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"Small and Medium-sized
Enterprises Competitiveness"

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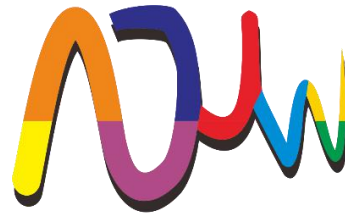
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AGRIBUSINESS
DEVELOPMENT FOR
HUMAN WELFARE

*“Small and Medium-sized
Enterprises Competitiveness”*



Agribusiness Development
for Human Welfare

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EDITOR FOREWORD

The economic integrations by ASEAN certainly have given a major influence on Small and Medium-sized Enterprises (SMEs). Beside economic integration in the form of free trade area (FTA) that has been going on since the early 2000s, economic integration in the form of ASEAN Economic Community (AEC) has been ongoing since the beginning of 2016. Through this integration, SMEs have opportunity to expand access to markets, technology, and capital. But at the same time SMEs are required to improve their competitiveness in order to survive in the market.

In order to explore ideas, concept, and innovations related to the competitiveness of SMEs, International Conference on Agribusiness Development for Human Welfare (ADHW 2016) was held in Yogyakarta on May 14, 2016. The conference organized by Department of Agribusiness Universitas Muhammadiyah Yogyakarta, in collaboration with Department of Agribusiness and Information System Universiti Putra Malaysia, Department of Agro-Industrial Technology Kasetsart University, Department of Agriculture Socio-Economics Universitas Gadjah Mada, Department of Agriculture Socio-Economics of Universitas Brawijaya, Indonesian Society of Agriculture Economics, Agribusiness Association of Indonesia. Hopefully proceedings of ADHW 2016 provide stimulus for increasing competitiveness of SMEs in ASEAN, especially in Indonesia.

Furthermore, we are grateful to Allah, the Sustainer of all word, who always makes it easy for our affairs. We would like to acknowledge with thanks to all the institution and individual who joined with resources and efforts in organizing the conference that resulted in the papers which are published in this proceeding. Special thanks to all authors and discussants who contributed with their intellectual capital and responded to our call papers. Thanks and acknowledgment are also due to all reviewers of the conference who helped in evaluating submitted papers; and to the members of the Organization Committee, who ensured smooth execution of the event.

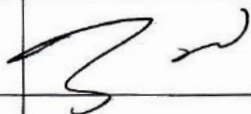
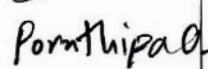

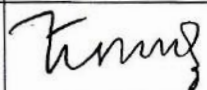
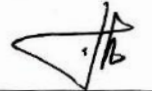
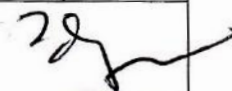
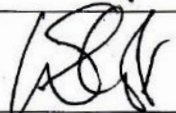
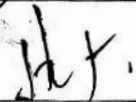
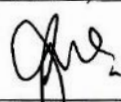

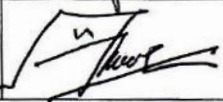
May 30, 2016

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PREFACE

Assalaamualaikum, Warahmatullaahi., Wabarakaatuh.
Dear Honorable Governor of Yogyakarta Special Province
Dear respectable Prof. Dr. Zainal Abidin Mohamed
Dear respectable Asist. Prof. Pornthipa Ongkunaruk
Dear respectable Rector of UMY Prof. Dr. Bambang Cipto, MA.
Dear all invited Guests, Speakers, and Participants of International seminar of ADHW 2016.

Alhamdulillah, all praise be to the Almighty God, so that we can be gathering here today at Muhammadiyah University of Yogyakarta in order to attend the Conference on Agribusiness Development for Human Welfare (ADHW) 2016.

Ladies and Gentlemen,

On behalf of the committee, I would like to say welcome to this International Conference on ADHW 2016 and thank you for attending our invitation.

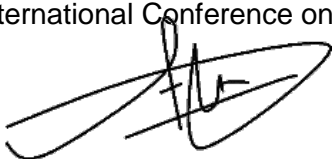
Especially, we are grateful to invited speakers, Prof. Zainal Abidin Mohamed and Asist. Prof. Pornthipa Ongkunaruk, for their willingness to share information and thoughts in this conference. As a bit report, that this conference has been attended by 85 speakers coming from five countries.

