



THE WAYS TOWARDS SUSTAINABILITY OF COCOA INDUSTRY IN MALAYSIA

I. Azhar

Malaysian Cocoa Board

5th & 6th Floor Wisma SEDCO

Locked Bag 211, 88999 Kota Kinabalu, Sabah, Malaysia

Tel: 088-234477 Fax: 088-256912

www.koko.gov.my

CONTENTS

- **INTRODUCTION**
- **CONCEPT OF SUSTAINABLE DEVELOPMENT**
- **ISSUES/CHALLENGES**
- **STRATEGIES TOWARDS SUSTAINABLE DEVELOPMENT**
- **CONCLUSIONS**

INTRODUCTION

- **COCOA INDUSTRY IN MALAYSIA**

- * **First commercial cultivation : 1950**
- * **Establishment of grinding industry : 1973**
- * **Now, a major cocoa producing and processing country in the world.**

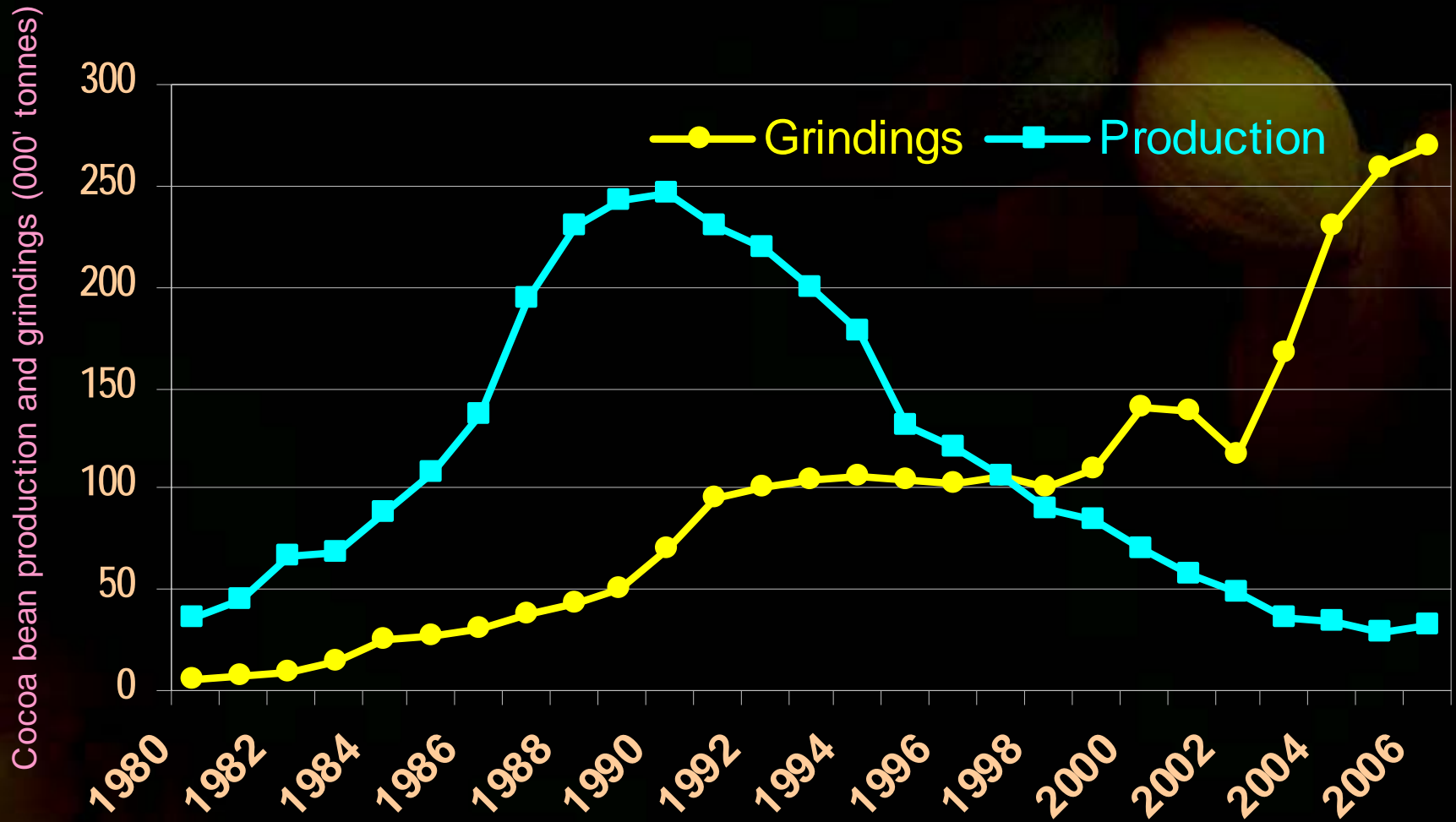


Figure 1. Growth trend of dry cocoa bean production and grindings in Malaysia.

