INDONESIAN EMERGING COCOA PRODUCERS: a complete story
AS ONE OF THE INDONESIAN COMMODITIES, cocoa has a strategic role in the economy of Indonesia, it ranked the third as foreign exchange earner in the state crop sector. In 2012, cocoa has contributed income of USD 203,446,947 from cocoa beans export and processed cocoa products*.

Some government policies in promoting downstream industries in the country bring proven results in the development of Indonesian cocoa industry. One of them is the Indonesian National Standard (SNI) in order to maintain the outstanding quality of cocoa powder in the country. Downstream industry program initiated by the Ministry of Industry was also able to raise the national cocoa industry that can compete, both in domestic and global markets, as well as contribute in supporting the economic growth of our country.

Currently, the global cocoa demand growth is of around four million tons per year. Data from the International Cocoa Organization (ICCO) stated that in the last five years, demand for cocoa grown an average of 5% per year. In the future, cocoa has a great power to be developed. It is estimated, the consumption of cocoa in Indonesia, India, and China will reach 1 kg / capita / year so that there will be an additional demand of about 2,2 million tons of cocoa beans per year.

In this edition, we will be presenting regions that are in development to become major producer of cocoa and policies that they have to make to meet future demand. You can also see small industries flourished and many foreign investors started to build new factories in Indonesia. Sustainable production and productivity increase programs can also found in this issue.

We all hope that, with the participation of government, Indonesia will be the largest cocoa producer as well as the number one chocolate consumer in the world.

Happy reading!

*Public Communication Centre Ministry of Industry, September 2013.
## MAIN REPORT

<table>
<thead>
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The Spearhead of Cocoa Flores Development

The ability of Sikka District to produce cocoa arguably greater than other districts in Nusa Tenggara Timur province. Is there any government strategy to explore the capabilities? Read our conversation with the Regent (Bupati) Drs. Yosef Ansar Rera, and Head of Sikka Agricultural and State Crop Office (Kadistan) Ir. Mauritius T. Da Cunha in Maumere recently.

**SIKKA DISTRICT**

**THE SPEARHEAD OF COCOA FLORES DEVELOPMENT**

**THERE ARE THREE DOMINANT SECTORS OWNED BY SIKKA,** namely marine and fisheries, agriculture and horticulture (with three commodities like cashew, coconut, and cocoa), as well as tourism sector. The Bupati says, programs which are developed to support the three sectors for the next five years, are actually based on what has been developed by the community itself.

Sikka arguably is the first step in the development of cocoa Flores, can be seen from cooperation of local government with Support of Small Poor Cocoa Farmer (SPSCF) program.

The program itself was supported by Yayasan Sahabat Cipta, World Vision Indonesia, Hillie Foundation, Swisscontact, Mars incorporated, and VECO Indonesia. “In the near future, after Sikka, other districts could also contribute in the development of cocoa,” said Bupati.

**UTILIZING SLEEPING FIELDS**

Cocoa does have a greater chance in Sikka District compared to other districts in Flores Island. Why? Because soil condition in Sikka is more suitable for cocoa planting, therefore cocoa-producing centres are more often found in Sikka. Bupati said that there were still a lot of unused lands which were ready to be developed for cocoa plantations, and local government was preparing steps to open them. “Through SPSCF we will start from field expansion, then increasing production, processing, and marketing,” said Bupati.

Unused land according to Bupati are mostly found in western Sikka District, current numbers are around 21,000 to 22,000 acres. Meanwhile, according to Sikka Agricultural and State Crop office data, when Cocoa National Movement (Ger nas) began in 2009, Sikka also allocated 10,000 acres of fields ready to work on. “Since it was very extensive, so far only 3,000 hectares of Gernas area successfully cultivated until the end of 2013,” said Kadistan.

If you look upon other districts, Ende actually has similar potential to Sikka in the ability to produce large quantity of cocoa in Flores. Number of land ready to be developed for cocoa in Ende is also very extensive. However, since transportation facilities are still limited, it is often hampered Ende to market its cocoa. “They still need to go through Maumere to sell the cocoa, a three-hour drive through the hills from Ende,” said Bupati.

In helping to improve cocoa production in Sikka, Bupati has prepared several policies, as mentioned earlier, starting from land expansion. Then replanting, open access to good fertilizers, and improving post-harvest processes. Until now, many farmers in Sikka have never done post-harvest process such as fermentation, although some groups have done other postharvest process such as cocoa powder manufacture. “For packaging manufacture we need to learn more, so as not to be outdone with chocolate packag- ing from other areas,” said Bupati.

**REGIONAL DEVELOPMENT**

In addition to policy, Sikka apparently planning a program called People’s Economic Movement. The Bupati said that cocoa development in Sikka cannot solely rely on government and its members, but the community should also contribute. “Through this, people are stimulated to make initiatives. After initiatives are formed, the government will putting the facilities,” said Bupati. This movement is included in the Medium Term Development Plan, and will be implemented starting this year.

Regional development is also implemented in Sikka, by dividing the district into three clusters, namely the western cluster (Sub-district Mero, Paga, and Tanawang, central cluster (Sub-district Mik, Koting, Lele, and Leita), as well as the eastern cluster (Hewokloang, Bola, Doreng, and Mapitara). According to Kadistan, division of these clusters will be handled from upstream to downstream, as preparation for production, post-harvest, processing, to marketing, and will be based in the town of Maumere. “We subdivide each of these clusters into smaller groups in order to obtain accurate data, how much fields have been cultivated, and how many farmers are involved,” said Kadistan.

Bupati said, to begin the cocoa Flores development from Sikka was just right, if we looked on its fertile soil, geographical location, and the presence of a sea port. In addition, Bu- pati believes that the implementation of SPSCF program in Sikka District will open an opportunity for communities to increase revenue. “In order to achieve this objective, local government is ready to help and work together, not only now, but onwards,” said Bupati concluded. 
West Sumatra knows cocoa as old as other provinces in Indonesia, namely since 1979 when Directorate General of State Crops launched the Farming Development Program. At that time only one district being developed into cocoa farm.

**UNFORTUNATELY AFTER 1979** not much was heard about cocoa from West Sumatra, how they produced, what had been produced, how broad was the area, seldom known. Until former Vice President Jusuf Kalla declared West Sumatra as the centre of cocoa producer for western Indonesia in 2006. The declaration apparently made cocoa sector in this province escalated. The Provincial State Crops Office (Disbun) supports this declaration by replacing all random seeds with cloned seeds. They also run socialization to all farmers were just simply planting the cocoa, they leave the rest to God," said Fajaruddin.

Disbun then set three areas of facilitation, namely maintenance, post-harvest, and processing. Disbun is no longer focused on land expansion, because they are confident that when cocoa is treated well, it will produce more.

