

Rubber Farmer Group Strategies in Facing Rubber Price Fluctuations (A Study in Sungai Abit Village, Cempaka District, Banjarbaru City)

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ABSTRACT

Fluctuations in rubber prices in Sungai Abit Village impact the economy of rubber-dependent farming families. This study aims to uncover the causes of rubber price fluctuations and the strategies rubber farmers use to address them using descriptive qualitative methods through interviews and documentation. The results indicate internal factors (low latex quality, dependence on middlemen, high costs, lack of diversification) and external factors (decreasing global demand, competition from other countries, exchange rates, and oil prices). The main problems are low rubber quality and dependence on middlemen. Rubber farmers employ two strategies: consolidation (strengthening farmer groups, collective sales, information sharing) and survival (savings, continuing to tap, and seeking additional income). Improvements in the quality of rubber, government support, and transparency of middlemen in their partnerships with farmers are recommended."

Introduction

Indonesia is one of the world's largest producers of natural rubber (*Hevea brasiliensis*), contributing significantly to the international market. According to the Ministry of Agriculture, rubber remains one of Indonesia's key export commodities, with approximately 85% of production coming from smallholder farmers (Cahyo et al., 2024). Unlike large-scale plantations, smallholder farmers often rely on traditional management systems, which results in lower productivity and higher vulnerability to external shocks. This makes them particularly exposed to price volatility, production costs, and environmental risks such as plant diseases and climate change (Vrignon-Brenas et al., 2019).

Globally, natural rubber plays a crucial role in various industries, particularly automotive and manufacturing. However, the global rubber market is highly volatile. Price fluctuations are often influenced by international demand, particularly from China, global competition from countries such as Thailand, Vietnam, and Brazil, as well as the increasing substitution of natural rubber with synthetic alternatives (Adolph, 2016). These global dynamics

inevitably affect local farmers in Indonesia, especially those who lack the institutional capacity to buffer against market shocks. At the national level, rubber has long been a source of livelihood for millions of Indonesians. However, the sector faces persistent challenges. Productivity is low compared to other producing countries, costs of production remain high, and smallholder farmers often lack access to financial support, technological innovation, and transparent marketing channels (Sepri, 2021). Farmers are further disadvantaged by their dependency on middlemen, who dominate the local marketing system by providing quick cash access but at the expense of fairer pricing (Riswani, 2022). The situation is even more evident in Sungai Abit Village, Cempaka District, Banjarbaru City, which serves as the focus of this study. The majority of its residents depend on rubber farming as their primary source of livelihood. However, rubber price fluctuations have directly impacted the socio-economic conditions of households. Data from the village show sharp changes in rubber prices over the years: from Rp 2,500/kg in 2007, dropping to Rp 1,000/kg in 2014, rising again to Rp 15,000/kg in 2021, and then declining to Rp 8,000/kg in 2025. These fluctuations severely affect household income, consumption patterns, and even social stability, as some farmers are forced to reduce expenses, delay children's education, or take up additional work outside farming.

The impact of rubber price fluctuations in Sungai Abit is not only economic but also social and psychological. Households have to adapt by changing consumption patterns, diversifying income sources, or relying on social networks. In some cases, the instability has led to broader community issues, such as increased vulnerability to debt and reduced motivation to maintain plantations. As noted by Widyasari (2019), price instability can erode both household welfare and long-term community resilience. Given this context, it is crucial to examine how rubber farmers in Sungai Abit respond to the ongoing challenge of unstable rubber prices. While previous studies have explored the general dynamics of rubber price fluctuations in Indonesia, limited attention has been given to the specific strategies adopted by local farming groups in adapting to such conditions. This study therefore seeks to fill that gap by identifying the factors causing rubber price fluctuations and analyzing the adaptation strategies both consolidation and survival developed by rubber farmer groups in Sungai Abit Village.

Research Methods

This study is field research with a qualitative descriptive approach, aimed at describing the experiences and strategies of rubber farmers in facing price fluctuations. As stated: "This research falls into the field research category... conducted in a specific location to analyze the phenomena within that location" (Collins et al., 2021) The research was carried out in Sungai Abit Village, Cempaka District, Banjarbaru City, where most of the population works as rubber farmers. "The research conducted by this author took place in Sungai Abit Village... the majority of the community works as rubber farmers and has long been known as a rubber-producing area."

