



How to cite this article:

Hoyaeli, S., Othman, Z., Anas, I., & Shafie, S. M. (2019). The Implementation of MyOrganic: A Case Study of Koperasi ABSB. *Journal of Technology Management and Business*, 13(2), 78–87. <https://doi.org/10.32890/jtom2018.13.2.8>

THE IMPLEMENTATION OF MYORGANIC: A CASE STUDY OF KOPERASI ABSB

¹Sabariyah Hoyaeli, ²Zakirah Othman, ³Iswandi Anas, & ⁴Shafini M. Shafie

^{1,2,4}*School of Technology Management and Logistics,
Universiti Utara Malaysia, 06010 UUM Sintok, Kedah.*

³*Faculty of Agriculture, Bogor Agricultural University (IPB), Campus IPB Darmaga Bogor 16680, Indonesia.*

Corresponding author: sabariyah94@gmail.com

Received: 20/07/ 2018 **Revised:** 27/08/2018 **Accepted:** 15/10/2018 **Published:** 25/12/2018

ABSTRACT

Rice is a staple food and daily routine for Malaysians. Currently, the increasing population in Malaysia has led to the need to increase rice production with more quality. Therefore, the government established a scheme with national organic standards, MS 1259: 2015 which is myOrganic certification to recognize organic farms. Koperasi ABSB is the first rice farm that obtained this certification. Thus, the aims of this study are to explore the implementation of myOrganic in Koperasi ABSB and the barriers faced by this cooperative to implementing myOrganic certification. Qualitative method is used in this case study through interviews and observation. The finding showed that the implementation of myOrganic is as follows, by register myGAP, register myOrganic, Department of Agricultural Malaysia (DOA) will send a supervisor, prepare nine files or records, perform internal and external audit, and renew myOrganic. This study is expected to increase awareness of organic farming practices and promote the implementation of myOrganic in agriculture industry especially for the new farmer who wants to register and obtain myOrganic certification.

Keywords: Myorganic, paddy, implementation

INTRODUCTION

Increasing the awareness of healthy food, green product, and environmental issues led to the growth of organic farming practices around the world (Rozhan, et al., 2009; Lea, et al., 2005). According to IFOAM (2003), organic farming is an agricultural system is focuses on the production of food, wood, fiber, and anything environmentally-friendly and economical. At the same time, consumers began to change their preferences and food choices for healthy food, safety, and clean including organic rice (Aini, et al., 2003).

Rice is a staple food for Malaysians and currently, the increase population in Malaysia has also increased demand for rice with more quality. Malaysia aims to transform its current agricultural practice to modern, innovative and sustainable levels. Thus, the government which Ministry of Agriculture and Agro-based industry gave mandated to the Department of Agriculture Malaysia (DOA) for setting up a scheme of organic accreditation called as the Malaysian Organic (myOrganic) certification (Suhaimie, et al. 2016).

The main issue that has been identified is that the number of farmers practicing organic rice cultivation in Malaysia is too low (Othman & Muhammad, 2011; Othman et al., 2010), while demand for organic products is high. Currently, only 151 farmers with a total area of 1,848 hectares have registered in myOrganic (DOA, 2015). Table 1 indicate the numbers of farms acre.

Table 1.

The number of farms accredited with myOrganic certification based on commodities from 2002 – 2015

Commodity	myOrganic certification	
	Number of farms	Hectare
Fruits	36	321
Vegetables	44	125
Rice	3	118
Others including mushrooms and herbs	68	1,283
Total	151	1,848

Source: (DOA, 2015)

Table 1 shows that there are only three farms accredited with myOrganic certification based on rice cultivation with a total area of 118 hectares. Furthermore, according to DOA (2016), Koperasi ABSB is the only one that obtained myOrganic certification in 2016 with 9.5 hectares. Therefore, the objectives of this paper were to explore the implementation of myOrganic in Koperasi ABSB and to understand obstacles faced by Koperasi ABSB in achieving myOrganic. In this way, the findings provided by this study will be some useful information in order to guide future entrepreneurs who want to register with myOrganic in terms of how to implement myOrganic standards and the challenges they will face. The findings of this study are expected to encourage new entrepreneurs and conventional farmers to change, register, implement and obtain myOrganic recognition for their rice cultivation fields.