Disbun apparently has a way to increase production and productivity. Fajaruddin said that cocoa farmers in West Sumatra today really need examples and practices, theory does not appeal to them. Disbun gives close attention on the situation by designing a development that could make farmers receive knowledge directly, quickly, and accurately. "We saw many farmers were just simply planting the cocoa, they leave the rest to God," said Fajaruddin.

To support the declaration of West Sumatra as the largest cocoa producer in Indonesia, Disbun apparently has a way to increase production and productivity. Fajaruddin said that cocoa farmers in West Sumatra today really need examples and practices, theory does not appeal to them. Disbun gives close attention on the situation by designing a development that could make farmers receive knowledge directly, quickly, and accurately. "We saw many farmers were just simply planting the cocoa, they leave the rest to God," said Fajaruddin.

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The three main facilitation areas then embodied into crop quality improvement activities, pruning, field school, and recently, the Nagari Model Kakao (NIKA). Nagari Model Kakao is a nagari (village) development program which comprehensively planned and
appropriately integrated with existing problems. NWK involves bodies such as West Sumatra Research Centre for Agricultural Technology (BPPTF), and the Faculty of Agriculture Universitas Andalas (UNAND), Padang, so it is expected cocoa commodity could motorized the economy of a nagari, which then create a prosperous society. The impact is also expected to be visible by other nagaris and surrounding sub districts.

Fajarudin said that before, trainings to farmers were distinguished by third year for post-harvest processing. “When NWK started, trainings are done at once, including farmer empowerment, pest control, processing, and so on,” said Fajarudin.

According to Ir. Yuniar, M.P. (Disbun’s Head of Utility and Infrastructure Department), so far there are 175 to 200 UNAND Faculty of Agriculture students who routinely support for every running programs. In early stages, students will receive guidance from Disbun in seven to eight meetings, after which they will be released to the field. At First, these students have to practice pruning and pest control, which is key in cocoa farming activities in West Sumatra today.

After pruning and pest control, students will begin to learn top grafting. “By working directly in NWK, the love and interest of the students for cocoa will grow stronger,” said Fajarudin. Kepala Dinas also added that by working with students, assistance to farmers can be done as often as possible and the health of cocoa farms will be maintained.

**70 BEANS PER 100 GR**

Nagari Model Kelao has had tremendous impact for cocoa industry in West Sumatra. A new clone has been created in a farm belonging to Edi Syafianto, a cocoa farmer of Payakumbuh origin, whose farm instantly became not only a demonstration plot for Sumatra, but also for the whole of Indonesia.

The farm is often visited by farmers and some other stakeholders from East Java, West Java, West Kalimantan, and Banten. Yuniar says that all stakeholders who have visited Edi’s farm are surprised to see pods of which can produce 60 to 70 seeds per 100 gr. With the size and number of beans it produces, no wonder this clone had been declared as the local superior clone and named BLB 50. “This clone won the third place on national clone championship last year,” said Yuniar.

Besides NWK, West Sumatra Provincial Government (Pemprov) also has a program that encourages farmers to have at least three crops, and for plantation commodities, Pemprov enters through cocoa. Program called The Farmer Welfare, is a collaboration between Disbun and Extension Worker Coordination Office (Bakorluh) to provide guidance at district and city level. “Before Bakorluh goes to the field, they will have discussion with Disbun to prepare a work plan and material to be taught specifically for cocoa farmers,” explains Fajarudin.

**SUPPLYING GOODS TO CAPITAL CITY**

As in other provinces, fermentation has not been done by many farmers. According to Disbun data, there are only five farmer groups (poktan) that perform fermentation process, and it is because farmers are not sure who would buy their fermented beans, plus the price difference is not significant.

To solve these problems, annually, Disbun stimulate farmers by providing fermentation boxes for all poktan. In addition, there is a processing unit (UPH) in Payakumbuh named Chokato which routinely purchase fermented beans in small quantities. Currently Disbun still make dispensation for farmers on the amount of fermented beans. “No need to get a ton, but the amount should be fixed and delivered on appropriate time,” said Fajarudin.

Fajarudin found fermentation should be done by farmers; in order to maintain quality, UPH under Disbun’s guidance requires farmers to sell fermented beans. Fajarudin wants to follow an UPH in Yogyakarta which slowly been able to buy up a ton of fermented beans. “My hope is fermentation boxes that we provide will inspire farmers to produce more fermented beans,” said Fajarudin who saw a rapid development of cocoa in West Sumatra.

Although growing rapidly, Kepala Dinas does not necessarily rush to build large processing unit. He still highlights on small industry with results of semi-finished goods. He said at one point large industry will only add value to farmers in the form of beans. “Semi-finished goods’ prices from West Sumatra as powder and butter have been really high, and our UPH in Pariaman and Payakumbuh have been supplying goods to Jakarta, Bandung, and Riau,” said Kepala Dinas.

**MORE INDEPENDENT**

When asked about provision of credit to farmers, Fajarudin admits no extension of credit to farmers. There is only a grant in the form of motorcycle to help farmers in marketing their cocoa. Disbun’s reason not to give credit because they see, with NWK alone farmers groups have succeed in intensifying production. Meanwhile, farmers also feel there is no need to take credit, they say they will ask for credit after group management is working well and many farmers join in. “Give farmers opportunities and let them manage themselves, until the point they need to grow larger, that’s when they will need assistance,” said Fajarudin.

Find out more about Nagari Model Kelao (NWKK) approach at this address. http://1drv.ms/1eUxnrR

**Performance**

**PROVISION OF SUPERIOR SEEDS**

**BY WEST SUMATRA PROVINCE UNTIL THE END OF 2013**

<table>
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<th>YEAR</th>
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<th>PROD (TON)</th>
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Source: West Sumatra Province State Crops Office.
Intercropping with coconut is also beneficial for farmers, because when cocoa waste dumped into the rorak, it fertilizes the soil.

Even so, Dinas had been running a number of activities to support the "expansion" through coconut farms. Assisted by Provincial Government of West Sumatra (Pemprov Sumbar) to spread the seeds on coconut farms, they also rejuvenate old cocoa trees or those productions have declined by side-grafting technique. "For side-grafting implementation we are assisted by Swisscontact," said Yurisman.

Through Provincial Revenue and Expenditure Budget (APBD) implementations have been carried out to the community through field school and diseases (CPB) eradication trainings. As for improving the farmers' welfare, Provincial Government had supported the development of Nagari Model Kakao (NWK) in Padang Pariaman. "This year our NWK ranked number two in West Sumatra for its effort to increase farmers welfare," said Yurisman.

Kepala Dinas said that Pariaman NWK had succeeded to increase production exceeding average productivity in Pariaman even Sumbar, it has reached 1,3 tons per hectare per year. The success apparently aided by integrating cocoa farms with cattle, where the manure is processed into organic fertilizer. Yurisman himself argues that organic fertilizers are much better than chemical fertilizers. "With organic fertilizers, not only the cocoa trees that will get healthy, but also the soil," he said.

