The Effectiveness of Local Government Policies in Gayo Coffee Farmers' Welfare during the COVID-19 Pandemic

Ikhsan 1*, Nodi Marefanda 2, Cut Asmaul Husna 3, Vellayati Hajad 4, Herizal 5

1,2,3 Universitas Teuku Umar, Aceh, Indonesia
4 Erciyes University, Turkey
Corresponding Author: ikhsan.baharudin@utu.ac.id

Article Info

Abstract: This study aims to discuss whether local government policies affected the coffee farmers' welfare during the COVID-19 pandemic. Gayo coffee is a superior commodity that supports the economy of almost 90% of Central Aceh people, so coffee-related policies greatly determine their welfare. The COVID-19 pandemic, on the other hand, has influenced the coffee business globally, which has caused difficulties for farmers selling coffee at a reasonable price, and this condition has affected the Gayo coffee farmers, who have been export-oriented. This study used a qualitative method with a case study approach. The informants in this study consisted of 8 people. Data was collected through interviews and documentation, and then the data was analyzed using data reduction, data display, and conclusion drawing. The results showed that the government of Central Aceh fostered coffee cultivation for farmers, helped open export markets to prevent and protect Gayo coffee farmers from the impact of COVID-19, and assisted business capital. Hence, government policies of Central Aceh have not been able to achieve Gayo coffee farmers’ welfare as seen from the shallow targets and goals made.

Keywords: effectiveness; policy; local government; well-being; coffee farmer

DOI: https://doi.org/10.18196/jgpp.v1i1.18619

INTRODUCTION

This research is about the effectiveness of local government policies in the welfare of Gayo coffee farmers in Central Aceh District. Coffee is a plantation commodity that is essential to the world economy. More than 52 countries make coffee a backbone for millions of farmers’ economic development (Guido, Knudson, & Rhiney, 2020). Among these countries are 10 of the world’s largest coffee-producing countries, namely Brazil, Vietnam, Colombia, Indonesia, Ethiopia, Honduras, India, Uganda, Mexico, and Guatemala, which compete in producing and offering the best coffees to consumers. Indonesia is ranked 4th globally and can produce 742 thousand tonnes of coffee annually.

Aside from domestic needs, Indonesian coffee production is exported to various countries. Indonesia’s coffee exports reach five continents: Asia, Africa, Australia, America, and Europe. In 2019, the top five importing countries for Indonesian coffee were the United States (58.67 thousand tons), Malaysia (36.90 thousand tons), Italy (35.45 thousand tons), Egypt (34.29 thousand tons) and Japan (25.59 thousand tons). In 2020, Indonesia can export 186.8 thousand tons of coffee, up 10.69 percent compared to the previous year. These conditions indicate that Indonesia has met 4.76 percent of the world’s total export needs for coffee (Nalurita,
Asmarantaka, & Jahroh, 2014), besides meeting the demands of other East Asian markets such as Hong Kong, South Korea, Taiwan, and China (Nopriyandi & Haryadi, 2017).

Coffee production in Indonesia is unique because it comes from three different forms of coffee plantation business based on ownership, including (1) Large private companies can only produce 0.6% coffee or the equivalent of 4.4 thousand tons; (2) Large state plantations can produce 0.8% or the equivalent of 5.6 thousand tons, and; (3) Smallholder plantations can produce 98.6% or 731.6 thousand tonnes. The people’s plantations are plantations that are not legal entities and are managed by the people, which are grouped into smallholder plantation businesses and household smallholder plantation businesses. Figure 1 below shows significant product differences based on the type of coffee plantation business in Indonesia.

Coffee plantations are spread throughout Indonesia. Based on their distribution, most coffee plantations in Indonesia are managed independently by coffee farming communities and are classified as smallholder plantations. These people’s coffee plantations produce coffee production that is famous in foreign countries for example, Gayo Coffee from Aceh, Kintamani Coffee from Bali, Toraja Coffee from South Sulawesi, Sidikalang Coffee from North Sumatra, Wamena Coffee from Papua, South Sumatra Coffee, Flores Coffee from NTT, Lampung Coffee, Liberika Meranti Coffee from Riau, and Temanggung Coffee from Central Java. However, based on the amount of coffee production per year, South Sumatra Province is the province with the most significant coffee production (26%), followed by Lampung (15%), Aceh (10%), North Sumatra (10%), Bengkulu (8%), and the provinces others (accumulative 31%).

