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Governance of Fresh Oil Palm Fruit Bunch Prices: Challenges of Supervision and Protection Strategies for Independent Smallholders in the Bangka Belitung Islands Province

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A B S T R A C T

This study aims to analyze the challenges of supervision in the price management of oil palm Fresh Fruit Bunches (FFB) and formulate a protection strategy for independent smallholders in the Bangka Belitung Islands Province. The research uses a descriptive qualitative approach with data collection techniques through interviews, observations, and documentation studies. The results of the study show that FFB price governance still faces various obstacles, including low transparency of price information, weak supervision of price implementation, information asymmetry, long marketing chain, and low bargaining position of farmers. The protection strategies formulated include strengthening farmer institutions, transparency of price information, participatory supervision, fair partnerships, and improving farmers' bargaining positions. The strategy is expected to be able to realize price stability and improve the welfare of independent smallholders in a sustainable manner.

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INTRODUCTION

Oil palm is one of the strategic plantation commodities that has an important role in the national and regional economies. In addition to contributing to the country's foreign exchange revenue, the palm oil sector is also a source of livelihood for millions of people who depend on cultivation, processing, and marketing of plantation products. In the Bangka Belitung Islands Province, oil palm plantations have developed into one of the leading sectors that contribute significantly to regional economic growth, job creation, and improvement of the welfare of rural communities. Most of the oil palm plantation business actors in this area are independent smallholders who have a high dependence on the price stability of Fresh Fruit Bunches (FFB). (Central Statistics Agency, 2020)

Despite having a strategic role, oil palm FFB price management still faces various problems that have a direct impact on the income of independent smallholders. Price fluctuations in recent years have shown that smallholders are often vulnerable to policy changes, global market dynamics, and imbalances in the relationship between smallholders and palm oil mills (MCs). This condition is increasingly seen when there is a sharp decline in FFB prices, causing a decrease in farmers' income, a decrease in the ability to maintain their gardens, and potentially affecting the level of welfare of rural communities who mostly depend on the oil palm plantation sector for their livelihoods (Minister of Agriculture of the Republic of Indonesia, 2018) (Damnyag et al., 2025)

Normatively, the government has established a mechanism for determining the price of FFB through a pricing team involving local governments, plantation companies, and various other stakeholders. This mechanism aims to create fair prices and provide protection to farmers. However, in practice, there is still a gap between the price set by the pricing team and the price received by independent smallholders at the field level. The price difference is influenced by various factors, including a long marketing chain, a relatively weak bargaining position of farmers, a diverse quality of FFB, and limited supervision of the implementation of the price that has been set. (Minister of Agriculture of the Republic of Indonesia, 2018) (Anwar et al., 2025)

The problem of FFB price governance is not only related to economic aspects, but also to governance aspects. Good governance requires transparency, accountability, participation, and effective supervision in every pricing and implementation process. When the supervision mechanism has not run optimally, the potential for price irregularities, information asymmetry, and injustice in the relationship between farmers and business actors will be greater. Therefore, supervision is an important element in ensuring that pricing policies truly benefit independent smallholders as the group most vulnerable to market turmoil (Okello & Luttah, 2022)

In the Bangka Belitung Islands Province, the issue of FFB price supervision has become increasingly relevant considering the large number of independent oil palm farmers spread across various districts. Most farmers sell their crops through collectors or intermediaries before reaching the mills, so information about the reference price set by the government is often not fully known to farmers. This condition causes a weak bargaining position of farmers in the transaction process and has the potential to cause a significant price disparity between the official price and the actual price received by farmers (Liang et al., 2025)

In addition to the challenges of supervision, a protection strategy is needed that is able to ensure the sustainability of smallholder plantation businesses. This protection can be realized through strengthening farmer institutions, increasing the transparency of price information, optimizing the role of local governments in supervision, involving farmer organizations and village governments in the monitoring process, and developing a more participatory price governance system. This protection strategy is important to create a balance of interests between farmers, companies, and the government so that price stability can be maintained and farmers' welfare can be improved. (Bishop & Carlson, 2022)

Based on this description, research on "Price Management of Oil Palm Fresh Fruit Bunches: Supervisory Challenges and Protection Strategies for Independent Smallholders in the Bangka Belitung Islands Province" is important to be carried out. This study aims to analyze the challenges in monitoring the implementation of FFB prices, analyze the factors that cause ineffective price governance, and formulate protection strategies that can strengthen the position of independent smallholders in the oil palm plantation system. The results of the research are expected to make an academic contribution to the development of plantation commodity governance studies and become policy recommendations for local governments and stakeholders in realizing a more transparent, fair, and sustainable FFB pricing system.

