



Proceeding International Conference on Small-Scale Producer Agency in the Globalised Market

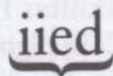
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PROCEEDING
**THE INTERNATIONAL CONFERENCE ON SMALL-SCALE
PRODUCER AGENCY IN THE GLOBALIZED MARKET**

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Half a billion farmers, working plots of less than two hectares, produce a significant proportion of the world's food — estimated at more than 90 per cent in sub-Saharan Africa, and 50 per cent in India. Poverty reduction, too, is closely linked to small farms. Three quarters of the world's 1.2 billion poor people live in rural areas, and most are small-scale producers who depend partly or completely on agriculture and natural resources for their livelihoods. Since the food crisis of 2007–2008 and its aftershocks galvanized interest in the future of agriculture, small-scale farmers have risen high on international agendas. Surging commodity prices have underlined the vulnerability of the world's food supply to global change, and lent immediacy to the challenge of feeding a growing population under tightening environmental constraints. On top of these challenges, globalization has opened borders and exposed small-scale farmers directly to the opportunities and risks that come with direct exposure to world markets.

Governments, donors and the development community at large, as well as many in the private sector, have embraced the need to support small-scale farmers in agricultural markets; and recent G8 negotiations and discussions leading up to Rio+20 have all heard the argument that private companies should play a much greater role in sustainable development. Advocates of 'market-based' development argue that, through market inclusion, small-scale producers can survive and even prosper in the face of major shifts in agriculture and food markets ushered in by globalization. In this new agenda, small-scale producers are seen not only as the key to reducing rural poverty, but also as a pillar of global food security, stewards of natural resources and biodiversity, and part of the solution to climate change.

The wide interest in market-based approaches to supporting small-scale producers has driven a wave of public-private partnerships. There has been considerable advance in our understanding of how to adapt business models for inclusion of small-scale farmers. But not all analysts agree that building bridges between smallholders and private business is the best approach. Some assert that the adaptive capacity of the rural poor is being undermined by exposing small-scale producers to highly demanding and volatile markets; many of these advocate alternative rights-based approaches that focus on strengthening democracy and food sovereignty built on human rights. Other camps of analysts debate whether small-scale farmers can be central players in future agricultural markets; they favor large-scale agricultural investments, with small-scale farmers serving as niche producers — or moving out of farming, including as labor on large farms and estates.

Often these arguments have one point in common: they continue a tradition of viewing 'the poor' paternalistically. Small-scale producers are seen as victims of emerging crises, who may be 'developed' as beneficiaries of government, donor and private initiatives. But by treating small-scale farmers as victims or beneficiaries,

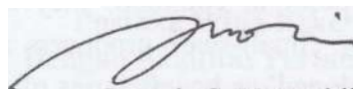
these program miss producers' role as economic actors and business partners in their own right. Given the entrepreneurial nature of agriculture, small-scale producers are analyzing their options, managing risks and making their own decisions — even in the face of incomplete information and unfavorable policies.

The Knowledge program of IIED, Hivos and Bolivia-based Mainumby has focused on this capacity of producers to make effective choices in the face of external agendas and powerful actors, and to act on those choices. The program uses an agency perspective to understand the strategies and constraints of small-scale farmers. The Network brings together leaders and practitioners from the worlds of academia, farming and agribusiness, from Asia, Africa and Latin America, bringing added value through the sharing of insights across roles and regions. The intention of the Network is to bring new insights to reshape the debate by producing, integrating and disseminating knowledge.

The International Conference on Small-Scale Producer Agency in the Globalized Market conducted in Feb 16, 2012 was part of the third and final Global Network Meeting in Bandung from Feb 13-17, 2012. In the final global meeting the network members summarized the key messages and develop the influencing strategy toward new approach in putting small-producers in the right saddle facing the more globalised market. About 200 participants attended the conference, including 30 participants from the network members and sponsors, 50 invited persons representing various government institutions, private sectors, and research institutions, and around 120 from academic institutions and campuses including graduates students. There were 4 invited papers presented in the main plenary sessions and 30 supporting papers presented in the parallel sessions during the conference. However, only 22 supporting papers managed through the final editing and included in this proceeding.

On behalf of the Padjadjaran University and all party involved in organizing the conference, we would like to thank the IIED-Hivos for funding the conference. Special appreciation to the team of editors including Bill Vorley, Ethel del Poso, Bishwadeep Goose, and Diego Munoz for great amount of time in assisting the organizers, and editing the proceeding draft. Thanks are extended to all the participants of the conference for their valuable discussions and active participation that ensured a successful outcome.

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THEME- 3
**THE “OTHER MARKETS” INFORMALITY, ECONOMIC RATIONALITIES
AND SMALLHOLDER AGENCY**

**COOPERATIVE TEA CROPS ESTATE MODELS :
EX ANTE EVALUATION OF STIMULATE RURAL ECONOMY
CONDITIONS IN BANDUNG, WEST JAVA**

Ery Supriyadi R.

ABSTRACT

Tea crop estate contribute for economic growth, regional competitiveness and local development. The institution and management area of tea crop estate influence local economic conditions. Tea's product is strategic and competitiveness commodity of West Java that linkage with international trade. The problem is how to make estate crop development can beneficial for rural economic conditions and local quality of life for farmers. This study present comparative models between partnership models, NES, and integration models in tea crop estate that concern regional economic and tea market analysis. Comparative of tea crops estate models among subregion and region was used in research methodology, such as existing model (public plantation (PTPN), farmer, private), contract farming model, and integrated plantation models. The study verify a number of criteria include profitability level, labor forces, income of community, regional income, dan tea crop production.

