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UNIVERSITI TEKNOLOGI MARA  
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STUDY ON THE FACTORS INFLUENCING PROFIT IN  
CULTIVATION OF OIL PALM IN LEMBAGA KEMAJUAN  
PERUSAHAAN PERTANIAN (LKPP) NEGERI PAHANG

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## LETTER OF TRANSMITTAL

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Dear Sir,

### SUBMISSION OF PROJECT PAPER (FIN 667)

Attached is the project paper titled "STUDY ON THE FACTORS INFLUENCING PROFIT IN CULTIVATION OF PALM OIL IN LKPP NEGERI PAHANG" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Your valuation for this project paper is highly appreciated.  
Thank you.

Yours sincerely,

.....  
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## **ACKNOWLEDGEMENT**

**“In the name of Allah, The most Gracious and Merciful”**

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Thank you very much.

## **Abstract**

Investment priority in land development since the five decades has primarily been overshadowed by the importance of oil palm. This industry has significantly contributed to the nation's economy. Malaysia becomes the World's largest oil palm exporter followed by Indonesia the second largest world exporter. Both nations are expanding their oil palm production capacity and the market continues to grow. The palm oil industry forms the economic backbone of Malaysia and continues to face new challenges in the face of globalization. Rapid responses are needed to meet the increasing challenges of the industry as they unfold. The dynamic progress of the industry is largely attributed by the strategic government approach in developing agricultural land and concerted initiatives in focusing on research and development by both the government institutions and private sectors. In line with the national agenda of empowering the agricultural-based sector, the palm oil industry will continue to play a vital role as a prime mover of the plantation commodity. Since Lembaga Kemajuan Pertanian (LKPP) Negeri Pahang is Pahang statutory body which is leading Pahang agricultural sector. This research are focused on the factors that is influencing profit in cultivation of oil palm in LKPP Negeri Pahang. The annual data from year 1998 to 2011 and interviewing session of 25 respondents are collected from LKPP Negeri Pahang. The result evidently showed that price of palm oil, production trend of oil palm and total area of oil palm plantations are influencing profit in cultivation of oil palm in LKPP Negeri Pahang.

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