

CHAPTER ONE
INTRODUCTION

In the past, little attention was given to the coconut industry in Malaya by both the Government and economists. As a result, there is little published information and statistics available on the industry. The first attempt to carry out an economic survey to gather data on coconut farms was conducted by Wilson¹ in West Johore. Such an attempt deserves high commendation and should be encouraged, considering the fact "in the past there has been no real attempt to collect reliable economic data about the industry. Whatever data that was available and published arose from the administrative angle, especially from land office records which were primarily for the purpose of raising revenue."²

Objective of Study

This paper is an exploratory study of some aspects of the coconut industry. It attempts to examine four aspects of the industry:

(a) To bring out some facts about the coconut industry in order to support and substantiate its claim to be a significant industry within the economy of Malaya.

(b) To bring out the main causes at work in the farms which bring about the decline of the industry.

(c) To bring out the main causes of the failure of coconut farmers to improve their coconut farms.

Scope of Study

This paper is confined to the study of the coconut industry during the last decade (1954 - 1964) in Malaya. Malaya in this study refers to the States of Johore, Malacca, Negri Sembilan, Selangor, Perak, Kedah, Perlis, Penang and Province Wellesley, Kelantan, Trengganu and Pahang. Singapore is excluded for the purpose of this study.

1. Wilson, T.B., The West Johore Coconut Production Survey,

Printercraft Ltd., 1958.

2. Ibid., Foreward by Abdul Aziz Ishak.

The coconut industry in this paper covers both estates and smallholding. As the smallholding sector occupies a predominating position in the industry, greater attention and details have been given to it than the estate sector, despite, the fact that more information and statistics are available in the estate sector.

Limitation of Study

It is a well-known fact that published information generally deals with the larger units of the economy of Malaya to the neglect of smaller units³, i.e. more information and data are available on estate than on smallholdings. As more than four-fifths of the acreage under coconut farms is under smallholdings, leaving less than one-fifth under estates⁴, it is therefore, not surprising that little has been written about the industry as a whole. As the result of the scarcity of published facts, this article is a collection of all relevant and available materials on the industry. As far as possible, these facts would relate to the coconut situation in Malaya within the last decade (1954 - 1964).

Methodology

There has been little primary research done on this paper. The limited primary research that has been undertaken is confined to the detailed study of several smallholdings and estates in the District of Muar. For the most part, this paper has been confined to the collection and re-arrangement of all relevant and published materials on the industry.

Chapter Organization

The nature of the subject-matter of this paper necessitates a brief discussion of the main features of the coconut industry,

3. Puthucheary, J.J., Ownership and Control in the Malayan Economy, Singapore, Donald Moore, 1960, p. XI.

4. Mohamad Jamil, 1961 Annual Report, Department of Agriculture, Kuala Lumpur, p. 14.

before any attempt can be made to go into the details which form the subject-matter of this enquiry. Such an approach would better serve exposition, in that an overall background of the industry, would make the detailed discussion of the subject-matter more meaningful.

Chapter 2 deals with the main features of the coconut industry in order to provide the necessary background to the study. The main features of the industry are; (a) the predominating position held by small units of the industry over large units, i.e., smallholdings beat the estates in total acreage, total coconut and copra production. (b) the estate sector is more capital intensive in production methods, conditions of production are better and productivity is higher in contrast to labour - intensive production methods, poor conditions of coconut farms and lower productivity in the smallholding sector and (c) the relative stability of copra and coconut oil prices when compared to rubber prices.

The coconut industry has been a neglected industry. It had been neglected by the Government because it was thought to be an insignificant industry. Chapter 3 deals with the importance of the coconut industry. It is concerned with the presentation of facts to support its claim to be an important industry in Malaya. There are several criteria which may be used to assess its importance. The criteria used in this chapter depend very greatly on the availability of data. The main criteria are (a) number of people employed in the industry, (b) total acreage under coconut farms, and (c) contribution to export earnings. Judged against these criteria, the coconut industry is a significant industry.

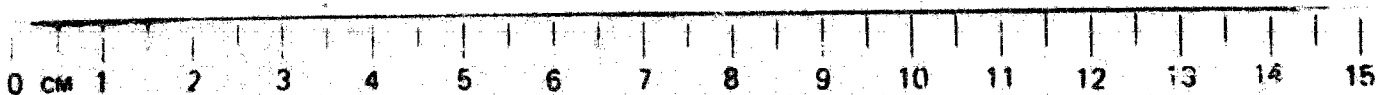
Since the coconut industry is significant, the health of the industry is a matter of concern to all. What are the indicators of the health of the industry, one would ask? The main indicators of the health of the industry are (a) the trend of (a) the number of people employed (b) the acreage under coconut farms, (c) contribution to export earnings, and coconut and copra production. The use of these indicators depends on the availability of data. This is dealt with in Chapter 4. All the indicators used point to the fact that the coconut industry is on the decline.

The decline of a significant industry such as the coconut industry needs investigation to reveal the main causes of the decline. Chapter 5, therefore, sets out to examine the main causes, such as the reduction in palm density, old age palms, poor drainage system, pests and diseases, and contraction of acreage under coconut palms in order to explain the decline in production in the industry. The main causes of the decline in production point to the seriousness of the situation in the coconut industry.

The coconut farmers especially smallholders, when left to themselves would not improve their coconut farms. The present coconut situation proves the point. One is apt to ask then, why the coconut farmers are unable to improve their farms and the industry as a whole. The main factors are (a) low productivity and (b) low income. Chapter 6 deals with the main causes of poverty in the coconut-growing area. In recent years, the Government, realising the seriousness of the problems in such a significant industry, in a small way, extends assistance to the industry.

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Chapter 7 which concludes this study, attempts to recommend several measures to be taken by the Government to put things right in the coconut industry, in the light of its present difficulties.



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