The subjects were 10 farmers and middlemen selected purposively, while the object was their strategies in coping with fluctuating rubber prices. Data were obtained from interviews and documentation. "This data is data obtained directly from sources or informants while secondary data refers to information that already exists and is readily

accessible to researchers.” Data analysis used Miles and Huberman’s interactive model (reduction, display, conclusion).

Data Analysis Techniques

The findings of this study confirm that rubber price fluctuations in Sungai Abit Village are shaped by both internal weaknesses and external structural factors. Internally, the low quality of rubber latex remains a critical issue. Farmers typically use traditional tapping methods and basic post-harvest handling, which reduce the value of rubber on the market. According to Effendy et al. (2019), latex quality directly influences bargaining power in commodity chains, meaning poor-quality rubber limits farmers’ access to better buyers and fairer prices. High production costs—such as fertilizers, tapping equipment, and transportation—further exacerbate the situation, as farmers are forced to balance limited capital with pressing household needs. The most striking internal issue, however, is the strong dependence on middlemen. Farmers rely on middlemen not only for selling their products but also for quick access to cash. This dependence creates a classic case of dependency theory, where one group (farmers) remains subordinate because their economic survival depends on another group (middlemen) with stronger control over resources and market access (Riswani, 2022).

Externally, global market dynamics are decisive in determining local rubber prices. The declining demand from China the largest importer of natural rubber has depressed international prices. At the same time, competition from other producing countries such as Thailand, Vietnam, and Brazil has intensified, creating oversupply in the global market (Adolph, 2016). Another critical factor is the unstable rupiah exchange rate against the US dollar, which influences export prices and further weakens smallholder income (Basri, 2017). Moreover, the growing development of synthetic rubber has shifted industrial preferences away from natural rubber, reducing demand (Vrignon-Brenas et al., 2019). This condition highlights the integration of smallholder farmers into international trade structures, where local livelihoods are highly vulnerable to external shocks beyond farmers’ control. The impacts of price fluctuations extend beyond economics. Economically, falling prices directly reduce household income and weaken purchasing power. Farmers often respond by reducing consumption, postponing children’s education expenses, or even selling assets to survive. Socially, some households diversify livelihoods by migrating temporarily, working as casual laborers, or starting small-scale trading activities. Psychologically, continuous price declines reduce motivation and morale, leading to neglect of plantations or abandonment of tapping activities altogether. Widyasari (2019) emphasizes that declining income in rural communities often triggers broader social consequences, including rising debt and vulnerability to exploitation. These multidimensional impacts demonstrate that price instability does not only affect household finances but also erodes long-term social and community well-being.

To cope with these conditions, farmers adopt two adaptive strategies. First, consolidation strategies represent proactive, collective resilience efforts. By forming farmer groups, selling rubber collectively, and carefully managing household finances, farmers strengthen their bargaining position and stabilize their income. This is consistent with Suradisastira’s (2008) socio-economic resilience theory, which emphasizes the role of collective solidarity, efficiency, and cooperation in reducing vulnerability. Farmer groups serve as a platform for knowledge exchange, information sharing, and price negotiation, showing the importance of social capital in rural adaptation. Second, survival strategies are more individual and short-term. These include seeking additional income through side

businesses, planting food crops to meet household needs, raising livestock, or temporarily suspending tapping when prices fall below production costs. These strategies align with Ikrima's (2020) and Marsyella et al.'s (2021) findings, which highlight livelihood diversification as a fundamental household coping mechanism under economic stress. Such strategies ensure immediate survival but do not solve structural dependency problems. They reflect farmers' resilience in the face of crises, but they also show the limitations of household-level adaptations without broader institutional support.

The role of middlemen emerges as a paradox. On one hand, they provide crucial market access and immediate payment, which are essential for farmers' daily survival. On the other hand, they reinforce dependency and extract value through non-transparent pricing systems. Fuadi (2020) describes middlemen as both shock absorbers and sources of vulnerability in rural commodity chains. In Sungai Abit, this dual role is evident: farmers cannot function without middlemen, yet their reliance perpetuates weak bargaining positions and unstable livelihoods.

