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INDUSTRIAL TRAINING REPORT AT PERTUBUHAN PELADANG PARIT

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EXECUTIVE SUMMARY

This report was divided into few main points that been used to explained about how the industrial training work and the analysis that been apply on the internship company. The company that I choose for my internship training is Pertubuhan Peladang Kawasan Parit. This report was contained about my resume and training reflection, company profile, company analysis, discussion, and recommendation to improve the company. The company profile was highlighted about company background, company's vision, mission and objective, company activities and product and services that offered by the company. This report has been conducted the financial performance analysis to the company. This financial performance analysis was based on company debt ratio, growth sales, current ratio, return on asset and net profit margin. The main purpose of conducting the financial analysis is to see the trend on company through bar chart and so on to identify their problem specifically related to company financial. The discussion and recommendation also have been made from the analysis of company's financial performance to identify the problem occur and come out with suggestion that can improve company in future.

TABLE OF CONTENTS

No	Title	Pages
1	Student resume	1-2
2	Company profile	3-4
	2.1 Organizational structure	5
	2.2 Product and service	6-7
3	Training reflection	8-9
4	Industry analysis	10
5	Company analysis	11
	5.1 Debt ratio	12-13
	5.2 Growth sales	14-15
	5.3 Current ratio	16-17
	5.4 Return on asset	18-19
	5.5 Net profit margin	20-21
	5.6 Discussion	22-23
6	Recommendation	24-25
7	Conclusion	25
8	References	27-28
9	Appendices	29-31

2.0 COMPANY PROFILE

Pertubuhan Peladang Kawasan Parit or Farmer organization (FO) was established on 20 May 1974 located at Parit, Perak was operated every weekday from 8.00 am to 5.00 pm with 16 staff overall. Pertubuhan Peladang Kawasan or also known as PPK for short is one of the statutory companies for government. The staff that assigned was divided into two which is the staff appointed by LLP and PPK that contain 16 staffs in total. PPK's board of director has seven of people. Their roles are to monitor the management of company. However, they only had power of honor not an executive which their decision also been monitored by meeting management. PPK has 2867 committee's member in 32 units in Parit district. Their operating area mostly located in Mukim Belanja and Mukim Layang-Layang which had 27 square kilometers. PPK is one of the companies that contributed to agriculture sector in Malaysia.

PPK mainly activities were focusing on economic which is the development of agriculture sector, social that focusing on taking care the committees member welfare and government directives which is involving the tender, project, and commission from government itself. Besides, PPK mainly focusing on increase the output of agriculture sector by encourage farmer to involve in agriculture activities at the same time PPK will provide service and product that needed to the farmer. Farmer Organization was divided by district in every state in Malaysia. PPK play the main role to ensure that all farmers in right channel to make contribution in agriculture sector. Besides, every contribution that made by farmer can help PPK to establish their company and farmer can get more benefits as every PPK had been observe by Lembaga Pertubuhan Peladang.

Lembaga Pertubuhan Peladang was establish as main center to control the operation on every PPK in every state. The achievement by PPK will be observe into three grades. Firstly, for grade one is for small project and mostly focusing on helping the farmer in certain district. Secondly, for grade two, PPK has medium project that involve farmer especially in plantation and livestock. Lastly, for the grade three, this grade involves big project that can contribute more profit to PPK for example, gas station and hotel. PPK Parit was in grade one for the past few years and they already level up to grade two as their palm project contribute a lot of profit to the company. However, PPK still need improvement and support especially for farmer itself to gain more profit increase the output for agriculture sector.

Pertubuhan Peladang vision is to be the leader of the Farmers Organization excellence to increase the effective contribution in the country's agro-food sector. Meanwhile the mission is to strengthen the involvement of Farmers' Organizations in the country's agro-food sector to produce productive farmers. Improving and increase the farmer's knowledge and skills to establish economic and social especially in rural area.

The objective and goals for PPK is to establish farmers' organization (FO) as viable institution in agriculture sector. PPK is helping the government to find, and help allocated budget to farmer in Malaysia. For example, Projek Ransangan Ekonomi (PRE) is helping the farmer by providing machine and some stuff related to agriculture activities. Secondly, to develop competitive and productivity farmers that can contributing to the agriculture sector. As PPK offered a lot of services and product especially to farmer that been registered. The increase of competition can show the demand in agriculture sector is high as government also did not need to import some organic stuff from other country. Besides, PPK also want to develop and strengthening of a network of Farmers' Organizations (FO) activities. PPK can play the main role to improve the agriculture project and so on. Through one organization, the farmer can notify the weakness of product offer and can make any suggestion to improve the efficiency of PPK. As one of the companies that involved in agriculture sector, PPK also has been working with FAMA and NAFAS with the activities that involved in agriculture sector. NAFAS play a main role in offering the subsidy paddy that given by government to the farmer.