A PROMISING COMMODITY
Yurisman told that cocoa was once regarded as secondary commodity by most farmers in Pariaman, because their main job was as agricultural farmers. But over time, they began to see that cocoa is a commodity that could be reaped upon, although it still couldn't be made as the main crop. This can be seen from the way farmers use their income from selling their cocoa. "The money are often used to finance children's school or buying supplies for the Eid," said Yurisman.

Intercropping with coconut is also beneficial for farmers, because when cocoa waste dumped into the rorak, it fertilizes the soil. Currently, the district government immediately thinking on how to improve their productivity.

Even in 2004, the district of Padang Pariaman had made an initiative to produce large quantities of cocoa, even before the declaration of Sumatra as the largest cocoa producer in western Indonesia. "We started by planting one million seedlings," said Yurisman. The initiative grew stronger after Pariaman Regent visited Riau Province and saw the effort to produce cocoa in large quantities. The Regent even participated in cocoa cultivation training held by Riau Provincial Government.

FERMENTATION WELFARE THE FARMERS
When asked about fermentation activities in Pariaman, Kepala Dinas answered it with enthusiasm. To promote fermentation activities, Dinas started by providing fermentation boxes. Directorate General of Processing and Agricultural Development (Ditjen PPHP) followed by giving a grant in the form of a mini factory established in Subdistrict V Koto Kampung Dalam. The factory which runs by Padang Manih Sakato multi business cooperative (KSU) had produced a product called Adam Chocolate. "This product can be found at Lapau Cokelat, a cafe in downtown Pariaman," said Yurisman.

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After fermentation boxes, Dinas gave farmer groups several cocoa drying tables, accompanied by educating farmers that cocoa beans which deserve to go to factory were beans that had been fermented and dried with drying table. “Education is given on an ongoing basis,” said Yurisman. Slowly but sure, the impact of education is beginning to emerge, a lot of farmers have done fermentation and dry cocoa with drying tables.

It can be seen that fermentation is important, because processing units can only produce selling products when they can get fermented beans. Fermentation indirectly drives local economy so that farmers’ welfare will increase.

“When Lampung Parliament and District Government visited the mini factory, they were stimulated to participate in the welfare of cocoa farmers by promoting fermentation process,” said Yurisman.

ALL FOR THE SAKE OF PRODUCTIVITY

In order to achieve even higher production and productivity, Dinas runs an advanced program for each nagari (village), where each nagari is provided with an extension worker who visits farmer groups every Wednesday and runs pruning and counselling rounds. Not only counselling, the extension worker will gather information such as which group that needs pruning or other necessary tools. “The information we received will be followed up by provision of tools,” said Yurisman.

Not only pruning, pest control also needs to be done to improve productivity. Pest which is quite problematic in Padang Pariaman, besides CPB, is squirrel which likes to eat cocoa beans. To that end, in collaboration with Indonesian Rifle Shooter Community (KOMPESENA), every year Pariaman farmers do the squirrel hunting festival, where each squirrel killed will be appreciated Rp5,000. “This activity proved to be very helpful for the cocoa farmers,” said Yurisman.

Lending credit through People’s Business Credit (KUR), which integrated with farmer groups, is another Dinas’ program to increase production. Along with that, there is a revolving fund managed and implemented with Bank Nagari.

Yurisman acknowledge that works related to farm maintenance are not easy. Because of this, Dinas’ attention at this moment is focussed to the 7,671 ha, how to maintain its production. While other farms, which spread on over 11 sub-districts, will be handled one by one. Regarding credit provision to increase productivity, sometimes it is not running smoothly, hindered by Orang Minang tradition. Why?

In order to give credit, the bank will need collateral. Because most of the land in West Sumatra is tanah kaum (owned by community), it is quite difficult to acquire certificate. Persons entitled to the land are not just those who live in the village, but also they who live overseas. “This makes process to obtain a certificate can be very long,” said Yurisman. But he assured that currently National Land Agency (BPN) is developing a project called the National Project (ProNa), where requirement to obtain a certificate will be easier and the public will not be charged a penny.

Last but not least is to involve High School for Agricultural Studies (SPMA) students and faculties of agriculture in farming activities, as well as introducing cocoa to non-farm community. Students who go into the field are those who participated in the Thematic Field Work Study (KKH), and so far students from Universitas Andalas, Padang and Universitas Padjadjaran, Bandung had been completed the KKH.

“We hope with all these activities, Pariaman can achieve the 2004 initiative and becomes the largest cocoa producer, at least in Sumatra,” said Yurisman concluded. •
According to Head of Office (Kepala Dinas) Ir. Edi Arman, for the last few years more and more people are eager to cultivate cocoa. Kepala Dinas warmly welcomes such tendency, but by planting thousands of seeds would be enough? Edi is thinking, what is the best method to respond to such demand. “In the last a few years, cocoa in Tanah Datar is being developed on a large scale,” said Edi.

Edi said that after 2006, Tanah Datar had successfully developed more than 5,000 hectares of land. When it was begin to develop, there was only 100 ha of cocoa fields; but since people learned cocoa as an export commodity and had good prices in the future, they gave even higher interest.

Community’s interest can be seen from number of proposals submitted to the Dinas, and when it is calculated, there is still more than 6,000 ha of land ready to be worked on. “Now we are seeking whether the funds for cocoa development and cultivation can be obtained from State Budget (APBN), or assisted by Provincial and District Budget (APBD),” said Edi. As additional information, from Cocoa National Movement (Gerras) alone, Tanah Datar received approximately 1,000 ha.

Ready to Assist
Community’s desire to cultivate cocoa is huge, but they have very little knowledge about cocoa farming. Dinas then requested support from West Sumatra Provincial State Crops Office (Disgun) to provide the integrated pest control field school (PHI), pruning courses, and post-harvest processing courses. “After everything has been implemented, gradually Tanah Datar farmers could face problems they usually faced in farming,” said Edi.

Until the end of 2013 approximately 500 farmers have been trained, and it is hoped that in 2014, Dinas can get support from district budget in order to train another 300 farmers. “There are still many farmers who need to be trained, because their knowledge is limited only for planting, while for maintenance, many do not understand,” said Edi.

In improving cocoa cultivation, Dinas have some other ways, namely through a movement called the Cocoa Farm Maintenance and Pest Control. There is a working group that has been formed to carry out this movement, which functions to answer questions from community; how to combat pests and disease, how to process the harvest, and how to fertilize the soil. Through this group Dinas is ready to assist, even ready to receive calls either through mail or phone.

