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# Mangosteen Agribusiness Partnership in PT. Radja Manggis Sejati, Padangan Village, Tabanan Regency

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### **Abstract**

Partnership development can help farmers and business actors in increasing the growth of horticultural agribusiness. The purpose of the study was to examine the degree of partnership between The Sari Buah Agribusiness Subterminal and PT Radja Manggis Sejati in Padangan Village, Pupuan District, Tabanan Regency. The analytical method used in this research is in the form of qualitative and quantitative methods. The qualitative analysis was carried out descriptively to find out information on the condition or general description of the partnerships that had been implemented, while the quantitative analysis was in the form of an assessment of the degree of partnership, namely the partnership management process and the benefits of the partnership. The result of the research is that the degree of partnership based on aspects of the partnership management process can be carried out well if it is supported by complete planning, including aspects of marketing, coaching, technology, agricultural production facilities, agricultural infrastructure and capital. In the aspect of benefits, the economic impact is the assessed factors, namely income, price, productivity, and business risk. In the technical aspects that are assessed, namely from the quality factor and mastery of technology. In the social aspect, it is assessed in a cooperative relationship by preserving the surrounding environment.

Keywords: Partnership Pattern, Agribusiness, Mangosteen

### 1. Introduction

Mangosteen (Garcinia mangostana L.) is one of the tropical fruit commodities which has become a superior priority product in an effort to increase production in Indonesia. In fact, since 2000 the government has established mangosteen as a national superior commodity in the National Strategic Excellence Research Fruit[5]. Data from the Central Statistics Agency (BPS) shows that Indonesia's mangosteen production reached 162,864 tons in 2016, but decreased to 161,758 tons in 2017 or decreased by 0.68%. Mangosteen fruit products are currently traded in both the domestic and international markets through exports[11]. Indonesia's mangosteen exports in 2017 amounted to 8,522 million tons with a value of US\$ 3,792,106. Mangosteen exports rank second to Indonesian fruit exports after bananas [13].

Domestic demand for mangosteen mostly comes from traditional markets and supermarkets, including fruit traders who sell in various places to increase the variety of fruit they sell. Almost all parts of the mangosteen fruit, both flesh, skin, and seeds can be used to increase its commercial value [3]. Besides being consumed as fresh fruit, there are also several processed mangosteen products such as dyes, fruit peel flour, juice, cocktails, syrups, and capsules of mangosteen rind herbal extract [4]. Meanwhile, the xanthone compounds contained in the mangosteen rind are known as super antioxidants, because the antioxidant content reaches 27 times more than that found in the flesh of

the fruit, and is useful as a preventative for premature aging and treating various diseases [7]. The high volume of mangosteen exports indicates the high demand of consumers abroad for Indonesian mangosteen products. This fact shows that Indonesian mangosteen products have the ability to compete in the international market with products from other mangosteen producing countries[14]. The mangosteen exporting countries that are Indonesia's competitors in the global market are Thailand and Malaysia. Indonesian mangosteen has the same selling price as Thai mangosteen, which is 7.9 Euro/kg in Sweden, but in Denmark the selling price of Thai mangosteen is higher at 8.7 Euro/kg [17].

Partnership is an institution that is applied in the development of agribusiness and agricultural industrialization in developing countries include Indonesia, which aims to reduce the impact of imperfect information, uncertainty, high transaction costs and risks. [6]. Through a partnership system, it can overcome the problem of lack of market information and risk, can be a solution to overcome product price risk, can increase farmers' income as indicated by high productivity, and have an effect on reducing price risk and production risk [21]. Thus, improvements through business partnerships are expected to strengthen the access of farmers or horticultural business actors to modern markets or export markets[8]. The agricultural sub-sector that applies the partnership pattern is the mangosteen commodity in Bali, one of which is The Sari Buah Agribusiness Subterminal with PT Radja Manggis Sejati in Padangan Village, Pupuan District, Tabanan Regency. In maintaining the quality, quantity, and continuity of the vegetables produced, the process of cultivation activities in the farming group has been certified and implemented GAP (Good Agriculture Practices).

The development of partnerships can help farmers and business actors in increasing the growth of horticultural agribusiness, especially in the mangosteen commodity[23]. Thus, partnerships not only have the potential to increase farmers' income, but also have a multiplier effect on the rural economy as well as the economy on a wider scale [2]. The level of partnership helps in knowing the existence of the position of the cooperative relationship, so that by realizing the advantages and disadvantages of each party, it is hoped that they will be satisfied with the performance of the implementation of the partnership and the partnership can be sustainable. This is important in realizing partnerships that are mutually beneficial, mutually beneficial, and mutually reinforcing [9]. Based on the description that has been explained, the purpose of the study is to examine the degree of partnership between The Sari Buah Agribusiness Subterminal and PT Radja Manggis Sejati in Padangan Village, Pupuan District, Tabanan Regency.

