

IMPACT OF ELIMINATION OF AUTOMATIC DETENTION OF COCOA PRODUCTION INDONESIA

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Introduction

Increased export volume of Indonesian cocoa exports could open up opportunities and make Indonesia a leading producer of cocoa. The Government expects the exporters began to seek opportunities to export processed cocoa cocoa commodity export prices to rise. The volume of cocoa in the cocoa trade in Indonesia is affected either directly or indirectly. Based on the conditions that have been described in the background of the above problems, it is necessary to study about the impact of Automatic Detention of Indonesian cocoa production.

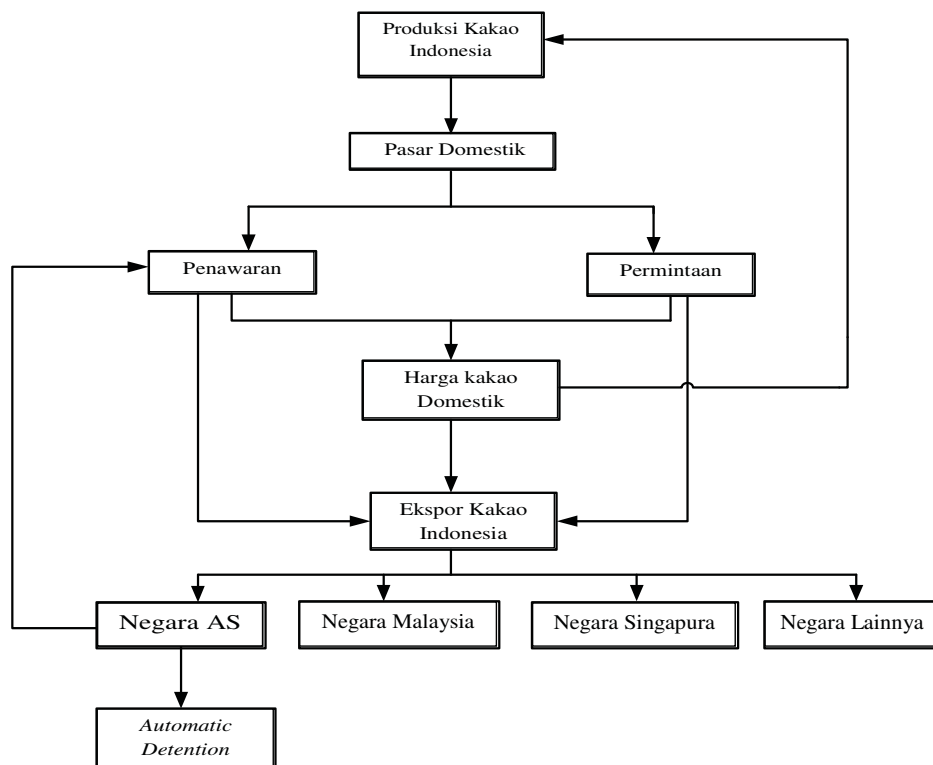


Figure1. Scheme Framework of Thought

Research Method

Determination of the research done by the method of purposive method. The scope of research is Indonesia and export destinations of Indonesian cocoa. The method used is

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descriptive method and analytical methods. The data will be used in this study is secondary data. Source of data used from FAOSTAT (Food Agricultural Organization Statistics). The development of cocoa production and export volume of Indonesia, as well as the development of Indonesian cocoa exports to various countries of export destination are described by fluctuations between the years 1991 to 2009 used trend analysis. Automatic Detention of the impact of cocoa production in the country is to use econometric models to build a system of simultaneous equations keragaan Indonesia cocoa market that consists of three equations and three equations identity struktural.

