The Implementation of Food Production Permanent Park and Farmers’ Income
Noraniza Yusoff
School of Government,
UUM College of Law, Government and International Studies (UUM COLGIS),
Universiti Utara Malaysia,
06010 UUM Sintok, Kedah Darul Aman, MALAYSIA.

Abstract: The food production permanent park is an agricultural project that involves the gazette of state land for large-scale production by the private sector. Why do several farmers report low income than other farmers? The research proposes that characteristic of food production permanent park program increase the likelihood of the farmers to reach income target at more than RM3000.00. The characteristics of food production Permanent Park affect the ability of the farmers’ income. The purpose of the study is to determine the relationship between food production permanent park characteristic and farmers’ income. The method of the study was using quantitative approach to collect data via survey questionnaire. Data analysis involved frequency, percentage, correlation and linear regression analysis. The result show that food production permanent park characteristic associated with the likelihood of farmers to reach income target at more than RM3000.00.

Keywords: characteristic; contract farming; farmer; income; target; relationship; park

I. Introduction

Kirsten and Sartorius (2002) indicate that efforts to grow the agricultural sector in growing states are nowadays to happen opposing the experience of main structural alteration in the worldwide agricultural industry. The demand to command for severe perishableness and protected management encompass specific yield, wadding approaches and refrigerated carriage, every of which need vast assets investing and also investing in research, growth and marketing, which small and medium-sizing business cannot simply afford. Nevertheless, it is frequently simply the well-finance and trained those possess the capability to be portion of these well-organized business chains and partnerships. There is, consequently, a risk that the demands, standard criteria and food security regulations of the users and corporate body (superstores) in the growing states can perform as efficient obstacles to engagement in the great-value chains by limited exporters and, to several degree, and limited growers. Simply a limited amount of growers in growing states possess the capability and richness to be portion of these profitable businesses and for them the return is considerable.

Contract farming is consider as an approach to increase small-farm income by providing technology and commerce knowledge to growers, integrating them into profitable current businesses (Ruchira et al. 2011). Contract farming is involved in an essential function in encouraging the development of industry on an extensive scale of agronomy and raising the income of growers in China. Nevertheless, the threat of contract farming performance execute from the contract farming arrangement to their deficiencies, that the order form, content and signing steps are not conform the standard and contract farming background is deficient (Zhou and Wang, 2011). Zhang (2012) show that creative writing via present researches are restricted to writing document on the institutions and exercises of contract farming, assessing its effect on growers’ income, or examining the technical features of contract systems and execution in China. Contract farming is recognized to have the ability to replace for the country in the awake of neo-liberal regenerates in the agricultural sector. Contract farming accompaniments present models which is encouraged unrestricted trade, non-public sector development and smallholder efficacy (Adewumi, Afolayan and Masika, 2010). Other features on farming agriculture had considered by Lobao and Stofferahn (2007) which show that even though several empirical researches on the society influences of industrialized cultivation exist, not much published work assesses the body of study as a whole, and no research portray results to date related to disadvantageous effects. This restricts advancement of a aggregate knowledge basis and social scientists’ capability to overcome an importance public problem.

The small and very small grower is not capable to venture in recent technology and therefore raise his production. Low venture capacity causes to low yield, which due to shortage of adequate business access, produces small income, which moreover causes to small investment. Therefore, it restricted in a severe circle of indebtedness. Cooperative farming can assist reach economies of degree, however the business access issue is not resolved via cooperative farming entirely, nevertheless negotiation power raise via this paradigm. Contract farming deal with
the issue of business access however in numerous cases, the agreement are moreover one point of view. Even though the administration considers appropriate attention in managing the terms of agreements, in order not to produce extremely misrepresent, greater effectiveness and therefore considerable wellbeing can be accomplished. Confused unfold of cultivation sector to incorporated corporation can influence the social and economic stability of the state very unfavourably. Corporate farming can be very appropriate for employing the useless and not utilized arable lands of India. Established methods have to be considered by the authority for performing near the entire corporate farming paradigm that delivers in technology efficacy and sustainability (Swain et al. 2012). A vast majority of empirical researches propose that contract farming systems increase the income of growers engaging in the programs. The evidence is not so much explicit on the amount to which customers are favourable to agreement with small-scale growers – the response rely on the goods, the market and the plan situation (Minot, 2011).

