



Communication strategy of palm oil farmers In increasing oil palm productivity In the Bual-Bual Village, district of East Kutai

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ABSTRACT

This study aims to determine the communication strategies carried out by oil palm farmers in an effort to increase oil palm productivity, as well as inhibiting and supporting factors for oil palm productivity in Bual-Bual Village, East Kutai Regency. The method used in this research is a qualitative research method with a descriptive approach. The analytical method used in this study is the data analysis model of Miles and Huberman. Sample determination using purposive random sampling method to oil palm farmers in Bual-Bual Village. The oil palm farmers in Bual-Bual Village are independent farmers and plasma farmers who enter into the partnership. Limited land ownership, which means less attention is paid to the intensification of fertilizer application, fluctuations in oil prices, and a decrease in the purchasing power of oil palm owned by independent smallholders are some of the factors that hinder the productivity of oil palm independent smallholders. In contrast, plasma farmers experience less optimal maintenance as a result of challenging road access. Innovation strategies, quality strategies, and cost-cutting strategies are the implemented communication strategies.

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1. INTRODUCTION

The cooking oil that is generally consumed in Indonesia is produced from crude palm oil (CPO). Throughout 2021, the price of CPO on the international market increased significantly by 36.3% compared to 2020 [1].

At the end of January 2022, the increase in CPO prices reached IDR 15,000/kg and was the highest price ever recorded in history. This high price occurred because the supply of CPO fell, while demand is increasing in various parts of the world following the economic recovery after the second wave of the COVID-19 pandemic. CPO production in Indonesia itself has continued to decline since 2019. In 2021, CPO production decreased by 0.9% from the previous year to 46.89 million tons. Weather disturbances, limited

fertilizers, and labor shortages are suspected to be the cause of the decline in CPO production. The factors that affect the productivity of oil palm are environmental factors, genetic factors, and cultivation techniques [2]. According to Anam (2021), oil palm smallholders face a series of problems in managing their business, including the legality, permits, the selling price of palm oil, difficulty accessing replanting funds the lack of assistance regarding proper oil palm farming procedures. The lack of government assistance to these farmers has made the productivity of smallholder oil palm plantations inferior compared to large state plantations and large private plantations.

Even though according to the Coordinating Ministry for Economic Affairs of the Republic of Indonesia in a Press Release HM.4.6/82/SET.M.EKON.3/04/2021 stated that palm oil is one of the plantation commodities that has a strategic role in developing the economy in Indonesia. therefore, it is necessary to increase human resources in managing farms, including oil palm. One of the things that form the basis of this increase is the existence of well-created communication or social interactions between farmers and agricultural or government institutions [5].

The effectiveness of communication is very important in its role in plantation farming activities, the need for information about oil palm cultivation aims to develop farming results, production, to marketing cannot be separated from the role of communication that must be carried out by oil palm planters [6]. The existence of a good and effective communication network can bring innovation to farmers in a village, especially in areas where people work as oil palm farmers. One area that has the productivity of the palm oil industry by smallholders is East Kalimantan, especially in Bual-Bual Village, East Kutai Regency. In an effort to increase productivity, farmers need a strategy that is good and effective in dealing with existing problems. The existence of a good and effective communication strategy can encourage oil palm smallholders to solve problems and find new ideas to increase oil palm productivity. Based on Savitri (2021) that effective communication is designed by considering the criteria, namely to whom the communication is made, what is communicated, how to communicate it, and where the communication is delivered. Therefore, it is necessary to develop various communication strategies that can be carried out by farmers by utilizing available sources and information. Thus, the research aims to determine the communication strategy used by oil palm smallholders in an effort to increase oil palm productivity, as well as the inhibiting and supporting factors for oil palm productivity in Bual-Bual Village, East Kutai Regency.

2. RESEARCH METHOD

The method used in this research is a qualitative research method with a descriptive approach. Methods of data collection are done by observation, interviews, and documentation. An in-depth analysis was carried out to make sense of the data obtained. The analytical method used in this study is the data analysis of the Miles and Huberman model which is carried out interactively and continues continuously until complete so that the data is saturated. The research subjects in this study were Independent Palm Oil Farmers in Bual-Bual Village, East Kutai Regency, with a purposive random sampling method for determining the sample. This research was conducted in East Kalimantan, specifically in Bual-Bual Village, East Kutai Regency. The time for conducting the research was from October to November 2022..

3. RESULTS AND DISCUSSIONS

Oil palm plantations provide various positive benefits for the Indonesian economy. According to [8], palm oil is a contributor to foreign exchange through the export of palm oil (CPO), creating jobs for the community (such as farmers, factory workers, company

employees, traders, etc.), developing the village economy, and alleviating poverty. Oil palm cultivation in Indonesia consists of several types of smallholder farmers. They differ in how farmers relate to the production and marketing of fresh fruit bunches (FFB). Broadly speaking, we can distinguish into two types of farmers, namely the Smallholders Partnership (PIR) and the independent farmers. PIR partnership scheme farmers are farmers who start oil palm cultivation with a management scheme under the guidance of the government or the private sector and second, those who decide to adopt the management of oil palm independently [9]. Fostered farmers, supply their products to plantation companies or palm oil mills. Their relationship is based on a contract, while the plantation company remains responsible for technical and marketing assistance. Meanwhile, independent pattern farmers (self-help) are not bound or bound by contracts with plantation companies or CPO mills. They are free to sell to any buyer. In practice, they sell directly to the factory or to local traders (middlemen).

