



THEORY INTO PRACTICES –DELIVERING A SUSTAINABLE COCOA SUPPLY CHAIN: MALAYSIA'S EXPERIENCE

by

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SCOPE OF PRESENTATION

- COCOA SECTOR DEVELOPMENT POLICY
- STATISTICS ON PRODUCTION, GRINDING, PRICES, EXPORT AND IMPORT
- COCOA SECTOR DEVELOPMENT PROGRAMMES
- KEY ISSUES IN DELIVERING SUSTAINABLE COCOA SUPPLY CHAIN
- THE WAY FORWARD FOR SUSTAINABLE COCOA DEVELOPMENT

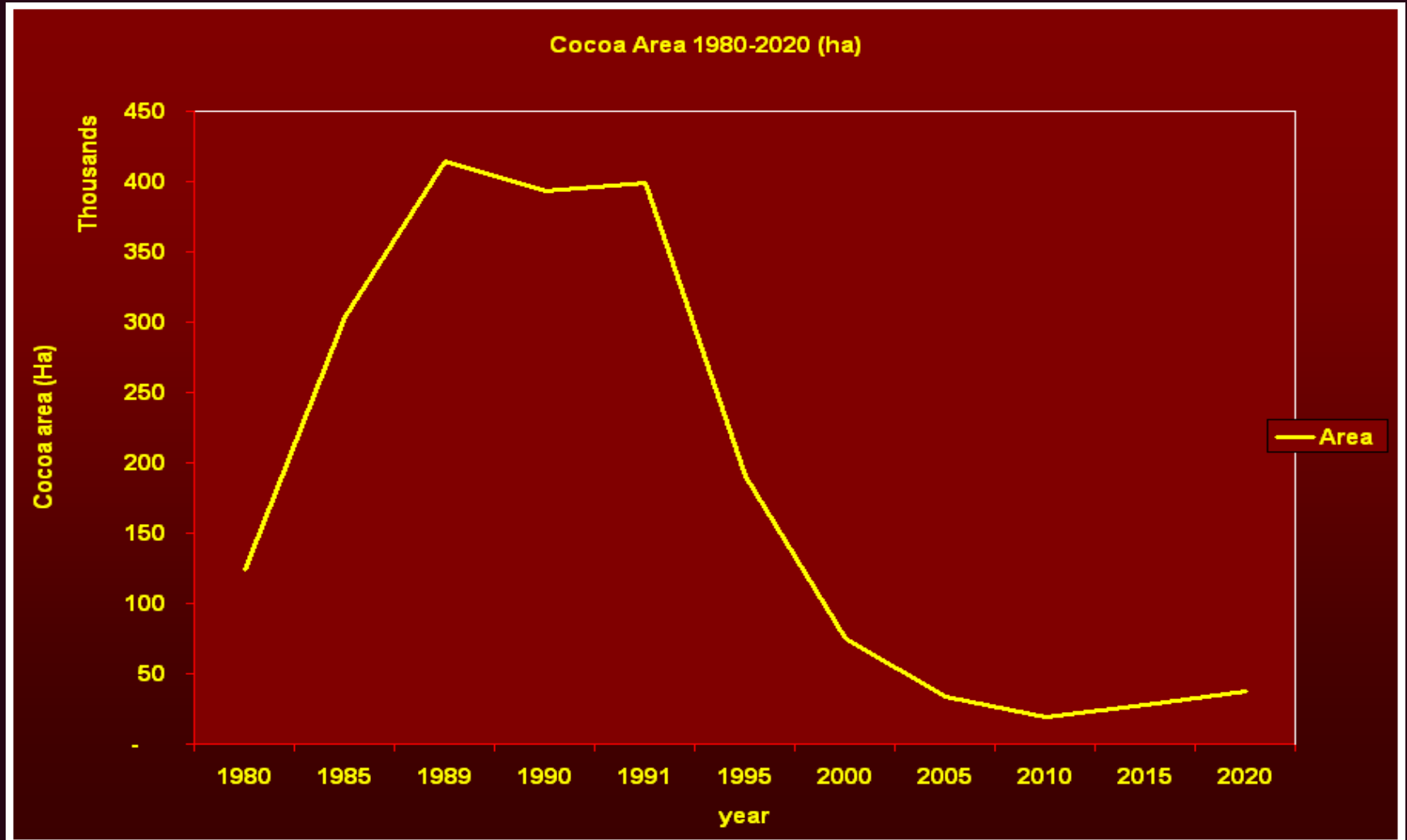
INTRODUCTION

- Cocoa introduced to Malaysia in the mid 1770's and 1800's
- Trial planting of the crop only begun in 1950
- Commercial planting in 1950 in Terengganu and 1960 in Sabah
- Rapid expansion in 1970's and 1980's
- Government policies, institutional, services and incentives facilitate the development of cocoa industry

