

# EMPOWER THE SMALLHOLDERS AND STAKEHOLDERS OF AGRI-FOOD AND COMMODITIES NETWORK

## RESEARCH REPORT



**RESEARCH TEAM**

RESEARCH SUPERVISOR

**Budi Susilo**

RESEARCHER

**Assoc. Prof. Rika Fatimah P.L., Ph.D.**

**Nurul Purnamasari**

RESEARCHER ASSISTANT

**Henricus Hari Wantoro**

**Syahdani Pratama**

**Khoirul Rohima**

YEAR

**2018**

## TABLE OF CONTENT

Executive Summary .....	1
Chapter I Introduction .....	3
A. Background .....	3
B. <i>UN Guiding Principles on Business on Human Rights (UNGPs)</i> as Commodity Bussines Standard .....	6
C. Objectives and Benefits of Research .....	9
Chapter II Research Methods .....	10
A. Objects and Location of Research .....	10
1. Production and Marketing of Premium Rice in Magelang .....	10
2. Nutmeg Organic Smallholders in North Halmahera .....	11
3. Development of Agricultural Information Technology Applications for Horticultural Farmers in Malang .....	12
B. Analysis Method: Tetrapreneurs Model .....	13
C. Method of Measurement and Data Collection .....	16
Chapter III Main Submission Analysis Results .....	18
A. Comparison of Commodity Standards .....	18
B. Measurement of the Entrepreneurial Chain (Current Condition) .....	20
C. Measurement of the Entrepreneurial Market (Hope) .....	23
D. Priority for Action Improvement and Interest Improvement .....	35
Chapter IV Conclusion .....	38
Reference .....	39
Annexes .....	40
<i>Annex 1: Comparison of the key concept of The UN Guiding Principles on Business         and Human Right with ISO 9001 .....</i>	<i>41</i>
<i>Annex 2: Comparison of the key concept of The UN Guiding Principles on Business         and Human Right with ISO 26000 .....</i>	<i>43</i>
<i>Annex 3: Comparison of the key concept of The UN Guiding Principles on Business         and Human Right withThe Indonesia National Standards (SNI) .....</i>	<i>45</i>
<i>Annex 4: Comparison of the key concept of The UN Guiding Principles on Business         and Human Right with G.A.P Organic Rice .....</i>	<i>47</i>
<i>Annex 5: Comparison of the key concept of The UN Guiding Principles on Business         and Human Right with G.A.P Nutmeg .....</i>	<i>49</i>
<i>Annex 6: Comparison of the key concept of The UN Guiding Principles on Business         and Human Right with G.A.P Horticulture .....</i>	<i>51</i>

## EXECUTIVE SUMMARY

Perception of empowerment is generally synonymous with solutions to adjectives such as 'unfairness' or 'misplaced'. However, in essence empowerment is an active action, namely 'perfection'. Empowerment is needed especially in the community of agricultural and commodity actors who are the priority of this research, namely smallholders and small traders. Not only the culprit but the working environment in the value chain of agriculture and commodities, namely stakeholders (stakeholders) is also the main focus for the success of empowerment.

Facts in various scientific reports to the popular both from the view of the government, the private sector and the general public in general agreeing the existence of farmers and small traders in agriculture and commodities are important to the dynamics of life both in the economic and social sectors. The irony, poverty and prosperity is still one of the problems faced by actors in the agricultural and commodity sectors. Being a big question how could the main actors in an important field in the structure of life be unable to '**empower themselves?**'. In addition, by taking into account the broader view, how does the world really 'attach importance' not only to agricultural products and commodities, but also 'detailed attention' to business processes and value chains, further strengthening an integrated study needs to be done.

This research was carried out measurements **to parse, map and present** field findings and in-depth attention to national and global standardization on the **performance** of three agricultural products and key commodities in three main cities in Indonesia, namely **rice (Magelang), nutmeg (North Maluku) and horticulture (Malang)**. The performance is measured by referring to the **standardization of agricultural production and key commodities (rice, nutmeg and horticulture) both nationally and globally using the UNGPs on Business and Human Rights framework baseline**. An integrated qualitative and quantitative descriptive analysis was carried out using a **comparative mapping of key concepts of standardization and measurement using a Quality Score Card and a Tetrapreneur Model**. The Tetrapreneur Model (Rika Fatimah, 2016) is a model for creating a 4 pillar-based sustainable entrepreneurship movement, namely the **Entrepreneurial Chain; Entrepreneurial Market; Entrepreneurial Quality; and Entrepreneurial Brands**.

Referring to the research objectives, **there are three main results**. **First**, the comparison of the main standards of production and distribution with the UNGPs in Business and Human Rights framework was carried out before the measurement of the Tetrapreneurs Model. The results can be seen in detail in **Annexes 1 to 6**. Comparations are carried out by carrying out the three main pillars of the UNGPs in Business and Human Rights namely protect (by state), respect (by corporate), and by victim. Based on these three pillars, the priority of one of the pillars, which is **Respect-Corporate**, is mapped in line

with the **first objective of this research**, namely empowerment for farmers and small traders in agriculture and commodities. Next is a mapping of key concepts, namely **(1) Four key PRINCIPLES; (2) Seven CERTAIN CAUTION keys; (3) Five key ACTIVITIES & RELATIONS; (4) Three keys to PLANTING COMMITMENT POLICY; (5) Twelve key HUMAN RIGHTS DUE DILIGENCE.**

**Second**, the Tetrapreneur model used is Tetra 1 Entrepreneurial Chain to fulfill the **second objective**, namely to examine the effect of applying the main standardization of commodities to the value chain and trade system. Based on the analysis carried out it is known that several **priority actions** for farmers and small traders in general both for rice, nutmeg and horticulture are (1) lack of integration between government, cooperatives and corporations; (2) the product value chain that has not been evenly distributed, so that farmers are disadvantaged such as farmers having difficulty in obtaining price information; (3) problematic product processes from upstream (farmers) such as the use of chemicals to organic products; and (4) lack of cooperation between small producers and large traders / exporters.

**Third**, Tetra 2 Pasar Wirausaha is used to fulfill the **third objective**, which is to assess the understanding of farmers and small traders and policy makers on regulations and implementation standards. Based on the analysis conducted, it is known that several priority interest for stakeholders are (1) the importance of policies in protecting commodity prices; (2) the importance of cooperation between the government, the private sector and farmers; (3) the absence of government policies or regulations that support commodity prices so that the absorption of commodities is not optimal; (4) village governments have not paid attention to the importance of protecting local commodities; (5) there are still many villages that do not have BUMDes. In addition, the impression felt in the field is that the existence of the government has not provided **protection** for the sustainability of commodities and farmers, causing a lack of product quality **remedy** so that there is no corporate **respect** for farmers' products. In this study, it is known the **relationship between commodities** and the **three priority actions** for smallholders, namely: integration between government, cooperatives and corporations, value chains, product processes and collaboration between small producers and wholesalers / exporters. Then it is known three priority interests for stakeholders, namely: policies in protecting product prices, product quality and cooperation between government, private sector and farmers.

This research is expected to be a reference material for advanced mapping and better measurement so that it can produce more applicable recommendations. To produce regulatory changes and / or production standards and post commodity production, further research is needed with more comprehensive and high-accuracy analytical tools in mapping problems and needs in each commodity.

## CHAPTER I INTRODUCTION

### **A. Background**

As an agricultural country, the agricultural sector is one of the pillars of the Indonesian economy. Archipelago agricultural commodities are quite popular in the world, such as cocoa, coffee, spices, fruit, and vegetables. This is not surprising, because Indonesia is a mega-biodiversity country that has the largest amount of biodiversity in the world. Although land area is only 1.3% of all land in the world, the diversity of flora and fauna in Indonesia is very abundant. The Ministry of Agriculture released BPS data that said the value of commodity exports during January - August 2017 reached US \$ 22.2 billion (Bisnis.com - September 22, 2017).

Spices, rice, and horticulture in the form of vegetables and fruits are agricultural commodities that have specific markets, both domestically and abroad. The European Union region is one of the major destinations in the export of spices and Southeast Asian countries as well as a potential horticulture market. As for rice commodities, it still has to meet domestic needs. Indonesia and the European Union continue to develop trade and investment cooperation through a comprehensive economic partnership agreement (CEPA) (kemenperin.go.id - 2016). On the one hand, business actors in the commodity chain must deal with the standard applied by the recipient country. Not a few Indonesian agricultural and plantation products were rejected because they did not comply with applicable standards. Now, the product standards that apply are not only the form of the commodity, but the process of production, distribution, until the commodity is received by consumers.

Understanding the reality of small farmers and traders along with agricultural-based value chain networks and commodities, especially rice, nutmeg and horticulture, means understanding internal and external forces that control changes in the rooted community. The value chain network that is able to balance business results while being able to meet the needs of its stakeholders is an achievement of the balance of its business. Therefore, when players in the local value chain network have not yet gotten the concept of balance of business, these players have little chance of progressing. Besides that, it is also difficult to enjoy national zones, especially global ones. At this stage, farmers and small traders will be more reasonable to easily lose external consumers who have strong sportsmanship or enthusiasm about the product or service. Overcoming these conditions, farmers and small traders must try to achieve and achieve all standards set by stakeholders both nationally and globally. If it fails, it is not impossible that the small farmers and traders will begin to decrease market dominance and will eventually become extinct. In addition, farmers and small traders must focus on the needs, desires, and expectations of the stakeholders and parties interested in

commodity products by providing products and services that meet the standards of feasibility. Farmers and small traders who have prepared expansions to those needs, desires and hopes have a better and long-term opportunity.

In this study, the selected commodities were nutmeg, rice, and horticulture with the following explanation:

1. Indonesian spices are very popular in the world, because they are believed to have very good quality. This is not surprising, because Indonesia is a mega-biodiversity country that has the largest amount of biodiversity in the world. Although land area is only 1.3% of all land in the world, the diversity of flora and fauna in Indonesia is very abundant. Another country that supplies the world's spices is Granada. Even the position of Indonesian spices is one rank below Granada which was ranked first in the amount of market absorption.

Pala, being the object of this research, became a favorite spice commodity in Western Europe. Indonesia controls 75% of the Western European market, with the largest consumers in the Netherlands (Peluang Magazine, Edition V-2015/2). Even in the narrative of the film "Banda: The Forgotten Trail" it is mentioned that in the middle of the 16th century, Nusantara spices were able to change the map of world history. Because nutmeg is believed to be more valuable than a lump of gold (Bisnis.com - October 20, 2017). As a favorite commodity, nutmeg grows in gardens located in North Halmahera and Talaud. In addition to clove, nutmeg plants play an important role because in addition to domestic needs it is also a potential export commodity. The biggest export demand for products from nutmeg from Indonesia is dry nutmeg (nutmeg in shell and nutmeg shelled), mace (mace) and nutmeg (essential oil of nutmeg) (Canon et al, 2017).

Consumers in Europe really take into account the quality of products, especially agricultural and plantation products, starting from planting, post-harvest, packaging, shipping to arriving in destination countries based on Hazard Analysis and Critical Control Points (HACCP). Based on the record of Rapid System Alert System on Food and Feed (RASFF), nutmeg and other types of spices from Indonesia are notified to contain fungi (aflatoxin). The aflatoxin content indicates a decrease in quality in the distribution chain which greatly affects the selling price of commodities. The impact affects the long-term lives of smallholders and traders.

2. Most agricultural development in Indonesia is in the rice sector. Although rice is not the main commodity for export, but as the main food for national rice sufficiency, it involves many parties in its distribution chain. Rice as one of the staple foods for the people of Indonesia, so the role of the Government is very important to maintain

the balance of interests between parties, both farmers as producers, processors and consumers.

The government needs to guarantee the availability of rice at affordable prices for consumers, on the other hand the Government also needs to improve the welfare of farmers, and needs to pay attention to the interests of business people to ensure the smooth processing and distribution of rice to consumers. This commodity value chain absorbs the attention of many parties in its trade system. Various interests cover rice from production (seed selection, planting, use of fertilizers and pesticides) to distribution throughout the country. Even the government policy in the rice trade system is also a policy that is not only economically charged, but also social and political. In the middle of last 2017, the rice sector invited many eyes and ears to the case of "IBU rice" which led to the issuance of Permendag No. 57/2017 which regulates the highest retail price (HET). The regulation is considered to be controversy because it has the potential to cause large losses for farmers whose grain purchase prices will decline.

Indonesian rice has not been able to penetrate the global market, considering that to meet domestic needs is still lacking. However, this sector requires rules and standards that are able to accommodate the interests of farmers and small traders. Ideally, farmers as producers should get the right price in order to get the benefits of the products they produce. In fact, farmers get a low price, even though there are large risks during the production process. So far the voice of farmers has not been taken into account in decision making and / or the birth of policies.