2.1 ORGANIZATIONAL STRUCTURE

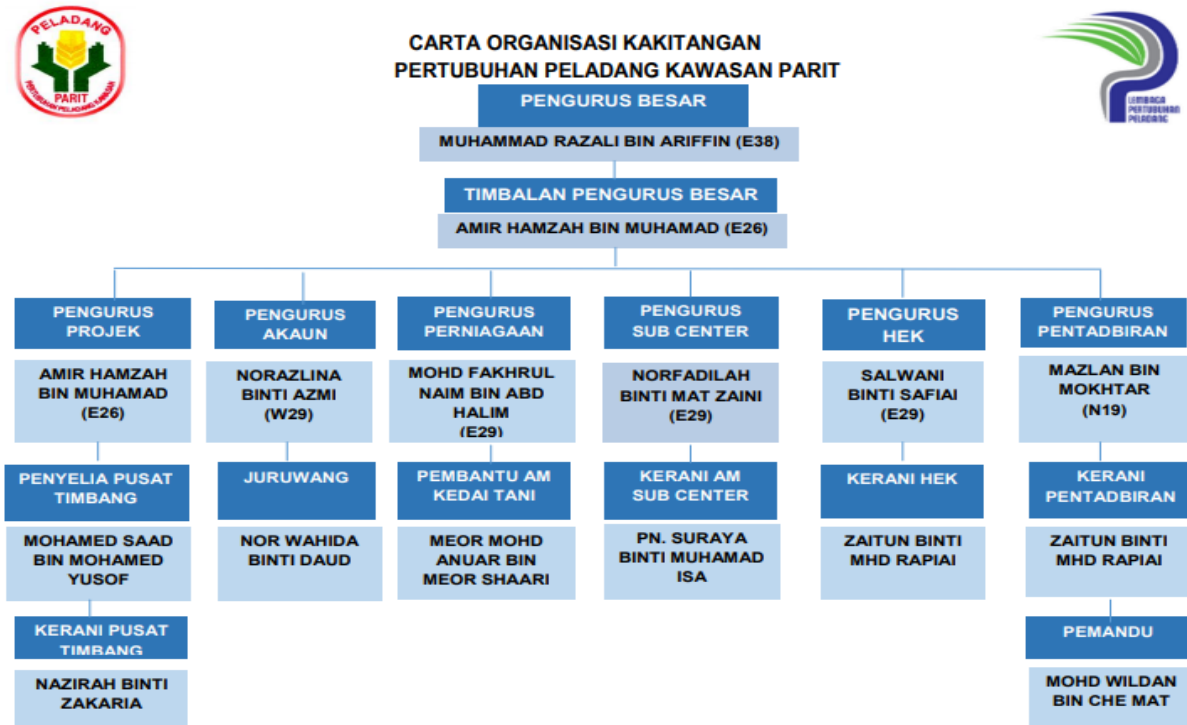


Diagram 2.1.1 Pertubuhan Peladang Kawasan Parit organizational structure



Diagram 2.1.2 Pertubuhan Peladang Kawasan Parit Board of Director

2.2 PRODUCT OR SERVICE

PPK had offer a lot of product and service to help and make sure every farmer gets benefits by joining PPK. Firstly, in human resource and development, the expansion of the use and transfer of technology center in agricultural development requires more skilled and professional labor especially in rural area and among the farmers to develop and improve the agricultural sector. Hence, this can change the mindset especially teenager about agriculture sector. As we can see, most of teenager nowadays prefer to work in other sector than agriculture sector. Most of meeting conduct by PPK was attend by the ageing members rather than teenager. The program offered by PPK can help farmer to know more about how to start the business also been exposed with much knowledge related to agriculture sector. The training depends upon four principal aspects which are knowledge, expertise, skills, attitude, and human development. Moreover, it can help farmer to increase the quality of product using knowledge and skill that been learned from this training and program.

Secondly. Farm mechanization or automation services provided through PPK are meant to encourage farmers to use the farm machineries intensively to increase agricultural outputs, decrease the dependency on manpower and increase the competitiveness of agricultural products. PPK offered some advance machine to help farmer increase their output highly without decreasing the quality of the product. The traditional step may not suit to be used as this step taking a lot of times but only can produce low quantity of product. Besides, advance technology helping a lot in every sector including agriculture as well. The government also had allocated some budget to agriculture sector in providing the facility and infrastructure to improve the production of agriculture sector. In driving and ensuring agricultural projects yield optimum results, PPK will provide and coordinate farm infrastructure service with the departments and agencies under the Agriculture, Argo-based Industry Ministry and the private sectors.

Besides, PPK also provide the farm supply to the farmer. The service of providing farming supplies is implemented by all PPK and the service is more focused on facilitating the farmers than making profits. The farm supply including fertilizers, seed and other items related to farming. PPK offer more affordable price and discount especially to committees' member. Besides, 'kedai tani' had been exist in every district so that the farmer can access the service and product offered. Moreover, it also become a central body for farmers to receive advice in terms of the use of agricultural input in the aspects of economic, application, safety, and health. The farmer can seek advice and any knowledge from the staff on how the machine works and which step can produce the best quality of product.

PPK also provide the capital to the farmer to proceed with their business. Financing is vital as capital is needed to provide infrastructure and working capital of a project. Without sufficient financing infrastructure will be incomplete and the project operational costs will not be to be accommodated. Besides, PPK also helping to ensure the facilitate farmers in securing loan in the shortest time. PPK had provide capital through the budget announced by the government to encourage and assist farmer who need some help.

Lastly, marketing also plays a biggest role as it help to increase sales of the product. This important activity is the complement in determining the success of PPK as the main food producer and supporter of marketing activities conducted by FAMA under the Agriculture and Agriculture based Industry Ministry. The objective mainly focusing in the effective marketing channel to the farmer. Moreover, buyer will notice the product or brand easily through the effective marketing channel. FAMA is one of the channels that can be used by most of farmer to market their product. PPK also had offer their service such as labelling and market the farmer product to shop and stall nearby.

3.0 TRAINING REFLECTION

My industrial training was started from 1 March 2021 until 18 August 2021 about six months period of times. The industrial training usually conducted during last semester for this course. The main reason of industrial training is to prepare student before being a full-time employee. During my industrial training, I was assigned in a lot of tasks from my supervisor. My supervisor did not assign me to any specific department as the company just too small and does not have a lot of employees to complete the tasks. I had been introducing how the management of company works. My supervisor also told me few rules and the process of certain things that related to management. Most of the times I had been involve with the works related to human resource and management.

Sometimes, I do the tasks related finance and other department in the company. The tasks that always been given to me is filing. Filing is important in every company as filing helping company to manage the company more efficiency. During early month of industrial training, I been introduced on how to file and record every letter from or to the company. Recording file and letter need specific rules and instruction to make the management more efficient. After months training in the company, my supervisor had assigned me a new task.

The meeting every unit in Parit district was conducted every year. Before the meeting begin, I need to prepare a few documents and stuff for the meeting purpose. This meeting units had been conducted for few months starting from April till June that involved 32 units in Parit district. The meetings were conducted every evening in weekdays. The meeting purpose is to communicate with PPK committees' members about the problem and suggestion to solve the problems. Besides, this year involve new nominations for committee members in every unit. These meetings make me learn how to communicate with committee, how the meeting works and what things should prepare. Moreover, PPK also been handling some event for committee's members and director for farmer organization. The 'lawatan kerja' by deputy minister of agriculture and food industries give the real view for me on how the event works. The process and procedure for an event is quite similar on what I learn in university and at workplace.

