

NURTURING THE NEXT GENERATION OF YOUNG AGROPRENEURS

The agriculture sector has been an important part of Malaysia's economy for decades. In 2019, the sector contributed a total of 7.1 percent to the country's Growth Domestic Product (GDP) with major agricultural activities being crop farming, fisheries and livestock production.

However, the agriculture sector in Malaysia is an aging sector. Only 15 percent of the Malaysian youth population are involved in the sector. Currently the main workforce and key players in the agriculture sector are those of the older generation. This in part is due to the lack of interest and the overall misconception and poor perception among the youths towards the agriculture sector.

To address this issue, the Young Agropreneur Unit (UAM) was established in 2013 under the Ministry of Agriculture and Food Industries (MAFI). Since then, UAM has been making strides in the last couple of years to increase youth participation in agriculture.

"It is critical for us to address the issue of the lack of engagement among youth in the agriculture sector. Therefore, our agenda is to continuously encourage the younger generation to participate in various entrepreneurial programmes under MAFI and UAM so that they can explore the potential in the agriculture sector and see it as a promising career option to be considered".

"It is possible to venture into this field beyond merely as a simple farmer. With a positive mindset, one could turn the agriculture into a profitable business as an entrepreneur," says MAFI Secretary-General Dato' Haslina Binti Abdul Hamid.

UAM has made it their mission to promote the interest in agriculture entrepreneurship among youths below the age of 40. Since its establishment, the "Young Agropreneur Program" has been introduced by UAM to facilitate and encourage the involvement of the younger generation in agriculture activities within the agrofood

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Dato' Haslina Binti Abdul Hamid
Secretary General
Ministry of Agriculture and Food Industries

value chain.

These activities range from crop farming, fisheries, livestock production, food products, marketing, agrotechnology and agrotourism.

In 2016, RM100 million was allocated to UAM under the 11th Malaysia Plan to provide financial and technical assistance via grant, financing and technical courses encompassing all the agriculture sub-sector.

Since then, the Ministry has facilitated 7,775 young entrepreneurs in various agriculture sub-sectors with a total expenditure of RM155 million.

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PROVIDING THE RIGHT SUPPORT

2020 had been nothing short of challenging for micro and small businesses as the pandemic delivered a massive blow on the economy. The young entrepreneurs in the agriculture sector were not spared either as they struggled to keep their businesses afloat.

A survey of 1,146 participants that was conducted during the initial stage of the Movement Control Order (MCO) revealed their financial vulnerability as a result of the immense drop in sales and limited operation.

In 2020, the Young Agropreneur Grant was open year-round instead of selected months (January, May and February) as previously practiced. It resulted in an increased of 1,149 young agropreneurs receiving the grant of RM21.73 million compared to 750 receivers (RM12.49 million) in 2019 and 758 receivers (RM12.74 million) in 2018.

MAFI has also allocated a total of RM250,000 to the Young Agropreneur Food Aid Kit programme in which the kit was distributed to 2,500 recipients who were in need of assistance from the Department of Welfare Malaysia (JKM) throughout the country.

“With the introduction of agrotechnology as part of our program, we are charting new approaches towards agriculture with younger generation at the forefront applying modern agrotechnology such as precision farming and internet-of-things (IoT).

“We are now accepting the application for drone technology, plant factory, crop monitoring system and other modern agrotechnology through our grant and financing facility,” she tells BusinessToday.

Additionally, the Ministry has also launched Agro-Youth Entrepreneur Scheme (Agro-YES) in March this year that offers financing facilities up to RM500,000 with a two percent interest rate.

It was a rebranding of the Young Agropreneur Special Financing managed by Agrobank with an allocation of RM21 million. Several improvements have been made and this include increasing the financing limit from RM200,000 to RM500,000 and reducing the processing time from 60 days to 14 days.

SUCCESS STORIES

All participants under the Young Agropreneur Programme are assigned a field officer from various



departments or agencies under the ministry to guide and assist them. These officers will continuously monitor their progress and submit the report on farm output data and the income of the participants.

One of UAM's approaches in engaging the young entrepreneurs is through the Jelajah Agropreneur Muda (JAM) programme. This programme provides the opportunity for the participants to showcase their businesses and connect with the upper echelons of the Ministry.

Over the years, UAM has produced young entrepreneurs who are now major players in their respective sub-sectors.

“For example, Ramanaidu Kalaichevan (30) from Kedah was a pilot but left his career to become a grain corn farmer. He received the Young Agropreneur Grant in 2016 for RM15,000. Now, he is earning RM5 million per year and becoming a mentor to other young farmers. He is a leader in the grain corn industry and became the first company to introduce modern machineries in grain corn production.

“We also have Norhashim bin Kamisan (36) from Selangor who used to work as a despatch before venturing into chili planting. He received his Young Agropreneur Grant in 2016 and is currently earning RM4 million per year. He is the pioneer in using IoT (digital agriculture and precision farming) to increase crop yield and profitability,” she adds.

MOVING FORWARD

In tackling other issues related to the pandemic, Dato' Haslina says the ministry has set up a crisis centre and coordination committee in Putrajaya to manage all the reports and issues that could potentially disrupt the flow of the supply chain.

“That is how we are able to continue providing assistance to all our stakeholders and industrial players including farmers, fishermen and breeders in this time of crisis. Furthermore, we are working closely with other ministries and state governments to ensure that all of the programmes and policies are effectively executed,” she concludes.