

ORCHID FARMING AS A POTENTIAL BUSINESS VENTURE

A business field project submitted to the Graduate School in partial
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ABSTRAK

Kertas projek ini bertujuan mengkaji kesesuaian industri tanaman orkid sebagai satu perniagaan yang boleh diceburi. Objektif Isajian meliputi aspek-aspek mengenai status industri, potensi pasaran domestik dan eksport, faktor-faktor utama kejayaan projek, cabaran-cabaran, dan analisa kewangan projek. Kaedah kajian adalah melalui pengumpulan data primer dan maklumat-maklumat secara temubual dengan responden-responden terpilih dan data skunder daripada kajian-kajian MARDI, FAMA, Jabatan Pertanian dan Jabatan Statistik.

Industri ini telah bertapak di Malaysia sejak tahun 60an tetapi hanya berkembang mulai tahun 80an. Walaupun berbagai insentif diperkenalkan, namun industri ini masih lagi lembab. Pasaran tempatan mempunyai potensi yang baik, dengan permintaannya disepanjang tahun dan pasaran eksport terbuka luas. Faktor-faktor utama bagi kejayaan projek ini, ia-itu pengusaha perlu mempunyai rangkaian pasaran yang baik, pemilihan jenis yang sesuai dengan destinasi pasaran, produk yang berkualiti tinggi, pengalaman dan pengetahuan teknikal, pengurusan yang cekap, kos bahan tanaman yang rendah secara berterusan, modal yang cukup serta dapat merancang dengan tepat permintaan dengan penawaran. Cabaran dalam projek ini terdiri daripada harga bahan input yang tinggi, persaingan dengan negara Thailand dan Singapura, keperluan modal yang tinggi, amalan pasaran eksport Malaysia secara bersendirian, kekurangan jenis-jenis baru, masalah pekerja asing dan kekurangan aktiviti promosi. Analisa kewangan secara keseluruhannya bagi ladang orkid seluas 3 ekar adalah menggalakkan dan projek adalah menguntungkan..

Cadangan yang dikemukakan terdiri daripada pengurangan kos pengeluaran, memberikan bantuan kepada pembiak-baik benih, pengurangan cukai import barangan dan input, mempertingkatkan kecekapan dan produktiviti, mempertingkatkan pengetahuan teknologi tinggi serta pengurusan yang cekap. Selain daripada itu perlu diperkukuhkan kemampuan persaingan dan kecekapan dalam pasaran, dan seterusnya memperkemaskan lagi galakan dan insentif. Sebagai rumusan, industri ini mempunyai potensi yang baik dan mampu dijadikan sebagai satu lagi produk eksport Malaysia yang berdaya maju dimasa akan datang.

ABSTRACT

This business field project is intended to study the feasibility of the orchid farming industry as a business venture. The objectives covers various aspects such as the status of the industry, the potential of domestic and export markets, the key success factors, challenges facing the industry and a financial analysis of the project. The methodology of the study includes collecting information through interviews with selected respondents and secondary data obtained from researches by MARDI, FAMA, Agricultural Department and Statistic Department.

The orchid industry had initially begun since 1960, but only started to create an impression during the 1980's. Although various incentives have been introduced, the industry's growth rate is still considered sluggish. The domestic market has great potential with a year round demand and there is also a very wide export market. For the success of the project, the entrepreneur has to tackle the key success factors. Among these are to develop a good networking channel, the selection of the variety has to be suited to the target market, a product with high quality, technical expertise and experience, effective farm management, the ability to maintain production costs at manageable levels and finally the need to plan with a fair degree of accuracy the supply and demand of the market. While the challenges facing the industry include the high costs of input materials, competition from Thailand and Singapore, the necessity for substantial capital investment, lack of up to date information regarding the international market, the country's export practices which is more individualist, an efficient air transport system, slow development of new orchid varieties, foreign labor problems and a lack of promotional activities. The financial analysis based on a 3 acres orchid farm, shows that the project is considered to be very much viable.

The recommendations put forward to further develop the industry are along the lines of a reduction in the costs of production. Assistance could be provided to businesses for production of seedlings, a slackening of the import duties and restrictions on imported goods, an increase in efficiency and productivity, increase technological knowledge and effective management. Other measures that should be looked at are to increase competitiveness and efficiency in marketing of the products and to further streamline incentives and supporting activities. As conclusion, the orchid cultivation industry has the potential to become another export product that would further contribute to Malaysia's economy.