According to data from the Aceh Province Trade Office, Central Aceh District, along with Bener Meriah District and Gayo Luks District, contributes significantly to Aceh's high coffee exports, namely 68.5 million (2017); 70.7 million (2018); 72.6 million (2019); 73.4 million (2020), and 73.6 million (2021), 89.4 million (2022). Figure 1 below depicts how the number of coffee exports from Aceh Province has increased yearly. Coffee is a superior product that Aceh Province is proud of in helping improve the regional economy because Central Aceh District is an area that makes coffee a mainstay commodity and supports the regional economy.

There is an organization of coffee farmers in this district called Gayo Organic Coffee Farmers Association (PPKO), which has also been certified by "Fair Trade" an international certification organization for coffee. Thus, Gayo coffee is currently recognized as the best organic coffee in the world, is in demand by global consumers, and is the target of national consumers (Mawardo, Hulupi, Wibawa, Wiryaputra, & Yusianto, 2008). Meanwhile, the Department of Trade estimates that coffee exports from smallholder plantations in Central Aceh Regency totaled USD 11.6 million in 2016, USD 34.41 million in 2017, USD 41.36 million in 2018, USD 42.8 million in 2019, USD 35.6 million in 2020, USD 49.8 million in 2021, and USD 76.07 million in 2022.

Every year, coffee production in Central Aceh ranges from 28 thousand tons with a value of around IDR 1.8 trillion from 48 thousand hectares of land or a minimum of 700 kg/ha/year. The Gayo coffee plantation in Central Aceh is a community plantation with an area of 4,318.39 km². Following data from the Plantation and Forestry Service of Central Aceh District, there are at least 34,476 households (KK) working as coffee farmers, or nearly 90% of the total population of Central Aceh, who are coffee farmers. Therefore, the coffee commodity has an essential role in the welfare of the Gayo coffee farming community in the Central Aceh District (Juliaviani, Sahara, & Winandi, 2017).
Previous coffee research focused on coffee as an agricultural product that contributes to the national economy by generating foreign exchange and employing many people (Nopriyandi & Haryadi, 2017). Furthermore, coffee research is related to many people's interest in coffee, particularly because of the high selling price, market potential, and consumer buying interest in coffee caused by historical, traditional, social, and economic factors (Ayelign & Sabally, 2013). Coffee consumption in Indonesia exceeds 5 million packages (60 kg). According to the data, coffee is a popular beverage among Indonesians (Adithia & Jaya, 2021; Amanda & Rosiana, 2023).

Other coffee research relates to the world's rapidly increasing trend of coffee consumption, including Indonesia, as evidenced by the proliferation of many coffee shops (Dahwilani, 2019; Miranda, Yusalina, & Asmarantaka, 2023). Indeed, the Ministry of Agriculture, Industry, and Trade has a program to increase coffee exports (Alexander & Nadapdap, 2019). However, studies show numerous barriers to increasing coffee productivity due to land issues, seed quality, human resource management strategies, and values that cause a decrease in coffee production (Mulyono, 2017). Figure 2 shows a literature map compiled from Scopus-indexed international journals that shows previous coffee research. The literature map was created using the VOSviewer Software.

This study differs from previous studies in that it focuses on the effectiveness of programs in the Central Aceh District to improve the welfare of coffee farmers during the pandemic. Not only is the COVID-19 pandemic hazardous to human health (Rothan & Byrareddy, 2020). However, it has an impact on the global community's way of life, from political to economic aspects (Chohan, 2020; Kumar et al., 2021; Poudel et al., 2020; Timilsina et al., 2020; Vargas et al., 2021), including global coffee sales. Many small farmers rely on coffee for income (Oktavia & Lubis, 2021), and coffee farmers’ welfare status is determined by coffee’s selling price (Pambudi, Hidayati, & Pramujo, 2022). This study fills a gap in knowledge about the roots of coffee distribution, coffee farmers in Central Aceh District, and the extent to which the local government successfully implemented policies and programs to save the economy of coffee farmers during the COVID-19 pandemic. The number of Gayo coffee exports dropped drastically to 70%, with the selling price also dropping during the pandemic, from IDR 110,000 to IDR 60,000 per kilogram, affecting the economic conditions of Gayo coffee farmers because the coffee sector absorbs much labor and can support the economy of Central Aceh District.

This study aims to determine the effectiveness of local government policies in protecting coffee farmers from the impact of COVID-19. The COVID-19 pandemic has limited people's space for movement through various policy changes such as the Large-Scale Social Restrictions Policy (PSBB), Enforcement of Restrictions on Community Activities (PPKM), Micro PPKM, Emergency PPKM, and Level 3-4 PPKM which also affect every layer of society, including influencing the economic conditions of coffee farmers in Central Aceh. This research is urgent to determine whether the policies implemented by the Central Aceh Regency Government have effectively dealt with the COVID-19 pandemic, especially related to efforts to prosper coffee farmers who are economically vulnerable. The policies taken by the local government are essential considering that
the government is an important actor who formulates welfare programs for coffee farmers as a preventive measure against possible future economic failures so that coffee farmers can feel economically safe and able to function independently. Thus, economically prosperous coffee farmers can be created and significantly encourage regional development.