THE IMPLEMENTATION OF QUALITY CERTIFICATE

According to Shiffman, et al. (2004), the implementation refers to the phase in the life cycle of the guidelines in which the strategies, systems, and tools are created to handle the knowledge and recommendations set by the developer of the guidelines. Meanwhile, according to Lomas (1993), the implementation is an identification and assistance in addressing obstacles to the application of new knowledge derived from disseminated information.

MyOrganic

According to Suhaimee, et al. (2016), MyOrganic Scheme certification is established to recognize organic farms based on the standard of MS1529: 2015 which focus in terms of production, processing, labeling and marketing of plant-based foods. This scheme was launched in 2002 and the total number of organic farms recognized with this certification around 581 hectares. Previously, this certification was held at the Malaysian Certificate of Organic (MCO) which is according to MS1529: 2001 standard. However, in 2015, this certification has been renewed and replaced as MyOrganic (Ramli, 2002). The previous and new logo of myOrganic can be seen in Figure 1.



Figure 1. Logo of SOM and myOrganic

Previous studies have shown that the number of farmers applying for SOM or now known as myOrganic certification is too small (Suhaimee, et al., 2016). As presented in Table 2, there are only a few farmers who have obtained this certification. However, in the rice paddy production until June 2015, there are only three farms received SOM or myOrganic from the nine farms in the agriculture industry.

Table 2.

The number of farms accredited with myOrganic certification in agriculture industry from 2003 – June 2015

Year	2003 – 2005	2006 – 2010	2011	2012	2013	2014	2015 (until June)
No. of farms received SOM/myOrganic accreditation.	3	43	29	21	23	23	9

Source: (DOA, 2015)

According to MOA (2016), the criteria or assessment of the SOM certification is based on 17 elements as follows; 1) Traceability, 2) Record keeping, 3) Production management, 4) Organic Integrity, 5) Transition period, 6) Crop dividers and separation distance, 7) Water management, 9) Crop production, 10) Revenue operation, 11) Storage, 12) Packing, 13) Transport, 14) Welfare, safety and health of workers, 15) Revenue results, 16) Farm waste management, and 17) Complain record. However, the criteria required to obtain this certification will inevitably change in line with the change of SOM certification to myOrganic. Therefore, this study will explain the criteria that need to be met to obtain myOrganic recognition based on experience in Koperasi ABSB.

Koperasi ABSB

Koperasi ABSB was established on 24 December 2009 and its focuses on carrying out all the activities in the area of rice cultivation. The aim of Koperasi ABSB is to optimize the efficiency of natural resource management in rice cultivation. Meanwhile, its mission is to be the best company in the agricultural sector in Malaysia. Furthermore, the targeted vision is implementing the standard technology in the agricultural sector, providing high-quality rice production, and providing the best customer services to their consumers, markets, and suppliers.

PRODUCTION PADDY INDUSTRY IN ASIAN COUNTRIES

According to Rosnani, et al. (2015), the paddy industry in Asia shows that countries with the largest rice-producing areas are India, China, Indonesia, and Thailand. However, Vietnam is the country with the highest paddy productivity in Southeast Asia with an average yield of 5.57 ton per hectare followed by Indonesia at 5.15 ton per hectare and the Philippines at 3.89 ton per hectare. Malaysia is in the Philippines and in Myanmar with a paddy productivity of 3.82 ton per hectare in 2013.

Table 3.