I am also had been introduced the product that offered by PPK. A week of my industrial training I been assigned to work at 'kedai tani'. During that time, I learn few types of fertilizer and their functions. I also learned how to manage stock to make the process of physical auditing in every month become smooths. My supervisor also taught me how to disposal files and document that already been for 10 years above. The process of disposal files is different for human resource department and finance department. Finance department is a bit complicated as they need to

prepare documents and some stuff to national bank before the disposal files process start. National bank will monitor and check first whether the disposal process can be approved or not. Once it approves, they will come to the company and checking the related file before the exact disposal process happen. The finance department is a bit complicated as some of the document might be useful even after a decade. For example, this is what happen in my company as one of the project handles by PPK abandoned for few years and they need to find few documents related such as receipt and so on. This shows how important why the finance department disposal process a bit complicated than another department.

The company I been doing industrial training did not give me any allowance, however they sometimes provide me meals for lunch. The staff there was very friendly and supporting. The company allow us to take the emergency leave or medical leave as its company decision either they allow to take leave or not. During my industrial training, I learned a lot of stuff that can improve and preparing myself before working at my real workplace. I have learned to do multi-tasking as I been assigned for work in all department in that company. There has times where I need to multi-tasking the works come from finance and human resource department.

Sometimes, I do some stuff involve photoshop and editing. I can apply what I been learn during my university studies and it can be an added value for my future workplace. My communication skill also been improved as I need to communicate with a lot of people every day especially when I was assigned to work in 'kedai tani' and as receptionist. Besides, I also have learned how to work as a team. As not only me who been doing the industrial training in that company, I need to work with another intern student to complete the task given from my supervisor. Teamwork is important as working as a team need you to be considerate in every part. Teamwork can avoid me to be selfish and willing to take opinion in my team members.

Lastly, I learned on how the government sector works. It is giving me the real view how the procedure and process of government sector had applied in every sector in Malaysia. My supervisor also has advised me some tips if I want to apply working in government sector which it really can help me in future.

4.0 INDUSTRY ANALYSIS

Agriculture sector is one of the important sectors that contribute a lot especially in foods security and organic stuff. Agriculture sector is important as this sector can decrease the dependence of Malaysia in certain security foods and organic product from other country. Statistic had showed that Malaysia still import product especially rice in 2019, the country had yet to reach self-sufficiency in the main foods, with self-sufficiency in rice at 70% (DINA MURAD, 2020). This becomes serious case, when pandemic happen and some of country had shut off their border to control the disease of covid-19. Food circulation channels of practically all nations over the pay range have been profoundly disturbed, with solid negative ramifications for the most powerless (Kalogiannidis & Melfou, 2020). In fact, Malaysia already affected as they import a lot of organic products from other country such rice from Thailand and beef from India and Australia. Malaysia needs to outsource its food supply from other countries. The imbalance between food imports and exports came mainly from Malaysia's heavy reliance on food import especially for animal feeds, rice, meat and meat products and vegetables.

Malaysia also is world largest palm oil producer and exporter after Indonesia. However, the palm oil price went fall in year 2016 that affecting Malaysia as world largest producer. The existing of substitute oil such as soybean oil threatening the export activities of palm oil producer. Besides, the issue arises such as large scale of plantation purpose that threatening the ecosystems and forced labor making some country banned palm oil to be import to their country. Nevertheless, the global crude palm oil prices have risen sharply in 2020 and 2021 amid a surge in overall agricultural commodity prices and growing demand for biodiesel, for which palm oil is a cheaper feedstock option compared to other soft oils like soybean, canola, and rapeseed. This can give opportunities for plantation company to grow and increase their sales even during pandemic.

The plantation and agriculture sector been contributing the increasing in Malaysia GDP. This sector helps Malaysia to market their own product globally. However, Malaysia still lacking in producing the product especially in agriculture sector. The huge scale of production for agriculture sector can decrease the dependence on Malaysia to other country. This also can give opportunities for local producer and company focusing on this sector to market their product locally.

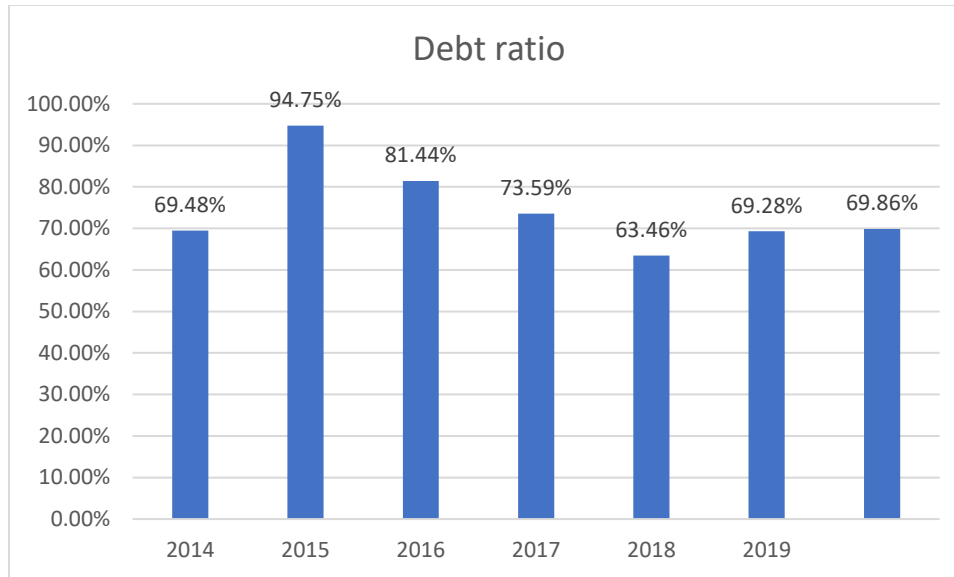
5.0 COMPANY ANALYSIS

Statistic showed that 12% of GDP Malaysia was comes from agriculture sector as PPK also been including as one of the companies that contributing to GDP Malaysia. Besides, agriculture contribute 16% in providing employment in Malaysia as well. Agriculture sector is sub sector for consumer product and services. This is including the companies that raise livestock and operate fisheries. Includes manufacturers of livestock feeds. PPK also doing some activities related to plantation sector that engaged in the cultivation, planting and or replanting of crops mainly focusing on palm oil trees. PPK is one of the channels that can help in improving and giving more profit to agriculture sector.