Overall, this analysis illustrates that the strategies employed by rubber farmers in Sungai Abit are forms of community resilience and adaptive response. Consolidation strategies demonstrate long-term resilience through collective action, while survival strategies reflect short-term adjustments to immediate pressures. However, without structural interventions—such as government regulation of middlemen, investment in rubber quality improvement, and support for diversification—farmers' strategies will remain limited and reactive. The findings therefore highlight not only the ingenuity of rural households in adapting to crises but also the urgent need for systemic reforms to reduce vulnerability and strengthen sustainability in the rubber farming sector.

Results

Factors Causing Rubber Price Fluctuations

External factors:

1. World rubber prices are influenced by the international market
2. Government policies that impact the rubber trade system.
3. Weather/climate conditions that affect production.

Internal factors:

1. The quality of the rubber latex (sometimes mixed, which reduces quality).
2. Farmers' ties to middlemen due to the need for quick cash.
3. Relatively high production costs.

Impact of Rubber Price Fluctuations

1. Economic: Farmers' incomes decline, impacting their families' well-being.
2. Social: Some farmers seek additional work, and some even temporarily abandon their plantations.
3. Psychological: Farmers' morale decreases when rubber prices fall.

Farmers Strategies for Dealing with Price Fluctuations

Survival strategies:

1. Reducing household expenses.

2. Pawning valuables for urgent needs.
3. Selling rubber even at low prices due to daily needs.
4. Business diversification strategies:
5. Farming secondary crops or other crops for additional income.
6. Small-scale livestock farming (chickens, goats, cattle).
7. Starting a side business, such as trading.

Consolidation strategies:

1. Relying on assistance from family or social networks. Some farmers try to group together to sell rubber directly to large collectors for better prices.
2. The Role of Middlemen
Middlemen play an important role because they are the primary buyers of farmers' rubber. However, their role also strengthens farmers' dependency, as farmers require prompt payment.

In general, this study shows that rubber price fluctuations significantly impact the lives of farmers in Sungai Abit Village, economically, socially, and psychologically. To overcome this, farmers rely on a combination of survival strategies, business diversification, and consolidation with other parties.

Research in Sungai Abit Village shows that rubber price fluctuations significantly impact farmers' economic conditions. Rubber prices, which once reached IDR 15,000/kg (2021), have now fallen to IDR 8,000/kg (2025), resulting in declining and unstable incomes for farmers. Factors causing these fluctuations are divided into internal and external factors. Internal factors include low latex quality, dependence on middlemen, high production costs, and minimal business diversification. External factors include declining global demand, competition with other producing countries, the weak rupiah exchange rate, and the emergence of synthetic rubber.

The main problems most perceived are low rubber quality and farmers' weak bargaining position vis-à-vis middlemen. To address these issues, farmers employ two strategies. First, a consolidation strategy, which involves strengthening farmer groups, selling collectively, and managing finances carefully. Second, a survival strategy, which involves seeking additional income through trading, raising livestock, or working odd jobs, while also reducing household expenses.

With these strategies, farmers strive to maintain family economic sustainability despite unpredictable price fluctuations.

Example:



Discussion

The findings indicate that rubber price volatility is not only influenced by international market forces but also by internal weaknesses, particularly the dependency on middlemen and low product quality. These conditions limit farmers' ability to negotiate fair prices. The adoption of consolidation strategies reflects resilience theory, where farmers seek collective strength to stabilize their economy. Meanwhile, survival strategies illustrate short-term adaptive responses to economic shocks, often through diversification and cost reduction.

This study highlights the dual nature of farmers' resilience: maintaining stability through group solidarity while simultaneously pursuing alternative income sources. Strengthening institutional farmer groups and improving rubber quality could enhance farmers' bargaining power and reduce their vulnerability to external shocks.

Conclusion

Rubber farmers in Sungai Abit Village face severe challenges due to fluctuating rubber prices. The main problems are poor latex quality and heavy dependence on middlemen. To cope with these conditions, farmers employ consolidation and survival strategies, each reflecting different aspects of resilience and adaptation.

1. Policy recommendations include:
2. Enhancing rubber quality through training and better processing.
3. Promoting diversification to reduce dependence on rubber alone.
4. Encouraging collective marketing through farmer groups.
5. Strengthening government support and regulation of middlemen to ensure fairer trade practices.

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