



The Flexible Role of Middlemen in the Nutmeg Distribution Scheme in Maluku

Avryana V.E.F. Baso¹, I Gusti Ngurah Krisna Dana²,
Ulfa Aulia Syamsuri³

Received: March 30th 2023 | Accepted: July 10th 2023 | Published: August 21st 2023

Abstract

Nutmeg cultivation in Banda Neira integrally involves middlemen, brokers who connect nutmeg farmers with the global market. Studies of such middlemen tend to emphasise the negative effects of their relationship with farmers. However, some research on their positive impact has also been conducted. This study seeks to explain the positive effects of middlemen by describing the flexibility of the brokered system. This descriptive-qualitative research, using data sourced from a study of the literature as well as interviews with resource persons, finds that flexibility has been created with the support of a communal social system that has carefully been maintained by middlemen in the nutmeg distribution scheme and supply chain. In the nutmeg distribution scheme, farmers have the option to sell nutmeg to a private actor—PT Kamboti—, but this option is not accessible to all smallholders because of the company's profit-oriented (market) logic. This study concludes that middlemen play a flexible role, one which is positively and highly related to the social context that they have helped create and maintain. These middlemen tend to present themselves as the brothers, or at least relatives, of the farmers. As these middlemen prioritise social approaches to increase social bonding, there is no resistance to their involvement in the nutmeg distribution scheme in Maluku.

Keywords: Access; Nutmeg Distribution; Middlemen Flexibility; Communalty.

-
- 1 Master Student, Department of Politics and Government, Universitas Gadjah Mada, Yogyakarta. Email: avryana.veronika2897@mail.ugm.ac.id.
 - 2 Master Student, Department of Politics and Government, Universitas Gadjah Mada, Yogyakarta.
 - 3 Master Student, Department of Remote Sensing, Universitas Gadjah Mada, Yogyakarta.



Introduction

A study by Oktavia (2022) showed that, in Indonesia, agriculture is integrally intertwined with the brokerage practices of middlemen. Such activities, although accepted as commonplace, have generally been perceived negatively. Middlemen are portrayed as the ones who benefit the most from distribution chains, being creditors who bind farmers (Russel, 2015) while determining prices unilaterally (Kembauw, et al., 2023). Similarly, in India, middlemen take a 75% margin, contributing to inflation (Bhardwaj & Singh, 2014). Such considerations highlight the concern that the involvement of middlemen deleteriously affects agriculture.

However, the contributions of such middlemen are not entirely negative. Contradicting previous studies, research has also shown that middlemen can make positive contributions. One case study found that, as an economic institution, middlemen play an important role in ensuring the conservation of fish commodities in Vietnam (Thuy et al., 2019). Another found that 95% of farmers in Rasau Jaya, West Kalimantan, perceive middlemen as having a prominent role in marketing (Sudrajat et al., 2021). In Ethiopia, the relationship between middlemen and farmers was investigated by measuring economic variables and social network structures, thereby confirming the existence of middlemen as economic institutions and social network structures (Abebe et al., 2016).

Such previous studies show that middlemen seek to protect existing social networks, thereby ensuring that they maintain access to and control over resources and market mechanisms. This has implications for the bargaining process between farmers and



middlemen. Likewise, Ranjan (2017) showed that the context within which social networks are built greatly affects the flexibility with which middlemen carry out their roles. This study focuses on flexibility, which is a keyword used by researchers when exploring how the systems built by middlemen are intertwined with the social systems that exist within farming communities.

This study will take as its example the nutmeg distribution chain in Maluku. This archipelago was chosen as the research location due to its status as one of the “spice islands”, with a wealth of natural resources and an extensive history.

Looking at the literature, the majority of studies conducted in Maluku discuss the islands’ history, which is integrally intertwined with the material aspects of nutmeg. The cultivation and trade of Banda nutmeg (*Myristica fragrans houtt*) has been an economic pillar of the Banda Neira Islands, which is located in Banda District, Central Maluku Regency, Maluku Province (Purseglove et al., 1995; Rukmana, 2004; in Timisela et al., 2012). Nutmeg, a spice indigenous to Maluku, attracted an international market. For generations, nutmeg was cultivated locally; after all assets were nationalised, cultivation transitioned to the local government (Lawalata et al., 2017).

According to the 2020 census, Banda Subdistrict has a population of 20,924. Nutmeg plantations are spread across the subdistrict’s five main islands, namely Rhun, Ay, Banda Besar, Neira, and Hatta, and have continued efforts initiated during the colonial era by the Dutch East India Company (VOC). Nutmeg’s status as an international



commodity stimulated colonial control of the Banda Islands, and the spice's high materiality opened a space for slavery. Between 1770 and 1860, nutmeg cultivation involved a range of traders, VOC officials, government officials, and pirates (Barjiyah, 2009).

Much research has emphasised the history of the islands, describing how they became an area full of conflict, rebellion, and opposition, always underpinned by mutually supportive relationships in cultivation (Barjiyah, 2009: 9). Research by Barjiyah provides an overview of the historical context that has shaped Banda society today. In Banda Neira, nutmeg was cultivated for generations, with management shifting to the local government after all assets were nationalised (Lawalata, et al., 2017).