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THEORETICAL OVERVIEW

2.1. Marketing Theory

Research on the price management of oil palm Fresh Fruit Bunches (FFB) is basically inseparable from the marketing concept because price is one of the main elements in the marketing mix. According to Philip Kotler and Kevin Lane Keller, marketing is the process of creating, communicating, and delivering value to customers and managing customer relationships to generate benefits for the organization and its stakeholders. In the context of the palm oil industry, independent smallholders can be seen as primary product suppliers who need a marketing system that is able to create fair economic value through transparent and fair pricing mechanisms.

Modern marketing theory emphasizes that the success of a marketing system is not only measured by the profits of business actors, but also by the ability to create a balance of benefits for all parties involved in the value chain. Therefore, FFB price governance is part of a marketing system that functions to connect the interests of farmers, traders, palm oil mills, and the government.

2.2. The Concept of Marketing Governance

From a marketing perspective, governance refers to the mechanisms, rules, and relationships between actors that govern the process of value exchange in a market system. Good marketing governance is characterized by information transparency, accountability, transaction fairness, and protection of parties with weaker bargaining positions.

In the palm oil marketing chain, FFB price governance is an instrument that aims to create market efficiency while maintaining a balance between farmers and the processing industry. If governance goes well, the price received by farmers will reflect the actual market conditions. Conversely, weak governance can lead to information asymmetry, price distortions, and unfair distribution of benefits.

2.3. Pricing Strategy Theory

Price is the only element of the marketing mix that directly generates revenue. Pricing strategy is a series of decisions made by organizations to determine the value of a product or service so that it can achieve marketing goals and provide benefits for consumers and companies. (Kotler & Keller, 2016)
In the palm oil sector, the price of FFB is a factor that greatly determines the income level of farmers. Therefore, pricing must pay attention to several key principles, namely:

1. Price fairness.
2. Transparency of pricing information.
3. Price conformity with product quality.
4. Price stability.
5. Sustainability of farmers' businesses.

The concept of price fairness explains that farmers will judge the price as something fair if there is a match between the quality of the crop and the price received. When farmers feel that the price received does not reflect the value of the product sold, there will be a perception of injustice that has the potential to reduce trust in the marketing system.

2.4. Market Orientation Theory

Market orientation is the ability of an organization to understand market needs and respond to changes in the business environment. The development of market orientation theory shows a shift from a traditional approach to a more adaptive approach to customer needs.
Market orientation consists of two main dimensions: (Narver et al., 2004)

a. Responsive Market Orientation

Responsive Market Orientation is the ability of organizations to understand and respond to real-world customer needs. In the context of FFB price governance, local governments and stakeholders need to respond to various complaints from farmers related to price declines, price disparities, and limited access to market information.

b. Proactive Market Orientation

Proactive Market Orientation is an organization's ability to identify latent needs or future needs that have not been explicitly disclosed by customers. In FFB price governance, a proactive approach can be realized through the development of a digital price information system, strengthening farmer institutions, and drafting anticipatory policies against global price volatility. The application of market orientation in palm oil price governance allows the government not only to solve the problems that are occurring, but also to prevent similar problems from arising in the future.

2.5. Farmer Protection Concept

Farmer protection is the government's effort to ensure the sustainability of farming and improve the welfare of farmers through various policy instruments. From a marketing perspective, farmer protection aims to create a fairer market so that farmers get proportionate economic benefits.

Protection of oil palm smallholders can be done through:

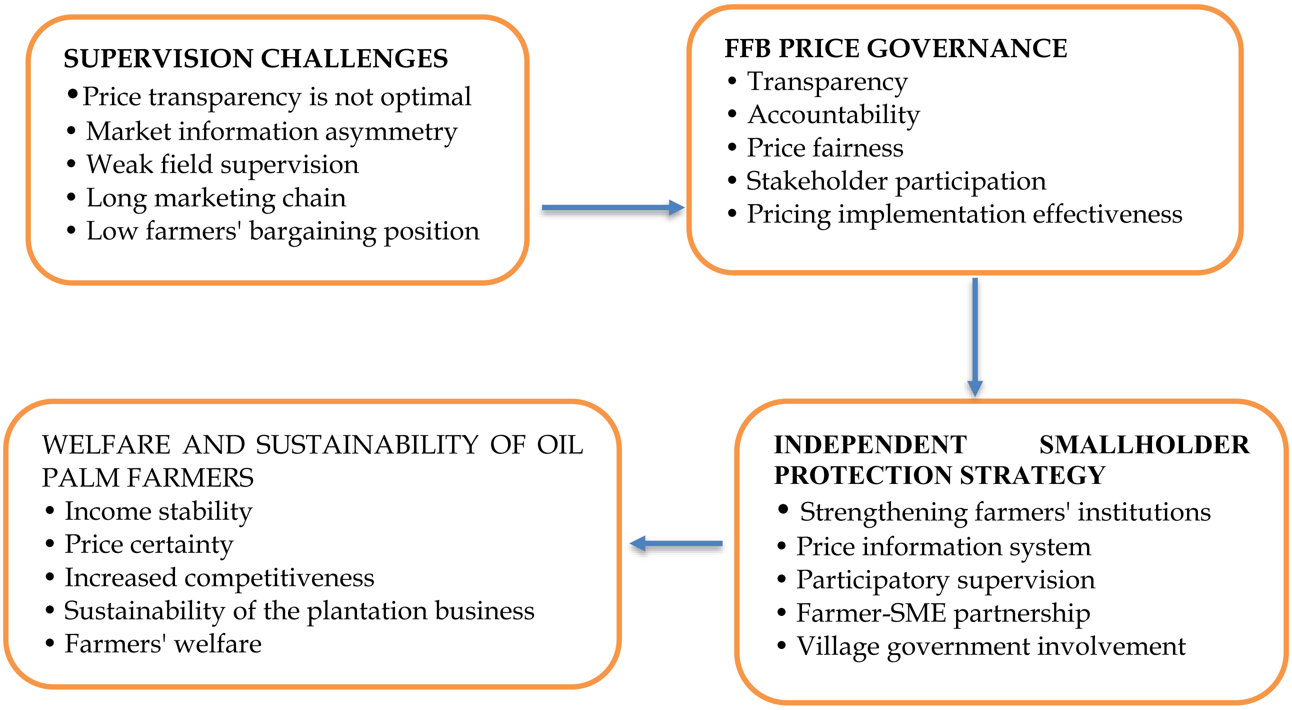
- Supervision of FFB price implementation.
- Provision of transparent pricing information.
- Strengthening farmer institutions.
- Development of equitable partnerships.
- Increased market access.
- Strengthening the bargaining position of farmers.

This concept is in line with the principle of relationship marketing which emphasizes the importance of long-term mutually beneficial relationships between all actors in the marketing chain.

2. 6. Research Conceptual Framework

Based on the marketing theory and concept used, this study views that FFB price governance is part of the palm oil commodity marketing system which is influenced by the effectiveness of supervision and farmer protection strategies.

Figure 2.1 Conceptual Framework of Research



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METHODOLOGY

This study uses a descriptive qualitative approach to understand in depth the price governance of oil palm Fresh Fruit Bunches (FFB), supervisory challenges, and strategies for the protection of independent smallholders in the

Bangka Belitung Islands Province. This approach was chosen because it is able to reveal the phenomena, perceptions, and experiences of stakeholders involved in the process of determining and supervising the price of FFB.

3.1 Population and Research Informants

The research population includes all stakeholders involved in the price management of palm oil FFB in the Bangka Belitung Islands Province. Because the research is qualitative, the determination of informants is carried out using **purposive sampling**, which is to select informants who have knowledge, experience, and direct involvement in the process of determining and supervising FFB prices.

The research informants consisted of:

1. Officials of the Bangka Belitung Islands Provincial Plantation Office.
2. Member of the FFB Pricing Team.
3. Leaders or representatives of the Palm Oil Mill (PKS).
4. An association of oil palm farmers.
5. Village heads in the oil palm plantation center area.
6. Self-employed oil palm farmers.
7. Academics and practitioners who understand the palm oil trading system.

The number of informants is determined based on the principle **of saturation (data saturation),** which is that the data collection process is stopped when the information obtained has been repeated and no significant new information is found.

3.1Data Collection Techniques

Research data was obtained through:

1. **In-depth interviews** with key informants to uncover information about the mechanism of pricing, supervision, and protection of farmers.
2. **Field observation** to understand the implementation of FFB price governance at the farmer and PKS levels.
3. **Documentation study** of laws and regulations, FFB pricing minutes, government reports, plantation statistical data, and other related documents.

