PUBLIC SECTOR ROLE IN SUSTAINABLE WORLD COCOA ECONOMY:
MALAYSIAN EXPERIENCE

DR. AZHAR ISMAIL
DIRECTOR GENERAL
MALAYSIAN COCOA BOARD
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Cocoa cultivated area and production in Malaysia (1980-2007).
Cocoa cultivated area by sector in Malaysia (1980-2007).
Average productivity in cocoa cultivation by sector in Malaysia (1996-2006).
INFLUENCING FACTORS

INDUSTRY SUSTAINABILITY

EXOGENOUS – Externalities
- Geopolitical
- Price: Free market enterprises

ENDOGENOUS
- Soil and Climate
- Roles of government
ROLES OF GOVERNMENT

1. Develop Policies
   National Agriculture Policy (NAP)
   Industrial Master Plan (IMP)

2. Provide Infrastructural support
   Incentives
   Technical advisory
   Monitoring
NATIONAL POLICIES RELATED TO COCOA

- National Agricultural Policy III (NAP III)
  • Crop Diversification Programme

- Industrial Master Plan II (IMP II)
  • Balanced growth upstream and downstream
  • Reduce import

- Vision 2020
  • Malaysia to be a developed nation by 2020: higher productivity, efficiency and quality (PEQ)
Implementation Agency

Malaysian Cocoa Board
FUNCTIONS OF MALAYSIAN COCOA BOARD

i) To conduct and promote research on production, processing, storage and consumption;

ii) To conduct and coordinate activities and policies on research;

iii) To regulate marketing activities;

iv) To collect and disseminate information;

v) To improve quality and

vi) To supervise and coordinate cocoa and related activities which cover processing, storage, regulatory and marketing.
OBJECTIVES OF MALAYSIAN COCOA BOARD

A) to enhance the development of the cocoa planting industry;

B) to strengthen the development of the cocoa downstream processing industry;

C) to expand the market for Malaysian cocoa beans and cocoa products;

D) to enhance quality and quality assurance for Malaysian cocoa beans and cocoa products; and

E) to ensure the development of cocoa industry in harmony with the environment.
Infrastructure

Cocoa R&D Centre
Hilir Perak

Regional Unit
Machang

Cocoa R&D Centre
Kota Kinabalu

Regional Unit
Ranau

Regional Unit
Tenom

Cocoa R&D Centre
Inanam

Cocoa R&D Centre
Jengka

Cocoa R&D Centre
Kota Samarahan, Kuching

Cocoa R&D Centre
Hilir Perak

Cocoa Biotechnology Research Centre
Inanam

Cocoa R&D Centre
Bangi

Regional Unit
Port Klang

Cocoa R&D Centre
Hilir Perak

Seven R&D Centres, four units

SELANGOR
PAHANG
PERAK
KELANTAN
SABAH
SARAWAK

Cocoa R&D Centre
Madai

Cocoa R&D Centre
Tawau

Cocoa R&D Centre
Kota Samarahan, Kuching

MALAYSIAN COCOA BOARD
www.koko.gov.my
RSCE2 in Trinidad and Tobago
24-26 March 2009
MALAYSIAN COCOA BOARD (Head quarters)
5th & 6th Floor, Wisma SEDCO
Locked Bag 211
88999 Kota Kinabalu, Sabah, MALAYSIA
Tel: 088-252572  Fax: 088-239575, 253037
WebSite: http://www.koko.gov.my
R&D CENTERS

Hilir Perak, Perak

Tawau, Sabah

Kuching, Sarawak

Bangi, Selangor

Kunak, Sabah

Jengka, Pahang

KKIP, Sabah

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www.koko.gov.my

RSCE2 in Trinidad and Tobago
24-26 March 2009
Regional Units

Tenom, Sabah

Pelabuhan Kelang, Selangor

Ranau, Sabah
Biology Division

**Objective**

To produce cocoa planting materials and technology that can increase productivity, efficiency and quality, and reduce the cost of production and labor requirement.