The pattern of oil palm farming carried out by farmers in Bual-Bual Village, East Kutai Regency is a pattern of self-help and partnership. As explained by Mr. Ishak as follows: “yes it is true that the East Kutai area has indeed been prioritized for the area's leading commodity, the potential is oil palm, so we, the people of East Kutai, especially the Bual-Bual Hamlet, also work mostly as oil palm farmers, some have entered into partnerships there is also an independent or self-help is the term”. Then Mr. Hamid added: “most of the oil palm farmers here do participate in partnerships, but there are also independent farmers so planting oil palm is only participatory and self-taught, usually the available land is limited so they don't want to join partners”. Independent oil palm smallholders cultivate oil palms based on their capabilities and experience. Farmers in general have never attended training and counseling regarding oil palm plantation cultivation. This could be due to the fact that farmers still have not formed farmer groups or the government's lack of attention to independent oil palm smallholders. These conditions cause oil palm productivity to be less than optimal. Low palm productivity of fewer than 3 tons per hectare. In addition, the lack of attention to the management of oil palm plantations causes the quality of FFB to be low, with an extraction ability of less than 20%. This makes the factory bell price for independent smallholder FFB lower. This is as conveyed by Mr. Agus as follows: “the price is usually different, and there are also some whose yields are not good, maybe because the treatment may not be as good as in a company plantation”.

Regarding the low bargaining power of the market, Mr. Ismail, who is an independent smallholder, said that: “We, independent smallholders, do not sell directly to factories but rather sell to agents. Well, usually there is a harvester from the stall who takes it from the garden and sells it to the stall, we just have to accept that the results have already been cut with transportation and harvesting services”. Based on the results of interviews, it is known that there is only one intermediary that connects farmers with collecting traders (agents). When the harvest rotation arrives, the collectors (agents) will pick up FFB at each TPH (product collection point) at the independent smallholders' gardens to collect FFB that has been harvested and then sell it to agents. In this marketing channel, farmers only pay for harvest wages. Then the price offered by the collector is usually below the factory price. Mr. Woyo added that: “the price from the agent is indeed cheaper, yes, at the factory the price is Rp. 2000/kg, at the agent the price is Rp.1500/kg”. The area of land owned by independent oil palm farmers varies, the average land area of independent oil palm farmers is less than 3 hectares. The area of land greatly affects production results because the wider the agricultural land cultivated, the greater the results, and conversely the smaller the agricultural land cultivated, the smaller the results [10]. As expressed by Mr. Suradi that: “yes, if there is only a small amount of land, for example only half a hectare like this, wanting to join a partner also seems not good, then if you follow cultivation that must be optimally given fertilizer, it can't just be sober if the land is limited”. In fact, according to the productivity of smallholder oil palm

plantations, it will likely increase along with the increasing age of the plants, as well as increasing use of organic fertilizers for mature plants (TM) and NPK fertilizers for immature plants (TBM) [11], [12]. Then Mr. Suradi added, "not to mention the price of palm oil, which is sometimes high, sometimes it doesn't even sell because the price is too low, so yes, we just fertilize in moderation". The selling price of FFB has a significant effect on the welfare of oil palm farmers [13]. Various things have caused fluctuations in the price of palm oil FFB, including demand for kernels and crude palm oil (CPO) companies on the world market, followed by government decisions limiting CPO. According to Pratama et al. (2016), other factors that cause fluctuations in the price of FFB are the influence of crude oil prices on world markets, weather factors, natural disasters that occur, and the influence of commemorating important days.

The researcher then interviewed several farmers who had already joined the partnership. Mr. Idris is one of the oil palm farmers who have joined the partnership as follows: "yes, I go with the partners, well if in terms of costs and the focus is indeed on going to oil palm plantations, I think it is appropriate because there is no need to worry about selling fruit where and we were also given a good supply of seeds so the results were pretty good". Then Mr. Suratno added that: "we only provide land that is already certified and the profits such as the company's profit sharing can be around 80% and we get 20% of the farmers, the seeds, fertilizers, medicines, etc. from the company". The existence of a supply of seeds can prevent the planting of seeds that are not good. Because according to Sekali et al. (2020) one of the reasons for the low productivity of palm oil in Indonesia is that there are still many farmers who use non-certified/fake/random seeds.