Although much has changed, some lessons can be drawn from Barjiyah's research, including how slavery occurred, how people managed plantations, and how nutmeg processes and policies developed over time. One major change is that, today, slavery is no longer practised and conflict has abated. However, some things remain the same, including the plantation inheritance system, the involvement of diverse parties in the nutmeg distribution chain, and the ever-shifting agricultural policies. Although the actors involved in the nutmeg distribution chain have changed, there have always been those with greater access and control than others.

Existing studies have yet to discuss how farmers, as actors who produce nutmeg, face the global market with a set of rules that they must follow. Who works closely with farmers to facilitate their efforts to penetrate the global market? What are the implications of this process for the nutmeg distribution system in Banda?



One party involved with farmers is the government, as can be seen from the implementation of agricultural policies in Banda. Access to land is inseparable from the existence of policies that regulate it. Regarding the government policies on the development of nutmeg, both regarding land and production, government involvement is drawn from farmers' experiences with other commodities, market demand, and information in the print and electronic mass media (Hafif, 2021).

The government's interest in nutmeg and its cultivation is shown in several policies. The Ministry of Agriculture has sought to foster and increase nutmeg productivity. For example, Regulation No. 53/Permentan/Ot.140/9/2012 concerning the Post-Harvest Handling of Nutmeg was prepared to help farmers/farmer groups, field officers, and business actors apply Good Handling Practices (GHP); it was issued in 2012 in response to export issues, whereby Indonesian nutmeg was selling for only half as much as Grenadian nutmeg and less than Indian nutmeg. Another policy, Decree of the Minister of Agriculture No.472/Kpts/Rc.040/6/2018 concerning the Location of National Agricultural Areas, sets priorities for commodity development by providing zoning information for nutmeg cultivation; it also provides information on superior varieties, cultivation techniques, and post-harvest handling of nutmeg.

These policies have been updated several times. For instance, in 2020 the Ministry of Agriculture issued Regulation No. 7 of 2020 concerning the Guidelines for Assisting Nutmeg Farmers, which was designed to increase nutmeg production by 7% per annum, increase exports, and produce added value. Such assistance involves officials and technical officers from the central to the subdistrict levels. Post-harvest handling and nutmeg production has improved since



these policies were issued (Hafif, 2021). The strict requirements set by nutmeg-importing countries have certainly contributed to the increase in global nutmeg production, as producers have sought to offer more quality nutmeg products. The marketing of nutmeg products is increasingly competitive; if Indonesia were to neglect competitiveness, it would detrimentally affect the quality of its nutmeg products, leaving the country (and Banda Neira) by the wayside.

Tracing the development of nutmeg in Banda, one will find news related to other nations' quest for nutmeg and the management of plantations (CNN, 2022; Kompas, 2022). Such news stories tend to romanticise the history of nutmeg and its cultivation. Such a hereditary context is very much maintained by the people of Maluku through their spirit of communality. We will therefore also examine the context of the social system in Banda and how it is utilised by farmers to maintain access and control.

The government's various policies deal with the many actors involved in the nutmeg distribution chain. This research focuses on the involvement of middlemen, whose presence in the chain—as discussed above—has been hotly debated. The importance of considering the involvement of middlemen lies in their flexible contributions to the nutmeg distribution chain, given that they not only link farmers and global markets, but also that their social interactions with farmers have implications for the economic system—which is understood differently by farmers and by middlemen.

For this reason, we will discuss more about middlemen and their involvement in the lives of nutmeg farmers in Banda. We agree with the argument that farmers' dependence on middlemen is



partly due to their lack of capital. However, we are not saying that the presence of middlemen is necessarily negative; rather, we want to show the different contexts of their involvement in the lives of the nutmeg farmers of Banda. It seeks to understand the flexibility of middlemen in the nutmeg distribution chain using the access and control approach offered by Ribot and Peluso (2003).

Ribot and Peluso (2003) define access as a person's ability to benefit from goods, people, institutions or symbols. The process of gaining access to resources is mapped through access mechanisms, which fall into two categories: access based on rights (legal and illegal) and access based on structural and relational factors (technology, capital, markets, labour and employment opportunities, knowledge, authority, and other social relationships).

Access theory expands the scope of property rights theory. It emphasises how people benefit from resources, rather than property rights qua rights. Access theory considers property theory to be only one way of gaining access to resources. Ribot and Peluso (2003) explain, "... property as one set of factors (nuanced in many ways) in a larger array of institutions, social and political-economic relations, and discursive strategies that shape benefit flows. Some of these are not acknowledged or recognised as legitimate by all or any part of society; some are residues of earlier legitimating institutions and discourses". In another sense, resource tenure rights can also be referred to as rights-based access.

Efforts to identify existing types of access can be done by paying attention to three things, namely procedures for controlling access, maintaining access, and gaining access.