The study obtain that cooperative farming system role as alternative model for farmer's business empowering and rural economic developing. Cooperative tea crops estate model's can enhance rural economy, roles of local community, and local asset based development process.

The study has found that contract farming models can increase local development if it use spesification pattern in each subregion, as include : (1) Marketing contract farming model that interaction between farmer and tea crop public plantation (PTPN) in subregion of Cikalong Wetan, and Kertasari, (2) Integrated Contract Farming Model that interaction between farmer and private in subregion Ciwidey, (3) Integrated Contract Farming Model that interaction between farmer, PTPN and private in subregion of Pangalengan, (4) Integrated Contract Farming Model that interaction between farmer and PTPN in subregion of Padalarang.

This study recommend to fulfill community and local empowerment by cooperative institution for supporting local economic development progress by integration plantation model's. Cooperative farming model can give beneficial aspect such as productivity, marketing, social network, and value chain for farmer's institution and tea crop market opportunities.

Keyword : cooperative, interaction, rural, tea

Introduction

Estate crop development aims to increase production and improve results, increase revenue, increase exports, supporting the industry, creating and expanding employment opportunities, and equitable development in all areas. There are three principles that the reference in the policy underlying the development of plantation development in the economic environment and national development, namely (1) Maintain and enhance the contribution of plantation areas for national income, (2) Expanding labor forces and employment, (3) Maintenance and preservation of natural wealth and increase the fertility of natural resources.

Development of plantation commodities tea has developed a large and rapidly increasing from year to year to improve compliance with the production, export demand, which in turn is expected to have an impact on increasing farmers' income and the emergence of local economic multiplier effect as well as rural development. Development of agro-commodities in the direction of the tea should be a positive impact on the development of the sector and region.

Historically and reality shows that the tea plantations in the region tend to progress the development of inequality, both between the estates of the people, private and state oil and keragaan economic growth in the region. There are indications that the oil production centers experienced delays in its construction and the phenomenon of the occurrence of leakages, thus the progress of the tea plantation business has not been followed by the development of local development. Thus the development of tea plantations in a good area of smallholders, private or State should give the benefit to the actors (farmers and planters) and the economic regions, especially rural areas.

The tea crop plantation business (existing) in Bandung District is the center of tea production and processing of national level have access to global markets. These areas provide a substantial contribution (75% of tea production in West Java). The tea plantation business (existing) in Bandung regency was conducted by the private estates and country (PTPN) and smallholders. Most of the business on private estates and the State to do business in an integrated way, while the individual smallholders, a business group with the condition is relatively landless and disadvantaged people.

Meanwhile, the factual and actual data showed that the tea plantations give great influence to the local economic development. Cultivation, processing, and the tea industry should provide added value to the economies of the region and the development of its territory, of course, followed by efforts to encourage growth and development of institutional entrepreneurs and local farmers, growers and the active role of private, rural economies in developing countries where tea estates are located . local. This condition can be achieved with the support of institutional actors in the tea plantations in the area of cooperation among smallholder farmers, as well as private business and public tea crop plantation estate.

Thus some of the major issues in the development of tea plantations in the economy of this region is how to exploit global market opportunities for regional economic development and local economic development through the optimization of business and managerial efforts tea plantation. Obviously this is linked with efforts to improve the resilience and the role of the farmer (actor) plantation for tea and agro-enterprise development also resulted in improvement of rural economy.

At least there are three important and relevant conditions that need to be a major concern is that (1) tea estate crop Contribute for economic growth, regional competitiveness and local development, (2) the institution and management areas of tea estate crop can influence local economic conditions, (3) Tea's product is a strategic commodity of West Java That linkage with international trade. The next question is how to make estate estate crop development can beneficial for rural economic conditions and local quality of life for farmers. People crop estate estate development expected to create business activities plantation pro-poor, pro-jobs, pro growth, and pro environment.

The face problems is the extent of smallholder farmers as actors capable of performing as a tea plantation industry that adds value to the smallholder farmers themselves and for their region. What kind of te crop plantation model or how the tea plantations that can provide opportunities for growth and development of tea industry in the region simultaneously among smallholders, private and public plantation (state). Which one do models adds value relative to the perpetrators and the region as a whole, contract farming, farming or cooperative farming integration as an alternative.

Purpose

Based on the idea as stated in the introduction and formulation of the problem, this paper identifies how the tea plantation model that can optimize the impact on regional development and promote rural economic development of LED-based thinking. In addition, also to compare the performance of existing plantation model (existing) the model plantation and contract farming model both the subregion, between the subregion, or region. Comparison with a model plantation model existingnya intended to obtain the effectiveness of the implementation of the model plantation in each subregion and the region in Bandung regency. Comparison of model with contract farming model existingnya intended to obtain a combination of the effectiveness of the implementation of contract farming model in the subregion and the region in Bandung regency.

By knowing the optimal model of tea plantation is expected to become the input for the model development of tea plantations in the future as well as spatial aspatial both positive effects and to provide added value to the tea business development and local economic development by taking into account various elements, components, forms relationships, linkages and patterns of development model of a tea plantation area. By considering the model of the tea plantations and its relation to local economic development component, it is expected to be used as an input for the direction of development of rural areas based on tea plantations in the context of local economic development strategic, benefits, and sustainable. The study is also expected to be further developed as a reference development model plantation commodities (other than tea) with different regions in the context of spatial and aspatial.