3.2 Data Analysis Techniques

Data analysis was carried out using (Haoxing & System, n.d.) **the interactive model of Miles, Huberman, and Saldaña (2014)** which includes:

1. **Data Condensation**, which is the process of selecting, simplifying, and grouping data that is relevant to the focus of the research.
2. **Data Display**, which is the preparation of data in the form of a matrix, table, narrative, and diagram to facilitate interpretation.
3. **Conclusion Drawing and Verification**, which is the process of finding patterns, relationships, and meanings from data that has been analyzed to answer research objectives.

To ensure the validity of the data, the research uses **source triangulation, triangulation techniques, and document triangulation**, so that the information obtained can be verified through various sources and data collection methods.

This methodology is expected to be able to produce a comprehensive understanding of the challenges of supervision in FFB price governance and formulate an effective protection strategy for independent oil palm smallholders in the Bangka Belitung Islands Province.

RESULTS

4.1. Analysis of the factors that cause ineffective price governance and challenges in monitoring the implementation of FFB prices

4.1.2 Challenges of Supervision in the Price Governance of Oil Palm Fresh Fruit Bunches

The results of the study show that the price management of oil palm Fresh Fruit Bunches (FFB) in the Bangka Belitung Islands Province still faces various supervisory challenges that affect the effectiveness of the implementation of prices that have been set by the government. Based on the results of interviews with informants from farmers, local governments, farmer organizations, and business actors, it was found that one of the main problems is the lack of optimal transparency of price information at the level of independent smallholders. Some farmers claim to know the price of FFB only through collectors or intermediaries, making it difficult to verify the reference price set by the government.

This condition shows the existence of information asymmetry in the palm oil marketing chain. From a marketing perspective, information is one of the strategic resources that determines the bargaining position of market participants. When access to information is not evenly distributed, the group with more complete information will have greater power in determining prices. These findings are in line with strategic marketing theory that market transparency is a prerequisite for the creation of a fair and efficient exchange mechanism.

In addition, informants from independent smallholders assessed that supervision of the implementation of FFB prices is still not running consistently. Although the government routinely sets reference prices, implementation in the field is often influenced by local market conditions, fruit quality, transportation distance, and the presence of intermediaries in the distribution chain. This situation causes the prices received by farmers to not always match the prices that have been set through the official mechanism.

These findings indicate that the effectiveness of pricing policies is not only determined by the pricing process, but also by the ability of governments and stakeholders to oversee their implementation. In the context of governance, supervision is an important instrument to ensure compliance with rules and ensure the achievement of public policy objectives. Therefore, weak supervision has the potential to reduce the benefits of price policies for independent smallholders.

4.1.2 Independent Smallholders' Bargaining Positions in the Oil Palm Marketing System

The results of the study also show that the bargaining position of independent smallholders is still relatively weak compared to other actors in the palm oil marketing chain. Most farmers sell their crops through collectors due to limited direct access to palm oil mills (PKS). This condition causes farmers to have a high dependence on intermediaries in determining the selling price of FFB.

According to the informant's view, the limited market access is influenced by the relatively small business scale, limited transportation facilities, and the lack of optimal farmer institutions. As a result, farmers are often in a position as price takers and not as parties who have the ability to negotiate prices.

From the perspective of marketing theory, this condition shows that there has not been a marketing system that is oriented towards creating value equally for all market participants. Kotler and Keller explained that an effective marketing system must be able to create shared value so that each party gets a profit proportionate to its contribution in the value chain. When farmers as the main producer have a weak bargaining position, the distribution of economic benefits tends to be unbalanced.

The findings of this study also show that the weakness of farmers' bargaining positions is not only caused by economic factors, but also institutional factors. Some informants assessed that the existing farmer organizations have not fully functioned as a collective forum in fighting for the interests of farmers related to prices and market access. Therefore, strengthening farmers' institutions is one of the urgent needs in an effort to increase their bargaining power in the palm oil marketing system.

4.1.3 Strategies to protect independent smallholders through strengthening price governance

Based on the results of the study, the protection of independent smallholders requires an approach that not only focuses on the pricing aspect, but also on improving governance as a whole. Informants from government elements and farmer organizations emphasized the importance of developing a price information system that is easily accessible to the public. The availability of open price information is considered to reduce the information gap while improving farmers' ability to make marketing decisions.

