

CUSTOMER SATISFACTION TOWARD PPK SERVICES IN MUDA AUTHORITY DEVELOPMENT AREA (MADA)

NORHANIZA BINTI ROMZAN

FP 2016 73

CUSTOMER SATISFACTION TOWARD PPK SERVICES

IN MUDA AUTHORITY DEVELOPMENT AREA (MADA)



This project report submitted to the Faculty of Agriculture, Universiti Putra Malaysia in fulfillment of the requirement of PRT 4999 (Final Year Project) for the award of the degree of Bachelor of Agricultural Science.

Faculty of Agriculture

Universiti Putra Malaysia

2016

CERTIFICATION

The project entitled "Customer Satisfaction toward PPK Services in Muda Authority Development Area (MADA)" is prepared by Norhaniza binti Romzan and submitted to the Faculty of Agriculture in partial fulfillment of the requirement of PRT 4999 (Final Year Project) for the award of the degree of Bachelor of Agriculture is based on my

original works.

Student's Name Norhaniza binti Romzan Student Signature

Certified by:

Associate Professor Dr. Norsida Man Department of Agriculture Technology, Faculty of Agriculture, Universiti Putra Malaysia

Date:

ACKNOWLEDGEMENT

All praise and thanks are to Allah S.W.T because of His willingness then I am able to finish my final year project.

First and foremost, I would like to give my great gratitude and appreciation to my supervisor, Associate Professor Dr. Norsida Man for her support, time, guidance and dedicated effort that she had given throughout in helping me conducting and finishing this project. I also want to say thank you very much to Madam Melissa Alina Yusoff and the team that spend 1 week period by helping me conducting survey at Kedah and Perlis. I am able to get enough number of respondents for my project from their help, effort and support.

Special thanks also to my friends that always gave me moral support give their helping hand and give the encouragement to me until the end. May Allah ease everything for all of you. Ameen.

TABLE OF CONTENTS

CONTENTS

PAGE

ACKNOWLEDGEMENT	i
LIST OF TABLES	v
LIST OF FIGURES	X
ABSTRACT	xi
ABSTRAK	xiii

1.0 Introduction	1
1.1 Paddy Farming in Malaysia	1
1.2 Paddy Farming in Muda Area	4
1.3 Area Farmer's Organization (PPK)	
1.4 Muda Agriculture Development Authorities (MADA)	
Figure 1.3: Division of MADA	
1.5 Farmers' Organization Authority (LPP)	
1.6 Success and Services Provided By PPK	
1.7 Problems Statement	
1.8 Objective of Study	22
1.8.1 General Objective	22
1.8.2 Specific Objectives	22
1.9 Significant of Study	22
1.10 Thesis Organization	

CHAPTER 2: LITERATURE REVIEW	25
2.0 Introduction	25
2.1 Agriculture Extension Agency	25
2.2 Agriculture Cooperative in Asia	28
2.3 Role of Area Farmer's Organization (PPK)	
2.4 Service Quality and Customer Satisfaction	
2.4.1 Service Quality	32
2.4.2 Customer Satisfaction	
2.5 Theory of Customer Satisfaction	34
2.6 Summary	

	3.0 Introduction.	
	3.1 Study Flow and Design	35
	3.2 Location of Study	
	3.3 Respondents Selection	
	3.4 Sources of Information	
	3.5 Questionnaire Design	
	3.6 Analysis Techniques	
	3.6.1 Descriptive Analysis	40
	3.6.2 Chi-Square Analysis	40
	3.6.3 GAP Analysis	42

CHAPTER 4: RESULTS AND DISCUSSION43
4.0 Introduction
4.1 Descriptive Analysis Results
4.1.1 Respondent's Profile44
4.1.2 Respondent's Farm Profile47
4.1.3 Respondent's Perception towards District Farmer's Organization (PPK)53
4.1.4 Respondent's Satisfaction towards PPK Services
4.1.5 Others
4.2 Chi-square
4.3 GAP Analysis

CHAPTER 5: CONCLUSION AND RECOMMENDATION	
5.0 Introduction.	98
5.1 Discussion and Conclusion	98
5.2 Recommendation	

REFERENCES	
------------	--

C

 \bigcirc

LIST OF TABLES

TABLE NO	TITLE	PAGE
Table 1.1	Paddy Production, Area Harvested, and Yield in Malaysia, 1963-2010	3
Table 1.2	Paddy Production in Paddy Farming Areas in Malaysia, 2000-2020	4
Table 1.3	Paddy Planting Development Activities Season 2/2014	5
Table 1.4	Total Production of Paddy at Muda area	7
Table 1.5	Average Gross Yields for Paddy at four (4) Regions from 2007 to 2012 (Detailed)	9
Table 1.6	Average Gross Yields for Paddy at four (4) Regions from 2007 to 2012 (Simpler)	11
Table 1.7	Services Provided by PPK	20
Table 2.1	Agency and Institutional that Involve in Agriculture Extension	26
Table 2.2	Activities of Agriculture Cooperative	29
Table 3.1	Distribution of Questionnaire in MADA Area	38
Table 3.2	Structure of Questionnaire Design	39
Table 4.1	Age of Respondents	44
Table 4.2	Gender	44
Table 4.3	Race	45
Table 4.4	Religion	45
Table 4.5	Marital Status	45
Table 4.6	Education Level	46
Table 4.7	Education in Agriculture	46
Table 4.8	Land Ownership	47
Table 4.9	Land Ownership and Total Planting Area	47
Table 4.10	Average of Paddy Yield Last Session	48
Table 4.11	Total Gross Income per Acre	48
Table 4.12	Total Net Income per Acre	49
Table 4.13	Relationship with PPK	49
Table 4.14	Services that PPK Member Received	50