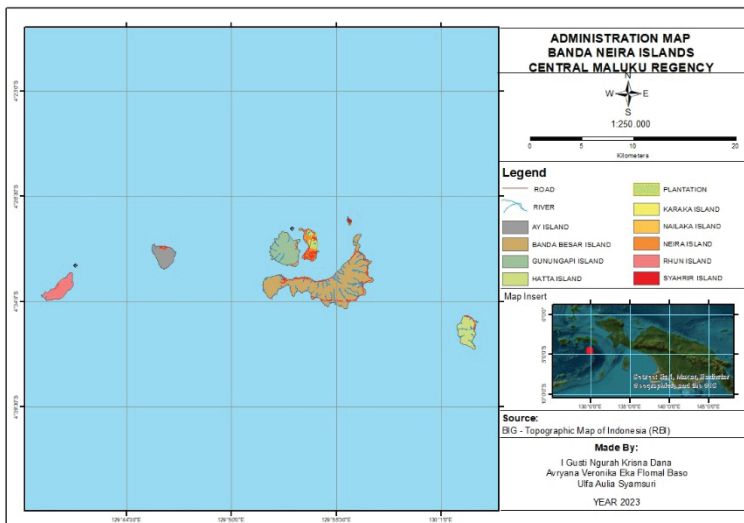
Controlling access is the ability to mediate the access of other parties while maintaining access involves the expenditure of resources/power to ensure one's continued access to certain resources (Berry, 1993, in Ribot and Peluso, 2003). Ribot and Peluso (2003) assert that "maintenance and control are complementary. They are social positions that temporarily crystallise around means of access". Finally, gaining access refers to the overall processes that most commonly occur when individuals seek access. The relationship between those who control the access of others and those who must maintain their access parallels the relationship between capital owners and labourers, at least as conceived by Marx. To maintain access, subordinate parties often have to share the benefits they gain with those who control access. Subordinate parties expend their resources to maintain relations with those who have control. Only by sharing these benefits can they themselves benefit.

In this context, power plays an important role in each actor's position. One actor may have more power than another at a particular time or in a particular context. Considering the power approach to resource access can also explain why some actors enjoy access to resources while others do not. The power in question does not only come from the legitimacy of existing formal regulations, but also from the sources of power that exist in society. These sources of power, in turn, will form interrelated networks of access that affect the relationship between actors. Thus, in access theory, research focuses on the tools, media, processes, and relationships through which actors can gain, control, and maintain access to resources. In this, media, processes, and relations are understood as mechanisms (Ribot & Peluso, 2003).

Research Location/Study Area

The Banda Neira Islands (Figure 1) are geographically located between $50^{\circ} 43' - 60^{\circ} 31' S$ and $129^{\circ} 44' - 130^{\circ} 04' E$, and are bordered by the Seram Strait in the north, the Teon Nila Serua Islands in the south, and the Banda Sea in the east and west (BPS, 2014). Due to the archipelagic nature of the islands, the main mode of transportation is maritime; nutmeg, likewise, is exported to global markets by sea. The potential of these islands' nutmeg plantations has been high throughout history.

Figure 1:
Map of research location





Research Methods

The research location was chosen purposively based on Banda Neira's potential. Most inhabitants of the islands, long a source of nutmeg, work in the agri-industry. However, these nutmeg farmers find it difficult to penetrate the global market, and thus there are numerous middlemen or village-level collectors who broker sales to the global market. This research uses a descriptive qualitative method to collect and analyse data, which were collected through a review of the literature as well as interviews with informants who understand the subject matter.

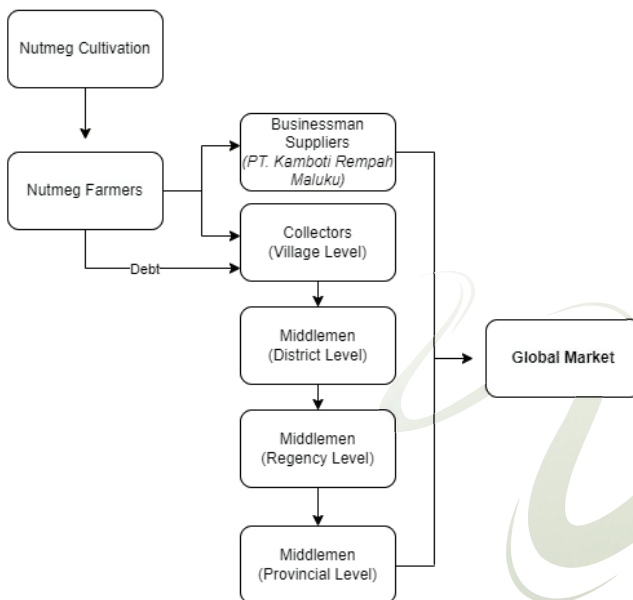
One informant was Muhammad Korebima, the owner of a nutmeg plantation in Banda, who was also familiar with the distribution system. Supporting data were subsequently collected through reviews of information related to the flexible role of middlemen contained within local media, as well as discourses regarding PT Kamboti, a large privately owned corporation that serves as a middleman in the nutmeg supply chain. Qualitative descriptive analysis was used, with the support of a historical analysis approach (Nyoman, 2010); in this approach, historical elements are perceived as extrinsic and intrinsic factors that must be considered for proper analysis. According to Arikunto (2006), data analysis consists of three stages: (1) Data Reduction: the process of simplifying diverse data to focus on important elements; (2) Data Presentation: Presenting appropriate data so that conclusions can be drawn; and (3) Data Verification: the conclusions obtained are then verified by considering other supporting data.



Farmers' Position in the Brokered Distribution Scheme

The brokered scheme through which nutmeg is distributed has significant effects on nutmeg farmers and other actors (described in Figure 2), as well as stakeholders in the global nutmeg market. The synthesis of technical and policy aspects has managerial implications, which is integral to research. To increase the effectiveness and efficiency of the nutmeg supply chain flow, thereby making it possible to penetrate the global market, synergy is needed between stakeholders from the central/local governments as well as non-governmental organisations (NGOs) and the actors in the supply chain (Hariharan et al., 2018; in Jaya et al., 2019).