3. In this research, the horticultural commodities studied were types of vegetables and fruit. The type and amount of the needs and prices of vegetables and fruit cannot be separated from the pull movement of commodity availability and demand on a supra-local scale, at least on a regional or national scale. The main problems of agribusiness development are the lack of realization of variety, quality, continuity of supply, and quantity in accordance with market demand and consumer preferences. These problems are the cause of business vulnerability for farmers, and are still coupled with the impact of climate change that has changed the cropping and harvesting patterns of vegetables and fruits a lot.

The Ministry of Agriculture plans to increase exports of horticultural commodities by 2018. Even 2018 is declared a "Year of Horticulture" by the Ministry of Agriculture. The Strategy of the Agricultural Research and Development Agency (Balitbangtan) establishes 3 (three) strategies to increase horticulture productivity, namely strengthening the mechanism of seed production and distribution; program



synchronization carried out by the government, private sector and the community; and strengthen the network of stakeholders in the field of horticulture (release.id - 17 October 2017). Based on data from the Ministry of Agriculture, in 2016 Indonesian vegetable commodities have been able to be accepted by Taiwan, Thailand, Malaysia, Singapore and the Netherlands. While fruit products can penetrate the markets of China, Thailand, Japan and 16 other countries (agriculture.go.id - March 23, 2017). Commodities that are able to penetrate the export market, of course, that have fulfilled the horticultural seed certification stipulated in Permentan No. 48 of 2012 concerning Production, Certification and Supervision of Horticulture Seed Distribution.

## **B. UN Guiding Principles on Business on Human Rights (UNGPs) as Commodity Business Standards**

In each commodity value chain, producers to exporters must comply with applicable standards. The standard not only regulates the cultivation techniques, but also regulates the social behavior of farmers. Fulfillment of standards by the entire value chain is needed to convince potential customers that the product or commodity they buy is safe for consumption and through a mechanism that meets the requirements. The Civil Society Alliance (CEA) initiated by ICCO was formed from process findings and constraints in the production and distribution of commodities that meet human rights standards in the plantation, agriculture and forestry sectors. Strengthening capacity (knowledge) and capital becomes very important for the sustainability of the production of several agricultural and plantation commodities. This program is in line with the implementation of responsible business practices in accordance with the UN Guiding Principles (UNGPs) on Business and Human Rights which were published since 2011.

The UNGPs on Business and Human Rights are the first globally accepted global framework for business and human rights, developed by Professor John Ruggie in his capacity as Secretary-General's Special Representative on human rights issues and transnational corporations and other business entities (SRSG). After the end of the SRSG mandate in 2011, the UN Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Entities was formed to promote the UNGPs on Business and Human Rights comprehensively. The UN Working Group, among others, encouraged countries to develop National Action Plans (NAP) on business and human rights. NAP is a policy document in which countries describe strategies and instruments to comply with their duties to prevent and correct human rights violations related to companies, as stipulated in international human rights law and restated in the first and third pillars of the UNGPs (Augenstein et al, 2017).

In its development in Indonesia, Law No. 75 of 2015 concerning the National Action Plan for Business and Human Rights (RAN Business and Human Rights) has been. Internally within the country, this regulation can be read if it includes regulating human rights standards and employment providers, but does not specifically regulate business principles that have a human rights perspective. The scope of National Action Plans (RAN) on Business and Human Right to provide protection for aspects:

- Rights holders who are at risk of being affected in the workplace (laborers);
- Rights holders who are at risk of being affected in the community; and
- The existence of the environment as a buffer for life.

In global trade, large demands for these commodities are able to meet the standards of fulfillment of human rights in the business chain listed in the UNGPs. The UNGPs is a guide for business people in respecting Human Rights in the range of methods and business feasibility, in terms of consideration of gender issues, challenges of indigenous peoples, women workers and children. In general, the basic principles in the UNGPs are **protect, respect, and remedy**. The right to remedy is the most effective key to addressing human rights issues in the business domain. When rights are violated as a result of a business agreement, the affected parties need to have access and the ability to sue the judicial body for effective remedy (Riyadi, 2008). Therefore, transparency and participation are things that must be understood by the parties involved in the business value chain. In UNGPs and National Action Plans (RAN) for Business and Human Rights, there is a tendency for the implementation of these principles to better regulate national and multinational businesses, because both business scales have the potential to become human rights violators to workers (said Wahyu Wagiman in the Lobby Chain Workshop, May 15, 2017) .

Another thing that needs to be realized in commodity trading is that raw materials from national and multinational businesses are sourced from agricultural and plantation lands whose culture is often considered to violate the global principles of human rights. The impact is that many agricultural and plantation products are rejected in the global market because there are indications of violations in the commodity supply chain. This can be prevented if there is information support and policies to maintain the sustainability of the value chain for small and medium enterprises, which have so far not been available. Export markets for agricultural commodities must pocket the standards set out in the Global GAP (Global Good Agriculture Practices) and Indo GAP (Indonesia Good Agriculture Practices). Rules and certificates that must be owned by producers, distributors, and exporters are various and not all socialized, especially to farmers as commodity producers. Many producers and exporters feel that the market for certified agricultural products is very complicated and that the opportunities and requirements related to this certification program are not all clear. In addition, producers do not

always know whether the various requirements are mandatory (as stipulated in the official regulations of the importing country) or are voluntary.

CEA Indonesia (initiated by ICCO ROSEA) developed a pillar of Smallholders Empowerment / SHE Empowerment to strengthen the value chain that supports the commodity-based business of Human Rights in Indonesia since the lowest chain (upstream sector). In the development of SHE, the program targets business actors in the commodity supply chain of nutmeg, rice and horticulture, which in their development can be a target for strengthening the capacity of governance with a Human Rights perspective. Farmers and small traders are vulnerable groups of Human Right victims in conducting business. Various legal rules have been issued to regulate the supply chain of agricultural commodity distribution. Admittedly, if regulations and legal provisions can be effective tools to improve conditions in the agricultural product value chain.

Basically, the overall agricultural value chain at the on farm and off farm stages requires farmers' knowledge of Good Agricultural Practices (GAP) and Good Handling Practices (GHP). GAP determines the quality of products produced by farmers, while GHP determines the selling price of commodities. Correct cultivation techniques need to be considered in relation to how farmers become decisive actors paying attention to environmental sustainability. In agriculture, farmers are the main actors who determine the quality of the product. GAP is seen as an application to measure the quality of products produced, from seeds, fertilizers, prevention of pest attacks, to technology and cultivation. GHP is a guide in the post-harvest process such as treatment of crop yields, packaging, and transportation of crops.

in general the commodity value chain is summarized in the following figure:

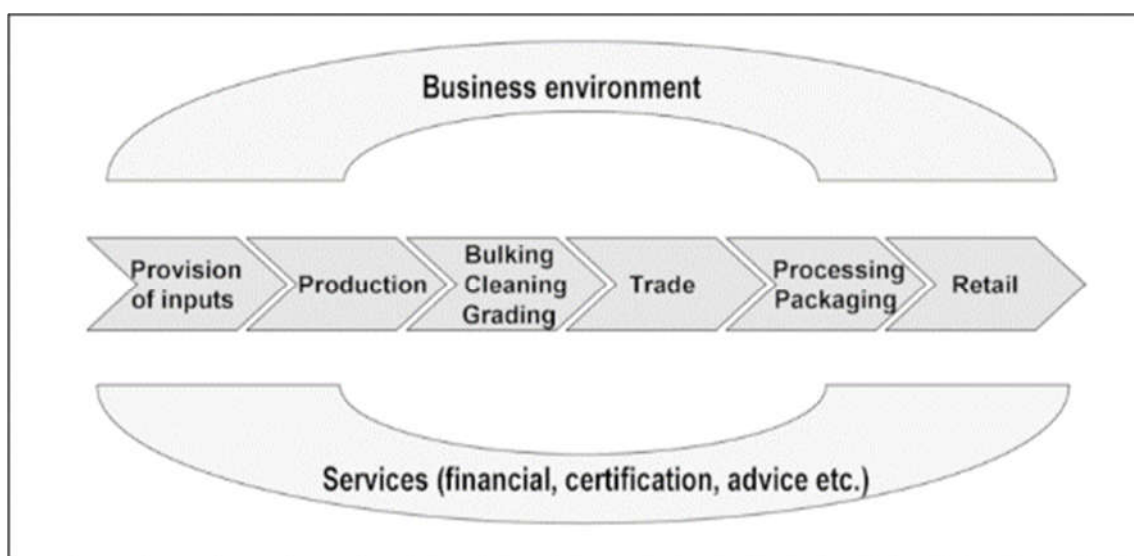


Figure 1. Commodity Value Chain

However, in the commodity value chain there were also social problems that had been neglected, which later became an obstacle to the sustainability of commodity productivity. So how to manage the upstream commodity sector is very necessary to consider non-technical aspects, namely the social behavior of farmers (good social practices / GSP), among others, an understanding of Human Rights. Human Rights issues in each commodity can be different, because they involve things that are non-technical in nature.

### **C. Objectives and Benefits of Research**

In general, this study aims to empower policy makers and small traders in agricultural and commodity-based food networks. To each **commodity** as described in the previous section, this study aims to;

1. Comparing at least 3 (three) main standards of commodity production and distribution with the UNGPs on Business and Human Rights;
2. Assess the effect of the implementation of the main standards of commodity production on the national rice commodity value chain and trade system;
3. Assessing the understanding of farmers and small traders at the local (smallholders) level as well as policy makers on regulations and standards in the implementation of commodity production, processing and distribution according to ISO 26000, Global G.A.P, UNGPs on Business and Human Rights, and National Action Plans on Business and Human Rights standards.

Benefits of research for:

1. Knowing the need to increase the capacity of farmers and small traders at the local level in the fields of regulation and standards in production, processing and distribution according to ISO 26000 standards, Global G.A.P, UNGPs on Business and Human Rights, and National Action Plans (RAN) on Business and Human Rights;
2. To be made into the formulation of recommendations and standard operational procedure (SOP) for the production and processing of human rights perspective products for farmers and small traders at the local level;
3. Disseminate with stakeholders for research / research based policy making.

## CHAPTER II

### RESEARCH METHODS

#### **A. Objects and Location of Research**

The commodities that are the object of research are expected to be a model of strengthening the position of farmers and small traders in the value chain with a Human Rights perspective, namely rice, nutmeg, and horticulture (vegetables). The selection of these three types of commodities cannot be separated from the investment program from ICCO ROSEA in the following activities:

##### ***1. Production and Marketing of Premium Rice in Magelang***

The demand for rice in the market continues to rise as population growth continues to increase. The availability of rice is carried out by the Government with various strategies from raising rice production through intensification and extensification efforts, including opening new land, as well as importing rice from other countries. Rice policy outside of land is one of them is to regulate the rice trading system so that all people from Sabang to Merauke can enjoy rice at affordable prices and are suitable for consumption. Central Java plays an important role in national rice production.

Through the Program for Increasing Production and Marketing of Premium Rice in Central Java Province, ICCO ROSEA collaborates with the Central Java Self-Reliance Foundation (YJB), Central Java Food Security Agency (BKP), Bank Jateng, PT Unggul Niaga Selaras, PT Smart Berdikari, and VECO Indonesia by the Ministry of Foreign Affairs and Cooperation of the Royal Netherlands Development Public Private Partnership Facility to develop Entrepreneurship and Sustainable Food Security (FDOV). FDOV is intended to encourage partnership between the public and private sectors in the field of food security in developing countries. This premium rice program is a public and private partnership to support small-scale rice farmers who are members of the Community Food Distribution Institute (LDPM) in answering the problems of production and quality of Indonesian rice. Currently marketing of premium rice is still done exclusively through partners of the consortium. But along with the increase in rice production this market expansion of the product is needed so that the market can be absorbed optimally.

Sawangan Subdistrict is a stretch of rice farming located at the foot of Mount Merapi. With an area of 72.37 km<sup>2</sup>, Sawangan District is one of the rice barns in Central Java. Rice farming in Sawangan is not entirely organic, but the treatment is organic, which makes the agricultural products called healthy rice or premium rice. The trade in premium rice in Sawangan has not been organized, trade is done individually. Whereas the productivity of rice in Sawangan is quite high with the calculation of the potential production of 690 tons per month.

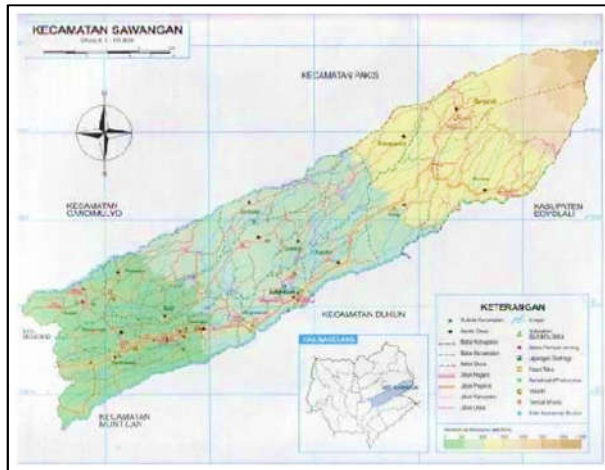


Figure 2. Map of Sawangan Subdistrict

Gapoktan only functions as an organization that distributes seeds, fertilizers, pesticides and agricultural machinery (alsintan) from the government.

