

**A STUDY ON
MARKETING OF SARAWAK PEPPER ;
THE ROLE OF PEPPER MARKETING BOARD
MALAYSIA.**

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ABSTRACT

Pepper industry in Sarawak has been plagued by numerous marketing problems such as price fluctuation, inconsistency in product quality and quantity and low domestic consumption. This project paper was intended to study the marketing of pepper in Sarawak with two main objectives ; that are (i) to review the marketing of Sarawak pepper and (ii) to highlight the roles of Pepper Marketing Board. The study was conducted as case-study which focus on Pepper Marketing Board as a main sample unit and target group comprising of pepper producers, pepper traders and pepper users as additional sample units. Acquisition of data are by means of desk research, interviews and discussions to obtain primary and secondary data.

The findings from the study were analyzed and categorized into four headings viz. the corporate structure of Pepper Marketing Board, the primary roles, perception of target groups and the evaluation of its performance. Base on the findings and SWOT analysis of the Board, eight conclusions were derived ; (i) Pepper Marketing Board was entrusted as spearhead to lead the industry, (ii) strong infrastructure and institutional support, (iii) diversified distribution channels, (iv) diversified product varieties, (v) shift in promotional approach, (vi) low purchasing of pepper by PMBM compare to private traders, (vii) low adoption of new technology in production of specialty pepper, and (viii) low participation in alternative market outlet by farmers. Along with the conclusions, six recommendations were listed as to minimized the problems in the industry ; increase investment in high yielding technology ; establishment of producers association ; consolidation of small farmers ; establishment of localized processing centers; establishment of complementary industries and formulation of appropriate policies.

1.1 Term Of Reference And Scope

1.1.1 Subject Requirement

This project paper is a compulsory partial requirement for the completion of Bachelor Degree in Business Administration (Marketing). The project was supervised by Associates Professor Dr. Abang Ahmad Ridzuan Bin Abang Haji Awit, Lecturer at University Technology MARA Samarahan (UiTM). The report is presented in the form of written final report to the management of UiTM Samarahan.

1.1.2 Scope And Limitation

The scope of the study is limited to collection of baseline information regarding Pepper Marketing Board as a case study which was mainly focused on extracting records of activities and history. The selection of topic was tailored to accommodate the time, expertise and budget available to the researcher at the moment. The time frame of the study was from January to April 2003.

1.1.3 Benefits of Study

The information obtained will be a useful guideline for institutions or agencies to develop future plan for the industry. The report also can serve as a reference for target group to review opportunities and facilities provided by the board thus enhance communication within the pepper community.

2.1 Review On Pepper Industry

2.1.1 Sarawak In General

Sarawak is the largest state in the federation of Malaysia with an area of about 124,449 sq. km., stretches some 800 km along the North-West coast of Borneo Island. Its neighbors are the Sabah, Brunei and Kalimantan. At present, the population is about 2 million people, consisting chiefly of Iban, Malays, Bidayuh and Malanaus (Agriculture Sarawak Statistic 2000). The main economics activities are agricultural-base, about 65,000 farm families involve in pepper industry. The territory of the state is divided into eleven divisions with the principal town for each division is Kuching, Samarahan, Sri Aman, Betong, Sibu, Sarikei, Mukah, Bintulu, Kapit, Miri and Limbang. Kuching is the capital city where most of the administrative and majors events are centered.

Transportation and communication system in Sarawak has developed quite rapidly in recent years. Basic road system consist of trunk, coastal and rural roads. Other important means of transportation are by rivers and air. Almost all divisional headquarters are linked by roads. The people statewide are connected through modern telecommunication system such as radio and telephone. The topography of the country is broadly classified into alluvial coastal which covers about a fifth of the state, a mountainous interior and undulating central belt. Sarawak is a tropical country with hot and humid climate throughout the year which happen to be very suitable for pepper cultivation.