Impact on Production
The other way that Dinas does is to provide counselling for farmers through visit pattern. Farmers are visited and trained to perform a variety of practices, starting with 10 cocoa stems. When it feels that most farmers have understood, they will be left alone, so they can learn fast and can identify any problems that occur in the field.

Speaking of training, Edi was pleased to be working with one of CSP members, namely Swisscontact. The cooperation proved to be effective, especially in combating CPB and black pods. “Thankfully because there are number of courses and field school patterns, farmers’ initiative to take care of their farms are growing,” said Edi.

Edi observes that despite the economic crisis everywhere, cocoa prices remain steady, unlike rubber that has a very large devaluation. Even at the beginning of 2014 cocoa price was at Rp30,000 per kilogram. Therefore Edi is convinced, that cocoa sector can really improve the local economy of Tanah Datar. Especially after Provincial Disgun and Central Government gave assistance, now Dinas can run a program every year. In 2013 Dinas Tanah Datar was also given 75,000 seedlings by provincial Disgun.

With field school, Edi notices that there are improvements in the quality of maintenance which have a positive impact on production. As evidence, Tanah Datar’s farmers no longer get only Rp300,000 every harvest time, but they can get Rp700,000. In fact, there are some farmers who usually only get Rp600,000, now they can get at least of Rp1,000,000.

Focus on Capacity Building
When asked about fermentation, Kepala Dinas said that as long as the price difference between fermented beans with unfermented beans is not much, he will not require farmers to do fermentation. “The decision I leave to them,” said Edi.

According to him, to produce fermented beans farmers require more time and labour. If the price offered is not much, certainly, economically farmers will feel the loss. “The quality is better, but if fermented beans are valued for only Rp2,000, I myself would think twice,” said the Kepala Dinas. Edi already submitted this subject to Tanah Datar Cocoa Forum some time ago, where several stakeholders from Jakarta also attended.

Associated with fermentation process, Kepala Dinas once offered to build a cocoa processing unit, but because not many farmers who do the process, this offer he rejected. Edi admitted that he had planned to build a processing unit, but only if there were already 50% of farmers who perform fermentation. “Right now we are focused on increasing capacity first, if this has gone well, then we would think to build a processing unit,” said Edi concluded.

Tanah Datar District Government through Agriculture, State Crops, and Forestry Office (Dinas) in the last five years has been demanded to increase its cocoa cultivation. Read the following review to see methods that have been implemented.
It would not be exaggerating to say that once West Sulawesi (Sulbar)’s income was derived from cocoa. At that time market ability and cocoa price were very promising which triggered euphoria in the community. They switched to cocoa planting until the area of cocoa farms extended to 200,000 ha.

**WEST SULAWESI**

**REDISCOVERING THE LOST GLORY**

**UNFORTUNATELY SULBAR** ability to produce cocoa had declined because of several causes such as aging trees, poor production management system, and lack of maintenance. It all raises variety of issues that have impacted on productivity. The situation is exacerbated by pest epidemic, and it is worsen with the overuse of pesticides. All those cause turmoil in society, leaving some farmers switched from cocoa to other commodities.

Even so, area for cocoa in Sulbar are still 172,000 ha. This then triggers the spirit of Governor H. Anwar Adnan Shahleh to restore the glory of Sulbar cocoa by declaring Cocoa Revitalization Movement (GPK), which was followed by supporting the central government initiative’s Cocoa National Movement (Gernas). “The passion for growing cocoa reappear after that,” said Dr. Supriyatno, M.A., Head of West Sulawesi State Crops Office (Disbun) whom we met last February.

**REVIEWING THE FUNDAMENTAL PROBLEMS**

Supriyatno said that only a small area in the world suitable to grow cocoa, one of which is certainly Sulbar. The province also has the advantage of people who have known how to grow cocoa for a long time. However, it does not guarantee that it improves farming management system, or soil fertility. “We do not even have strong farmer institutions,” said Supriyatno.

Local government (penda) was then identified the issues that occurred, namely:

- Low productivity
- Unfavourable market system
- Poor farming practices, and
- Pest and diseases.

The issues were directly addressed by the Governor by launching three initial activities, namely:

- Provision of fertilizer
- Provision of pheromones to control fruit flies, as well as
- Provision pruning scissors.

Not only that, for the sake of improving farmers welfare, productivity, and quality of beans, Supriyatno then split Sulbar into several clusters that would become cocoa development and management centres. Cluster management is expected to solve on-farm and market problems.

**EMBRACING YOUNG FARMERS**

In order to hone farmers’ skill, Disbun intensified training of trainers (TOT), especially for young farmers who have skills in cocoa, and if it is possible have graduated from agricultural high school (SPMA). Problems always arise whenever farmers are given credit; concrete results are very low, and sometimes it takes time to return the credit. This is the reason why Supriyatno intensified the TOT.

The young farmers are then put in two districts which are now becoming the demonstration clusters. “They have to be local residents, not outsiders,” said Supriyatno. In the implementation of TOT, Supriyatno...
invite implementers from other sectors such as banking (Bank Indonesia), education, and government. Farmers who attended TOT will begin their employment by completing all requirements which needed by a cluster in developing cooperation with a bank (BNI is requested by Disbun to support this activity). Then they will analyze the size of the farms, counting the cocoa trees that still productive or need to be rehabilitated. “They will also check whether the farm is certified or not,” added Supriyatno. After this, they will form smaller clusters, such as villages, where farmers will develop a work plan. The work plan aims to change people habits from constantly using pesticides to more eco-friendly habits. Starting from ideal pruning, burying rotten fruits, doing sanitation, and using compost. Fund to purchase fertilizer will be provided by bank, and must meet six conditions, namely:

- Appropriate time
- Appropriate type
- Appropriate amount
- Appropriate quality
- Appropriate price, and
- Appropriate location.

Today, approximately 3,600 ha of farm require fertilizer at the cost of Rp11 billion for one year. From that, total productivity is expected to increase 1.5 tonnes from previously only 800 kg. Supriyatno said that those actions should be regionally carried out so harmful ways in farming can be reduced quickly.

The trained farmers also need to know when is the time to harvest for each group, so they can maintain the post-harvest activities. All the crops have to go through fermentation for five days, so no more farmer sell raw beans. “I want to create a similarity in market and quality,” said Supriyatno.

**ADVANTAGEOUS IN MANY WAYS**

Supriyatno said that premium quality would not mean anything if it was not based on economic scale, meaning that even if the beans are premium quality, but if there are only one or two quintals of them, it would not be attractive to buyers. It is expected that of 3,600 ha, 30 to 50 tons of premium-quality beans can be produced weekly.

To rejuvenate old plants, Disbun had formed 30 groups to carry out top grafting. These groups are given facilities by Disbun so that they could work without supervision. While waiting for the cocoa to grow, community is also given intercrops such as corn; seven to eight months later all corn can be harvested. “Revenues will continue to exist for farmers,” said Supriyatno.