The findings are in line with the concept of Responsive Market Orientation which emphasizes the importance of an organization's ability to understand and respond to the real needs of stakeholders. In this context, the main need of farmers is to obtain fast, accurate, and reliable price information. Responding to these needs can be realized through the use of information technology and an integrated price reporting system.

On the other hand, the results of the study also show the need for a Proactive Market Orientation approach in FFB price governance. Some informants assessed that the farmer protection policy so far tends to be reactive and only carried out after price fluctuations. In fact, sustainable protection requires anticipatory steps such as strengthening farmer institutions, developing fair partnerships with PKS, and developing participatory monitoring mechanisms involving local governments, village governments, farmer organizations, and communities.

Such a proactive approach is important because fluctuations in palm oil prices are influenced by a variety of external factors, including global market dynamics, export policies, and changes in industry demand. Therefore, the farmer protection strategy is not enough to be oriented only to solve the problems that are occurring, but must also be able to anticipate potential problems in the future.

4.1.4 Collaboration-Based Price Governance Model

The findings of the study show that FFB price monitoring will be more effective if it is carried out through a collaborative approach involving various stakeholders. The informant assessed that the involvement of local governments, farmer organizations, village heads, PKS, and supervisory agencies can increase transparency and strengthen accountability in the implementation of FFB prices.

This collaborative approach is in line with the concept **of modern governance** which places the government not as the only actor in the implementation of policies, but as a facilitator who builds synergy with various parties. In the context of palm oil price governance, collaboration allows for the creation of a more participatory oversight mechanism so that potential irregularities can be minimized.

This research indicates that the involvement of village governments and community organizations close to farmers can be an effective instrument of social surveillance. The existence of these local actors allows the price monitoring process to be carried out more quickly and sustainably. In addition, the active participation of farmers in the supervision process can also increase their sense of ownership of the price policy set by the government.

Academically, the results of this study strengthen the view that the price governance of plantation commodities is not only related to market mechanisms, but also concerns institutional aspects, transparency, participation, and collaboration between actors. Therefore, the strategy to protect independent smallholders in the Bangka Belitung Islands Province needs to be directed at the development of a price governance system that is transparent, participatory, accountable, and oriented towards the sustainability of farmers' welfare. Thus, the main goal of setting the price of FFB as an instrument for farmer protection can be achieved more effectively and sustainably.

4.2 Protection Strategies That Can Strengthen the Position of Independent Smallholders in the Oil Palm Plantation System

Based on the results of the study, the main challenge faced by independent smallholders lies not only in fluctuations in the price of Fresh Fruit Bunches (FFB), but also in the weak bargaining position, limited access to market information, and suboptimal supervision of the implementation of prices set by the government. Therefore, a comprehensive protection strategy is needed to strengthen the position of independent smallholders in the oil palm plantation system.

4.2.1. Institutional Strengthening of Independent Farmers

Farmer institutions are an important instrument in improving farmers' bargaining positions against market participants. The formation and strengthening of cooperatives, farmer groups, and oil palm smallholder associations can be a collective forum to fight for the interests of farmers in the FFB marketing process. Through strong institutions, smallholders can sell together, obtain better market information, and improve price negotiation capabilities with palm oil mills (PKS).

From a marketing perspective, farmer institutions function as a means to create market efficiency while reducing farmers' dependence on intermediaries which has been one of the causes of the low prices received by farmers.

2. Development of a Transparent Price Information System

Information asymmetry is one of the factors that causes farmers to be in a weak position in the marketing chain. Therefore, local governments need to develop a price information system that can be accessed easily, quickly, and transparently by all farmers.

Price information can be disseminated through digital applications, social media, official government websites, village information boards, and short message services. Transparency of price information will increase farmers' ability to make marketing decisions while preventing price manipulation by certain parties.

4.2.3. Strengthening Supervision of FFB Price Implementation

The determination of the price of FFB will lose its meaning if it is not followed by effective supervision. Therefore, a supervisory mechanism is needed involving local governments, farmer organizations, village governments, academics, and community elements.

Supervision not only focuses on the conformity of the price received by farmers with the reference price, but also includes transparency of weighing, determination of fruit quality, and cost cutting carried out in the transaction process. Thus, supervision can be a protection instrument that guarantees fairness in the marketing of FFB.

4.2.4. Involvement of Village Governments in Price Supervision

The village government has a strategic position because it interacts directly with the farming community. Therefore, the involvement of the village government in the price control system needs to be strengthened through coordination with relevant agencies and farmer organizations.