The paddy production, hectare, and outcome based on selected countries in 2013

Country	Production (ton)	Hectare (ha)	Outcome (ton/ha)
Australia	1,161,120	113,638	10.22
Amerika Syarikat	8,613,090	86,237	8.62
Japan	10,758,000	1,599,000	6.73
China	205,055,000	30,486,000	6.72
Vietnam	44,039,300	7,902,810	5.57
Indonesia	71,279,700	13,835,300	5.15
Brazil	11,758,700	2,348,960	5.01
Bangladesh	51,500,000	11,770,000	4.38
Filipina	18,439,400	4,746,080	3.89
Malaysia	2,626,880	688,207	3.82
Myanmar	28,000,000	7,500,000	3.73
India	159,200,000	43,500,000	3.53
Cambodia	9,340,000	3,100,000	3.00

Thailand	38,787,700	12,373,200	2.97
Source: (FAO, 2014)			

This previous research also lists the world's highest producers of paddy in 2013 in Australia with 10.22 ton per hectare, followed by the United States (8.62 ton per hectare), Japan (6.73 ton per hectare) and China at 6.72 ton per hectare. Based on this previous study, it can be seen that the paddy industry in Malaysia from 2005 to 2013 is still low compared to other countries.

RESEARCH METHODOLOGY

The methodology used in this study was a qualitative study in the form of case studies. The selection of this method was due to the researcher's interest to explore, make discovery and interpretation. Hence, the researcher conducted an interview session with the respondent, the president of Koperasi ABSB, and studied the phenomenon by observing the findings of the primary data in this study.

In order to obtain data and research information, the researcher has been referring to the previous literature studies. Thus, library resources such as books, journals, magazine, and articles are used in supporting this case study. Koperasi ABSB's report have also been used to acknowledge the assessment or criteria to obtain myOrganic certification. Furthermore, the researcher also conducts internet-based research and website to get additional information. Print and electronic media information are also included in this research study. The researcher conducted an interview with Respondent 1, chairman of Koperasi ABSB on 10th October 2017. A second interview has also been conducted with a chairman of Koperasi ABSB on 1st November 2017. The researcher also conducted an observation on January, 2017 at the farm. The observation method is carried out by checking records and myOrganic files.

FINDINGS

Based on the findings of the first and second sessions of interviews which are Phase 1 and Phase 2; and observations as Phase 3, the results can be summarized as follows:

Phase 1: First Interview

As a result of the interview session summarized based on the findings of the following study, it has been reported that the Koperasi ABSB was established in 2009 and it started registering SOM in 2011. After that, this cooperative has successfully obtained SOM certification in 2015. However, at the same year, Malaysian organic certification has been renewed from SOM to myOrganic, which is an international equivalent certificate. Respondents inform that every year the certificate or license of myOrganic needs to be renewed to ensure that the farmer maintains the right to comply with all the elements for obtaining myOrganic recognition. Furthermore, internal audits are conducted by guider from District Agriculture Department to view the preparation of records. Then, an inspector from the DOA will make an external audit by going to the cultivation area to evaluate all the facilities and parties involved with the crop production.

The respondent also mentions the barriers in implementing this myOrganic. The first is when signing up myOrganic, there are nine files containing the criteria and records that are needed to be prepared and complied with. However, DOA will send guides as a reference to assist and help the farmer. Another challenge regards the forbidden substances such as chemical used from conventional methods of convergence are easily spread to organic farming areas.

Phase 2: Second Interview

As a result of the second interview session summarized based on the findings of the following study. According to the respondent, the SOM scheme was established in 2002 and set up by the DOA. Additionally, the respondent mentions that the government constantly renews the elements or criteria that must be met for the recognition of myOrganic. He explained that the criteria to obtain SOM's certification, are listed as 17 records. Then, they have been combined into 12 records and since the SOM has been rebranded to myOrganic which is an international certification, now the farmer only needs to provide and meet nine records or criteria. In fact, the number of criteria is not reduced but the records are combined are simplified and combined together in order to facilitate the implementation of myOrganic.

