



**FACTORS THAT INFLUENCE THE TOTAL PRODUCTION OF PADDY IN
MALAYSIA**

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ABSTRACT

In the agriculture sector paddy cultivation is one of the major contributions to the national economic. Paddy cultivation is the major food crop in Malaysia but we still do not produce sufficient supply of paddy. This study attempts to look into the factors that influence the production of paddy in Malaysia; GDP, area, rice imports and population are the four variables that being used in this research. Times-series data is used in this study from the period 1979-2008. At the same time, this research also shows how the food crisis which occurred in 2008 gives impacted to the rice production in Malaysia. The impact of the huge food crises directly affects the supply of rice in the state. Simple regression and multiple regressions are used in this research to find out which variable influences the production of paddy in Malaysia. Variance Inflation Factor (VIF) is used to detect the multicollinearty. The result shows that there is no multicollinearity in this study and population is the main factor that influences the total production of paddy in Malaysia.

Keywords: Paddy production, food crisis, multiple regressions, simple regression