Mainstreaming Cooperatives in the Agribusiness Sector

Mohd. Shahrain Anuar bin Said
Cooperative College of Malaysia

Abstract
Agriculture is an important sector in Malaysia. For many years, this sector has been the backbone of Malaysian economy by producing agricultural products for domestic consumption, as the earner of foreign exchange. Agriculture also contributes to the national gross domestic product (GDP). It provides major employment for the people, especially from the rural areas. In 2014, this sector contributed about 7% of Malaysia’s GDP. In Malaysia, there are 2,547 cooperatives registered as agricultural cooperatives with a total membership of 744,406 members as of December 2014. However, only part of those cooperatives is actively involved in agricultural, agro-based industry, or plantation activities. Hence, to make cooperatives an effective contributor towards national development, they are encouraged to participate in high-value agriculture activities and operate on large-scale basis with the application of modern technology for increased results. They are also encouraged to develop this sector through mergers or strategic alliances and appoint successful cooperatives in this sector as mentors and also collaborating with technical agencies. Related government agencies such as Malaysia Cooperative Societies Commission, Cooperative College of Malaysia, and apex body for cooperative movement in Malaysia, ANGKASA play their roles to achieve the development of cooperatives involved in the agricultural sector in Malaysia based on the established strategic thrusts under the National Cooperative Policy 2011–2020. This paper aims to discuss on issues and challenges on agribusiness sector, direction and strategy to implement particularly in the context of agricultural cooperatives in Malaysia.