v

Table 4.15	Frequentation of Farmers Attending Meeting	50
Table 4.16	Frequentation of Farmers Come PPK for Other Purposes	51
Table 4.17	The Person that Farmer Met to Discuss Problem	51
Table 4.18	Services that Farmer Achieved from Agriculture Officer	52
Table 4.19	PPK Department that Usually Visited by Farmers	52
Table 4.20	Workshop and Training that Farmer Received	53
Table 4.21	Duration of Farmers using PPK Services	53
Table 4.22(a)	Objective of PPK Establishment	54
Table 4.22(b)	The Perception Level towards Objective of PPK Establishment	54
Table 4.23(a)	PPK Management and Leadership	55
Table 4.23(b)	The Perception Level towards PPK Management and Leadership	55
Table 4.24(a)	PPK Services Handling	56
Table 4.24(b)	The Perception Level towards PPK Services Handling	57
Table 4.25(a)	Farmer's Management and Operation	57
Table 4.25(b)	The Perception Level towards Farmer's Management and Operation	58
Table 4.26(a)	Attitudes of Farmers toward PPK	58
Table 4.26(b)	The Perception Level towards Attitude of Farmers	59
Table 4.27(a)	Attributes of Farmers toward PPK	59
Table 4.27(b)	b) The Perception Level towards Attribute of Farmers	
Table 4.28	Problems while Using PPK Services	60
Table 4.29(a)	Management and Human Resources Development (Services Level that Farmers Expected)	61
Table 4.29(b)	The Perception Level towards Management and Human Resources Development (Expected)	62
Table 4.30(a)	Management and Human Resources Development (Services Level that Farmers Received)	62
Table 4.30(b)	The Perception Level of Management and Human Resources Development (Received)	63
Table 4.31(a)	Machines and Farm Equipment Services (Services Level that Farmers Expected)	64
Table 4.31(b)	The Perception Level towards Machines and Farm Equipment	64

C

	Services (Expected)	
T 11 4 22(<i></i>
Table $4.32(a)$	 Machines and Farm Equipment Services (Services Level that Farmers Received) 	65
Table 4.32(1	b) The Perception Level of Machines and Farm Equipment Services (Received)	65
Table 4.33(a) Farm Infrastructure Services (Services Level that Farmers Expected)	66
Table 4.33(1) The Perception Level towards Farm Infrastructure Services (Expected)	66
Table 4.34(a) Farm Infrastructure Services (Services Level that Farmers Received)	67
Table 4.34(1) The Perception Level of Farm Infrastructure Services (Received)	68
Table 4.35(a) Farm Input Business (Services Level that Farmers Expected)	68
Table 4.35(b) The Perception Level towards Farm Input Business (Expected)	69
Table 4.36(a) Farm Input Business (Services Level that Farmers Received)	69
Table 4.36(1	b) The Perception Level of Farm Input Business (Received)	70
Table 4.37	Post-Harvest Operation (Services Level that Farmers Expected)	70
Table 4.37(1) The Perception Level towards Post-Harvest Operation (Expected)	71
Table 4.38(a) Post-Harvest Operation (Services Level that Farmers Received)	72
Table 4.38(1) The Perception Level of Post-Harvest Operation (Received)	72
Table 4.39(a	Advices and Agriculture Extension (Services Level that Farmers Expected)	73
Table 4.39(1) The Perception Level towards Advices and Agriculture Extension (Expected)	73
Table 4.40(a	Advices and Agriculture Extension (Services Level that Farmers Received)	74
Table 4.40(1) The Perception Level of Advices and Agriculture Extension (Received)	75
Table 4.41(a) Funds and Saving (Services Level that Farmers Expected)	75
Table 4.41(1) The Perception Level towards Funds and Saving (Expected)	76
Table 4.42(a) Funds and Saving (Services Level that Farmers Received)	77

Table $1.12(h)$	The Dercention Level of Funds and Soving (Deceived)	77
1 aute 4.42(0)	The reception Level of Funds and Saving (Received)	11
Table 4.43(a)	PPK Maintenance Project (Services Level that Farmers Expected)	78
Table 4.43(b)	The Perception Level towards PPK Maintenance Project (Expected)	78
Table 4.44(a)	PPK Maintenance Project (Services Level that Farmers Received)	79
Table 4.44(b)	The Perception Level of PPK Maintenance Project (Received)	79
Table 4.45(a)	Technology and PPK Offices Facilities (Services Level that Farmers Expected)	80
Table 4.45(b)	The Perception Level towards Technology and PPK Offices Facilities (Expected)	80
Table 4.46(a)	Technology and PPK Offices Facilities (Services Level that Farmers Received)	81
Table 4.46(b)	The Perception Level of Technology and PPK Offices Facilities (Received)	81
Table 4.47(a)	Customer Complaint (Services Level that Farmers Expected)	82
Table 4.47(b)	The Perception Level towards Customer Complaint (Expected)	82
Table 4.48(a)	Customer Complaint (Services Level that Farmers Received)	83
Table 4.48(b)	The Perception Level of Customer Complaint Channel (Received)	83
Table 4.49(a)	PPK Boards Director (Services Level that Farmers Expected)	48
Table 4.49(b)	The Perception Level towards PPK Boards Director (Expected)	85
Table 4.50(a)	PPK Boards Director (Services Level that Farmers Received)	85
Table 4.50(b)	The Perception Level of PPK Boards Director (Received)	86
Table 4.51(a)	Entrepreneurship Development (Services Level that Farmers Expected)	87
Table 4.51(b)	The Perception Level towards Entrepreneurship Development (Expected)	87
Table 4.52(a)	Entrepreneurship Development (Services Level that Farmers Received)	88
Table 4.52(b)	The Perception Level of Entrepreneurship Development (Received)	88
Table 4.53	Summary Ranking Mean (Service Expected)	89