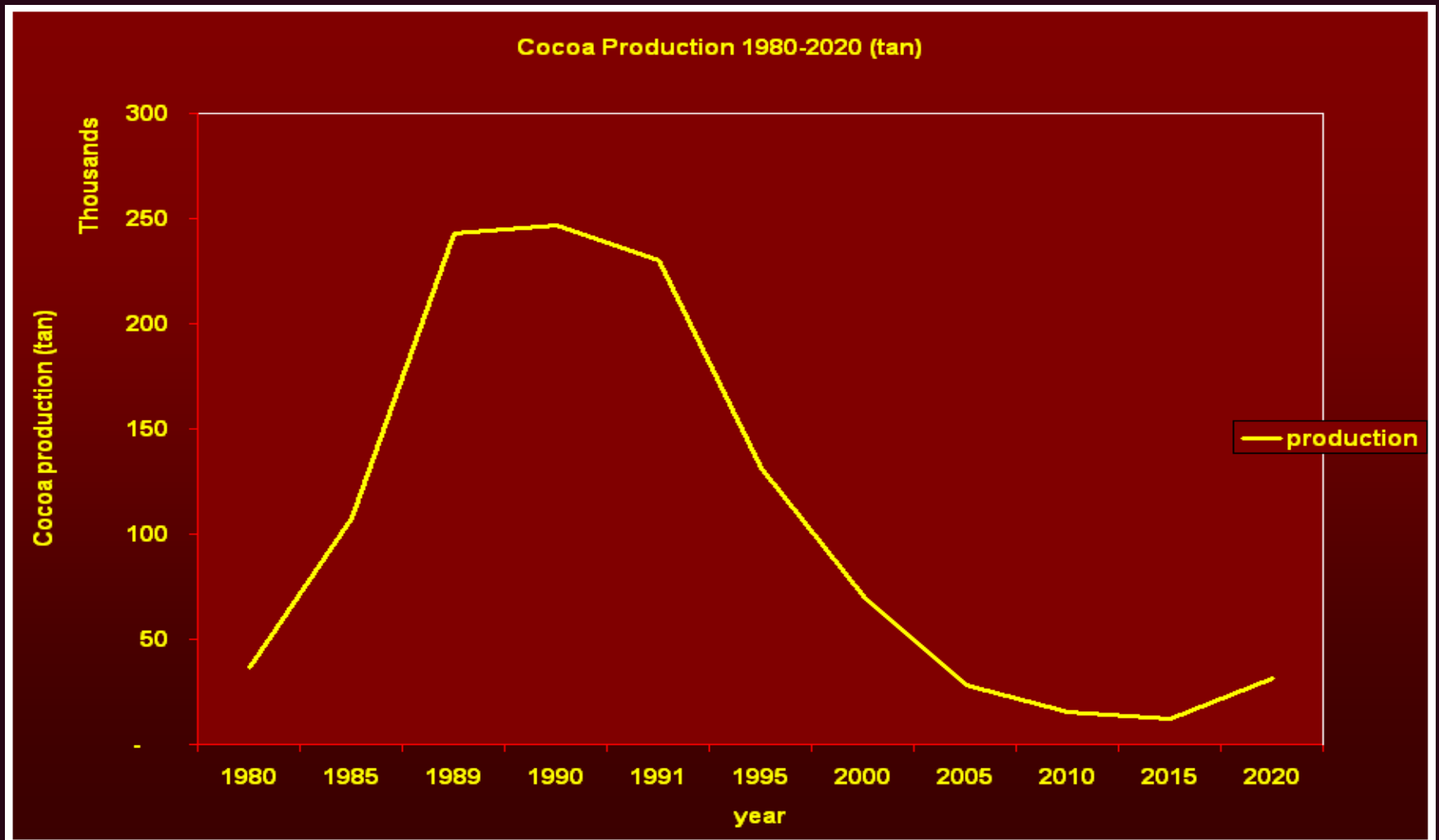
COCOA SECTOR DEVELOPMENT POLICY

- **National Agricultural Policy (NAP) (I,II,III):**
NAP I (1984-1991) - Crop diversification; NAP2 (1992-1997) - Increase contribution to GDP; NAP 3 (1998-2010)- Increase incomes for smallholders
