

## **Socio-Demographic Factor That Impinge Youth Acceptance Towards Agriculture: The Case of Contract Farming in Malaysia**

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**Abstract:** Contract farming has been identified as one of the agriculture branches that have a huge potential to attract youth participation in agriculture based on its bigger profits and easiness to conduct. This study intends to investigate socio-demographic factor that affect acceptance towards contract farming among youth in Malaysia. A total of 400 respondents were involved in this study. The respondents were selected from four universities in Malaysia and all of them are either in Agriculture, Economic or other courses (social science and pure science). From the ANOVA test conducted it can be concluded that zone have significant difference with acceptance towards contract farming while Pearson Correlation employed indicates that age and monthly expenditure have no significant relationship with acceptance towards contract farming.

**Key words:** Socio-demography factors • Youth • Acceptance and contract farming

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### **INTRODUCTION**

Agriculture is widely used as a tool to overcome poverty and unemployment problem all over the world including Malaysia. Agriculture industry indeed has been announced to be made as the third income generator for Malaysia in The Ninth Malaysian Plan. Contract farming is one of the agriculture branches that have lot to offer to those who are interest. Contract Farming recently has become a popular agriculture activity and it covers a variety of agriculture activities such as cow and goat rearing, leech rearing, herbs, fisheries and mushroom. According to Singh [1], contract farming is understood as a system for the production and supply of agriculture and horticultural produced by farmers or primary producers under advance contracts, this agreement will require the farmers to produce what have been agreed within the contract based on the product type, at a specified time, price and in specified quantity to a known buyer.

Contract farming offers a bigger opportunity in raw meat and medicine products and without doubt it has the ability to reduce the unemployment problem in Malaysia. Unemployment is already a serious problem in Malaysia. The emergence of new universities either public or private have resulted in fierce competition in getting a

job that suit their qualification. Here agriculture, especially contract farming can contribute something positive in order to reduce the unemployment problem. Even though the perception of youth towards agriculture according to Norsida [2] is negative but according to Norsida [3] they still believed that agriculture is a profitable industry if they run it accordingly.

Contract farming is not just mere a typical branch of agriculture. It has a huge potential to be a catalyst to overcome poverty and unemployment problem. According to Kassim *et al.* [4], Key and Rustens [5] and Little and Watts [6] proved that contract farming could help to improve their socio-economy level. The rise of literature prove that demography factors can affect acceptance towards contract farming. However, there are only a small number of studies that look into the influence of demographic factors on acceptance towards contract farming. Among the demographic factors studied were gender, age, income, education and ethnicity. In term of relationship between gender and acceptance towards contract farming, previous studies by Nor Aini [7] noted that responsibility for household tasks and childcare limits the agriculture related activities of women where these two problems are among the major problems why women in Malaysia find it difficult to accept contract

farming. Bulow and Sorensen [8] also display quite similar result where they stressed men preferred contract farming more than women.

Age also is one of the factors that can heavily affect acceptance towards contract farming. Fritz *et al.* [9] emphasized that there are significant difference on acceptance and perception on agriculture including contract farming between youths and adults. The self-reported awareness levels of adults were opposite those of youths. Adults found to be more aware of how profitable agriculture is. Conversely, what have been found by Fritz *et al.* [9] is opposed by a study done by Mann and Kogl [10] who stressed that younger and older people show similar interest and constant positive attitude towards contract farming.

Previous studies have supported the fact that education will have an impact on people's acceptance towards contract farming. McLarty [11] noted that university graduates were surprisingly found to not get actively involved in agriculture. The same case also can be seen in Malaysia where by agriculture is dominated by those with lower education achievement. Studies done by Bahaman *et al.* [12], Md. Salleh *et al.* [13] and Hayrol *et al.* [14] proved that agriculture is among the main choice for those with lower education group. Interestingly, a study by Guo *et al.* [15] explored different results, where he found that people's education do not have any significant relationship that will lead to acceptance towards contract farming.

Income has significant influence on acceptance towards contract farming. A research by Prowse and Chimhowu [16], clarified that the poor prefer to choose agriculture as one of their permanent job because of their belief in the ability of agriculture in producing higher productivity with less investment. Based on the literature analyzed, it is proved that factors such as gender, age, education and income do have influence on acceptance on agriculture including contract farming, but does this situation also can be applied on the acceptance of youth towards contract farming in Malaysia? Thus the main objective of this paper study is to investigate this inquiry.