The rice trade system in Magelang from the farmer level to the final consumer through a number of non-simple chains even involves many actors. The many channels of the rice trade channel system from the farmer level to the end consumers cause a

large difference in the price of the products received by farmers and the prices paid by consumers. The trade in rice from farmers to markets involves four main actors, namely: farmers, slaughterers, collectors, and rice mill owners. In the rice distribution chain, farmers have the lowest bargaining power in pricing and the chain is dominated by men (Witoto, 2016).

## 2. Nutmeg Organic Smallholders in North Halmahera

Indonesian spices have a business appeal in the plantation sector. Nutmeg, pepper, cloves are salable commodities and are excellent in the export market. North Maluku is one of the largest nutmeg plantation areas in the world, with around 52,000 farmers who depend on this sector. But the social conflict that had hit North Maluku in the early 2000s affected the quality of nutmeg production. This is due to distribution and marketing of nutmeg divided by different handling patterns. The social conflict experienced by the people of North Maluku at that time had an impact on the emergence of the aflatoxin content notification in nutmeg. From year to year, notifications on exported nutmeg commodities still exist, even though the number decreases. Based on data from the Rapid System Alert System on Food and Feed (RASFF) in 2016 Indonesia received 12 notifications regarding the aflatoxin content in nutmeg exports.

In the study of the Perkumpulan Swarna Nusantara Indonesia (PSNI), before switching to an organic farming system of 8 tons of nutmeg which was declared to be only 800 kg worth of export. ICCO and PSNI work for 5,500 farmers (2,000 of them female farmers) who are members of the Galela and Patani farmer groups in North Halmahera, to increase the capacity of farmers in organic nutmeg farming and fulfill global market standards, increase institutional capacity and farmer group management, facilitation access to capital and investment and facilitate the establishment of an equal and sustainable market for both the domestic market and at the level of international buyer

networks. The increase was quite significant, namely farmers' income increased by 30% experienced by 1,118 farmers in phase I of the PSNI program intervention.



Figure 3. Map of North Halmahera Regency

Galela Subdistrict can be regarded as a nutmeg commodity center located at the foot of Mount Dukono, a former volcano that is no longer active, so the soil fertility need not be doubted. Coconut and nutmeg are the mainstay commodities of the Galela community depending on their lives. As part of the North Halmahera region, Galela was once a region that had been injured because inter-ethnic conflict requires empowerment programs for farmers and small traders, especially in the Human Rights perspective so that there is an increase in farmers' understanding and capacity to fulfill farmers with international Human Rights perspective.

### ***3. Development of Agricultural Information Technology Applications for Horticultural Farmers in Malang***

The type and amount of the needs and prices of vegetables and fruit cannot be separated from the pull movement of commodity availability and demand on a supra-local scale, at least on a regional or national scale. The main problems of agribusiness development are the lack of realization of variety, quality, continuity of supply, and quantity in accordance with market demand and consumer preferences. These problems are the cause of business vulnerability for farmers, and are still coupled with the impact of climate change that has changed the cropping and harvesting patterns of vegetables and fruits a lot.

The Ministry of Agriculture has planned to increase exports of horticultural commodities by 2018. Even 2018 is declared a "Year of Horticulture" by the Ministry of Agriculture. The Strategy of the Agricultural Research and Development Agency (Balitbangtan) establishes 3 (three) strategies to increase horticulture productivity, namely strengthening the mechanism of seed production and distribution; program synchronization carried out by the government, private sector and the community; and strengthen the network of stakeholders in the field of horticulture (release.id - 17 October 2017). Based on data from the Ministry of Agriculture, in 2016 Indonesian vegetable commodities have been able to be accepted by Taiwan, Thailand, Malaysia, Singapore and the Netherlands. While fruit products can penetrate the markets of China,

Thailand, Japan and 16 other countries (agriculture.go.id - March 23, 2017). Commodities that are able to penetrate the export market, of course, that have fulfilled the horticultural seed certification stipulated in Minister of Agriculture Regulation No. 48 of 2012 concerning Production, Certification and Supervision of Horticulture Seed Distribution.

As support for the horticulture sector, in 2016, ICCO ROSEA together with PT Ewindo and the Bogor Agricultural Institute (IPB) through the GA4W Program developed an information service called SIPINDO (Indonesian Agricultural Information System) for vegetable farmers regarding nutrient requirements for their land, commodity price estimates and new technologies about fertilizers and seeds that will help farmers choose the most profitable commodities to produce. The program aims to increase farmers' productivity and income, improve food security and security, reduce the need for fertilizers, pesticides and water for chilli, tomato and cucumber farmers.

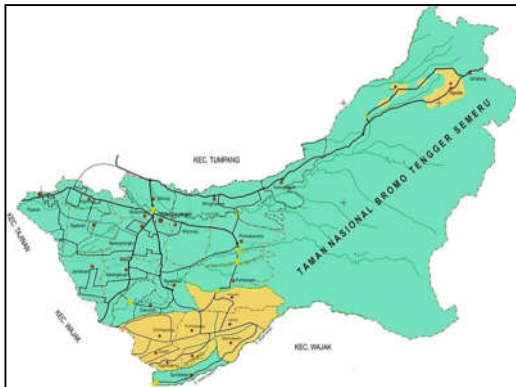


Figure 4. Map of Poncokusumo Subdistrict

Poncokusumo Subdistrict in Malang Regency is a model for program development to improve access to information and knowledge, so that it will have an impact on increasing agricultural production and farmers' income. Poncokusumo Subdistrict located at the foot of Semeru Mountain has an area of 100.43 km<sup>2</sup> being one of the largest producers of chillies, tomatoes and cucumbers in East Java. The limited capital of farmers, often they are caught in debt by

collectors or bonded labor, so the bargaining position is getting weaker. The existence of the SIPINDO application is expected so that horticulture farmers will experience improved access to information and knowledge, so that it will have an impact on increasing agricultural production and farmers' income.

## B. Analysis Method: Tetrapreneurs Model

The Tetrapreneurs Model (Fatimah, 2016) is a holistic model in the creation of a 4 (four) pillar sustainable entrepreneurship movement, namely the Entrepreneurial Chain; Entrepreneurial Market; Entrepreneurial Quality; and Entrepreneurial Brands.



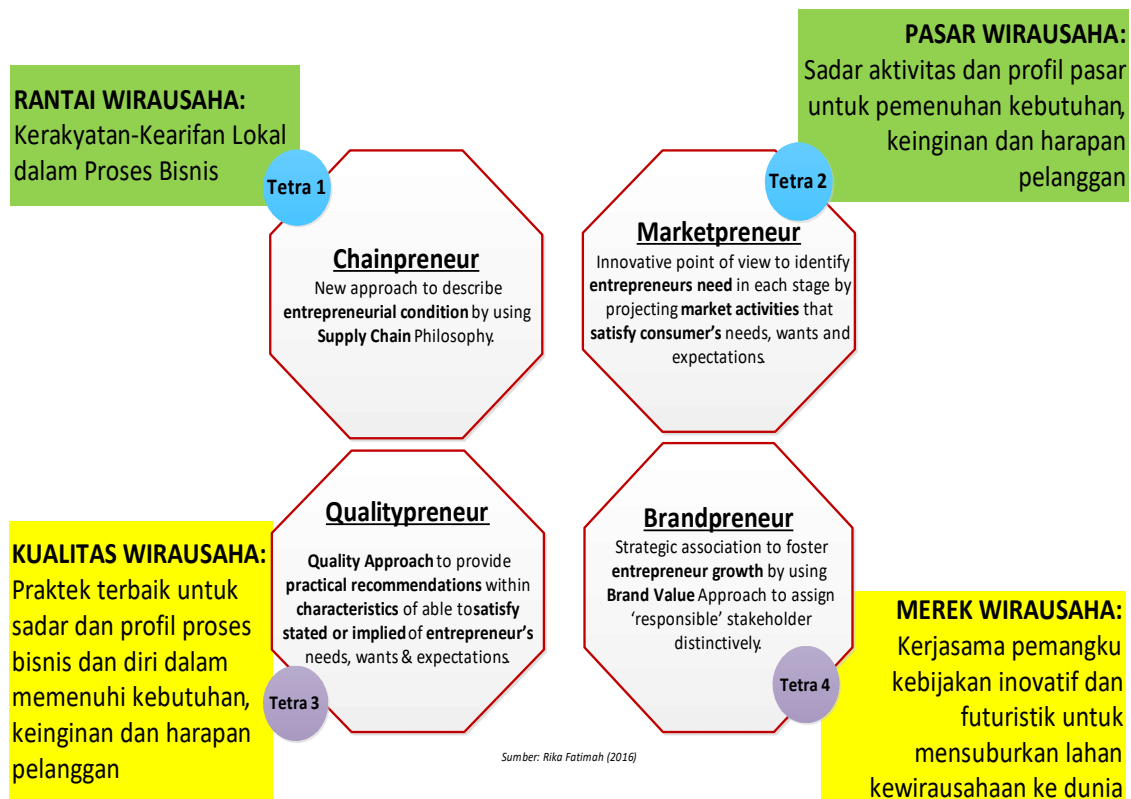


Figure 5. Tetrapreneurs model as a holistic approach to the creation of an entrepreneurial movement

- **Tetra 1: Entrepreneurial Chain**  
The Entrepreneurial Chain is a new approach to describe the condition of entrepreneurship by using the supply chain philosophy, which consists of all parties involved, directly or indirectly, in meeting customer demand. The goal of each supply chain must be to maximize the overall value produced.
- **Tetra 2: Entrepreneurial Market**  
Entrepreneurial Market is an innovative perspective to identify the needs of entrepreneurs in each stage by projecting market activities that meet the needs, desires and expectations of consumers, which are not limited to those who interact directly or buy products / services but also stakeholders involved in them.
- **Tetra 3: Entrepreneurial Quality**  
Entrepreneurial quality is a quality approach in providing practical recommendations in characteristics to satisfy explicit or implied needs of the needs, desires, and expectations of entrepreneurs.

– **Tetra 4: Entrepreneurial Brand**

An Entrepreneurial Brand is an association strategy to encourage the growth of entrepreneurs by using the Brand Value Approach, then assigning responsible stakeholders typically to strengthen strategic position in the market, maintain a compatible life cycle and capabilities to compete and collaborate through global best practices.

Referring to the purpose of the study, the Tetrapreneur model that will be used is Tetra 1 Entrepreneurial Chain to fulfill the second objective, namely to examine the effect of applying the main standardization of commodities to the value chain and trade system. In addition, Tetra 2 Entrepreneurial Market is also used to fulfill the third objective, namely to assess the understanding of smallholders and smallholders as well as policy makers regarding the standards and implementation standards. In addition, the fulfillment of the first research objective, namely to compare the main standards of production and distribution with the framework UNGPs, was carried out before the measurement of the Tetrapreneurs Model. Comparison uses content analysis with a deductive approach. The deductive approach requires external data, literature studies and mapping and a structured and rigorous assessment of what has been formulated in the standardization to be compared. To answer the purpose of research number 1, a Deductive-Participatory Approach to Comparative Standardization with a Quality Approach is used as the basis for Preparation of Quality Score Cards (QSD).

Types of indicators using participatory approaches include indicators of input, process, output, and results. A brief explanation of the types of indicators is as follows:

1. Input indicators (Inputs) are all things needed for the implementation of activities to run to produce output. This indicator measures the amount of resources such as budget (funds), human resources, equipment, materials and other inputs, which are used to carry out activities. Reviewing the distribution of resources, an institution can analyze whether the allocation of resources owned is in accordance with the established strategic plan.
2. Process indicators (Process) can be formulated with measures of activity, both in terms of speed, accuracy, and the level of accuracy of the implementation of these activities. The most dominant signs in the process are the level of efficiency and economical implementation of the commodity production activities.
3. Output indicator (Output) is something that is expected to be directly achievable and an activity that can be either physical or non-physical. Output indicators or benchmarks are used to measure the output that results from an activity. Comparing outputs, farmers as well as small traders can analyze the suitability between plans and realization of activities. Output indicators are used as a basis for assessing the progress of an activity if benchmarks are associated with well-defined and

measurable goals of activities. Therefore, the output indicator must be in accordance with the scope and nature of its activities.

4. Outcome indicators (Outcomes) are all things that reflect the functioning of output activities in the medium term (direct effect). Measurement of outcome indicators is often confused with output indicators. Outcome indicators are more important than output. Even though the product has been successfully achieved, it is not certain that the outcome of the activity has been achieved. Outcome illustrates the level of attainment of higher outcomes which might include the interests of many parties. Outcome indicators, the organization will be able to find out whether the results that have been obtained in the form of output can indeed be used properly and provide large uses for many people.