Currently 59% of Sulbar Gross Domestic Product (GDP) comes from cocoa, thus making 50% contribution of employment to Sulbar.

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Ready to face free market

The point is, in increasing productivity, quality, and avoiding disease, Sulbar should improve production service facilities and to manage farms in cluster approach. By doing so it will increase community’s bargaining power towards market, which ended up in community’s increased welfare.

Supriyatno urges Sulbar people to professionally manage the farms, see them as commercial ventures; people need to have better accounting, understand market management, and have an organized working system. Especially at the end of 2015, ASEAN economic community would impose a free market system, which means we have to produce superior products in order to compete in the market. “Through real business activities, productivity and high quality should be achieved, and directly restore Sulbar’s cocoa glory into its place,” said Supriyatno concluded.
GUARDING THE INDONESIAN COCOA INDUSTRY

Before separated from West Sulawesi, South Sulawesi (Sulsel) had had the highest cocoa production in Indonesia, which is more than 70%. Though now the area is reduced, Sulsel apparently still contribute 40% of Indonesian cocoa. Follow our conversation with Dr. Ir. A. Ardin Tjatjo, M.P., Head of Utility and Infrastructure Department South Sulawesi State Crops Office (Disbun), regarding Sulsel cocoa industry latest development.

THE ABILITY FOR SULSEL to contribute such production is most likely supported by its communities, because they are determined to continue to grow cocoa though it had run for nearly 40 years. Compared to other provinces, cocoa spread rapidly in the province because of the climate. Also, Sulsel provides many wetlands suitable for growing cocoa. “Wetlands are common in Luwu, North Luwu, East Luwu, and Way,” said Ardin.

When first planted in the 1970s, cocoa was cultivated only in these wetlands. But in short time, added with promising cocoa price, the crop was spread across districts. Until now Luwu is still the largest cocoa producer in Sulsel. “The area has reached 46,000 ha and it produced as much as 31,000 tons,” said Ardin. According to Ardin, now cocoa has been regarded as a social commodity in Sulsel, which has become part of people’s lives. It means several farmers no longer make it as a main source of income. Some farmers start to run other business, such as durian and rice business, so they do not get benefit fully from cocoa. “Average land ownership in Sulsel is 0.8 ha,” said Ardin.

OFF FARM ACTIVITIES Although such trend is occurring, Sulsel still makes cocoa as a major instrument in supporting the Master Plan for Acceleration and Expansion of Indonesian Economic (MP3EI). Off-farm activities are propagated, for example by providing opportunities for investors to build factories in Sulsel. “Recently Barry Callebaut cocoa processing factory started its operation in Makassar,” said Ardin. Factories like these not only increase investment, but also improve local economy because community are involved.

The provincial government hopes that through MP3EI, Sulsel will have factories which can produce finished products. It is estimated, level of chocolate consumption in Indonesia will increase in the future. Statistically, level of chocolate consumption Indonesia is still 0.02 kg per year per capita, far below level of consumption in other country, at least in India, a fellow Asian country.

Other actions taken by Disbun through MP3EI are increasing production and productivity. Then increase human resources, both government personnel and farmers, in this case government personnel as an internal target, while farmers as an external target. In addition to that, Sulsel Disbun also targeting to improve the infrastructure and facilities to support the increase in production and productivity.

AS THE MAIN BOOSTER Beside through MP3EI, all those actions have been put into a road map which is hoped to increase Sulsel’s production in 2015 to be 300,000 tons. “Sulsel’s production until early 2014 was still 175,000 tons, that involved approximately 290,000 families,” said Ardin. If a family consists of four people, so it is currently more than one million people in Sulsel depending their livelihood on cocoa.

Ardin added that by increasing farmer group coalition’s (gapoktan) ability, farmers are expected to have better access to the market. This is where Disbun becomes an intermediary, with banks and industry. Disbun will accompany gapoktan until they can access the market. The key to success in increasing production and productivity, is when farmers are sure with the market. When farmers can have a certain and transparent market, then they will earnestly perform off-farm activities. “The market acts as the main booster,” said Ardin.

Currently, many ways have been done to get farmer closer to the market. Dozens of companies have made partnership with farmers, but only few have sustained. “Why? Because there is no openness in the market,” said Ardin. If all parties know the price, then there will be improvement.

THERE IS NO OTHER WAY Almost all developed farmers in Sulsel have opened nurseries which they can sell the seedling to other farmers and make business out of it, both to farmers in Sulsel, as well as in other provinces. All the seeds produced must have a certificate from Farming Seed Quality Testing and Protection Centre (BP2MPB) to ensure that quality of the seed is good. “The task of this centre is also ensure that seeds circulated in Sulsel are certified ones,” said Ardin.

Ardin reminded that certificate given by BP2MPB is not necessarily giving farmers permission to sell their clones freely. The quality of the clones will be studied beforehand, whether suitable to be planted outside the area or not. If the quality of the clones is not suitable, the certificate be limited to sales in particular areas. BP2MPB is one of the regional technical implementation unit (UPTD) under Disbun supervision.

Currently there are several clones suggested by Disbun, besides Sulawesi 1 and 2. Farmer developed clones such as M01, M02, and B18, which according to Ardin are clones which are suitable for Sulsel locality. “Usually farmer will do cloning themselves when they see clumps which have large production,” said Ardin.

Speaking about clones, it took us on a discussion about weather anomaly. Ardin said that current anomaly has causing inconsistent production and it has also stimulating the growth of pests. In response to those problems, Ardin have called a group of researchers in Disbun to generate clones that is powerful enough...
to deal with climate change. "Until that time Disbun will continue to encourage farmers to do pruning, so cocoa trees could receive sunlight as much as possible," said Ardin. In addition, fertilizing with compost should continue to run, high nutritious plants will be more resistant to disease.