**Figure 1 Conceptual framework diagram of association between characteristic of food production permanent park program and income target at more than RM3000.00**

![Conceptual Framework Diagram](image)

Characteristic of Food Production Permanent Park Program is the project must appropriate in terms of land and sites, Ministry of Agriculture and Agro-based Industry coordinate MoA. Inc services, commercial area for vegetable crops is 30 hectares, commercial area for fruit crops is 50 hectares, target income of participants is more than RM3000.00 a month, priority will be given to participants who experienced, participants must provide a complete business plan including soil and climate suitability and take into account the Build Operate and Transfer (BOT) and Cluster, land fully utilized, applying the latest technologies and good agricultural practices including certification Skim Amulan Ladang Baik Malaysia (SALM), higher and continuous yield as well as quality, having a marketing plan and generate higher net income to growers (Jabatan Pertanian Daerah Manjung, 2014; GoldenAgro, 2015). This study focuses on the project must fit in terms of soil and sites, Ministry of Agriculture and Agro-based Industry coordinate Ministry of Agriculture Incorporated or MoA. Inc services, commercial area for vegetable crops in an area of 30 hectares, commercial area for fruit is 50 hectares, adopting the latest technology practice, continuous and quality cultivation as well as production (Good Agriculture Practices/GAP or SALM), income target of participants is more than RM3000.00 a month, priority will be given to participants who are experienced and participants must provide a complete business plan including soil and climate suitability and take into account BOT and Cluster. One of the food production permanent park project establishment goals is the program aiming for a net income of participants to at least RM3000.00 per month (Department of Agriculture, 2015). This study focuses on the potential of farmers to achieve the income target at more than RM3000.00. Research objective was examined the relationship between characteristic of food production permanent park program and income target at more than RM3000.00. The Null hypothesis is there is no relationship between characteristic of food production permanent park program and income target at more than RM3000.00. Research question is why do several farmers report low income than other farmers? The research proposes that characteristic of food production permanent park program increase the likelihood of the farmers to reach income target at more than RM3000.00. This study used a quantitative approach to collect data and analyze the data to obtain the findings as set out in the objectives. This study also intends to advance knowledge on how the characteristic of food production permanent park program affect the potential of farmers to reach income target at more than RM3000.00. The main problem faced by participants of food production permanent park program were inadequate provision, difficulties in obtaining employment and rising input prices. Other issues and problems faced by respondents were disease and pests, lack of machinery, no marketing network, the lack of capital, lack of knowledge in the field of trade, no electricity, running water and roads, land problem, the quantity of water not suitable for crops, farm sizes are small, poor quality seeds, bureaucracy in the program and crop theft (Jabatan Pertanian, 2012).

**II. Methodology Type Style and Fonts**

The sample of the study consisted of participants of food production permanent park program. The sample involved participants who agreed to become subjects of the study. Data collected through a quantitative approach by survey using questionnaire. Quantitative approach is usually thought to be the much scientific approach to perform social science studies. The attention is on employing particular interpretations and cautiously to put into operation specific conceptualization and indicators mean. This method experience far-reaching strengthen regard in the field be situated in the prediction benefits it approach of investigation possesses. Certainly, the capability to
perform accurate anticipation is one of the much important features of quantitative approach. This methodology also presume the investigators can and does interpret every single indicators in precise and relevant methods, outside of the background of the culture and background of the conducts, individuals and groups being investigated. The quantitative investigators operate from the presumption that the investigators understand most what a conceptualization methods and can identify methods to evaluate such conceptualization (Tewksbury, 2009). Benefits of the telephone surveys are allow a two-way communication among investigators and subjects of the research. The study also generates data based on real-world investigations (Kelley et al. 2003). Independent variable is characteristic of food production permanent park and dependent variable is income target at more than RM3000.00. Data analysis involved descriptive analysis such as frequency and percentage as well as inferential analysis such as correlation and linear regression analysis. Linear regression has a number of advantages that is clarity, able to clarify, scientific approval and widespread availability (Chambers and Dinsmore, 2014).