The theory used in this study is Cambel’s effectiveness theory (1989), which looks at (1) understanding the program, (2) being right on target, (3) being on time, and (4) achieving goals. Policies implemented by local governments must be measured so that program effectiveness can be seen through whether the implemented programs follow the objectives set at the beginning of the policy formulation. Related to this research, Cambel’s (1989) theory of effectiveness helps in analyzing the ability of the Central Aceh District Government to carry out its duties in creating prosperity for Gayo coffee farmers in Central Aceh following predetermined objectives (Richard, 2005).

RESEARCH METHOD

This research used a qualitative and case study approach (Creswell, 2019). This approach was chosen because it is the most appropriate in helping the course of research. This research is located in Central Aceh District, known as the best producer of Gayo coffee. The types of data used in this study are (1) Primary data that came directly from informants at the research location through direct observation and interviews with people with authority and understand the matter being studied.

This study’s informants included 8 people: two local government employees, the Head of Service at the Office of Trade and Staff at the Service of Agriculture, three business actors, and CV owners. Bintang Musara Rasa, Koperasi Baburrayan, Jerip Coffe Gayo’s owner, and three coffee farmers in Atu Lintang District, Central Aceh Regency. The informant was selected purposely because of the consideration of knowing information about the matter being researched (Augi-yono, 2016). The next types of data are (2) Secondary data or data obtained at the research location in documents relating to the problem under study and other literature.

Participant observation, interviews, and documentation were used to collect data. Interview transcripts and field data are created from the information gathered. In addition, the researchers grouped, sorted, coded, and classified the research data based on the indicators in the research problem while still relying on theory and literature for comparison to facilitate the analysis process and produce the correct interpretation. In summary, the data was analyzed in the following stages: (1) transcription of interview results; (2) categorization of data; (3) classification of data based on theoretical indicators; and (4) analysis of data using the Cambel’s theory of effectiveness (1989) and drawing conclusions based on research findings.

RESULTS AND DISCUSSION

The Impact of COVID-19 on the Gayo Coffee Trade

COVID-19, or Coronavirus Disease, is an infectious disease that began to appear in 2019 (Harapan et al, 2020) and first appeared in Wuhan, China. This disease spread quickly worldwide, so WHO immediately declared COVID-19 a global disaster (Cuccionata & Vanelli, 2020; Sohrabi et al, 2020). This deadly disease has claimed many lives (Liu, Gayle, Wilder-Smith, & Rocklov, 2020). As of August 2020, there were 4,253,992 cases in Indonesia, totaling 143,753 deaths in 34 provinces (WHO, 2021). These conditions cause Indonesia to be affected not only in terms of: (1) health (McKibbin & Fernando, 2020; Prem et al., 2020; Setiati & Azwar, 2020; Xie et al., 2020); (2) psychological (Wang et al., 2020); (3) education (Abidah, Hidaayatulalah, Simamora, Fehabutar, & L, 2020; Azzahra, 2020), (4) socio-cultural (Ansori, 2020; Djalante et al., 2020; Yunus & Rezki, 2020), (5) religious (Yezli & Khan, 2020), (6) political (Barrios & Hochberg, 2020), and (7) economic (Hidayaturrahman, M., & Purwanto, 2020; Naryono, E., & Sukabumi, 2020). The economic impact is a global issue that every country faces because it directly impacts societal and economic conditions down to the grassroots level (Yamali & Putri, 2020).

Globally, these conditions resulted in a slowdown in globalization (deglobalization) and a global decline in terms of trade due to the implementation of social distancing, physical distancing, quarantine, and regional restrictions (lockdown) (Noor & Wangid, 2019). The COVID-19 pandemic has forced the government, private sector, and the community to strengthen their internal capacity
to deal with economic problems. In Indonesia, there has been a surge in the number of sufferers with a high mortality rate, so prevention efforts have been taken. The Center of Reform on Economics (CORE) closed schools, worked from home, and canceled various activities held by the government and the private sector, resulting in a slowing economic turnaround. Based on data, private consumption accounts for nearly 60% of the total movement of the national economy. As a result, it will affect the informal (traditional) and other modern economic sectors. The government sees a supply disruption and a decrease in people's purchasing power. Hence, the policies implemented are cash transfers, subsidized wages, tax breaks, helping people meet their needs, and helping businesses survive ( Nasution, Erlina, & Muda, 2020).

