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# Implementation of Regulation Processing Materials *Standard Indonesian Rubber* in South Sumatra

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**Abstract.** This study aims to determine the implementation of the Governor's Regulation Number 4 of 2019 concerning Instructions for Processing and Marketing of Standard Indonesian Rubber Processing Materials Traded in South Sumatra Province and its variables. variables that affect the process of implementing this policy. This study uses a qualitative method with a descriptive research approach. The process of collecting data in the form of interviews, observations, and documentation. Source triangulation technique is used to check the validity of research data. The collected data is then analyzed using the theory of process or flow policy implementation proposed by Thomas B. Smith. The results show that this policy is still experiencing obstacles at the rubber farmer group level. There was a tension at the farmer group level with the applicable regulations. This is because traditional rubber farmer groups are still bound by debts and services to collectors or brokers of rubber processing materials, so they cannot join the Bokar Processing and Marketing Unit (UPPB) formed by the government. In addition, economic factors such as the need for additional costs to process rubber in accordance with the recommendations are difficult for low-income farmers to implement.

## 1. Introduction

Indonesia as an agricultural country makes agriculture one of the mainstay sectors that have a major contribution in contributing to state revenue. The first order from the agricultural sub-sector that contributes to the national GDP is the plantation sub-sector. The plantation sub-sector in Indonesia is one of the major contributors to the value of the Gross Domestic Product (GDP) of the agricultural sector. According to data from the Ministry of Agriculture in 2019, the highest productivity growth was achieved by natural rubber production, which was 12.07% (Jati, 2019).

Indonesia's natural rubber production reaches 27.41% of the total world natural rubber production. This causes the contribution of Indonesian natural rubber exports to affect the supply and price formation of natural rubber in the world market (IE Agriculture et al., 2020). Indonesia itself ranks second as the highest rubber-producing country after Thailand (Theagrnews, 2018) with South Sumatra Province ranking first as the largest rubber-producing province in Indonesia with a total production of 1,082,617 tons. South Sumatra then dominated the acquisition of national rubber and made the commodity one of the leading export commodities that contributed to South Sumatra's Original Regional Income (K. Agriculture, 2018). The following table shows the development of rubber production in South Sumatra.

**Table 1.** Development of Total Rubber Production

No.	Year	Total Rubber Production (ton)
1.	2016	962,368



2.	2017	1,053,272
3.	2018	1,082,617
4.	2019	1,164,042

Source: *Plantation Agency, 2020.*

The data shows that the total rubber production in South Sumatra since 2016 continued to experience a steady increase until 2019. However, the increasing amount of production was not accompanied by an increase in the price of rubber processing materials (bokar) in South Sumatra Province. The following table summarizes the results of the average selling price of bokar per year in South Sumatra.

**Table 2.** List of Average Prices of Rubber Processing Materials

No.	Year	Average Price of Rubber Processing Materials South Sumatra Province
1.	2016	Rp. 7,296
2.	2017	Rp. 9,149
3.	2018	Rp. 8.100
4.	2019	Rp. 7.709
5.	2020	Rp. 7. 317

Source: *South Sumatra Plantation Service, 2020.*

The average price of rubber processing materials owned by South Sumatra is unstable. The price of rubber sold has decreased since 2018 and has not increased for the last three years.

One that affects the selling price of rubber processing materials is the processing of rubber latex. Only about 30% of South Sumatran farmers are aware of clean rubber, the rest still lack awareness of the cleanliness of rubber, and still use freezers that are not in accordance with the provisions of *Standard Indonesian Rubber*. In addition, to produce clean rubber, additional costs are needed which of course adds to the burden on entrepreneurs who receive low grade rubber so that the price that goes into the pockets of farmers decreases (bisnis.com, 2018).

In addition to the quality factor of processing low dry rubber content (KKK), another factor that affects the low price of rubber in South Sumatra is the trading system in selling rubber processing materials (Bokar), which is not yet ideal for farmers. Natural rubber farmers sell to collectors or middlemen at a low price range. The low quality of rubber and also the large number of farmers who have not followed the standard recommendations from the government have made this situation used by bokar collectors to play a bokar selling price that is different from the market price (Triagro, 2016).

The South Sumatra Provincial Government in regulating the marketing and processing of rubber processing materials has regulations that are used as implementation instructions, namely the South Sumatra Governor Regulation Number 4 of 2019 concerning Implementation Guidelines for the Processing and Marketing of Processed *Standard Indonesian Rubber* that is Traded.

However, its implementation has encountered problems in several areas. One of the obstacles found was in the areas of North Musi Rawas, Ogan Komering Ilir, and also Ogan Ilir where the growth rate of the formation of the Processing and Marketing Unit of Rubber Processing Materials (UPPB) was still minimal.

