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ABSTRACT

This project paper reports the results of the importance of the study on the FFB price paid to the smallholders in the West Coast of Sabah. From the study it is found that the main factors why there are differences in FFB price are due to transportation costs, labor costs, and quality of the fresh fruit and high cost of production. These factors need to be addressed in order to assist the smallholders from being treated unfairly by the buyers (millers and dealer fruit). MPOB has to come up with a win-win solution so no party will suffer or being treated unfairly, especially smallholders who play important role in the palm oil industry in Malaysia. Meanwhile, smallholders are also required to upgrade their method of production in order to maintain high quality of the fresh fruit. It is the responsibility of the smallholders to produce high quality fruits as quality is one of the main factors that will determine the FFB price.