIO)

The National AI Office (NAIO) serves as Malaysia's central authority dedicated to advancing the nation's Artificial Intelligence agenda. Established under the Ministry of Digital, NAIO is committed to positioning Malaysia as a regional leader in AI technology and applications. Its mission includes strategic planning, research and development, and regulatory oversight to promote ethical and sustainable AI adoption across various sectors. By fostering innovation, facilitating cross-sector collaboration, and integrating AI into government, industry, and society, NAIO aims to strengthen Malaysia's digital economy, enhance public services, and support sustainable development goals.