As we know that bank has inclines in financing of agriculture due to high risk and loan payment. Banks' role is highly crucial in every country's economy as the key provider of credit to business particularly in emerging economies. Changes on the structure of banks affect the competitiveness among the banking institutions which can have an impact on the credit amount to business firms (Abadi et al., 2016). However, agriculture project also had been less visible that offer low investment and had long period of times. The main reason PPK exist is to encourage farmer to be active more in association and give more profit that can contribute to agriculture sector. As PPK had offered a lot of products, loans for project, incentive from government and other benefits such as rice subsidy to help farmer in Malaysia to be more productive.

Financial ratios have been conducted to explain the financial position or performance of PPK. This is important to the PPK to keep track their performance to sustain competitive advantage and remain relevant in the marketplace in agri sector. There are five ratios related to the financial performance, which is debt ratio, growth sales, current ratio, return on asset and net profit margin that has been analyzed from year 2013 to year 2019. Monitoring the financial performance therefore creates more certainty and confidence in making both short-term and long-term decisions. This can turn leads to a healthier business and faster growth rate. It also allows the company to outperform and outmaneuver competitors who fail in this regard. By capturing data and monitoring the performance, company can be consistent and effective for making decisions or something rivals do not possess. Management can then use company financial performance to navigate the business through both good times as well as the more uncertain and volatile periods.

5.1 DEBT RATIO



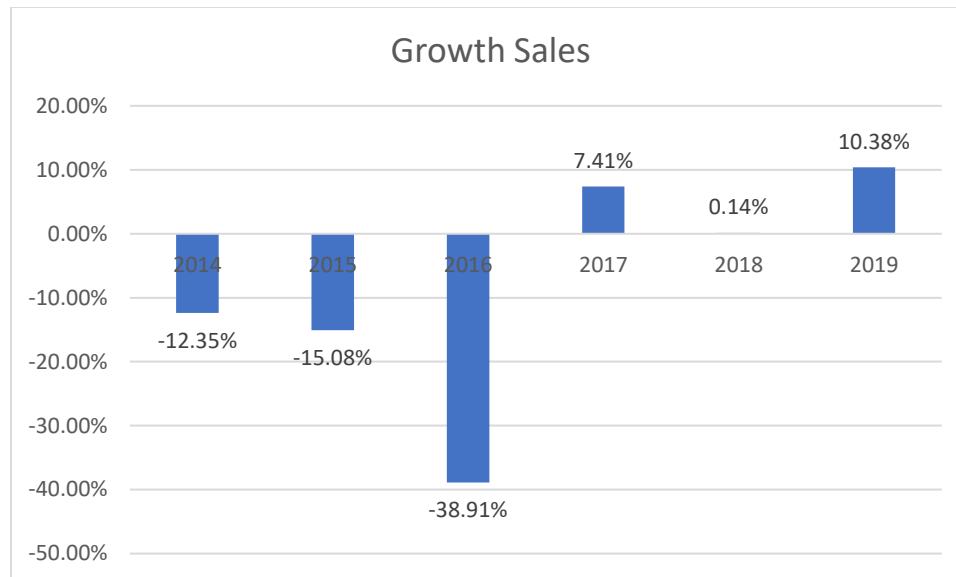
Graph 5.1 shows the debt ratio of Pertubuhan Peladang Kawasan Parit for 7 years (2013-2019).

The graph showed PPK debt ratio from year 2013 till 2019. The debt ratio is a financial ratio that measures the extent of a company's leverage. It can be interpreted as the proportion of a company's assets that are financed by debt. A high ratio also indicates that a company may be putting itself at risk of default on its loans if interest rates were to rise suddenly. Based on the graph, company debt ratio exceeds 50% in every year. This showed the company use debt financing rather than equity financing. A firm can finance the company by debt or equity. Sometimes, company use of fixed- charged funds such as debt to funding the company (Dare & Sola, 2010; Nyamiobo et al, 2018). The higher the debt ratio, the more leveraged a company is, implying greater financial risk. At the same time, leverage is an important tool that companies use to grow, and many businesses find sustainable uses for debt.

During 2014, PPK record the highest debt ratio which is 94%. The main reason is company taking debt from banking sector to help the farmer and need fund for new project conducted by PPK. PPK also had offer loan to the farmer to start the project related to agriculture sector. As we know the project related to agriculture sector used to have longer period. Besides, some of the project failed and making PPK suffer more money and cash out. The failure of any project can give impact of company especially in debt ratio. Its show the company failed to get return from their investment to the project. This should be concern as highest level of debt ratio might give disadvantage to the company and the worst it may lead to bankruptcy as well.

However, PPK manage to decrease their debt ratio and gaining profit from the project investment and sales of product offered. In 2017, PPK record the lowest debt ratio which is 63% compared to other year. This is because the company doing better in sales and manage to pay their existing debt. Gatsi, Gadzo & Akoto (2013) opines that the ability of the company's management to increase their profit by using debt indicates the quality of the management's corporate governance (Kimbonguila et al., 2019). The company started to recover from the failure project and manage to decrease their debt ratio from 94% in 2014 to 69% in 2019. This show on how company already able to pay and their debt. Besides, the company manage to success in certain project and some of the budget had been allocated to the PPK from the government.

5.2 GROWTH SALES



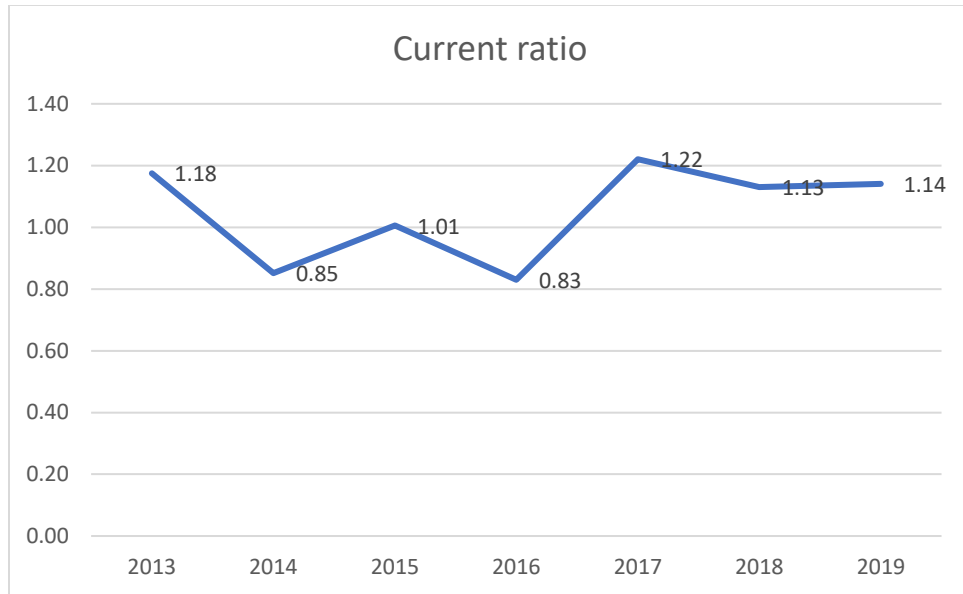
Graph 5.2 shows the growth sales of Pertubuhan Peladang Kawasan Parit for 6 years (2014-2019).