## 2. Material and Methods

The research was conducted in Padangan Village, Pupuan District, Tabanan Regency. The selection of research locations was carried out purposively with the consideration that in that location there was one group that had carried out partnership activities in supplying mangosteen commodities to the export market. Determination of the research sample was carried out using a purposive sampling technique (deliberately). This method was chosen according to the research needs of 30 people, 25 mangosteen farmers, on of head of The Sari Buah Agribusiness Subterminal, 1 head of PT Radja Manggis Sejati. The data analysis method used is in the form of qualitative and quantitative data. Qualitative data analysis is used descriptively to find out information on the condition or general description of the partnerships that have been implemented, while quantitative data analysis is in the form of an assessment of the degree of partnership. Aspects assessed include the following.

Table 1.
Assessment of the Degree of Partnership

Aspect	Indicator	Assessed Factor	Maximum	
			Factor Value	
Partnership Management Process	Planning	1.Partnership Panning	100	
		2.Completeness of Planing	50	
	Organization	1.Special Field	25	
		2. Cooperation Contract	125	
	Impementation and	1.Implementation of Cooperation	50	
	Effectiveness of Cooperation	2. Cooperation Effectiveness	100	
Maximum Value of Partnership Management Process Aspect				
Benefit	Economy	1.Revenue	100	
		2.Price	50	
		3.Productivity	50	
		4.Bussiness Risk	50	
	Technical	1.Quality	50	
		2.Technology Mastery	50	
	Social	1.Desire for continuity of	75	
		cooperation		
		2.Environmental Preservation	75	
Maximum Value of Benefit Aspect				
Total				

Source: Ministry of Agriculture, 2017

Meanwhile, for the results of the value of the partnership level that has been established, it can be divided into four levels, namely prime prime, middle, prime, and pre prime. The details of the value and level of partnership are shown in Table 2.

Table 2. Value of Partnership Level

Score
>750
501-750
250-500
<250

Source: Ministry of Agriculture, 2017

#### 3. Result and Disscussion

### 3.1 Assessment of Partnership Degree

Based on the research results presented in Table 3, it shows that the total score for PT Radja Manggis Sejati is greater than for The Sari Buah Agribusiness Subterminal, with a total of 680. Meanwhile, the assessment according to STA Sari Buah is 655. These results are both in the category of Madya partnership level. (501-750). Mid-stage partnerships are partnerships that are often carried out in medium- and long-term partnerships. The middle-stage partnership pattern is the development of a simple partnership pattern, in which the role of large businesses on their partner's small businesses is decreasing. The existence of assistance for the development of large businesses is still very much needed, especially in technology assistance, machine tools needed to increase production and production quality, processing industry (agro-industry) and marketing guarantees[18]. In the aspect of capital, at this intermediate stage parties from large businesses no longer provide business capital, so that capital, business management, and the provision of production facilities are provided by small businesses[25].

In this intermediate stage, small businesses have been able to develop businesses ranging from business planning to procurement of production facilities and capital, as well as efforts to ensure

the continuity of partnerships with large businesses[10]. This condition correctly reflects the partnership between The Sari Buah Agribusiness Subterminal and PT Radja Manggis Sejati. PT Radja Manggis Sejati no longer facilitates The Sari Buah Agribusiness Subterminal in terms of capital. Aspects that are still maintained in terms of commitment and performance in the partnership are mangosteen marketing guarantees. The assessment of the degree of partnership consists of aspects of the partnership management process and aspects of benefits, each aspect has different assessment indicators which are presented in detail in Table 3 as follows.

Table 3.

Assessment of the Degree of Partnership between The Sari Buah Agribusiness Subterminal and PT Radja Manggis Sejati