- **Industrial Master Plan (IMP):** Food industry, e.g. food ingredients, functional food, halal food
- **National Commodity Policy (NCP):** Increase area (40,000ha*), productivity (1.5t/ha), production (60,000mt*) and contribution to export earnings (RM6b*)

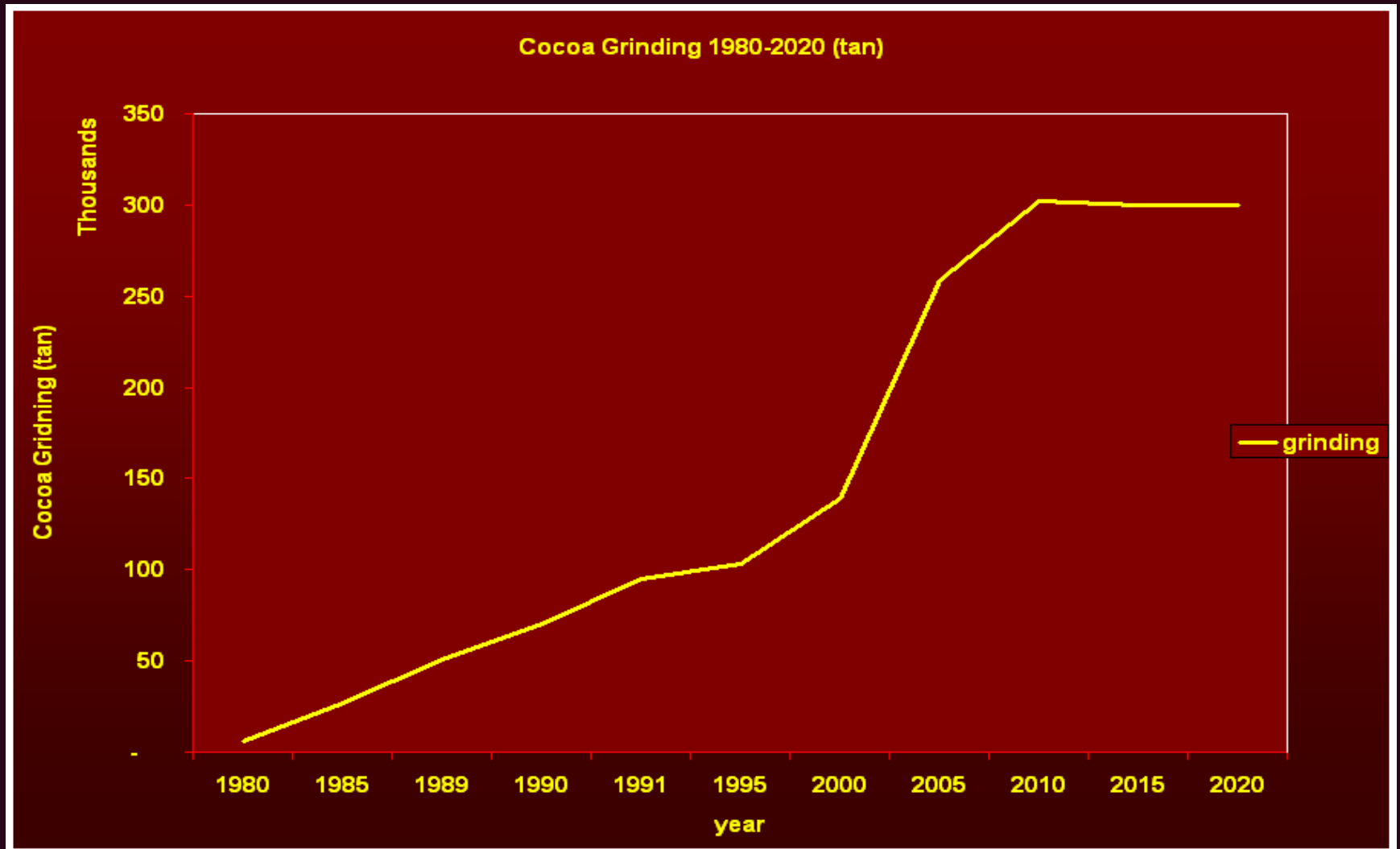
STATISTICS: CULTIVATED AREA (1980-2020)