III. Result And Discussion

Table I shows that the largest number of respondents have high school certificate (30.2 percent) compared with other certificates. Many respondents finish schooling at primary school which is 20.8 percent of respondents. Only a few respondents have a degree certificate such as Bachelor (11.3 percent), Master (3.8 percent) and Ph.D (1.9 percent). Differ to Zhu (2007) which indicate that the study have anticipated a positive association among a grower’s education status and engagement in contract farming, however the regression findings show that a grower’s education status and thinking toward hazard have no important influence on selection likelihoods. The cause might be that there is merely a small dissimilarity in the growers’ education status, with nearly all at a very low status.

![Table I Shows the education level of respondents](image)

Table II shows that majority respondents have income is less than or equal to RM4000 (52.8 percent). Approximately 32.1 percent of respondents have income RM4001.00-RM8000.00. Only a small number of respondents have income more than RM8001.00. Differ to Zhu (2007) which show that so the growers are quite varied regarding to yield and income features. To generate income per labor much comparable between dissimilar growers, one preference is to concern on food and vegetable yield merely, the sectors that control the agriculture industry in China. Growers subject to agreement intervention have income usually 2,000 Chinese Yuan (one dollar is nearly 8.2 Yuan) greater than those who make a decision not to make agreement in the three samples, and this clear mean variations appear to be absolutely essential and statistically significant.

![Table II Shows the monthly income of respondent](image)

Table III shows that there is a correlation between the characteristic of food production permanent park and income target at more than RM3000.00 of achieving a statistically significant correlation level $p < 0.05$. Therefore, null hypothesis is rejected and there is a positive correlation between the characteristic of food production permanent park and income target at more than RM3000.00. Similar to Zhu (2007) which indicate that to assess the influence of contracting on farm income we essentially rule for dissimilarity among growers who select to contract and growers that do not contract the production. Apart from for the scale of yield, contract growers may be much hazard reluctant, extremely from the aim business and much restricted in advanced areas. Nevertheless, a number of aspects, for example individual contracts, entrust of the authority and knowledge related to business, are associated with both contracting and income, but are not inside the extent of our survey investigation.
Table III Shows correlation between characteristic of food production permanent park program and income target at more than RM3000.00

<table>
<thead>
<tr>
<th>Characteristic of Food Production Permanent Park Program</th>
<th>Characteristic of Food Production Permanent Park Program</th>
<th>Income Target at More Than RM3000.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson correlation</td>
<td>0.331</td>
<td>0.015</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.015</td>
<td>0.015</td>
</tr>
<tr>
<td>N</td>
<td>53</td>
<td>53</td>
</tr>
</tbody>
</table>

Fig. 1 indicates Scatter diagram which showing that the positive relationship between characteristic of food production permanent park program and income target at more than RM3000.00. R value is 0.331 and the p value is 0.015. Fig. 2 roughly calculated linear regression line of characteristic of food production permanent park program and income target at more than RM3000.00. Income target at more than RM3000.00 = -0.491 + 1.000 characteristic of food production permanent park program. The equation shows that the coefficient for characteristic of food production permanent park program is 1.000. The coefficient indicates that for every additional aspect in characteristic of food production permanent park program enable to expect income target at more than RM3000.00 by an average 1.000 (Frost, 2013). Intercept (2.40), a = -0.491; slope b = 1.000 (p = 0.015) indicating that the mean income target at more than RM3000.00 increases on average by 1.000 as the mean characteristic of food production permanent park program increases by one (Petrie et al. 2002). Differ to Feiziasl et al. (2010) which show the scatter diagram of rainfed wheat grain production opposed to crop properties balance index (CPBI) which the association showed that by increasing CPBI, grain production decreases quickly and conversely. In order to produce suggestions related to variations, we can select the anticipated grain production of rain-fed wheat utilizing data set acquirable for the area and estimate maximal CPBI for encouraging variations utilizing the edge line equation.