Nutmeg Supply Chain





To enter the global market, nutmeg—as an export commodity from Indonesia—must comply with certain standards. This has affected all actors involved in the nutmeg supply chain (farmers, collectors, middlemen). Generally, nutmeg farmers have small plots of land that yield little and are highly dependent on the markets provided by collectors and middlemen. The nutmeg produced by farmers must be sold to collectors at the village level, and these collectors in turn sell it to middlemen. In this chain, village-level collectors are extensions of the middlemen at the district level. Therefore, it can be said that middlemen are the key actors in the nutmeg chain before it reaches importers.

Discussing the brokerage of nutmeg middlemen in Banda, such practices have historically occurred since the colonial era. Under the control of the Dutch East Indies Company, nutmeg passed through the hands of many parties (middlemen), ultimately selling for up to a thousand times the original price (Anuraga, 2021). Today, farmers need markets to sell their crops; however, at the same time, the cultivation process requires significant investments, and thus farmers commonly go into debt with middlemen.

Having the ability to mediate between nutmeg farmers and importers, middlemen retain continued access to nutmeg distribution even in the face of price fluctuations. When farmers and middlemen establish a relationship, they negotiate certain shared benefits; farmers need access to the market that middlemen can access and control. In other words, benefits flow from farmers to the middlemen.



At the same time, middlemen are willing to provide loans to nutmeg farmers if they suddenly need money for everyday expenses. Farmers can make payments after their harvests, thereby forming a scheme wherein nutmeg farmers become dependent on middlemen. This, to borrow from Mauss (1925), results in a “gift economy”. Every gift is a means of establishing a social connection between the giver and the receiver. In the context of the economic ties between nutmeg farmers and middlemen, the transactions that occur are very personalised and binding.

Looking at the district level, Lawalata (2017) found that middlemen enjoyed a profit margin of Rp 49,070; at the village level, meanwhile, intermediary traders only enjoyed a margin of Rp 4,865. This demonstrates the unequal control practised by Banda. This does not mean to say that farmers and village traders are unable to bargain. Rather, they have less access and control than those district-level traders who have direct links with larger traders and exporters in major hubs such as Surabaya—for instance, the private corporation PT Kamboti.

This private actor exported its first nutmeg from Ambon (including Banda) to Europe in early 2022, as reported by Chairman Samson Atapary. Assisting farmers in producing the best-quality nutmeg has also been a concern of PT Kamboti, which has provided them with education. At the same time, the contributions of such private institutions to the price of nutmeg are interesting to note. The chairman of the company described its function, as quoted in the 29 January 2022 edition of *Tribun Maluku*:



“Before PT Kamboti entered the picture, the price of nutmeg was still around IDR 70–80 thousand/kg for seeds, then PT Kamboti took the price of nutmeg to IDR 105-120 thousand/kg. Now there is an increase in prices at the farm level, and PT Kamboti buys nutmeg on the island of Banda because it has the best quality” (Talla, 2022).

This shows that there is inequality in access and facilities, leaving farmers in a position wherein they are always disadvantaged if they do not cooperate with local traders or middlemen. Such inequality should be of concern to the government. Research from Lamere et al. (2016) showed that the people of Banda Neira have limited access to the management of nutmeg products. Geographically, the position of Banda District—far from the governmental centre of the Central Maluku Regency—has resulted in limited access to infrastructure and basic services. Basic education and health services are limited, and the circuitous administration of both the agricultural and plantation sectors means that farmers must spend a lot of money and time to resolve matters. Ultimately, questions of unequal access have affected the lives of the Banda community.

On the other hand, the participation of major brokers (such as PT Kamboti) in the nutmeg distribution scheme in Maluku has wrought significant changes to nutmeg distribution. Researchers found that middlemen have been able to bridge farmers (with their limited facilities) and international markets. This was mentioned in an interview conducted by *Antara* with Carla June Pattimana, the Director of PT Kamboti Rempah Maluku, who stated;



"The nutmeg that is exported to the Netherlands, we get from nutmeg farmers in Banda Neira. There are no obstacles to exporting from Ambon, given that the quality of Banda nutmeg is well known among European buyers," <https://ambon.antaranews.com/berita/148857/perusahaan-eskportir-maluku-raih-award-anugerah-perkebunan-indonesia-2022>

Statements from actors such as PT Kamboti show that their presence in Banda's nutmeg distribution system has a positive value amid the area's abundant natural resources, which is not directly proportional to the public welfare. Although much of Maluku Regency's gross regional domestic product (GRDP) is derived from agriculture, infrastructure and basic services have not been developed in agricultural communities. In Banda Neira, this limitation has given rise to a narrative that the islands—despite their nutmeg being the largest contributor to the province's GRDP—have not received adequate compensation from the regency and provincial governments. The provincial government's use of grants from foreign countries, especially the Netherlands (which has close historic ties with Banda Neira) for the Sail Banda event is one example of how the local community has had difficulty influencing the development and production of Banda nutmeg (Anuraga, 2021).