## METHODOLOGY

To achieve the objectives of this study, a total of 400 respondents were selected. The respondents were selected from four states in Malaysia namely Selangor (central zone), Malacca (southern zone), Kedah (northern zone) and Terengganu (east coast zone). Each of the state was represented by 100 respondents. Each of

the state represented by a university. Selected universities were Universiti Putra Malaysia (UPM), College of RISDA, Universiti Malaysia Terengganu and Northern University of Malaysia (UUM). The sampling method applied is simple random sampling. A pre-tested and developed questionnaire was used to gain the data needed. Self-administered method was employed. In order to achieve the objective of this study, descriptive analyses such as frequency, percentage, mean and standard deviation were used while inferential analyses such as Independent t-test, ANOVA and Pearson product-moment correlation were employed to determine if there are any significant difference and relationship between the selected independent and dependent variables. The dependent variable for this study is acceptance towards contract farming while the independent variables in this study are selected demography factors.

## RESULTS

**Respondents Background:** Before we fulfill the objective of this research, it is better for us to know the respondents studied. Majority of the respondents are female (70.8%) which is consistent with the current situation in Malaysia where female students constitute a large proportion of those who are studying in higher learning institutions. This study also concluded that majority of the respondents were Malay (90.0%) and age between 20-21 years old (40.2%) with the mean age of 20.78 years old. Conversely, majority of them (75.0%) are taking degree courses. From the results gained, it was found that almost one third of them (31.8%) spend between 300-400 Ringgit Malaysia a month with the mean score of 395.85 Ringgit Malaysia a month, half of them are taking agriculture courses (50.0%), more than half of them live in urban area (59.5%), slightly more than three quarter of the respondents family have agriculture background while a total of 54.8% of them have received information regarding contract farming (Table 1).

Next, we will look into the respondents level of acceptance toward contract farming. As portrayed in Table 2, a total of 69.4% of the respondents have a high positive acceptance towards contract farming. More than a quarter of the respondents (29.8%) moderately accept contract farming. It is interesting to know that only 0.8% of the respondents have a low attitude towards contract farming. This is a good indicator for the future of agriculture in our country as the respondents believe contract farming is a new agriculture method that will prompt them to embark in agriculture activities.

Table 1: Socio-demographic of respondents

Variables	Frequency	Percentage	Mean	Standard Deviation
<b>Gender</b>				
Male	117	29.2		
Female	283	70.8		
<b>Ethnic</b>				
Malay	360	90.0		
Chinese	15	3.8		
Indian	14	3.5		
Others	11	2.7		
<b>Age</b>				
			20.78	1.53
18-19 years	111	27.8		
20 – 21 years	161	40.2		
22- 24 years	128	32.0		
<b>Zone (the university located)</b>				
Northern	100	25.0		
Central	100	25.0		
East Coast	100	25.0		
Southern	100	25.0		
<b>Level of recent education received</b>				
Degree	300	75.0		
Diploma	100	25.0		
<b>Monthly expenditure (Value in Ringgit Malaysia)</b>				
			395.85	217.18
<200	57	14.2		
201-300	102	25.5		
301-400	127	31.8		
>401	114	21.5		
<b>Courses taken</b>				
Agriculture	200	50.0		
Economic	100	25.0		
Others	100	25.0		
<b>Locality</b>				
Rural	162	40.5		
Urban	238	59.5		
<b>Family background (n=381)</b>				
Have agriculture background	79	19.8		
Do not have agriculture background	302	75.5		
<b>Received information regarding contract farming</b>				
Yes	219	54.8		
No	181	45.2		

Table 2: Overall level of acceptance towards contract farming

Factors	Frequency	Percentage	Mean	S.D
Acceptance			7.33	1.38
Low (1.0-3.33)	3	0.8		
Moderate (3.34-6.67)	119	29.8		
High (6.68- 10.0)	278	69.4		

**Differences Between Acceptance Towards Contract Farming and Selected Independent Variables:** Is there any difference exist in acceptance towards contract farming based on selected independent variables. To answer this query, an independent t-test was employed. The independent t-test was conducted in order to compare the mean acceptance towards contract farming

Table 3: Differences between selected demographic factors and acceptance towards contract farming using independent t-test

Variables	n	Mean	S.D	t	p
<b>Received contract farming information</b>					
Yes	219	7.38	1.15		
No	181	7.19	1.13		
<b>Gender</b>					
Male	117	7.22	1.10		
Female	283	7.32	1.16		
<b>Agriculture background (n= 381)</b>					
Yes	79	7.27	1.09		
No	302	7.28	1.14		
<b>Locality</b>					
Rural	162	7.30	1.17		
Urban	238	7.29	1.12		

for those who received information regarding contract farming with those who did not receive it. There was no significant difference in the mean of acceptance towards contract farming for those who received information regarding contract farming (M= 7.38, SD= 1.15) and those who did not receive the information (M= 7.19, SD= 1.13;  $t(400) = -1.623, p = 0.105$ ). An inspection of the two means bring us to the assumption that those who receive and those who did not receive information regarding contract farming have a similar positive acceptance towards contract farming which means that information have no bigger influence on acceptance towards contract.