Concept of Local Economics, Rural Economic Development, and Agriculture

The process of transformation of agricultural development through modernization, industrialization of agriculture, rural development has a target for the basic needs of rural communities, agribusiness development and agro-industry, as well as rural development and agricultural development in an integrated manner. Nataatmadja (1988) in Kasryno said that rural development was characterized the

agricultural development of the roots of the Green Revolution (Green Revolution) through the intensification of agricultural production by means of intensive and commercial production. Agricultural development which is characterized by the presence of the green revolution and transportation revolution followed by rapidly increasing cause of rural development since the opening of rural areas, improving the quality of education, labor mobility, and improvement of rural labor markets and urban (Kasryno, 1987). However, the success of green revolution and transportation in a relatively long time, has not shown the effect of creating an internal progress for rural areas. Douglass (1976) states that the development of transportation in the southern part Garut facilitate the accessibility of the area or cause a reduction in the death of the function of the local market making transactions and social interactions in these rural communities that have been run in quite a long period of time. The situation is further aggravated by the influx of urban inputs and products which cause the leakage to urban areas. This fact is a paradox in rural development efforts through the development of transportation, but resulted in leakage of rural development itself into other areas (urban areas).

the ability of the exchange rate is still little agricultural value of the industry (terms of trade) and the ability of rural areas lag behind urban areas. This shows that the orientation of rural development outlined in the Guidelines of State Policy in the implementation still needs improvement and a comprehensive treatment system and the substance of both its construction.

Preliminary stage in determining the pattern of economic development in a region first begins with the determination of the main objectives of development itself. The main purpose of economic development in rural areas is to increase the income level and growth rate of income (welfare) in rural communities each year. The emphasis is not only one period alone but must be on the dynamic aspects, ie a process of sustainable economic development (sustainable development). There are two main things in a sustainable development that are related to each other (interdependence), namely the development process (development) and growth rate (growth). One of the main reflector or the success of a development process is in the form required high output growth in all areas of development, ranging from factories or industrial development and other economic activities as a support, either directly or indirectly; boast improved human resources (HR) through programs of education and skills as needed; technology development, as well as needed; to infrastructure, both physical and social, including government agencies, and finance.

Economic system led to the global economic system. Globalization and liberalization of international trade, including through the implementation of the provisions of the "General Agreement on Tariff and Trade" (GATT 1994) and "Common Effective Preference Tariff '(CEPT) and in the Asean free Trade Area (AFTA), the subsidies will be gradually progressively reduced gradually. Government intervention in input markets and output diminished. With the phenomenon, the various incentives to encourage the growth of the agricultural sector should be considered through the market mechanism.

Labor migration from agriculture to other sectors, namely the migration of labor productivity and low wages ddengan to sector productivity and higher wages (World Bank, 1995). First, there was a migration from rural (agriculture) to cities and abroad (industrial and service sectors). Second, the migration from the agricultural to the industrial sector in rural areas. Third, the migration of the rice subsector to

subsector "diversified crops". This allows an increase in sub-sector and farmers' income stability (Timmer, 1992). Various migration is followed by a decline in "terms of trade" has led to reduced agricultural output and rising wage labor, while the prices of agricultural products are generally inelastic. This situation can be an obstacle to the improvement of agricultural sector growth, which in turn can degrade the condition of rural areas in the long run.

With a view to the things mentioned above, the questions to be answered is how the effort to improve the terms of trade of agriculture to industry, how the strategies and measures to deal with, and how to improve the ability of rural and urban areas are approaching a state of balance. Transformation of the structure of agricultural production is strongly influenced by the industrial sector. If the exchange rate of the agricultural-industrial sector can lead to worsening labor migration (push factors) and reverse (pull factors).

Agricultural development programs directed at efforts to develop the agribusiness by focusing on achieving added value through the process of industrialization. These efforts to increase agricultural productivity through diversification of activities so that the stability of real income in the agricultural sector can be achieved. Accumulation of capital in the agricultural sector will increase the supply of agricultural products as raw materials, semi-finished materials for the industrial sector. This situation is consequential on meeting the needs of investment, technology experts to reach a global market, domestic market demand, production opportunities, and competitiveness of products / Indonesian agricultural commodities in export markets of the world. Implications of agricultural development strategy that supports industrial activities is the need for balance between the capitalization of agriculture and industry. Mellor stated that the key role of economic transformation is the transformation from agriculture to industry where the process of industrialization.

Tea plantation area is included in the category of rural areas according to physical characteristics, social, economic, and cultural. Rural areas is a region that serves as a rural settlement, government services, social services, and agriculture the main economic activities include human resource management. Tea plantation area is a rural area characterized by agriculture-based economic activities, natural resource extraction, and pattern of social life, government, and rural culture. This trait requiring that the development of rural areas should be based on the potential internal and external can also be integrated in order to seize the opportunity and the chance of international, national, regional, and local level.