C

Table 4.54	Summary of Mean (Service Received)	
Table 4.55	Willingness among Farmers to Continue Using PPK Services	90
Table 4.56	Problems in Paddy Sector that Faced by Farmers	91
Table 4.57	Farmers Opinion about Paddy Sector in Future	92
Table 4.58	The Relationship between Demographic Profile and Farmers Opinion about PPK Establishment Objective (n=198)	93
Table 4.59	The Relationship between Demographic Profile and Farmers Opinion about PPK Leadership and Management (n=198)	94
Table 4.60	The Relationship between Demographic Profile and Farmers Opinion about PPK Services Handling (n=198)	95
Table 4.61	The Relationship between Demographic Profile and Farmers Opinion about Farmers Operation and Management (n=198)	95
Table 4.62	Gap Analysis of PPK Services	97

 \bigcirc

LIST OF FIGURES

FIGURE NO	TITLE	PAGE
1	Figure 1.1: Graph Average Gross Yields for Paddy at four (4) Regions from 2007 to 2012	11
2	Figure 1.2: Regional and PPK Area	14
3	Figure 1.3: Division of MADA	16
4	Figure 1.4: Farmers' Organization Board (LPP)	18
5	Figure 3.1: Study Flow and Design of Project	35
6	Figure 3.2: Locations of Kedah-Perlis	36
7	Figure 3.3: Distribution of MADA Regions and Sub- regions	37



ABSTRACT

Small-scale farmers still predominate and the majority of them are engaged in growing paddy. On 2011, statistics shows that there are 177,230 paddy farmers in Malaysia. However, only 40% are working as full-time farmers. In Peninsular Malaysia, Kedah has the highest number of paddy farmers which are 31,820 farmers. Malaysia paddy areas are divided by two granaries which are major and minor granary area. Muda area, Kedah-Perlis is one of the major granary areas under responsibility of Muda Agriculture Development Authority (MADA) and Area Farmer's Organization (PPK). PPK is one of organization under MADA are responsible to manage, coordinate and provides the facilities to farmers. Eight (8) services are offered by PPK for farmers which are management and development of human resources, farm mechanization, farm infrastructure, providing farm input, fund and saving, extension and advices, harvesting technology, food processing technology, marketing, and farm cyber center. Satisfactions of farmers towards PPK service are very important in order to help the farmers to improve their production and yields of rice for nation. However, there are a few problems facing by PPK in their services which are: their service quality is low, farmers has low confident toward PPK and communication problem among farmers and PPK. This study was conducted to examine the service quality of PPK in Muda area. The specific objectives are to determine respondents' satisfaction level toward PPK services and to examine the relationship between socio demographic factors with satisfaction level toward PPK services. Questionnaire form was designed before distributed to 200 respondents from four (4) regional of PPK at Muda area. Data will analyze by using

xi

Statistical Package for the Social Science (SPSS) version 21.0. Three (3) types of statistics analysis techniques were used to analyze the data which are descriptive, chi-square and gap analysis. As a result, we found that perception level of respondents toward PPK services is moderate and there are significant relationship between socio demographic factors and perception level toward PPK services.

As conclusion, farmer's expectation towards PPK is always high since everybody always want the best but the performance of PPK are at medium level and a lot of improvement need to be done. There is also a few recommendations that should be done in future studies to improve this study which are PPK must make improvement on the three (3) most expected services which are advices and agriculture extension, management and human resources development, PPK board director.

ABSTRAK

Majoriti petani dalam sektor padi adalah dalam kalangan petani berskala kecil. Pada 2011, statistic menunjukkan terdapat 117,230 petani dalam sector padi di Malaysia. Namun begitu, hanya 40% dari kalangan mereka yang bertani secara sepenuh masa. Di Semenanjung Malaysia, jumlah petani tertinggi adalah dari Kedah iaitu seramai 31,820 petani. Di Malaysia, jelapang padi terbahagi kepada jelapang padi utama dan dan kecil. Jelapang padi utama terletak di kawasan Muda, Kedah-Perlis adalah di bawah tanggungjawab Lembaga Kemajuan Pertanian Muda (MADA) dan Pertubuhan Peladang Kawasan (PPK). PPK adalah sebuah organisasi di bawah MADA yang bertanggungjawab untuk menguruskan, memantau dan menyediakan kemudahan kepada petani. Terdapat 10 khidmat yang ditawarkan oleh PPK untuk petani iaitu mengurusan dan membangunan sumber manusia, mekanisasi lading, infrastruktur lading, menyediakan input lading, pinjaman dan pembiayaan, pengembangan dan khidmat nasihat, teknologi penuaian, teknologi pemprosesan makanan, pemasaran dan pusat siber. Kepuasan petani terhadap PPK adalah amat penting dalam membantu petani meningkatkan hasil pengeluaran lantas menyediakan bekalan makanan untuk negara. Namun begitu, terdapat beberapa masalah yang dihadapi oleh PPK menerusi khidmat yang ditawarkan iaitu: perkhidmatan kurang berkualiti, petani kurang keyakinan kepada PPK, masalah komunikasi antara PPK dengan petani, dan petani kurang kesedaran.Kajian ini adalah bertujuan untuk mengkaji kualiti perkhidmatan PPK di kawasan MUDA. Objektif spesifik kajian ini adalah untuk mengenalpasti tahap kepuasan respondent terhadap perkhidmatan PPK, mengkaji hubung kait antara faktor sosial demografik dengan tahap kepuasan terhadap perkhidmatan PPK.

