Development of Young Agropreneur in Malaysia

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Abstract

The Young Agropreneur Programme is designed specifically for young people under the age of 40. The approach of this program is to facilitate and encourage the involvement of the target group in agriculture-based entrepreneurship (Agropreneur) including all activities within the agricultural value chain, which encompasses the sectors on crops, livestock, fisheries, marketing, technology and innovation, as well as special projects on agro-tourism and agro-based industry.

The Ministry of Agriculture and Agro-based Industry (MOA) target’s to produce at least 1,000 young entrepreneurs in 2014 thru the abovementioned program. To achieve this, every agency and department in the ministry is responsible for producing 100 young entrepreneurs. It serves to attract potential youths in developing a generation of talented, entrepreneurial, and potential leaders in the agriculture sector through a complete service package. This service package is an integrated training that consists of business development and entrepreneurship, technical skills, project site /business preparation, promotion, marketing, and financing.

Keywords: Young generation, agriculture, business package, technology and innovation

1. Introduction

Agriculture is an important sector in Malaysia since before the country’s independence. It is the main contributor to the economy during the First National Agriculture Policy (1984-1991), which emphasized the expansion and focus on commodity crops such as palm oil and cocoa. Based on statistics, the agriculture industry is approximately 12 percent of the national gross domestic product (GDP). It also helps in reducing the unemployment rate in Malaysia. The history of agriculture can be traced back to the British administration in Malaya. Several new commercial crops such as palm oil, cocoa, and rubber were introduced. Since then, these crops became the main agricultural exports to the global market.

Moreover, agriculture can be a tool in overcoming poverty; one reason is that it has the ability to reduce the unemployment problem in Malaysia. The effectiveness of agriculture in combating poverty and unemployment has been proven by the success of a number of high-impact agricultural programs initiated by the Ministry of Agriculture such as Permanent Food Production Parks (or locally known as Taman Kekal Pengeluaran Makanan-TKPM), High Impact Project-Aquaculture Industrial Zone (HIP-ZIA), and Agropolitan (Faiz et al.,2010). Based on statistics, 12.5 million or 43.8 percent of the Malaysian population comprised the youth. From this figure, only 15 percent are involved in the agriculture sector. However, despite of the many efforts, agriculture entrepreneurship still fails to attract interest from the young generation, and a number of causes have been identified. Norsida (2008) has highlighted that first, many youths are not properly informed about the agriculture courses in universities and
colleges, and second, agricultural entrepreneurship is commonly associated with unstable profits. These perhaps could be the reasons why the young generation views agriculture as being a high risk venture. Third, as William et al. (2004) highlighted, there is lack of exposure to and relevant information about the importance of agriculture entrepreneurship and food sufficiency.

2. Young Agropreneur

The youth generally refers to man or women who are young, have abundance of energy and strength both mentally and physically (Bahaman et al., 2010). Youth is the main backbone and catalyst for a country’s economic development goals (Bahaman et al., 2010). The Malaysian Youth Council in 2007, emphasized that those whose age between 15 to 40 years old can be considered as youth (Bahaman et al., 2010). In 2000, around 52.6 percent or 2.3 million of the 4.37 million youths are employed (Othman et al., 2010). The remaining youths (i.e. 47.4%) consisted of those who had completed their education or training, applying for work, and students who are still in the secondary schools, attending preparatory courses and in tertiary education. By 2005, the total youth population has increased to 4.98 million (Othman et al., 2010). These data indicated that there is high and bright prospects for encouraging the youth to be in business in the manufacturing and most suitably in the agriculture sector.

The Malaysian government has continuously encouraged the involvement of youths in entrepreneurship, as it is in line with the national agenda. Young Agropreneur Unit was established by the Ministry of Agriculture and Agro-based Industry (MOA) through the aspirations of the Minister of MOA in September 2013. The main objective of this unit is to inculcate interest among the young generation towards the agriculture sector and develop a group of successful young agriculture entrepreneurs. This program is designed specifically for young people under the age of 40. The approach of this program is to facilitate and encourage the involvement of the target group in agriculture-based entrepreneurship (Agropreneur) including all activities within the agricultural value chain, which encompasses the sectors on crops, livestock, fisheries, marketing, technology and innovation, as well as special projects on agro-tourism and agro-based industry.

The main agenda of this program is to increase the involvement of the young generation in agriculture and agro-based industries and to shift their interest towards this sector. The government is focusing in changing the negative perception (towards agriculture) to bring youths closer and boost their participation in this sector, which is the third biggest contributor to the economy. The involvement of the young generation in agriculture industry is important to reduce the country’s dependency on imports, as well as to develop more innovative and modern generation of agriculture entrepreneurs.
3. Agriculture Entrepreneur Development Programs

The focal target group for young agropreneurs is new entrepreneurs who have interest in executing agriculture projects. They will be experiencing several phases of training through the following complete package:

a. Training and course
b. Advice services the provision of facilities such as the needs of the land
c. Technical advice
d. Loan service provider from Agrobank and TEKUN
e. Advice services on marketing
f. Continuous guidance/monitoring

In order to attract more young entrepreneurs to choose agriculture as a career, the MOA Inc. will process pre-approved loans and assistance for their activity. The Agrobank and TEKUN (a financing facility for micro-credit soft loans for cottage industries) are also fully supportive towards the program by providing loans up to RM300,000 (Agrobank) or RM100,000 (TEKUN) without collateral and guarantors. The government is also providing a grant of 30 percent from the overall cost or RM15000, whichever minimum. Along this process, various comprehensive courses which cover the economic activities, administration, financial and marketing will also be provided.