Plantation estate development means building the rural areas in an effort to reduce poverty, improve living decent according to the standard of living, a uniform growth in all areas, and sustainable management of natural resources (sustainable management of natural resource). Thus rural development faces several challenges that must be done to achieve these objectives, namely: reducing poverty and hunger, raising the level of economic growth, improve and increase food production, preventing the degradation of natural resources. In practice there are several issues concerning rural areas among the functional linkages in rural and urban areas that have not been optimal and still inconsistent impact on the development of agricultural activities in support of regional development. Meanwhile, less controllable behavior of large-scale land conversion, environmental damage, not optimal utilizing natural resources and environmental conditions like the lack of

housing and settlements in rural areas increased the development of rural areas runyamnya format. Therefore, the rural development aimed at reducing poverty, improving living decent according to the standard of living, a uniform growth in all regions, and development of sustainable management of natural resources (natural sustainable resource management). World Bank (1997) states that rural development is very important, although in reality is still far from achieving the goals and objectives of its success. Some of the challenges faced in the development of rural areas regarding reducing poverty and hunger, improve the level of economic growth, improve and increase food production, and prevent degradation of natural resources.

Most of the people of Indonesia are still living in the rural-based activities in the primary sector (agriculture and mining) and also a lot of poor people in rural areas. This suggests that rural development is a challenge and national development objectives, regional, local and sectoral. More development oriented to the urban sector and will result in increasing the level of regional economic disparities and inequality, which in turn affects the development of national development in the long run. Rural development is a strategy designed to improve the situation of social and economic life of the rural poor, with the aim of reducing poverty, reducing unemployment and reducing inequality or inequality. Rural development strategy is not only a professional responsibility and the thinking of rural development experts, but it requires a holistic and strategic attention of the experts of the private sector development, infrastructure development, health, family planning, nutrition, education, and social development.

World Bank (1997) also indicated that the state's commitment to rural development in the world tend to be more to decline as a result of the declining contribution of agriculture or agricultural product price levels are relatively low even frequent occurrence of market failure, so that the rural population who are poor have a political voice very low and small. Country's commitment to rural development is often dominated by the urban political elite force that can be characterized from a policy that is urban bias, institutional approaches, and the pattern of development budget. Lack of coordination between government, community groups and private rural development led performance also suffered a setback. One of the efforts for rural development is to improve coordination between donor countries funding the development, promotion of international policy, and institutional support.

Adelman in Thee Kian Wie (1980) states that the purpose of development is growth with equity and justice, which is termed 'depauperisasi' which means no normatively acceptable social processes on the basis of moral force, maintain, or strengthen barriers objective and eternal to attempt to show yourself to the community group from the community. Thus, the effort to eliminate and prevent a distortion of the social is the ultimate goal of social and economic policy. Similarly, the phenomenon of the plantation sub-sector development, proper measures taken to eliminate and deter social distortion between country estates, private, and people. Thus, the synergistic framework of each business also tea plantations into the demands and challenges in agricultural development and rural areas to achieve a prosperous region.

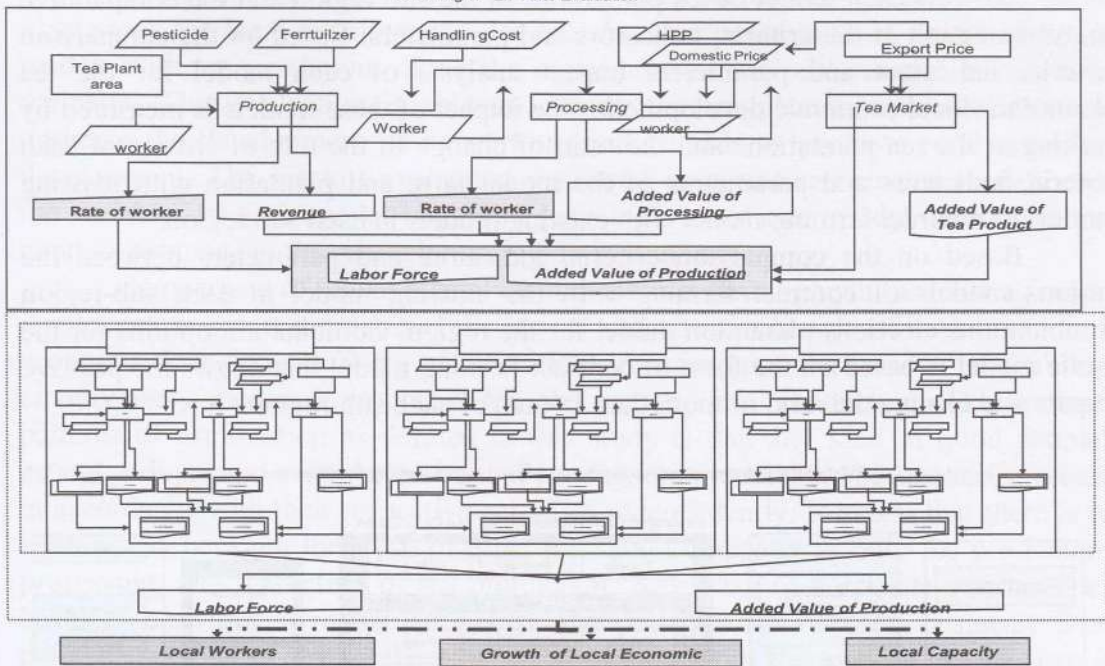
Methodology

This article emphasizes the study of how the tea plantation model and its role in mobilizing and encouraging local economic development. To achieve the objectives of this study, the approach taken some steps are as follows:

1. Identify opportunities and market opportunities tea plantation commodities in world markets, national, regional, and local levels.
2. Identify a model that includes components of the tea plantation concession typology in each sub region and region of production centers in the District of Bandung as the target of study.
3. Identifying the plantation model that is based on company performance and ownership of the plantation system, both locally and territory in Bandung
4. Identifying typology of tea plantations model by looking at relationships and linkages (integration-linkages), the effect of the change and its impact on local economic development component that includes an increase in employment, profitability, local revenue, production, and income of the region.