Results and Discussion

1. Development of Cocoa Production and Export Volume of Indonesia

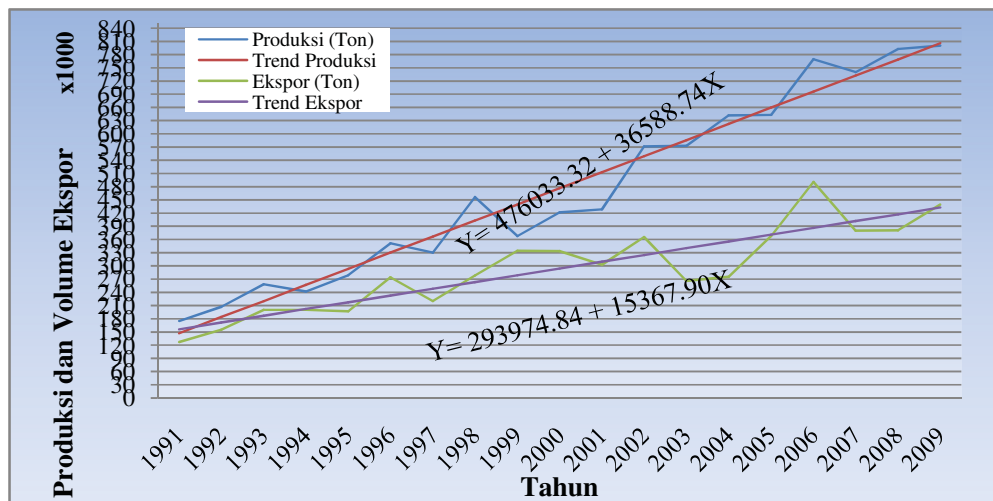


Figure 2. Graph Development of Cocoa Production and Export Volume of Indonesia Year 1991-2009

Figure 2 shows a graph of production and development of Indonesian cocoa exports during the period of 19 years starting from 1991 until 2009 showed a rising trend of development, both on the production of cocoa and cocoa export volume of Indonesia to foreign countries.

2. Cocoa Exports to the development of Indonesia Destination Countries

Development of Indonesia Cocoa Export to Malaysia

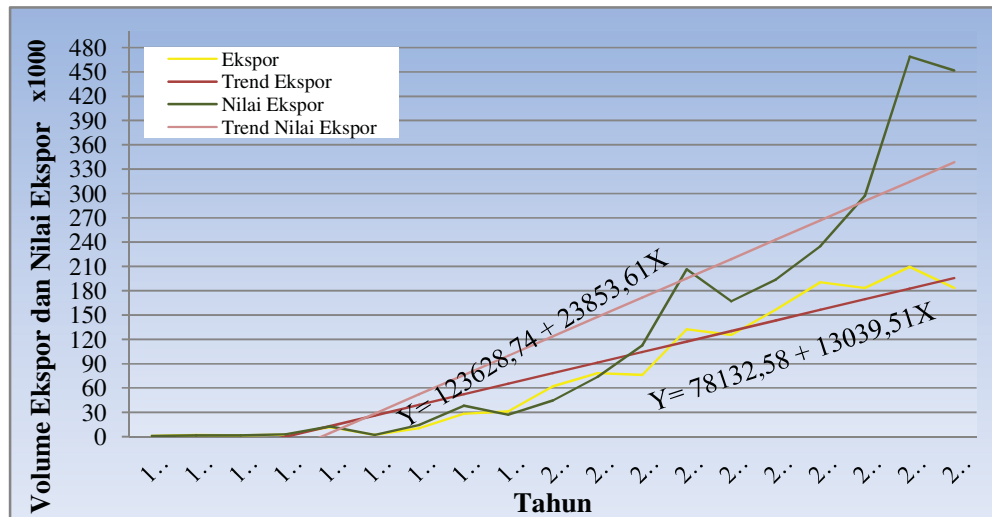


Figure 3. Graph Development of Export Volume and Export Value of Indonesia's Cocoa to Malaysia Year 1991-2009

Figure 3 shows a graph growth of export volume and value of Indonesian cocoa exports to the country of Malaysia during the period of 19 years starting from 1991 until 2009 showed a rising trend of development, both on cocoa export volume and export value of Indonesian cocoa into the country of Malaysia.