The philosophy and spirit of local to global local-based development will underlie the course of this research. Therefore, it is expected that the transformation using the Tetrapreneur Model approach can be used as best practice in other regions as well as other commodities. The dignity and authority of local wisdom has been taught to be able to contribute significantly to the wider community both nationally and to the world. Concern that the impression of farmers and small traders in agriculture and commodities as weak competitive parties and low commitment to quality should be changed. Empowerment through change or transformation through quality actions reflected in policies and strategies with a Quality Approach and a Tetrapreneurs Model.

### **C. Method of Measurement and Data Collection**

In this study data analysis was carried out in a qualitative and quantitative descriptive way in processing the data obtained. Comprehensive interpretation techniques are carried out in processing information synthesis, so as to produce the main text that is real time data, free, and visionary.

In the Tetrapreneur Model, each tetra has a different data collection method. In addition, different data processing must successfully synthesize research findings. To fulfill the research objectives, research methods, and data collection and analysis units, the Entrepreneurial Chain analysis was carried out through Focus Group Discussion (FGD) and questionnaires to measure data relating to general chains, dynamic chains, and chain characteristics (see Table 1). For Entrepreneurial Markets data collection was conducted by In-Depth Interview (IDI) to measure the intention and motivation of respondents (farmers and / or small traders) as well as managerial competencies, entrepreneurship, and networking.

Table 1. Measurement of Tetrapreneurs Model

Fulfillment of Research Objectives	Method and Data Collection	Unit of Analysis
<b>Comparison of Rice, Nutmeg &amp; Horticulture Commodity Standardization</b> [Research Objective 1]	<i>Secondary Data: Content Mapping &amp; Analysis</i>	<i>Comparison of Key Concepts with the UNGPs Baseline in Business and Human Rights framework</i>
<b><u>Chainpreneur</u></b> <b>Entrepreneurial Chain</b> [Research Objective 2]	<i>Primary Data: FGD &amp; survey</i>	<i>General description of farmers and small traders (actors) in the upstream value chain:</i> <ul style="list-style-type: none"> <li>▪ <i>Public Relations</i></li> <li>▪ <i>Dynamic Relations</i></li> <li>▪ <i>Characteristics of Relationships</i></li> </ul>
<b><u>Marketpreneur</u></b> <b>Entrepreneurial Market</b> [Research Objective 3]	<i>Primary Data: IDI</i>	<i>Important sources:</i> <ul style="list-style-type: none"> <li>▪ <i>Village / local government</i></li> <li>▪ <i>Policy holders</i></li> <li>▪ <i>Players in the downstream value chain</i></li> </ul>

Adaptation Sources: Rika Fatimah (2017)

1. The FGD is aimed at several **farmers and small traders (actors) in the value chain** such as the Combined Farmers Group (Gapoktan) community organization, the Farmer Women Group (KWT), **elected** Karang Taruna and **actors who are directly related to the production process (upstream)**. In this context, the topic raised by the researcher is related to the respondents' opinions on the second and third research objectives.
2. IDI is carried out through a process of direct interviews with village / local government, policy makers as well as **players who are directly related to the downstream**. This interview was conducted in order to obtain more detailed information regarding the sustainability of farmers and small traders in carrying out their activities to date.
3. The methods described above will be carried out in three regions as representatives of commodity production, namely Magelang (rice), Malang (horticulture), and North Maluku (Nutmeg), each of which collaborates with Village-Owned Business Entity (BUMDES) and village governments / locally related.

**CHAPTER III**  
**MAIN SUBMISSION ANALYSIS RESULTS**

**A. Comparison of Commodity Standards**

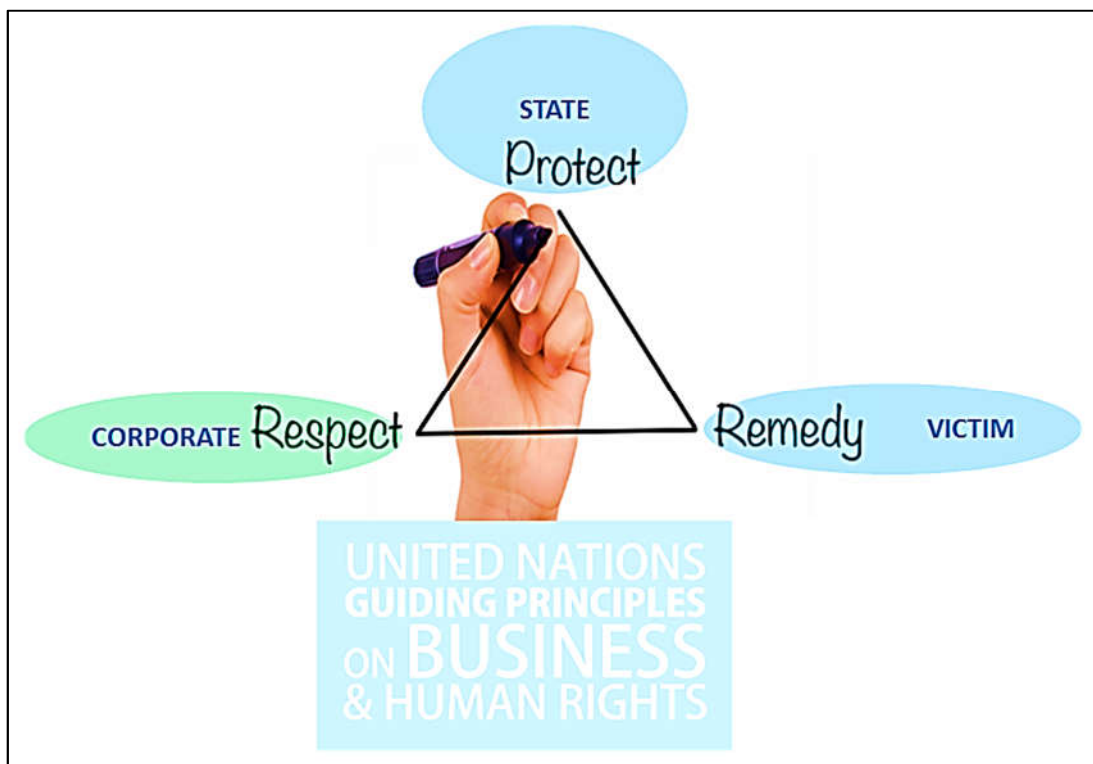


Figure 6. The main pillars of the UN Guiding Principles on Business and Human Rights (UNGPs)

In this study, the pillars of the UNGPs on Business and Human Rights used as the basis of the comparative approach are the pillars of respect. The following table is a key component in the UNGPs on Business and Human Rights which is the basis of comparison with other commodity production standards.

Table 2. UNGPs Key Components

<b>1.</b>	<b>One in three PILLARS</b>	<i>UNGPs on Business &amp; Human Rights is used as the basis for a comparative approach, namely Respect-Corporate.</i>
<b>2.</b>	<b>Four key PRINCIPLES</b>	key comparison consists of, - two keys to the Foundational Principles; and - two keys to the Operational Principles.
<b>3.</b>	<b>Seven keys of CERTAIN CAUTION</b>	<i>Foundational Principles-Article 12: Specific Groups / Populations with <b>Particular Attention</b>.</i>
<b>4.</b>	<b>Five key ACTIVITIES and RELATIONS</b>	<i>Foundational Principles-Article 13: <b>Activities &amp; Relationship</b> namely,</i>

		<ul style="list-style-type: none"> <li>- two keys to <b>Activities</b>; and</li> <li>- three keys to <b>Relationship</b>.</li> </ul>
5.	<b>Three keys to PLANTING OF COMMITMENT POLICY</b>	<i>Operational Principles</i> -Article 16: <b>Policy Commitment Embedded</b> from top to all enterprise's functions.
6.	<b>The Twelve Key Human Rights Due Dilligence</b>	<p><i>Operational Principles: <b>Human Rights Due Diligence</b> namely,</i></p> <ul style="list-style-type: none"> <li>– four keys to Article Business Activities and/or Relationship <b>Assessment</b>-Article 18;</li> <li>– three keys to <b>Integrating</b> findings from impact assessment across-Article 19;</li> <li>– one key to <b>Tracking</b> the effectiveness of their response-Article 20;</li> <li>– one key to <b>Communication</b> to external especially if raised by or on behalf the affected stakeholders-Article 21; and</li> <li>– three keys in <b>Prioritizing Action</b> to address (issues) - Article 24</li> </ul>
7.	<b>Three STATUS</b>	<p>Key comparability of standard systems of commodity production &amp; distribution consists of:</p> <ul style="list-style-type: none"> <li>– <b>In accordance</b>, namely the concepts and substance clearly written.</li> <li>– <b>Somewhat Appropriate</b>, namely concepts and substances written in vague and not contradictory.</li> <li>– <b>Contradictory</b>, namely concepts and contradictory substances both written clearly and vaguely.</li> </ul>

The following table is a detailed presentation of the Key Concept Comparison Index, which will be used as a mapping of the current state of business processes in farmers and small traders of rice commodities, nutmeg and horticulture.

Table 3. Details of Key Concept Comparison Index Items with the UNGPs Baseline

No.	<b>Four Key PRINCIPLES: Implementation of the Principles of the UN Guiding Principles on Business &amp; Human Rights for Measurements in <u>BUSINESS PROCESSES</u> at <u>THE MOMENT</u></b>	
1.	<b>Seven Keys of CERTAIN CAUTION</b>	1. <i>indigenous people</i>
		2. <i>women</i>
		3. <i>national/ethnic</i>
		4. <i>religious &amp; linguistic minorities</i>
		5. <i>children</i>
		6. <i>person with disabilities</i>
		7. <i>migrant workers and their families</i>
2.	<b>Five key ACTIVITIES &amp; RELATIONS</b>	<i>Activities</i> 8. <i>actions</i> 9. <i>omissions</i>
		<i>Relationship</i> 10. <i>business partners</i> 11. <i>entities in its value chain</i> 12. <i>any other non-state or state entity directly linked to its business operations, products or services</i>

3.	Three keys to PLANTING COMMITMENT POLICY		13. <i>policies/procedures based for incentives for personnel</i>
			14. <i>procurement practices</i>
			15. <i>lobbying activities</i>
4.	Twelve keys of HUMAN RIGHTS DUE DILLIGENCE	Assessment	16. <i>new activity/relationship</i>
			17. <i>decisions/changes in the operation</i>
			18. <i>response/anticipation to changing operating environment</i>
			19. <i>Life cycle of an activity/relationship</i>
		Integrating	20. <i>relevant internal functions</i>
			21. <i>relevant internal processes</i>
			22. <i>taking appropriate action</i>
		Tracking	23. <i>the effectiveness of their</i>
			24. <i>the response</i>
		Communication	25. <i>to external especially if raised by or on behalf the affected stakeholders</i>
		Prioritizing	26. <i>actual and potential adverse human rights impacts</i>
			27. <i>first seek to prevent &amp; mitigate people that are most severe</i>
28. <i>first seek to where delayed response would make people irremediable</i>			

The results of the analysis and findings of the 28 key words of the UNGPs Key Comparison Index with commodity production standards are detailed in **Annex 1 to Annex 6.**

#### B. Measurement of the Entrepreneurial Chain (Current Condition)

Entrepreneurial Chain Measurements (mapping current conditions) are prepared based on a comparative index of key concepts with the UNGPs on Business and Human Rights baseline. Exposure in the form of content analysis or discourse mapping on the results of FGD transcripts that have been carried out. This Entrepreneurial Chain Measurement is the basis for establishing a Quality Score Card Deployment (QSD) which will be discussed in the measurement of the Entrepreneurial Market (mapping of expected conditions).