This conference entitled "Small and Medium-sized Enterprise Competitiveness". ASEAN Economic Community is the largest economic integration that is going to be implemented at the beginning of 2016 (December 31, 2015). Through this integration, SMEs will have opportunity to expand access to markets, technology, and capital. But at the same time SMEs are required to improve their competitiveness in order to survive in the market. We expect that this seminar is capable of producing thoughts building SMEs within ASEAN, especially Indonesia, to face the free trade.

This event can be done by support and efforts from all sides. Therefore, I would like to say thank you to all committee members having worked hard to conduct this event. We, as the organizer committee, do apologize when there is a shortage in conducting this event.

Wassalamualaikum, Warahmatullaahi., Wabarakaatuh.

Chairman
International Conference on ADHW 2016



Dr. Aris Slamet Widodo, SP., MSc.

WORDS OF WELCOME

Assalamu'alaikum warahmatullahi wabarakatuh

Alhamdulillah, all praise be to Allah SWT, who has given us His blessings so that this International Seminar of Agribusiness Development for Human Welfare (ADHW) 2016 entitled "Small and Medium-sized Enterprises Competitiveness" can be conducted. This International Conference is held in cooperation among Agribusiness Study Program of Muhammadiyah University of Yogyakarta with Putra University of Malaysia (UPM), Kasetsart University (KU), Association of Indonesian Agricultural Economy (PERHEPI), and Agribusiness Association of Indonesia (AAI), Universitas Gadjah Mada (UGM) and Universitas Brawijaya (UB).

Countries of ASEAN members like Indonesia, Malaysia, and Thailand have more than 90% Small and Medium-sized Enterprises (SMEs). In general, SMEs play important role in economic developments such as in terms of employment, added value, improve foreign exchange, and economic growth. For Indonesia, the role of SMEs is limited to employment and added value, while the foreign exchange from SMEs is still low. According to the General Director of SMEs of Industrial Ministry, in 2013 the total SMEs being able to pass through export market is just under 5 percent. For that required many breakthrough and innovation so that the role of SMEs becomes real economic development, especially in Indonesia, and generally in ASEAN countries.

On behalf of Agribusiness Department of Universitas Muhammadiyah Yogyakarta, we would like to express our gratitude Putra University of Malaysia (UPM), Kasetsart University (KU), Association of Indonesian Agricultural Economy (PERHEPI), Agribusiness Association of Indonesia (AAI), Universitas Gadjah Mada (UGM) and Universitas Brawijaya (UB) for all supports, sponsors, and all committee members having worked so hard that this International Conference can be conducted.

Hopefully, these synergies coming from various parties can provide contribution for developing SMEs in Indonesia and other ASEAN countries as well.

Wassalamu'alaikum warahmatullahi wabarakatuh

Head of Agribusiness Department
Universitas Muhammadiyah Yogyakarta



Ir. Eni Istiyanti, MP.



Gubernur

Daerah Istimewa Yogyakarta

Sambutan
KONFERENSI INTERNASIONAL
“AGRIBUSINESS DEVELOPMENT FOR HUMAN WELFARE”
Yogyakarta, 14 Mei 2016

Assalamu'alaikum Wr. Wb.

Salam sejahtera untuk kita semua.

Yang Saya hormati :

- Rektor Universitas Muhammadiyah Yogyakarta;
- Para Narasumber;
- Hadirin dan Para Peserta yang berbahagia,

Puji dan syukur marilah kita panjatkan kehadirat Allah SWT karena hanya atas limpahan rahmat serta karunia-Nya, kita dapat hadir pada kesempatan acara **Konferensi Internasional “Agribusiness Development For Human Welfare”** ini dalam keadaan sehat wal’afiat.

Pada kesempatan kali ini, secara ringkas Saya akan menyampaikan mengenai industri kecil menengah nasional yang menjadi tema pada pembukaan Seminar Internasional “Agribusiness Development For Human Welfare” ini.

Hadirin dan Saudara-saudara sekalian yang Saya hormati,

Berdasarkan data BPS, pertumbuhan industri pengolahan nonmigas pada tahun 2015 secara kumulatif sebesar 5,04%; lebih tinggi dari pertumbuhan ekonomi (PDB) pada periode yang sama sebesar 4,79%. Pada periode Januari-Desember 2015, nilai ekspor produk industri pengolahan nonmigas mencapai USD 106,63 Milyar, dan nilai impor mencapai USD 108,95 milyar, sehingga neraca perdagangan industri pengolahan nonmigas pada periode yang sama sebesar USD 2,32 milyar (neraca defisit).