The graph showed growth sales of PPK from year 2014 till year 2019. Sales growth is defined as an increase in the number of sales from year to year or from time to time. The company's growth rate as measured by sales growth affects the value of the company or the company's stock price because the company's growth is a sign of good company development that impacts a positive response from investors (Purwaningsih, 2020). From year 2014 till year 2017, PPK record the negative growth sales for 3 years continuously. Its means PPK have lower growth sales compare to year before. However, they manage to increase their sales and resulting the increasing of growth sales about 7.4% in 2017. Their growth sales went to decrease about 0.14% in year 2018. In year 2019, PPK record the highest growth sales which is 10.38% compared to other years. The main reason is 'kedai tani' already establish loyalty and most and people around that place prefer to buy from PPK shop as the price more affordable compared to other shop. 'kedai tani' also been promote and doing marketing every time meeting units was conducted. It is because some of them did not know the existing of 'kedai tani' and the product that offered from that shop.

PPK also offer benefits and discount especially for those who joining PPK organization as their main purpose also to encourage more productive farmer to involve agriculture activities. However, the growth sales not only focusing in 'kedai tani' but also in RAM which known as oil palm collection center is the place farmer will sell their palm oil to PPK. However, during 2015 till 2016, the amount of growth sales for PPK keep decreasing as they are facing debt and the sales for PPK product quite slow compared to other years. The lowest fall of crude palm oil since July 2016 also been major contributing in company negative growth sales as well.

However, the company manage to get positive sales because of highest demand and sales for the production during 2017 till 2019. For example, the new project was handling by PPK which PRE project that focusing on planting and livestock. The current palm oil project also still manages to increase the sales as they provide palm oil to other company as well. The graph shows that even the pandemic starts to happen, company still survive as they keep producing the product and the demand of the product still there. The higher the level of sales growth, the more the company shows consistency in performing in the market. This also increases its value because the expected coefficient is higher(Dewi & Nataherwin, 2020)

5.3 CURRENT RATIO



Graph 5.3 shows the growth sales of Pertubuhan Peladang Kawasan Parit for 6 years (2013-2019).

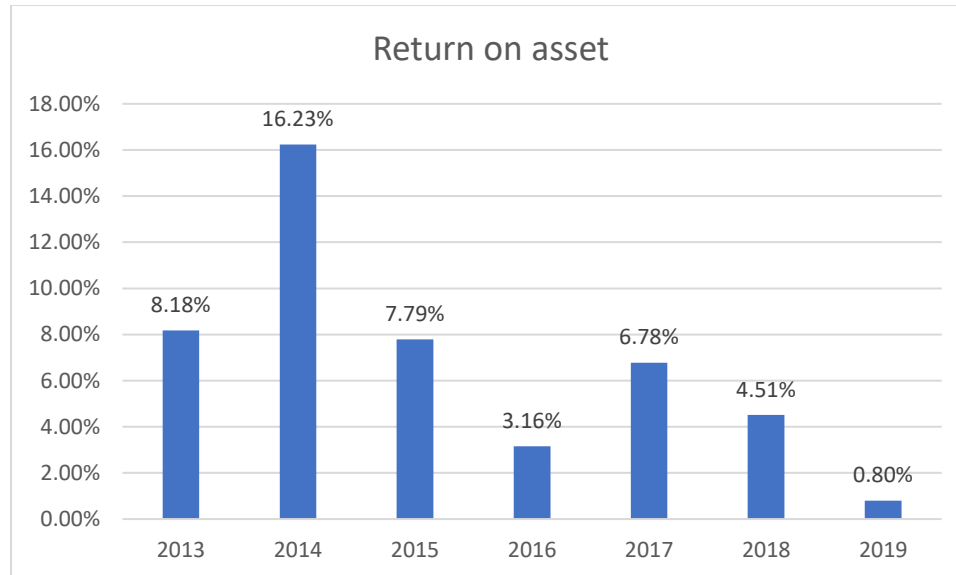
The graph shows the company current ratio from year 2013 till year 2019. According to Brigham and Houston (2016) current ratio is the ratio calculated by dividing current asset by current liabilities. It indicates the extent to which current liabilities are covered by those assets expected to be converted to cash in the near future (Herawati & Irradha Fauzia, 2018). Current ratio used to measure company ability to pay the short-term obligation or those due within one year. Current ratio useful as its help to compare companies with the same industry. Besides, the industry that extends more credit may have a superficially stronger current ratio because its current asset would be higher.

In year 2014 and 2016 the company record the worst current ratio as the ratio below one which is 0.85 times and 0.83 times. This is resulting the company has higher current debt and not able to pay their current obligation. However, the company manage to pay their current obligation other years. The highest current ratio was recorded in 2017 which is 1.22 times. Their current asset in 2017 increase 58% than year before resulting they manage to pay their current liabilities even the current liabilities increase for 7.48% from year 2016. PPK current liabilities most focusing on bills, employees' salary, and monthly payments. There are some bills overdues that PPK barely manage to pay especially monthly internet subscription. As most of the transaction recorded through online database, company need internet to access the system. PPK need to pay the

internet subscription in the main office, sub center and 'kedai tani' and RAM that contribute a lot of company current liabilities.

Besides, the company also need to pay their long-term loan from banking sector to avoid credit risk in future. The decreasing of debt ratio also can result the decreasing in current ratio as well. This because if company does not manage to pay their current or long-term debt, they are basically, not managed to pay their current obligation as well.

