

Inculcation of Entrepreneurship among Rural Pepper Farmers in Sarawak*

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Pepper farming in Sarawak has both economic and political significance in the state. While some entrepreneurs are very successful, the majority are small farmers who are dependent on government assistance to earn a living. The large income gap among these rural farmers is caused by several economic as well as demographic factors, including farm size, farm practices and technology, age, education and motivation.

Pepper Production and Tonnage

Pepper is mostly grown in smallholdings by farmers in the remote areas in Sarawak; however, it is also successfully grown in Johore on a large scale by individuals and private companies. Annual pepper production in Malaysia increased from 18,000 tonnes in 1997 to about 27,000 tonnes in 2001 and average production was in the region of 22,000 tonnes in 2009. Based on 2009 figures, about 60% of pepper production in Malaysia was exported (IPC, 2010). Pepper has economic and political significance in Sarawak, being the most important cash crop that provides employment to some 67,000 pepper farmers in that state. The relative lack of market access for other agricultural produce makes pepper the most suitable crop for these areas, and represents an important source of income for these farmers.

Today, the main pepper producing areas in Sarawak are located further in the interior, as the lands near towns are taken up by other competing uses. The scattered pepper farms in the hilly terrain of the interior which lack basic infrastructure and amenities also hamper extension efforts to introduce new technologies to improve the quality of pepper output.

Pepper cultivation is not only highly labour intensive, requiring an average of 725 man-days per hectare per year, it is also capital intensive requiring RM30,000 per hectare

for establishment and an average annual maintenance cost of about RM11,000 per hectare. The losses of pepper crop due to major diseases such as *Phytophthora* foot rot, black berry, velvet blight and wrinkled leaf diseases and damaging pests like tingid bugs, pepper weevils and nematodes remain a serious problem (DOA, 2007). Pepper farmers in Sarawak have to face greater challenges in cultivating pepper as their sole business.

Objectives of the Study

The problem in the pepper industry includes among others, a large income gap between entrepreneurial pepper farmers and those who are subsidy-dependent. The outcome of the study should enable MPB and the industry in general to (i) obtain complete and current information regarding the industry in Malaysia; (ii) identify weaknesses and opportunities to improve the industry; (iii) evaluate the effectiveness of its past and on-going programmes and projects; and (iv) guide MPB in formulating its policies and charting its future direction so that the welfare of small-scale farmers can be improved through increased productivity, adoption of new farming technology and entrepreneurship development.

Method of Analysis

The field survey in the state of Sarawak was conducted in stages using a structured questionnaire from August to December 2009 (Khalid Abdul Rahim *et al.*, 2011). The survey covered all areas in Sarawak where MPB has its branch offices. The ratio/number of pepper farmers surveyed in these areas is based on prior information provided by MPB on the density and concentration of the pepper producers in the state. A total of 1845 questionnaires were analysed.

Based on the questionnaires returned three categories of farmers were identified, viz., the whole sample analysis (1845),

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