(Sources : MCB, 1992, 2000, 2007)

INTRODUCTION

- **COCOA INDUSTRY IN MALAYSIA**

- * **Imbalanced growth of local cocoa production and processing industry.**
- * **Need for importation of cocoa beans to sustain local grindings requirement.**

INTRODUCTION

- **DEVELOPMENT OF THE COCOA INDUSTRY IN MALAYSIA**

- * **Guided by the National Policies for Economic Development**

- National Agricultural Policies
- Industrial Master Plan and others
 - : Crop Diversification
 - Industrialization
 - Balanced growth

- * **Implemented on the basis of “SUSTAINABILITY”**

- **OBJECTIVE**

- * **Shares the views and experiences of Malaysia on :**

- Concept of sustainable development
- Strategies to achieve a more sustainable development in cocoa growing and processing.

CONCEPT OF SUSTAINABLE DEVELOPMENT

- * **Economic Sustainability**
- * **Environmental Sustainability**
- * **Social Sustainability**
- * **The Structure (Figure 2)**

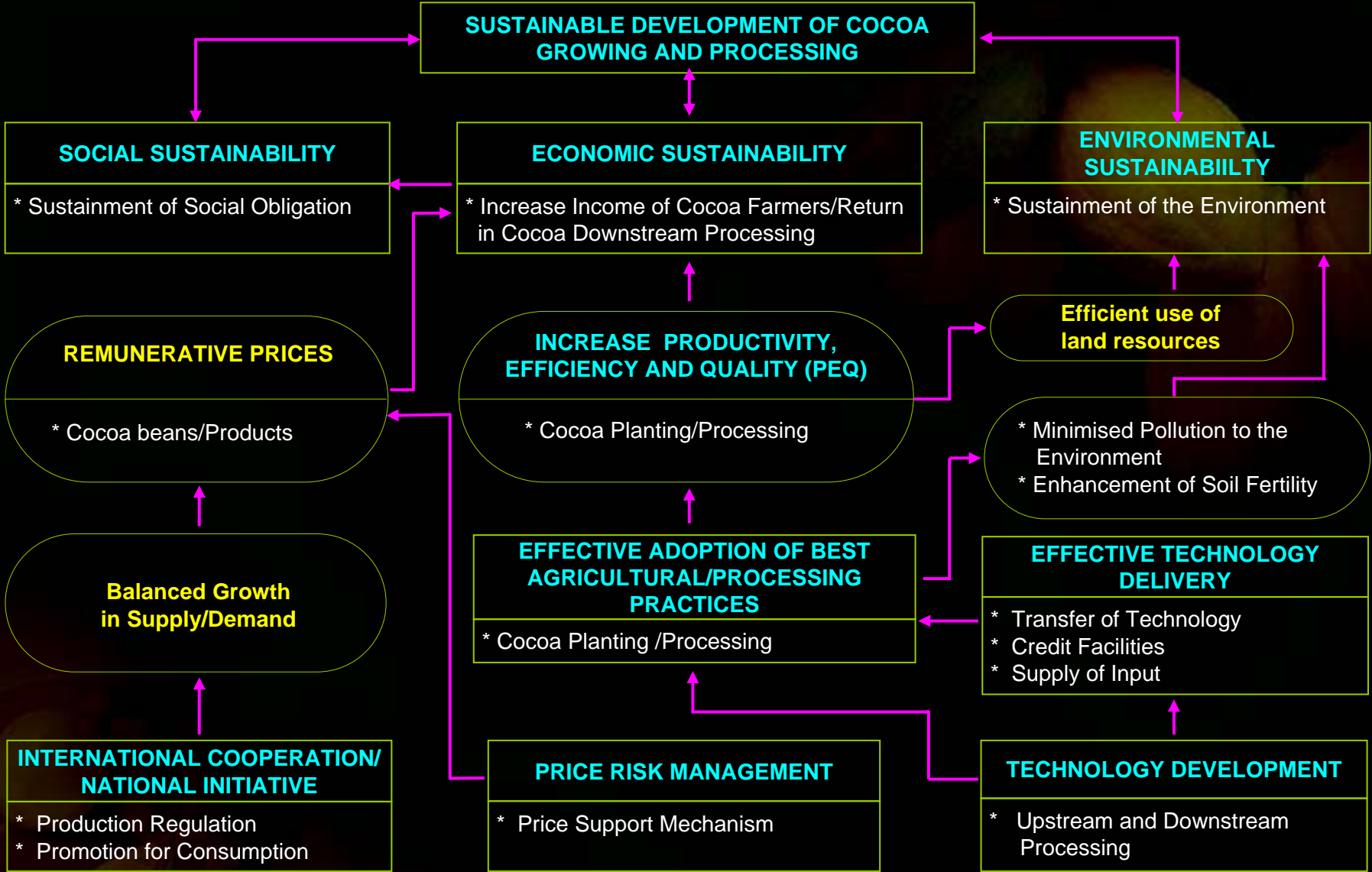


Figure 2. Concept for attainment of sustainable development of the cocoa industry in Malaysia.

ISSUES/CHALLENGES

- **COCOA PLANTING INDUSTRY**

- a) Improvement in PEQ

- b) Sustainable Remunerative Price

- **COCOA PROCESSING INDUSTRY**

- a) Balanced growth between upstream and downstream activities

- b) Enhancement in PEQ

ISSUES/CHALLENGES

- **COCOA PLANTING INDUSTRY**

- a) **Improvement in Productivity, Efficiency and Quality**

- * **Declining cocoa bean production : Sustainability?**
- * **Low prices, cocoa pod borer, labour**
- * **Lower than expected productivity**
- * **Adoption of best agricultural practices : high PEQ**
- * **Further improvement in PEQ : a challenge**

ISSUES/CHALLENGES

- **COCOA PLANTING INDUSTRY**

- b) **Sustainable Remunerative Cocoa Prices**

- * **Low and volatile cocoa prices : undesirable**

- * **International cooperation (ICCO, CPA)**

- production management
 - promotion for consumption

- * **National initiatives**

- promote for consumption
 - market development
 - price risk management

ISSUES/CHALLENGES

- **COCOA PROCESSING INDUSTRY**

- a) **Balanced Growth Between Upstream and Downstream Activities**

- * **Lack of locally produced cocoa beans to meet the growing local grindings requirement**
- * **Need to import of cocoa beans → outflow of foreign exchange**
- * **Over dependant on importation of cocoa beans : a risk**
- * **Government decision to increase local production of cocoa beans**

ISSUES/CHALLENGES

- **COCOA PROCESSING INDUSTRY**

