

Resilience, Rights and Resources: Two years of recovery In coastal zone Aceh



Market access for rubber and cocoa in the tsunami affected coastal zone in West Aceh

■ Uhendi Haris¹

Rubber and cocoa are important tree crops in the tsunami affected coastal zone of Aceh. These crops provide cash income to most of the farmers, especially along the wester coast. The tsunami of 26th Decemer 2004 caused some physical damage on the trees while a bigger damage was through the effect on their marketing system. The supply side (farmers) and the demand (local traders) were affected. Furthermore, the destruction of roads and bridges, storage and processing facilities was a serious problem. Various agents in the marketing system are facing problems in the rebuilding of the market institution. With a good marketing system all agents benefit with improved price for the commodity, improved product quality and overall improvement in the welfare of farmers and communities in the tsunami-affected zone.

In the western coastal zone of Aceh, rubber is produced and sold by farmers in the form of cup lumps of often low quality. Latex after tapping is collected in cups of coconut shell and allowed to coagulate naturally. Every 3-5 days, the coagulated rubber (cup lump) is collected, soaked in water during storage. Figure 1 shows the quite clean cup lump (a) and dirty cup lump (b). These products are raw material for crumb rubber industry. While clean rubber can be used directly, contaminated lumps have to be first cleaned at a re-milling factory before sending to crumb rubber factories. There is no system of collecting fresh latex in the region.



Figure 1. Raw rubber ready for sale by farmer. Relatively clean cup lump (a) and dirty cup lump (b).

¹Rubber Technology Research Institute, Bogor

In case of cocoa, beans are removed from the ripe cocoa fruits and cleaned before drying under the sun. Farmers do not know yet about fermentation process of cocoa beans, to increase the quality.

Both rubber and cocoa products in the coastal zone of West Aceh are marketed in a traditional manner with numerous intermediaries at various levels. Farmers and the immediate level of traders often have strong bond, beside rubber sale, in the villages. Normally village level traders or collectors also provide rubber farmers with financial help and loan during times of crisis and need. Farmers, in return, have a moral obligation to sell their products only to these village traders. Village level traders sell products to district level bigger traders who may in turn be connected to dealers at factory levels. There is not yet any joint or direct marketing system.

Marketing channels of both rubber and cocoa in West Aceh are similar with multiple layers of traders in the system (Figure 2). Processors and exporters for both commodities are mainly in Medan; hence all raw materials are taken by road to the city.

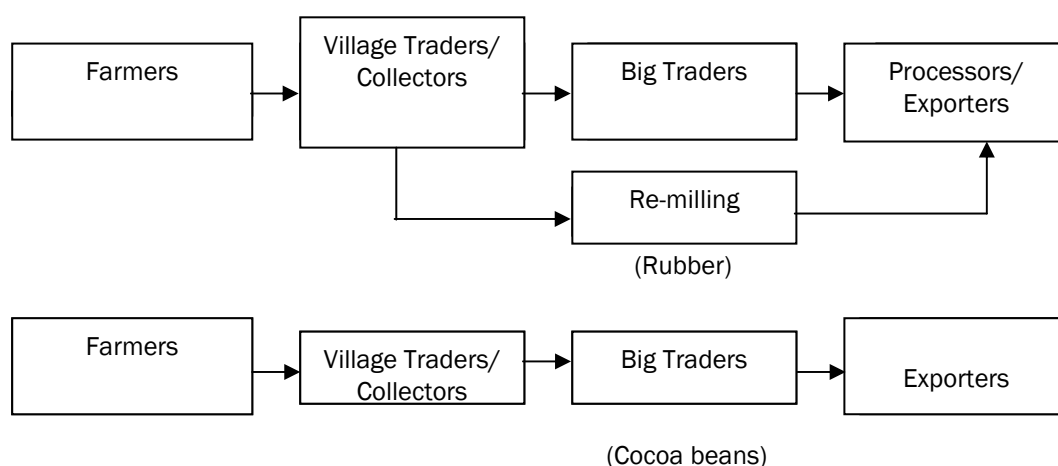


Figure 2. Marketing channels of the two major tree crops in West Aceh

Farm gate price of raw rubber and cocoa beans products in early 2006 in West Aceh is shown in the Table 1. The price depends on quality of the product. Rubber marketed as cup lumps, has dry rubber content (DRC) between 45 to 60% with other contaminants. Cup lump (about 52% DRC) price at village level was Rp 6,200 per kg, equivalent to Rp 11,923 per kg dry rubber. Using the FOB price of SIR 20 in Medan at that time (Rp 17,480), then farmers received 68.2% FOB price.

Table 1. Farm gate price of raw rubber and cocoa beans in the region

Commodity	Farm gate price Rp/kg	Note
Rubber	6200	Wet cup lump, around 52% DRC
Cocoa beans	9000	Wet beans with water content 12%

Farm gate price of rubber was quite low primarily because of the low quality of rubber. Also the bargaining power of farmers against village traders is also low, mainly due to the social relationship. The production units (rubber farmers) are small and fragmented making the marketing of rubber dependent on small traders.

The price of all agriculture products in the region is dependent on the market situation in Medan. All cup lumps of rubber are processed in crumb rubber factories in Medan or its vicinity. Cocoa is also purchased by exporters based in Medan. Fortunately the tsunami of December 2004 did not damage the road from West Aceh to Medan as much as the road from Meulaboh to Banda Aceh. Hence the transportation of these commodities was not affected so seriously or for long after the tsunami.

KEY MESSAGE

1. Both quality and quantity of cocoa and rubber can be improved with appropriate technology for management and processing of beans and rubber. This will increase the value farmers can receive from these commodities. Government agencies and research institutions should provide farmers with available technology and knowledge on these.
2. West Aceh district produces more 11,650 tonnes dry rubber per year; Aceh province produces 55,723 tonnes rubber per year. This is sufficient to run a crumb rubber factory in the region that will reduce transportation cost and levels of trading and ultimately raise the benefit farmers receive. More detailed information on this aspect need to be explored.
3. Farmers can benefit more through marketing of rubber through approaches like group marketing, and where farmer institutions are ready, auctions market.

World Agroforestry Centre (ICRAF) is one of 15 organizations under the CGIAR (Consultative Group on International Agricultural Research) umbrella. ICRAF aims to stimulate and conduct innovative research, development and capacity building to promote and support agroforestry for both human and environmental benefits. ICRAF has its headquarters in Kenya and six regional offices in the tropics and now cover 21 countries in Africa, Asia and Latin America.

The research bulletins are summary results of collaborative activities of ICRAF and partners in the "Recovery and Resilience of Livelihood and Natural Resources", mainly in West Aceh, after the Tsunami of 26th December 2004. These bulletins were prepared, first in Indonesian language, for a workshop in Meulaboh on 30 November 2006. The primary objective was to share relevant result findings and observations among government and non-government organisations and individuals involved in the post-tsunami recovery in West Aceh. The workshop and preceding research activities were supported by Ford Foundation Indonesia, EU Asia Pro-Eco Program and CGIAR.

CONTACT:

World Agroforestry Centre
ICRAF Southeast Asia Regional Office
Jl. CIFOR, Situ Gede, Bogor Barat 16680
West Java, Indonesia
Tel: +62 251 625415
Fax: +62 251 625416
E-mail: icraf-indonesia@cgiar.org
www.worldagroforestrycentre.org/sea