Usaha pemerintah untuk memperkecil defisit di atas, salah satunya dengan cara memberdayakan Industri Kecil dan Menengah (IKM) yang merupakan bagian penting dalam perkembangan industri nasional. Sampai saat ini, Industri Kecil dan Menengah

telah berkontribusi sebesar 34,82% terhadap pertumbuhan industri pengolahan nonmigas secara keseluruhan.

Angka ini dapat tercapai karena dukungan lebih kurang 3,6 juta unit usaha, yang merupakan 90 persen dari total unit usaha insutri nasional. Jumlah unit usaha tersebut telah mampu menyerap tenaga kerja sebesar 8,7 juta orang, yang tentunya berdampak pada meningkatnya ekonomi nasional serta mengurangi kemiskinan.

Industri Kecil dan Menengah (IKM) memiliki peran yang strategis dalam perekonomian nasional. Hal ini sejalan dengan Visi Pemerintah dalam Rencana Pembangunan Nasional Jangka Menengah (RPJMN) 2015-2019 yaitu *“Terwujudnya Indonesia yang berdaulat, mandiri, dan berkepribadian berlandaskan gotong royong”*.

Untuk lebih meningkatkan peran tersebut, Penumbuhan dan Pengembangan Industri Kecil dan Menengah diarahkan untuk memiliki tujuan jangka menengah guna mewujudkan industri kecil dan industri menengah yang berdaya saing, berperan signifikan dalam penguatan struktur industri nasional, pengentasan kemiskinan dan perluasan kesempatan kerja, serta menghasilkan barang dan/atau jasa Industri untuk keperluan ekspor.

Hadirin dan Saudara-saudara sekalian,

Awal tahun ini, kita telah memasuki era Masyarakat Ekonomi ASEAN (MEA). Dengan demikian, perekonomian nasional akan langsung bersaing dengan para pelaku pasar di kawasan ASEAN. Produk dan jasa termasuk investasi negara-negara anggota telas bebas memasuki pasar di kawasan ASEAN.

Dalam rangka menghadapi hal tersebut, Pemerintah mengambil langkah-langkah strategis berupa peningkatan daya saing industri dan mendorong investasi di sektor industri; di mana peningkatan daya saing industri itu sendiri dilakukan melalui penguatan struktur industri dengan melengkapi struktur industri yang masih kosong serta menyiapkan strategi ofensif dan defensif dalam akses pasar.

Pemerintah telah melakukan Penguatan Sektor IKM dengan strategi ofensif dan defensifnya melalui beberapa program pelaksanaan, diantaranya antara lain: Penumbuhan Wirausaha Baru; Pengembangan IKM melalui Pengembangan Produk IKM serta Peningkatan Kemampuan Sentra dan UPT; Pemberian Bantuan Mesin dan Peralatan Produksi; Perluasan Akses Pasar melalui Promosi dan Pameran; Fasilitasi Pendaftaran Hak Kekayaan Intelektual; Fasilitasi Sertifikasi Mutu Produk dan Kemasan; serta Fasilitasi Pembiayaan melalui Skema Kredit Usaha Rakyat (KUR).

Saya berharap agar berbagai program-program pemerintah tersebut dapat didukung secara sinergis oleh seluruh komponen masyarakat. Untuk itu, Saya berpesan kepada Saudara-saudara sekalian agar semua program pemerintah dalam bidang

Industri, khususnya dalam program pemberdayaan Industri Kecil dan Menengah, didukung dengan sepenuh hati, agar dapat lebih bermanfaat bagi masyarakat dalam rangka pengembangan industri kecil menengah.

Hadirin dan Saudara-saudara sekalian yang Saya hormati,

Demikian beberapa hal yang dapat Saya sampaikan. Akhirnya dengan memohon ridho Allah Subhanahu Wata'ala, seraya mengucap "*Bismilahirrahmanirrahim*", **Konferensi Internasional "Agribusiness Development For Human Welfare"** dengan ini secara resmi Saya nyatakan dibuka. Semoga Allah SWT memberikan petunjuk, bimbingan, perlindungan dan kemudahan dalam setiap langkah dan upaya kita. Amien.

Sekian dan terima kasih.