As a support for the world economy, agriculture is also experiencing its effects (Kumar et al., 2021; Poudel et al., 2020; Timilsina et al., 2020). However, many articles still focus on the agri-food business chain, especially those related to food security and supply chains. This sector immediately became a concern at the start of the pandemic, so various swift policies were taken to protect this sector (Aday & Aday, 2020; Niles et al., 2020; Smith & Wesselbaum, 2020). Different conditions occur in coffee farming. The COVID-19 pandemic has hit businesses in this sector hard (Guido et al., 2020), including agricultural products such as coffee, especially those in global trade nets. During the COVID-19 pandemic, there was a reduction in world coffee orders. As one of Indonesia’s leading commodities, coffee cannot necessarily make coffee farmers prosperous. Gayo coffee farmers are currently still at the bottom of the chain of trade routes and comply with the prices offered by collectors (agents). The COVID-19 pandemic attacked aspects of the economic condition of Gayo coffee farmers.

As one of the essential trade sectors, coffee products and the economic conditions of coffee farmers, in general, are affected by the COVID-19 pandemic, which is rarely studied. Coffee, especially Gayo coffee (Gayo Arabica Coffee), is one of Indonesia’s leading export commodities well-known in the domestic and international markets (Kudus, Widayat, & Abubakar, 2019). According to Fadli, Hafni, and Tambarta (2000), several factors caused economic conditions to deteriorate during COVID-19, including the social distancing conditions imposed during the pandemic. The author agrees with their assessment because, according to the findings of an interview with the owner of the Jerip Coffee Gayo Coffee Shop in Bang Jay, the COVID-19 pandemic has limited people’s space for movement through various policy changes such as the Large-Scale Social Restrictions Policy (PSBB), Enforcement of Restrictions on Community Activities (PPKM), Micro PPKM, Emergency PKM, Level 3-4 PPKM, and which also affects every layer of society, including influencing the economic conditions of coffee farmers in Central Aceh.

“Government policy restrictions on movement have hampered coffee sales and caused many coffee entrepreneurs, including myself, to face economic difficulties because no coffee shops are allowed to operate during the pandemic, and those that do must operate in secret. Furthermore, many customers are concerned about Covid 19 and would rather stay home than go out. As a result, many coffee entrepreneurs lost money and were forced to close their doors.”

Discussions with coffee farmers in Atu Lintang District, Central Aceh Regency, also revealed the sources of Gayo coffee product delays. According to Mr. Anto, farmers had difficulty finding buyers during COVID-19 due to difficulty obtaining transport permits between regions in Indonesia and destination countries. “It was difficult for us to sell coffee during COVID-19 because our export destination countries are Brazil, Spain, Italy, Turkey, Argentina, the United States, China, Thailand, and Japan, and we require export permits, while these destination countries are also in lockdown and goods cannot enter their countries.”

Thus, the author can map five obstacles faced by farmers in selling their coffee products: (1) sellers have difficulty obtaining transport permits between regions in Indonesia and destination countries; (2) international buyers of Gayo coffee such as Brazil, Spain, Italy, Turkey, Argentina, USA, China, Thailand, Japan, and others are also experiencing an economic recession, which reduces purchasing power or the number of orders; (3) the economic conditions of coffee exporting companies experienced difficulties during the pandemic; (4) a decrease in the overall price of green bean coffee beans; (5) social distancing conditions imposed during the pandemic.
also hindered the process of selling coffee beans and processed coffee products. Figure 3 below depicts the five obstacles faced by coffee farmers.

![Image of Figure 3. Five obstacles faced by coffee farmers](source: Processed by researchers (2023))

The author agrees with Cristovao's (2015) research, which found that the current coffee marketing chain is still long, and the economic condition of Central Aceh coffee farmers is declining, which is caused not only by the impact of COVID-19 but also by the dominance of large traders in determining coffee prices in Central Aceh District. When (1) there is no cooperative network between coffee farmer groups and collecting traders, the dominance envisioned by Cristavo (2015) occurs. (2) Farmers do not know enough about coffee prices on the international market. (3) Farmer groups must function properly (Cristovao, 2015). The three things mentioned above are not owned by coffee farmers in Central Aceh Regency, resulting in economic instability for farmers. When the COVID-19 pandemic occurred, it impacted the economic conditions of Gayo coffee farmers, worsening the situation.

Rafika Tania, Sudarma Widjaya, and Ani Suryani (2019) found that the length of the coffee distribution chain in the region, particularly the Arabica coffee variant, is the cause of low farm-level coffee prices. Farmers, district collectors, the ground coffee industry, and consumers are the first steps in the distributing chain (Tania, Widjaya, & Suryani, 2019) because many coffee farmers in Central Aceh can cut distribution channels by becoming export-cooperative or export farmers. Ima (2006) studied the coffee business chain, looking at the reasons why coffee farmers are still poor, namely: (1) coffee farmers lack information about commodity prices, so they cannot offer them at more profitable prices; (2) selling to existing institutions because the transaction process is easier and reduces risk; and the sales system is not yet efficient due to the lack of honesty of intermediary institutions (Ima, 2006).