- b) Enhancement in PEQ

- * **Cocoa grindings industry can be very competitive**
 - * **Aim to be competitive and sustainable**
 - * **Need to be competence in technology and management for attainment of high PEQ**
 - **Able to adopt best available processing technologies**
 - **Innovation in R&D for technology development**

STRATEGIES TOWARDS SUSTAINABLE DEVELOPMENT

• COCOA PLANTING INDUSTRY

a) Strategies to Attain Improvement in PEQ

- 1) to strengthen technology delivery
- 2) to strengthen technology development

b) Strategies for Attainment of Sustainable Remunerative Cocoa Prices

- 1) to strengthen international linkage and cooperation for market developers.
- 2) to strengthen and expand international market for Malaysian cocoa products.
- 3) to increase local consumption of cocoa beans.
- 4) to strengthen the cocoa market information system and its utilization.

*** Relevant activities were formulated to implement the above strategies.**

*** Malaysian Cocoa Board under the Ministry of Plantation Industries and Commodities Malaysia is the implementing agency.**

STRATEGIES TOWARDS SUSTAINABLE DEVELOPMENT

● COCOA PROCESSING INDUSTRY

a) Strategies to Achieve Balanced Growth Between Upstream and Downstream Activities

1) To increase local production of cocoa beans.

b) Strategies for Enhancement in PEQ

1) To strengthen technology delivery.

2) To strengthen technology development.

* Respective activities were formulated to implement the above strategies.

* Malaysian Cocoa Board under the Ministry of Plantation Industries and Commodities Malaysia is the implementing agency.

CONCLUSIONS

- * **Malaysia is committed to sustainable development in national economic advancement.**
- * **Approaches for sustainable development of the cocoa planting and processing industry**
 - **Concept of sustainable development**
 - **Identification of issues and challenges**
 - **Formulation of strategies and activities for implementation**

CONCLUSIONS

- * **Declining cocoa bean production and the lack of locally produced cocoa beans to meet the requirement of local grinding requirement – sustainability?**
- * **Major challenges identified**
- * **Strategies and activities implemented should lead to a more sustainable development of the cocoa planting and processing industry in Malaysia.**

The background of the slide is dark with a subtle, artistic rendering of cocoa beans and pods in shades of brown and gold, primarily visible in the upper right and lower left corners.

THANK YOU