Closing the conversation Ardin once again reminded that there was no other way to advance the province cocoa industry other than increasing production and productivity; continued by quality improvement and to get farmers closer to market. Ardin also hoped that more and more cocoa vocational high school (SMK) graduates would join Disbun to help 'guarding' the road promoting this industry. "SMK graduates will become skilled professionals who have the ability to advance the cocoa industry, not only for Sulawesi, but also for Indonesia," said Ardin. 9

### AREA, PRODUCTION, PRODUCTIVITY, AND NUMBER OF SMALLHOLDERS PER COMMODITY PER DISTRICT, SOUTH SULAWESI (UNTIL NOVEMBER 2013)

<table>
<thead>
<tr>
<th>No.</th>
<th>District/City</th>
<th>Area (Ha)</th>
<th>Production (Ton)</th>
<th>Productivity (Kg/ha)</th>
<th>Number of Farmers (Family)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Luwu</td>
<td>4,122</td>
<td>28,733</td>
<td>3,757</td>
<td>56,612</td>
</tr>
<tr>
<td>2.</td>
<td>Luwu Utara</td>
<td>4,518</td>
<td>18,665</td>
<td>19,232</td>
<td>42,625</td>
</tr>
<tr>
<td>3.</td>
<td>Luwu Timur</td>
<td>4,725</td>
<td>21,874</td>
<td>7,075</td>
<td>31,206</td>
</tr>
<tr>
<td>4.</td>
<td>Palopo</td>
<td>180</td>
<td>2,967</td>
<td>196</td>
<td>3,370</td>
</tr>
<tr>
<td>5.</td>
<td>Tanah Toraja</td>
<td>844</td>
<td>2,545</td>
<td>749</td>
<td>4,138</td>
</tr>
<tr>
<td>6.</td>
<td>Toraja Utara</td>
<td>665</td>
<td>1,649</td>
<td>244</td>
<td>2,558</td>
</tr>
<tr>
<td>7.</td>
<td>Bone</td>
<td>1,106</td>
<td>25,457</td>
<td>3,942</td>
<td>32,705</td>
</tr>
<tr>
<td>8.</td>
<td>Soppeng</td>
<td>2,429</td>
<td>14,065</td>
<td>3,164</td>
<td>17,858</td>
</tr>
<tr>
<td>9.</td>
<td>Wolaka</td>
<td>771</td>
<td>14,331</td>
<td>675</td>
<td>15,717</td>
</tr>
<tr>
<td>10.</td>
<td>Singki</td>
<td>1,131</td>
<td>6,336</td>
<td>3,000</td>
<td>10,487</td>
</tr>
<tr>
<td>11.</td>
<td>Bulukumba</td>
<td>1,875</td>
<td>5,763</td>
<td>34</td>
<td>7,672</td>
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<tr>
<td>12.</td>
<td>Selayar</td>
<td>206</td>
<td>385</td>
<td>84</td>
<td>673</td>
</tr>
<tr>
<td>13.</td>
<td>Bantaeng</td>
<td>733</td>
<td>4,644</td>
<td>537</td>
<td>2,090</td>
</tr>
<tr>
<td>14.</td>
<td>Jeneponto</td>
<td>2</td>
<td>81</td>
<td>19</td>
<td>103</td>
</tr>
<tr>
<td>15.</td>
<td>Skatrel</td>
<td>2</td>
<td>39</td>
<td>1</td>
<td>45</td>
</tr>
<tr>
<td>16.</td>
<td>Gowa</td>
<td>1,886</td>
<td>2,905</td>
<td>2,215</td>
<td>7,096</td>
</tr>
<tr>
<td>17.</td>
<td>Nangis</td>
<td>406</td>
<td>1,231</td>
<td>30</td>
<td>1,657</td>
</tr>
<tr>
<td>18.</td>
<td>Pangkep</td>
<td>105</td>
<td>140</td>
<td>23</td>
<td>268</td>
</tr>
<tr>
<td>19.</td>
<td>Barru</td>
<td>70</td>
<td>862</td>
<td>16</td>
<td>948</td>
</tr>
<tr>
<td>20.</td>
<td>Pirang</td>
<td>1,745</td>
<td>15,504</td>
<td>4,408</td>
<td>21,657</td>
</tr>
<tr>
<td>21.</td>
<td>Sidrap</td>
<td>23</td>
<td>8,060</td>
<td>118</td>
<td>8,203</td>
</tr>
<tr>
<td>22.</td>
<td>Zinjankang</td>
<td>2,464</td>
<td>7,190</td>
<td>247</td>
<td>9,901</td>
</tr>
<tr>
<td><strong>Sum</strong></td>
<td><strong>29,842</strong></td>
<td><strong>183,438</strong></td>
<td><strong>47,409</strong></td>
<td><strong>260,596</strong></td>
<td><strong>148,153</strong></td>
</tr>
</tbody>
</table>

**Notes:**
- TBM: immature plants
- TRM: Producing plants
- TTR: Old plants / damaged

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North Luwu Cocoa Stake Holders Meeting

**TO BUILD COOPERATION AMONG STAKEHOLDERS**

On last December district governments in Luwu Raya area, held a discussion attended by all cocoa stakeholders in Luwu Raya. The discussion is aimed to find similarities in managing sustainable cocoa.

**PRECEDED BY H. ISKANDAR BAHARUDDIN,** North Luwu Business Group Leader, who raised some discussions around cocoa in the district. H. Baharuddin said that cocoa production rate was slightly decreasing, compared to cocoa industry which was actually increasing. Some farmers are still controlled by market, when ideally, is them who should control the market.

Meanwhile Ir. H. Sam Sumastono, M.M. (Former Head of North Luwu Forestry and Plantation Agency) said that the opportunity to develop cocoa was still very wide, so access to capital, technology, and market should be broadened. According to him, North Luwu has 64,000 hectares of cocoa field entirely. Fields that have been applied with side grafting are 20,000 hectares, 12,000 hectares with top grafting. "We still have 32,000 hectares left," said H. Sam.

**SAVING 250 HECTARES**

In the discussion North Luwu Head of District Development Agency (Bappeda), Ir. Bambang Irawan, M. conveyed that 2014 was actually the year prepared for industry. Even so, the availability of fund is limited as it needs a very large budget. According to him, South Sulawesi is better prioritizing the industry, while education and free health programs must be reviewed.

Farmers also expressed things in this discussion. Abdul Hamid of East Luwu said, with support from MARS since 2012, about 250 hectares of cocoa fields were rescued from logging and land transfer. Regarding cloning quality, he said that there were some who doubt certain quality because there was no label. “Entreprene quality were also reduced because of the long haul,” he said.

**BUILDING WATER CANALS**

On this occasion South Sulawesi Province State Crop Office (Disbun) reported that farmer’s tendency to stop planting cocoa is getting higher, generally caused by flooding. To prevent it Disbun is planning to create sustainable funding allocation for water canals which will be built surrounding cocoa fields. On the other hand, Disbun is pioneering a financial institution for farmers and trying to remind them about the importance of having a land certificate.

Beginning in 2014 Disbun plans to encourage farmers to increase their productivity until 2,000 kg per hectare. Human resources training also continues.

A few local entrepreneurs who participated in the discussion convinced that South Sulawesi cocoa beans actually have its own uniqueness compared to other regions; South Sulawesi beans have higher melting point. Although it cannot be denied that size of South Sulawesi beans are still smaller and have higher level of waste. The entrepreneurs are also planning to establish cocoa processing industry associations in each district.

**Photo:** Rindra
PAPUA AND WEST PAPUA PROVINCE

EMERGING LARGEST COCOA PRODUCER IN INDONESIA

Seeing the area, the two provinces have a tremendous power to produce cocoa. However, assistance to farmer needs to be done because the beans’ quality that is still low and many farmers do not understand good agricultural practices. Results of such assistance is expected to improve the quality in accordance with buyer expectation.

