

Session:
Economics

Bioeconomic Model for Decision-Making on Staying in Business for Colombian Oil Palm Crops Attacked by Lethal Wilt

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ABSTRACT

Currently, the Colombian oil palm agroindustry figures show that about 80% of oil palm producers have operations of medium and small scale (i.e., less than 500 ha). The latter explains why it is desirable to mitigate the exposure to any risk that characterises the agricultural activity. Specifically for Colombian oil palm crops, among these risks one finds pests such as Lethal Wilt (LW), which is considered one of the most challenging diseases together with bud rot. In fact, in December 2020, 7,693 hectares of oil palm crops were eliminated due to LW (out of 560,000 ha planted with oil palm trees in Colombia). This study provides an economic model intended to help growers deciding the moment at which the business ceases to being profitable due to LW epidemic breakthrough. This research builds on a model proposed by Mosquera et al. (2015) that propose an interaction between biological components (dynamics of the disease incidence) and the expected net cash flow for oil palm operations (gross income and production costs). Its purpose is to determine when the disease incidence is so high that revenue is not attained. This model allows for testing different alternatives of disease control, such as planting LW resistant cultivars (as opposed to susceptible cultivars), which is the case presented here. This model resulted in a powerful tool for growers to consider their choice on cultivars when planning an oil palm plantation in Colombia.

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The Unsuccessful Palm Oil Policies in Nigeria: An Experience from Malaysian Palm Oil Policies

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ABSTRACT

The tropical forest of West Africa is initially the first area where the oil palm was discovered before 14th centuries. In particular, Nigeria was one of the places where this fruit was uncovered. Palm oil is ranked as the major vegetable oil in the world. In 1960s, Nigeria was rated as largest palm oil producing and exporting country globally. However, the production was completely unsuccessful as a result of government failure to formulate good policies, while the local consumption increases. Oil palm production in Malaysia became a contributing sector to national economy. It alleviates poverty, it provides employment, it allocates resources, it generates incomes and leads to economic development. Due to good and sustainable palm oil policies in this sector, Malaysia achieved global recognition. This paper objective, is to disclose the unsuccessful policies on palm oil in Nigeria, and its sustainability in Malaysia. This paper is a qualitative design, it used primary and secondary methods. The primary method is based on semi-structured interview, while the secondary method is based on documents. It adopted inductive thematic analysis for analyzing interview data with the help of Atlas ti. This paper finding is the unsuccessful palm oil policies in Nigeria, and the sustainable palm oil policies in Malaysia. In conclusion, there is need for Nigeria, to learn from Malaysian experience.

Keywords: Oil Palm, Palm Oil, Unsuccessful Nigerian Policies, Sustained Malaysian Policies.

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Preliminary Investigation of Homestay Entrepreneurs' Leadership and Business Performance in Sabah, Malaysia: Complement to Challenges of Oil Palm Activities on Destruction of the Environment

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ABSTRACT

This research aimed to investigate the homestay programs' leadership style and business performance in Sabah, Malaysia. One of the barriers to the Sabah homestay entrepreneurship's uneven financial performance is the unhappy feedback from tourists about the destruction of the environment caused by palm oil plantations. Sabah has the highest homestay international arrivals recorded on Ministry of Tourism, Art and Culture statistic 2020. The researcher's constructivist paradigms and ontological perspective lead to the methodology of mixed qualitative and quantitative methods in a study about social research's epistemological concerns that embrace both integration concepts of positivism and interpretivism principles. Reviews from the literature revealed that a person's capability to lead and manage an enterprise might influence performance. It is still unknown to what extent leadership can influence the business performance of a small-scale community-based business, such as a homestay business. Preliminary stage fieldwork was carried out in this study, which involved interviews with homestay development agencies (Phase one). The results of phase one of key informant interviews with the officials of several Homestay development agencies provided valuable insights into Sabah's Homestay businesses managerial and performance issues. The findings raise the question of the leadership of the coordinator in the coordination with several agencies in supporting the Malaysian Homestay Program in Sabah. On the other hand, coordinators with leadership skills are more likely to influence non-financial performance, such as collaborating with palm oil stakeholders. The study was significant in that it facilitated the better identification of the implementation of Government policies in leadership capacity building and specific procedures in the regulations of homestay programs to complement the palm oil industry towards sustainable agro homestays and community-based enterprises.