Table 4. Current Commodity Entrepreneurship Chains

1. RICE Entrepreneurship Chain	
Seven Keys of CERTAIN CAUTION	<ol style="list-style-type: none"> <li>1. Farmers are decreasing</li> <li>2. Rice growers and harvests</li> <li>3. Java, tolerance</li> <li>4. Customary wiwitan at the time of harvest but began to be abandoned</li> <li>5. Less interested in agriculture</li> <li>6. Nothing</li> <li>7. Nothing</li> </ol>

<b>Five key ACTIVITIES &amp; RELATIONS</b>	<ul style="list-style-type: none"> <li>8. According to the season and prices are still up and down</li> <li>9. Use of chemical fertilizers in organic rice, samples do not match the original product due to unstable weather</li> <li>10. Cooperate with the agricultural process well</li> <li>11. The initial process of planting to sales to markets and consumers</li> <li>12. The government provides fertilizer and the PPL service provides counseling</li> </ul>
<b>Three keys to PLANTING COMMITMENT POLICY</b>	<ul style="list-style-type: none"> <li>13. According to the area of land and hours of work, a joint agreement according to the region</li> <li>14. Seedlings buy themselves and fertilizers from KUD</li> <li>15. Farmers sell grain to traders, traders through price bargaining</li> </ul>
<b>The Twelve Key Human Rights Due Dilligence</b>	<ul style="list-style-type: none"> <li>16. Buyers from outside (market, online, outside the region)</li> <li>17. When a pest attacks, adjust the situation</li> <li>18. Spraying on pests, searching for strong seeds</li> <li>19. Up and down according to season</li> <li>20. Done alone (owner)</li> <li>21. Done alone</li> <li>22. According to season, time, profit and loss</li> <li>23. Simultaneously plant packaging marks</li> <li>24. Make repairs</li> <li>25. Prices are lowered, apologized, replaced products</li> <li>26. Nothing, interesting products</li> <li>27. Attract products</li> <li>28. Attract products, check the toxin content</li> </ul>

## 2. NUTMEG Entrepreneurial Chain

<b>Seven Keys of CERTAIN CAUTION</b>	<ul style="list-style-type: none"> <li>1. Togawa residents, the majority of whom are farmers</li> <li>2. Cleaning and caring for the garden, picking &amp; breaking nutmeg</li> <li>3. Tobaru, Togawa, Galela</li> <li>4. Pray before harvesting nutmeg</li> <li>5. Collect nutmeg, clean the nutmeg garden</li> <li>6. Nothing</li> <li>7. Nothing</li> </ul>
<b>Five key ACTIVITIES &amp; RELATIONS</b>	<ul style="list-style-type: none"> <li>8. Farmers: collect and sell raw nutmeg, buyers: Buy nutmeg from farmers then collect it and sell it to other regions / exporters</li> <li>9. Selling super mix with the usual</li> <li>10. Small traders</li> <li>11. Own business, farmers and wholesalers outside the area</li> <li>12. Agricultural Field Extension Officers (PPLP), directly with exporters</li> </ul>
<b>Three keys to PLANTING COMMITMENT POLICY</b>	<ul style="list-style-type: none"> <li>13. Based on mutual agreement</li> <li>14. Self-conducted by farmers, while small capital traders (money to buy nutmeg) are provided independently by borrowing money from banks.</li> <li>15. Determined by the trader</li> </ul>



<b>The Twelve Key Human Rights Due Dilligence</b>	16. Nothing 17. Farmers: Decisions are determined by traders, traders: Depending on mutual agreement between farmers and traders. 18. When summer has to flush more gardens, during the rainy season it often cleanses the land, monitors the development of nutmeg prices 19. Self-done by nutmeg farmers, Nutmeg is purchased from farmers and sold to wholesalers 20. Runs well (alone / family) 21. Do it quite well (alone / family), with mutual trust 22. Do it quite well (alone / family), with mutual trust 23. Quite effective, ask directly to the seller 24. Receive & apologize, reprimand & sanction. 25. Reprimand and sanction, good communication with large traders who are nutmeg business partners. Usually damaged nutmeg is not bought by large traders. 26. There is no nutmeg containing dangerous chemicals 27. There are no products that poison consumers 28. There are no products that poison consumers
<b>3. HORTICULTURAL Entrepreneurship Chain</b>	
<b>Seven Keys of CERTAIN CAUTION</b>	1. Farmers, native and born in the village 2. Housewives 3. Java 4. Islam, clean the village 5. School 6. It should be noted 7. Nothing (outside the village)
<b>Five key ACTIVITIES &amp; RELATIONS</b>	8. Farmers 9. Reducing scales, defective products 10. Farmers and traders 11. Farmers, collectors and traders 12. Provision of agricultural seeds and tools by the government, PPL
<b>Three keys to PLANTING COMMITMENT POLICY</b>	13. In general 14. Done alone, buy from farmers 15. Bid prices
<b>The Twelve Key Human Rights Due Dilligence</b>	16. Procurement of new seeds, sales by checking 17. Farmers, market prices and season conditions 18. Communicate with family, ask fellow farmers, like individuals 19. Seasonal 20. Relates well (family / neighbors) 21. Done Alone / family 22. Fast & productive 23. Check the condition of the soil and seeds (many fake seeds), the past 24. Fast and responsive (tracing the seeds used) 25. Apologize, reduce prices 26. Using organic matter, report 27. Responsible, interesting products and treats 28. Stop the product, switch to organic and not use chemicals

### C. Measurement of the Entrepreneurial Market (Hope)

The third goal in this study is to examine the understanding of smallholders and smallholders who have an interest in commodities regarding regulations and standards in the implementation of commodity production, processing and distribution according to ISO 26000 standards, Global G.A.P, UNGPs on Business and Human Rights framework, and NAP Business and Human Rights. In Tetra 2 the Entrepreneurial Market can also be used to assess the understanding of smallholders and smallholders as well as policy makers regarding the standards and implementation standards.

This Entrepreneurial Market Measurement is based on the *basic principles and operations of UNGPs on Business and Human Rights by using Quality Score Card Deployment* (QSD) analysis (Fatimah, 2014). QSD aims to map and identify the views, perceptions and discourses of farmers, small traders and stakeholders in the commodity value chain network. The diversity of expectations and needs is mapped in detail to provide flexibility and freedom of recommendation with baseline of UNGPs on Business and Human Rights. The map is a reflection of the size of expectations that must be considered with what has been mapped to the Entrepreneurial Chain which represents the current situation.

The details of the QSD stage begin with the presentation of the affinity diagram followed by a tree diagram for each commodity of rice, nutmeg and horticulture. The next step, referring to the results of affinity diagram mapping and the pohont diagram, then the next analysis is formed using an L-shaped matrix. The results of the L-shaped matrix mapping are **the integration of substance affinity diagrams and tree diagrams together with key concept comparison indices**. The level of quality of expectations of business processes from policy makers is **divided into three**, namely **Fulfilling; Support** and **Affect**.

The quality level will be used as the basis for determining the relationship between customer expectations and the ability of farmers and small traders to meet expectations, as the results presented in the center of the L-shaped matrix. As **the final result of QSD**, two main outputs are obtained, namely **Action Priority** and **Interest Priority**.

Priority Action is a reflection of the highest value obtained from the analysis of the L-shaped matrix for the response or **Farmers and Small Traders Voice** to the expectations of stakeholders. In addition, the other main output is the Priority Priority which is a reflection of the highest value for the Stakeholder Voice or the expectancy that has been presented in the affinity diagram and tree diagram to be compacted in the L-shaped Matrix into a broader concept. As for the simplicity and focus of writing, exposure to direct analysis refers to the L-shaped Matrix.

Affinity diagrams and tree diagrams play a role in determining **Policy Stake Voice** which later in the L-Shaped Matrix will be placed in the **left space**. Affinity diagrams are made based on the voices of farmers, small traders and policy makers obtained during FGDs and IDIs. Affinity statements are grouped based on similarity characteristics, so that they can be categorized in a variable which will later be used in making tree diagrams.

Furthermore, the **upper space** in the L-shaped matrix in the form of **Farmer and Small Traders Voice** in meeting the needs of the Stakeholders. Determination of the **Voice of Farmers and Small Traders** was obtained from the results of the FGD.

**The middle space** contained in the L-Shaped Diagram shows the **relationship** between **Policy Stakeholder Voice and Farmer and Small Traders Voice** formed from the FGD response, IDI also expertise the research team. In addition, in the **lower space** there is an **assessment of the weight of actions and priority actions**. The weight value of the action is obtained from the value of each of the Sounds of Farmers and Small Traders summed down and then ranked according to the highest value. Whereas the right space is an assessment of the weight of interests and priority of interests based on the Stakeholder Voice.

# 1. L-shaped Matrix of the RICE Entrepreneurial Market

		RICE Farmers and Small Traders Voice										Weight of interest	Interest Priority	
		Value chain	Collaboration of small producers, large producers / exporters	Integration of government, cooperatives & corporations	Existence of Village-Owned Business Entities	Packaging products	Production process	Product sales area	Repurchase products from traders	E-waring program	Price tracking & value chain			Information on commodity prices
Voice of RICE Policy Stakeholder	Product quality	●		○		○	●				○	△	28	1
	Cooperation between government, private sector and farmers	○	●	●								△	22	3
	Use of organic raw materials	○									△		4	8
	Partner / partner / business network that is trusted & reliable	○	●	●				△			△	○	26	2
	Good & competitive business system control	●	○	△		△	●				○		26	2
	Government policy in supporting businesses	△	○	●			△	△		○		○	21	4
	Good coordination between each stakeholder	○	○	●	△		△						17	5
	Quality of HR (farmers)	○				○	●				○	△	22	3
	Allocation of APBDes funds for community businesses	○	△	○									7	7
	Sustainability of Village-Owned Business Entities		△	△	●								11	6
	Climate / weather influences rice production	△					●					△	11	6
<b>Weight of action</b>	38	29	44	10	7	38	2	0	3	11	10			
<b>Action Priority</b>	2	3	1	5	6	2	8	9	7	4	5			

● Strong 9  
○ Medium 3  
△ Weak 1

Table 5. Farmer Voice of Rating Matrix and Small Traders of Rice Commodity

Action Priority	Voice of RICE Farmers and Small Traders	Grade
1	Integration between government, cooperatives and corporations	44
2	Value chain; Production process	38
3	Collaboration of small producers with wholesalers / exporters	29

The priority of action for the voice of farmers and small traders is integration between government, cooperatives and corporations; value chain; production process; and the collaboration of small producers with large traders / exporters. Farmers need support from both the government and the private sector in developing their businesses, currently there is no good coordination between the Village Government and farmers / gapoktan. Farmers / Gapoktan directly coordinate with the Department of Agriculture of Magelang District or PPL of Sawangan District.

The farmers are hoping for good cooperation between farmers and the government, both the district government and the village government, companies, and the general public. So far there has been good cooperation between farmers, Gapoktan, local and village governments, the private sector, and the general public. However, in the future, farmers expect this collaboration to be improved to help the development of the rice business in Sawangan Subdistrict. For example, there is a large container (company) that holds rice regularly, especially during the harvest so that prices remain stable and circulation between production and sales is maintained. So far the sale of grain or rice is still a local collaboration between traders.

In addition to the priority of actions, it can be mapped as well as the priority of interests according to policy makers is product quality partner / partner / business network that is reliable & reliable; good and competitive business system control / control; as well as cooperation between government, private sector and farmers; and the quality of HR (farmers).

Table 6. Ranking Matrix of Policy Stakeholdres Voice of Rice Commodity

Interest Priority	Voice of RICE Policy Stakeholder	Grade
1	Product quality	28
2	A trusted & reliable partner / partner / business network; Business system control / control that is good & competitive	26
3	Cooperation between government, private sector and farmers; Quality of HR (farmers)	22

Voice of Policy Stakeholders wants consistency in the quality of farmers' products, especially organic products. There are still many farmers who use chemicals in the production process so that the products produced are semi-organic. In addition, farmers feel that they do not have a trusted and reliable partner / business network / network as a result of inconsistent product results. Control of business systems that are still lacking is part of the process that must be improved by farmers and small entrepreneurs.



Figure 7. Rice fields in Sawangan during almost the rice harvest

The quality of production is the top priority because in the observation of the Regional Division of State Logistics Agency, the rice production process still uses chemicals so that the existing rice products are still semi-organic. In addition, the Regional Division of Kedu has not yet developed the organic rice business, Bulog

prioritizes the distribution of premium and medium rice. In addition, Sawangan Subdistrict has an advantage in one of its villages, namely Tirtosari Village, which has become a destination for comparative study of organic rice business in rural communities both from outside the region and abroad.

The farmers' expectations have actually begun to be answered by the Village Government policy. The efforts of the Government of Mangunsari, Sawangan, Harus, and Tirtosari Villages, for example, have budgeted through the APBDs for fostering activities for farmers through training on capacity building for farmers and developing rice businesses.