The role of village governments can include:

- Dissemination of official price information.
- Facilitation of farmer complaints.
- Monitoring prices at the village level.
- Assistance to farmer groups.
- Reporting of price irregularities to local governments.

The involvement of the village government is in line with the spirit of community empowerment as stipulated in the Village Law which gives authority to the village to encourage the improvement of community welfare.

4.2.5 Establishment of a Multistakeholder Palm Oil Governance Forum

Smallholder protection requires synergy between various actors involved in the palm oil industry. Therefore, it is necessary to establish a palm oil governance forum involving the government, PKS, farmer organizations, APDESI, academics, and community elements.

This forum serves as a means of:

- Dialogue and price troubleshooting.
- Evaluate the implementation of the FFB price policy.
- Conveying the aspirations of farmers.
- Preparation of policy recommendations.
- Strengthening the transparency of the palm oil trading system.

Through this forum, the decision-making process becomes more participatory and accountable.

4.2.6. Strengthening Equitable Partnerships between Farmers and SMEs

The partnership between farmers and SMEs needs to be directed to the principle of mutual benefit. A good partnership can provide market certainty, price certainty, improved crop quality, and knowledge transfer to farmers.

Partnership agreements must be drafted in a transparent manner by paying attention to the rights and obligations of each party so as not to cause inequality in business relationships.

4.2.7. Preparation of Sustainability-Based Price Protection Policies

Local governments need to formulate price protection policies that are not only responsive to price fluctuations, but also proactive in anticipating market changes. The policy can be realized through:

- Strengthening FFB price control regulations.
- Development of an early warning system against price declines.
- Increasing farmers' access to financing.
- Supporting the Downstream Mining Program.
- Strengthening the capacity of farmers in marketing and business management.

Figure 4.1 Protection Strategies That Can Strengthen the Position of Independent Smallholders in Oil Palm Plantation Systems

Researcher-managed 2026

DISCUSSION

4.3.1 FFB Price Governance and Supervisory Challenges

The results of the study show that the price management of oil palm Fresh Fruit Bunches (FFB) in the Bangka Belitung Islands Province still faces various challenges that affect the effectiveness of protection for independent smallholders. Informants from farmers revealed that the prices received at the field level are often different from the prices set through official government mechanisms. These differences are not only influenced by fruit quality factors and transportation costs, but also by limited access to information and weak supervision of price implementation.

These findings show that pricing alone is not enough to ensure the creation of market justice. In the perspective of strategic marketing management, price is a representation of the value that manufacturers receive for the products produced. According to Philip Kotler and Kevin Lane Keller, an effective marketing system must be able to create value fairly for all stakeholders. When the prices received by farmers do not reflect the proper economic value, there is an imbalance in the distribution of benefits along the palm oil value chain.

The results of the study also show that price supervision is still administrative and has not fully reached the transaction practices that occur at the farmer level. As a result, there is room for a gap between the policies formulated and the implementation on the ground. This condition reinforces the view that price governance requires a more participatory and sustainable monitoring mechanism so that the goal of farmer protection can be optimally achieved.

4.3.2 Information Transparency as a Determining Factor for Price Fairness

One of the important findings of this study is that farmers still have limited access to accurate and up-to-date price information. Most of the informants said that price information was obtained more through collectors or intermediaries than through official government channels. This situation creates an information dependency that ultimately affects farmers' ability to determine marketing options for their crops.

In marketing theory, information is a strategic resource that determines market efficiency. A transparent market allows all actors to have equal access to information so that the exchange process takes place more equitablely. On the other hand, information asymmetry will strengthen the position of those who have greater access to information and weaken the position of those who have limited information.

The findings of this study are in line with the concept **of Responsive Market Orientation** developed by John C. Narver, Stanley F. Slater, and Douglas L. MacLachlan. The government as a regulator is required to be able to respond to the real needs of farmers, one of which is through the provision of price information that is transparent, easily accessible, and trustworthy. Price transparency not only increases farmers' confidence in the system, but also strengthens their position in conducting market negotiations.

4.3.3 Weak Bargaining Position of Independent Farmers

The research found that independent smallholders are still in a relatively low bargaining position in the palm oil marketing chain. This condition is influenced by the small business scale, limited direct access to palm oil mills (PKS), and high dependence on collectors. As a result, farmers tend to play the role of price takers rather than as parties who have the ability to influence prices.