				Til C	DT
Aspect	Indicator	Assessed Factor	3.6	The Sari	PT
			Maximu	Buah	Radja
			m Factor	Agribusines	Perkas
			Value	S	a
				Subterminal	Sejati
1.Partnership Management Process	1.Planning	1.Partnership Panning	100	100	100
		2.Completeness of Planing	50	35	40
	2.Organization	1.Special Field	25	25	25
		2.Cooperation Contract	125	25	25
	3.Impementatio	1.Implementation of Cooperation	50	50	50
	n and	2.Cooperation Effectiveness			
	Effectiveness	•	100	25	30
	of Cooperation				
Maximum Value of Partnership Management Process Aspect			500	360	370
Benefit	1.Economy	1.Revenue	100	50	50
	•	2.Price	50	50	50
		3.Productivity	50	50	40
		4.Bussiness Risk	50	20	25
	2.Technical	1.Quality	50	25	25
		2.Technology Mastery	50	25	20
	3.Social	1.Desire for continuity of	75	50	50
		cooperation	13	30	30
		2.Environmental Preservation	75	25	50
Maximum Value of Benefit Aspect			500	295	310
Total			1.000	655	680
Process  Maximum Valu	n and Effectiveness of Cooperation e of Partnership Management of Part	1.Implementation of Cooperation 2.Cooperation Effectiveness  anagement Process Aspect 1.Revenue 2.Price 3.Productivity 4.Bussiness Risk 1.Quality 2.Technology Mastery 1.Desire for continuity of cooperation 2.Environmental Preservation e of Benefit Aspect	50 100 500 100 50 50 50 50 50 50 75 75 500	50 25 360 50 50 50 20 25 25 25 50 25 25	50 30 370 50 50 40 25 25 20 50 50 310

Source: Primary Data Retrieved, 2022

Based on the results of research on the assessment of the degree of partnership between The Sari Buah Agribusiness Subterminal and PT Radja Manggis Sejati, the aspects of the partnership management process and aspects of the benefits are fully presented as follows.

### 3.1.1. Aspects of the Partnership Management Process

Aspects of the partnership management process include planning, organizing, implementing and assessing the effectiveness of the collaboration. The planning factor for the partnership was considered good by The Sari Buah Agribusiness Subterminal and PT Radja Manggis Sejati with a score of 100. This was because both parties deliberatedly planned all activities related to the partnership in order to achieve common goals. The partnership process can be carried out properly if it is supported by complete planning, covering aspects of marketing, coaching, technology, agricultural production facilities, agricultural infrastructure and capital[12]. PT Radja Manggis Sejati rated it higher by 40 compared to The Sari Buah Agribusiness Subterminal. This value means that the completeness of the planning carried out includes aspects of marketing, technology development, guidance, and provision of mangosteen production facilities. Agribusiness Subterminal of Sari Buah assesses it at 35, which means that the scope of partnership planning includes three aspects, namely

marketing, technology development, and guidance. The organizing aspect consists of special fields and cooperation contracts. Special fields are the availability of special fields or units that handle partnership activities. Both parties rate the same as 25 which means that there is a special field that deals with partnerships. The same applies to the cooperation contract factor, both parties assess it at 25, which means that a written cooperation contract is not yet available. The partnership that has been established between farmers and PT Radja Manggis Sejati is carried out verbally.

The marketing partnership pattern for the mangosteen commodity is based on a written agreement, but the marketing contract is made between suppliers and farmer groups with exporter companies[20]. Responsibilities of partner groups, namely: taking an inventory of group members and mangosteen trees, cultivating mangosteen properly, collecting mangosteen from farmers, sorting and grading with partner company officers, selling mangosteen to partner companies, and repaying capital loans by deducting from the proceeds of mangosteen sales. The rights of partner group members are to obtain loans, to be able to supply mangosteen to partner companies, to obtain prices according to the prevailing market prices, to receive payments by bank transfer as soon as the goods are received by the partner companies, and to receive a fee for each kilogram of mangosteen deposited.

The implementation and effectiveness of the cooperation have been assessed as good by both parties as indicated by a score of 50 which means that the implementation has been carried out in accordance with the agreement and carried out transparently. PT Radja Manggis Sejati rated it higher at 30, while The Sari Buah Agribusiness Subterminal rated it at 25. The role that was carried out was in accordance with the cooperation, the continuity and quality of the mangosteen supply was good, meaning that it was in accordance with the predetermined time and quantity[16]. Payments made to farmers will be made within 2 weeks after the mangosteen is supplied. The purchase price by PT Radja Manggis Sejati is determined jointly at a price of IDR 7 000 per kg.

### 3.1.2. Benefit Aspect

Aspects of benefits assessed in the form of economic, technical, and social. Economically, the factors assessed include income, price, productivity, and business risk. Income is one indicator of the success of a farm[22]. Both parties rate the same at 50 which means that the income received is an increase compared to before. Each business carried out has risks, and the business risks that occur in this partnership will be borne by each party, so the value is low, namely 20 according to The Sari Buah Agribusiness Subterminal and 25 according to PT Radja Manggis Sejati. The technical indicators assessed are quality factors and technology mastery. The quality in question is the quality of the mangosteen production produced. The results show a good score of 25 for the assessment of Agribusiness Subterminal of Sari Buah with PT Radja Manggis Sejati. This means that the quality of the mangosteen produced through the partnership is good. The result factor shows an increase in the mastery of technology accepted and felt by The Sari Buah Agribusiness Subterminal with a value of 25.