5.4 RETURN ON ASSET



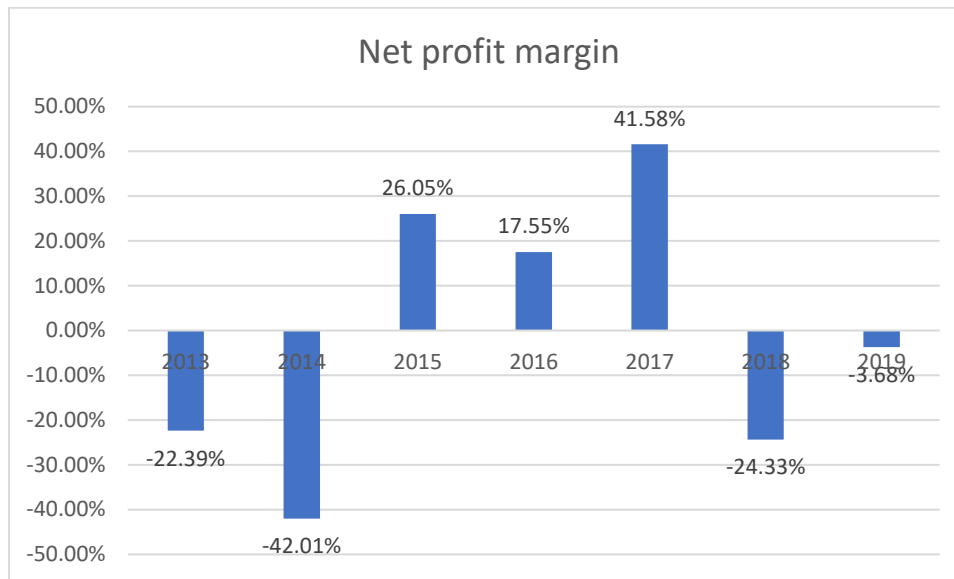
Graph 5.4 shows the growth sales of Pertubuhan Peladang Kawasan Parit for 7 years (2013-2019).

The graph show return of asset of PPK in year 2013 until year 2019. Huang and Song (2006) find that size and leverage are positively related, while return on assets (ROA) as a proxy for profitability is strongly negatively related to leverage. From the graph above we can see the highest return on asset was recorded in year 2014 which is 16.23%. Return on asset is important as its measure of how much profit a business is generating from their capital itself. The profitability ratio demonstrates the percentage growth rate in profits that are generated by the assets owned by a company. Besides, return on asset also measure on how effective the company is in converting the money they invest into net income. The higher the return on asset, the better, because the company is earning more money on less investment.

In year 2014, we can see the 16.23% of PPK profit comes from their capital. Any 5% of return on asset or better is typically considered a good ratio meanwhile 20% or better is considered as great. The higher return on asset is resulting the more efficient of company in generating the profit. Meanwhile, in year 2019 recorded the lowest return of asset which 0.8% as the net income still in negative but increase for about 83% meanwhile total asset drop for about 7.64%. This shows the company not able to make maximum use of its assets for getting more profit.

This also showed the company is not efficient in managing their asset to make the profit from the capital. Besides, other year recorded return on asset above 5% excluding in year 2016 and year 2018. The more profitable the firms are, the more internal financing they are going to have. These findings were also supported by the research results of Harris, and Raviv (1991), Booth, Aivazian, Demircuc-Kunt, and Maksimovic (2001), and Kajanathan (2012). On the other hand, Dilek, Ozlem, and Ayca (2009) found that there is a positive relationship between profitability and debt ratios. They explained that firms with higher profitability can easily attract more debts from banks as well as from the financial market (C. D. T. Nguyen et al, 2020).

5.5 NET PROFIT MARGIN



Graph 5.5 shows the growth sales of Pertubuhan Peladang Kawasan Parit for 7 years (2013-2019).

The graph shows net profit margin of PPK from year 2013 till year 2019. Net Profit Margin is a financial ratio used to calculate the percentage of profit a company produces from its total revenue. Profitability is one of the vital elements for performance evaluation, showing the proportion of profit in comparison with asset investment, equity, or sales (T. N. L. Nguyen & Nguyen, 2020). In year 2013 and 2014 show the PPK profitability went to negative as resulting the company facing loss for two in row. However, the company manage to gain 26.05% profit in year 2015. The company has been doing well and getting profit from rubber and paddy project. Besides, the company also manage to reduce their debt from 94.75% to 81.44%. This is because the profit from current project also contributes to decrease the company debt and PPK manage to pay their debt from banking sector as well.

The highest net profit margin was recorded in year 2017 which is the company gain 41.58% of net profit margin. The major contribution on company profitability in year 2017 is 'kedai tani' as their sales increase by 7.8% compared to year before which -39% as showing the company sales decrease from year 2015. Moreover, the company palm oil project giving the profit to the company even during year 2016 the price of palm oil has been fallen. The company also been reducing debt which resulting the lowest debt recorded in year 2017. Pouraghajan and Emamgholipourarchi (2012) found the negative impact of debt ratio to firm's profitability of and a significant positive relationship between asset turnover, firm size, asset tangibility (AT) ratio and growth opportunities with performance measures(Das et al, 2021).

PPK also gain a lot of profit from the past and current project that handle by PPK as they offered loan and help such as machine and so on for every project conducted. The project focusing on palm oil, livestock, paddy, and vegetables. The main project that gives a lot of profit for PPK are paddy and palm oil. 'Kedai tani' has been controlled by PPK and contribute the major percentage in PPK's sales every year. This is an avenue for the farmers to buy their fertilizer, pesticides, seed, and facilities for farming purposes.

The company facing losses which the net profit margin recorded -24.33% and -3.68% in year 2018 and 2019. However, PPK manage to increase their net profit margin in year 2019 even the net profit margin still in negative. As in year 2018, the profit from palm oil project has been decrease for about 14% resulting the company profit went to negative in 2018. However, in year 2019 the company manage to gain profit from company sales especially in 'kedai tani'. The sales increase 10.37% which contributing the increasing in company profitability as well.

5.6 DISCUSSION

From the ratio analysis above, we can see that the company still gain profit even they experience highest debt ratio in 2014. The profit and government support really play the main roles avoiding PPK for bankruptcy. Besides, the ratio has either positive or negative relationship that resulting the result might increase together or else. From the graph above, we also can identify the company weakness and problem that occur based on their financial ratio.

