Strategy to increase selling price of organic Toraja Arabica coffee at farmers levels in International Markets

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Abstract. Arabica coffee owned by Toraja especially North Toraja is very distinctive with the aroma and flavor produced so that it becomes its own attraction in the hearts of coffee enthusiasts everywhere. But behind the taste and aroma that is very unique there are many problems faced by Arabica coffee farmers in Toraja in particular. This study aims to analyze the potential of North Toraja Arabica coffee agribusiness, which is then followed by studying the benefits that can be done by using the concept of organic farmers to create an appropriate strategy to improve quality in Arabica coffee agribusiness competition. Data taken using observations and direct interviews in the form of a questionnaire to farmers that includes how much can be produced each harvest season, and the price received each sell the harvest to collectors, companies, and several parties who participated in this research. Primary data used in this study are quantitative and qualitative data.

The results of this study indicate that the Arabica coffee owned by Toraja has the potential, farmers as producers have a very big role in improving the performance of Arabica coffee development programs. However, observations show that policies in developing human resources in rural areas, especially in terms of farmers' quality and skills, are relatively not working as expected. To reduce the level of dependence of farmers to traders, it is necessary to strive for financial institutions that are able to provide capital needs to farmers in a fast time without complicated procedures. Therefore farmers have alternatives to choose marketing channels that can provide better prices.

1. Introduction

The development of Indonesia's coffee export volume in the period 1980-2016 fluctuated with an increasing trend on average of 3.80% per year, ie Indonesia's coffee exports in 1980 amounted to 238.68 thousand tons with an export value of 656 million USD and in 2016 the volume of coffee exports to 414.65 thousand tons or US $ 1,008.55 million. The growth in volume and value of coffee exports in 5 years (from 2012 to 2016) in volume has recorded a slowdown in growth of 1.04% per year with an export value that has decreased by 4.52% per year or an export value of 1,133.84 USD.
million. The highest drop in the volume of Indonesian coffee exports occurred in 2014 of 27.94% or reaching 384.82 thousand tons, with a drop in the value of Indonesian coffee exports by 11.47% or an export value of US $ 1,039.34 million. It was thought that the decline in coffee exports in the year had been triggered by a 5.40% decline in coffee production in the same year, particularly in the decline in coffee production on community plantations, which fell by 5.03% or that the production reached 612.88 thousand tons of rice coffee [1].

The price that farmers often get when selling their harvested products is only valued by the collecting traders is only Rp. 15,000 / Liter or this is in accordance with data taken and published by the official agriculture system. If we see the struggle made by farmers from the cultivation process to the harvest is not comparable with the capital that has been spent during the process, so that the coffee farmers' economy is often insufficient for their daily household needs. This is the cause of the decline in Arabica coffee farming in Toraja, especially in North Toraja which will later be feared in the coming years, Arabica coffee farming in North Toraja will disappear by itself [2].

The purpose of this study is to analyze the potential of Toraja Arabica coffee agribusiness, including prices sold by farmers to buyers. This is then followed by providing appropriate strategies to improve the quality of agribusiness competition in Arabica coffee commodities.

2. Methods
Data collection is done through observation and direct interviews conducted by Simple Random Sampling. The determination of farmers' respondents is based on random sampling on the number of farmers working in Arabica coffee plants in the village of Sapan, in the Buntu Pepasan district. Considering that the determination of the interviewees as key informants was taken by several officials in the field of plantation production and horticulture, Northern Toraja District Agriculture Office, fellow Arabica coffee growers from the Buntu Pepasan district, collectors and traders.

Next is the random selection of respondents / champions of farmers each taken 30% from all Arabica coffee farmers who have become representatives of all Arabica coffee farmers in the Papasan village area. States that for the research that will use statistical data the sample size smaller than 30% may already represent the population. This sampling method is performed by probabilistic sampling in which the sampling is carried out giving equal opportunity to each member of the population to be elected as a sample. The technique used is a simple random sampling.

3. Results and discussion
From the results of research that has been done that the price received by farmers is still not in accordance with what is expected by farmers, one of which is, because of the lengthy process of selling their produce, which starts from selling to traders. In 2018, the price sold by farmers to collectors in the range of Rp. 18,000 / liter alone makes farmers tend to make farmers less serious and have no enthusiasm in conducting cultivation, and also the lack of attention from the government to farmers to provide solutions how ways to increase their agricultural output can be more optimal and have the best quality so that it can achieve the required production targets, the lack of management of coffee cultivation that is not in accordance with the recommendations, which are some obstacles to productivity and economic income of coffee farmers in North Toraja and most farmers are still many use old plants and do not rejuvenate or plant using new seeds because they require a longer process of production, so that the coffee farms that farmers use now have no optimal productivity.

From the results of the research carried out, the predominance of farmers in the north of Toraja, especially in the village of Rante Uma, still uses natural fertilizers. This is an excellent opportunity, as farmers still use traditional methods, but what should be improved is the role of the government, especially workers in training farmers so that farmers can increase their productivity. The factor that
has become an obstacle for the farmers of Rante Uma is that the coffee farms in the municipality have an insufficient topography / hillside situation in the country. Here it may also be possible to use terraces so that it can also become a tourist attraction in the area.

The need for government pricing policies that are appropriate for farmers so farmers are passionate about running a business, as well as providing education and training that can be absorbed by farmers so farmers can apply it. From the data that has been studied also shows that the conditions that are very possible for planting plantations with soil structure, as well as the quality of the soil that is very suitable for coffee cultivation, what is needed at this time are the investors who they want to invest capital to be able to compete with companies existing in the northern area of the Toraja, so the price does not have to be completely regulated by one of the companies, but rather follows a policy that has been determined based on the quality of the coffee produced. One of the solutions to increase the selling price of farmers as well as to improve the quality of products on coffee raw materials and increase productivity, solutions that can be followed to adapt the era that is based on technology and on the Internet as the creation of applications that can be third parties in the marketing of a basic product that makes it easy for sellers or farmers without having to go through a long process. With the application to commercialize the results of coffee basic products, farmers should be able to sell their coffee production with better quality.

Government policy is necessary to regulate the determination of the unit price on this coffee product [3], considering that the Indonesian coffee, in particular the Toraja Arabica coffee, is highly appreciated abroad. Government policies to regulate the required price standards such as, for example, set prices based on the quality of each, how to set prices based on the best rating, valued at the highest price and even if some have low quality level does not mean that they are not evaluated and can still be sold at a low price. This could also be one of the strategies to increase the enthusiasm of farmers in doing agriculture that has started to recede because there is no future when agriculture, which makes only a small profit, but can change its mind that the agriculture has advantages, both in terms of economy and sustainability of agriculture in Indonesia. If the determination of the price has been established, then the role of financial institutions and cooperatives can more easily reach farmers in terms of capital and help farmers to accept their agricultural products after harvest. In addition, it is necessary to increase the role of main stakeholders to support supply chain [4] and agriculture credit to finance their farming [5].

4. Conclusion
It can be concluded that the Arabica coffee owned by Toraja has the potential, farmers as producers have a very big role in improving the performance of Arabica coffee development programs. However, observations show that policies in developing human resources in rural areas, especially in terms of farmers’ quality and skills, are relatively not working as expected. To reduce the level of dependence of farmers to traders, it is necessary to strive for financial institutions that are able to provide capital needs to farmers in a fast time without complicated procedures. Therefore farmers have alternatives to choose marketing channels that can provide better prices

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