Such matters should be of concern to the government, which must ensure adequate infrastructure access that supports efforts by middlemen (such as PT Kamboti) to empower the nutmeg farmers of Banda Neira, Maluku.



Communalities: Guaranteeing Farmers' Access to Land

On Banda Neira lies a volcano (located at 4° 31'30" N and 129° 52'17" E), which rises to an altitude of about 641 metres above sea level. On 9 May 1988, this volcano erupted more than twenty times (Abadi, 2023). The islands' fertile soil can be attributed to such volcanic activity. Over time, floods carry volcanic mud and clay, periodically creating layered soil that provides the optimal conditions for cultivation (Marfai, et al., 2019).

The Banda Neira Islands thus are highly suited to plantation agriculture, with various ecological factors (physical, chemical, and biological) contributing to an environment conducive to farming nutmeg and other crops. However, other factors must also be considered, such as social infrastructure (distance to settlements, distance to plantations, distance to markets, and distance to harbours), when guaranteeing farmers access to their land (Mani, et al., 2020).

Departing from the geographical conditions of the Banda Neira Islands as their research location, the researchers here discuss communality using the framework offered by Bakker in *The Ambiguity of Community: Debating Alternatives to Private Sector Provision of Urban Water Supply*. This framework, which emphasises the difference between property rights and governance, also relates to the access offered by Ribot and Peluso (2003) in expanding the notion of property rights. Although the materiality of water and nutmeg differs fundamentally, Bakker's offering can be used to read the case of



nutmeg in Maluku. We find that a spirit of communality guarantees farmers' access to land. This spirit is maintained by middlemen to ensure that nutmeg remains available for distribution to the global market.

This illustrates the relationship between the access enjoyed by farmers and middlemen. Access, in the form of the property rights to nutmeg plantations owned and managed by the people of Banda, Maluku, for generations, is perceived as spiritual and timeless. The people of Banda still maintain and care for nutmeg, the commodity that enriched their island in the past. Nutmeg farmers' interest in caring for and maintaining their crops thus brings them to middlemen, whose access to markets and buyers provides them with a basis for establishing relationships within the frame of communality. Banda's position far from major cities limits farmers' direct access, which also adds value to the relationship between them and middlemen.

Also worth considering are property rights. In some areas, the land tenure system relies on private property; in such cases, access and control over land and its products can be traded individually (for instance, by regulating prices). This is not the case in Maluku, which adheres to a communal land tenure system, meaning that only locals can own, buy, and sell land. Supporting data were obtained through an interview with Muhammad Korebima, a Maluku-born activist and nutmeg landowner, who stated;

"Although there are people from outside Maluku who own land in the Maluku region, they are quite few and [this] can happen only if they have a very close kinship relationship". (Interview with Muhammad Korebima)



As indicated by this statement, a value of communality among the people of Banda, Maluku, exists when landlords want to sell their land: the buyer must be a Moluccan. Also worth considering is a statement from the Banda community quoted by *Kompas* in an interview (01/12/2022) with Pongky Van Den Broeke, a community leader and elder who owns the largest nutmeg plantation in Banda Neira. Pongky is the thirteenth generation of his family to manage the nutmeg plantation, which covers an area of 12.5 hectares and employs eight workers.

“The nutmeg plantations in Banda were built with great sacrifice. So they must be cared for, preserved and maintained for posterity,” said Pongky.

(Pongky Van Broeke, Kompas 2022)

These two statements highlight how the people of Banda truly protect the land with their spirit of communality, a value that provides the community with social capital. Pierre Bourdieu, in his book *The Forms of Capital* (1986), argued that, to be able to understand the structure and functioning of the social world, it is necessary to discuss capital—and that must be understood as more than economic. The communality of nutmeg farmers in Banda is driven by social capital, an immaterial factor that ultimately constitutes different economic selling points. This is in line with several examples. In the aforementioned interview with Korebima, he explained what occurred when one intends to resell plantation land in Banda:



"If the land has been bought, but will be resold, the seller will offer it back to the previous owner (i.e., the original seller) before selling it to another Moluccan" (Interview with Muhammad Korebima).

The above description illustrates the existence of "network civic engagement" among nutmeg farmers. In *Making Democracy Work: Civic Traditions in Modern Italy* (1993: 36), Putnam defines social capital as "features of social organisation, such as networks, norms, and trust, that facilitate coordination and co-operation for mutual benefit". Within the context of nutmeg farmers, there is a network of relationships between nutmeg actors and a shared value of communality; farmers and middlemen support each other to ensure the economic success of the farmers included in the network.

Interviews with informants provide evidence that the value of communality maintained by the people of Maluku ensures that land ownership remains in the hands of Moluccans people. Generally, when people have access to land, they have control over all production activities on it as well as the distribution of its products. However, farmers' access to land does not significantly segue with the logic of the nutmeg supply chain, which prioritises market mechanisms. As for governance, nutmeg plantations are managed primarily by owners, many of whom inherited their plantations from previous generations. Such emphasis on familial bonds means, in Banda, nutmeg is recognised as a communal commodity up until the point of fruiting. However, once the harvest has begun and the nutmeg is collected and



distributed, it automatically becomes a personal commodity that is needed by many parties and experiences many processes before it reaches its consumers. The transition from communal to personal property opens up options for actors to control nutmeg production.