Based on the analysis of the relationship between Stakeholder Voice and Farmers and Small Traders in rice commodities, three priorities were found as follows:

1. The relationship of **interest priority 1**, namely product quality is answered by **action priority 3**, namely the collaboration of small producers with large traders / exporters;
2. Relationship of **interest priority 2**, namely partners / partners / business networks that are reliable & reliable; Good & competitive business system control / control is answered by **action priority 2**, value chain; Product process;
3. Relationship of **interest priority 3**: cooperation between government, private sector & farmers; The quality of human resources (farmers) is answered by

**action priority 1**, namely integration between government, cooperatives and corporations.

## 2. L-shaped Matrix of Nutmeg Entrepreneurial Market

		Voice of Farmers & Small Traders Nutmeg										Weight of interest	Interest Priority	
		Value chain	Collaboration between small and large producers / exporters	Integration of government, cooperatives & producers / exporters	Existence of Village-Owned Business Entities	Packaging products	Production process	Product sales area	Repurchase products from traders	E-waring program	Price tracking & value chain			Information on commodity prices
Voice of NUTMEG Stakeholder Policy	Product quality	●	△	○		△	●				○	○	29	3
	Cooperation between government, private sector and farmers	○	●	●			○	△			○	○	31	2
	Use of organic raw materials	●	○	△			●				△	△	24	6
	Partner / partner / business network that is trusted & reliable	○	●	●				△			△	○	26	5
	Business system control / control that is good & competitive	●	○	△		△	●				○	△	27	4
	Government policy in supporting businesses	△	○	●			△	△		○	△	○	22	7
	Good coordination between each stakeholder	○	○	●	△		△	△			△	○	22	7
	Quality of HR (farmers)	○				○	●				○	△	19	10
	A conducive business climate	△	●	●			○				△	△	24	6
	Processing of additional products (nutmeg meat)	△	△	△		△	○						7	12
	Policy in protecting nutmeg commodity prices	○	●	●							○	●	33	1
	Information transparency	○	○	○							○	●	21	8
	Determination of regional superior commodities	○	○	●			○				△	△	20	9
	Climate / weather has an effect on nutmeg production	△					●					△	11	11

<b>Weight of action</b>	58	56	72	1	6	59	4	0	3	24	39	
<b>Action Priority</b>	3	4	1	1	0	7	2	8	11	9	6	5

● Strong	9
○ Medium	3
△ Weak	1

Table 7. Farmer Voice Ranking Matrix and Small Nutmeg Commodity Trader

Action Priority	Voice of Farmers & Small Traders NUTMEG	Grade
1	Integration between government, cooperatives and corporations	72
2	Production process	59
3	Value chain	58

The priority of action for the voice of farmers and small traders is integration between government, cooperatives and corporations; production process; and value chain. Farmers have not gotten transparency in information regarding nutmeg commodity prices. In addition, farmers only rely on information obtained from traders and collectors.

Interesting attention was also found in the internal process of nutmeg farmers. Farmers are more likely to leave gardens and only a few do maintenance such as cleaning plants from wild plants in the process of treating nutmeg plants. The geographical condition of the area, which is close to the volcano (Dukono Mountain), which almost every day emits volcanic ash causing soil in the Galela and Seki areas to be fertile without having to be fertilized.

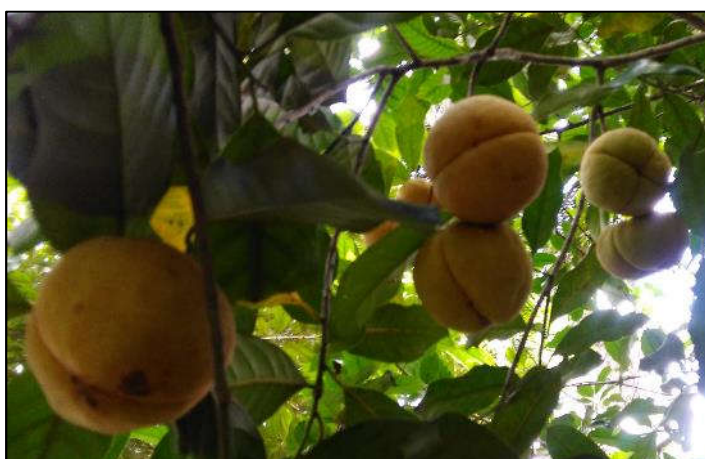


Figure 8. Nutmeg in one of the farms of farmers in South Galela

Mapping on the nutmeg commodity value chain found that farmers only sell nutmeg to small traders in the village or sub-district. Then the small traders who sell to large traders in the district are then distributed to other regions such as Ternate, Manado to foreign countries (Netherlands and China). Disparity in selling prices between farmers and traders is very high, especially traders who export products.

Farmers obtain product selling prices for quality 1 of Rp. 67,000 / kg and traders can sell products to consumers abroad 10 times. The selling price of nutmeg outside the region (Ternate) with an absorption capacity of 300-400 kg per day and the selling price of Rp.



27,000 per kg (flat), sent to large collectors in Ternate with a selling price of Rp. 30,000 per kg (flat). Pricing uses a contract system for nutmeg prices between small traders and nutmegs, valid until the nutmeg stock to be sold by small traders to wholesalers runs out within the span of one harvest season. This is done so as to maintain the stability of nutmeg prices so that small traders feel they have not been harmed.

In addition to priority actions and priority interests, it has also been mapped, namely policy priorities in protecting nutmeg commodity prices; cooperation between government, private sector and farmers; and product quality.

Table 8. Voice Rank Matrix of Nutmeg Commodity Policy Holders

<b>Interest Priority</b>	<b>Voice of Nutmeg Policy Holders</b>	<b>Grade</b>
<b>1</b>	Policy in protecting nutmeg commodity prices	33
<b>2</b>	Government, private & farmer collaboration	31
<b>3</b>	Kualitas produk	29

Voice of Policy Holders states the importance of policies in protecting nutmeg commodity prices and the importance of cooperation between the government, the private sector and farmers. The absence of policies or rules that support the selling price of nutmeg, so prices become volatile. However, farmers are helped by the existence of a price contract system between small traders and large traders so that prices do not fall too much.

The North Halmahera District Agriculture Service has not acted to provide support to nutmeg farmers and guarantee traceability of nutmeg sources when traded. One of the good efforts of the Agriculture Service is to periodically take field data on nutmeg commodities, although the benefits of using the data have not been directly felt by farmers.

The Department of Industry and Trade of North Halmahera Regency also has not optimally found a market even though nutmeg productivity is high. The Trade Sector gives more priority to copra commodities which have prices far below the price of nutmeg, tend to be low and unstable. As a result, farmers' welfare has not significantly increased as one of the effects due to the not optimal absorption of nutmeg commodities.

The quality of products, especially organic products, is also a priority of the Stakeholder Voice. Galela and Tobelo have 5,500 farmers (from 5 sub-districts) who are providers of organic nutmeg. Nutmeg is sent out of the country in packages of 550 kg per sack (net). The specialty of nutmeg from North Halmahera is that it is fragrant, contains little water

content, meets export standards, and can be graded. However, based on the search for nutmeg prices from North Halmahera is lower than North Sulawesi, because the North Sulawesi Regional Government has a price protection policy.

Generally nutmeg is only sold by farmers without being processed (dried and dried). Drying, drying, and breaking seeds are mostly carried out by traders, both small traders and wholesalers. No farmers and nutmegs in North Halmahera have used other parts of nutmeg to make sweets, syrups or chips. During this time nutmeg meat is thrown or collected into fertilizer.

The case that tarnished the nutmeg trade in North Halmahera was the sale of nutmeg outside the repatriated area back to the traders because there was a content of harmful substances in nutmeg. The appearance of the hazardous substance is caused by an error in the production standard.

Based on the analysis of the relationship between the Stakeholder Voice and the Farmers and Small Traders in the nutmeg commodity, the priorities are as follows:

1. The relationship **interest priority 1**, namely the policy of protecting nutmeg commodity prices is answered by **action priority 1**, namely integration between government, cooperatives and corporations;
2. Relationship of **interest priority 2**, namely cooperation between government, private sector and farmers answered by **action priority 3**, namely the value chain;
3. Relationship of **interest priority 3**, namely product quality is answered by **action priority 2**, namely the production process.

### 3. L-shaped Matrix of HORTICULTURE Entrepreneurial Market

		Voice of Farmers and Small Traders of Horticulture											Weight of interest	Interest priority
		Value chain	Collaboration between small and large producers / exporters	Integration of government, cooperatives &	Existence of Village-Owned Business Entities	Packaging products	Production process	Product sales area	Repurchase products from traders	e-waring program	Price tracking & value chain	Information on commodity prices		
Voice of HORTICULTURE Policy Holders S	Product quality	●		○		○	●		△			○	28	4
	Cooperation between government, private sector and farmers			●						○		○	15	11
	Use of organic raw materials	○		○	○	○	○	○	△	○	●		31	3
	Partner / partner / business network that is trusted & reliable					●		○	△	○	○		19	8
	Good & competitive business system control	●	○	○		△	●				○		28	4
	Government policy in supporting businesses	○	●			○		○		○			21	6
	Good coordination between each stakeholder	○	●		△		○	○			○	○	25	5
	Quality of HR (farmers)	○	○	△		△	○		△		○	○	18	9
	A conducive business climate	△	○	○							○	○	13	12
	Processed products	○	△	△			●				△	△	16	10
	Policy in protecting product prices	●	○	●							○	●	33	2
	Information transparency	○	●	●			△	○			○	●	37	1
	Development of BUMDes / cooperatives for farmer capital & supply of raw materials	○	○	△	●	△	△				△	△	20	7
	Institutional strengthening to cut supply chains	○	△	○	○							○	13	12
	Horticulture product auction market	○	○	○							○	○	15	11

<b>Weight of action</b>	55	47	48	16	21	38	15	4	12	35	41
<b>Action Priority</b>	1	3	2	8	7	5	9	11	10	6	4

● Strong	9
○ Medium	3
△ Weak	1

Table 9. Farmer Voice Rating Matrix and Horticulture Commodity Small Traders

Action Priority	Voice of Farmers & Small Traders of HORTICULTURE	Grade
1	Value chain	55
2	Integration between government, cooperatives and corporations	48
3	Collaboration of small producers with wholesalers / exporters	47

The priority of action for the voice of farmers and small traders is the value chain; integration between government, cooperatives and corporations; and the collaboration of small producers with large traders / exporters. The lack of optimal government involvement in the development of horticulture businesses while farmers need support from both the government and the private sector in developing businesses. The government through the Malang District Agricultural Service is expected to be able to foster farmers and agro groups and provide markets at stable prices. The absence of government attention has an impact on the quantity and quality of horticultural agricultural production. So far, small farmers and traders still rely on assistance between traders and middlemen, especially in capital and product sales. The impact is that farmers and small traders have not been optimal and static in the area around the village.

Collaboration between farmers and the private sector was carried out, namely with Indofood. The collaboration did not last long because farmers had to provide substantial capital in selling to Indofood. Farmers expect the existence of group institutions or involvement of BUMDes in helping farmers' capital. Most of the villages in Poncokusumo District have not yet formed and operated BUMDes. The existence of BUMDes may be possible to intervene in packaging products that are worth selling to supermarkets at a higher price.

In addition to priority actions, the priority of the interests that have been mapped is information transparency; policy in protecting product prices; and use of organic raw materials.

Table 10. Rating Matrix of Horticulture Commodity Policy Holders

Interest Priority	Voice of HORTICULTURE Policy Holders	Grade
1	Information transparency	37
2	Policy in protecting product prices	33
3	Use of organic raw materials	31



Figure 9. Farm area of chillies and tomatoes thrives at the foot of Mount Semeru

Transparency of information regarding cultivation techniques and prices is the most important priority for policy makers. Horticulture cultivation is not optimal because of the lack of application of G.A.P and the weakness of Gapoktan institutions. Product prices that tend to fluctuate and the absence of government policy in protecting prices results in

farmers being at high risk. because so far farmers only get information from traders and middlemen, so farmers have not been able to determine the price and low bargaining position. Malang Regency Holtikultura & Plantation Food Service Office assesses that if Bulog can accommodate horticultural products, it will greatly assist marketing and reduce the supply chain. This requires a long time, because changes or additions to Bulog authority must be regulated in a Government Regulation (PP).

The priority of Malang Regency Government in developing horticulture is not in Poncokusumo Subdistrict, but in Ngantang District. Malang Regency Holtikultura & Plantation Food Service Office acknowledges that the development of horticultural agriculture areas is important for improving the welfare of farmers. The support provided by the Village Government in Poncokusumo District is the provision of village irrigation.

Horticulture in Poncokusumo is relatively new, because previously in this region it was the center of apple plants. It does not take long for the community and farmers to switch to horticulture because of the geographical support at the foot of Mount Semeru. It can be ascertained the level of soil fertility supports the productivity of horticulture in Poncokusumo. However, the pattern of organic farming has not been done much because farmers still rely on chemical fertilizers and pesticides which they feel are faster to produce crops and eradicate pests than organic farming.

Based on the analysis of the relationship between Voice of Stakeholders and Farmers & Small Traders in horticulture research, the following three priorities can be identified:

1. Relationship of **interest priority 1**: transparency of information is answered by **action priority 3**, namely the collaboration of small producers with large traders / exporters.

2. Relationship of **interest priority 2**, namely policies in protecting product prices are answered by **priority actions 2**, namely integration between government, cooperatives and corporations.
3. Relationship of **interest priority 3**, namely the use of organic raw materials is answered by **action priority 1**, namely the value chain.

#### **D. Priority for Action Improvement and Interest Improvement**

Based on the matrix and analysis table presented in sections B and C, several priority actions were found and priority interests were based on the opinions or voices of smallholders and stakeholders on the three commodities studied.