This paper is derived from the research results. This paper was done by using ex-ante evaluation, which aims to try to evaluate the model that allows to answer the above problems. Ex-ante evaluation is used as a way to assess opportunities if tea plantation development program carried out by considering various models of the existing tea plantations as well as simulated by the contract farming and integration tea crop plantation models. Regarding Wolfen and Tood (2007) that ex-ante evaluation is important because (1) Ex ante evaluation of a range of programs makes it possible to optimally design a program achieves some Desired Impacts That at a minimum cost or maximizes Impacts for a given cost., (2) Finding an optimal design program can be challenging, Because It requires simulating the Impacts of Potentially many hypothetical programs as well as simulating the program take-up rates, in order to assess costs and program coverage., (3) The alternative experimental approach would implement the alternative versions of the program and compare their impacts, but Such an approach is too costly and too Often time consuming to be feasible for program design purposes., (4) Ex ante evaluation is that? It may help avoid the high cost of implementing programs That are found to be ineffective later., (5) Ex ante assessments can Provide some evidence on what range of Impacts to expect after the program is Implemented, the which is useful for program placement decisions and for choosing sample sizes for any ex post evaluation, and (6) In cases, ex ante evaluation methods can be used to study how the Impacts would change if some parameters of the program were altered.

Analysis between the components of the model development of tea plantations with various components and used to evaluate local economic development strategies on the basis of the tea plantations. To be able to describe techniques for modeling of the tea plantations of local economic development as defined in this study can be explained as follows:



Some of the variables used in the modeling of various models of the tea plantations are:

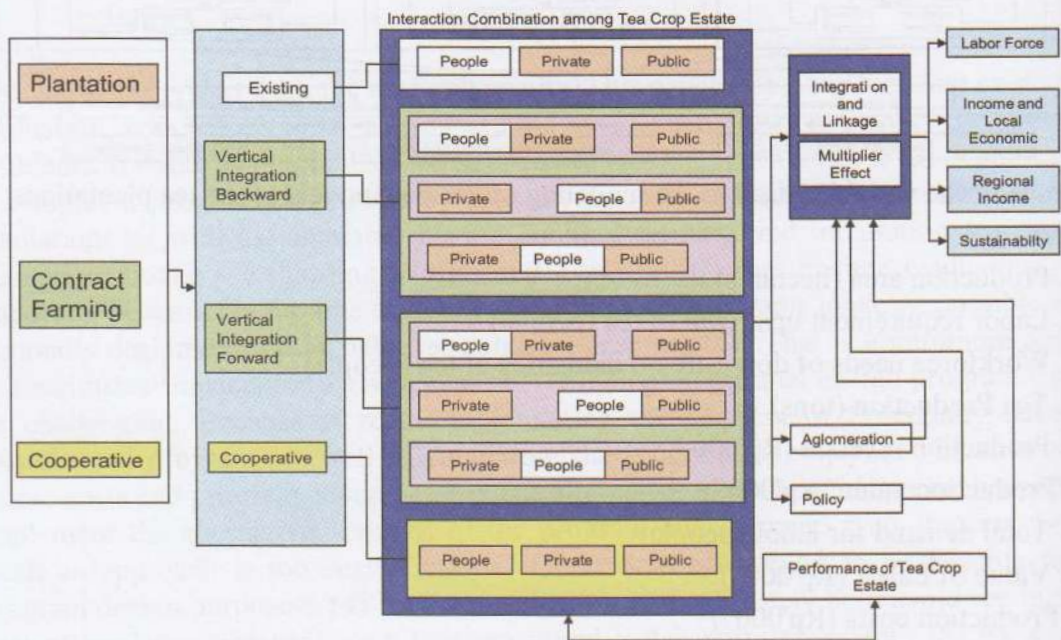
- a. Production area (hectares)
- b. Labor requirement upstream of tea (people)
- c. Workforce needs of downstream industries of tea (people)
- d. Tea Production (tons)
- e. Production revenue (Rp'000 ')
- f. Production value (Rp'000 ')
- g. Total demand for labor (people)
- h. Value of Labor (Rp'000 ')
- i. Production costs (Rp'000 ')
- j. Production cost per unit area (Rp'000 'per hectare)
- k. Income Tax Value (Rp'000 ')
- l. Value of Value Added Tax (Rp'000 ')
- m. Total Value Tax (Rp'000 ')
- n. Public revenues
- o. Revenue for the Region
- p. Productivity (ton / ha)

Based on the results of modeling calculations carried out the measurement criteria of the tea plantations of tea plantations each model in each sub region and region. Criteria as measured from the tea is profitability, employment (labor utilization), the level of production, incomes, and income for the region

To view each model of tea plantations in the sub region and the comparative analysis of each of the criteria, indicators and parameters. Based on the comparison criteria, indicators and parameters impact analysis of each model for the tea plantations local economic development. The impact of these models is measured by looking at the tea plantations and the ratio of change in the rate of change of each criteria, indicators and parameters of the model farm and plantation with existing models of contract farming model with existing models in each sub region.

Based on the comparison criteria, indicators and parameters between the various models of contract farming with the existing model in each sub-region combinations elections plantation model for the region. Combination options for the estate model is based on the form of contract farming model that shows the positive impact and change the ratio of more than 1 (one) of each sub-region.