Keywords: business performance, community-based homestay, entrepreneurship, leadership, palm oil plantations

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Consumer Preference and Situation Buying Behaviour with the Product Brand of Edible Palm Oil

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ABSTRACT

In recent years, the increasing demand for palm oil has contributed to the economic growth in Malaysia, and it has become an essential product to all people. However, palm oil has faced competition from other types of edible oil, such as sunflower oil, peanut oil, and others. The increasing competition for various types of edible oil has been shifting the demand for palm oil to other types of edible oil, and the change of the consumer preference toward the product also affects the demand for edible palm oil. Thus, there were the important to understand the factor that influences the consumer preference toward the product brand of edible palm oil. This research aimed to determine the relationship between the marketing and non-marketing factors with consumer preference toward product brand of edible palm oil. This research also determines the relationship between buying behaviour and the product brand of edible palm oil due to the Covid-19 pandemic. Descriptive research and quantitative research have been used in this research. The descriptive analysis and frequency distribution were used to summarise the data collection in this research. The finding shows that all these factors are highly related to consumer preference and buying behaviour toward the edible palm oil product brand. This research may help for future planning and marketing for the Malaysian palm oil industry.

Keywords: Consumer preference, Buying behaviour, Edible Palm oil, Situation factor, Marketing, and non-marketing factor.

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Systematic Literature Review on Efficiency Analysis in Palm Oil Plantation

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ABSTRACT

The efficiency of smallholders is often questioned due to the decline in the yield of fresh fruit bunches (FFB) of oil palm even though they have implemented good agricultural practices (GAP). Efficiency analysis is a tool for evaluating output at the maximum level that can be achieved using selected inputs, but it is constrained by the level of existing technology in production. However, there is no systematic review conducted on the efficiency analysis to smallholders in the oil palm plantation literature. This article is focuses on the measurement of technical efficiency by using a Data Envelopment Analysis (DEA), Stochastic Frontier Analysis (SFA) and Stochastic Meta Frontier Analysis (SMFA). This article also examines these methods for 10 years from 2011 to 2020 using a systematic quantitative literature review approach in oil palm plantation. Then, the article presents the importance of efficiency analysis of smallholders to ensure an increase in the production of FFB. The article also highlights a new development in the efficiency analysis by using all (9) categories of GAP as variables in the analysis. In contrast to existing studies where most researchers were only used some part of the GAP categories such as fertilization and the use of pesticides as variables to analyse the efficiency in their study. Future, this study is very significant in increase the production of FFB at any palm oil plantation.

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Asymmetric Relationship between Crude Oil and Palm Oil Prices

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ABSTRACT

The implementation of palm biodiesel blend mandate in Malaysia has created new demand for palm oil, thus make the prices of both crude oil and palm oil moved in tandem. Generally, the increase in demand for biodiesel products has resulted in a reduced supply of palm oil, which in turn has increased the price of crude palm oil (CPO) in the world market. However, the unpredictability of price movement which is highly influenced by the market situation and sentiment sometimes makes the relationship between both prices loosen. The motivation of this study is to analyse the relationship between Brent crude oil (BCO) and CPO using a non-linear autoregressive model (NARDL) for the period 2010-2019. In order to do so, the study applied Brock Dechert Scheinkman (BDS) to test the presence of non-linearity in empirical estimations. The bound tests with NARDL specification confirmed the asymmetric association between CPO price movements and its relation to positive and negative changes in BCO price. The estimated NARDL model confirmed the existence of an asymmetric relationship in the changes in CPO prices. This study found that in the long run there is a significant relationship between the increase in BCO prices and CPO prices while no significant relationship between the decrease in BCO prices to CPO prices in the long run. In the short run, only the changes in BCO prices positively affect palm oil price inflation. The asymmetric effect that exists in the relationship between BCO and CPO is vital for industry players especially to the biofuel producers and exporters since the changes in CPO prices will directly affect their profitability and cost of production.

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Factors Affecting Consumers' Willingness to Pay for Palm Vitamin E Tocotrienols in Peninsular Malaysia

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ABSTRACT

Palm vitamin E tocotrienols, also known as a tocotrienol-rich fraction (TRF), exhibit anti-inflammatory and antioxidant properties. These characteristics have been scientifically demonstrated to be beneficial to human health. Despite the well-known attributes of vitamin E tocotrienols, there has been no research on the consumption of palm vitamin E tocotrienols from an economic standpoint, specifically on consumer preferences and attitudes and their willingness to pay. Although there is enough credible scientific data on the benefits of palm vitamin E tocotrienols, there has been no significant research on consumers' willingness to pay for them, especially in Malaysia. Therefore, the goal of this study is to figure out what factors influence people's willingness to pay for palm vitamin E tocotrienols. This study discovered that vitamin users in Peninsular Malaysia had just a rudimentary understanding of the health benefits of palm vitamin E tocotrienols. Tocotrienols in a flavoured chewable tablet were worth more to consumers. Nevertheless, they expected a significant price discount if the tocotrienols were sold on an online purchasing platform.

Keywords: Consumers' Willingness to Pay; Palm Vitamin E Tocotrienols; Tocotrienols; Tocotrienol-Rich Fraction (TRF); Consumers' preference.

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