ACCORDING TO MARIA RUMADAS, Head of Monitoring Sub-department Papua Regional Planning Office (Bappeda) whom we contacted by phone, farmers in the province have put much concern with the quality of cocoa beans they produce. It can be seen from the water content and trash that are still high. It is certainly impacting farmers’ selling price. “The price is very low in several areas,” said Maria. Furthermore, lower price discourage farmers to improve the quality of their cocoa beans.

To overcome this situation, Bappeda Papua is helping the local government (pemda), in this case state crops office, to gather the community and develop a plan that is necessary to increase and to improve the quality of cocoa beans. Additionally Bappeda’s mandate is to supervise any assistance activities in the farm so that each farmer can get knowledge they need quickly and accurately.

GREAT POTENTIAL

According to data from the Development Acceleration Unit in Papua and West Papua (UP4B), the two provinces have very large potential on cocoa, about 1,3 million ha. Currently only about 17,000 ha are already planted with cocoa. For Papua Province, the farms are spread in Jayapura, Keerom, and Sarmi. As for the province of West Papua, cocoa spread in Manokwari, Sorong, South Sorong, Maybrat and Raja Ampat.

Recently, both provincial governments through UP4B began promoting business planning activities to develop cocoa. The activity aimed to make a business plan and recommendations for the development of cocoa in order to improve people’s welfare.

Maria said that Jayapura district itself has established a policy that every cocoa farmer household in the future are required to have at least one ha of land in order to generate revenue of Rp5 million per month. This suggests that cocoa has been used as a major commodity in Papua. “But it is possible to have a side farming so that farmers could meet the five million,” said Maria. Cocoa is chosen as the primary commodity because when it is properly cared, it can be harvested weekly.

Meanwhile there are several constraints which solutions are being sought at this time, namely:

- Cocoa cultivation practices is still traditional, farmers let the plants to grow on their own and do not tending the farm.
- Limited seed and entries hamper planting material distribution to cocoa development areas.
- Vascular streak dieback (VSD), black pod disease and Cocoa Pod Borer (CPB) infestation are quite heavy, causing cocoa failed to bear fruit or not producing at all.
- The decline in production due to VSD and CPB attack cause marketing lead to a single buyer (monopsony), because other buyers stopped operating.

According to Maria, mostly Papua cocoa farmers sell their beans to traders who come to their village. Then cocoa is exported through Makassar, South Sulawesi or Surabaya, East Java.

Seeing this UP4B suggests four initial programs for Papua, namely:

- Expanding cocoa cultivation area.
- Revitalization of good agricultural practices to ensure increase in production and bean quality.
- Development of superior seeds and entries.
- Building cocoa farmers farming capacity with on going training.

GREAT EXPECTATIONS

Maria hoped that more large companies would invest in Papua. According to her, these companies will purchase good quality of cocoa beans in big quantity, thus indirectly stimulate farmers to produce more quality beans. In addition, indigenous people who inherit vast agricultural lands, have extraordinary power to produce cocoa. “We hope that with such power, the welfare of the Papuan will be increased and make Papua as the emerging largest cocoa producer in Indonesia,” said Maria.

EXAMPLES OF PRODUCTION CAPACITY IN FIVE DISTRICTS

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>Land Suitable for Cocoa Cultivation</th>
<th>Land Area</th>
<th>Average Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jayapura District</td>
<td>386,700 ha</td>
<td>6,342 ha</td>
<td>5,140 tons/year</td>
</tr>
<tr>
<td>Sarmi District</td>
<td>392,675 ha</td>
<td>1,970 ha</td>
<td>668 tons/year</td>
</tr>
<tr>
<td>Yapen Islands District</td>
<td>19,100 ha</td>
<td>1,926 ha</td>
<td>1,447 tons/year</td>
</tr>
<tr>
<td>Wapopen District</td>
<td>196,011 ha</td>
<td>997 ha</td>
<td>747 tons/year</td>
</tr>
<tr>
<td>Nabire District</td>
<td>131,460 ha</td>
<td>1,828 ha</td>
<td>1,369 tons/year</td>
</tr>
</tbody>
</table>

Source: Papua Provincial Government.
Last February CSP was welcoming a guest from South Sulawesi Cooperative and UMKM (Small and Medium Business) Office, Muh. Hasyim (Head of Capital and Financial Services), who came to give a description of the latest cooperative legislation. Here’s the summary.

**THE TERMS ARE EASY**

Some things have changed in the law consists of 17 chapters and 126 articles. The highlights of the changes is the solidified type of cooperatives into four types, namely:

1. Production cooperative
2. Consumer cooperative
3. Service cooperative
4. Saving and loan cooperative.

The four cooperatives can be explained as follows: production cooperative is a cooperative where most of the members have a production, such as cocoa, rice, or corn. Consumer cooperative is whose members are store owners, such as groceries stores, etc. Service cooperative whose members are service providers, such as transportation, workshop, or restaurant. While saving loan cooperative only lends money, goods must not be sold in this cooperative.

The new law also gives discretion in terms of management. Previously, cooperative managers can only be recruited from members, but now, managers can also be recruited from non-members. When a cooperative is formed and none of the members is able to become a manager, then we can find someone outside the member be manager, for example an entrepreneur who deals directly with the cooperative. “But when this person is appointed as a manager, hopefully he or she will be a member of the cooperative soon,” said Hasyim.

It is required at least 20 people with the same economic interests to form a cooperative. So if a farmer group (poktan) already has 20 members, then they can form a cooperative. The cooperative shall have a name, address, and administrators at least three to five people. Hasyim said that number of administrator must be an odd number, very helpful when making decisions.

Members meeting must be held once a year, usually after the fifth month. The meeting report around activities that have been done in a year including whether the cooperative is making profit or loss. Work plan for next year is to be made at this annual meeting. If a cooperative has reached 500 members, of this is comprised of several groups, is enough to bring one person to represent a group in the meeting. “So it won’t be too crowded,” said Hasyim.

After a year of running, the cooperative will show business surplus result (SHU) and business deficit result (DHU), where it can be seen profits from sales, operational costs, as well as other things that have happened in a year.

**OFFICE IS READY TO HELP**

Hasyim once again reminded that saving loan cooperatives should not be coupled with a business, because this cooperative is only dealing with money instead of goods. Other cooperatives such as production, service, and consumer may be combined, in condition that each connected by an activity. For example, initially a cooperative operates as a production cooperative, but over time this cooperative creates a new business, let’s say transport service, then the production cooperative can be combined with the service cooperative.