Wassalamu'alaikum Wr. Wb.

Yogyakarta, 14 Mei 2016
GUBERNUR
DAERAH ISTIMEWA YOGYAKARTA



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ASSOCIATION BETWEEN SOCIO-DEMOGRAPHIC CHARACTERISTICS WITH PINEAPPLE FARMER'S KNOWLEDGE, SKILLS AND PRACTICES IN MALAYSIA

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Abstract

Pineapple in Malaysia is being produced by small-scale farmers and the estate. However, small-scale farmers usually practices traditional farming in producing pineapple because of the culture and the level knowledge they gain. Lack of enterprising skills and competitiveness prevents them to be more successful in pineapple farming. Thus, agricultural extension is important to provide knowledge and skills to improve production, income and quality of life. Therefore, this study aims to examine the relationship between socio demographic characteristics and respondents' perception level of knowledge, skill and practices toward pineapple farming. The study was conducted at Johor and Selangor with 150 farmers. Close-ended questionnaire have been used thru face to face interview. The result from this study shows that the perception of farmers towards the effect of extension services on knowledge and practices are high but moderate on skills. Then, perception of farmers toward extension agent's organization, officer and activity are high. The result from chi-square analysis showed that race and state have a significance difference between respondents' knowledge towards pineapple farming. Thus, education and state have a significances difference between respondent's skills towards pineapple farming. In addition, race has a significance difference between respondent's attitudes towards pineapple farming. . Hence, pineapple farming needs great intension by the government trough Malaysian Pineapple Industry Board to develop appropriate polices for this industry. Moreover, government sector should encourage all races of farmers to participate and attract them by giving some subsidies like as poultry and oil palm industries.

Keywords: Extension, Pineapple, Small-scale Farmers

INTRODUCTION

Agriculture is the third engine of Malaysia's economy (Austin and Baharud-din, 2012). The agricultural sector has significantly contributed to the country's growth and is a major contributor to national income and export earnings. The agriculture sector in Malaysia can be divided into two (2) sub sectors which are estate sub-sector and smallholders sub-sector. Estate sub-sector is usually operated by the experts either by private companies, public-listed corporate entities or even public land development agencies. They usually have a better management. They mostly involved in the production of industrial

crops such as cocoa, rubber and oil palm that produced for exports. Smallholders sub-sector is usually involved in food crop production such as fruits and vegetables.

Pineapple (*Ananas comosus* L.) is one of the major commercial fruit an important food crop in the believed to have originated from the Eastern Part of South America. It is mainly used as fresh dessert fruits or for the preparation of canned pineapple in the form of slices or rings, juices and jams. Pineapple in malaysia is being produced by small-scale farmers and the estate. In Malaysian pineapple farm, a smallholder is considered as a farmer who manages a farm less than 100 acres or 40.4 hectares. It is characterized by small uneconomical farm size, low in productivity, scattered, and individually

managed farms. However, the average size of smallholder farm in Peninsular Malaysia and East Malaysia. Peninsular Malaysia the size ranges from 0.5 to 1.2 hectares compared with East Malaysia averaging between 1.0 to 5.0 hectares (MPIB, 2004). In 2010, there are 2048 citizen smallholders and 455 non-citizen smallholders with 3936 Ha and 1047 Ha of total plantation area respectively. In pineapple replanting plan, there are 531 smallholders with 780.67 ha plantation area that participated in 2010 while in new planting plan, there are 1401 smallholder with 2217.17 ha plantation area that participated in that plan (MPIB, 2013).

However, small-scale farmers usually practices traditional farming in producing pineapple because of the culture and the level knowledge they gain. Besides, they have low access to knowledge and practices due to the their social demographic factors (Saili, 2005). Lack of enterprising skills and competitiveness prevents them to be more successful in pineapple farming. Thus, Agricultural Extension is important to provide knowledge and skills to improve production, income and quality of life (Zhou, 2008). This study attempts to examine the relationship between socio demographic factors and respondents' perception level of knowledge, skill and practices toward pineapple farming.

METHOD

A total of one hundred and fifty (150) pineapple farmers randomly selected from Johor and Selangor as a largest planting area among other state in Malaysia (Figure 1) by questionnaire approach through personal interviews. The parameters surveyed included sex, age, race, educational qualification and experience. The questionnaires were designed to help obtain detailed information on the socio-economic characteristics of the respondents.

