SUMMARY

SUNGGU SITUMORANG. The Impact of Crude Palm Oil Levy Policy on Farmer's level Price for FFB. Supervised by AMZUL RIFIN and BUNGARAN SARAGIH.

Currently Indonesia become the country with the largest area of palm oil (CPO) producers and the largest in the world. Wide area according to the status of consession belongs to the people (plantation) acres of 4.55 million hectare or 41.55% of the total area, the State-owned area (PTPN XIV) 0.75 million hectare or acre 6.83% of total area acreage, acres of privately owned 5.66 million Ha or 51,62%, private divides into 2 (two) foreign private acres of 0.17 million Ha or 1.54% and the rest are local. With the potential of land large enough for this, Indonesia palm oil industry into the country the world's largest CPO exporter. CPO production increased steadily each year, not offset by the increase in the export of CPO, while domestic consumption there is no increase in CPO prices resulting in decreased which further impact to the community through the price of FFB (fresh fruit bunches) declining. The drop in the price of CPO constant since 2014 due to an oversupply of CPO, decreased the price of petroleum, and the pressure of substitution that is soybean oil palm industry as if making – sport will experience a crisis by 2015. To increase the price of CPO which continues to decline, then the Government issued a policy on Crude Palm Oil Support Fund (levy over the export of CPO and its derivatives) through Regulation No 61 by 2015.

This research is focused to the price of fresh fruit bunches (FFB) level of the farmers, because palm groves belonging to farmers in Indonesia currently broad enough that gives a major contribution as a raw material for industries that produce CPO and CPO price drop presence will impact against the declining price of TBS at the level of farmers.

The purpose of this study is to see the impact of the levy against the price of CPO TBS level farmers and to test whether there is a real difference between before and after. With a large burden of how charges are borne by the peasants likewise manufacturer CPO.

This research uses a linear multiple regression analysis. it is to know the direction of the relationship between the dependent variable independent variable, whether each variable independently associated positive or negative. With the model that was built and test the research hypotheses stated t or test different two average which aims to test whether there is a significant difference between the price when there are charges (without) versus the price after the levy (with). Analysis of different test done at a price of FFB and CPO prices.

The results of the research conducted retrieved collection of Palm (both customs come out as well as CPO Supporting Fund) negative effect against the price of TBS, where each increment of the oil levy of IDR 1/kg, the price would drop the TBS IDR 0.066/kg. This shows that the charges resulted in the price of palm oil TBS at the level of farmers is declining, and resulted in losses for farmers. Based on the results of the test t, obtained a value of the t statistic of 2,807, whereas a value of t statistics on alpha 5% was 1.988. This suggests that the influence of the oil levy against the price of FFB is significant at 5%, where the

alpha value t calculate t value is greater than the table or 2,807 > 1,998). This is also reflected in the value of Prob-t of 0.007 or smaller than 5% alpha. TBS is not responsive to price changes, both in the oil levy for short-term mapun in the long term, short term elasticity value of 0.006 and long-term elasticity value amounted to 355. Both are inelastic, because the value of the elasticity is less than 1. This gives the meaning that the price of TBS cannot make adjustments as well as changes in response to the charges, because the levy is a Government policy and compulsory followed. This is in line with previous research, where the imposition of the levy Palm (bea) does elastic both in the short-term and in the long-term (Purba 2012).

The study also supports the hypothesis that the levy CPO imposed negative impact for farmers. This is apparent from the coefficient variables (variable) the levy that has a negative and significant. Based on the data span research, the impact of the export levy CPO can be divided in 3 parts, namely (a) the export duties from January 2011 until December 2014); export duties negative effect against the price of TBS, where each increment of the oil levy of IDR 1 kg, then the price of FFB was down IDR 0,018/kg and (b) the enforcement of CSF in the period July 2015 Fund-June 2016 positive effect against the price of TBS, where each increment CSF sebessar IDR 1 kg, then the price went up by TBS will IDR 0,820/kg. But not significant since t calculate t < table. (c) the period of September 2014 s/d June 2105 where export duties and the CSF is 0.

During the period of enforcement of the export duties (BK), the average price of FFB in exporters is IDR 1, 695.76/kg (converted from the price of CPO), while the price of FFB in farmers is IDR 1, 315.07/kg, so that there is a margin of the exporter amounting to IDR 348,8/kg. Whereas the period of validity of the CSF, the average price of FFB in exporters is IDR 1, 860.15/kg, while the price of FFB in farmers is IDR 1, 533.07/kg, so that there is a margin of $380.70/kg. In the period without a BK and the CSF has not yet been enacted (August 2014-June 2015), the average price looks TBS in exporters was IDR 1, 687.53/kg, while the price of FFB in farmers is IDR 1, 593.78/kg, so that there is a margin of IDR 140/kg (to cover the costs incurred by the exporter).

The results of this research show that the Palm collection (both BK and CSF), charged to farmers, and resulted in farmers receive low prices. The magnitude of the margin at the time of the enactment of the BK is IDR 348,8/kg, and in the period of the CSF is IDR 380.70/kg, whereas the margin in the period without the levy is IDR 140/kg. The percentage, also looks at the period of the oil levy that CSF is larger compared to the period of BK, where the magnitude of the margin of exporters during the period of the CSF is 31%, and from BK is 24%. This suggests, the losses experienced by farmers is relatively greater in the period compared to the CSF period BK.

Keyword : CPO,CPO fund, export levi, export duty