In terms of the desire for continuity of cooperation, both parties both rate 50. This means that there is a possibility to continue the cooperative relationship in the marketing of products that has previously been carried out[19]. In the social aspect, a cooperative relationship should preserve the surrounding environment, Sari Buah Agribusiness Subterminal assesses it with a value of 25 which means that environmental preservation is not fully in accordance with technical guidelines or applicable regulations. The Sari Buah Agribusiness Subterminal does crop rotation infrequently, and there are several seed packages and pesticide bottles around the mangosteen field. Meanwhile, PT Radja Manggis Sejati assesses it at 50, which means that it has carried out environmental conservation in accordance with applicable regulations. PT Radja Manggis Sejati handles the

mangosteen waste by returning the mangosteen that did not pass the sorting to Agribusiness Subterminal of Sari Buah.

### 3.2. Manajerial Implications

Based on the results of research on the mangosteen partnership, several managerial implications can be recommended. The managerial implications are used to improve and improve the performance of The Sari Buah Agribusiness Subterminal with PT Radja Manggis Sejati in implementing the partnership, so that the partnership is expected to be sustainable and achieve a winwin solution. The assessment of the degree of partnership aims to identify which aspects have been good and are in accordance with the value up to a score of 1000, meaning that the partnership that has been carried out has complied with the aspects required in a partnership relationship[24]. The results showed that the value of the partnership degree of The Sari Buah Agribusiness Subterminal is 680 and PT Radja Manggis Sejati is 655. This value is included in the intermediate stage of the partnership relationship, the partnership stage which shows the condition of The Sari Buah Agribusiness Subterminal which has started to become independent in fulfilling production facilities and capital. This condition shows that the partnership has provided benefits for The Sari Buah Agribusiness Subterminal and PT Radja Manggis Sejati. The Sari Buah Agribusiness Subterminal has been able to cultivate mangosteen well and fulfill its mangosteen farming needs with its own capital. This indicates that the involvement of PT Radja Manggis Sejati is starting to decrease in fostering and providing production facilities for the mangosteen business to The Sari Buah Agribusiness Subterminal. The partnership relationship that has been established is in the form of products marketing according to mutually agreed standards and conditions[11].

Good performance will certainly lead to high satisfaction and hope that the partnership can continue to be sustainable[1]. Thus, the steps that can be formulated and implemented are: 1) Maintaining and improving communication between partnering parties, 2) Developing and improving the mechanism for fixing the mangosteen purchase price by The Sari Buah Agribusiness Subterminal and PT Radja Manggis Sejati, 3) Using the right production inputs and a good mangosteen cultivation system, 4) Improve open and comprehensive information systems related to cooperation, such as market information to price information, 5) Develop plans related to partnerships appropriately, so that they can be right on target, 6) Develop and improve cooperation schemes which is more profitable and adapted to the level of risk experienced and adapted to the characteristics of The Sari Buah Agribusiness Subterminal, 7) Strengthening coordination between partnering parties, and 8) Improving field supervision so that problems that may arise can be addressed immediately.

### 4. Conclution

The degree of partnership based on aspects of the partnership management process can be carried out properly if it is supported by complete planning, including aspects of marketing, development, technology, agricultural production facilities, agricultural infrastructure and capital. The role carried out is in accordance with the cooperation, the continuity and quality of the supply of mangosteen is good, meaning that it is in accordance with the predetermined time and quantity. Payments made to farmers will be made within 2 weeks after the mangosteen is supplied. The purchase price by PT Radja Manggis Sejati is determined jointly at a price of IDR 7 000 per kg. In the aspect of benefits, economically, the factors that are assessed include income, price, productivity, and business risk. Every business carried out has risks, and the business risks that occur in this partnership will be borne by each party. In the technical aspects that are assessed, namely from the

quality factor and mastery of technology. In the social aspect, it is assessed in a cooperative relationship by preserving the surrounding environment,

The suggestions that can be given are that The Sari Buah Agribusiness Subterminal and PT Radja Manggis Sejati must jointly raise awareness to maintain commitment and improve performance optimally. The way that can be done is to make a written cooperation contract that is agreed by the parties concerned so that the sustainability of the partnership can be maintained. This is done so that the level of the partnership relationship that is established is even closer, so that the mutually agreed benefits can be realized. The partnership relationship that has been established is in the form of mangosteen marketing according to mutually agreed standards and conditions. Good performance will certainly lead to high satisfaction and hope that the partnership can continue to be sustainable.

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