A few statistical were used to assist in analyzing the association between socio-demographic characteristics with pineapple farmer's knowledge, skills and practices in Malaysia. The SPSS

Figure 1: Map of Peninsular Malaysia



Which is Located Selangor and Johor

(Statistical Package Social Sciences) program version 21.0 used to analyze quantitative data that was collected from respondent at the field survey. After all the data had been entered, a frequency output, mean and standard deviation for all variable was undertaken to check that the data had been correctly entered and to identify any missing data and outliers. Few statistical analyses were obtained to analyze the data such as descriptive analysis and chi-square analysis. The descriptive analysis was used to analyzed socio-demographics and farm profile of farmers. Finally, chi-square analysis used to describe a set of association between socio-demographic characteristics with pineapple farmer's knowledge, skills and practices in Malaysia.

RESULT AND DISCUSSION

The result and analysis of the survey on the "Association between Socio-Demographic Characteristics with Pine-apple Farmer's Knowledge, Skills And Practices In Malaysia" will present. 150 respondents were interviewed via structured questionnaire to gather

information regarding to respondents' profile, business profile, and perception towards pineapple farming in Malaysia. The result will be analyzed using SPSS and presented based on the following method analysis which are descriptive analysis and Chi-square analysis.

Socio-demographic characteristics Result

Table 1 represented respondents' age. From the result, majority of respondents were in the age range between 40 to 59 years old which comprises 56.7 %. This was followed by age 60 to 80 years old which is 26 %. Low frequency was observed in the age 20 to 39 years old which only 17.3 %. From total 150 respondents, 88.7 % of them are male while only 11.3 % of respondent are female, as shown in Table 1.

Table 1: Socio-demographic Characteristics of the Pineapple Producers

Variables	Parameter	Frequency	(%)
Age	20-39 years	26	17.3
	40-59 years	85	56.7
	60-80 years	39	26.0
Gender	Male	133	88.7
	Female	17	11.3
Race	Malay	144	96.0
	Chinese	3	1.3
	India	0	0
	Jawa	4	2.7
Marital status	Single	89	14.8
	Married	502	86.7
	Widow	9	1.5
Education Level	None	6	4
	Primary	44	29.3
	Secondary	80	53.3
	Tertiary	20	13.4
Household	0-3	73	48.7
	4-6	62	41.3
	>7	15	10
Experience	<10	109	72.7
	11-20	21	14.0
	21-30	9	6.0
	21-40	8	5.3
	>41	3	2.0
State	Selangor	66	44.0
	Johor	84	56.0

From Table 1, 96 % of respondent are Malay and also a Muslim. Usually in Malaysia, rural area inhabits by Malay

community. Then, 2.7 % of respondents are Jawa that comes from Indonesia but practice pineapple farming in Malaysia as a source of their income. Only 1.3 % of respondents are Chinese and a small number of Chinese respondents are because they are more likely to involve in business activity. Table 1 represents about the respondents' education level. The highest percentage is which 53.3%. This was followed by level from any institution which is 29.3%. Meanwhile 6.7% and 6.7% of respondent are only pass Diploma and Degree respectively. The lowest percentage has no formal education which only comprises 4% of respondent. Based on Table 1, majority respondents (48.7%) have households between 0 to 3 peoples. Follow by 41.3% of respondents that have 4 to 6 number of households. 10% of respondents have more than 7 numbers of households.

Table 1 represents the respondents' experience in pineapple farming. Majority of respondents were in pineapple farming experienced range less than 10 years which comprises 72.7% of respondents. This was followed by range 11 to 20 year which is 14% of respondents. Meanwhile 6% of respondents have range between 21 to 30 years pineapple farming experience. Respondents with pineapple farming experienced between 21 to 40 years are 5.3%. Low frequency was observed in the experienced more than 41 years which comprises only 2% of respondents. Table 1 represents the respondent's state. Majority of respondent have farm at Johor which comprises 56 % respondent while 44 % of respondent are located at Selangor.

Chi Square Result

Chi-square analysis was used to test the significant different or relationship of two variables. 10 percent significant level was used in this analysis. P-value less than 0.10, shows that a relationship between variables. In finding out the relationship between variables and drawing conclusion, cross-tabulation between two variables or more was used.

