

# Strengthening Cocoa Farmers Association to Increase Farmers' Income in Pohuwato District, Gorontalo Province, Indonesia

Irawaty Igirisa

Economics and Business Faculty, State University of Gorontalo, Indonesia

[igirisa.irawaty@gmail.com](mailto:igirisa.irawaty@gmail.com)

## Abstract

The objectives of this study are firstly to formulate and to create strategic models of institutional strengthening of cocoa farmer association to increase their income in Pohuwato District of Gorontalo Province, Indonesia. Secondly, to provide a map of potential resources of cocoa plantations and to identify the factors that influence the institutional strengthening of cocoa farmers association. This study used a blend of quantitative and qualitative in the form of case study. Observation, in-depth interviews and documentation were used in collecting the data and were validated through the extension of observations, increased persistence in observing and interviewing, triangulation of sources and methods and Focus Group Discussion. The data were then analyzed by using data reduction, presentation of data and take a conclusion. The results show that firstly mapping the potential resources of cocoa plantation includes farming human resources, number of land area and production, processing and marketing techniques, and the management of farmer association. Secondly, factors that affect the institutional strengthening of cocoa farmer association are internal factors (farmers, farmers association, and farmers' culture) and external factors (farming instructors and policy). These results will be the consideration in making strategic designing to create institutional strengthening of cocoa farmer association which can be applied in Pohuwato District to make farmers' association become stronger and more independent.

**Keywords:** Institutional strengthening, Cocoa, Farmer, Association

## Introduction

The government has undertaken some efforts to increase community income and welfare through various policies and programs in accordance with the potential of each region. In Pohuwato for example, cocoa plantation has been done in the spirit of the implementation of regional autonomy. The data at the Department of Agriculture in Gorontalo Province 2012 showed that 50% of 4.680 hectares of cocoa plants in Gorontalo province is located in Pohuwato District.

From the preliminary observation, it is found that there are some problems occur in developing cocoa plantation program regarding to farmers association such as the lack of efforts to strengthen farmers association. It can be seen from the production, processing and marketing strategies which are less managed and there is no sufficient management of cocoa farmers association.

Based on the above phenomenon, five sub-districts have been chosen as the focus in this study they are Patilanggio, West Popayato, East Popayato, Randangan and Taluditi. These sub-districts are the targeted area of National Program to increase the productivity and the quality of cocoa. However, there is still less improvement since the launching of this program. Data at the Department of Agriculture and Plantation in Pohuwato District indicate that in Patilanggio, West Popayato, and East Popayato the development of the program is less successful. Nevertheless, Randangan and Taluditi experience a significant level of success in cocoa plantation where more than 50% of cocoa production in Pohuwato derived from these sub-districts.

Theoretically, these five sub-districts should have similar level of success since they have the same basic policies. It is believed that the characteristics of farmers association and their own community contribute much on this phenomenon. Therefore, it is important to examine the roots of the problems regarding to progress of cocoa plantation and farmers association by conducting a research entitled Strengthening Cocoa Farmer Association to Increase Farmers' Income in Pohuwato District of Gorontalo Province, Indonesia.

Based on the above explanation, this research is focused on:

1. How is the mapping of potential resources of cocoa plantation in Pohuwato District?
2. What factors are affecting the institutional strengthening of cocoa farmer association?

## Literature Review

### *Farmers Association*

In the agricultural village, there are some non-formal institutions and one of them is farmers association. Farmers Association is defined as a group of farmers or ranchers formed based on the similar interests, common environmental conditions (social, economic, resources) and closeness to improve and expand all the attempts for the benefit of the members (PERMENTAN No. 273/Kpts/OT/160/4/2007).

Below are some factors that influence the development of farmers association.

#### a. Organizational Structure

The regulation above also indicates that a farmer association acknowledges sharing of duties and responsibilities. In addition, the structure of the organization requires a leader and members who will be actively involved in doing all the programs.

#### b. Organizational Culture

The cultural values owned by farmers association are very important to preserve the local wisdom. According to Baharsyah & Tjondronegoro (2007:287) local wisdom has certain unique characteristics because it derives from spiritual values and norms which become the philosophy of life and life habits in that community. Besides, Niode (2002: 109) stated that in Gorontalo Province, there are some cultural values which become the part of social and economic system of the society, such as 'huyula' (public mutual assistance) and 'dulohupa' (consultation and consensus).