Are male and female respondents have having different levels of acceptance towards contract farming? Table 3 has the answer. Based on (M= 7.22, SD= 1.10) for male respondents and (M= 7.32, SD= 1.16;  $t(400) = -0.835, p = 0.404$ ), it can be concluded that there was no significant difference in acceptance towards contract farming between male and female respondents. This is in line with study done by Patrick [17] who stated that gender will not have an influence on acceptance towards contract farming. However, according to Patrick [17] frequent exposure to certain skills either to men or women will result in a better acceptance towards contract farming activities.

Are those with their family having agriculture background have a better acceptance towards contract farming or otherwise? Based on the independent t-test done, it was found that those with agriculture background (M= 7.27, SD= 1.09) and those with no family agriculture background (M= 7.28, SD= 1.14;  $t(400) = -0.126, p = 0.900$ ) thus it can be concluded that there was no significant difference between the two groups studied. An inspection

of two means bring us to a prediction that agriculture background does not contribute much to the acceptance of contract farming among youth in Malaysia. Referring to a study by Pritchard *et al.* [18], emphasized on a different views where those who have their family members working in agriculture sector, will have a better acceptance towards agriculture activities.

Referring to a study done by Burch *et al.* [19] rural community will accept contract farming better than the urban community due to the advantages it has such as lower risk and bigger chance to invest on a large scale. But can the findings of the study by Burch *et al.* [19] be applied to this study? Table 2 has the answer. Based on the result presented, it can be clarified that there was no significant difference in the mean of acceptance towards contract farming (M= 7.30, SD= 1.17) between rural respondents and urban respondents (M= 7.29, SD= 1.12;  $t(400)=0.120$ ,  $p=0.905$ ).

To further investigate on the influence of other factors on acceptance, ANOVA was employed. This study is interested to know whether zone and course taken can influence acceptance towards contract farming or not. ANOVA was performed to investigate zone differences in the mean score obtained by four zones studied are depicted in Table 3. The ANOVA test revealed that there was statistically significant difference in the mean score on acceptance towards contract farming between the four groups studied  $F(4, 400)=2.692$ ,  $p=.046$ . Tukey Post Hoc Multiple Comparison showed that there was a statistically significant difference in the mean test score for the following pairs: Central zone and southern zone but not for central and others. An inspection of the mean score based on post-hoc comparisons using Tukey test indicated that the students who studied in central zone obtained significantly higher mean score on acceptance towards contract farming score (M= 7.53, SD= 1.13) than southern zone (M= 7.10, SD= 1.20). Conversely, the results gained here is opposed with a study done by Frick *et al.* [20] who noted that people who stay in larger cities and metropolitan areas would expectedly to have lower level of acceptance towards contract farming due to their fewer opportunities to interact with farmers and individuals employed in agricultural business.

ANOVA also was used to investigate whether type of course that was taken by the respondents does have an influence on their acceptance towards contract farming. Based on the results depicted in Table 4, it can be noted that  $F(4, 400)=0.099$ ,  $p=0.906$ , thus it concluded that there is no significant difference in acceptance

Table 4: Differences between selected socio-demographic factors and acceptance towards contract farming using ANOVA (n=400)

Variables	n	Mean	S.D	F	p
Zone				2.692	.046
Central	100	7.53	1.13		
Northern	100	7.34	1.15		
East coast	100	7.21	1.07		
Southern	100	7.10	1.20		
Courses taken				.099	.906
Agriculture	194	7.27	1.17		
Economy	100	7.33	1.15		
Others	106	7.29	1.10		

Table 5: Relationship between selected socio-demographic factors and acceptance towards contract farming using Pearson Correlation.

Variables	r	P
Monthly expenditure	-.073	.145
Age	-.019	.710

towards contract farming among the three groups studied. Possibly, all of the three groups have better acceptance towards contract farming based on higher mean score recorded by each of the group course; Agriculture (M= 7.27, SD= 1.17), Economy (M= 7.33, SD= 1.15) and others (M= 7.29, SD= 1.10).

The relationship between acceptance towards contract farming and age and monthly expenditure was investigated using Pearson product-moment correlation coefficients. As depicted in Table 5, there was no significant relationship that occur between acceptance towards contract farming and age ( $p=0.145$ ) and monthly expenditure ( $p=0.710$ ), thus bring us to probability that age and monthly expenditure will not influence much on acceptance towards contract farming. However, Key and Warning [21] in their study have other views. They noted that farmers with higher income tend to have higher level of acceptance compared to lower income farmers.

## CONCLUSION

Based on the results gained it can be concluded that students who studied in central zone have better acceptance towards contract farming. This is not surprising as students who studied in the central zone are the students of Universiti Putra Malaysia (UPM), an agriculture based university, but we must bear in mind, UPM is not only university that supposed to handle the responsibility of developing the agriculture industry as well as enhancing the acceptance towards agriculture in Malaysia, in order to develop the agriculture industry which include contract farming, it can be suggested that

a specific course on contract farming can be introduced to all universities in Malaysia as a step to expose this agriculture industry to the Malaysian youth.

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