The results differ because the economic conditions of Gayo coffee farmers in Central Aceh District were generally favorable before the pandemic. After all, the Central Aceh Gayo coffee commodity had a short chain and was originally intended for export (Juliaiani et al., 2017). Meanwhile, following the COVID-19 pandemic, sales of Gayo coffee, particularly for export, fell by up to 70%, affecting the economic conditions of coffee farmers at the bottom of the Gayo coffee sales chain.

The Effectiveness of Local Government Policies in the Welfare of Gayo Coffee Farmers

The authors used Cambel's effectiveness theory (1989) to assess the effectiveness of local government policies in the welfare of Gayo coffee farmers. Several aspects seen during the COVID-19 era are related: (1) understanding of the program, (2) being on target, (3) being on time, and (4) achieving goals. The effectiveness of government policies can be determined by examining these four aspects.

Program Understanding

The effectiveness of a program can be determined by how well government-implemented programs are used. According to Cambel (1989), a program is on target if it can benefit the community while also addressing the root cause of the problem. The findings on local government programs for the welfare of coffee farmers during the pandemic have failed to address the
fundamental issues confronting farmers, as seen in several local government policies that only follow national policies when preventing the economic impact of COVID-19.

The Indonesian government under the Ministry of Agriculture, in the context of prevention and protection from the impact of the spread of the COVID-19 virus, prioritizes the agricultural sector by (1) refocusing the activity budget, (2) accelerating labor-intensive programs, (3) maintain the availability of basic materials. The government has made a policy to protect farmers with large budgets through the National Economic Recovery (PEN) program. The budget for the National Economic Program (PEN) is significant to support the productivity of farmers and other workers by aiding and capacity building in the form of distributing social assistance so that farmers continue to work and be productive, thereby supporting the development of a sustainable agricultural sector (Abidin, 2021). The budget for the agricultural sector reached IDR 178.32 trillion of the total budget for national economic recovery, which reached IDR 455.62 trillion.

Indonesian Minister of Agriculture and Plantations Yasin Limpo said: "The agricultural sector must not be weak and faltering because of COVID-19. The agricultural sector must be optimistic and strongly supporting national economic development."

As a manifestation of state support for farmers, the government is preparing breakthroughs to deal with the New Normal status for several periods, such as (a) The emergency period, namely by stabilizing food prices and building food buffer stocks as well as carrying out labor-intensive agriculture and providing easy financing through KUR. (b) Medium-term, namely diversifying local food by helping deficit coffee farmers, including farmers. (c) Long-term, namely, the government developing 5.6 hectares of coffee land during the COVID-19 pandemic and implementing food security or food estate programs in various regions to maintain national food price stability (Jaya, 2018; Utarie & Rifai, 2019).

According to the study's findings, the Government of Indonesia and the Local Government in Central Aceh District did not fully understand the root causes of coffee farmers' problems, so the programs implemented, while good, could not leverage coffee farmers' economies during Covid-19. In response to the decline in Gayo coffee sales during COVID-19, the government carried out socialization, coaching, and promotion of coffee products by launching the #SatudalamKopi campaign to promote superior coffee products while keeping the wheels of the national and local economies turning. The government's strategy is to encourage the marketing of local coffee products through cafes, coffee shops, and the wider community via online sales via platforms such as Tokopedia and others, as well as to collaborate with the International Islamic Trade Finance Corporation (ITFC) and the Sustainable Coffee Platform of Indonesia (SCOPI) to accelerate the flow of Indonesian coffee exports.

Meanwhile, in Central Aceh District, the local government focuses on programs to increase export opportunities while simultaneously supporting Gayo coffee farmers through cooperative support in the area through coaching and venture capital assistance because, according to interviews with the Head of the Central Aceh District Trade Office, there are currently 19 coffee cooperatives engaged in trade and export of coffee. Three cooperatives have received LPDB (Revolving Fund Management Agency) business assistance of funds, KSU Sara Ate Rp. 500 million (2015), Koperasi Arinagata Producers Rp. 1 billion (2021), and Koperasi KBQ Baburrayyan Rp. 10 billion (2020-2021).