From the perspective of agribusiness marketing, the bargaining position is an important factor that determines the ability of business actors to obtain added value from the economic activities carried out. The stronger the farmers' bargaining position, the greater their chances of obtaining a more competitive price. Conversely, weak bargaining positions will make farmers more vulnerable to market fluctuations and various forms of unfairness in transactions.

These findings show that the price problem cannot be separated from the institutional problem of farmers. Strong institutions allow farmers to collectively market, increase sales volumes, expand market access, and strengthen negotiation capabilities with buyers. Therefore, strengthening farmer institutions is one of the important prerequisites in realizing more equitable price governance.

4.3.4 Farmer Protection Strategy in a Proactive Market Orientation Perspective

The results of the study show that farmer protection policies have been more responsive to problems that have occurred than anticipating problems that will arise in the future. Informants from government elements and farmer organizations assessed that effective protection should not only be carried out when prices decline, but also through preventive measures that can strengthen farmers' resilience to market turmoil.

These findings are in line with the concept of Proactive Market Orientation which emphasizes the organization's ability to identify latent needs and future challenges before they arise in real terms. In the context of FFB price governance, a proactive approach can be realized through the development of technology-based price information systems, strengthening farmer institutions, developing equitable partnerships, and establishing a supervisory mechanism involving various stakeholders.

A proactive approach is becoming increasingly important considering that the palm oil industry is heavily influenced by global market dynamics, international trade policies, and changes in industry demand. Therefore, a farmer protection strategy must be designed as part of a long-term policy that is able to create stability and sustainability of smallholder plantation businesses.

4.3.5 Independent Smallholder Protection Strategy Model

Based on the findings of the study, the protection of independent smallholders requires an integrated approach through strengthening farmer institutions, transparency of price information, participatory supervision, equitable partnerships, and improving the bargaining position of farmers. The five components are interrelated and form a protection system that is oriented towards price stability and improving the welfare of farmers.

This model shows that the success of farmer protection does not only depend on the government as a regulator, but also on collaboration between local governments, village governments, farmer organizations, mills, and the community. This collaborative approach allows for more effective oversight, increased market transparency, and a more balanced partnership relationship between farmers and industry players.

Academically, the results of this study strengthen the view that plantation commodity price governance is a multidimensional issue that is not only related to market mechanisms, but also to institutional, informational, participation, and socio-economic protection aspects. Therefore, efforts to strengthen the position of independent smallholders must be carried out through governance reforms that place smallholders as the main actors in a fair and sustainable oil palm plantation system.

CONCLUSION

This study shows that the price management of oil palm Fresh Fruit Bunches (FFB) in the Bangka Belitung Islands Province still faces various supervisory challenges that have an impact on the suboptimal protection of independent smallholders. These challenges include limited transparency of price information, the existence of information asymmetry between farmers and market participants, weak supervision of the implementation of prices that have been set by the government, and the length of the marketing chain that causes farmers to be in a relatively low bargaining position.

The findings of the study also show that the FFB pricing mechanism that has involved various stakeholders has not been fully able to ensure the conformity between the reference price and the price received by farmers at the field level. This condition indicates that the effectiveness of price governance is not only determined by the pricing process, but also by the quality of supervision and participation of the parties in overseeing the implementation of the policy.

This study formulates a model of the strategy for the protection of independent smallholders consisting of strengthening farmer institutions, transparency of price information, participatory supervision, fair partnerships, and improving the bargaining position of farmers. The five components form a protection system that is integrated with each other in realizing price stability and improving farmers' welfare. Thus, the protection of independent smallholders needs to be placed as an integral part of FFB price governance that is oriented towards fairness, transparency, and sustainability of the oil palm plantation sector.

Theoretically, this study strengthens the application of strategic marketing theory, especially the concepts of Responsive Market Orientation and Proactive Market Orientation, in the governance of plantation commodities. Responsive price governance is able to answer the actual needs of farmers, while proactive governance is able to anticipate potential price problems in the future through institutional strengthening and a sustainable monitoring system.

RECOMMENDATIONS

1. For Local Governments

The Provincial Government of the Bangka Belitung Islands needs to strengthen the FFB price implementation monitoring system through the establishment of an integrated monitoring mechanism between the provincial government, district government, village government, farmer organizations, and palm oil mills. In addition, it is necessary to develop a digital-based price information system that can be openly accessed by all farmers to increase transparency and reduce information asymmetry.