Nutmeg farmers, though guided by communal values, face the market on a personal level. This means that the sale of nutmeg grown on communal land can be organised together to ensure that farmers help each other fulfil their daily needs. When economic needs arise, middlemen are farmers' first destination; farmers first borrow money from the middlemen, then repay it with the proceeds of their nutmeg harvests. In line with Ribot and Peluso (2003), this weakens the farmers' bargaining position in the nutmeg supply chain; farmers have the right to the land, but their access to the market is limited. They only have one access mechanism, which is rights-based access, but rights alone cannot guarantee the ability to control the market. Conversely, although middlemen do not have land rights, they control the market and thus have the ability to control farmers. In addition, middlemen tend to avoid becoming involved in the planting and harvesting of nutmeg because they consider the process to be costly. This is explained by Bustaman (2007), who stated that farmers still depend on middlemen because they do not have adequate access to nutmeg markets. As such, the middlemen "take care" of farmers by providing adequate access to transportation and resale (Bustaman, 2007). By providing access, as well as flexibility (in the form of loans or facilities), middlemen create a static relationship with farmers while maintaining the value of communality.



The ease with which nutmeg farmers can access facilities through middlemen differs from the case of water. As discussed by Bakker, communities in Bolivia resisted the privatisation of water. Communal ownership meant that people felt that they were not benefiting from the commodified water resources in their area. The opposite happened in Maluku, where there was no resistance to nutmeg governance. Previous research and news reports from the mass media in Maluku rarely, if ever, show nutmeg farmers demonstrating and demanding price stability due to the monopolisation of the market by middlemen and companies.

At this point, the researchers are well aware of two things: in its materiality, nutmeg is not a basic daily need, and the privatisation of nutmeg has not been as blatant as the privatisation of water in Bolivia. However, historical factors have resulted in nutmeg in Maluku becoming an urgent commodity that could be deemed a “basic need” due to its extensive trade. The people of Maluku are trapped in the ‘romance’ of the past, maintaining a spirit of communality by keeping nutmeg plantations; however, this spirit of communality has not encouraged efforts to create policies that improve agricultural systems and access to markets. The communality of farmers in Maluku has not yet evolved into a shared spirit for fighting for access to markets.

Thus, when viewed geographically, land has been used in the Banda Neira Islands in Maluku Province in a variety of ways to ensure local community members can meet their daily needs. It is used, for example, for agriculture—including the cultivation of nutmeg, which has long characterised Banda Neira Island (the largest nutmeg producer in Indonesia). Based on data from the Central Statistics



Agency (BPS), year over year the amount of land used for plantations has increased in Banda Neira (Table 1); in 2018, some 32,456 ha were used for cultivation. With geographical conditions suitable for nutmeg trees to grow, Banda Neira is a great strength that should be utilised by the regional government by improving the quality of nutmeg plants as well as promoting good and correct management.

Table 1. Production area and tonnage in Maluku

Year	Area (ha)	Production (tonnes)
2014	28,436	4.743
2015	30,357	4.406
2016	31,547	5.020
2017	31,624	5.512
2018	32,456	5.325

Source: BPS, *Maluku dalam Angka* (2018)



The increased use of land for nutmeg cultivation in Maluku has the potential to increase production and exports. However, this increase does not necessarily encourage farmers to gain access to and control over local and global markets. Instead, the presence of middlemen provides farmers with an opportunity to sell nutmeg products without following the standards set by PT Kamboti.

Farmers, such as those who produce nutmeg in Maluku, gain value in selling their crops to middlemen. This can be seen from the relationship between farmers and middlemen in maintaining, caring for, and selling nutmeg to local and global markets. The network of actors formed in the relationship between farmers and middlemen can be described through nutmeg farmers' choice to sell their crops to large middlemen such as PT Kamboti or small middlemen (from the village to the subdistrict level). All of this is done by farmers to maintain the identity of nutmeg as part of the original heritage of Banda, Maluku. Without going through middlemen, farmers lack access to means of channelling their produce directly to buyers.

Flexibility in the Nutmeg Supply Chain

In the nutmeg supply chain in Banda, Maluku, we found that there are large middlemen and small middlemen. Large middlemen are those who have reached the global markets (primarily PT Pusaka Kamboti Maluku), while small middlemen are predominantly village-level middlemen who live side-by-side with farmers. Large companies such as PT Kamboti have exported nutmeg from Banda by absorbing the nutmeg produced by local farmers.



PT Kamboti's purchase of nutmeg directly from farmers shows its concern for the sustainability of the nutmeg farmers who still maintain their plantations. As a large middleman, the company has standardised nutmeg production as a means of maintaining the quality of nutmeg and ensuring its continued market value. As reported by *Cengkepala News* (26 August 2018), one condition for PT Kamboti to take nutmeg from farmers is that it must meet global market standards; only then can trust be maintained between buyers, PT Kamboti, and farmers (Nick, 2018).

The standards set by PT Kamboti have posed an obstacle for farmers selling their nutmeg, and those who have been unable to meet the company's standards sell to small middlemen who are more flexible in their standards. Although PT Kamboti's ultimate goal is profit, it is not the sole intention of the small middlemen. They are also there to nurture communality among farmers, allowing them to have flexible access to the distribution of their nutmeg products. Small middlemen have networks with importers with diverse quality standards, so they are open to receiving different types of nutmeg.