Relationship Between Tea Crop Estate Models and Local Economic Development



To see the effectiveness of the model form of a tea plantation for local economic development in the region, then to compare the changes and the ratio of changes in parameter values between the model plantation tea plantation tea plantation with existing models, and the model contract farming with tea plantation tea plantation existing model. To see the strength of business tea plantations (estates of the people, private, and PTPN) and across the sub region to compare the profitability, the use of labor, community income, revenue for the region, and the production of plantation tea plantation model with existing models of the tea plantation, and the model contract farming with tea plantation tea plantation existing model.

Result and Discussion

Based on the reality and ex-ante evaluation of the development of tea plantations for local development, so we obtained description of the combination models with tea plantations along the region's economic performance as measured variables. This evaluation is able to identify the tea plantations model that can optimize the development of its territory and be able to promote rural economic development. The result of evaluation measured comparative between models each the variables of each model tea estate (existing), simulation model (plantation and contract farming) in the subregion or region in Bandung.

Comparison of model plantation and contract farming with the existing model is intended to obtain a picture of the impact and effectiveness level to promote local economic development. Some of the variables measured is the level of profitability, employment, incomes, revenues for the region, and production. Conventional patterns of exploitation as defined in this study is that any kind of good people's estates, private and state the process of production, processing and marketing results in accordance with their respective activities independently. It means that there is no relationship between the form of a tea plantation company in both the production, processing, and marketing of tea production. Any form of corporate conduct their business activities in accordance with the performance of each business. State performance of the development of tea plantations with this pattern can be seen in the table 1 below.

Performance Estimation of Conventional Tea Crop Estate Models

Indicator	People	Private	Public	Total
Land rate (% /th)	2,3 %	4,5 %	0,61 %	-
Production land (ha)	3475,13	6564,70	13826,30	23866,13
Production (ton)	2432,6	11054,95	32575	46062,55
Revenue (Rp '000')	12.698.707,9	22.541.040,2	78.016.551,6	113.256.299,7
Workers (man)	4.301	22.324	26.044	52.669
Processing/fabric (unit)	14,35	5,97	6,84	27,16
Cost of Production (Rp/ ha)	2181,45	1972,94	2760,24	-
Return of Production (Rp '000')	5.118.172,9	9.589.283,5	39.852.613,6	54.560.070,0
Worker Income (Rp '000')	1.898.993,1	9.856.939,9	11.499.513,2	23.255.446,2
Regional Income (Rp '000')	7.017.166,0	19.446.223,4	51.352.126,8	77.815.516,2

Based on Table 1. obtained information that the amount of labor absorbed PTPN more than smallholders and private estates. This situation is also positive berkorela the value of labor as part of total business income as a whole. High labor absorption consequential to the cost of production, on the one hand labor as production costs or working capital but also as part of the revenue receipts in the form of wage employment. The value of labor input can be interpreted as positive for economic income people and its territory. Plantation country contributed the greatest employment in the region, amounting to 49.45 percent. If viewed from the revenue area, country estates are also able to provide a substantial contribution to the region, amounting to 65.99% of the income of the region as a whole.

If viewed from the amount of labor and labor value of the three forms of the plantation, tea plantation seems still oriented to the use of capital or capital intensive. Contribution to the labor cost of production for smallholders, private, and PTPN respectively 3.48%, 18.07% and 21.08 per cent. However, the use of labor for each

company there is a difference. State plantation firms using labor with considerable intensity in both the garden and refined production processes. PTPN using the ratio of workers with substantial in the production process, yet very efficient in the use of processed workers represented by labor productivity levels are very high compared to private estates and the people. This means that PTPN approach workforce skills and preparations for the achievement of production efficiency and quality of the resulting quantity of tea products. While the use of labor and labor productivity in the plantation is relatively very low compared to private estates and PTPN.

Nucleus Estate Smallholders (PIR) pattern between the people and private estates in question is that good people working with the private sector in the process of processing and marketing results. It is assumed that the estates of the people just doing the shoot production of tea, and the products produced by private estates entirely processed and marketed by private estates. Accommodate the private growers of plantation production, in addition to the production of the plantation itself. It means that the relationship between people's tea plantation companies and private limited to accommodate the production and marketing. State performance of the development of tea plantations with this pattern can be seen in Table 2

Table 2. Performance Estimation of NES Tea Crop Estate Models between People and Private

Indicator	People	Private	Public	Total
Land rate (% /th)	2,3 %	4,5 %	0,61 %	-
Production land (ha)	3475,13 ha	6564,70 ha	13826,3 ha	23866,13 ha
Production (ton)	-	13487,9	32574,65	46062,55
Revenue (Rp '000')	7.529.450,6	27.501.094,6	78.016.551,6	113.047.096,8
Workers (man)	3.357	25.730	26.044	55.131
Processing/fabric (unit)	-	7,28	6,84	14,12
Cost of Production (Rp/ ha)	567,7	2.407,1	2760,2	-
Return of Production (Rp'000')	5.556.619,6	11.699.362,2	39.852.613,6	57.108.594,4
Worker Income (Rp '000')	1.349.527,2	10.343.446,9	10.469.860,5	22.162.834,6
Regional Income (Rp '000')	6.906.146	22.042.809	50.322.474	79.271.429,0

With this pattern, the contribution of the role of private estates, especially in the production of income, total employment, and revenues increased compared to the pattern konvensional. Through this pattern of PIR, the role of the private estates still under PTPN role, which means PTPN still dominate the performance of the tea plantations in the region. However, the pattern of the people and private PIR provides a positive added value in the form of increased labor and production revenue amounted to 4.674% and 4.671 percent. In addition, it also lowers overall production costs by 4.70 percent.

