

THE EFFORTS OF EMPOWERMENT ONION FARMERS THROUGH PRICE POLICY IN THE BANTUL REGENCY, YOGYAKARTA SPECIAL REGION

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Abstract

The purpose of this research is to analyze the role of onion price policy that is regulated by regional Government of Bantul regency, Yogyakarta Special Region Province. The Aim of policy is to improve the empowerment of onion farmer in this region. This Study was conducted using the simple random sampling to intake sample of population. The result showed that from 2002-2005 period, peak season of onion production is from April to May. During this period the production has been fluctuating with price range at Rp1.000,-/kg until Rp 1.800,-/kg. The government price policy is higher than the break event point price of onion in Bantul. It means that this policy in this region is effective to increase the onion price market, so that farmers can develop this farm, and finally it could improve the empowerment of onion farmer.

Key words: *empowerment, farmer, onion, price policy*

INTRODUCTION

The main objective of government policy both central and regional governments that are building is directed to achieve the prosperity and welfare for all people. Agricultural policy is intended to supply to farmers. Various efforts made, many problems solved, and various commodities are accelerated to increase production to fill the role in aggregate economic growth, but still many problems that have not been resolved, and until now this is still a problem.

Why does agricultural policy often not solve the problem of farmers? Government policy in the field of agriculture not only as a guide or grip in the process of agricultural development planning, but implementation need real action, guarding, monitoring and evaluation, so that it will get the right target to achieve the farmers welfare. The real actions from this policy will

overcome this problem and negate the fundamental problem experienced by farmers, so that welfare is reached.

One of the fundamental problems, which is always experienced by farmers is the drop in agricultural prices during the harvest, so that the financing is greater than revenues, as a result the farmers loss in turn disrupt the sustainability of business. Onion is one of the superior commodity in Bantul regency, which is always a fundamental problem at the time in the harvest . The low price of onion in the farmers level due to the farmers do not have access to the market.

The efforts undertaken by the Local Government of Bantul Regency to protect the farmers of onion at a low price is the price policy through a decree published by Regent 12A Year 2003 About the Team and The Implementation Instruction of Post- Harvest Prices for Excellency Agricultural Commodity in Bantul regency. The objectives of publishing Bupati (regent) Decree is to protect farmers by increasing the price of the commodity in the harvest. The low of selling price at harvest always break even point, so that the farmers loss. How is that done with the red onion by purchasing over break even point by the Regional Government of Bantul Regency, the onion farmers will get benefit , so they can continue the next business. The onion price policy carried out by the Regional Government of Bantul is in turn the empowerment of onion farmers. This study will examine the implementation of the price policy of onion is done by the Regional Government of Bantul Regency, Yogyakarta Special Region in providing empowerment to the onion farmers.

FRAMEWORK THEORY

Public Policy

According to Dunn (2003), to determine a policy, it should be useful information available, in the form of five types of policy that are policy issues , policy actions, the results of policy, the policy performance, and The future policy. For the implementation of policies need a policy analysis procedures such as Problems formulation, forecasting, recommendation, monitoring and evaluation. Policy and implementation of policy, one that is related and continuous, can be described as follows:

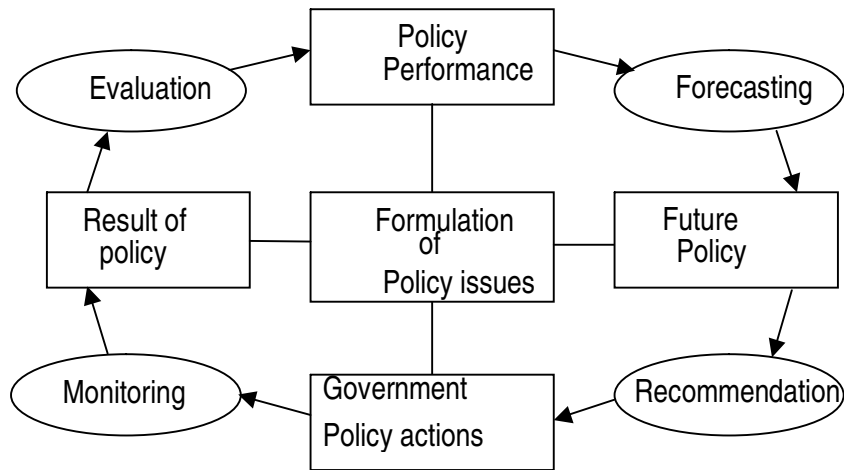


Figure 1: Policy Implementation and Policy-Oriented Issues
Source: Dunn (2003)