In addition to business capital assistance, the Government of Central Aceh has developed a program to improve coffee farmers' welfare in COVID-19 by providing socialization assistance on organic coffee cultivation to 600 Arabica farmers in the Central Aceh District through the Agriculture and Plantation Office. However, interviews with coffee farmers in Atu Lintang Sub-District, Central Aceh District, reveal that, while the program developed and implemented by the Local Government of Central Aceh is good, it has not been well understood because many coffee farmers are unaware that such a program existed in Central Aceh.

Aside from being unaware of the assistance, coaching, and promotion programs, coffee farmers are also unaware of the flow of access to these three things due to limited knowledge and the distance between the coffee farmers and the local government office. According to the description above, the program run by the local government to create welfare for coffee farmers in Central Aceh District was successful during the COVID-19 pandemic. However, there are still quite a few coffee farmers who have not been able to take advantage of the convenience and economic opportunities provided by the program run by the Government of Central Aceh.
Right on Target

Right on target is the second factor in determining program effectiveness. According to Campbell (1989), program output can indicate it is right on target. Achieving the target means that the government of Central Aceh’s programs for capital assistance, mentoring, and promotion can be used to improve the lives of coffee farmers. For example, with business assistance, coffee farmers are better able to cultivate their coffee plantation land by providing appropriate fertilizer. However, most of their plantation land is old and requires special treatment to ensure that the nutrient content in the soil remains good to produce good coffee products.

Government programs should target vulnerable groups. However, the Government of Central Aceh’s program to improve the welfare of coffee farmers has not yet targeted coffee farmers in need, namely coffee farmers with limited access to education, information, and expertise who require government assistance. According to the research findings, the spiritgram contained in agricultural and trade policies aimed at coffee farmers remains central and closed to broad public access. As a result, the local government is not taking the impact of COVID-19 on the economic conditions of coffee farmers seriously enough. Farmers in Atu Lintang District stated, "It appears that the local government wants to avoid finding coffee farmers who require government protection and assistance, such as coaching and business capital assistance." As a result, those who benefit are entrepreneurs or large cooperatives.”

The facts on the ground reveal an intriguing fact: so far, the government has tended to provide capital assistance through coffee companies and cooperatives in Central Aceh. Independent coffee farmers, who are not affiliated with companies or cooperatives, cannot access capital or other forms of assistance because the local government has a close relationship with cooperatives and large coffee companies, eliminating the need for direct interaction with coffee farmers. Similarly, small-scale coffee entrepreneurs see local governments as hands-off and unwilling to guide them, particularly during the COVID-19 pandemic. Both coffee farmers and small-scale coffee entrepreneurs are economically on their own. Simultaneously, the local government has met its obligations by encouraging cooperatives and large-scale coffee companies. Horticultural farmers who grow vegetables, potatoes, tomatoes, and chilies received more assistance and guidance from the local government during COVID-19 than small-scale coffee farmers.

In such a situation, coffee farmers in Central Aceh have different strategies to maintain their business during the COVID-19 pandemic, including (1) Marketing via online or digital platforms. Most coffee farmers market their products on digital platforms such as Facebook, Instagram, and others, making it easier for people to get the products they want or are interested in. The products sold are still unprocessed coffee beans and ground coffee; (2) Processing the product before it is marketed. Processed products are given their respective brands and then sold to several stalls around or outside the area in the form of coffee powder. Processing of this product is carried out post-harvest with the aim that farmers keep yields, reduce the level of damage, and increase the shelf life and usability of commodities to obtain added value; (3) Changing business strategy. At first, coffee was marketed directly in stalls and markets. However, now farmers are working with cafes or coffee shops to expand the marketing network to increase farm income and affect the development of farming; (4) Survive and continue farming activities as usual.

Based on findings from the theory used coffee farmers’ welfare programs are not on target. Even though the programs and policies implemented have been good, there have been obstacles in implementation, particularly related to information transparency for coffee farmers who are limited in terms of education and access because they must come directly to the office to arrange requirements when they need assistance or when participating in coaching activities carried out by the local government in Central Aceh District. As a result, small-scale coffee farmers choose to survive, remain consistent, or continue farming activities as usual because coffee farming is their primary source of income.

On-time

The program runs on time and is implemented according to the planned deadline. According to Cambel (1989), a program or policy must be implemented according to the implementation timeline or when the program starts running and finishes on time. Since the Covid-19 pandemic,
this program for coffee farmers has been running as an effort by the Government of Central Aceh to accelerate the economy of Gayo coffee farmers by opening local and international market opportunities and maintaining coffee price stability through providing business capital and coaching coffee farmers through coffee cooperatives to minimize price fraud, open up export opportunities, record coffee farmers, and formulate special regulations.

