

# **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 entrepreneurship based on agricultural (Agropreneur) activities including all activities within the agricultural industry value chain encompasses the agricultural sector such as crops, livestock, fisheries, marketing, technology and innovation, as well as special projects such as agro-tourism and agro-based industry. The ministry target to produce at least 1,000 young entrepreneurs in 2014, via the Agropreneur Muda (Young Agropreneur), a business-in-agriculture programme. To achieve the target, every agency and department in the ministry is responsible for producing 100 young entrepreneurs. It serves to attract potential youngsters in developing a generation of talent, entrepreneurial and leadership skills in the agricultural sectors through a complete service package. This service package is an integration training consists of business development and entrepreneurship, technical skills, site preparation project/business premises, promotion, marketing and financing.*

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

## **BACKGROUND**

The agricultural sector has been an important one in Malaysia since before the country's independence, and was the main contributor to the Malaysian economy during the First National Agriculture Policy, NAP 1 (1984-1991), which emphasized the policy of expansion and focused on commodity crops such as palm oil and cocoa. Based on statistics, agriculture industry generates approximately 12 percent to the national gross domestic product (GDP) and also reduce unemployment rate in Malaysia. The history of agriculture can be traced back to during 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 global market

Moreover, agriculture can be a medium for overcoming poverty, one reason being 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 called as Taman Kekal Pengeluaran Makanan-TKPM), High Impact Project-Aquaculture Industrial Zone (HIP-ZIA), and Agropolitan (Faiz et al.,2010).

Based on statistics, the current 12.5 million or 43.8 per cent of the national population of 28.5 million comprised of youths. From this figure, only 15 percent of the youngsters are involved in the agriculture sectors. However, inspite of such efforts, agriculture entrepreneurship still fails to attract interest from the younger generations, and a number of causes have been identified. Norsida (2008) has highlighted that first, many youths are not properly informed about the agriculture courses, and second, entrepreneurship is commonly associated with unstable returns and profits, and that perhaps youths see agriculture entrepreneurship as being a high risk venture and are deterred by the risk of failure. Third, as William et al. (2004) highlight, there is a lack of exposure to and relevant information about the importance of agriculture entrepreneurship and food sufficiency.

### **Young Agropreneur**

Youth generally refers to man or women who are young, have abundance energy and strength both mentally and physically (Bahaman et al., 2010). Youth is the main focus acting as the backbone and catalyst for the country economic development goals (Bahaman et al., 2010). The Malaysian Youth Council, 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% 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 agricultural sectors.

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 young generation towards agriculture sector and develop a group of high income young agriculture entrepreneurs. This 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 entrepreneurship based on agricultural (Agropreneur) activities including all activities within the agricultural industry value chain encompasses the agricultural sector such as crops, livestock, fisheries, marketing, technology and innovation, as well as special projects such as agro-tourism and agro-based industry.

The main agenda of this programme is to increase the involvement of the young generation in agriculture and agro-based and to shift their paradigm towards this sector. The government is focussing in changing the negative perception (towards agriculture) to bring youths closer and boost their participation in the agricultural sector, which was the third biggest contributor to the economy. The involvement of the young in agriculture industry is important to reduce our country's dependency on imports, as well as to develop more innovative and apply modern agriculture generations.

## **Agriculture Entrepreneur Development Programs**

The focal target group for young agropreneurs is new entrepreneurs who have interest in executing agriculture-project. They will be experiencing several phases of training through a complete package as below:

- 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 programme by providing loans up to RM300,000 (Agrobank) or RM100,000 (TEKUN) without collateral and guarantors. The governments are also providing a grant of 30 per cent from the overall cost or RM15000, whichever minimum. Along through 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 that has been in agriculture

Registration at young agropreneur programs, the forms are available online at the website of the Ministry, the facebook page '**Young Agropreneur Unit**', and also available at our Departments and Agencies under the Ministry in the county, state or during MOA Roadshow held across the country. Completed forms should be returned to our 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 programmes has been prepared by the MOA, while the process of implementing the projects will be conducted by the departments/agencies under MOA. The main activities of the departments and its agencies such as registering and selecting eligible participants, providing a comprehensive and progressive training, technical advisory services and carrying out continuous monitoring. The project package which are being offered to the young agropreneurs, developed by 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 Packa
- A Goat / Sheep Entrepreneur Package
- Breeding Quails Entrepreneur Package
- Poultry Entrepreneur Package
- *Caraginan* (Processed Seaweed) Entrepreneur Package

### **MARDI Young Agropreneur Programme**

MARDI was established with the primary objective of generating and promoting new, appropriate and efficient means for the advancement of the food industry, agriculture and agro-based industries. MARDI act 1969 has led to the establishment of MARDI on October 28, 1969. The MARDI leadership 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 level. Provides Training & Consultancy for entrepreneur.

Malaysian Agricultural Research and Development Institute (MARDI) is one of the agencies under MOA which concerned about technology development, especially related to the technology transfer. This activity process is highly important because we need to transfer new, innovative technologies to the end user and targeted groups including the young agropreneurs. The development of new technology and innovation carried out by MARDI which are offered to young agropreneurs such as trigona bee farming, fertigation system, mushroom farming and agro-based industry.

MARDI was provided a complete package for the benefits of young agropreneur programs including

1. Training and courses 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 advice services the provision of facilities such as the needs of land or the area for business activities.
  - b. Easy access funding, the funds available 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.
  - c. Technical advice and continuous guidance/monitoring
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.

## CONCLUSION

The government is positive in increasing the percentage of young people to be participating in the industry. The ministry will continue various approaches to lure the young to join the industry. In 10 years time, Malaysia will have more successful young agricultural entrepreneurs in the country.

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