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TABLE OF CONTENTS

	Page
PERMISSION TO USE	i
ABSTRACT (BAHASA MALAYSIA)	ii
ABSTRACT (ENGLISH)	iii
ACKNOWLEDGEMENTS	iv
LIST OF TABLES	viii
LIST OF FIGURES	ix
CHAPTER 1 - INTRODUCTION	
1.1 Statement of the Problem	1
CHAPTER 2 - OBJECTIVES AND METHODOLOGY	
2.1 Objectives	5
2.2 Methodology	6
CHAPTER 3 - FRAMEWORK OF THE STUDY	
3.1 Framework of the Study	13
CHAPTER 4 - THE ANALYSIS	
4.1 The Orchid Industry in Malaysia	15
4.1.1 Types of Species	15
4.1.2 Government Policies	17
4.1.3 Industry Development	19
4.1.4 Government Incentives	21
4.2 Market Prospects	23
4.2.1 Local Market	23
4.2.2 International Market	28

4.2.3	Key Success Factors Leading Thailand and Singapore	
	Success in the International Market	42
4.3	Key Success Factors for Developing an Orchid Farm	45
4.3.1	Networking	45
4.3.2	Selection of Variety for Export Market	46
4.3.3	Quality, Packaging and Grading	48
4.3.4	Project Management	50
4.3.5	Planting Materials	52
4.3.6	Capital Investment	53
4.3.7	Planning for Supply and Demand	54
4.4	Challenges for Orchid Industry in Malaysia	55
4.4.1	High Price of Input Items	55
4.4.2	Competition with Singapore and Thailand	55
4.4.3	The Need for Substantial Capital Investment	56
4.4.4	Export Market Practices	56
4.4.5	Lack of Information on International Market	57
4.4.6	System for Air Delivery	57
4.4.7	Lack of New Varieties	57
4.4.8	Lack of Agricultural Products	58
4.4.9	Non-Durable Varieties	58
4.4.10	Foreign Labor Problems	58
4.4.11	Promotional Activities	59
4.5	Project Management and Economic Returns	60
4.5.1	Project Management	60
4.5.2	Economic Returns	66

CHAPTER 5 – CONCLUSION AND RECOMMENDATIONS	
5.1 Conclusion	72
5.2 Recommendations	74
5.2.1 Reduction of Production Costs	74
5.2.2 Improvement on Efficiency and Productivity	75
5.2.3 Creation of Orchid Cultivation Areas	76
5.2.4 Strengthening Market Competitiveness and Improving Market Efficiency	76
5.2.5 Institutional Support and Incentives	77
BIBLIOGRAPHY	80
APPENDICES	
A Common Varieties of Orchid Cultivated in Malaysia	83
B Incentives For The Agricultural Sector	86
C The Participating Financial Institutions (PFIs) Under The Small and Medium Industries Scheme	91
D List of Malaysia Orchid Exporters	93
E Export Market Potential For Malaysian Floricultural Products	94
F Selected Hybrids For The Three Acre Acres Project	95
G Infrastructure in Cultivation of Monopodium and Simpodium Orchids	98
H Assumptions and Financial Analysis	100
I SWOT Analysis of Floricultural Industry	113

LIST OF TABLES

Table		Page
1.1	Malaysia : Crops by Hectarage 1980 - 85	1
4.1	Usage of Flowers During Festival Seasons and Special Occasions	25
4.2	Malaysia Export of Orchids to Existing Secured Market 1988 – 1993 (RM)	30
4.3	Singapore Orchid Imports by Source 1987 – 1991 (S\$'000)	32
4.4	Malaysia Export by Orchid to Emerging Market 1988 – 1993 (RM)	35
4.5	Malaysia Export of Orchid to Potential Market 1988 – 1993 (RM)	39
4.6	Import Value of Fresh Cut Flowers by the US (US\$'000)	40
4.7	General Description of Selected Orchid Hybrids	64

LIST OF FIGURES

Figure		Page
3.1	Schematic Diagram Showing the Framework of the Study	14
4.1	Marketing Channels of Orchid Cut Flowers for Local Market	27
4.2	Marketing Channels of Orchid Cut Flowers for Export Market	28
4.3	Gantt Chart for the Implementation of Activities	62

CHAPTER 1 - INTRODUCTION

1.1 Statement of the Problem

The agriculture sector in Malaysia has been very much dependent on several major commodity items like oil palm, rubber, cocoa, and tobacco. During the early 1980's, these sectors recorded very substantial growth as shown in Table 1.1. The Government had given emphasis on these sectors with large investments and allocations for the development of infra-structure, development institutions and the opening of new land areas to develop and to increase the acreage of the various commodities. The aim of the policy was to generate foreign exchange, increase employment opportunities and create additional income.

Table 1.1: Malaysia: Crops by Hectarage, 1980 – 85.

	1980	1981	1982	1983	1984	1985
Rubber	2,010,000	2,006,488	1,966,400	1,990,000	2,000,000	2,012,000
Oil Palm	1,069,507	1,140,538	1,212,486	1,226,585	1,306,000	1,400,000
Cocoa	108,556	150,030	190,000	205,000	211,000	237,000
Padi	735,215	767,640	758,400	764,200	769,750	775,220
Tobacco	12,535	12,970	13,610	14,160	14,955	15,749
Orchards	93,000	87,800	89,000	90,000	92,000	94,000

Source: Mid-Term Review of the Fourth Malaysia Plan 1981 – 1985.

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