Soalan kaji selidik telah dibuat dan diedarkan kepada 200 responden dari empat (4) daerah PPK di kawasan Muda. Data dianalisis menggunakan "Statistical Package for the Social Science" (SPSS) versi 21.0. dan Tiga (3) jenis teknik analisis statistik iaitu analisis deskriptif, chi-square, dan gap digunakan dalam kajian ini. Di akhir kajian ini, tahap perpepsi petani terhadap PPK adalah didapati pada tahap pertengahan dan terdapat hubungan signifikan antara mengkaji hubung kait antara faktor sosial demografik dengan tahap kepuasan terhadap perkhidmatan PPK.

Sebagai kesimpulannya, harapan petani terhadap PPK adalah sentiasa tinggi tetapi servis yang diberikan oleh PPK adalah di tahap sederhana dan pelbagai penambahbaikan perlu dilakukan.Terdapat beberapa cadangan untuk penambahbaikan kajian ini di masa hadapan iaitu penyelidik hendaklah menambahbaik tiga (3) servis yang paling diharapkan oleh petani iaitu nasihat dan pengembangan pertanian, pengurusan dan sumber manusia dan ahli lembaga pengarah PPK.

CHAPTER 1 INTRODUCTION

1.0 Introduction

Chapter 1 is about the introduction of the study. This chapter covers about the paddy farming in Malaysia, paddy farming in MUDA area, Farmers Organization Authority (LPP), Muda Agriculture Development Authorities (MADA), District Farmer's Organization (PPK), services provided by PPK, service quality and customer satisfaction, problem statement, objective of study, significant of study and also thesis organization.

1.1 Paddy Farming in Malaysia

In Malaysia, paddy is a major crop for carbohydrate sources in food. Since before Merdeka paddy already cultivated. However, in 1957, 40% of Malaysia rice requirement is imported. After independence in 1957, vigorous activity was taken to achieve the goal of complete self-sufficiency in rice production. After independence, three (3) major rice policy goals were formulated which are to reduce dependency on world markets, to save foreign exchange, and to increase the welfare of paddy farmers. Therefore, Malaysia government are consent about farmers welfare to develep their community as they plays an impoertant role in increasing Malaysia economy. Small-scale farmers still predominate and the majority of them are engaged in growing paddy (Nair, 2007). There are 0.3 million paddy farmers in Malaysia, of whom 40% are full-time farmers. The farm

size of 65% of the paddy farmers is below 1 hectare (Md. Mahmudul, Chamhuri, Md. Wahid, Rafiqul, & Mohd. Ekhwan, 2010).

In Malaysia, the main season for paddy is started on August and February of the every year. There are two type of paddy planted in Malaysia which arelowland and upland paddy. Lowland paddy is themajor type of paddy planted in Malaysia. It can be found at major granary area of Peninsular Malaysia such as Perlis, Kedah, Perak, and Selangor. Upland paddy is a paddy that planted at dry area on highland. Dryland paddy can be found at some places at Pahang. (reference).

The main places that producing paddy in Malaysia is called granary areas. Granary areas are greater than 4,000 hectares (Statistic,2014). There are eight granary areas in Malaysia, namely Muda Agricultural Development Authority (MADA), Kemubu Agricultural Development Authority (KADA), Kerian-Sungai Manik Integrated Agriculture Development Area, Barat Laut Selangor Integrated Agriculture Development Area, Seberang Perak Integrated Agriculture Development Area Penang Integrated Agriculture Development Area North Terengganu Integrated Agriculture Development (KETARA) and Integrated Agriculture Development Kemasin Semerak (Department of Agriculture, Malaysia).

Paddy production is the sum of total wetland paddy production plus upland paddy production. The data is gathered by Paddy Yield Survey and Paddy Cultivation Activities Survey before announced by Department of Agriculture Malaysia as below.

Table 1.1 below shown the paddy production in Malaysia from year 1963 to 2010. The production of paddy is increased rapidly from year 1963 to the 1970s. Paddy production in Malaysia increased from 1,255 thousand tons in 1965 to 1,997 thousand tons in 1975

which is double value



Table 1.1: Paddy Production, Area Harvested and Yield in Malaysia, 1963-2010

Year	Planted Area (ha)	Yield (ton/ha)	Production (tons)
1963	340,670	2,512	855,700
1970	533,596	2,635	1,406,123
1975	595,590	2,881	1,716,146
1980	716,873	2,852	2,044,604
1985	656,375	2,975	1,952,914
1990	680,647	2,769	1,884,984
1995	672,787	3,162	2,127,271
2000	698,702	3,064	2,140,904
2005	666,781	3,471	2,314,378
2010	677,884	3,636	2,464,831

Sources: Department of Statistics, Government of Malaysia (2011)

Table 1.1.1 below shows the paddy production in paddy farming areas in Malaysia from year 2000 to 2020. The table shows that granary areas are the main contributor for paddy in Malaysia which is 68% during 2000 and 66% in year 2010.

Location of paddy farming area	Achiever	nent (%)	Target (%)		
/Year	2000	2010	2015	2020	
Granaries	68	66	70	74	
Outside of granaries	18	17	12	8	
Sabah & Sarawak	14	17	18	18	
Total production (million MT)	2.14	2.55	2.77	2.91	

Table 1.2: Paddy Production in Paddy Farming Areas in Malaysia, 2000-2020

Source: National Agro-Food Policy (DAN) 2011-2020 (Ministry of Agriculture & Agro-Based Industry Malaysia, 2011)

The production of paddy in Malaysia is increasing every year. However, Malaysia still cannot achieve 100% rice self sufficiency of Malaysian. Malaysia produces only about 70% for local consumption, we need to relies on imports from our neighbors such as Thailand, Vietnam, Laos and Cambodia (The Star Online, Sunday October 30, 2011)

1.2 Paddy Farming in Muda Area

Muda area is the largest granary areas of Malaysia. Muda area is located in Kedah and Perlis. The area is 125,155 hectare and 96,558 hectare of the area planted with paddy. This is the reason why Kedah is called "Negeri Jelapang Padi". Now, there are estimated that 48,500 farmers planting paddy at Muda area to feed the nation.

