

**RUBBER PROCUREMENT MARKETING SYSTEM
AND ITS EFFECT ON PRICE, VARIABILITY
AND INCOME OF SMALLHOLDERS
(A CASE STUDY OF RSPSB INTERVENTION
BUYING IN NEGERI SEMBILAN)**

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LETTER OF TRANSMITAL

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October 31, 2000

The Project Advisor
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Dear Sir,

RE : SUBMISSION OF PROJECT PAPER

With reference to the above matter, I hereby enclose the final Project Paper entitled “ **Rubber Procurement Marketing System and Its Effect on Price, Variability and Income of Smallholders (A Case Study of RSPSB Intervention Buying in Negeri Sembilan)** “ for your kind perusal. I hope that the project paper will fulfill requirement of the course.

Thank You

Yours Sincerely

ABD KUDUS MD LAZIM
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**In The Name Of ALLAH, The Most Gracious, The Most
Compassionate and Most Merciful.**

And all thanks and praise are due to ALLAH s.w.t. for giving me the strength and inspiration in completing this project paper.

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ABSTRACT

The rubber price received by smallholders is often linked to poor marketing system. Exploitation by middlemen is often being highlighted as issues often discussed by many. Due to the seriousness of the effect of poor and unstable price received by smallholders, the government through RSPSB had devised a system to help stabilize the price of scrap and latex using direct procurement and commission system. This study focuses on whether or not RSPSB is able to pay a reasonable price to smallholders for selling scraps. In addition, this study tries to examine the degree of acceptance of the smallholders toward the system. Both primary and secondary data are used in this study. The primary data is derived through survey using pre tested questionnaires prepared earlier. Respondents were selected from 9 RSPSB buying depots which sold latex and scraps. Thus result of this concluded that there is significant difference between the price paid amongst smallholders selling scrap or latex through the three systems of procurement: latex and scrap direct purchase, and scrap through commission system. It is revealed that the intervention of RSPSB helps to stabilize the price received by smallholders. Other findings also revealed that smallholders urge the government to increase the price of rubber so as to curb with the current standard of living. The smallholders were satisfied with the services rendered by RSPSB.

TABLE OF CONTENT

	Page #
Letter of Transmittal	I
Acknowledgement	ii
Table of Content	iii
List of Tables	vi
List of Appendices	vii
Abstract	ix

CHAPTER

1.0 Introduction

1.1 Background of Study	1
1.2 Problem Statement	3
1.3 Purpose of Study	7
1.4 Objective of the Study	7

2.0 Literature Review

2.1 Factors Affecting the Price of Natural Rubber at Smallholders Level.	8
2.2 Determination of Price for Latex and Scrap sold by Smallholder under RSPSB.	13

3.0 Theoretical Framework

3.1 Market, Market Structure, Conduct and Performance	17
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