#### c. Administration

There are some types of administration system that have been established among farmers, and co-workers for example sharing system of the result of rice field (paddy or rice) between the rice-field owner, farmers and rice milling. All these systems are already implemented based on the regulation of the Minister of Agriculture No. 940/Kpts/OT.210/10/1997 about the Partnerships Pattern of Farmer Business.

### *Increasing Farmers' Income*

Income is defined as the acquisition of living (Badudu, 1994) which also means revenue in the form of money or other materials got from the use of property or services of free men (Alex, 2005). To some extent, farmers are vulnerable in terms of social, economic and political status. Therefore, it is important to find alternative solution to enable the farmers become more independent financially to fulfill their daily needs and to have some more investment for better future.

## Method

This study used a blend of quantitative and qualitative in the form of case study to observe the phenomena that occurred in cocoa farmer association in Pohuwato District.

### *Sources of Data*

a. Primary data were got from interviews with the informants below.

1. Staff at the Department of Crops and Livestock of Gorontalo Province,
2. Staff at the Department of Agriculture and Plantation in Pohuwato District,
3. The Head of cocoa farmer association in Pohuwato,
4. The Head of village and Sub-district where the program of cocoa plantations conducted,
5. The buyer of cocoa plantation results in Pohuwato,
6. The farmers as the members of the Cocoa farmer association.

b. Secondary data were got from all data and documentation which relevant to the research focus.

### *Technique of Data Collection*

- a. In-depth interview. It is conducted by interviewing several key informants dealing with the focus of the study.
- b. Observation. It was used to obtain the information in relation to the object of study.
- c. Documentation. It is used to gain information from written documents for example government rules and policies related to cocoa plantation.

### *Validation of Data*

- a. Extension of observation.
- b. Increase persistence in doing observation and interviews.
- c. Check the triangulation of data sources and methods.
- d. Check Focus Group Discussion.

### *Technique of Data Analysis*

a. data reduction, b. presenting the data systematically to get a complete and integrated components, and c. to interpret the data as a step in taking a conclusion. In addition, to get the real problems faced by the farmers and to design appropriate strategies strengthening cocoa farmer association, there were some analysis used such as descriptive analysis and analytical hierarchy process.

### **Findings and Discussion**

The progress of cocoa plantations in Pohuwato can be seen from the number of production and productivity. In 2010 when the program was firstly launched, cocoa production reached 2,102 tons and its productivity was 897 kg/hectare. In 2011, it increased to 2,341 tons and 950 kg/hectare.

### *The Mapping of Potential Resources of Cocoa Plantations in Pohuwato District*

#### Human Resource

Human resource is a very important element in deciding a policy and the process of implementing it. Dealing with cocoa, government has launched a policy called National Program since 2009 to improve the production and the quality of cocoa plantation based on the regulation of Agricultural Minister No.1643/Kpts.OT.160/12/2008. In Gorontalo province, this program has been implemented since 2010 in three Districts namely Pohuwato, Boalemo and Bone Bolango. In the implementation of this policy, human resources (farmers and farming instructor) are one of the main factors that must be considered because they can determine the success of the policy.

The data at the Department of Agriculture and Plantation in Pohuwato District showed that there were 4490 cocoa farmers in 2010 and it increased to 4,690 farmers in 2011. These farmers live in five sub-districts as the targeted area of cocoa plantation namely Patilanggio, Wets Popayato, East Popayato, Randangan and Taluditi. To organize the activities of cocoa farmers, 31 farmers associations were established in Pohuwato. The result showed that there are 15 cocoa farmers associations where the members actively involved are found in Randangan and Taluditi where most of the populations are not Gorontaloese. However, there are six farmer groups which are less active, found in Patilanggio, West Popayato and East Popayato where the members are Gorontaloese.

One of the important aspects in determining the progress of cocoa plantation is the advocacy undertaken by farming instructors. There are 87 farming instructors in Pohuwato who are ready to undertake the task of assisting the cocoa farmers. In addition, there are two contract staff appointed to continuously guide and accompany the cocoa farmers in this District. This is done to encourage cocoa farmers to be able to have good skills and knowledge about cocoa in terms of cultivating, processing and marketing for a better production and improve their income. Besides, it is expected that farmers and their association will be stronger and more independent which in turn will increase the production and quality of cocoa. From the above explanation, it can be concluded that the role of those human resources determine the success of farmers' activities which will give positive impact in increasing cocoa farmers' income in Pohuwato.

