

UNIVERSITI TEKNOLOGI MARA

**TENDENCY AND READINESS OF THE
ENTERPRISE SHIFT DECISION AMONG
NATURAL RUBBER SMALLHOLDER
FARMERS IN PADANG TERAP, KEDAH**

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Final year project report submitted in partial fulfillment of the
requirements for the degree of
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CANDIDATE'S DECLARATION

I declare that the work in this Final Year Project was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledged as referenced work. The final year project report has not been submitted to any other academic institution or non academic institution for any other degree or qualification.

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ABSTRACT

Agricultural sector plays an important role in Malaysia's economic development. But nowadays, the economic situation for commodity crop such as rubber so challenging to rubber producer. Poor rubber price gives big impact to rubber tappers because most of them rely on rubber crops as sources of income. It is important to evaluate the tendency and readiness of enterprise shift decision among rubber smallholder possibility whether to change to other crops. The study was conducted in several communities at Padang Terap, Kedah. Primary data with structured questionnaire were collected from 286 respondents of smallholder using random sampling. Data collected were analyses using multiple regression analysis and descriptive statistics. The result indicates majority 162 rubber plantation owners (113.4%) disagree to shift from rubber enterprise to other agricultural enterprises, medium with 36 respondents (25.2%), and 88 respondents (61.6%) indicated decision to remain in rubber production. Regression analysis revealed that readiness and tendency had significant effect on enterprise shift decision ($P < 0.01$). This study significant to rubber tappers to choose whether to shift from rubber production to selected crops or not to search agricultural enterprise which may gives high profit and generates more income. The study also can be useful guide to RISDA to improve the utilization level of rubber management practices among rubber farmers and find out how to avoid rubber tappers making decisions to shift from rubber cultivation to other selected crops.

Keywords: Tendency; readiness; smallholder farmer; RISDA

TABLE OF CONTENTS

	<u>Pages</u>
ABSTRACT	iv
ABSTRAK	v
ACKNOWLEDGEMENT	vi
TABLE OF CONTENTS	vii
LIST OF TABLES	ix
LIST OF FIGURES	x
 CHAPTER 1 INTRODUCTION	
1.1 Background	1
1.2 Problem statement	2
1.3 Research question	4
1.4 Objectives of study	4
1.5 Significance of study	4
1.6 Scope or limitations of study	5
1.7 Definition of term	6
 CHAPTER 2 LITERATURE REVIEW	
2.1 Introduction	8
2.2 RISDA	8
2.3 Scenario of rubber industry in Malaysia	9
2.4 Dependent variable	12
2.4.1 Enterprise shift decision among smaliholder	12
2.5 Independent variable	13
2.5.1 Tendency of rubber tapper	13
2.5.2 Readiness of smallholder	14
 CHAPTER 3 RESEARCH METHODOLOGY	
3.1 Introduction	16
3.2 Research design	16
3.2.1 Type of study	16
3.2.2 Nature of study	16
3.2.3 Unit of analysis	16
3.2.4 Research site	17
3.3 Population, sample size and sampling	17
3.4 Theoretical framework	17
3.5 Measurement variable	19
3.5.1 Independent variable	20
3.5.1.1 Tendency	20
3.5.1.2 Readiness	20
3.5.2 Dependent variable	20
3.5.2.1 Decision	20
3.6 Data collection methods	21
3.7 Statistical data analysis	21
3.7.1 Distributing questionnaires	21

3.7.2	Testing goodness of data	22
3.7.2.1	Validity and reliability	22
3.7.2.2	Factor analysis	22
3.7.2.3	Descriptive analysis	23
3.7.2.4	Linear regression	23
CHAPTER 4 RESULTS AND DISCUSSION		
4.1	Introduction	26
4.2	Demographic information of respondent	26
4.3	Validation of questionnaires	29
4.3.1	Factor analysis	30
4.3.2	Reliability analysis	31
4.3.3	Descriptive analysis	32
4.4	Hypothesis testing	33
4.4.1	Linear regression	33
4.5	Summary of result	35
4.6	Summary of the result	35
4.7	Major findings of discussion	36
CHAPTER 5 CONCLUSIONS		
5.1	Introduction	40
5.2	Recommendation	40
5.3	Conclusion	41
REFERENCES		43
APPENDICES		45
CURRICULUM VITAE		70