Figure 1 can be used to explain, the price policy and the implementation of the price policy of onion in order to solve the problem of low prices of onion during harvest at the farmer level, If the action policy of local government of Bantul Regency and then evaluated to determine performance onion price policy. The performance of the policy used for forecasting the next period, to the determination of future policy, and the basis recommendations. The sustainability and implementation of policies will be able to provide the right solution to solve the problems. This study reviews the implementation of policies such as price monitoring and evaluation of performance policy for the price of onion to empower farmers in Bantul.

Pricing Policy

Price policy is one of public policy in the agricultural economic sector as the form of government intervention to protect farmers and to stabilize the economy (Arifin, B. 2001). At the time of harvest, the Supply will increase, and if the demand is constant, the price will go down. The price is one of the factors that are difficult to be controlled by farmers. The determination of basic price is the relationship between input with output in the production process of onion commodities. This Pricing policy should have been above break-even point, so that farmers still get benefit from the business. The basic

pricing policy should be followed by government policy to stock the excess product. This policy will cover the decreasing of onion price.

Theoretically the economy law says if the supply is increase and the demand is constant the price will down (Nicholson, 2000). In This condition needs policy to be done by increasing the basic price to be higher than the market price. Suppose the market price is H_p and the basic price is H_d , the H_d should be greater than H_p . For maintaining basic price, the government should participate in a market to receive excess production, so supply and demand remain balanced, and the price is not affected. In other words, the market works in the desired basic price.

Relationship between the size of the production demanded and the market price, and The basic price with a production that bought by the government can be seen in Figure 2.

In Figure 2 shows OQ_p is the quantity demanded in the market price (H_p), which is below the basic price (H_d). When the price is basic price, the quantity demanded is OQ_{1d} . When the desired price is the basic price to function properly, the government must accommodate and purchase the excess production ($Q_{1d}Q_d$). Thus, the actual demand can be offset by production, amounting to OQ_{1d} .

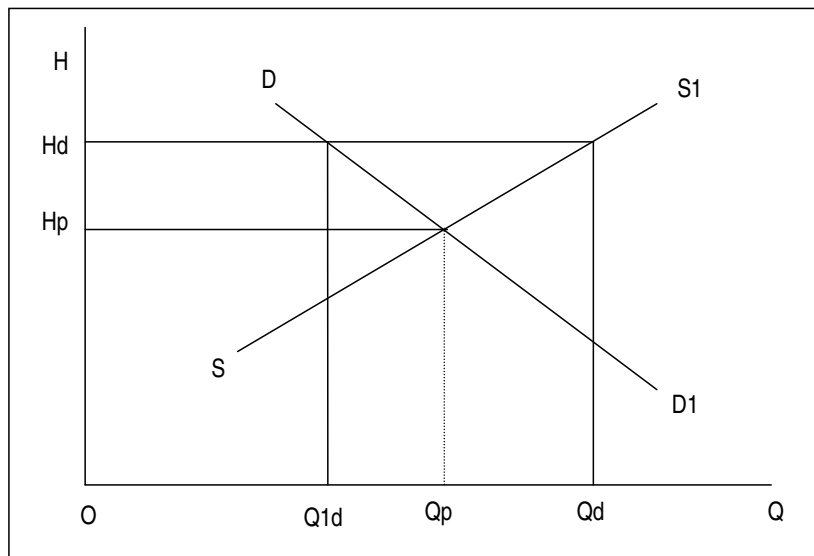


Figure 2: Price Policy by the Government in the excess production at the harvest time.