#### The Number of Land Area and Cocoa Production

The other important factor to support the progress of cocoa plantation is the availability of land which contribute to the number of cocoa production. The data at the Department of Agriculture and Plantation in Pohuwato shows that despite having a large number of land area and production not all of 13 sub-districts are set to be the targeted area of cocoa plantation to produce good quality of cocoa. Based on the interview and the observation, it is found that there are only five sub-districts chosen as the targeted area of cocoa plantation in Pohuwato District, they are

Patilanggio, West Popayato, East Popayato, Randangan and Taluditi. They are chosen because of geographical and land fertility reasons.

The number of land area and cocoa production in each sub-district in Pohuwato District are varies. In 2012, the total production of cocoa in Pohuwato was 5817.38 tons from 4322.99 hectares land area. Taluditi sub-district with 3,271 hectares was able to produce 4906.50 tons of cocoa followed by Randangan sub-district with 654.74 hectares of land produced 572.91 tons of cocoa. Whereas, West Popayato has 281 hectares produced 252.90 tons, East Popayato has 68 hectares produced 54.40 tons, and Patilanggio has 48.25 hectares produced 30.67 tons of cocoa.

Thus, it can be concluded that the progress of cocoa plantation is also influenced by the number of land area for cocoa plantation. By having a large number of cocoa plantation area supported by continuous guidance provided by farming instructors, it is hoped that the production and quality of cocoa will also increase to support the improvement of cocoa farmers income.

#### Cocoa Processing and Marketing Techniques

Processing and marketing techniques are also influence the success of cocoa plantation. From the observations and interviews with several informants, it is known that the technique of processing and marketing of cocoa plantations in Pohuwato is not maximal. Cocoa farmers groups have not yet done proper processing techniques. The cocoa seeds are only treated on the basic processing technique without any fermentation process. Thus, the cocoa quality is poor resulting to the cheaper price. It is also found that farmers tend to sell the cocoa quickly without going through the stages of fermentation to the buyers who come directly to them than sell to the exporter in Java who will offer them expensive price if the cocoa go through the fermentation stage.

Therefore, it is important to assist cocoa farmers by having effective and continuous assistances by involving farming instructors from the Department of Agriculture and Plantation in Pohuwato District assigned to escort duty assistance to farmers. Having this conducive condition, it is expected that farmers will be much more informed and get more benefit regarding to the processing and marketing of cocoa.

Thus, it can be concluded that the techniques of processing and marketing of cocoa are critical and determined the success of cocoa farmers. The better the quality of cocoa, the higher selling price is. The improvement of cocoa price and marketing will further encourage farmers' interest to increase cocoa processing techniques. This will give many advantages to the farmers and their association in relation to the improvement of their income and prosperity.

#### The Management of Farmers Association

To support farmer activities, the management of cocoa farmer association is needed in terms of sharing duties, responsibilities amongst members for the betterment of farmers' group management. However, based on the interviews and observations, it is found that cocoa farmer associations in Pohuwato are not fully perform appropriate administrative arrangement. The associations are only traditionally managed which make the member know little skills and knowledge and could not do more to make their association be stronger and more independent.

Thus, it can be stated that the management in farmers association is needed to develop the cocoa farmer activities. Farmer groups can do all the planning activities based on the initial predefined agreement and in accordance with the establishment objectives of the cocoa farmer association.

#### *Factors Affecting Institutional strengthening of Cocoa Farmers Association in Pohuwato*

##### Internal Factors

###### 1. Farmers

The roles of farmers as the members of the association can affect the improvement of the organization activities. It is found that farmers' educational background, experience and interest can determine the degree of their roles in developing cocoa plantations. The progress of cocoa plantation in Randangan and Taluditi shows a significant

improvement. One of influenced factors is farmers' interest to cultivate cocoa in terms of seeking advance technical knowledge and skills of maintaining and managing cocoa properly.