Just as with PIR pattern between smallholders and private sectors, the pattern of PIR-public-People's carried through the entire production activity where smallholders collected, processed and marketed by PTPN. Nucleus Estate Smallholders patterns between people and PTPN in question is that the estates of the people working with PTPN, where the plantation is only doing the production process of tea shoots, and the products produced by smallholders completely processed and marketed by PTPN. PTPN accommodate parties of smallholder production, in addition to the production of the plantation itself. It means that the relationship between people and the tea plantation company PTPN limited to

accommodate the production and marketing. State performance of the development of tea plantations with this pattern can be seen in Table 3.

Table 3. Performance Estimation of NES Tea Crop Estate Models between People and Public

Indicator	People	Private	Public	Total
Land rate (% /th)	2,3 %	4,5 %	0,61 %	-
Production land (ha)	3475,13 ha	6564,70 ha	13826,3 ha	23866,13 ha
Production (ton)	-	11054,95	35.007,5	46.062,45
Revenue (Rp '000')	7.529.450,5	22.541.040,2	83.842.608,8	113.913.099,5
Workers (man)	3.357	22.324	26.472	52.153
Processing/fabric (unit)	-	5,97	7,35	13,32
Cost of Production (Rp/ ha)	567,7	1972,94	2966,4	-
Return of Production (Rp '000')	5.556.618,6	9.589.283,5	42.828.695,0	57.974.597,1
Worker Income (Rp '000')	1.426.573,8	9.486.720,7	11.249.540,1	22.162.834,6
Regional Income (Rp '000')	6.983.192	19.076.004	54.078.235	80.137.432

The resulting level produksi PTPN increasingly contribute to the very high production values and income territory. The use of plantation labor in as many as 3367 people at the top of the activity of the production process, so that the issuance of the production cost is also only cost to produce shoots of tea, namely Rp 567.7 per hectare. While the PTPN as placeholders will issue additional production costs of processing costs with the use of labor is quite efficient. Added processed products are sourced from plantations as much as 2432 tons of people just increase the change of use of 428 workers at PTPN. So in total, the amount of labor it PIR pattern decreased. PTPN able to serve as the material production of processed tea shoots produced if given the capacity of smallholders and the number of processing plants is available PTPN Quantitatively, the income of the tea estates of the people has increased by Rp 438,446.00 but followed by a decline in the use of labor and labor value. With this pattern, it means more to strengthen the role and status of plantation PTPN as agents of development that dominates the performance of the tea plantations in a region. However, the pattern of the people and PTPN PIR provides a positive added value by increasing the value of production, income, region and income.

PIR patterns among people with other plantation players have ties to the private estates scattered and PTPN. Thus, there was no dominance of shelter production and marketing company that depends only on the private estates taupun PTPN. In total value, value of production, total employment, the value of labor, the production of income, and income for the region has increased when compared with the conventional pattern. However, the increase in the fourth indicator is followed by a decline in the value of labor. This can be understood by considering that the private estates and PTPN implement efficiency in the use of labor,

Cooperative acting as agent of development for the people of the tea farmers and plantation development in a comprehensive manner both in terms of social organization, but based on the principles of business efficiency. Cooperative acts as a plantation, which is based on cooperation between actors with the aim of effecting smallholder production, processing, and marketing of tea products it produces.

Cooperative patterns with the framework of the performance of the private estates of production, production value, the value of plantation labor, even if followed by a decline in the value of labor and increase the unit cost of production. This is understandable given that the cooperative as a business must apply the principle of waking efficiency, opportunity cost and scale of the plantation business is doing. In total, this pattern of decline of the plantation business performance compared to conventional patterns in terms of production value, the value of labor, the production of income, and income areas, but the rate of change is relatively small decline .. Thus, this pattern can improve business performance for both plantations and smallholders themselves able to capitalize on labor efficiency for menmproduksi, process and market the product in an integrated way in the tea plantation. Cooperation as the plantation is assumed to be able to do or is based on the performance of the business has done well PTPN in the process of production, processing, and marketing of tea products it produces. This pattern of performance described in Table 4.

Table 4. Performance estimation Cooperative Farming Tea Crop Estate Model Based on Public Plantation performance in regional level

Indicator	People	Private	Public	Total
Land rate (%/th)	2,3 %	4,5 %	0,61 %	-
Production land (ha)	3475,13 ha	6564,70 ha	13826,3 ha	23866,13 ha
Production (ton)	8.187,4	11054,95	32575	51.817,35
Revenue (Rp '000')	19.608.843,7	22.541.040,2	78.016.551,6	120.166.435,5
Workers (man)	6.827	22.324	26.044	55.195
Processing/fabric (unit)	48,30	5,97	6,84	61,11
Cost of Production (Rp/ ha)	2.760,2	1972,94	2966,4	-
Return of Production (Rp '000')	10.016.639,5	9.589.283,5	39.852.613,6	59.458.536,6
Worker Income (Rp '000')	2.975.192	9.728.088,1	11.349.189,4	24.052.469,5
Regional Income (Rp '000')	12.991.831,5	19.317.371,6	51.201.803	83.511.006,1

Totally, this pattern also increases the performance of the plantation both in production quantities, production value, the amount of labor, the value of labor, the production of income, and income region, even higher than the performance of conventional patterns and PIR forms that exist. Thus, this pattern can improve the performance of both the plantation and the plantation itself. Partially, this pattern is an indication that the estates of the people have the ability to compete with private estates in the production of tea. This suggests that the scale and efficiency of the work done by the cooperation among the farmers in integrated smallholder agro-industries will improve the business performance of the plantation business people themselves.