Currently there are still a lot of saving loan cooperatives that have multiple businesses at once. With the issuance of UU No. 17/2012, activities of saving loan cooperative will be restricted, it should be stand alone and if it wants to enter into a business, a new cooperative should be established. But that does not mean limiting farmers to expand their business; with this new law, establishing a cooperative will be much easier, just attach the formation report and bring it to a notary who has been designated by the Ministry of Cooperative. Once authenticated by notary, the cooperative is officially formed. The authenticated report then taken to district/city Cooperative Office in order to publish its legal entity. After all is completed, the cooperative is able to run. “The process take maximum of two weeks,” said Hasyim.

Hasyim said that the Provincial Cooperative Office is ready to assist poktan who have difficulty in forming cooperatives in their region. Please note that the poktan understand the basics in formatting a new cooperative, and they have met most of the requirements. “We are ready to provide immediate assistance on the field,” said Hasyim.

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**HERE ARE THREE SIMPLE REQUIREMENTS TO BECOME MEMBERS OF THE COOPERATIVE**

- Prospective members are willing to provide primary deposits, in which the first payment to whatever amount: Rp10 thousand, Rp200 thousand, up to Rp1 million.
- A prospective member is willing to have a Cooperative Capital Certificate, it is a certificate created by a cooperative and can be worth Rs5 million to Rs10 million which interests can be purchased by members. Interest rate is to be self-determined, for example 12% or 20%. “It’s similar to the stock,” said Hasyim.
- Hasyim added that a prospective member is willing to hold the certificate for a year, so that at maturity, the certificates will be redeemed. The advantage if you have a certificate is when you have a debit to other member, you can sell it in exchange for the debt.

**MEMBER ACTIVITY**

**SOUTH SULAWESI COOPERATIVE AND UMKM OFFICE**

**SUPPORTING FARMERS IN OPENING BUSINESS**

In the last 20 years since the enactment of Law (UU) No. 25/1992 about cooperative, not much has changed in the world of Indonesian cooperative. Reality on the field shows us that this law is not able to act as a tool in developing the previous UU; this renews the expectation of the law will make Indonesian cooperative more credible and beneficial to members in particular, and society in general,” said Hasyim.
On 10 December 2013, Indonesian National Cocoa Association (INCA) Sulawesi Selatan, was holding the National Seminar on Certification which aimed to evaluate and draw lessons from certification programs until the end of 2013. Evaluation was given through presentations by several experts in the cocoa sector. Here’s the summary.

IScocoa is designed to monitor the changes experienced by those who receive certification, and is used to enhance the positive impact of sustainable practices in the production system.

AN UNDERSTANDING OF CERTIFICATION

Meanwhile Prof. Sikstus Gusi of Universitas Hasanuddin, gave a presentation on Sulawesi cocoa farmers’ habits and benefits of certification related to social and environmental issues. Sulawesi cocoa farmers’ habits, which indirectly challenge the certification application, described by Prof. Sikstus as follows:

- Most Sulawesi cocoa farmers still said. Dr. Gardjita also said that IScocoa referred to the requirements of national and international standardization systems which were now in effect. Reasons that Fermented Cocoa Beans policy is made are:
  - Cocoa bean is one of the commodities that have great potential in increasing the national income and farmers income
  - Non fermented beans are considered as low quality
  - The existence of price cutting abroad, therefore price at farm level is lower than the international price
  - Cocoa industry is in the state of lack of raw materials
  - Market only claims for product that is in good quality and safe to eat.
  - The price to get certification from the certification body is still very expensive.

We took three people to represent the discussion in this seminar to be highlighted in this article. Begin with Dr. Ir. Gardjita Budi, M. Agr. St., Director of Quality and Standardization - Ministry of Agriculture. He gave a presentation on government policies, draft of the Minister of Agriculture regarding a sustainable cocoa system, as well as the advantages and challenges in joining certification.

Dr. Gardjita said that the government was currently designing the Indonesian Sustainable Cocoa (IScocoa) system and developing Fermented Cocoa Beans policy. He said that these policies would increase the added value and competitiveness of cocoa, in addition to increase the production, productivity, and quality of cocoa. With this system, the government also wants to reduce social and environmental damage, as well as to facilitate fair trading. Dr. Gardjita emphasized that farmers who participate in certification would get easier path to market, so as to improve the local economy. “Farmers also get premium prices,” he said.

More details on IScocoa, Dr. Gardjita said that this system was a certification program which using a risk based approach and continuous improvement. “IScocoa is designed to monitor the changes experienced by those who receive certification related to sustainable practices in the production system,” he said.
Early this March CSP and several stakeholders were invited to attend the Cocoa Policy Technical Coordination Meeting 2014 by Musdhalifah Machmud, Assistant Deputy for State Crop and Horticulture. Igor Rangga reports.

THE FIRST DISCUSSION was about CSP Road Map. Musdhalifah who was acting as chairperson said that it was required cooperation between CSP and the government in carrying out the road map. “For all these years the government also engaged in CSP,” said Musdhalifah.

In this meeting Musdhalifah asked CSP to translate the road map in Indonesian. “The discussion will become much easier,” said Musdhalifah. She was hoping there would be a discussion between CSP and the government in early 2014 to discuss more about the road map. Musdhalifah reminded, beside forum, the development of cocoa should be done by all parties, including industry, finance, and agriculture.

DATA MISMATCHED
The meeting then discussed the last cocoa production data. There was a difference between government data and of the Indonesian Cocoa Association (ASKINDO). Government data until the end of 2013 was 780,000 tons, while ASKINDO 460,000 tons. Musdhalifah said that the difference was caused by how the data was retrieved. Ministry of Agriculture took the data in accordance with the existing government structure, and the data was approved by a bupati or governor. “On the field also happens that cocoa farms which function has been transferred into something else are not always reported to local government,” said Musdhalifah. She added that the difference in the data does not only occur in cocoa but also other commodities such as rice and palm oil.

According to Musdhalifah data received would greatly effect on central government policy. When the approved data is received, it becomes reference to central government to make policies, including the Cocoa National Movement (Gernas) policy. Musdhalifah said if according to the data the production of an area had reached 700 kg, then the government would not provide assistance through Gernas anymore.

COCOA DAY 2014
More details on cocoa industry, Musdhalifah said that industry required not only massive promotion, but also high creativity, so that consumers would not easily get bored with the products. Because of high competition, challenges may become heavy. Musdhalifah said that government will keep cocoa industry continue to produce, so it could continue to absorb labour.

Last discussion was about Cocoa Day 2014 in September. Some participants proposed to implement the event in Makassar, South Sulawesi so that farmers could also participate. Others proposed to keep doing the Cocoa Day in Jakarta and combining it with other events, such as the Ministry of Commerce’s Trade Expo, or Interfood. Musdhalifah herself agreed to do it outside Jakarta, remembering cocoa was ‘owned’ by all Indonesian people. “It’s good that we perform the event at other than the capital city,” said Musdhalifah. ☺