Referring to the theoretical and empirical literature above, this research has a framework that focuses on the implementation of Governor's Regulation Number 4 of 2019 concerning Instructions for Processing and Marketing of Processing Materials *Standard Indonesian Rubber* in South Sumatra Province. Policy implementation refers to Smith (1973:203) who believes that implementation is understood as a process or flow. This theory sees that the implementation process can be influenced by four components, namely the idealized policy, the target group, the implementing organization, and environmental factors.

## 2. Methods

In this study, the type of research method used is qualitative research. Primary and secondary data were collected through documentation studies, interviews, and observations for further analysis. The

steps in qualitative data analysis based on John W. Creswell (2019: 264) are processing and preparing data for analysis, thoroughly reading the data obtained, conducting more detailed data analysis using *coding* data, applying the process *coding* to describe people, themes, and categories to be analysed, showing descriptions and themes to be restated in a qualitative narrative or report, and interpreting data or interpreting data.

### 3. Results and Discussion

#### 3.1. *Idealized Policy The establishment of the Bokar Processing and Marketing Unit (UPPB) as a forum for interaction with rubber farmer groups*

UPPB can become a facilitator for bokar traders who have official permits to buy processed rubber produced by each member. The formation of the UPPB will result in a price difference between traditional farmers and farmers who are members of UPPB with a higher sale and purchase of bokar in UPPB due to the process of buying and selling bokar through the auction system. Marketing activities for rubber processing materials in the UPPB South Sumatra region use an auction system called 4S (One Village, One Price, One Quality, and One Auction Day). Organized marketing of rubber processing materials through UPPB is one of the right efforts for rubber farmer groups in increasing their bargaining positions.

#### 3.2. *4S auction program (One Quality, One Day, One Price, One Location) in order to support marketing activities through direct transactions at the farmer group level.*

The 4S auction system that has been implemented in UPPB makes rubber farmers get the highest purchase price from the auction winner. This auction system requires buyers to bid at a predetermined price through official channels. Buyers will provide price offers on auction day which have been informed via groups *whatsapp*, telegram, or SMS. This direct transaction guarantees no manipulation is carried out.

#### 3.3. *Target Groups (Target Group)*

The findings by researchers at the District Sembawa, Banyuasin, South Sumatra, it was found that the groups of farmers who have joined with the recommendation bokar UPPB run clean in processing rubber they produce. Members of the rubber farmer group used *formic acid* type deorub and also spectra as recommended.

Rubber processing in UPPB has Regulations and Standard Operating Procedures (SOP), which must be met and adhered to by every member. UPPB must be committed to maintaining the quality of the dry rubber they sell, maintaining environmental functions, and submitting activity reports to the local government. As legal evidence provided by the government to UPPB, each UPPB is given a Bokar Processing and Marketing Unit Registration Certificate (STR-UPPB) as a form of rubber processing materials that they trade, which has guaranteed quality and has been tested by the local Rubber Research Center.

Another finding regarding the implementation of this policy in Ogan Komering Ilir Regency is that not all target groups can implement this policy. The reason is because of a phenomenon in South Sumatra called "Ijon". Ijon occurs among rubber farmers who often borrow money in advance from rubber middlemen because of pressure from their household needs. As a result, rubber farmers cannot join UPPB because they are tied to middlemen.

In addition to still being tied to local rubber traders, traditional rubber farmers who have not followed farming institutions such as UPPB, tend to process their bokar with improvised materials. The use of unsuitable freezing liquid in bokar processing makes the selling price received by traditional rubber farmers also lower. Lack of education and difficulty in receiving direct assistance from the government because they did not join UPPB made traditional farmers experience complex problems. According to Smith, this problem can be solved with *feedback*. To overcome this, the feedback given by the Plantation Service is that UPPB is encouraged to have initial capital to replace the role usually played by middlemen.

The feedback is optimized through an institutional model of partnership with agro-industry at the rubber center village level. Plantation Office of South Sumatra province has also developed institutional models between rubber farmers groups with stakeholders (*Stakeholders*) in order for the target group (poktan rubber) get more attention and the village government center area where the rubber can be wider reach traditional poktan. The following feedback model is given.

Government through the Plantation Service has a pattern of transactions with traditional farmer groups in order to encourage the target group to continue to carry out the regulations that have been set, namely in the form of feedback provided in the form of providing adequate capital. obtained through cooperation with institutions providing funds/capital.