Requirement for young agropreneur schemes are:

1. Malaysians aged 18-40 years
2. Regardless of educational background
3. Individuals, young people who have a company, cooperative or association in agriculture

Registration forms for the young agropreneur programs are available online at the website of the Ministry or the Facebook page 'Young Agropreneur Unit', and also available at the departments and agencies under the Ministry in the county, state or during MOA Roadshow held across the country. Completed forms should be returned to the departments and agencies in the county, state or directly to the Young Agropreneur Unit in Putrajaya. Ratings and offer courses or programs will be made after further guidance to interested participants.

The young agropreneur program has been prepared by the MOA, while the process of implementing the projects will be conducted by the departments/agencies under the MOA. The main activities of the departments and its agencies include registration and selection of eligible participants, provision of a comprehensive and progressive training, technical advisory services and continuous monitoring. The project packages which are being offered to the young agropreneurs are developed by the departments and agencies.
Packages available

- Honey Bees Entrepreneur Package
- Bees Kelulut Entrepreneur Package
- Freshwater Fish and Marine Fish Entrepreneur Package
- Livestock Prawns Entrepreneur Package
- Seaweed Entrepreneur Package
- Ornamental Fish Entrepreneur Package
- Fertigation of Melon Entrepreneur Package
- Fertigation of Vegetable Crops Entrepreneur Package
- A Goat / Sheep Entrepreneur Package
- Breeding Quails Entrepreneur Package
- Poultry Entrepreneur Package
- Caraginan (Processed Seaweed) Entrepreneur Package

4. MARDI Young Agropreneur Program

The Malaysian Agricultural Research and Development Institute (MARDI) was established with the primary objective of generating and promoting new, appropriate and efficient means for the advancement of the food, agriculture and agro-based industries. MARDI act of 1969 has led to the establishment of MARDI on October 28, 1969. The MARDI vision has evolved from capacity building, establishment of cultivation and farming system towards the commercialization of technology, total quality management, and culture excellence in order to achieve recognition at the national and international levels. It provides training and consultancy for entrepreneurs.

MARDI is one of the agencies under MOA which is concerned on technology development, especially related to technology transfer. This activity is very important because there is a need to transfer new and innovative technologies to the end user and target groups including the young agropreneurs. New technologies and innovations carried out by MARDI which are offered to young agropreneurs include trigona bee farming, fertigation system, mushroom farming, and other agro-based industry.

MARDI provides a complete package in three phases for the benefit of young agropreneurs, these are the following:

1. Training and coaching phase
   A comprehensive training and coaching in the technical basis of technology transfer (technical advice), preparation of business planning, packaging and labeling, financial management and marketing.

2. Implementation phase
   a. MARDI will advise services the provision of facilities such as the need for land or the area for business activities.
   b. Easy access to funds. The funds available are RM20 million at AgroBank and RM20 million at Tekun Nasional. Grants in the form of in-kind contribution from the Ministry of 30 percent will be given to qualified applicants in the form of equipment and inputs.
3. Marketing phase
Advice services on marketing.

Minimum income of RM5, 000 a month for the package being offered. Focus on high value agricultural projects and the use of modern technology.

5. Conclusion
The government is positive in increasing the percentage of young people participating in the agriculture industry. The ministry will continue various approaches to encourage the young generation into farming. In 10 years time, Malaysia will have more successful young agricultural entrepreneurs in the country.

Summary (in Korean)
젊은 영농후계인 프로그램은 40세 미만의 청년층을 대상으로 한 프로그램이다. 이는 농업의 가치사슬에 해당되는 모든 분야인 식량작물, 축산, 수산업, 마케팅, 기술과 혁신, 농업체험관광 및 제반산업에 관한 경영프로그램에 대상 그룹이 참여할 수 있도록 격려하는 접근방식을 기본으로 한다. 농업부에서는 ‘젊은 영농후계인’ 프로그램을 통해 2014년까지 1,000명의 영농후계인 양성을 목표 하고 있으며, 이러한 목표 달성을 위해 농업부 내 관련 부서마다 100명의 영농 후계인 양성을 의무화하고 있다. 통합적인 서비스 제공으로 잠재적인 젊은 영농후계인들이 기업가정신과 리더십을 함양하고 역량을 강화할 수 있도록 한다. 이 서비스는 농산업체 창업, 기업가정신, 기술관련 지식, 시범사업 시행, 창업 아이디어 및 마케팅, 재정지원 등을 망라한 통합적인 혼란 프로그램이다.

References