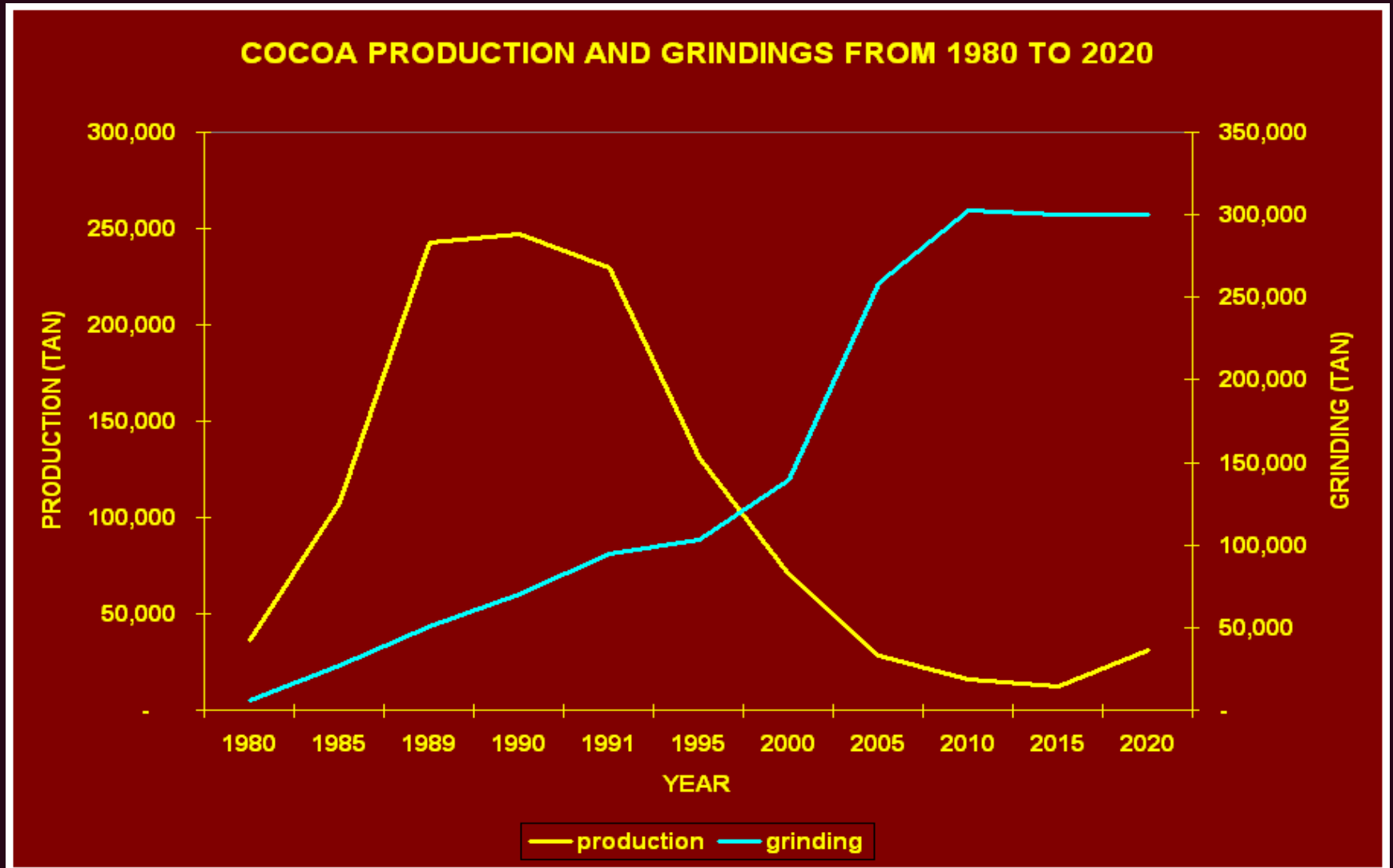
STATISTICS: PRODUCTION (1980-2020)