2. For the Village Government

The village government needs to be given a more strategic role in supervising FFB prices because the village is the party closest to farmers. The involvement of the village government can be realized through the dissemination of official price information, the facilitation of farmer complaints, and the implementation of periodic price monitoring in their respective areas.

3. For Farmers' Organizations and Institutions

Farmer groups, cooperatives, and farmer organizations need to be strengthened so that they can function as a collective forum in improving the bargaining position of farmers. Institutional strengthening can be done through increasing managerial capacity, access to financing, developing marketing networks, and improving negotiation capabilities with palm oil mills.

4. For Palm Oil Mills (PKS)

PKS needs to build a more transparent and equitable partnership with independent smallholders through the application of the principle of openness in weighing, determining fruit quality, and FFB purchase mechanisms. A healthy partnership will create a long-term mutually beneficial relationship between farmers and the processing industry.

5. For APDESI and Village Community Organizations

APDESI can play a role as a strategic partner of the government in fighting for the aspirations of independent oil palm farmers through dialogue forums, participatory supervision, and submission of policy recommendations to local governments and the DPRD. APDESI's involvement can also strengthen the function of social control in FFB price governance at the village level.

6. Share Further Research

Further research can develop a model of FFB price governance based on *Collaborative Governance* by involving the government, companies, farmer organizations, village governments, and community institutions. In addition, further research can test the effectiveness of the independent smallholder protection model empirically in various oil palm plantation center areas in Indonesia so that a more comprehensive and applicable protection model is obtained.

7. Key Policy Recommendations

To realize fair and sustainable FFB price governance in the Bangka Belitung Islands Province, it is necessary to establish a Multi-Stakeholder FFB Price Supervision Forum involving the Regional Government, DPRD, APDESI, farmer organizations, PKS, academics, and community elements. This forum functions as a means of coordination, supervision, dispute resolution, and evaluation of FFB price implementation so that the protection of independent smallholders can be carried out effectively and sustainably.

FURTHER STUDY

This research still has limitations because it focuses on the price management of oil palm Fresh Fruit Bunches (FFB) and the protection strategy for independent smallholders in the Bangka Belitung Islands Province. Therefore, further studies are needed to deepen our understanding of the effectiveness of price control mechanisms and their impact on farmers' welfare in various regional and institutional contexts.

Further research is suggested to develop a *Collaborative Governance approach* in FFB price governance by analyzing the role of local governments, village governments, farmer organizations, palm oil mills, and supervisory institutions in building a participatory and sustainable monitoring system. This study is important to identify the most effective collaboration models in strengthening the protection of independent smallholders.

In addition, future research can examine the influence of digitization of price information on increasing market transparency and farmers' bargaining positions. The use of information technology, online-based price applications, and digital surveillance systems has the potential to become new instruments in improving the governance of plantation commodities.

Follow-up studies can also be conducted with a quantitative approach to measure the relationship between price transparency, institutional strengthening of farmers, effectiveness of supervision, and the level of welfare of farmers. This approach can provide stronger empirical evidence on the factors that affect the success of independent smallholder protection.

In addition, comparative research between provinces of palm oil centers in Indonesia needs to be conducted to produce a more comprehensive price governance model that can be replicated in various regions. The results of the research are expected to be the basis for the formulation of a more adaptive national policy in protecting independent oil palm farmers from market turmoil and price instability.

Future Research Agenda

1. Development of the Collaborative Governance model in FFB price supervision.
2. Analysis of the effectiveness of the involvement of village governments and farmer organizations in price surveillance.
3. A study on the digitalization of technology-based FFB price information systems.
4. The measurement of the effect of price transparency on farmers' welfare uses a quantitative approach.
5. A comparative study of the price governance of FFB prices between provinces of palm oil centers.
6. Development of an institution-based oil palm smallholder protection model and equitable partnership.
7. Analysis of palm oil price stabilization policies in the face of global market fluctuations.

Thus, further research is expected not only to enrich academic treasures in the field of plantation governance and agribusiness marketing, but also to produce more applicable policy recommendations to realize a transparent, fair, and sustainable FFB pricing system for farmers

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Finally, the author hopes that the results of this research can be a scientific reference as well as a consideration for the government, business actors, and other stakeholders in realizing more transparent, fair, and sustainable price management of oil palm Fresh Fruit Bunches in order to improve the welfare of independent smallholders in the Bangka Belitung Islands Province.

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