##### **1. Priority for Improvement on Action**

The ranking results of Voice of Farmers & Small Traders in rice, nutmeg and horticulture research are summarized in Table 11.

Table 11. Commodity Smallholder Voice Ratings

<b>No.</b>	<b>Rice</b>		<b>Nutmeg</b>		<b>Horticulture</b>	
<b>1.</b>	Integration between government, cooperatives and corporations	44	Integration between government, cooperatives and corporations	72	Value chain	55
<b>2.</b>	Value chain; production process	38	Production process	59	Integration between government, cooperatives and corporations	48
<b>3.</b>	Collaboration of small producers with wholesalers / exporters	29	Value chain	58	Collaboration of small producers with wholesalers / exporters	47

From the table above, the order of priority actions that are expected to occur based on the votes or opinions of farmers and small traders are:

1. Integration between government, cooperatives and corporations;
2. Value chain;
3. a. Production process  
b. Collaboration of small producers with wholesalers / exporters.

These four things most often emerge as priorities for actions voiced by farmers and small traders on the three commodities studied. These things are predicted to increase the bargaining position of farmers and small traders in the commodity value chain.

The corrective actions for the three commodities that are the object of research are as follows:

Table 12. Priority for Corrective Action

No.	Component of Corrective Action	Corrective action
1.	Integration between government, cooperatives and corporations	<ul style="list-style-type: none"> <li>The government participates in business processes with pricing to support Regional Original Income (PAD);</li> <li>Policy interventions in making regional regulations for quality control, food security, and traceability to be important for commodity protection;</li> <li>Alignment of native regional commodities that can be transformed as PAD.</li> </ul>
2.	Value chain	<ul style="list-style-type: none"> <li>Markets and prices are set in fair trade;</li> <li>Packaging (vacuum) to maintain product durability;</li> <li>Managerial and commercialization;</li> <li>Technology for processing commodities (packaging, storage);</li> <li>Independence in procuring on farm.</li> <li>Information systems based on real time in pricing (central in the government).</li> </ul>
3.a.	Production process	<ul style="list-style-type: none"> <li>Product diversification (derivatives) - nutmeg;</li> <li>Product processing technology (products can last longer and attractive packaging);</li> <li>Quality control towards certification and internal auditors.</li> </ul>
3.b.	Collaboration of small producers with wholesalers / exporters	<ul style="list-style-type: none"> <li>Move with the system (corporation to customer)</li> <li>Creating a stable supply system.</li> </ul>

## 2. Priority for Improvement in Interest

The ranking results of the Pemangku Suara policy on rice, head and horticulture research are summarized in Table 12.

Table 13. Voice Rating of Policy Holders

No.	Rice		Nutmeg		Horticulture	
1.	Product quality	28	Policy in protecting nutmeg commodity prices	33	Information transparency	37
2.	A trusted and reliable colleague / partner / business network; good and competitive business system control / control	26	Cooperation between government, private sector and farmers	31	Policy in protecting product prices	33
3.	Cooperation between government, private sector and farmers; quality of human resources (farmers)	22	Product quality	29	Use of organic raw materials	31

Based on the results of the Voice of Policy Holders ranking above, it is known that three priority priorities are determined from the priority level of interest and at least appear in two commodities, namely:

1. Policy in protecting product prices.
2. Product quality.
3. Cooperation between government, private sector and farmers.

Improvements to the expected interest in the three commodity value chains are as follows:

Table 14. Priority for Improvement of Interest

No.	Components of Interest Improvement	Corrective action
1.	Policy in protecting product prices	<ul style="list-style-type: none"> <li>• Procurement of commodity protection policies;</li> <li>• Policies for the protection of sustainable agricultural land through the preparation of geographical indications.</li> </ul>
2.	Product quality	<ul style="list-style-type: none"> <li>• Test the competence of extension agents to help ensure the safety of production;</li> <li>• The mentoring system for standardized local champions.</li> </ul>
3.	Collaboration between government, private sector and farmers	<ul style="list-style-type: none"> <li>• Market expansion and market potential creation;</li> <li>• Optimizing the role of CSR forums (to integrate programs from government and companies);</li> <li>• BUMDes as a cooperative movement (to reduce the dependency of farmers to middlemen).</li> </ul>

Actions priority and interest priorities described in Table 11-14 can be practical references that are "what is next to do" for the development and strengthening of rice, nutmeg and horticultural commodities.



## **CHAPTER IV CONCLUSION**

In the cultivation, production, packaging, and distribution of commodities dealing with standards that apply to ensure the quality of products received by consumers. Not a few commodity products reap low prices because they detect that the process is not in accordance with the standards, even if the commodity is marketed abroad, rejection can occur. Commodity rejection, both in the domestic market and in the global market, has a long-term impact on farmers and smallholders in particular.

The existence of the UN Guiding Principles on Business and Human Rights (UNGPs) as one of the non-technical standard references that determine the acceptance or rejection of commodities in the export market is unknown to many parties, both farmers, traders and government officials. The UNGPs are a guide for businesses in respecting human rights in the range of methods and business feasibility, gender issues, challenges of indigenous peoples, and women and children workers.

The production and post-production standards are a reference for smallholders and stakeholders in each country who already have conformity with the UNGPs, but there are also standards that conflict with the UNGPs. Therefore, it is necessary for the Government through interested state institutions to review applicable standards and regulations, especially the Indonesian National Standard (SNI) for handling agricultural commodities or agricultural-based food ingredients. Review of standards and policies becomes very important considering that most of the life of this country relies on agricultural products that have international markets.

Identification of expectations is one of the important ways to understand how smallholders can find business objectives and business processes. Identification is carried out by smallholders and policy makers, because the empowerment and bargaining position of smallholders in the commodity value chain cannot be separated from the role and function of government institutions in facilitating the strengthening of the capacity of smallholders to prosper. Priority of action improvement and improvement of interests obtained from various forms of information extracting indicate if there are mutually needed ties in the relationship between farmers - small traders - wholesalers / exporters - and the government.

\*\*\*\*\*

## REFERENCE

### Literature

- Batubara, I., Mumpuni, P., 2017, *Modul Perilaku Sosial Masyarakat Petani*. Jakarta: Swiss-Contact Indonesia.
- Eugenstein, D., Dawson, M., Thielborger, P., 2017, *Implementing the UNGPs in the European Union: Towards an Open Method of Coordination for Business and Human Rights*. Italy: European University Institute.
- European Commission, 2017, *The Rapid Alert System for Food and Feed: 2016 Annual Report*. Luxembourg: Publication Office of the European Union.
- Riyadi, E.S., 2008, Tanggung Jawab Bisnis terhadap Hak Asasi Manusia: Sebuah Pemetaan Singkat dalam Perspektif Norma Internasional. *Jurnal Dignitas Volume V No. II Tahun 2008*.
- UK Department for International Development (DFID), 2008, *Making Value Chains Work Better for the Poor*. Phnom Penh: Agricultural Development International Publisher.
- Witoto, 2017, *Laporan Riset Kolaborasi: Pengembangan Pasar Beras Premium Area Solo Raya*. ICCO ROSEA, Yayasan Jateng Berdikari, Veco Indonesia, PT UNS, Yayasan Gita Pertiwi.

### Online

- Bisnis.com, 22 September 2017, *Kebijakan Pangan Kementan Perbaiki Kinerja Perdagangan*.
- Kemenperin.go.id, 10 November 2016, *Pemerintah Perluas Akses Ekspor Agro ke Uni Eropa*.
- Pertanian.go.id, 23 Maret 2017, *Ekspor Buah, Sayuran dan Bunga Indonesia Tembus 29 Negara*.
- Rilis.id, 17 Oktober 2017, *Tiga Strategi Kementan Bangkitkan Hortikultura Indonesia*.

# ANNEXES

**ANNEX 1: COMPARATION OF THE KEY CONCEPT OF THE UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHT WITH ISO 9001**

No.	Four Keys to PRINCIPLE		Concept / Substance in a Standard System	Comparison Status			
1.	<b>Seven keys of CERTAIN CAUTION</b>		<i>indigenous people</i>	<i>Organizational roles, responsibilities and authorities, Policy</i>	<b>Somewhat appropriate</b>		
<i>women</i>							
<i>national/ethnic</i>							
<i>religious &amp; linguistic minorities</i>							
<i>children</i>							
<i>person with disabilities</i>							
<i>migrant workers and their families</i>							
2.	<b>Five key of ACTIVITIES &amp; RELATIONS</b>	<b>Activities</b>	<i>actions</i>	<i>Actions to address risks and opportunities, Planning of changes</i>	<b>Appropriate</b>		
		<i>omissions</i>					
		<b>Relationship</b>	<i>business partners</i>	<i>Resources, Communication, Monitoring, measurement, analysis and evaluation</i>	<b>Somewhat appropriate</b>		
			<i>entities in its value chain</i>				
<i>any other non-state or state entity directly linked to its business operations, products or services</i>							
3.	<b>Three keys to PLANTING COMMITMENT POLICY</b>		<i>policies/procedures based for incentives for personnel</i>	<i>Policy, Organizational roles, responsibilities and authorities, Leadership and commitment</i>	<b>Appropriate</b>		
			<i>procurement practices</i>				
			<i>lobbying activities</i>				
4.	<b>The Twelve Key of Human Rights Due Dilligence</b>	<b>Assessment</b>	<i>new activity/relationship</i>	<i>Actions to address risks and opportunities, Quality objectives and planning to achieve them, Planning of changes, Operational planning and control, Control of externally provided processes, products and services, Production and service provision, Monitoring, measurement, analysis and evaluation, Management review, Continual improvement</i>	<b>Appropriate</b>		
		<i>decisions/changes in the operation</i>					
		<i>response/anticipation to changing operating environment</i>					
		<i>Life cycle of an activity/relationship</i>					
		<b>Integrating</b>	<i>relevant internal functions</i>				
		<i>relevant internal processes</i>					
		<i>taking appropriate action</i>					
		<b>Tracking</b>	<i>the effectiveness of their the response</i>				
		<b>Communication</b>	<i>to external especially if raised by or on behalf the affected stakeholders</i>				
		<b>Prioritizing</b>	<i>actual and potential adverse human rights impacts</i>				

			<p><i>first seek to prevent &amp; mitigate people that are most severe</i></p> <p><i>first seek to where delayed response would make people irremediable</i></p>	<p><i>Actions to address risks and opportunities, Quality objectives and planning to achieve them, Planning of changes, Operational planning and control, Control of externally provided processes, products and services, Production and service provision, Monitoring, measurement, analysis and evaluation, Management review, Continual improvement.</i></p>	<p><b>Appropriate</b></p>
--	--	--	--	--	---------------------------

**ANNEX 2: COMPARATION OF THE KEY CONCEPT OF THE UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHT WITH ISO 26000**

No.	Four Keys to PRINCIPLE		Concept / Substance in a Standard System	Comparison Status	
1.	Seven keys of CERTAIN CAUTION		<i>indigenous people</i> <i>women</i>	<i>Labor practices, Human rights</i>	Appropriate
			<i>national/ethnic</i> <i>religious &amp; linguistic minorities</i>	<i>Recognizing social responsibility, the relationship of an organization's characteristics to social responsibility, Understanding the social responsibility of an organization, Reviewing and improving an organization's actions and practices related to social responsibility, Voluntary initiatives for social responsibility</i>	Somewhat appropriate
			<i>children</i>		
			<i>person with disabilities</i>		
			<i>migrant workers and their families</i>		
			2.	Five key of ACTIVITIES & RELATIONS	<b>Activities</b>
<b>Relationship</b>	<i>business partners</i>	<i>Organizational governance, The environment, Community involvement and development</i>			Appropriate
	<i>entities in its value chain</i>				
	<i>any other non-state or state entity directly linked to its business operations, products or services</i>				
3.	Three keys to PLANTING COMMITMENT POLICY		<i>policies/procedures based for incentives for personnel</i> <i>procurement practices</i> <i>lobbying activities</i>	<i>Fair operating practices</i>	Appropriate
4.	The Twelve Key of Human Rights Due Dilligence	<b>Assessment</b>	<i>new activity/relationship decisions/changes in the operation</i>	<i>Fair operating practices</i>	Somewhat appropriate
			<i>response/anticipation to changing operating environment</i>		Appropriate
			<i>Life cycle of an activity/relationship</i>		Somewhat appropriate