Farmers' knowledge, abilities, skills and experiences should always be updated and increased to deal with the progress of cocoa plantation. This in turn will support them to engage more on cocoa plantation which will make farmers and their associations become more independent. Thus, it can be stated that the role of farmer human resource determines the level of success of farmers, especially in developing the ability to manage the cocoa plantations.

## 2. The Organization of Farmers Association

It cannot be denied that the roles of farmer association are very decisive and should be developed. The activity of farmer association should be well managed regarding to the sharing of duties and responsibilities among members within the organization to maximize the attainment of farmers' association objectives namely to improve the number of production and quality of cocoa and to increase farmers income and prosperity.

The results showed that farmer associations in Randangan and Taluditi sub-district are well organized compared to those in Patilanggio, West Popayato and East Popayato. It can be seen from the roles of farmer associations board in arranging and organizing cocoa farmers activities. Therefore, organizational structure of cocoa farmer association is needed to encourage self-reliance of farmers in developing cocoa plantations.

## 3. Farmers Culture

Farmers culture is the overall pattern of farmers' life, believe and behavior which affect the progress of cocoa farmers association. The results showed that farmers have different cultures. Most of the successful cocoa farmers in Pohuwato are those who transmigrated from Java, Bali and Nusa Tenggara to Pohuwato District particularly in Randangan and Taluditi sub-district. These farmers are more diligent and perseverance in involving themselves in the association and its activities to increase the productivity and the quality of cocoa.

However, cocoa farmers in Patilanggio, West Popayato and East Popayato who are mostly local residence or Gorontaloese are less diligent than the migrated farmers. In addition, the level of local farmers interest and engagement towards cocoa plantation is lower than migrated farmers. It can be summarized that farmers culture influence the progress of farmer associations and their activities. Therefore, it is important for the local government to get involve by providing skillful staff and farming instructors to assist cocoa farmers to enhance their interest and perseverance in developing cocoa plantation.

### External Factors

#### 1. Farming Instructors

Farming instructors consist of personnel or officials from the Department of Agriculture and Plantation which are recruited to accompany and guide the farmers in developing cocoa plantation. The results showed that their roles are not optimal yet because some of them do not have sufficient knowledge and skills needed to develop cocoa plantation.

In addition, there are still some unreachable regions of cocoa plantation due to geographical reasons such as no road access. As the consequences, the farming staff and instructors cannot organize their job well. They are seldom visiting the farmers in this remote area to help farmers which can decrease farmers' ability, interest and perseverance in developing cocoa plantation.

Therefore, it is important for the local government to do some efforts such as conducting education and training to improve farming instructors' knowledge and skills dealing with cocoa plantation. Having good knowledge and skills will enable them to assist cocoa farmers in terms of cultivation and processing technique and marketing strategies. Getting these valuable information from skillful instructors will help farmers to increase the productivity and quality of cocoa plantation which lead to farmers' prosperity.

## 2. Policy

In this case, policies mean various regulations, technical guidelines and regulations issued by the government in improving the result and quality of cocoa production in Pohuwato. The development of cocoa has been regulated in national policy called National Program for Improving the Productivity and Quality of Cocoa Plantation held since 2009/2010.

It is found that cocoa plantation in Pohuwato is more success at two sub-districts namely Randangan and Taluditi. It is because farmers' willingness and ability to develop cocoa plantation is better than those at other sub-districts. Theoretically, if the policies are similar then all five sub-districts will reach the same level of success. But the phenomena happened in Pohuwato implies that the progress of cocoa plantation is more influenced by the culture of farmers and farmers' ability to develop cocoa plantations.

Therefore, it can be assumed that developing cocoa plantations needs better collaboration and integration between farmers and farming instructors supported by appropriate policies set by the government. With these conditions, it is expected that cocoa farmers and their association will be more advanced and independent which will give impact on the improvement of farmers income and prosperity for their bright future.

## Conclusions

From the study, it can be concluded that the mapping of potential resource of cocoa plantations can be seen from the human resources (farmers and farming instructors), numbers of land area and cocoa production, the techniques of marketing and management of cocoa plantation, and the administration of cocoa farmer associations. There are some factors that may affect the level of success in institutional strengthening of cocoa farmer association, they are: farmers themselves, the structure of farmers organization and culture which categorized as internal factors and external factors are farming instructor and cocoa farming policies.

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