COST EFFICIENCY OF HARUMANIS PRODUCTION UNDER CONTRACT FARMING IN PERLIS

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FINAL YEAR PROJECT REPORT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF BACHELOR OF SCIENCE IN AGROTECHNOLOGY (HONS.) HORTICULTURE TECHNOLOGY IN THE FACULTY OF PLANTATION AND AGROTECHNOLOGY
UNIVERSITI TEKNOLOGI MARA

AUGUST 2020

DECLARATION

This Final Year Project is a partial fulfilment of the requirements for a Degree of Bachelor of Science in Agrotechnology (Hons.) Horticulture Technology in the Faculty of Plantation and Agrotechnology, Universiti Teknologi MARA.

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ABSTRACT

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Harumanis mango being one of the most popular mango fruits in Malaysia and has been planted commercially at Perlis. So, a higher quality standard for the Harumanis mango are required and this has been a challenge to Harumanis farmers due to Harumanis crop that highly susceptible to many pests that can led to poor quality of the fruit and therefore reduced marketability of the fruit. As a result, farmers are forced to use more inputs to protect their crops for better growth and higher production. This study is undertaken to analyse the cost efficiency and identify factors that influences cost efficiency of Harumanis mango production on selected Harumanis mango farmers in Perlis. The convenience sampling was applied in the selection of respondents and the data were gathered from 30 Harumanis farmers in Perlis. In measuring cost efficiency, Data Envelopment Analysis (DEA) show that most of the Harumanis farmers (76.7%) obtained the cost efficiency index range from 0.000 to 0.099 which is majority of the Harumanis farmers still cost inefficient. Then, results of Tobit analysis revealed the coefficients for family size and farm size were insignificant ($p > 0.10$). While the other two variables were significant, which is the coefficients of experience was negatively signed and significant at ($p < 0.10$) and the variables of level of knowledge were showed the positive sign and significant at ($p < 0.05$). In the end, the factors affecting the low-cost efficiency levels of the Harumanis farmers in Perlis are still not widely known. Then, a better knowledge is required in a future research for a great understanding of the cost efficiency of Harumanis farmers. In addition, this study may be useful as a basis for future research of Harumanis mangoes production in Perlis.

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