Empowerment

The concept of empowerment is a result of interactive processes both at the ideological and practical. At the ideological, the concept of empowerment is the result of the interaction between the concept of top down and bottom up, between the growth strategy and people Centered strategy, while at the practical, going through the decision-making autonomy of a group of community, social and learning through direct experience. As its focus point is the locality, because empowerment can take place through the local issues . The concept of empowerment as well as the context alignment to the society who is under the poverty line (Sumodiningrat, 2001). Empowerment in this research is a form of interaction between onion farmers with the local government of Bantul Regency through price policy, so that farmers in practical level can benefit the business, and in turn can make decisions for a sustainable business.

RESEARCH METHOD

The Research is descriptive method that examining the status of human groups, an object, a set of conditions, a system of thought or a class of current issues. The objective of descriptive research is to create a description, picturing or painting in a systematically, factual and accurate statement of the facts, the nature and the relationship between the phenomenons of investigation. The Descriptive research studies of the problems in the community and the procedure applicable in the community and certain situations, including relations activities, attitudes and processes that are underway and the influence of a phenomenon.

The method of research is using survey. The Election of research areas is conducted purposively because Bantul is the only one in the province of Yogyakarta that purchasing the harvest of onion from the farmers

The sample of farmers conducted in simple random sampling so that each sampling unit is included in the population has the same opportunity to

have taken as the sample. Taken from the onion farmers in the District Sanden, Village Srigading is as regional centers of onion production in Bantul. Some 33 onion farmers are taken as the sample.

RESULTS AND DISCUSSION

Onion production and the lowest price occurred during the harvest are fluctuated yearly, the data shown in Table 1. In year 2002, onion harvest occurred in April. Abundant production and the prices of onion at farmers' level down to Rp 1,000.00 / kg, at that time there were no Post Harvest team. In 2003, harvest occurred in May with the lowest price Rp 1,700.00 / kg, in this years a new team this Post Harvest. In 2004 and 2005 harvest feast occurred equally in April, with the lowest price Rp 1800.00 increased slightly compared to 2003, but decreased again in 2005 to Rp 1,700.00 / kg.

At the lowest price, the local Government of Bantul Regency implements the policy with purchasing onion directly to farmers, through the Post-Harvest Team. They are making a purchase through the stages as follows:

1. In the harvest time, the team are conducting the price of onion in the field.
2. There is a report from the onion farmers, that the price down.
3. Coordination meetings at district level decision making for the buying price of onion.
4. To purchase onion from the farmers.

Purchasing price, quantity and spending by the post-harvest can be seen in Table 2.

Table 1: The lowest production and Price of onion
In Bantul Regency, year 2002 – 2005.

Year	Production (kg)	Lowest price Rp/kg)	Harvest period
2002	23.168.450	1.000,00	April
2003	21.667.300	1.700,00	Mei
2004	14.300.100	1.800,00	April
2005	21.037.600	1.700,00	April

Sources : Post- Harvest Team, Year 2002-2005.

Tabel 2: Buying Price, Quantity and Spending are issued by Post-Harvest Team, Year 2002 -2005

Year	Buying price (Rp/kg)	Quantity (kg)	Spending (Rp)
2002	2.100,00	69.500	145.950.000,00
2003	2.000,00	65.750	131.500.000,00
2004	2.100,00	59.860	125.706.000,00
2005	2.000,00	67.000	134.000.000,00

Sources: Post-Harvest Team, Years 2002-2005.

Data in Table 2 shows the consistency of the Post Harvest Team from 2002 until 2005 in implementing the purchase of onion directly to farmers, with the purchasing price range between Rp 2,000.00 / kg-Rp 2,100.00 / kg and the allocation of funds at around one hundred twenty five million up to one hundred forty-five million rupiah

Monitoring

Monitoring needs to be done to oversee the implementation of price policy, that the purchasing price made by the Post-Harvest Team is above break-even point and considering the price equilibrium of at the harvest time. The determination of the purchasing price based on the break even point and the equilibrium price from year 2002 until 2005, can be seen in Table 3.

Based on the results of research, the data in Table 3 shows the purchase price of the Post Harvest Post Harvest team by implementing the policy as the price, have made a purchase over the price point equal onion and consider the balance of the price that occurred during the harvest feast of 2002 until 2005.