### 3.4. Implementing Organizations

The Plantation Service also helps the fostered poktans. Such as the assistance of the Yield Unit Building in the village of Keluang Musi Banyuasin, assistance in the form of superior clones/seeds to poktan in several rubber centers, as well as assistance for agricultural production equipment before harvesting and post-harvesting. This can be seen from increasing rubber production in South Sumatra in the last 3 years.

Assistance for 225,500 superior rubber seeds and assistance for production facilities, namely fertilizers and pesticides for 1050 hectares (South Sumatra Plantation Service, 2020). The assistance provided, more or less has an impact on the productivity of rubber plantations in South Sumatra. This can be seen through the achievement of rubber production from year to year which continues to increase, which is attached in Table 3.

**Table 3. Total Rubber Production in South Sumatra Province**

No.	Year	Total Rubber Production (/ton)
1.	2017	1,053,272
2.	2018	1,082,617
3.	2019	1,121,603
4.	2020	1,125,056

Source: Processing and Marketing Sector of South Estate Crops Service, 2021.

### 3.5. Environmental Factors

#### 3.5.1. Economic Factors

Economic factors owned rubber farmers had a significant influence in the implementation of this regulation. Rubber farmers must have initial capital in processing their tapped rubber latex or latex. The initial capital includes buying a liquid freezer so that the rubber sap clots into a bowl slab and can be made into a bandela (chunk).

In the processing of rubber latex produced by traditional rubber farmers, it is still found that the use of refrigerants that are not in accordance with government regulations or recommendations of low quality is still found. Therefore, an improvement is needed on the use of rubber sap freezing liquid which is recommended at the level of rubber farmer groups (Lina, 2016).

#### 3.5.2. Social Factors between Farmer Groups and Rubber Factory or Industrial Companies

Social factors in this case are the relationship between factories or industrial companies and farmer groups (poktan) in buying and establishing cooperation with the unit that oversees the processing and marketing of bokar or UPPB. South Sumatra Governor Regulation Number 4 of 2019, was also made to cut the long chain of trade in circulating rubber processing materials. However, in reality on the ground, factories or bokar companies in South Sumatra in buying bokar owned by farmers still use their accomplices or commonly referred to as *suppliers* (people who buy bokar in large quantities) and *pegepul* traders (people who buy bokar) bokar to farmers in small or limited quantities. And indirectly, official factory delegates who come down or participate in auctions at the district or city farmer group level. So that processed rubber belonging to farmers is purchased through second hands.

Apart from still using accomplices or buying agents through suppliers. In purchasing the bokar produced by groups of rubber farmers, the factory also often determines the Dry Rubber Content (KKK) unilaterally, this is because there is no instrument for measuring the Dry Rubber Content (KKK) which is definitely owned by each group of rubber farmers. do not have a comparison to make an offer to the purchaser at the time of the sale and purchase take place.

### 3.5.3. Climate Factors

One of the factors that also affect the quality and price of commodities found by researchers when conducting research to related institutions or agencies and also observations in the field is about weather factors and also leaf fall in rubber plantations. When the rainfall is relatively high, rubber trees often experience leaf disease attacks which can cause the tree to experience *secondary leaf fall*, namely the second leaf fall when the leaves are still in their stage due to high leaf disease infections. In certain areas leaf fall due to infection with this leaf disease can occur throughout the year. Conditions of rapid weed growth and prolonged rainy season in plantations can trigger this (Hutapea et al., 2017).

One of the activities carried out by the Plantation Service of South Sumatra to overcome the complaints of rubber farmers' income which decreases during the rainy season and leaf fall is to carry out the Planting Movement for Rubber Crops. The Plantation Service together with the Ministry of Agriculture provides guidance in the form of education to farmer groups so that they can continue to have income even though they are not tapping rubber.

In addition to providing rubber intercropping, the Plantation Service cooperates with the Nusantara Research Center for Rubber Research in educating rubber farmer groups in dealing with leaf fall due to the dry season or rainy season together with the sending of Assistance Tasks (TP) from the Directorate General of Plantations.

## 4. Conclusion

Implementation of Governor Regulation Number 4 of 2019, when viewed from the four components that have been described in the discussion, it can be said that it has been implemented even though it has not been optimal. This policy has only been implemented in some farmer groups, especially farmer groups that have become members of the Bokar Processing and Marketing Unit (UPPB). Meanwhile, traditional farmer groups have not been able to fully implement this regulation. Economic factors are an obstacle for traditional farmer groups, because they cannot join UPPB and also switch to frozen liquids recommended by the government because they are hindered by costs and also their daily needs. Climatic factors are also often an obstacle to the productivity of bokar produced which affects the low selling price of farmers.

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