PIR-private people through an integrated approach is defined as a mutually binding of smallholders and the private sector in the process of production, processing and marketing. Plantation party is obliged to shoot production of tea with the help of the production management of the private estates. Production management of the private sector referred to in this study is the provision of production inputs in the production of shoots in plantations by private.

PIR is equal to the PIR pattern similar marketing approach', especially in production quantities, production value, and the amount of labor. Dekimian However, these patterns provide more added value than the people-private PIR pattern before in terms of revenue production, and income of the region followed by a decline in the value of labor is good for smallholders, private, or a total overall PTPN.

PIR-PTPN people through an integrated approach is defined as a mutually binding of PTPN plantation and in the process of production, processing and marketing. Plantation party is obliged to shoot production of tea with the help of the production management of the private estates. Production management of the private sector referred to in this study is the provision of production inputs in the production of shoots on the estate by the PTPN.

PIR has a performance similar to PIR pattern similar marketing approaches, especially in terms of production, production value, and the amount of labor. However, these patterns provide more added value than the pattern of PIR-PTPN people before in terms of labor value, while the production of income and revenue for both the region has decreased and the total plantation PTPN entirety.

PIR-PTPN and private people with proportional through an integrated approach is defined as a mutually binding of the PTPN smallholders and plantation with private estates in the process of production, processing and marketing. Plantation party is obliged to shoot production of tea with the help of the production management of the private estates and PTPN, namely the provision of production inputs in the production process in the bud by the PTPN plantation to plantation or private.

PIR between the people and private PTPN proportionally through the integration approach has the same performance with PIR pattern or the like marketing approach, especially just in terms of total production .. However, this pattern provides added value is more than the previous similar PIR pattern in terms of total employment, production value, revenue and earnings of production area.

Conclusion

Based on that evaluation has been carried out some of the results obtained as follows.

A. Plantation tea plantation model, showing a positive impact on local economic development at both the subregion or region in Bandung regency. Smallholders, private estates and PTPN conduct business through plantation cultivation system, where the model is to implement an integrated production management is a rational principle of business in addition to having a dual role as a forum for the empowerment of its members and the local workforce. Thus, the principle of efficiency and rationality remains a benchmark of business, followed by the dual role of empowering local human resources. Plantation business activities are integrated in a cooperative form of business activity is expected to improve the standard of living of the local economy.

Cooperative relations and the production or processing and marketing are the steps that have a positive impact for improving the performance of the plantation and its local region. Parameter value changes and the ratio of contract farming model is an improved alternative to the state of the region, especially in efforts to increase both revenue income per unit area, the public revenue, the income, estate and

business income in the region. Cooperation undertaken include procurement of production inputs required by the smallholders and technical assistance in production management in order to obtain a qualified production of processed tea products both in quantity and quality. Thus, there is a synergistic relationship, whereby the smallholders to benefit the procurement of production inputs and technical assistance as well as the top marketing assuredness that it generates.

Plantation model contract farming model is less effective than the plantation, but quite effective compared with existing models to improve the situation of local economic development. Based on study results also indicate that an effective model for contract farming in each subregion are: (1) Marketing Model Contract Farming among smallholders in the subregion with PTPN Cikalong Wetan, (2) Contract Farming Integrated Model of a private plantation in Ciwidey subregion, (3) Marketing Model Contract Farming among smallholders in the subregion with PTPN Kertasari, (4) Contract Farming Integrated Model of smallholders with swasat and PTPN, and (5) Integrated Model Contract between a private plantation in the subregion and PTPN Padalarang.

Evaluation showed that the model is very effective plantation encourage local economic development when private plantation estates, PTPN, and plantation estates in the form of a cooperative effort to plantation concession system based on the principle of integrated plantation concession in management, production, processing, marketing, and considering the principles of scale, efficiency, and optimization of business results. Plantation model is able to optimize the development of the region and encourage the local economy in the subregion and the region in Bandung regency. For the farmers or people tea crop plantation, integration plantation model is able to optimize role of cooperative institution for farmers to farmers in subregion and region. This has the implication that the cooperative on the plantation was established not only the formation of cooperatives as a collection agency plantation business, but a system of exploitation in the form of plantation estates, where the scale factor, rationality and efficiency of the business into consideration and the size of its business activities, in addition to its function as an institution that increase people's ability tea plantation growers as members.

Recommendation and Policy Implication

The results of the evaluation recommends the need to empower local communities and institutions through a cooperative effort of understanding and a framework that is based on efficiency, rationality, and the large scale plantation in the region. It is important to remember that such co-operative model has a comparative advantage in creating employment opportunities, increase income and economy, increase local revenues, and will encourage rural economic development .

Therefore, measures of education, counseling, education about the Cooperative's membership to various levels of society and development actors tea plantations, and incubation of entrepreneurship can be a first step toward building an independent co-operative model in the tea plantation business. This situation would favor the development of agro-strong tea that encourages growth and development of local economic activities independently.

This study recommend to fulfill community and local empowerment by cooperative institution for supporting local economic development progress by integration plantation model's. Cooperative farming model can give beneficial

aspect such as productivity, marketing, social network, and value chain for farmer's institution and tea crop market opportunities. Cooperative farming model must be carried out by professional performance by integration plantation tea crop estate

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