Farmers at Muda area are follows the paddy planting timeline that provided by MADA. Muda area also has very systematic irrigation system. This systematic irrigation and drainage projects in Muda area is run between year 1956 to 1970. Malaysia invested heavily in irrigation for about USD 180million with assistance of World Bank. This action is taken to increase Malaysia rice self-sufficiency and to produce welface at the same time. The main reason of irrigation development is to construct systems for double cropping per year.

Table 1.3 below shows the paddy planting timeline for land preparation, planting, flowering and harversting that provided by MADA. This timeline is the estimation that made by MADA for farmers references.

Farm Operation		Season 2/2013			
	25-Feb-2015 4-Mac-2015				5-Mac-2014
	Expectation (%)	Result (%)	Expectation (%)	Result (%)	Result (%)
Land Preparation	100.0	99.9	100.0	99.9	98.3
Planting	99.8	99.8	99.8	99.8	98.2
Flowering	99.7	99.4	99.7	99.7	95.7
Ripening	98.7	98.0	99.3	98.4	86.8
Harvesting	92.7	95.3	97.8	97.5	78.7

 Table 1.3: Paddy Planting Activities Season 2/2014

Source: Paddy Cultivation Activities Survey

Based on Paddy Yield Survey and Paddy Cultivation Activities Survey, the production for Muda area during out season 2012 (1/2012) is 6,312 kg/hectare. The production is calculated using bulk system.

Table 1.4 below is the total production of paddy at Muda area from year 2008 until year 2012. The plantation area was decreased from year 2007 to 2012. However, the net production per tan was increased from 887,992 tan on 2007 to 929,070 on 2012.



Year/Season	Gross Yield	Net Yield	Area (Hectare)		Total Production	
	(kg/Hectare)	(kg/Hectare)	Planted	Harvested	During Harvesting	Net
2007/2008	5,700	4,598	193,105	193,105	1,100,695	887,992
2007	5,429	4,462	96,558	96,558	524,213	430,842
2008	5,971	4,735	96,547	96,547	576,482	457,150
2009	6,155	5,055	193,095	193,095	1,188,404	976,192
2008	6,120	5,073	96,547	96,547	590,868	489,192
2009	6,189	5,038	96,548	96,548	597,536	486,406
2010	5,863	4,725	193,104	193,104	1,132,170	912,321
2009	5,656	4,593	96,548	96,548	546,075	443,445
2010	6,070	4,856	96,556	96,556	586,095	468,876
2011	5,970	4,955	193,020	193,020	1,152,236	929,070
2010	5,890	4,871	96,494	96,494	568,350	470,022
2011	6,049	5,039	96,526	96,526	583,886	486,395
2012	5,729	4,843	191,843	191,843	1,099,152	929,070
2011	5,147	4,390	95,950	95,950	493,855	421,221
2012	6,312	5,296	95,893	95,893	605,297	507,849

Table 1.4: Total Production of Paddy at Muda Area

Table 1.5 below shows the average gross yields for paddy at four (4) Regions from 2007 to 2012. This table showed clearly the total average yields for each sub-region, regions and MADA.

If we only take the average yields for nearest year from now, then 2012 is the nearest year to 2015. From this table we can see that during second season of 2012, the paddy yield at Jitra Region is the highest which is 6,624 while the lowest is at Pendang Region which is 5,581 only.

PPK MADA	20	007	20	08	20	09	20	10	20	11	20	12
	2/2006	1/2007	2/2007	1/2008	2/2008	1/2009	2/2009	1/2010	2/2010	1/2011	2/2011	1/2012
А	5,039	5,974	5,733	6,104	6,170	6,297	4,843	5,836	5,376	6,284	5,634	6,734
В	5,259	5,737	6,249	6,391	5,983	5,983	6,059	6,335	6,153	6,193	5,516	6,237
С	5,204	5,939	5,262	5,963	<mark>6,327</mark>	6,010	4,815	5,336	3,846	5,018	4,529	5,921
D	4,933	5,738	6,019	6,381	6,409	6,588	5,567	5,469	5,925	6,125	5,554	6,309
E	5,144	6,047	6,419	6,545	6,280	6,512	6,588	6,516	6,227	6,139	5,774	6,748
REGION 1	5,113	5,899	6,056	6,338	6,216	6,340	5,752	6,013	5,758	6,075	5,540	6,484
PERLIS												
А	4,675	4,714	4,854	5,120	5,566	6,181	4,651	5,499	4,677	6,080	4,649	6,311
В	4,844	4,801	4,277	5,857	6,174	6,098	5,045	5,946	5,773	6,097	4,757	6,443
С	6,474	6,404	6,255	6,638	5,946	5,918	5,764	6,064	6,261	6,157	5,996	6,976
D	5,334	5,945	5,303	5,578	6,007	6,676	5,977	6,082	6,171	5,531	5,102	6,751
E	5,465	5,951	5,003	6,553	6,558	6,580	5,657	6,125	5,791	6,148	4,322	6,630
F	6,072	6,228	6,13 <mark>2</mark>	6,323	5,987	6,074	5,732	6,022	6,527	6,330	5,599	7,114
G	5,088	5,960	4,53 <mark>9</mark>	5,720	6,081	6,162	6,079	6,102	6,050	5,476	4,872	6,829
Н	5,372	6,219	5,174	6,342	6,161	6,618	5,921	6,083	5,836	5,964	4,639	5,855
Ι	5,264	5,506	5,141	5,522	5,823	6,138	5,667	5,988	5,966	6,236	4,350	5,972
REGION 2	5,389	5,728	5,209	5,971	6,041	6,268	5,617	5,999	5,927	6,015	4,993	6,624
JITRA												
А	4,830	5,899	4,249	5,181	6,270	6,266	5,719	6,303	6,088	6,281	4,809	5,583
В	5,051	5,885	4,569	6,058	5,261	5,460	5,165	5,662	4,962	5,358	5,159	5,292
С	5,399	5,670	4,786	5,169	6,166	6,265	5,735	5,947	6,018	5,265	5,931	5,869
D	3,986	5,309	3,090	4,972	4,873	5,312	4,872	5,018	5,649	5,955	4,408	5,199
E	5,465	5,951	5,003	6,553	6,558	6,580	5,657	6,125	5,791	6,148	4,322	5,682
F	4,848	5,452	5,350	5,782	5,973	5,911	5,543	5,967	5,290	5,478	5,054	5,321

