In Indonesia, the marketing sector for horticulture products generally has an inefficient and long market channel. Indonesian agriculture has the practice of standing crop purchase (tebasan and ijon) traditionally and long marketing channel, where price of the horticulture products are mainly fixed by trader, especially big trader. The standard techniques of the horticulture production were not shared in farmers, and the quality or productivity of the products were different by farm. Traders are the main actors in marketing channels, whereas farmers have weak bargaining power and limited market access. Recently farmer’s prices are raising continuously in particular fruits after their export started. The study aims to identify the factors contributing to increased farmer prices. The findings of each chapter are as follows.

Chapter I describes the background of the study and constraints related to improvement of farmer’s income, efficiency, productivity, and quality of horticultural commodities. Government of Indonesia has tried to increase farmer’s income by promoting the direct marketing from farmer to wholesaler or exporters, though the result fell short of its expectation.

In chapter II, the objectives and research method of the study are described. The main objective of the study is to identify the factors contributing to increased farmer’s prices. The study selected three factors, small-scale village trader, farmer group association and export activities, as important factors and conducted case-study analysis in Indonesia. The research area is located in Sleman District, Yogyakarta Province,
Indonesia, and the production center as well as the place of origin of snakeskin fruit pondoh (Salacca zalacca cv Pondoh). In the research, data was collected through interviews with concerned persons and questionnaire to farmers.

Chapter III examines the development process of small-scale trader with financial viewpoint. Small-scale traders of snakeskin fruit in Sleman District are dominated by women and they have developed as independent traders without practicing of tebasan and ijon. Through examination of capital source of the trader, it was cleared that since 2005, with accumulation of their own capital, small-scale trader bought the products by cash from farmers, while big traders paid the small-scale traders on deferred payment. As a result small-scale trader in Sleman District became a capital’s provider.

Chapter IV analyzes the farmer group associations’ performance with managerial viewpoint. To improve farmer’s marketing access, farmer group association for snakeskin fruit product was established in Sleman District. This chapter aims to clarify following two: (1) to identify the types of farmer group association and their performance, (2) to identify the main factors involved in development of farmer group association. Three types of farmer group associations are classified; 1) Farmer group association led by private business companies, 2) Farmer group association established by the government; 3) Farmer group association led by the community. However, only third type of associations is active. The key factor of success of the partnership is their joint management system: (1) quality control, (2) institutional building, and (3) information sharing or reduction of the asymmetry of information between partnership members.

Chapter V, from the view point of value chain, analyzes followings: (1) factors contributing to price increase at farmer level in the domestic market, (2) factors affecting the marketing chain. The factors contributed to the increase of the price are: (1) high inflation between periods of 2005 to 2008 contributed an estimated 26.2% toward price increases, (2) quality improvement through the GAP program contributed an estimated 9.1%, and (3) remaining factors were (a) an intensification of competition among small-scale traders to collect snakeskin fruit and (b) increase of the bargaining power of the farmer by the establishment of the farmer group association through the price negotiation with small-scale traders. To increase the farmers’ income, the government should support farmer group association and the partnership, and the role of small-scale village trader also should be re-evaluated.