Development of Indonesian cocoa exports to the United States

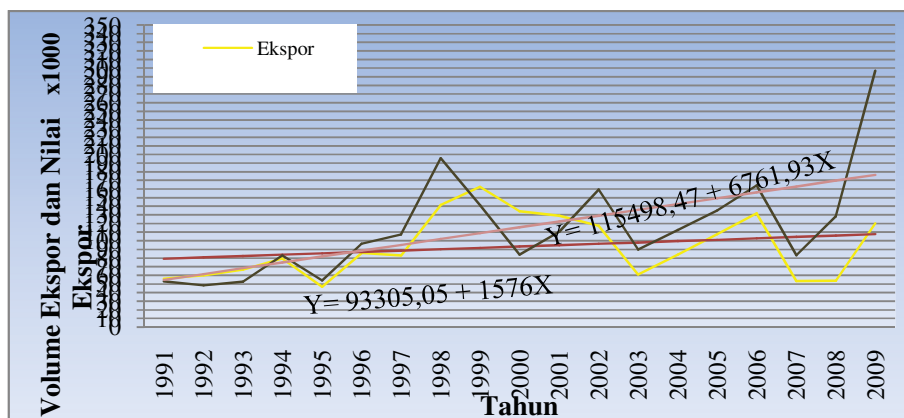


Figure 4. Graph Development of Export Volume and Export Value of Cocoa Indonesia to the United States Year 1991-2009

Figure 4 shows a graph growth of export volume and value of Indonesian cocoa exports to the United States during the period of 19 years starting from 1991 until 2009

showed a rising trend of development, both on cocoa export volume and export value of Indonesian cocoa to the United States.

Cocoa Export Development Indonesia to Singapore Country

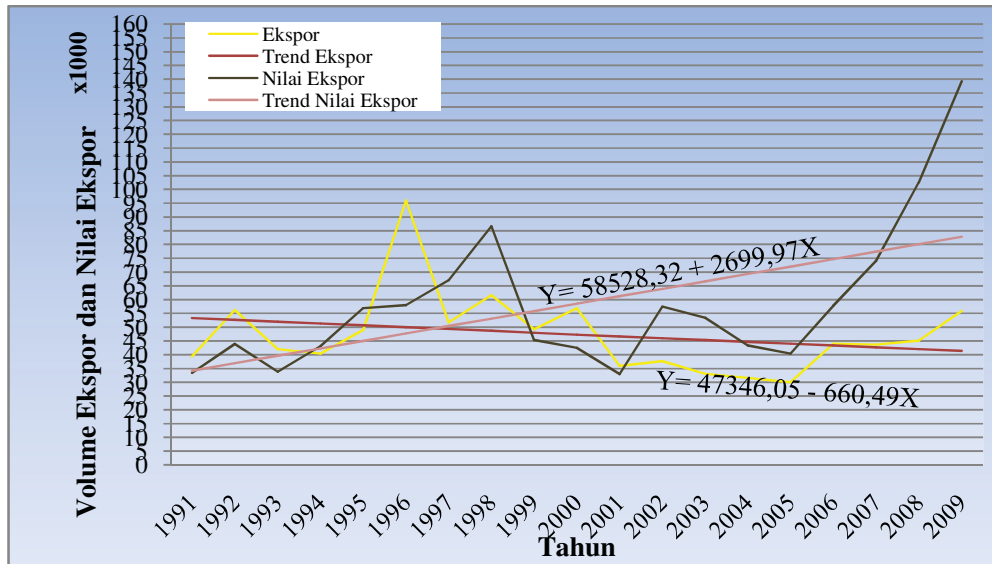


Figure 5. Graph Development of Export Volume and Export Value of Indonesia to the State Cocoa Singapore Year 1991-2009

Figure 5 shows a graph growth of export volume and value of Indonesian cocoa exports to the country of Singapore during the period of 19 years starting from 1991 until 2009 showed a declining growth trend for the volume of cocoa exports and increasing development trend for the value of Indonesian cocoa exports to the country Singapore.