Chemistry and Technology Division

**Objective**

To develop innovative processing technology, to produce quality products and to develop new products from cocoa.
Biotechnology Division

**Objectives**

To increase production productivity and efficiency, to diversify products from cocoa tree, and to increase the quality and added value of cocoa.

Transfer of Technology Division

**Objectives**

To effectively and efficiently disseminate R&D technologies to target groups.
Objectives

To increase and widen the international market share for Malaysian cocoa and cocoa products by strengthening the available markets and to open new markets.

To increase local cocoa consumption.

Programs

Market Development: International market development, Domestic promotion, Market Information System.

Techno-Economy: Focusing on research and development in economics and social.
Objective

To ensure the quality and to enhance competitiveness of Malaysian cocoa and cocoa products

Programs

Registration and statistics: registration of licensees, regulatory and gathering of statistical data

Quality control program
REHABILITATION OF COCOA FARM

GROUP FARMING (CLUSTER) FOR COCOA SMALLHOLDING
CLUSTER FARMING

• Help cocoa smallholders organize themselves into small groups of 10-40 persons – income generating groups & become a unit of action

• Development of local leadership – increase competence in handling their affairs

• Member-owned, member-controlled & member benefited basis – increase support & commitment

• Develop self reliant and sustainable Cluster – increase the spirit of cooperation and unity within & between Clusters
ADVANTAGES OF CLUSTERING

i. Disbursement of development incentives – centralized, systematic and involvement of *Cluster* leaders
ii. Efficient extension activities
iii. Efficient technology transfer
iv. Reinforcing effect in group actions
v. Active participation of the cocoa farmers
vi. Greater extension coverage and cost effectiveness
MAIN CONSTRAINTS IN COCOA SMALLHOLDERS

i. Non economical farm size

ii. Scattered farm locations

iii. Farmers social background/structure

iv. Abandoned cocoa farms

v. Lagged in technological advancement
management of clusters

MCB TOT DIVISION - Agency level

Regional Officer - Region (Peninsular, Sabah, Sarawak)

Asst. Regional Officer - District level

Regional Assistant - Village level

Cluster Head - Cluster level

Cluster Members - Family, Long House
THE STRUCTURE OF CLUSTER

Cluster Head
Deputy Cluster Head
Secretary
Treasurer
Committee Members
Example: Organizational Chart of PPK at Togop Darat Village

Sinsian Sinteh
Manager

Fatius Pandak
Deputy Manager

Sahian Kutong
Treasurer

Kembuong Luntau
Marketing

Sauni Sabin
Secretary

Mairin Yontok
Auditer 1

Lasius Dalius
Auditer 2

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The farm before

The farm after
## FARMERS’ INCOME FOR RMK7 - III PPKKM PARTICIPANTS

<table>
<thead>
<tr>
<th>Region</th>
<th>Wet Beans (RM/kg)</th>
<th>Dry Beans (RM/kg)</th>
<th>Income (RM/year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peninsular</td>
<td>1.00 - 1.20</td>
<td>5.30 - 5.80</td>
<td>8,000 - 16,000</td>
</tr>
<tr>
<td>Sabah</td>
<td>1.30 - 2.50</td>
<td>3.80 - 6.40</td>
<td>4,000 - 18,000</td>
</tr>
<tr>
<td>Sarawak</td>
<td>1.00 - 1.10</td>
<td>3.70 - 4.30</td>
<td>800 - 4,500</td>
</tr>
</tbody>
</table>
Pod sleeving against the cocoa pod borer
Field introduction and establishment of cocoa black ant (CBA) for CPB management
High-yielding clone
GOVERNMENT ROLE IS IMPORTANT

Ensuring cocoa farmers:

1. Remunerative income
2. Improve socio-economic life
3. Living in harmony with environment
VITAL FOR SUCCESS

- Efficient implementation of the program
- Proper monitoring by various committees
  • Technical
  • Non-Technical
Malaysia Cocoa - naturally nutritious, deliciously healthy