Firstly, higher debt ratio occurs because of loan and bad debt as farmer that get loans from PPK failed in certain project and not manage to pay back their loans. The higher debt ratio is due to increasing of loan for the farmer. As the one of organization that helping farmer to increase the production on agriculture sector, PPK used to give loan for the farmer. The loan used to help farmer buying some stuff related to farming activities and production. Moreover, some farmers fail in some project and resulting the bad debt for PPK. However, the higher debt does not give the real view of bankruptcy. Some company used to have loan debt especially a company that using debt as financing. Higher loan also can generate and increase the company sale and profit. Besides, PPK also had using debt financing to fund their project that also contributing to company highest debt ratio.

Secondly, the lower sales occur because of lower demand from farmer that involving in the agriculture sector and most of farmer involve in agriculture sector are ageing farmer. Most of the farmer that involve in agriculture sector are come from ageing farmer and mostly they are joining PPK as committee's member just to create another side income and to fill their leisure time with healthy activities. Some of the farmer only use to involve in agriculture sector with minimum production of product and probably they are not planning to sell and fulfill the demand of the customer. This resulting the lower sales in 'kedai tani' and production of plants and livestock. However, in year 2019 we can see the company sales increase better than another year.

Besides, Company's returns on asset also decrease because of PPK not manage to gain profit from their capital. This is due to limited land resource to do the agriculture activities. As we know most of agriculture activities involve the usage of land to produce the final product. PPK had limited land resource and most of the land they had are from committee's member who joining this farmer organization. Some of the lands owned by PPK are rented from other people. This cause a limited production can be produce by PPK. PPK also need to bear another cost such rented cost that reduce the company profit and return on asset as well. Besides, the land that owned by committee's member had owned quotation in distributing the profit.

Furthermore, the industry and natural resource for agriculture activities is still lacking. Agriculture sector not only need land but also the machinery that involve producing the final product is a lot and quite expensive. This probably the main reason why few people not interest involving in agriculture activities. Hence, the low of productivity in agriculture activities make government imported some planting to secure food for Malaysian. Food security is important as give energy for human to survive. The government and agriculture sector still not afford to fulfill the demand for food security in Malaysia. Especially during this pandemic covid, some import and export activities cannot be proceeded as some country shut off their border.

Agriculture sector also not comparable to other sector which has low productivity among other sectors. Compared to other sector, agriculture activities mostly take long time to produce and need huge scale to proceed with the agriculture activities. The agriculture activities need a lot of care and took more times before producing the final product. Farmer sometimes had facing unexpected event such as disaster, pests and virus that can kill their plant and livestock. This also can cause the low return and profit for the company. The increase of unexpected situation and event for plant and livestock can cause the increasing in debt and liabilities. This because the company failed to manage the project and need to bear another unexpected cost that need to solve the current situation.

6.0 RECOMMENDATION

In order to maintain their profit and management, PPK need to improve their management in financial and others. Firstly, PPK need to increase the program related to agriculture sector to make farmer involve in agriculture activities. The increasing an awareness among people especially teenagers can attract their interest in agriculture activities. The involving of more farmer among teenagers gives more benefits compared to ageing farmer. The new generation need to know and involve in agriculture activities as these activities need more strength and energy. Government can make new program that mainly focusing on the teenagers such a seminar. Some of teenagers might not know about what the things that government providing for the agriculture sector. PPK also has their own benefits for the committee's member as they not providing stuff related to agriculture sector, they also give back the value for society as the existing of financial fund that can give bonus and extra benefits for committee's member such as for emergency, education and so on. The involving of teenagers can give more opportunities for them to involve in huge scale of production in agriculture project that can give more profit and return to the company.

Secondly, PPK need to monitor every project conducted to become successful and decrease the debt financing. The increasing of project handle by PPK might making them cannot monitor those projects properly. So firstly, the communication plan should be developed and made available to stakeholders involved. All stakeholders should be encouraged to adhere to the plan. They should be involved during the planning of projects to enhance project sustainability. This is important to PPK to make sure that all stakeholders have clear view on how the project works. Project construction should only begin when there is a guarantee that all plans, budgets, and schedules are in place and are realistic. The proper schedules and planning can contribute to company project successful. PPK also need to make sure that the project been carry out according to the original plan that has been made. PPK also can make strict policy especially to the farmer that getting loans from PPK to pay on time to avoid company debt increase. The strict requirement and policy can avoid PPK for getting loss and bear more cost in future.

Furthermore, PPK need to increase their committee's member especially those who owned land to increase the productivity. Instead of renting, PPK can generate profit from the committee's member itself. PPK can provide service and infrastructure needed by the committee's member. Moreover, when PPK owning their own land, they can increase more return on asset and productivity while reducing few costs involved. PPK also can generate opportunity for unemployed people to get job as they need people to work and monitor the productivity of plants and livestock.

The limited land not only the problem that can decreasing company productivity. Higher temperature, water scarcity, extreme weather events, soil degradation pests and diseases are challenging crop production worldwide. The crop modeling is another alternative can be made by government to increase the productivity of agricultures (Midingoyi et al., 2021). The data collected by experiment implementing fields trial and farmers survey can give the recommendation for people that involving in agriculture sector to increase the productivity. This can be another alternative by government to support and increase the output in agriculture sector.

Besides, to increase productivity and profit of agriculture activities, PPK can use an advance machine. The increasing of advance technology in every sector can lead in increasing the productivity of the company. Agriculture sector has been provided new machine and stuff that can increase the production of the company. Government also can allocate some budget to agriculture sector to buy the expensive machine. The advance technology not only increase the productivity but manage to decrease the time taken while producing the product. The increasing of the productivity also can make government secure the important plants of food security in Malaysia. As pandemic happened, it is impossible to keep depend on production of other country and import activity. There is more possibility that we cannot proceed with the import export activity as some country had shut down their border as well.