Small middlemen employ a system that is very flexible in its administration, standardisation and accommodation. These three things are used by middlemen to continue to make a profit while at the same time maintaining the sense of communality. PT Kamboti's relationship with nutmeg farmers is very rational (profit-oriented), at least as related to the three aspects discussed earlier. Their relationship is built on the basis of supply and demand. PT Kamboti will only buy nutmeg from farmers if their nutmeg meets its standards. In contrast, small middlemen build relationships with farmers for profit while also



maintaining Maluku's communal system. Farmers and middlemen are bound to each other by their strong sense of kinship as well as their shared situation in the Banda Neira Archipelago, which is far from public facilities and markets.

As discussed above, the relationship between farmers and PT Kamboti (large middlemen) is very rational (profit-oriented), while the relationship between farmers and small middlemen is communal. These relationships have different results. The rigidity of PT Kamboti has created some resistance; some farmers refuse to sell their nutmeg to PT Kamboti, even when the nutmeg meets the company's quality standards and would be bought at a higher price. This is also linked to farmers' entrapment in moneylending schemes, which have influenced the process through which nutmeg is bought and sold between farmers and the small middlemen who had lent them money previously. This condition is utilised by small middlemen, who maintain their relationships so that they continue to benefit from the nutmeg produced by indebted farmers.

The Flexibility of Middlemen Weakens Nutmeg Farmers' Resistance

Resistance by farmers occurs due to middlemen's dominance in the pricing of several agricultural commodities, such as rice, chilli, coffee, and rubber. Unlike the farmers of these commodities, however, those operating nutmeg plantations have offered little resistance. Consequently, research and media coverage of resistance to middlemen is minimal.



Contrast with Kulon Progo Regency in Central Java, where resistance against middlemen has transformed from individual resistance to collective resistance. The emergence of resistance is supported by access to technology as well as human resources. Farmer groups can shift competition between farmers to competition between middlemen (Rusdiyana et al., 2019). In other places, resistance movements have taken the form of education; in Sarimukti Village, West Java, one movement established Agricultural Vocational Schools. Farmers' resistance occurs because middlemen have access to expert labour and market networks that allow them to act as intermediary actors who nonetheless play a central role because they create rules regarding prices, sales, distribution channels, transportation networks, markets, seeds, etc. that become embedded within communities (Rasyadian, 2019).

Using the access mechanism offered by Ribot and Peluso (2003), middlemen control rights-based access and relational structural-based access. Research into peasant resistance shows that farmers do not have access to these two mechanisms. As such, middlemen have the power to exert pressure on farmers, resulting in a form of exclusion. When farmers are no longer able to bear the pressure exerted by middlemen, resistance occurs, as in the case described above.

However, things are different for nutmeg farmers in Maluku. Middlemen are present as a figure that has a positive impact on the lives of smallholders. The flexibility offered by middlemen, as discussed in the previous section, is a power that can be used to very subtly pressure farmers, and farmers accept this flexibility as a mechanism that does not need to be resisted.



Although nutmeg farmers have rights and access to land that allow them to control nutmeg production on their land, they are unable to resist because they only have one access mechanism. Middlemen control the more essential access mechanisms that farmers need, which is access to markets.

Middlemen not only control the mechanisms, but through their relationship with farmers they also provide services that affect the basic lives of farmers—such as lending money so that farmers can fulfil their household needs. Middlemen turn the buyer–seller relationship into a highly personalised one. In this highly personalised relationship, middlemen still benefit from nutmeg. This contributes to the limited resistance of nutmeg farmers in Maluku. This does not mean there is no resistance; it still occurs, but not at the level found elsewhere.

Resistance movements in other cases outside Maluku have been afflicted by the rigidity of middlemen in their relationships with farmers. Profit is their only goal, and thus they do not maintain personal or social relationships with farmers. Meanwhile, in Maluku, the flexibility that small middlemen create by maintaining communality weakens resistance. The inability of farmers to gain access to markets due to the geographical situation of Banda Neira, as well as inadequate access to the technology and human resources necessary for conducting transactions with global markets, likewise weakens farmers' resistance. In addition, these middlemen are frequently farmers' relatives, making them part of the "family" of nutmeg farmers in Maluku. Resistance cannot be initiated against family members, and this has played an important role in simplifying the nutmeg distribution chain.



The absence of an organised resistance movement also shows that the highly personalised relationship between middlemen and farmers cannot be readily severed. Although the government has several policies for minimising the presence of middlemen, it has yet to replace the flexibility offered by middlemen. The government policies offered still do not address the substance of the problems faced by farmers. Their needs, thus, are fulfilled by middlemen who not only ensure that their economic needs are met but also maintain good relations with them. Resistance to middlemen may hurt smallholders by eroding the marketing channels that have supported nutmeg farmers' livelihoods. Severing these channels would detrimentally affect the production of nutmeg and could potentially injure their relationships.

Conclusion

Middlemen and farmers are inseparable. The sale of agricultural products generates profits for both parties. Flexibility allows middlemen to easily sell their nutmeg to middlemen, even with farmers' limited access to facilities. The frequently negative view of middlemen is not found in Banda, in part due to the flexibility of access to nutmeg.

