



Collective Action for the Marketing of Mango in West Java, Indonesia

Introduction

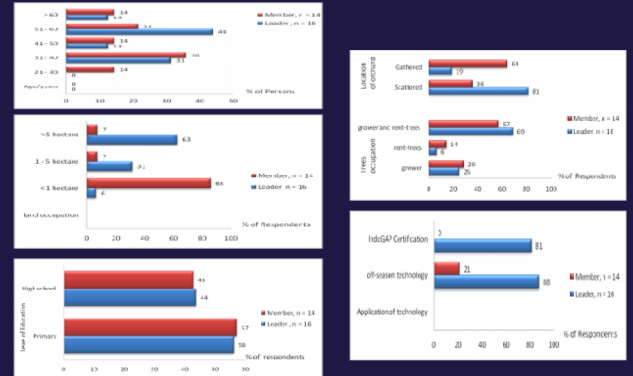
Mango (*Mangifera indica*) has become a major importance to the incomes in Indonesia especially for the high value market. However, the lack of market information and capital limitation may prohibit the attempt to yield desirable mango's qualities and quantities.

Low qualities performance and seasonality can impose a limitation on option to trading activities. Under such conditions, we believe that pooling resources and market mangos collectively in the form of community based organisation can be a solution to adopt technology, comply with authorized standards, reduce risk, access credits, and develop market for members.

The study evaluates the external and internal factors on mango production that trigger reciprocity to act collectively and achieving collective benefits from mangos marketing.



Characteristics of Respondents



Methodology

This research employs a qualitative approach through case study. The approach is selected to understand the coordinated behaviour for mango production and its supply chain through level of trust and reciprocity among individual group members.

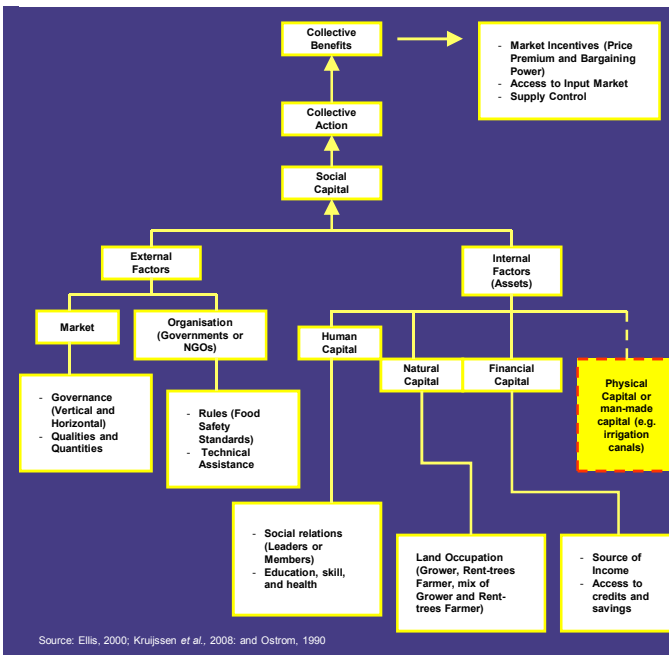


Interviews were conducted with 30 respondents representing the leaders and members of mango grower groups with their land occupational status as growers and/or rent-trees farmers in Cirebon, West Java as well as other stakeholders concerned during June to August 2011.

Result: Working Together

External Enforcements	Assets:
<ol style="list-style-type: none"> The Agricultural Ministry enforce IndoGAP (Indonesian Good Agricultural Practices) for mango production. Exporter ask for a standard quality of mango var. <i>Gedong Gincu</i> (based on Standard National Indonesia on Mango). Traders prefer vertical coordination in a form of production contract to secure supply. 	<p>Human Capital</p> <ol style="list-style-type: none"> The Agriculture Service support the improvement on production skill through field training on IndoGAP. Leading role, leaders have an important role to assist members on technology adoption for off-season, pre-harvest and post harvest management, and pest and disease management. <p>Natural Capital</p> <ol style="list-style-type: none"> Land ownerships and production boundaries shape mango producers as pure growers, rent-trees farmers, and mix of growers and rent-trees farmers in scattered locations. <p>Financial Capital</p> <ol style="list-style-type: none"> External institutions (the Agricultural Service, NGOs, and financial institutions) grant financial assistance through mango grower group. <p>Physical Capital</p> <ol style="list-style-type: none"> The local government and the Agricultural Service grant technical assistance to build storage room, irrigation canals, catch basin, and road <p>Social Capital</p> <ol style="list-style-type: none"> Patrons, leaders and experienced-farmers are leading role that attracts members to comply with good mango production practices. <p>Collective action</p> <ol style="list-style-type: none"> Forming of mango growers groups consist of 20 to 50 members. Pooling input access, leaders or experienced-farmers assist the bulk buying of hormone growth, pesticides, and fertilizers. The payment arrange after harvest or bound with the production contract. Working together to maintain water resources (irrigation canals) with paddy farmers. <p>Collective benefits</p> <ol style="list-style-type: none"> Vertical coordination with trader/exporter and processing company for direct market (traders control supply chain). Threats: low trust on pooling mangos. Farmers have less bargaining power and accept price given by traders.

Conceptual Framework



Conclusions

- Working together** is the main reason to obtain market incentives (price premium) due to capital limitation.
- Government and traders shall modify the institutional arrangement on mango market in practice with specific consideration on capitals platform. With the effect on market incentives, adherence to comply production standards set by external bodies (e.g. government, retailers, NGOs) is voluntary.



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