Subsequently, the respondent mentioned the barriers faced by the new farmer who wanted to register myOrganic certification. The farmer must fill out the documents provided by the DOA. The document contains the detailed information about the implementation of organic practiced, myGAP certification, land ownership status, and nine preparations of records. After that, the documents must be sent to the headquarters in Shah Alam to make the revision. Then, the inspector from DOA will conduct an internal audit. The duration to issue the myOrganic certification depends on the implementation of organic cultivation practiced by the farmer. If there is no use of chemicals and pesticides, the process for registering and obtaining myOrganic recognition is easier and faster.

Phase 3: Observations

The records are the criteria that farmers need to meet to obtain myOrganic certification. However, this certification needs to be renewed each year. The researcher found that there were nine files that were kept myOrganic implementation records in Koperasi ABSB. The records are compiled from the unit of 4.1 to 4.9. The contents of each record are still in manual use, which is handwriting. The record also contains data storage from 2011 until 2018. The nine files contain the following record titles: File 4.1: Records of purchase and use of plant materials; File 4.2: Purchase record of input; File 4.3: Record of input creation; File 4.4: Record of input use; File 4.5: Records of control input control; File 4.6: Record of farm machinery and equipment; File 4.7: Record of revenue production (after harvest); File 4.8: Records of land waste disposal; and File 4.9: Record the list of employees. Each file contains a guide for filling out the myOrganic record that needs to be complied with.

Therefore, the record should be compiled based on the guide. After observing all records, Koperasi ABSB has met all the necessary criteria for obtaining myOrganic recognition. The records for each year have also been confirmed by the DOA after conducting external and

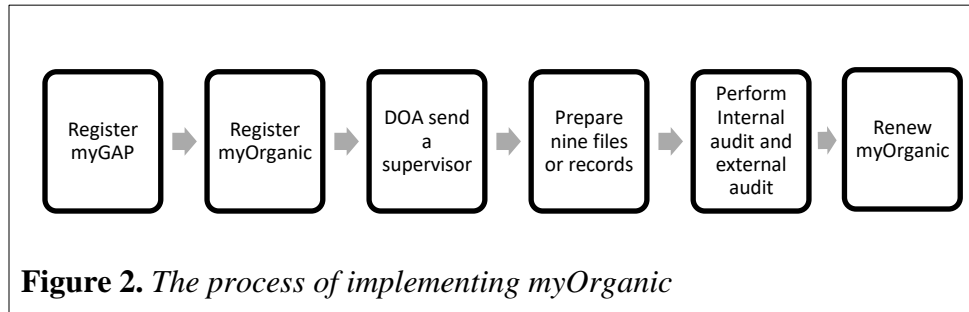
internal audits. In addition, it can be seen that the SOM certificate's logo in use from 2011 to has been changed and converted to myOrganic's from 2016.

DATA ANALYSIS AND DISCUSSION

Therefore, the results of this study can be divided into three parts. Concerning the objective number 1, the implementation of myOrganic in Koperasi ABSB, the researcher describes it as below:

- 1) Before registering with myOrganic, farmers need to register with the Malaysia Good Agricultural Practice Scheme (myGAP) to reduce the use of fertilizers and pesticides. The scheme is for conventional agriculture practicing Good Agricultural Practices (APB) where it focuses on four key concepts including food security, better quality, environmental protection, and also safe workforce (DOA, 2014). Therefore, farmers start to change their conventional paddy farming to organic farming practices.
- 2) After registering with myGAP and no longer using chemicals or fertilizers in paddy fields, farmers may apply for myOrganic recognition. This scheme is a plantation system that does not involve the use of synthetic chemicals such as fertilizers and pesticides and preserves the environment. Regarding this study, Koperasi ABSB started registering for myOrganic in 2011.
- 3) The DOA sends a supervisor who acts as guider to assist farmers who register with myGAP and myOrganic. The DOA sends the supervisor in charge of that area, as a reference and counselor.
- 4) The myOrganic certification is implemented by fulfilling all the criteria set by providing and attaching nine files containing records on cultivated organic rice cultivation. It was found that the cooperative was able to fulfill all the criteria. According to the respondent, the preparation of the records was easy because the supervisor regularly helps and monitors the implementation of myOrganic in his cooperative. In addition, previous observations revealed that the record preparation is from 2011 to the present. Forms that need to be contained in the file are provided by the DOA and need to be filled by the farmer. Furthermore, in every file, there is a guide that explains how to fill myOrganic records. Thus, farmer only need to fulfill all the required records such as record of purchase of inputs, records of employee's information, material usage records and so on.
- 5) After that, the external audit is conducted by the supervision of the DOA while internal audit is carried out by an inspector who has been specifically appointed. The officer assigned as a supervisor makes an external audit by checking the preparation of myOrganic records. Once verified, a new internal audit is carried out by inspecting agricultural land, taking samples of soil, water, fertilizers and so on and tests it to ensure that there is no use of chemicals or poisons.
- 6) Every year, the farmer with myOrganic certificates should renew their certification to ensure that the myOrganic standards are applied by the farmer.

Therefore, the result can be concluded in Figure 2.



While for the objective number 2, according to respondent there are three barriers or challenges in implementing myOrganic.

1) Influence or threat of chemicals from surrounding farming areas

Although the respondents have been organically cultivating paddy, but they are still threatened with a mixture of prohibited substances from outside areas. According to the respondents in the interview, even though the paddy area is far away from the conventional rice cultivation area, but it is still relatively close to a rubber tree plantation area. This may result in the spread of the chemicals used by the planters into organic rice cultivation areas through airborne winds. This would undoubtedly affect the Cooperative and myOrganic certification may be directly withdrawn if the internal audit work is performed and there is indeed a mixed inorganic material. However, the buffer zones surrounding SRI Lovely, such as fresh water rivers and forests, function as barriers and help preventing this spread from happening.

2) Need detailed information while registering for myOrganic

According to the respondent, the challenges faced by new farmers who want to apply to myOrganic certification, concern the documents provided by the DOA. The document contains in-depth questions about the farmer, the implementation of organic practice in the farming practices, and the 9 records of myOrganic. After that, the documents are sent to the headquarters in Shah Alam to make the revision. Besides that, officers from the DOA makes an audit where they went to the cultivation area and make tests of different aspects of farming. Furthermore, the DOA has to ensure that the farmer has already registered with myGAP before registering with myOrganic. In addition, the respondent also mentions that one more challenge regards the time needed to implement organic cultivation. If there is no use of chemicals, the process for registering and obtaining myOrganic recognition is easier and faster.

3) Issues of land ownership status

It was found that ABSB Cooperative obtained myOrganic recognition in 2015 after having applied in 2011. It took a long time due to land ownership status problems. As the land owner deceased, the respondent needed to deal with the Land Office and the Agricultural

Office repeatedly. This evidence clearly shows that obtaining myOrganic certificate recognition is not easy if the entrepreneur or farmer has no evidence of land ownership in the cultivated area of cultivation.

CONCLUSION

In conclusion, when SOM certification was established for the first time, it required farmers to meet 17 criteria. SOM has currently been updated to myOrganic, with a consequence reduction in terms of numbers of criteria now counting as 9. The criteria, however, are unchanged but combined to simplify the achievement of myOrganic. To sum up, the implementation of myOrganic consists in registering with myGAP, registering with myOrganic, receiving DOA's inspection, preparing nine records, performing internal and external audits, and renewing myOrganic. The barriers faced by Koperasi ABSB in order to implement myOrganic are the influence or threat of chemicals from outside areas, the land ownership status, and the detailed information while registering myOrganic.