 Table 1.5: Average Gross Yields for Paddy at four (4) Regions from 2007 to 2012 (Detailed)

 \bigcirc

REGION 3	4,912	5,629	4,437	5,395	5,675	5,797	5,368	5,785	5,638	5,887	4,892	5,581
PENDANG												
А	6,016	6,170	6,038	5,948	<mark>6,409</mark>	6,098	5,734	6,139	6,313	6,192	4,932	6,216
В	5,775	6,069	6,069	6,107	6,372	6,168	5,701	6,343	6,117	5,407	4,731	6,891
С	6,266	6,430	6,489	6,377	6,374	6,350	5,379	6,575	5,946	6,001	4,726	5,594
D	6,510	6,704	6,051	6,883	6,884	6,414	6,312	6,510	6,461	6,330	6,197	6,529
E	6,502	6,011	6,069	5,759	6,688	6,341	6,154	6,475	5,942	6,240	4,289	6,227
F	5,281	5,498	6,396	5,745	6,331	6,228	5,795	6,477	6,024	6,327	6,378	6,706
G	6,438	6,244	6,496	6,535	6,533	6,506	5,944	6,547	6,330	6,711	5,604	6,932
REGION 4	6,288	6,153	6,089	6,188	6,529	6,311	5,880	6,447	6,156	6,213	5,263	6,410
KOTA SARANG												
SEMUT												
MADA	5,469	5,849	5,429	5,971	6,120	6,189	5,656	6,070	5,890	6,049	5,147	6,312

 $\left(\mathbf{G}\right)$

PPK MADA	2007	2008	2009	2010	2011	2012
	(kg/ha)	(kg/ha)	(kg/ha)	(kg/ha)	(kg/ha)	(kg/ha)
REGION 1	5506	6197	6278	5883	5917	6012
REGION 2	5559	5590	6155	5808	5971	5809
REGION 3	5271	4916	5736	5577	5763	5237
PENDANG						
REGION 4	6221	6139	6420	6164	6185	5837
MADA	5659	5700	6155	5863	5970	5730

Table 1.6: Average Gross Yields for Paddy at four (4) Regions from 2007 to 2012

(Summarize)

Figure 1.1 below showed the graph average gross yields for paddy at four (4) regions

from 2007 to 2012.





2012

1.3 Area Farmer's Organization (PPK)

The PPK at Muda area is started between years 1968 till 1972 under Akta Persatuan Peladang 1967.

During early of establishment of PPK use basic of cooperative principal. The cooperative principal has a little modifications and improvement as economic and social board for farmers:-

- 1) Freeing farmers from the bondage of indebtedness continued with middleman who is known as "Padi Kunca".
- 2) To cover farmer's basic needs as extension of knowledge and technology, agriculture input, marketing and processing of yields and many more.

The PPK was established on 1968 at PPK Kubang Sepet where there are 215 members and the share was RM500, 000. Every year after the number of PPK was increased.

During year 1974, there are 27 total number of PPK under control and management of MADA. There are 24 PPK from Kedah and Perlis joined Rancangan Pengairan Muda that controlled by MADA.

On 2012, total number of farmers in Kedah-Perlis that become PPK member are 45,500 where their share is RM13, 206 million, and net profit is RM7,973 millions. (MADA, 2015)

PPK was established in order to cover a few objectives for benefits all people that involve in paddy sector at Kedah. The five (5) main objectives are as follows:-

- 1) To improve the economic and social level of members
- 2) To increase the knowledge and skills of members
- 3) To increase revenue and experts of members
- 4) To improve lifestyles of members
- 5) To create a progressive farming community, independent, prosperous and united



Figure 1.2: Regional and PPK Area

1.4 Muda Agriculture Development Authorities (MADA)

In early of 1970 Muda Agriculture Development Authority (MADA) was established. Establishment of MADA is to standardize all development activity and improvement plans regarding Muda Irrigation Project at Kedah-Perlis Granary.

Muda Irrigation Project was done under First Malaysia Plan (RMK1) that aims for granaries areas in Kedah and Perlis to plant paddy twice a year. This place was planted paddy only once a year before. In MADA establishment act, which is Act 70, Akta Lembaga Kemajuan Pertanian Muda, 1972, this placed is named Muda.

The main responsible of MADA is to serve facilities and comfortable environment to increase development of economy and social level among farmers at Muda area. In addition, MADA give advice and extension about new technology to make sure paddy planted twice per year.

MADA aims are to increase wellness of villagers living and to increase agriculture yields for state needs. This vision is to become leader for national paddy industry and for development of social-economy of MADA farmers. While the mission of the MADA are

1) To transform paddy industry to phase of modern, efficient, sustainable and competitive.