Figure 2 Scatter diagram of the relationship between characteristic of food production permanent park program and income target at more than RM3000.00

![Figure 2](image1)

$y = -0.491 + 1.000$
$r = 0.331, p = 0.015$

Figure 3 Estimated linear regression line of characteristic of food production permanent park program and income target at more than RM3000.00

![Figure 3](image2)
Table IV shows the nature of the correlation between characteristic of food production permanent park program and income target at more than RM3000.00. R-squared values is $r^2 = 0.110$ indicated 11 percent of the variance in income target at more than RM3000.00 set through characteristic of food production permanent park program. The $\beta$ value of constant unstandardized coefficients is -0.491 (a) and $\beta$ value of characteristic of food production permanent park program unstandardized coefficients is 1.000. The regression equation is $y = -0.491 + 1.000$, the characteristic of food production permanent park program significant value is achieved statistics $p < 0.05$. Therefore, the null hypothesis is rejected. The significant relationship between characteristic of food production permanent park program and income target at more than RM3000.00 are reliable and can be used to make predictions. Similar to Zhu (2007) which show that the linear regression recommend that the considerable positive impacts of cultivation size, business distance and central area on the enhancement of household’s per labor income.

<table>
<thead>
<tr>
<th>Predictor</th>
<th>$r$</th>
<th>$r^2$</th>
<th>Adjust-ed $r^2$</th>
<th>Standard error of the estimate</th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficients</th>
<th>$t$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1</td>
<td>0.331</td>
<td>0.110</td>
<td>0.092</td>
<td>1.262</td>
<td>-0.491(a)</td>
<td>1.606</td>
<td>0.331</td>
<td>-0.305</td>
</tr>
<tr>
<td>Constant</td>
<td>0.110</td>
<td></td>
<td></td>
<td></td>
<td>1.000 (b)</td>
<td>0.399</td>
<td></td>
<td>2.505</td>
</tr>
<tr>
<td>Characteristic of food production permanent park program</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**IV. Conclusion**

The result confirms that characteristic of food production permanent park affect the potential of the farmer to reach income target at more than RM3000.00 reporting in the surveys. This result enables the study to make predictions of relationship between characteristic of food production permanent park program and income target at more than RM3000.00. Future research may focus on methods for improving the effectiveness of contract farming in helping raise agricultural output. Transmission of technology principally enhances farming techniques. The issues that were filled most intensively on determinant for example effective usage of farm sources and skill transmission such as record keeping. Effective usage of farm sources has the greatest determinant delivery accompanied by skill transmission (Arumugam et al. 2010). Effectiveness of source usage can be interpreted as the capability to obtain maximal yield per unit of source is the formula to efficiently dealing with the questions of accomplishing food safety. Increasing production in agriculture will absolutely cause to obtainable of food and decrease the actual value of food (Shabu, 2013). The idea of effectiveness is associated with the comparative operation of the action employed in changing specified inputs into outputs. Economic theory recognizes at least three main characters of effectiveness and these involve technical, allocative and economic effectiveness (Nandi et al. 2011). While Majumder et al. (2009) propose other technique for effective usage of farm sources utilizing four determinants in computation namely labor, seedling, fertilizer and insecticide. Whereas, record keeping is an accounts as retention institutions and there are much archive arrangements that rank from easy, hand accountancy arrangement utilizing pencil and paper to complicated double-entry computer-accountancy arrangement which demand computer execution (McKemmish et al. 2005; Hartsfield, 2012). According to Arzeno (2004) there are four fundamental stages for record keeping comprise of archive receipts and expenditures, recording and utilizing inventories, recording yields and farm animals data and evaluation the farm industry.

**References**


Acknowledgments

The research is funded by Research Acculturation Grant Scheme (RAGS). ISO No. 12739.