

DEVELOPMENT OF DOWNSTREAM AGRIBUSINESS IN THE CONTEXT OF INCREASING VALUE ADDED PRODUCTS CPO

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Abstract

Commodity palm oil has a very large role in the economy of Indonesia. The Government supports the growth of the business world for oil palm plantations pengembangkan either increase the intensification and extensification in the new land. This study aims to provide an overview of the development of agribusiness in Indonesia downstream palm oil and efforts are made to the downstream industry in order to increase value-added agribusinesses downstream palm oil in Indonesia. The method used is descriptive method by which data is obtained from the Ministry of Agriculture, GAPKI, Statistics Indonesia, Ministry of Industry and Apolin. At the end of the discussion suggested to accelerate downstream process in Indonesia where the key lies in the macroeconomic management of the infrastructure and interest rates, stabilization policy linkages in the domestic cooking oil prices for inflation, as well as a consistent national energy policy.

Keywords: *Agribusiness, Crude palm oil, downstream industries.*

Introduction

Commodity palm oil has a very large role in the economy of Indonesia. Products of oil palm plantations in the TBS (Tandan Buah Segar) processed into semi-finished products in the form of CPO (crude palm oil) and palm kernel oil. Both products can be processed into a variety of advanced products for the food industry such as cooking oil, butter, alcohol, methyl and for non-food industries such as detergents, cosmetics, and other (Pahan, 2005).

The Government supports the growth of the business world for oil palm plantations pengembangkan either increase the intensification and extensification in the new land. The area increased rapidly from only 119 thousand in 1969 to 3.9 million in 1999. CPO production increased faster than that is only 188 thousand tons in 1969 to 6.4 million tons in 1999 either due to increased acreage and (especially) an increase in productivity. Not only the CPO production increased rapidly due to expansion / productivity of private and state plantations, smallholders were growing rapidly and increasing palm plantation centers spread to other provinces to Papua.

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