Lastly, PPK can do some money investment to gain more income and fund for company. PPK can doing the investment that is preferable and follow Syariah rules. As PPK only using their committee's member share to invest in physical investment such as palm oil, company can invest their money to other sector or company that they can gain more profit in future. For example, company like top glove gaining more sales and profit starting the pandemic happened. As the medical industry need product that offer by top glove company. The increase of sales in top glove company can give the profit in investment of other company. So, another option that PPK can choose is doing investment as it also can reducing debt of company. As the company shows the highest debt ratio for every year, they can do investment as another option to gain more income. However, PPK need to be aware and prepare themselves before doing investment as some of investment may cause high risk and high return. The preparation before doing investment may lead PPK to avoid any loss in future.

7.0 CONCLUSION

Based on the ratio analysis that applied to PPK, the company financial performance still good as they still manage to decrease their debt and increase the profitability during year 2017. As the company been involve with a lot of activities and need more money to funding their project and giving loans to their committees' members. However, the highest debt also can give disadvantage to the company if they do not manage to pay their debt on times. Besides, the company activities also been monitor by Lembaga Pertubuhan Peladang and shareholders before making any decisions. This also can help PPK to be more efficiency in handling the project and doing any transaction for the company itself. The data collected only showing company financial performance till year 2019, which before early stage of pandemic covid happen. We cannot sure either the company had been affected during pandemic covid or not. This been concern as the company profitability has been increase a bit same goes to company growth sales. The strictly movement control order by government might be affected the company sales as well. Lastly, in my opinion, company still can gain profit during pandemic due to the price increase in palm oil that can contribute in company profit.

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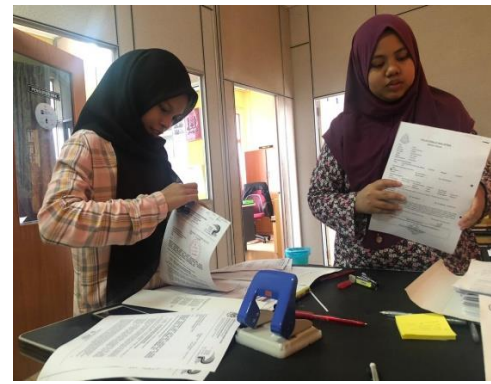
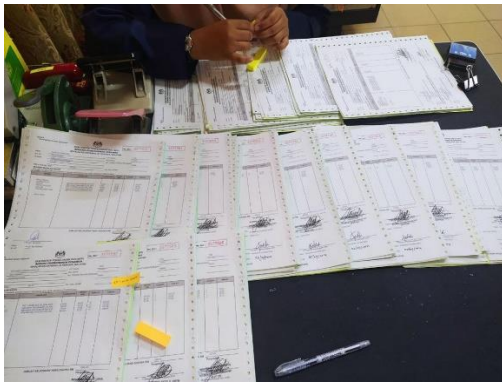
9.0 APPENDICES

9.1 RATIO FORMULA

years	Debt ratio= total debts/ total assets x 100	Current ratio= current assets/ current liabilities	Return on asset= net income/ total assets x 100
2013	69.48%	1.1751	8.18%
2014	94.75%	0.8517	16.23%
2015	81.44%	1.0059	7.79%
2016	73.59%	0.82997	3.16%
2017	63.46%	1.2205	6.78%
2018	69.28%	1.1305	4.51%
2019	69.86%	1.1408	0.8%

growth sales= $S_2 - S_1 / S_1 \times 100$	Net profit margin= net income/ revenue x 100
	-22.39%
-12.35%	-42.01%
-15.08%	26.05%
-38.91%	17.55%
7.41%	41.58%
0.14%	-24.33%
10.38%	-3.68%

9.2 INTERNSHIP ACTIVITIES





9.3 CONTRIBUTION



BULETIN No. 3 2020 (OKTOBER – DISEMBER) UNTUK AHLIUSAHA

BULETIN

PELADANG

“MAKANAN KITA MASA DEPAN KITA”

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<p>STAND BENDAS</p> <p>YB, Dato' Sri Mohd Nizar B. Zakaria OPM, M.P. (Pengerusi AJPP PPK Cagay)</p> <p>PEMUDA BIKAR En. Muhammad Rezali bin Adnan (Pengerusi Besar PPK Cagay)</p> <p>KETUA PENGARANG Cik. Nur Sabriyah, Bt. Zahari</p> <p>EDANG PENGARANG En. Amir Hamzah Bin Muhamad En. Fakhru Nizam b. Abd Halim En. Nooridzhan, Bt. Mat Zainol En. Noorizah, Bt. Azmi Cik. Naimah, Bt. Rafal En. Moqad Maslan b. Mokhtar En. Buraya Bt. Mohamed Ica En. Mazir Mohd Asuar b. Mazir Mohd En. Mohamed Saad b. Mohamed Yusof En. Nur Wanisa Bt. Deus En. Widad Bin Che Mat Cik. Zaitun Mohd Razali En. Nazrin, Bt. Zakaria</p>	<p style="text-align: center;">Bicara Pengurus Besar</p> <p>Menantu di dalam:</p> <table border="0" style="width: 100%;"> <tr><td>LAWATAN TURAN</td><td style="text-align: right;">2</td></tr> <tr><td>PENGARANG LPP</td><td style="text-align: right;">2</td></tr> <tr><td>MEYUNARAT</td><td style="text-align: right;">3</td></tr> <tr><td>AGUNG PPM</td><td style="text-align: right;">3</td></tr> <tr><td>MENYUNARAT</td><td style="text-align: right;">3</td></tr> <tr><td>PENGKURUSAN GM</td><td style="text-align: right;">3</td></tr> <tr><td>PROGRAM</td><td style="text-align: right;">4</td></tr> <tr><td>CIKUNG-RICHONG</td><td style="text-align: right;">4</td></tr> <tr><td>INFO TARIKHAN</td><td style="text-align: right;">5,7</td></tr> </table> <p><small>Selain satu aspek teras di dalam teras, organisasi adalah dengan dan keserasuan yang dibina oleh semua dalam satu keserasuan. Harapan saya sebagai pengurus besar, semoga semua anggota PPK Cagay semakin berkesinambungan dan berprestasi dengan semua organisasi, dan semoga semua ahli, tokoh demi organisasi PPK Cagay di masa akan datang.</small></p>	LAWATAN TURAN	2	PENGARANG LPP	2	MEYUNARAT	3	AGUNG PPM	3	MENYUNARAT	3	PENGKURUSAN GM	3	PROGRAM	4	CIKUNG-RICHONG	4	INFO TARIKHAN	5,7
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