The result of monitoring survey to the onion farmer, in addition to determining the break-even point also shows the purchasing of onions at the farmers according to the purchasing price set in the period concerned.

Evaluation

Need to be evaluation of the work of Post Harvest team, to assess the performance of the price policy in the empowerment of onion farmers, so that the selling price in the farmers level rises above the break-even point, the main increase the onion price in the market, so that the target to protect farmers onion actually achieved. The results of research show Post Harvest

team are working for a month at the harvest that is in April or May in the year that could increase the price in the market for the next month. Results of performance pricing policies onion circumstances shown by the purchase price after the increase in the form of onion prices, can be seen in Table 4.

Tabl 3: Break-Even Price, Equilibrium price and Buying Price Are Issued by Post – Harvest Team, Year 2002 -2005.

No.	Year	Break-Even Price (Rp/kg)	Equilibrium Price (Rp/kg)	Buying Price (Rp/kg)
1.	2002	1.891,22	1.708,18	2.100,00
2.	2003	1.944,10	1.659,75	2.000,00
3.	2004	1.944,10	1.892,84	2.100,00
4.	2005	1.965,20	1.896,65	2.000,00

Sources : Processed Data dan Post-Harvest Team, Bantul Regency

Tabel 4: The montly Price of Onion In Bantul Regency , Year 2002 - 2005

No	Month	Price at year 2002 (Rp/kg)	Price at Year 2003 (Rp/kg)	Price at year 2004 (Rp/kg)	Price at year 2005 (Rp/kg)
1	Januari	3.000,00	3.500,00	4.500,00	4.000,00
2	Februari	2.750,00	3.000,00	4.000,00	3.500,00
3	Maret	2.500,00	3.000,00	3.400,00	3.000,00
4	April	1.000,00	2.250,00	1.800,00	1.700,00
5	Mei	1.500,00	1.700,00	2.250,00	2.250,00
6	Juni	2.400,00	2.300,00	2.000,00	2.100,00
7	Juli	2.450,00	2.000,00	2.000,00	2.250,00
8	Agustus	2.000,00	2.250,00	2.500,00	2.500,00
9	September	2.500,00	2.500,00	3.000,00	3.000,00
10	Oktober	3.000,00	3.000,00	3.500,00	3.500,00
11	Nopember	3.000,00	4.000,00	4.000,00	4.000,00
12	Desember	3.500,00	4.500,00	4.000,00	4.500,00

Source: Statistics of Bantul Regency, Year 2002 - 2005.

On the April 2002, the lowest onion price is Rp 1,000.00 / kg, on May 2002 to become Rp 1,500.00 / kg. At that time the Post Harvest Team not have yet, so it does not to implement the purchase of onion to farmers. The Existing Price is the market price . The Price increase in June to become Rp 2,400.00 / kg and the highest price reached in December 2002, amounting to Rp 3,500.00 / kg.

In 2003, the lowest price occurred on May amounting to Rp 1,700.00 / kg. After the purchase of onion by Post Harvest team, so the price increased in the following month that is on June price to become Rp 2,300.00 / kg and on December 2003 reached the highest price is Rp 4,500.00 / kg. In 2004 the lowest price occurred on April amounting to Rp 1,800.00 / kg. After the purchase of onion by Post Harvest Team, in the next month the price increased to Rp 2,250.00 / kg and on December 2004 reached Rp 4,000.00 / kg in . In 2005, the lowest price occurred on April amounting to Rp 1,700.00 / kg and after the purchase of onion by Post-Harvest Team , the price of onion in the following month on May 2005 increased to become Rp 2,300.00 / kg, and in December 2005 reached Rp 4,000.00 / kg.

The evaluation shows that the implementation of price policy carried out by Local Government of Bantul Regency, can increase the price in the market so that farmers can benefit the good price , and in turn the farmers can hold business and aims to empower the onion farmers can be achieved.

CONCLUSION

The Performance of onion price policy carried out by Local Government of Bantul Regency reach the target, namely to give empowerment to the onion farmers, so that they can continue their business independently.

Efforts to empower farmers through onion prices policies by Local Government of Bantul Regency can more improve the performance if to be continued by The forecasting in order to determine of future policy, with reference to the performance information that has been there.

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