- To increase involvement of farmers in the total value chain of paddy and rice industry.
- 3) To maximize the income of farmers through diversification of sources.
- 4) To develop farmer institution as competitive economic entity.

Figure 1.3 below showed the division of MADA which can be divided into nine (9). All of these divisions play an important role in making sure all process and activity in MADA are run smoothly.



Figure 1.3: Division of MADA

1.5 Farmers' Organization Authority (LPP)

Farmers Organization Authority (LPP) established under the Farmers' Organization Act 1973 (Act 109) is owned by farmers. According to Section 7 (3) of Regulation 1973, the Director General of LPP as Registrar PPK has given some powers to the Registrar Standing, General Manager Muda Agricultural Development Authority (MADA), General Manager of Agricultural Development Authority (KADA) and Ministry of Modernization of Agriculture for the state of Sarawak except the power to establish, register, suspend and revoke the PPK.

Until years 2008, LPP supervise an achievement of PPK that involve National Farmers Organization (NAFAS), 12 State Farmers Organizations (VAT) and 206 of District Farmer's Organization (PPK).

On 14 February 1973 Farmers Organization Authority (LPP) was established by an Act of LPP 1973 (Act 110), the Farmers Organization Authority Act. The establishment of the LPP is to take responsibility for improvement of the economic and farming community's social under a special act of the body.

Act 109, Farmers' Organization Act 1973 was enacted specifically to reorganize the associations of farmers and agricultural cooperatives. Due to this Act, farmers ' associations repealed and re-registered as farmers' organizations and agricultural-based

cooperatives become members of the PPK unit. Now, there are about 1531 agricultural cooperatives and 119 farmers' associations that serve to the farming community in rural areas.



Sources: LPP, 2015

Figure 1.4: Farmers' Organization Authority (LPP)

1.6 Success and Services Provided By PPK

Many successes are achieved by PPK throughout the existence. During early establishment which is started 1968 to 1974, main function of PPK is to make sure that the planting of paddy is done twice a year. This is involving granary areas of 98,951 hectares.

PPK role is as supplier for agriculture input and to give credit services to members. Now starting to 1979 PPK help as distributor center for fertilizers under the Federal Government Assistance Scheme. The fertilizers provided are compound fertilizer and urea. During 1978-1984, PPK involve to in the successful implementation of the Project Muda 2, under campaigns and local courses.

Until now, MADA have 128 Project Muda 2 of 26,000 hectare areas. Starting from 1980, PPK involving in establishment of alliances farm projects such as Project Group and Project Partial Plantation. PPK involved in development campaign such as Strategic Integrated Weed Control, Rat Control, Golden Apple Snail, Bena War and Revenue Enhancement Technology Package. During 1991, 1992 and 1993, PPK involved in a campaign entitles "Kempen Tabur Terus Kering" PPK also involve in the implementation of the Project 10 Tan in the Muda area in 2010. Then, Implementation of Rice Production Incentive Scheme (SIPP) began in 2007 until now.

PPK also involve in implementation of the National Agro-Food Policy (NAFP) in 2008-2010. Beginning in 2011, the PPK involved as executor of the project management body Centralized Management in Paddy Estate NKEA program.

No.	Services Provided by PPK	
1	Management & Development of Human Resources	
2	Farm Infrastructure Services	
3	Fund and Saving	
4	Harvesting Technology	
5	Marketing	
6	Farm Mechanization/Automotive	
7	Farm Input	
8	Extension and Advice	
9	Food Processing Technology	
10	Farm Cyber Centre	

Table 1.7: Services Provided by PPK

1.7 Problems Statement

There are a lot of services provided by PPK. Even though they provide various types of services, the services still quite low quality. The first problem that PPK have is low services quality. Some farmers say that, some officer did not do their work full filly. They just do the work so that when their boss will ask, they can say that they already do the work. Some of officer also did not come to the field to monitor farmers work, they just stay at office and wait for farmers to come to them.

Next, majority of farmers in Muda area are uneducated person. Thus, it is hard for PPK officer to deliver information and advice. The farmers cannot understand scientific reason behind anything that advice by officer. They will not follow PPK advice and plans because they do not understand the reason to do so. For example, some of farmers love to use CL variety continuously even the officer already told the negative effect of it.

Besides that, farmers also have low confident towards PPK. This is because majority of officer do not have field experience, most of them graduated from university and have knowledge from theories only. Whenever the farmers ask question to the PPK officer, they cannot answer it or they have not accurate answer.

Other than that, there is big problem in communication between officer and farmers. Officer fails to explain something in sentences that can easily understand by farmers. This causes misunderstanding among farmers towards a few issues such as pruning branches of plant. Farmers think that pruning is stupid action. Another problem faced by PPK is performance not achieve the standard. There are a few standards that made for every service to make sure farmers satisfaction, for example during providing of farm inputs such as fertilizer. However, the achievement of services is not according to plan.

Lastly, the PPK officers do not have technology according to farmers need and knowledge about latest market demand. The farmers do not follow what officer teach, not because they stubborn, but the technology given is useless and not economically profitable. Officers also do not know latest information about market demand where they still give farmer seed that not well.

Research questions for this study are:

- 1) What is the perception level of respondents toward PPK?
- 2) What is the customer satisfaction level toward PPK services?

3) What is the relationship between socio demographic factors with satisfaction level?

1.8 Objective of Study

1.8.1 General Objective

The general objective of this study is to examine the service quality of PPK in Muda Area.

1.8.2 Specific Objectives

The specific objective of this study

- 1) To identify the respondents profile
- 2) To clarify the perception level of respondents toward PPK.
- 3) To determine the customer satisfaction level toward PPK services.
- 4) To examine the relationship between socio demographic factors with satisfaction level.