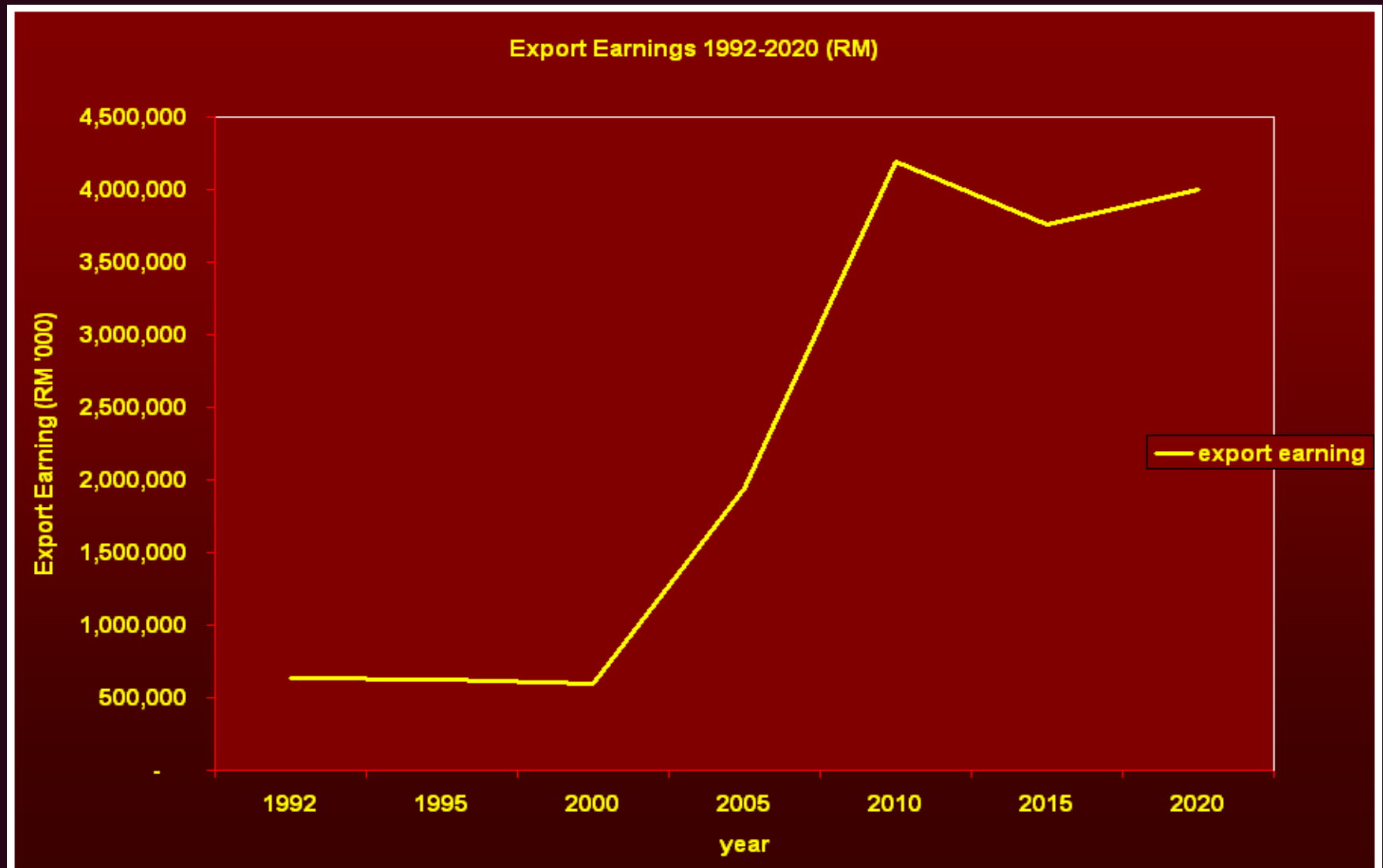
STATISTICS: GRINDING



STATISTICS: COCOA PRODUCTION AND GRINDING



STATISTICS: EXPORT EARNINGS



COCOA SECTOR DEVELOPMENT PROGRAMMES

Research and Development (R&D)

- MCB is aggressively developing and producing technologies and products for the industries.
- Upstream - planting materials, crop production technology, cocoa pests & diseases, cocoa planting system, methods & management of cocoa pod borer and vascular streak dieback disease.
- Downstream – commercialization on chocolate products with local tropical fruits, cocoa pulp jelly, cocoa juices, gum and cocoa butter ointment.

COCOA SECTOR DEVELOPMENT PROGRAMMES

Transfer of Technology

- In-situ training, visit and advisory services.
- Grouping/clustering the cocoa smallholders.
- Rehabilitation of the unproductive cocoa areas, new cocoa planting, providing wet beans collection and processing facilities.



COCOA SECTOR DEVELOPMENT PROGRAMMES

Marketing & Promotion

- Trade missions and participating in overseas cocoa exhibition.
- Conduct seminars, conferences, road shows.
- Implemented Malaysia Cocoa Quality Certification Scheme.



