



**A STUDY ON PUBLIC ACCEPTANCE OF COCOA
BASED PRODUCTS PRODUCED BY MALAYSIA
COCOA BOARD SABAH IN KOTA KINABALU**

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ABSTRACT

Sabah is being known as the largest producer of cocoa beans in Malaysia, accounting for 67% of the total area cultivated and 73% of the total cocoa beans production. The land area covering the cocoa cultivation back in 2002 was estimated at 32,000 hectares, which yielded 30,422 tonnes of cocoa beans. While Tawau and Sandakan are the main cocoa planting areas, Tawau has been identified as possessing the best potential-to-be in cocoa-processing centre for the BIMP-EAGA region.

Although Sabah is the major cocoa beans producing state, only about 2% to 3% of the state's cocoa beans are currently being processed. Downstream activity is confined to only 2 companies. One, producing semi-processed products such as cocoa butter, cocoa paste, cocoa powder and cocoa liquor and finishing cocoa-related products and another, a small-scale company producing chocolates.

Cocoa prices mainly respond to cocoa supply and demand factors. International prices tend to follow a long-term pattern linked to the cocoa cycle, which has been estimated to be of over 20 years. During cocoa boom periods there is a supply surplus that will result in falling and then stagnating prices. Consequently, low prices due to overproduction generally have a negative impact on harvesting, encouraging farmers to switch to other crops, a factor which again permits world prices to rise. The cocoa cycle is thus characterized by boom and bust effects.