1.9 Significant of Study

P

PPK can identify their weakness and strength through the result of study; this is the great opportunity for PPK to know what is inside their client heart that they keep from PPK. Farmers usually afraid to speak out their opinion because do not want to be scold and many more. Through this study, the survey was distributed to farmer and they do not have to tell their name while answering the paper. This will make the farmers more confident to speak out their mind. By know their weakness and strength, the services by PPK can easily be improved.

Next, this is the opportunity for farmers in Muda area to get better service. Farmers play an important role in achieving rice demand for Malaysian. Better services will indirectly help them to produce higher rice production in easier way. Higher productions will higher their life standard.

This study also can help PPK officer to improve their services in more specific way. For example, if the result is lack in harvesting technology, then it easier and save time for those to improve that field instead of they improve their selves in random fields.

This study also help nation to achieve staple food sufficiency. Now, rice sufficiency for Malaysia is only 75% sufficiency. So, once the satisfaction towards MADA is improved, it expected that the rice sufficiency also increase. As now, Malaysia depends on import of rice from Thailand, Vietnam and Pakistan. This scenario is not good as it not secure to food security plus increase flow of money outside Malaysia.

1.10 Thesis Organization

This thesis is arranged in five chapters. Chapter 1 is about the introduction of the study. This chapter covers about the paddy farming in Malaysia, paddy farming in MUDA area, PPK, MADA, LPP, Services Provided by PPK, service quality and customer satisfaction, problem statement, objective of study, significant of study and also thesis organization. In Chapter 2, previous research on related topic was used as references to get the better understanding about this study. The topic has been choosing were agriculture extension agent, role of farmer organization, service quality and customer satisfaction and theory of satisfaction.

Chapter 3 is methodology of the study. This chapter answers the entire question about how this studies done, where is the location of study, what is the source of this study, who is respondents involved in this study, data collection and analyzed. Chapter 4 represents the results of the study. The results and discussions obtained from the data collected and analyzed. In it included demographic profile, farm background, assessments respondents towards farmer perception towards PPK, factors that cause farmers satisfaction towards PPK, and also represents Chi-square analysis result.

The last but not least was Chapter 5 which are the Discussion, Conclusion and Recommendation of the study. All the references and appendices were included after this last chapter.

REFERENCES

- Ahmad A. R., (2006). Agricultural Cooperatives in Malaysia: Innovations and Opportunities in the Process of Transition towards the 21st Century Model.
 Agricultural Cooperatives in Asia: Innovations and Opportunities in the 21st. 2006, Seoul, Korea: 1-33
- Ahmad Z. I., Siwar C. (2012). Kawasan Pengairan Muda: Merentasi Masa Menyangga Keselamatan Makanan Negara. Jurnal Pengurusan Awam. 69-90
- Alam, M. M, Chamhuri, S., Murad M. W, Rafiqul I. M., Toriman, M. E. (2010).
 Sosioeconomic profile of farmer in Malaysia: Study on intergrated agricultural development area in north-west Selangor, Agricultural Economics and Rural Development, New series, Year VII, no 2, p 249-265
- Department of Agriculture (2012). Paddy Production Survey Report Malaysia Off Season 2011. DOA, Peninsular Malaysia, Malaysia.

Department of Agriculture (2014). Paddy Statistic of Malaysia 2013. DOA, Peninsular Malaysia, Malaysia.

Eric, O. G., Kenneth, W. S., Oscar I. A, and Joseph, K. M. (2015). Demand for Agricultural Extension Services Among Small-Scale Maize Farmers: Micro-Level Evidence from Kenya. The Journal of Agricultural Education and Extension. 21(2), 177-192

- Gillaninia, S., Teleghani, M., and Talemi, M. R.kK. (2013). The impact of Service Quality on Customer Satisfaction. Journal of Research and Development 1(4)
- Ilhaamie, A. G. A., Member, L. (2010). Services Quality in Malaysia Public Services : Some Finding. International Journal of Trade economics and Finances. 1
- Jelena, T., Natalja, L. (2015). Customer Satisfaction and Loyalty in Latvian Retail Banking. Journal of Economics and Management. 15
- Kibet, C. (2011). "Major Challenges facing Kenyan agricultural sector." International Conference on Innovations in Extension and Advisory Services: Linking Knowledge to Policy and Action for Food and Livelihoods, held in Nairobi, Kenya, November 15–18

LPP (2015). The official website of LPP, http://www.lpp.gov.my/

Nair, P. (2007). The impact of the agreement of agriculture on small paddy farmers in Asia. Penang, Malaysia: Pesticide Action Network Asia and the Pacific.

Muyanga, M., and T. S. Jayne. 2006. Agricultural Extension in Kenya: Practice and Policy Lessons. Tegemeo Institute of Agricultural Policy and Development. Working Paper 26, Egerton University, Nairobi, Kenya.

MADA (2015). The official website of MADA, http://www.mada.gov.my/

- Rika T., Zainalabidin M., Mad N. S. and Ismail A. L. (2013). Paddy Farm Management Practices: The Case of Sungai Petani Area in Malaysia. Journal of International Food & Agribusiness Marketing. 25, 116-127.
- Tokyo: Asian Productivity Organization (1991). Agricultural cooperatives in Asia and the Pacific: report of APO Multi-Country Study Mission, 6th-16th June, 1989, Tokyo, Japan.
- Samsudin A. F. (2011) Agriculture Extension and Its Roles in Ensuring Food Safety, Quality and Productivity in Malaysia. Universiti Putra Malaysia.
- Yoyo T., Daryanto A., Gumbira-Said E., and Hasan M. F. (2014). Competitiveness Model and Gap Analysis of Indonesian Palm Oil-Based Fatty Acid and Fatty Alcohol Industry. International Journal of Economic and Finance. 6(2)