
Strategic Alliance Of Relational Marketing Up-Down And Off-Taker Marketing Model In Mitigation Of Organic Red Guava Market Risks

(Case Study of the 2nd Phase of the Telaga Pingku Farmers Group and CV Insan Mutiara Perdana Development Garden in Sawangan, Depok)

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ABSTRACT

The characteristics of organic fresh fruit horticultural commodities which are highly perishable and vulnerable to Plant Disrupting Organisms (OPT) create a high market risk on the upstream side, especially in the early phases of new land expansion. This study aims to analyze the dynamics of upstream-downstream strategic alliances through a relationship marketing approach and identify the effectiveness of the institutional marketing off-taker model in mitigating market risk in the 2nd stage development garden of organic red guava commodities in Parung Panjang. This study uses a descriptive qualitative design with an exploratory case study method. Determination of informants was carried out deliberately (purposive sampling) involving the management of CV Insan Mutiara Perdana (Depok Organik) as a standby buyer (off-taker), administrators of Gapoktan Telaga Pingku, Internal Control System (ICS) team, and partner implementing farmers. Data collection was carried out through in-depth interviews, passive participatory observation, and documentation studies of pre-harvest contracts (forward contracting) and organic cultivation SOPs based on SNI 6729:2016. The data analysis technique follows the interactive model of Miles, Huberman, and Saldaña which includes data condensation, data display, and drawing conclusions. The results showed that the strategic alliance supported by the pillars of trust, commitment, two-way communication, and conflict resolution became a social governance that minimized opportunistic behavior. The mediation role of Gapoktan as a single collection point and quality gatekeeper was able to reduce the fruit rejection rate in the downstream warehouse and maintain the stability of farmers' income through the contract price guarantee formula (floor/market-linked price) even though in the first year it faced operational challenges in the form of a product rejection rate ranging from 25% - 35%.

Keywords: *Agribusiness, Gapoktan, Organic Red Guava, Off-Taker Marketing, Relationship Marketing.*

INTRODUCTION

Market uncertainty and extreme price fluctuations are major challenges faced by horticultural farmers, including red guava (*Psidium guajava* L.) farmers in Indonesia. The highly perishable nature of this tropical fruit places traditional farmers at a very low bargaining power in the agribusiness supply chain. Without guaranteed markets and price certainty, abundant harvests during the peak harvest season often lead to economic losses due to extreme price drops.

To address these supply chain inefficiencies, CV Insan Mutiara Perdana (Depok Organik), a leading organic guava grower from Sawangan, Depok, is undertaking a strategic expansion by opening a second development plantation in Parung Panjang,

Bogor Regency. This area is designed as a new production center to replicate pure organic horticultural quality standards.

In its implementation, CV Insan Mutiara Perdana acts as a standby buyer (marketing off-taker) that ensures sustainable harvest absorption. Upstream, the company collaborates with the Telaga Pingku Farmers Group Association (Gapoktan) as a collective manager and supervisor of the cultivation Standard Operating Procedure (SOP). This collaboration aims to mitigate market risks and improve the economic stability of local farmers. However, the integration of new land and the transition from conventional to organic methods pose unique challenges, such as resistance to cultivation technology and a high product rejection rate in the early stages of production. This research focuses on analyzing the partnership contract mechanism, the effectiveness of Gapoktan's role as an upstream aggregator, and the impact of this off-taker model on farmers' economic stability.

LITERATURE REVIEW

2.1 Relationship Marketing Theory

Relationship marketing marks a shift from short-term (transactional) transactions to the formation of long-term, mutually beneficial partnerships (Morgan & Hunt, 1994; Palmatier, 2008). In horticultural agribusiness, a transactional approach often disadvantages farmers due to market information asymmetry. Relationship marketing manages economic exchange as a social process bound by trust, commitment, open communication, and collaborative conflict resolution (Dwyer et al., 1987).

2.2 Off-Taker Marketing Model and Market Risk Mitigation

The marketing off-taker model is designed to address market failures caused by extreme seasonal price fluctuations in the agricultural sector. Through a forward contracting scheme, some market risk is transferred from upstream producers to downstream corporations (Wulandari & Setiawan, 2024). Pricing under this scheme generally uses three alternatives: a fixed price, a floor price, or a market-linked price.

2.3 Agribusiness Institutions and the Role of Gapoktan

The consolidation of fragmented farmers into collective organizations such as Gapoktan (Farmer Farmers Group) is essential for reducing transaction costs and improving bargaining power (Saputra et al., 2023). Gapoktan serves as an aggregation center (single collection point), a quality gatekeeper, and education and technology dissemination.

2.4 Organic Farming System and Traceability System

Based on SNI 6729:2016, the organic food system strictly prohibits the use of synthetic chemical inputs. Organic horticultural cultivation requires biological nutrient management and ecosystem-based pest and disease management (National Standardization Agency, 2016). Furthermore, to ensure process integrity, a digital, database-based traceability system (QR Code Traceability System) is required that records the entire history of land activities (Isabel & Mastan, 2024; Trienekens et al., 2012).

RESEARCH METHODS

This research used a descriptive qualitative approach with an exploratory case study design. The focus of the research was directed at the strategic alliance between CV Insan Mutiara Perdana and Gapoktan Telaga Pingku in the second phase of the Parung Panjang development plantation, Bogor Regency. Field data collection was conducted over three months (March to May 2026).