However, the research findings show that, despite the local government's preventive efforts, fraud in the form of coffee price manipulation continued to occur during COVID-19. Small coffee farmers with limited economic resources are forced to sell their coffee cheaply to large entrepreneurs who can buy and stockpile coffee for an extended period during the pandemic and then resell it when coffee prices are high. This fraud caused coffee prices to fall, causing coffee farmers to suffer huge losses and even making them even poorer during COVID-19. Although the local government attempted to open larger export doors during COVID-19, the government had limited tools to test coffee quality, making it difficult for Gayo coffee produced by coffee farmers to enter the international market.

One of the efforts made by the local government to create welfare for coffee farmers is to record Gayo coffee farmers using data provided by cooperatives so that the government can provide equal guidance to all coffee farmers in Central Aceh District. The government implemented this program to protect Gayo coffee farmers, who are becoming increasingly vulnerable to economic conditions due to the COVID-19 pandemic. The Central Aceh district government has successfully carried out this effort. Even though coffee farmers have existed in Central Aceh for a long time, we only have complete data on coffee farmers and coffee production in 2022, contained in the Aceh Tengah dalam Angka Book for 2023.

Besides these efforts, the government of Central Aceh is formulating regulations related to coffee in regional regulations (Qanun) regarding coffee. However, the COVID-19 pandemic has postponed the discussion of the coffee qanun in the regional parliament. The Gayo coffee farmers after the COVID-19 pandemic show conditions that are increasingly apprehensive economically and require immediate regulations that can protect them. In short, the purpose of having this Qanun on coffee is to increase farmers' income, reduce the gap between parties related to coffee, and maintain the sustainability of the coffee industry as well as being the legal basis for carrying out economic activities, especially coffee products as a mainstay commodity for the people of Central Aceh. So, it can provide bargaining power, create competitiveness, and encourage distribution and consumption through the coffee qanun, which encourages (forces) each party to innovate in every process.

### Table 1. Draft Coffee Qanun in Central Aceh District

<table>
<thead>
<tr>
<th>No.</th>
<th>Orientation</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Human Resources</td>
<td>The Qanun encourages executives (agricultural/plantation offices, industry/trade offices, the economy, and others) to build human resources from upstream to downstream in production and distribution.</td>
</tr>
<tr>
<td>2.</td>
<td>Capital</td>
<td>The Qanun ensures a firm position for financial institutions operating in coffee plantation areas and easy access to capital for coffee stakeholders.</td>
</tr>
<tr>
<td>3.</td>
<td>Technology</td>
<td>Qanun accommodates increasing coffee stakeholders' competitiveness by improving technology from raw materials to consumer products.</td>
</tr>
<tr>
<td>4.</td>
<td>Marketing</td>
<td>Qanun encourages the creation of community capacity to market products both in the market (local/international). The Qanun also encourages related parties to open new markets to ensure product sustainability and provide added value in marketing. The Qanun on marketing emphasizes adjustment to virtual-based industry 4.0.</td>
</tr>
</tbody>
</table>

*Source: Lintas Gayo (2020)*

Table 1 discusses the draft of coffee qanun formulated by the Central Aceh District Parliament. The emphasis contained in the Qanun is related to increasing productivity, oriented
towards the effectiveness and efficiency of human resources, access to capital, and availability of superior technology and marketing systems to increase Gayo coffee’s competitiveness in the eyes of the world. Even though the discussion on the draft qanun on coffee continues to be delayed, many parties, especially activists in the coffee sector, view the importance of this coffee qanun considering that the commodity of coffee is the economic pillar of most of the people of Central Aceh which has been passed down from generation to generation.

Achieving Goals

According to Cambel’s theory of effectiveness (1989), achieving goals is expected in implementing government policies and programs. The goal of the Central Aceh government in the context of this research is to protect the economy of coffee farmers. The program has been running in Central Aceh as part of efforts to stabilize coffee prices. However, based on observations and interviews conducted in the field, coffee farmers in Central Aceh District have not fully benefited from the government’s program. For example, the price stability of coffee that LPDB (Revolving Fund Management Agency) is attempting to achieve can only be enjoyed by three large cooperatives in Central Aceh. However, data show 19 cooperatives engaged in the coffee trade, not to mention coffee farmers who are not members of any company or cooperative or who are self-sufficient and not affiliated with cooperatives or corporations. They must seek venture capital to expand their coffee plantations and production. Similarly, not all coffee farmers can access information to participate in organic coffee cultivation coaching.

As a result, the Central Aceh Government’s program has not achieved these goals evenly and is still biased toward certain groups. Currently, 34,476 family heads work as coffee farmers in the Central Aceh District. According to Maharadi, a journalist for online media Lintas Gayo, if one family has four members, 137,904 coffee farmers in Central Aceh District rely on coffee plantations. This figure corresponds to 90 percent of Central Aceh’s 149,145 people. Thus, the assistance for business capital and socialization of coffee cultivation for farmers carried out by the Regional Government is more than just needed to accommodate the interests of all coffee farmers in Central Aceh. Thus, the government’s goals were not achieved according to the expected target.