ACKNOWLEDGEMENT

The authors wish to thank the Ministry of Higher Education Malaysia in funding this study under the Imbre, S/O code 13961, and Research and Innovation Management Centre, Universiti Utara Malaysia, Kedah for the administration of this study.

REFERENCES

- Aini, M.S., Fakhru'l-Razi., A. Laily, P., & Jariah, M. (2003). Environmental concerns, knowledge and practices gap among Malaysian teachers. *International Journal of Sustainability in Higher Education*, 4(4), 305-313.
- DOA. (2014). *Konvensyen pensijilan myGAP dan SOM*. EPF Learning Centre (ESSET). Selangor.
- DOA. (2015). *Reports on the progress production for organic certified farm*. Jabatan Pertanian Malaysia. Putrajaya.
- DOA. (2016). *Senarai penerima SOM*. Retrieved on 29th November 2017 from <http://pertanian.kedah.gov.my/index.php/2013-12-08-08-03-59/pensijilan-skim-organik-malaysia-som>
- Hasan, Q. & Othman, Z. (2017). Organic farming and Halalan Toyayiban Foods: An attempt to relate them. *Biotech sustainability*, 376-385.
- IFOAM. (2003). *IFOAM annual report 2012*. International Federal of Organic Agriculture Movement, Tholey-Teley, German. Retrieved on October 10, 2017 from www.ifoam.org/about_ifoam/inside_ifoam/pdfs/IFOAM_Annual_Report_2002.pdf
- Lea, E., & Worsley, T. (2005). Australians' organic food beliefs, demographics and values. *British Food Journal*, (11), 855-869.
- Lomas, J. (1993). Diffusion, dissemination, and implementation: who should do what? *Annals of the New York Academy of Sciences*, 703(1), 226-237.

- Miles, M. B., & Huberman, A. M. (1994). *Qualitative data analysis: An expanded sourcebook*. 2nd ed. Thousand Oaks, Calif: Sage.
- Merriem, S. B. (1998). *Qualitative research and case study applications in education*. 2nd ed. San Francisco: Jossey-Bass.
- MOA. (2016). *Skim Organik Malaysia (SOM)*. Retrieved on 29th September 2017 from <http://www.moa.gov.my/web/guest/som>
- Othman, Z., A. Muhammad & M.A.A. Bakar, (2010). A sustainable paddy farming practice in West Malaysia. *Int. J. Interdisciplinary Soc. Sci.*, 5, 425-438.
- Othman, Z. & Muhammad, M. (2011). Design strategies to persuasive learning for promoting sustainable practices in paddy farming. *American Journal of Economics and Business Administration* 3 (1), 197-202.
- Ramli, B. (2002). *The development of organic farming in Malaysia*. Paper presented at workshop on Green Productivity and Natural Farming, Seoul, Korea. Asian Productivity Organization (APO).
- Rosnani, H., Syahrin, S., Mohd. Zaffrie, M.A., Nurul Huda, S. & Noorhayati, S. (2015). Prospek dan tanda aras teknologi pertanian terpilih: Teknologi pengeluaran padi. *Dalam: Laporan Projek Sosioekonomi 2013 – 2014, Serdang: MARDI*.
- Rozhan, A.D., Ahmad Zairy, Z.A. & Abu Kasim, A. (2009). Consumers' perception, consumption and preference on organic product: Malaysian perspective. *Economic and Technology Management Review*, (4), 95-107.
- Shiffman R. N., Michel, G., Essaihi, A., & Thornquist, E. (2004). Bridging the guideline implementation gap: A systematic, document-centered approach to guideline implementation. *Journal of the American Medical Informatics Association*. 11 (5): 418-426.
- Suhaimee, S., Ibrahim, I. Z., & Abd Wahab, A. M. (2016). *Organic agriculture in Malaysia*. Malaysian Agricultural Research and Development Institute (MARDI)