Jember regency is located in the East Java province. The largest agricultural commodity of this regency comes from coffee, which belongs to the plantation subsector. Coffee is the most potential commodity to develop in Jember. However, the potential for high capacity coffee production has not been balanced with the availability of adequate information about the potential market and the characteristics of product distribution, especially for the production of community-based coffee bean. It also affects the income of coffee farmers, especially those who have not been able to improve their welfare. Therefore, there should be an effort to increase coffee farmers' lives in Jember regency by developing coffee business that will lead to the improvement of community-based coffee bean farmers' welfare. The issues to discuss in this study are: 1). how are the internal factors (strengths and weaknesses) and the external factors (opportunities and threats) of the coffee agribusiness in Jember, East Java, Indonesia?; 2). how is the formulation of the action plan (plan of action) at each value factor to increase the income of community-based coffee bean farmers in Jember, East Java, Indonesia?

2. Literature Review

The Characteristics of Coffee: Coffee is a tree-shaped plant species included in the *coffea* genus and the *rubiaceae* family. This plant grows upright, branches out, and can grow up to 12 m. The leaves are oval with slightly pointed tips, and grow in each stems, branches and twigs. Coffee has a branching system that is quite different from other plants. In order to grow, coffee plants need porous soil allowing water to flow freely into the ground. Coffee plants are unsuitable to grow in clay that is too sticky due to containing too much water, and also unsuitable in a sandy area because it is too permeable (porous). Coffee planting is done on the ground with 1.8 m depth, because coffee trees have the ability to adapt and extend its root system. A deep soil condition will provide required nutrients. Coffee plants will grow well in soil that is slightly acidic with a pH of 6. The soil type varies, ranging from basalt, granite or crystalline, and it matches 25-30° gradient. Coffee plant is an annual plant that has shallow roots, and naturally has a taproot that does not make it fall easily. The seeds are derived from seed cuttings, grafts, or grafting seedlings. Coffee plants generally begin to flower after less than two years. The buds come out of the leaf axils located on the main stem and reproductive branches. The flowers coming from both these places usually do not develop into fruit, are limited in number and only produced by very young plants. The flowers, numerously, will come out of leaf axils on primary branches. These flowers come from secondary buds changing their reproductive function into flower buds. Then the flower buds develop into flowers and it will cluster.

Income: Human beings must be able to meet their basic needs, such as clothing, housing, food and shelter. To meet those basic needs, financial income is needed. Household income is the sum of the real income of all household members donated to meet the needs (in a group or individuals) in a household (Sumardi and Evers, 1995: 322). Money income is all income in the form of money earned through salaries and wages of personal business or work and from the sale of such owned goods. Income in the form of goods for services is all income earned in the form of goods for services rendered. Other incomes are all revenues that are redistributive transfers, which bring changes in household finances (Purbangkoro, 1994: 52). The relationship between the amounts of family income can be seen in the form of income received by family members who work, which is either husband's or wives' income derived from the basic salary, benefits or compensation for the excess production or other income. In public life, there are many ways to acquire income to meet basic living needs. The income they earn can be different despite having the same basic job. However, when viewing the conditions and lives of low-income communities, they generally have similar patterns. They usually are limited to fulfilling the basic consumption such as for food and children's education, while medical treatment is only if it is an emergency, and hardly fulfilling the need of clothing. Ideally, the higher the income of a family then the higher the welfare of the family will be. Based on the income, it can be concluded that income is very important to meet the life needs, and it is apparently difficult for a low-income society to be able to improve their living standards, because the main priority in the use of the money is allocated more to the food needs only, whereas non-food needs are difficult to fulfill properly.

3. Methodology

This study will be conducted over a period of four months. The action plan identified in the research will be made based on the results of Covariance Vector Analysis supported by the results of the SWOT analysis, and will be followed by drafting (formulating) the value chain implementation model. The development of the model is applied by involving all components of the supply chain in the coffee bean