



RELATIONSHIP OF FERTILIZERS SUBSIDY CONSUMPTION,
PESTICIDES CONSUMPTION, AREA PADDY CULTIVATION TOWARDS
PADDY OUTPUT PRODUCTION.

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As a partial fulfillment of the requirement
For Bachelor of Business Administration (Hons) Business Economic

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Your sincerely,

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Abstract

INTRODUCTION

This study shows the input and output of paddy production. Further this study, OLS was employed in order to investigate the relationship between fertilizers subsidy consumption, pesticides consumption, area paddy cultivation towards paddy output production. Besides that the Cointegration and Granger causality needed to identify the long run relationship between the variables. The results show that the fertilizers subsidy consumption and pesticides consumption have negative relationship and only area of paddy cultivation has a positive relationship. The Cointegration test shows that there has co-movement in long run relationship between all variables because it is at one percent level. While the Granger causality shows that only unidirectional relationship which is between dependent and independent variables. However this result shows that the another cost of production still increase and this a little bit will influences the paddy output production in future.

Inclusive it will help farmer to produce paddy in order to fill all Malaysia people basic need.

In theory by giving subsidy it will increase farmer incentive to produce paddy, and this will increase paddy output, but until now day, the economic problem like inflation will happen and researcher believe that this problem will affect increase

paddy output had farmer incentive. Because based on the current situation it is a kind of complaining even though government already give a subsidy to farmer.