		<b>Integrating</b>	<i>relevant internal functions</i>	<i>Accountability</i>	<b>Appropriate</b>	
			<i>relevant internal processes</i>			
			<i>taking appropriate action</i>	<i>Fair operating practices</i>		
		<b>Tracking</b>	<i>the effectiveness of their the response</i>	<i>Transparency</i>		
		<b>Communication</b>	<i>to external especially if raised by or on behalf the affected stakeholders</i>	<i>Respect for stakeholder interests</i>		<b>Appropriate</b>
				<i>Stakeholder identification and engagement</i>		
				<i>Communication on social responsibility</i>		<b>Somewhat appropriate</b>
		<b>Prioritizing</b>	<i>actual and potential adverse human rights impacts</i>	<i>Respect for the rule of law</i>		<b>Appropriate</b>
				<i>Respect for international norms of behaviour</i>		
				<i>Respect for human rights</i>		
<i>Ethical behaviour</i>						
		<i>first seek to prevent &amp; mitigate people that are most severe</i>	<i>Transparency</i>	<b>Appropriate</b>		
		<i>first seek to where delayed response would make people irremediable</i>	<i>Consumer issues</i>			

**ANNEX 3: COMPARATION OF THE KEY CONCEPT OF THE UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHT WITH THE INDONESIAN NATIONAL STANDARD (SNI)**

No.	Four Keys to PRINCIPLE		Concept / Substance in a Standard System	Comparison Status			
1.	<b>Seven keys of CERTAIN CAUTION</b>		<i>indigenous people</i> <i>women</i> <i>national/ethnic</i> <i>religious &amp; linguistic minorities</i> <i>children</i> <i>person with disabilities</i> <i>migrant workers and their families</i>	Terms and Quality, How it works	<b>Contrary</b>		
2.	<b>Five key of ACTIVITIES &amp; RELATIONS</b>	<b>Activities</b>	<i>actions</i> <i>omissions</i>	Terms and Quality, How it works, Test Method	<b>Somewhat appropriate</b>		
		<b>Relationship</b>	<i>business partners</i> <i>entities in its value chain</i> <i>any other non-state or state entity directly linked to its business operations, products or services</i>	Terms and Quality, How it works, Test Method	<b>Somewhat appropriate</b>		
		3.	<b>Three keys to PLANTING COMMITMENT POLICY</b>		<i>policies/procedures based for incentives for personnel</i> <i>procurement practices</i> <i>lobbying activities</i>	Terms and Quality, How it works, Test Method	<b>Contrary</b>
			4.	<b>The Twelve Key of Human Rights Due Dilligence</b>		<i>new activity/relationship</i> <i>decisions/changes in the operation</i> <i>response/anticipation to changing operating environment</i> <i>Life cycle of an activity/relationship</i>	Syarat & Mutu, Cara kerja, Cara Uji
<b>Integrating</b>	<i>relevant internal functions</i> <i>relevant internal processes</i> <i>taking appropriate action</i>						
<b>Tracking</b>	<i>the effectiveness of their the response</i>						
<b>Communication</b>	<i>to external especially if raised by or on behalf the affected stakeholders</i>						
<b>Prioritizing</b>	<i>actual and potential adverse human rights impacts</i>						



			<i>first seek to prevent &amp; mitigate people that are most severe</i>		
			<i>first seek to where delayed response would make people irremediable</i>		

**ANNEX 4: COMPARATION OF THE KEY CONCEPT OF THE UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHT WITH G.A.P ORGANIC RICE**

No.	Four Keys to PRINCIPLE		Concept / Substance in a Standard System	Comparison Status			
1.	<b>Seven keys of CERTAIN CAUTION</b>		<i>indigenous people</i>	<i>Workers health, safety, Hygiene and welfare</i>	<b>Somewhat appropriate</b>		
<i>women</i>							
<i>national/ethnic</i>							
<i>religious &amp; linguistic minorities</i>							
<i>children</i>							
<i>person with disabilities</i>							
<i>migrant workers and their families</i>							
2.	<b>Five key of ACTIVITIES &amp; RELATIONS</b>	<b>Activities</b>	<i>actions</i>	<i>Concepts and guiding principles of GAP, GAP compliance and conformity, Global GAP certification and the harmonized Global system</i>	<b>Appropriate</b>		
			<i>omissions</i>				
		<b>Relationship</b>	<i>business partners</i>			<i>Impacts of the Food Production Supply Chain in Asia Due to Changing Consumer Behavior</i>	<b>Appropriate</b>
			<i>entities in its value chain</i>				
			<i>any other non-state or state entity directly linked to its business operations, products or services</i>				
3.	<b>Three keys to PLANTING COMMITMENT POLICY</b>		<i>policies/procedures based for incentives for personnel</i>	<i>Workers health, safety, Hygiene and welfare</i>	<b>Appropriate</b>		
			<i>procurement practices</i>				
			<i>lobbying activities</i>				
4.	<b>The Twelve Key of Human Rights Due Dilligence</b>	<b>Assessment</b>	<i>new activity/relationship</i>	<i>Sustainable Agriculture, Agriculture is a Science, The GAP Approach and Concepts, GAP Compliance and conformity</i>	<b>Appropriate</b>		
			<i>decisions/changes in the operation</i>				
			<i>response/anticipation to changing operating environment</i>				
			<i>Life cycle of an activity/relationship</i>				
		<b>Integrating</b>	<i>relevant internal functions</i>	<i>Developing QMS for cluster group, Internal audit, training and technical advice, recall and withdrawal procedures</i>	<b>Appropriate</b>		
			<i>relevant internal processes</i>				
			<i>taking appropriate action</i>				
		<b>Tracking</b>	<i>the effectiveness of their the response</i>	<i>Traceability system</i>	<b>Appropriate</b>		

		<b>Communication</b>	<i>to external especially if raised by or on behalf the affected stakeholders</i>	<i>Changing consumer trends, Impacts of the Food Production Supply Chain in Asia Due to Changing Consumer Behavior</i>	<b>Somewhat appropriate</b>
		<b>Prioritizing</b>	<i>actual and potential adverse human rights impacts</i>	<i>Farm site history and management, Farm technicians and internal farm inspections, record keeping monitoring and farm management tools, Traceability system</i>	<b>Appropriate</b>
			<i>first seek to prevent &amp; mitigate people that are most severe</i>	<i>Food safety Hazard</i>	
			<i>first seek to where delayed response would make people irremediable</i>	<i>Traceability system, recall and withdrawal procedures, dealing with complaints</i>	

**ANNEX 5: COMPARATION OF THE KEY CONCEPT OF THE UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHT WITH G.A.P NUTMEG**

No.	Four Keys to PRINCIPLE		Concept / Substance in a Standard System	Comparison Status
1.	<b>Seven keys of CERTAIN CAUTION</b>	<i>indigenous people</i>	<i>Worker Hygiene, Field Sanitation, Growing controls, Harvesting, Potential sources</i>	<b>Contrary</b>
<i>women</i>				
<i>national/ethnic</i>				
<i>religious &amp; linguistic minorities</i>				
<i>children</i>				
<i>person with disabilities</i>				
<i>migrant workers and their families</i>				
2.	<b>Five keys of ACTIVITIES &amp; RELATIONS</b>	<b>Activities</b>	<i>Growing controls, Harvesting, Drying, Processing, Storage and Transportation, Containers, Stuffing and Shipping</i>	<b>Appropriate</b>
<i>actions</i>				
<i>omissions</i>				
<b>Relationship</b>		<i>Growing controls, Harvesting, Drying, Processing, Storage and Transportation, Containers, Stuffing and Shipping</i>	<b>Somewhat appropriate</b>	
<i>business partners</i>				
<i>entities in its value chain</i>				
<i>any other non-state or state entity directly linked to its business operations, products or services</i>				
3.	<b>Three keys to PLANTING COMMITMENT POLICY</b>	<i>policies/procedures based for incentives for personnel</i>	<i>Growing controls, Harvesting, Drying, Processing, Storage and Transportation, Containers, Stuffing and Shipping, Worker Hygiene, Field Sanitation, Growing controls, Harvesting, Potential sources</i>	<b>Somewhat appropriate</b>
<i>procurement practices</i>				
<i>lobbying activities</i>				
4.	<b>The Twelve Keys of Human Rights Due Dilligence</b>	<b>Assessment</b>	<i>Growing controls, Harvesting, Drying, Processing, Storage and Transportation, Containers, Stuffing and Shipping, Worker Hygiene, Field Sanitation, Growing controls, Harvesting, Potential sources, Monitoring, Pesticide application</i>	<b>Somewhat appropriate</b>
<i>new activity/relationship decisions/changes in the operation</i>				
<i>response/anticipation to changing operating environment</i>				
<i>Life cycle of an activity/relationship</i>				
<b>Integrating</b>		<i>Growing controls, Harvesting, Drying,</i>	<b>Appropriate</b>	
<i>relevant internal functions</i>				

			<p><i>relevant internal processes</i></p> <p><i>taking appropriate action</i></p>	<p><i>Processing, Storage and Transportation, Containers, Stuffing and Shipping, Worker Hygiene, Field Sanitation, Growing controls, Harvesting, Potential sources, Monitoring, Pesticide application</i></p>	
		<b>Tracking</b>	<p><i>the effectiveness of their the response</i></p>	<p><i>Processing, Storage and Transportation, Containers, Stuffing and Shipping</i></p>	<b>Somewhat appropriate</b>
		<b>Communication</b>	<p><i>to external especially if raised by or on behalf the affected stakeholders</i></p>	<p><i>Worker Hygiene, Field Sanitation, Growing controls, Harvesting, Potential sources</i></p>	<b>Somewhat appropriate</b>
		<b>Prioritizing</b>	<p><i>actual and potential adverse human rights impacts</i></p>	<p><i>Monitoring, Pesticide application, Cross contamination, Bag markings, Plant protection chemicals, Worker Hygiene</i></p>	<b>Somewhat appropriate</b>
			<p><i>first seek to prevent &amp; mitigate people that are most severe</i></p> <p><i>first seek to where delayed response would make people irremediable</i></p>	<p><i>Growing controls, Harvesting, Drying, Processing, Storage and Transportation, Containers, Stuffing and Shipping</i></p>	<b>Somewhat appropriate</b>

**ANNEX 6: COMPARATION OF THE KEY CONCEPT OF THE UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHT WITH G.A.P HORTICULTURE**

No.	Four Keys to PRINCIPLE		Concept / Substance in a Standard System	Comparison Status			
1.	<b>Seven keys of CERTAIN CAUTION</b>		<i>indigenous people</i>	<i>Workers health, safety, hygiene and welfare</i>	<b>Somewhat appropriate</b>		
<i>women</i>							
<i>national/ethnic</i>							
<i>religious &amp; linguistic minorities</i>							
<i>children</i>							
<i>person with disabilities</i>							
<i>migrant workers and their families</i>							
2.	<b>Five keys of ACTIVITIES &amp; RELATIONS</b>	<b>Activities</b>	<i>actions</i>	<i>Concepts and guiding principles of GAP, GAP compliance and conformity, Global GAP certification and the harmonized Global system</i>	<b>Appropriate</b>		
		<i>omissions</i>					
		<b>Relationship</b>	<i>business partners</i>			<i>Impacts of the Food Production Supply Chain in Asia Due to Changing Consumer Behavior</i>	<b>Appropriate</b>
		<i>entities in its value chain</i>					
<i>any other non-state or state entity directly linked to its business operations, products or services</i>							
3.	<b>Three keys to PLANTING COMMITMENT POLICY</b>		<i>policies/procedures based for incentives for personnel</i>	<i>Workers health, safety, Hygiene and welfare</i>	<b>Appropriate</b>		
		<i>procurement practices</i>					
		<i>lobbying activities</i>					
4.	<b>The Twelve Keys of Human Rights Due Dilligence</b>	<b>Assessment</b>	<i>new activity/relationship</i>	<i>Sustainable Agriculture, Agriculture is a Science, The GAP Approach and Concepts, GAP Compliance and conformity</i>	<b>Appropriate</b>		
		<i>decisions/changes in the operation</i>					
		<i>response/anticipation to changing operating environment</i>					
		<i>Life cycle of an activity/relationship</i>					
		<b>Integrating</b>	<i>relevant internal functions</i>	<i>Developing QMS for cluster group, Internal audit, training and technical advice, recall and withdrawal procedurs</i>	<b>Appropriate</b>		
		<i>relevant internal processes</i>					
		<i>taking appropriate action</i>					
		<b>Tracking</b>	<i>the effectiveness of their the response</i>	<i>Traceability system</i>	<b>Appropriate</b>		

		<b>Communication</b>	<i>to external especially if raised by or on behalf the affected stakeholders</i>	<i>Changing consumer trends, Impacts of the Food Production Supply Chain in Asia Due to Changing Consumer Behavior</i>	<b>Somewhat appropriate</b>
		<b>Prioritizing</b>	<i>actual and potential adverse human rights impacts</i>	<i>Farm site history and management, Farm technicians and internal farm inspections, record keeping monitoring and farm management tools, traceability system</i>	<b>Appropriate</b>
			<i>first seek to prevent &amp; mitigate people that are most severe</i>	<i>Food safety hazard</i>	<b>Appropriate</b>
			<i>first seek to where delayed response would make people irremediable</i>	<i>Traceability system, recall and withdrawal procedurs, dealing with complaints</i>	<b>Appropriate</b>