ABSTRACT

THE PATTERNS OF USE, BENEFIT, AND INFLUENCING FACTORS TO THE SALE OF FARMER’S COFFEE TO MIDDLEMAN AND EXPORTERS IN THE DISTRICT OF PULAU PANGGUNG OF TANGGAMUS REGENCY

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This study aims to assess: (1) business performance of coffee middlemen and exporters, (2) coffee allocation and usage patterns of coffee farmer’s sales, (3) the economic benefit obtained by farmers when selling coffee to middlemen and exporters, and (4) influencing factors of farmer’s decisions on determining coffee sales to middlemen and exporters. This research was conducted in two villages, Gunung Megang and Tekad, in Pulau Panggung Sub district of Tanggamus Regency. The research used survey method with instrument test (validity and reliability), perception (qualitative description), Willingness to Pay method (WTP), and multinomial logit regression. The research samples were 65 coffee farmers obtained by a simple random sampling. The results showed that: (1) Of the 65 samples, 87.7 percent evaluated the exporters were good and 75.4 percent evaluated the middlemen as good, too; it meant that the exporters were evaluated better than middlemen for the coffee market chain. (2) The farmers sold most of his coffee to middlemen (47.69%), to the exporters (33.85%), and to both equally (18.46%); in which average amount of coffee sold to middlemen was 565.98 kg and to exporters was 509.83 kg. The total average of coffee production was 1.108 kg per farmer. (3) The economic benefits obtained by farmers when selling their coffee to middlemen was Rp212,779.65, whereas to exporter was Rp158,367.49 per farmer. (4) The influencing factors of farmers decision on determining the portion of sales could be seen by model logit 1, in which significant variable was education, whereas the significant variables in logit 2 were education and experience.

Keywords: coffee, benefit, exporter, middlemen