3. Impact of Elimination of Automatic Detention Against Indonesia Cocoa Production

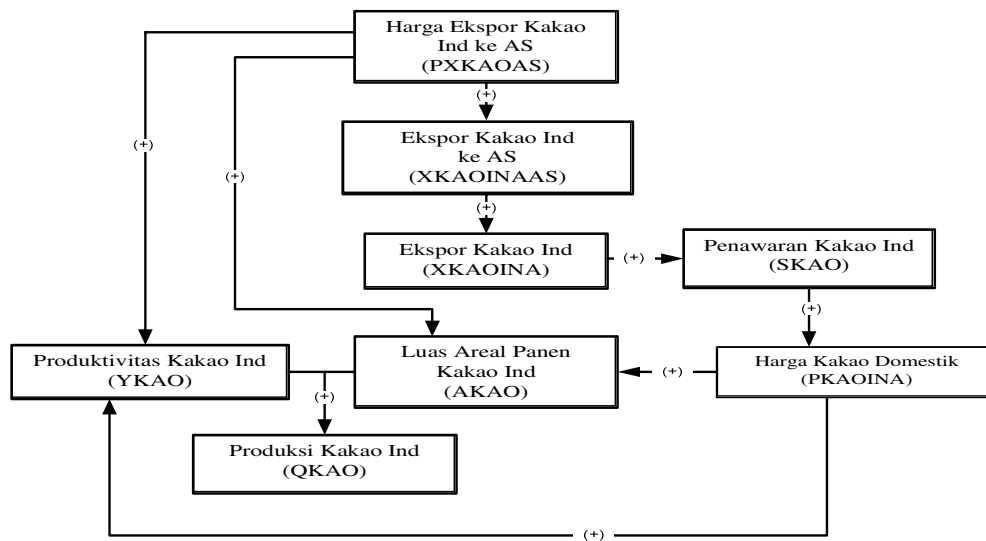


Figure 6. The Simultaneous Effect Diagram Price Increase Cocoa Exports to the United States Against Indonesia Indonesian Cocoa Exports to the United States, Indonesia Export Cocoa, and Cocoa Indonesia Offers

Based on the simulation results of cocoa export prices rise in Indonesia to the United States by 10% and 15% or penghapusan Automatic Detention of cocoa in Indonesia, it is known that the elimination of Automatic Detention imposed by the United States will increase the production of cocoa in Indonesia. But in reality, there has not Gernas Cocoa may help in preventing Automatic Detention. Most of the cocoa beans produced in Indonesia is processed without fermentation. Only about 10 percent of the amount of cocoa production through fermentation processes. The reluctance of farmers to ferment the beans is due to the difficulties experienced at the time of going to sell the cocoa beans. Gatherers of cocoa has been more than happy to buy cocoa without fermentation. The peungumpul is even willing to pay before the harvest cacao (bonded systems). Cocoa growers, mostly subsistence farmers prefer this method because it can provide quick cash flow. So you need to know that the elimination of Automatic Detention is not the only way to increase cocoa production in Indonesia.

Conclusion and Suggestions

Conclusion

1. The development of cocoa production and export volume has increased. Trend growth of cocoa production and exports of cocoa Indonesia Indonesia tend to be positive or increased.
2. Development of Indonesian cocoa exports to several destination countries experienced fluctuating growth. Development trend of cocoa export volume and export value of Indonesian cocoa into the country of Malaysia and the United States tend to be positive or increased. Development trend of the volume of cocoa exports to Singapore tend to be negative or decreased and the development trend of the value of Indonesian cocoa exports to the country of Singapore's positive or increased.
3. Simulation of Automatic Detention removal by increasing the price of Indonesian cocoa exports to the United States by 10% and 15% had a positive impact on Indonesian cocoa production. The higher the price of Indonesian cocoa exports to the United States, it will increase the production of cocoa because cocoa farmers are motivated Indonesia cocoa farming to get the maximum benefit. But in reality, the removal of Automatic Detention is not the only ways to increase cocoa production in Indonesia. Most of the cocoa beans produced in Indonesia is processed without fermentation. Only about 10 percent of the amount of cocoa production through fermentation processes. The reluctance of farmers to ferment the beans is due to the difficulties experienced at the time of going to sell the cocoa beans. Gatherers of cocoa has been more than happy to buy cocoa without fermentation. The peungumpul is even willing to pay before the harvest cacao (bonded systems). Cocoa growers, mostly subsistence farmers prefer this method because it can provide quick cash flow.

Suggestion

1. Conditions the quality of Indonesian cocoa beans are looked down upon by the importing country should be able to spur the government and the cocoa farmers to improve the quality of Indonesian cocoa beans, one with the technology development effort to obtain a better quality of Indonesian cocoa beans in order to meet the required standards by the importing country.
2. By knowing the variables that significantly affect the cocoa market keragaan econometric models are built in Indonesia are expected to study government and related

institutions are able to maintain and sustain existing markets by always pay attention to variables that affect the export of cocoa, especially Indonesia and followed by state the facts in the field. Despite these facts are explained in the field it will be great when matched with the facts of the case.

3. For further research is expected that more economic variables used in econometric models keragaan Indonesia cocoa market, so the elimination of Automatic Detention will have an effect or a more complex impact on cocoa production in Indonesia.

References

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