The plasma core partnership program is developed and built by involving the participation of cooperatives. The partnership paradigm between nucleus and plasma companies is that they need each other in terms of funding, land acquisition, and plantation management. The nucleus-plasma partnership pattern system will maintain technical standards for plantation development, guaranteed supply of FFB and credit installments, and is ideal for the long term. With the core-Plasma partnership pattern, farmers' income will be better and more equitable. Farmers through cooperatives can carry out the function of monitoring (controlling) plantation operational activities by the core company. In the collective agreement between the community who handed over the land and the company as the owner of the capital, there are several points of agreement which are the rights of the plasma farmers and which are the rights of the company. Both parties are expected to be able to carry out each other's rights and obligations. The nucleus-plasma partnership pattern in Bual-Bual Village, Sangkulirang District is the management of all plantations, both nucleus plantations owned by the company as partners and plasma plantations owned by participating farmers by the company from land clearing, planting, maintenance to harvesting during one production cycle. All payments for production facilities will be deducted directly when the company purchases oil palm products from plasma farmers. And Farmers are not allowed to sell their palm oil products to other parties, all FFB production is sold to the core company as partners. The palm oil nucleus-plasma partnership pattern in Bual-Bual Village, Sangkulirang District is quite helpful for the community in providing income and welfare from the oil palm plantation business, because of the economic condition of the community, most of whom work as field farmers. Farmers in this partnership system provide land and labor, while the company as the entrepreneur provides production facilities in the form of seeds, and fertilizers, and provides market certainty to plasma farmers [16]. Then related to the treatment, Mr. Jono revealed that: "oil palm farmers who have joined partners usually also join the group so they join the cooperative, this cooperative accommodates members to share knowledge, and usually there is training so they can improve their members' oil cultivation skills". Cooperatives supervise and monitor plantation management activities including plasma plantation maintenance, fertilization, FFB transportation, and plasma

plantation infrastructure maintenance by placing competent plasma farmer members so that when there is a problem of irregularities in plasma plantation management, the cooperative can immediately follow up on it [17]

Furthermore, Mr. Malik said that: “yes, entering into a partnership also cannot be separated from various obstacles, usually what we often encounter in the field is land that is indeed difficult to access nets, so if you want to transport crops it is a little more difficult to become land that lacks maintenance”. Problems that arise in oil palm partnerships include several divisions of managing partner plantations whose cultivation fields are quite extreme so that they are constrained in the process of treating, harvesting, and transporting FFB, frequent buying and selling of partnership land, plasma plantations are poorly managed and productivity is low, so the company lacks supplies. TBS. In addition, plasma farmers complained about the FFB grading which was considered too high, frequent delays in payments, and damage to roads and bridges causing the transportation of FFB to be hampered. These problems must be solved so that the development program that has been launched by the district government can be implemented properly. So that the implementation of the development of oil palm plantations can really be realized, and the benefits can be felt by the community.

Efforts to increase productivity according to [18] there are several things that are indicators of an increase in productivity including improving work methods or procedures to be more efficient, increasing skills so that work can be completed quickly and accurately, increasing work motivation so that employees make various efforts to achieve success. In terms of increasing productivity, an effective communication strategy is needed so that it can increase oil palm productivity by oil palm farmers. These strategies include innovation strategy, quality strategy, and cost reduction strategy [19]. The innovation strategy emphasizes the development of creative behavior, independent but cooperative and ready to take risks. In its implementation. Each individual must be oriented toward long-term targets, combining aspects of quality with quantity, and synergizing processes with results based on existing input conditions. Both plasma and independent oil palm smallholders prioritize long-term targets. This means that all cultivation activities are oriented so that productivity is optimal and sustainable, both from the beginning of the land preparation and planting process in terms of maintenance. The second strategy is the quality strategy, this strategy emphasizes the development of repetitive, predictive behavior, willing to work together, but less willing to take risks. In its implementation, each individual tends to be oriented towards achieving targets in the medium term and prioritizing the achievement of quality, through a controlled process. In this case, it has been done with the help of cooperatives for partner oil palm farmers. Cost reduction strategy, emphasizing the development of repetitive, predictive behavior, short-term focus, prioritizing individual activities and automation, paying more attention to quantity over quality, less daring to take risks, preferring stable activities. Oil palm farmers who join Bual-Bual Village partners are already using this strategy. Therefore, farmers who have not yet switched to partnerships then partner. So that oil palm farmers are in the same group and get a supply of fertilizer, seeds, and so on, so they can reduce production costs and focus on increasing productivity and quality of FFB produced. In addition, the role of these farmer groups is as a bridge between group members and related stakeholders such as the agricultural service and local government regarding policies and programs formulated by the government to improve the welfare of farmers [20].

4. CONCLUSION

The oil palm farmers in Bual-Bual Village are independent farmers and plasma farmers who enter into the partnership. Several factors that hinder the productivity of oil palm independent smallholders are limited land ownership so less attention is paid to the

intensification of fertilizer application, fluctuations in oil prices, and a decrease in the purchasing power of oil palm owned by independent smallholders. Meanwhile, for plasma farmers, difficult road accents cause less optimal maintenance. The communication strategies carried out are innovation strategies, quality strategies, and cost reduction strategies.

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