Informants were determined using purposive sampling combined with snowball sampling. They included the director and quality control team of CV Insan Mutiara Perdana, the Telaga Pingku farmer group (Gapoktan Telaga Pingku), the Internal Control System (ICS) team, and 5–7 farmer partners. Primary data were collected through structured in-depth interviews and passive participant observation during the initial sorting process and product handover. Secondary data were collected through documentation studies of memorandums of understanding (MOUs), daily farm logbooks, and historical fruit supply volume data. Data analysis applied the interactive model of Miles, Huberman, and Saldaña (2014) which includes data condensation, data presentation, and conclusion drawing/verification. Data validity was tested using source triangulation and technique triangulation.

4. RESULTS AND DISCUSSION

4.1 Profile of the 2nd Phase of the Parung Panjang Development Plantation

The second phase of the development plantation in Parung Panjang District, Bogor Regency, has a red-yellow podzolic soil agroclimate with an average rainfall of 140 mm/year, which is very supportive for the cultivation of high-quality red guava (optimal lycopene content). Unlike the parent land in Sawangan, which is fully managed as a corporate farming system, the 10–40 hectares of land in Parung Panjang adopts an integrated smallholder plantation model. This land is managed by approximately 30 small-scale partner farmer families (working land area of 500m²–1000m² per farmer) who previously relied on conventional farming based on chemical inputs and a network of middlemen. This transformation requires strict green belt zoning (buffer zone) to prevent contamination from outside land.

4.2 Contract Mechanism and Pricing System

The upstream-downstream relationship between CV Insan Mutiara Perdana (CV IMP) and the Telaga Pingku Farmers' Group (Gapoktan Telaga Pingku) is regulated through a written Cooperation Agreement (PKS). CV IMP is obligated to guarantee the absorption of all harvests that meet quality standards, provide QR code tracking technology, and supply biological agents. Meanwhile, Gapoktan is responsible for consolidating farmers, managing harvest schedules, and conducting initial grading at the village-level warehouse.

The pricing system is designed using a combination scheme to protect farmers:

1. Safe Floor Price: A constant lower limit of IDR 6,500/kg is set for super quality (Grade A), which is calculated based on the Cost of Production (BPP) plus a 30% profit margin.
2. Market Adjustment System: If the regional market price rises above the contract base price, the company applies a profit-sharing price scheme by increasing the purchase price by 50% of the difference in the open market price increase.

3. Payment Mechanism: Transaction settlement is made in cash or by transfer within 3 to 7 days after volume validation and QR code scanning at the main warehouse, maintaining the smooth cash flow of upstream farmers.

4.3 Field Obstacle Analysis and Rejection Rate Dynamics

The cultural transition process has triggered significant operational hurdles in the field. In terms of SOP implementation, the independent organic fertilizer fermentation process is considered labor-intensive and is often applied before full maturity, which can trigger pathogenic fungi. Furthermore, delays in fruit bagging, even just 3-5 days after fruit set, result in high fruit fly (*Bactrocera* spp.) infestations.

The physiological factors of young trees (early fruiting phase) in the expansion area also trigger physical instability of the produce. Consequently, in the first year of implementation, the average rejection rate of produce in the off-taker's warehouse reached 25% to 35%. The main factors for rejection included substandard fruit size (<200 grams), visual defects due to mechanical skin friction, and internal damage from fruit fly larvae.

4.4 Effectiveness of the Off-Taker Model on Farmers' Financial Stability

Despite facing a high rejection rate during the transition phase, economic analysis shows that the cumulative income of partner farmers remains much more secure than in the free market. Traditional sales to middlemen are vulnerable to speculative price estimates (ranging from Rp3,000 to Rp5,000/kg) and deferred payment (consignment) systems.

The off-taker model provides protection through three layers of economic safeguards:

- Financial insulation from falling prices below the BPP thanks to the floor price commitment of IDR 6,500/kg.
- Certainty of liquidity that accelerates the turnover of agricultural business capital because payment times are controlled (<7 days).
- Collective risk management by the Telaga Pingku Farmers' Group (Gapoktan) involves the creation of a reserve fund from operational margin deductions. The Gapoktan distributes rejected red guavas to the local secondary market (homemade juice/jam processing industry), thereby minimizing total losses for individual farmers.

CONCLUSION

A strategic alliance based on relational marketing between CV Insan Mutiara Perdana and Gapoktan Telaga Pingku has proven effective in mitigating market risks in the second phase of development plantations in Parung Panjang. The implementation of a guaranteed floor price formula of Rp6,500/kg has provided absolute financial certainty for local farmers. The involvement of Gapoktan as a single aggregator and quality gatekeeper has successfully reduced logistical inefficiencies and monitored compliance with organic farming SOPs. Despite facing operational obstacles in the form of a rejection rate of young fruit of 25% - 35% during the transition phase, the integration of a tracking system based on QR code technology (QR Code Traceability) has succeeded in strengthening transaction commitments,

preventing opportunistic behavior, and providing added value in protecting the authenticity of product claims at the downstream level.

1. For CV Insan Mutiara Perdana: It is recommended to implement a transitional quality tolerance policy of 5%-10% for external visual defects in young tree plots, as well as provide periodic price incentives/bonuses for farmer groups that succeed in consistently reducing the number of rejects.
2. For Gapoktan Telaga Pingku: It is necessary to immediately initiate local food processing (zero waste agriculture) at the village level to process rejected fruit into frozen puree or jam, as well as to train village youth in managing digital traceability applications.
3. For Regional Governments: It is hoped that the Department of Agriculture will provide cold chain facilities in the form of portable cool storage facilities to extend the shelf life of post-harvest commodities in village collection warehouses.

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