COCOA SECTOR DEVELOPMENT PROGRAMMES

Courses and Trainings

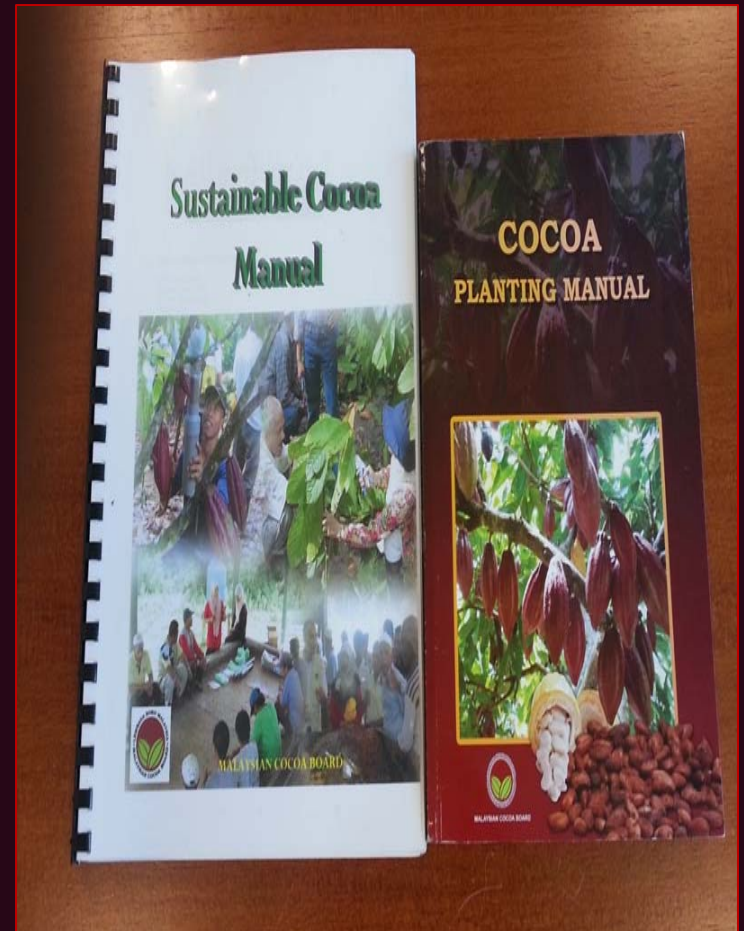
- Basic and advance course on cocoa cultivation, grading and handmade chocolate courses are conducted to the farmers, extension agents, traders, entrepreneurs and other target groups.



COCOA SECTOR DEVELOPMENT PROGRAMMES

Sustainable Cocoa Manual

- A reference and source of guideline for those who are involved directly or indirectly with the cocoa planting industry.



IMPACTS TO THE FARMERS AND OTHER STAKEHOLDERS

- The smallholders programme had increased the productivity and income of the cocoa farmers.
- Courses and training conducted increased the knowledge and competencies.
- Malaysia Cocoa Quality Certification Scheme benefited the farmers and traders.
- Trade missions and promotional activities abroad has enabling new market access.
- Awareness on cocoa planting & consumption has increasing due to excessive promotion.

KEY ISSUES IN DELIVERING SUSTAINABLE COCOA SUPPLY CHAIN

- Low and unstable prices due to high stocks contributed to low production.
- Dependant on importation of cocoa beans affected global supply disruption.
- Competition for land use and lack of locally produced cocoa beans due to conversion to other crops.
- Low domestic consumption of cocoa
- Cocoa pod bores

THE WAY FORWARD TO SUSTAINABLE COCOA DEVELOPMENT

- The need to increase the supply of the local beans 40 to 50 percent to the local grinding capacity.
- Technology transfer and imparting agronomic practices. e.g.; integration of cocoa with other crops.
- Implementation of R&D activities & projects by creating new value added products.
- The linkage and cooperation for market development.

CONCLUSION

- Strategies, programmes and incentives have been emplaced to sustain cocoa.
- Sustaining the cocoa production remains a challenge.
- NCP on cocoa outlines strategies and implementation programs to address these issues. Improvement in productivity, attaining sustainable remunerative price and ensuring balance growth of the bean production and grinding activities are among the efforts taken to sustain cocoa.

CONCLUSION

1. Future Expansion of Planted Area

- Constraint on development of new areas for planting of commodity products
- Malaysia's commitment to preserve 50% of forest cover
- Prevent the nation from becoming a mono crop country

SMALLHOLDER'S DEVELOPMENT PROGRAM: INCENTIVE DISBURSEMENT



SMALLHOLDER'S DEVELOPMENT PROGRAM:OUTCOME



INCREASE IN PRODUCTIVITY AND INCOME

THANK YOU