

4.2.1 Partnership Program

In granting and distribution the Partnership Program fund, PTPN XI emphasizes on activities that could improve production techniques and marketing of sugar cane farmers/growers. During 2013, PTPN XI distributed funds for Partnership Program for Rp59,66 billion to sugar cane farmers, cooperatives, and micro/small businesses. This amount was almost doubled as compared to the fund distributed in 2012 (i.e. Rp47,21 billion). Table 3 provides data regarding the Partnership Program Fund of PTPN XI. The data show that there was an increase in available fund and also in fund utilization from time to time since 2009 until 2013. In 2009, the fund utilization was Rp11.21 billion, and in 2013 was increased more than five times, became Rp59,66 billion.

Table 3. Partnership Program Fund PTPN XI ((in Rp000.000)

	2009	2010	2011	2012	2013
Available fund	14.215	24.290	33.791	39.904	65.402
Fund utilization	11.209	20.083	30.522	37.210	59.657
Fund balance	3.006	4.207	3.269	2.694	5.745
Trained partners (person)	n/a	n/a	2.067	921	1.078

Source: Annual Report PTPN XI, 2013 and Annual Report PTPN XI 2012

4.2.2 Community Development

Besides Partnership Program, PTPN XI also distributes and grants Community Development fund of Rp515.000.000 in 2013 in helping victims of natural disasters, education and training programs, improving public health, improving public facilities and infrastructure, improving religious facilities, and poverty alleviation. (Annual Report PTPN XI, 2013). Table 4 provides data concerning the realization of community development fund distribution of PTPN XI from 2009 to 2013.

Table 4. Community Development Fund PTPN XI (in Rp000.000)

	2009	2010	2011	2012	2013
Available fund	3.900	4.150	2.455	1.150	558
Fund utilization	1.140	2.545	1.323	717	315
Fund balance	2.760	1.604	1.132	433	243

Source: Annual Report PTPN XI, 2013, and Annual Report PTPN XI 2010

Data in Table 4 shows that there was a decrease in fund available for Community Development in 2013 as compared to previous years. In 2009, the available fund was Rp3,9 billion and it kept decreasing until Rp559 millions in 2013. On the other hand, the fund utilization increased in 2010 as compared to 2009. However, since 2010 until 2013 the fund utilization for Community Development kept decreasing from Rp2,55 billion to Rp315 millions.

4.3 Sugar Factories of PTPN XI

The PTPN XI has 16 sugar factories across East Java province, i.e. Magetan, Madiun, Ngawi, Pasuruan, Probolinggo, Lumajang, Jember, Situbondo, and Bondowoso. The sugar production of PTPN XI contributes around 16-18% in national sugar production. The revenue from sugar production contributes almost 75%-80% in total revenue of PTPN XI. Most of the raw materials are obtained from farmers' sugar cane through Partnership Program. This study