Table 2 shows the summary of Chi square test result on the relationship

between demographic profiles with respondents' perception of knowledge toward pineapple farming. The result from the Table 2 also presents that age, gender, education, number of household and experience have no relationship with respondent perception of knowledge toward pineapple farming. Thus, race and respondents' state have a relationship between respondents' knowledge towards pineapple farming

Table 2: Relationship between Demographic Profiles with Farmer's Knowledge towards Pineapple Farming

Variables	χ^2	P-value	Decision
Age	5.168	0.271	Fail to Reject H ₀
Gender	0.413	0.814	Fail to Reject H ₀
Race	9.710	0.046	Reject H ₀
Education	5.023	0.755	Fail to Reject H ₀
Household	2.198	0.699	Fail to Reject H ₀
Experience	3.657	0.887	Fail to Reject H ₀
State	5.746	0.057	Reject H ₀

Table 3: Relationship between Demographic Profiles with Farmer's Skills towards Pineapple Farming

Variables	χ^2	P-value	Decision
Age	1.714	0.788	Fail to Reject H ₀
Gender	3.135	0.209	Fail to Reject H ₀
Race	6.642	0.156	Fail to Reject H ₀
Education	18.538	0.018	Reject H ₀
Household	1.617	0.806	Fail to Reject H ₀
Experience	7.257 ^a	0.509	Fail to Reject H ₀
State	19.626	0.000	Reject H ₀

Table 3 shows the summary of Chi square test result relationship between demographic profile and respondents skills towards pineapple farming.

The results indicate that respondents' age, gender, race, number of household and experience have no relationship between respondents' skills

towards pineapple farming. Thus, respondents education and state have a relationship between respondents skills towards pineapple farming.

Table 4 shows the summary of Chi square test result relationship between demographic profile and respondents practices towards pineapple farming.

The results indicate that respondents' age, gender, race, education background, number of households, experience and state have no relationship between respondents' practices towards pineapple farming. Thus, respondents race have a relationship between respondents attitudes towards pineapple farming.

Table 4: Relationship between Demographic Profiles with Farmer's Practices towards Pineapple Farming

Variables	χ^2	P-value	Decision
Age	6.353	0.174	Fail to Reject H ₀
Gender	0.565	0.754	Fail to Reject H ₀
Race	20.580	0.000	Reject H ₀
Education	10.879	0.209	Fail to Reject H ₀
Household	7.651	0.105	Fail to Reject H ₀
Experience	8.330	0.402	Fail to Reject H ₀
State	2.508	0.285	Fail to Reject H ₀

CONCLUSION

A small number of the respondents claim that extension officer never visited them at farm. Although the percentage is small, their responses should be taken into consideration into future extension service management. This would affect their potential as pineapple producer which can receive new knowledge and better farming practice that affect pineapple productivity and farm management efficiency.

MPIB play an important roles to assist farmer to manage their pineapple farm. Most farmers are depending to MPIB in order to guide them to be a successful farmer. However, there are

also respondents said that they never joining training, courses and extension activities provided by MPIB as an extension agent. This might be because of respondent's time, place and information receive restriction that restrained them to get those training from MPIB. Extension agent should take into consideration on tracking farmers that have problem on getting training or information from MPIB. Thus, this will lead them to have high perception on extension and advisory service provided by MPIB.

Finally, race and state of respondent have significant difference towards knowledge, skill and practice of pineapple farming. Other than that, respondents' demographic profiles also do not influence respondents' knowledge, skill and practice towards pineapple farming. Even though the respondents have a different background, but all of them have a high level of knowledge, skill and practice towards pineapple farming.

Further research is needed to investigate and evaluate the satisfaction of respondents towards quality of extension and advisory service provided

by MPIB included problem faced by MPIB towards their expansion program.

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DISCUSSION FROM PARALLEL SESSION

PAPER TITLE	Association Between Socio-Demographic Characteristics With Pineapple Farmer's Knowledge, Skills and Practices in Malaysia
AUTHOR	Melissa Alina Yusoff, Norsida Man, Nolila Mohd Nawi, Khadijat Jaji
DISCUSSION	
QUESTION	<ul style="list-style-type: none"> - What is the implication of your finding? - Why is not to know the effects on farm performance : production, profit, etc? - What does "the race improve" mean?
ANSWER	<ul style="list-style-type: none"> - To improve the education - Later, this study focused on skills and practices, not profit and production - Race → chineses have better farming skill than other races should learn
SUGGESTION	



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