Table 2. Planted Area, Production, and Productivity of Coffee in Aceh Tengah Regency

<table>
<thead>
<tr>
<th>No.</th>
<th>Commodity</th>
<th>Area (Ha)</th>
<th>Number of Yield Plants</th>
<th>Production (Ton)</th>
<th>Number of Farmer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Arabica Coffee</td>
<td>49997</td>
<td>44245</td>
<td>36060</td>
<td>38091</td>
</tr>
<tr>
<td>2.</td>
<td>Robusta Coffee</td>
<td>1103</td>
<td>885</td>
<td>473.5</td>
<td>1384</td>
</tr>
</tbody>
</table>

Source: Aceh Tengah dalam Angka (2023)

Interviews with three business actors and three Gayo coffee farmers in Atu Lintang District show that compared to the government, cooperatives and small companies such as CV or PT play a more critical role in helping the economy of coffee farmers. They intensively provide coaching, capital assistance, and a fair selling price for the coffee farmers’ crops. Even though the farmers realize that not all these companies and cooperatives are honest about the selling price of their coffee, the coffee farmers are already "bound in contract" with them. Switching to other companies or cooperatives, such as CV, is not easy. Bintang Musara Rasa, a coffee company founded in 2021 in Central Aceh District, has 901 assisted farmers consisting of 593 male farmers and 309 female farmers in an area of 889.6 hectares. Fadi, SP, MP, as the Manager of CV. Bintang Musara Rasa said:

"The purpose of establishing this company was to advance the economic welfare of its members. However, it is legally in the corridor of official and legal business because of a newly established company named CV. Bintang Musara Rasa works independently without support from the local government by working from below to convince and guide small farmers in remote parts of Central Aceh." (January, 14th 2023)

Unlike the Koperasi Baburrayyan, which Ridwan Husein currently chairs, this Cooperative was established 1995 as a Microfinance Institution (pre-cooperative). In 2002, it became a savings and loan cooperative. It was only in 2010 that this savings and loan cooperative became engaged in the Gayo coffee trade, which focuses on coffee exports to the United States and Europe. The
Baburrayyan Cooperative has 5,500 members from 100 farmer groups in Central Aceh. The Cooperative can export 110 containers to the United States and Europe annually, with a price per container reaching IDR 1.5 billion. Institutionally, this Cooperative is stable and has received full support from the local and central governments through various venture capital assistance distributed by the LPDB (Revolving Fund Management Institute) of IDR 10 billion (2020-2021). The difference between large and small cooperatives/companies is needed to achieve the Central Aceh Government’s goal of protecting and creating prosperity for Gayo coffee farmers.

CONCLUSION

The research concludes that the Government of Central Aceh formulated policies of business capital assistance, coffee cultivation guidance for farmers, and the opening of new land in the export market to prevent and protect Gayo coffee farmers from the impact of COVID-19. However, the effectiveness of these government policies can be seen through several aspects, such as (1) program understanding, (2) right on target, (3) on time, and (4) achieving goals. Based on these four aspects, the government carried out aspects of understanding and implementing programs on time during the COVID-19 pandemic. However, when viewed from the aspect of being right on target and achieving goals, government policies through venture capital assistance, fostering coffee cultivation, and opening new export markets cannot be implemented because farmers assisted and fostered by the government are still limited to large farmers and companies or cooperatives that have the closest relationship with the government alone. So, the effectiveness of government policies in Gayo coffee farmers' welfare has not materialized in Central Aceh because government policies do not aim to prosper Gayo coffee farmers.

The suggestion for the Central Aceh government is to develop a pro-coffee farmer policy by first mapping the scope of target farmers so that the scope of business capital assistance, assisting coffee farmer groups, and opening an open export market so that it can be accessed by all coffee farmers in Central Aceh District, particularly small-scale coffee farmers who have difficulty accessing information and technology. Further research on the pentahelix model of stakeholder collaboration in Central Aceh District in advancing Gayo coffee agriculture and business can be carried out to perfect this research.

ACKNOWLEDGMENT

We would like to thank Universitas Teuku Umar for funding and supporting this research with Universitas Teuku Umar Internal grant research funds with the Lector Research (PL) Implementation Agreement for the 2023 Fiscal Year, Number 35/UN59.7/SPK-PPK/2023.

REFERENCES


The Effectiveness of Local Government Policies in Gayo Coffee Farmers' Welfare during the COVID-19 Pandemic

Vol 11, No 1 (2024): Page no: 71-85