The flexibility of middlemen in the nutmeg distribution scheme in Banda Naira, Maluku, confirms that middlemen have a positive role in assisting farmers to access hard-to-reach global markets. The relationship between middlemen and farmers has transformed market relations; they are not only profit-oriented but also maintain Maluku's communal system. This nurtured communality ultimately weakens the resistance of nutmeg farmers.



This research has explored the flexible roles of middlemen role in the nutmeg distribution scheme of Banda, including the relationship between nutmeg farmers and middlemen in Banda. The phenomena found in this study illustrate the materiality and value of nutmeg in Banda, which has underpinned the communality of nutmeg in Banda—with little resistance. It has, in brief, shown how Things like the above illustrate how the relationship between middlemen and farmers is maintained.

Again, using the access mechanism offered by Ribot and Peluso (2003), it is the middlemen who own and control rights-based access and relational structural- based access. The access enjoyed by middlemen, from the village level through PT Kamboti, shows that branding is present in the nutmeg farming community in Banda Neira, Maluku.

Recommendations

The presence of middlemen contributes positively to farmers in the nutmeg distribution supply chain, indicating that there are spaces in agricultural policy that the government has not been able to fill properly. This phenomenon is expected to encourage active government involvement in improving the nutmeg management system in Banda. Therefore, a more in-depth study is needed on factors other than middlemen that influence the nutmeg supply chain in Banda as well as the government's efforts to transform all of these factors into a nutmeg commodity management model that benefits farmers.



Farmers' efforts to maintain the communal value of their nutmeg plantations are enough to ensure that the commodity can survive the onslaught of modernisation. This has implications for the material value of nutmeg. The government, in this case the regional and the central governments, could draw more attention to nutmeg products from Banda by providing access to qualified facilities—for example, by constructing a port with adequate facilities close to the nutmeg cultivation area, empowering nutmeg farmers by maximising the use value of nutmeg exports, and by providing companies with assistance and support in absorbing nutmeg products from Banda farmers.

The expansion of nutmeg plantations in Banda, Maluku, should also be a concern for the government. Nutmeg has historical value for the people of Banda, Maluku, and this can be a consideration for the government when expanding the land available for plantations. Only then can Banda nutmeg survive the onslaught of other commodities that have higher material value.

Acknowledgements

This research was supported by the Citizen Engagement and Natural Resource Governance Education (CitRes-Edu) project, coordinated by the Department of Politics and Government, Universitas Gadjah Mada, and the Department of Geography, Norwegian University of Science and Technology, and also funded by the Norwegian Agency for International Cooperation and Quality Enhancement in Higher Education through the Norwegian Partnership Programme for Global Academic Cooperation (NORPART) Program. We are grateful to Dr Nanang Indra Kurniawan and the project team who provided



supervision, insight, and expertise that assisted our writing process during the course of this research. We also thank Ardiman Kelihu, our mentor, who has always eagerly helped us through discussions and provided comments that contributed to improving this manuscript.





References

- Abadi, L.D. (2023). Memoria-historis korban letusan gunung api Banda tahun 1988: sebuah studi fenomenologi-historis. *Banda Historia: Jurnal Pendidikan Sejarah dan Studi Budaya*, 1(1): 28–33.
- Abebe, G. K., Bijman, J., & Royer, A. (2016). Are middlemen facilitators or barriers to improve smallholders' welfare in rural economies? Empirical evidence from Ethiopia. *Journal of Rural Studies*, 43: 203–213. DOI: 10.1016/j.jrurstud.2015.12.004.
- Anuraga, J. L. Y. (2021). The Banda spice route, between trade, conquest and mixing: the dynamics of the Banda Neira society as seen from the socio-historical spice economy. *Jurnal Masyarakat dan Budaya*, 23(3): 315. DOI: 10.14203/jmb.v23i3.1483.
- Arikunto, S. (2006). *Analisis data kualitatif*. PT. Rineka Cipta. Jakarta
- Asromi, Y. (2003). *Peran pedagang pengumpul hasil bumi dalam pemasaran lada dan kopi*. Depok: Universitas Indonesia.
- Badan Pusat Statistik. (2014). Kecamatan Banda Neira dalam angka.
- Badan Pusat Statistik. (2018). Maluku dalam angka
- Bhardwaj, M., & Singh, R. K. (2014). India targets middlemen in food chain as inflation bites. *Reuters*. Retrieved from <https://www.reuters.com/article/india-inflation-farming-idINKBN0FG0H020140711> on 7 February 2023.
- Bourdieu, P. (1986) The forms of capital. In Richardson, J. (ed.) *Handbook of Theory and Research for the Sociology of Education*. Westport, CT: Greenwood Press.



- Bustaman, S. (2007). Prospek dan strategi pengembangan pala di Maluku. *Journal Perspektif*, 6(2): 68–74.
- CNN. (2022). Perkenier pala Banda klan Van Den Broeke: panggil saya Mas Pongky. CNN Indonesia. Retrieved from <https://www.cnnindonesia.com/nasional/20220801022527-20-828494/perkenier-pala-banda-klan-van-den-broeke-panggil-saya-mas-pongky> on 25 January 2023.
- Hafif, B. (2021). The strategy to maintain indonesia as a main nutmeg producer in the world. *Jurnal Penelitian dan Pengembangan Pertanian*, 40(1): 58. DOI: 10.21082/jp3.v40n1.2021.p58-70
- Hasanuddin, T., Dame, T.G. & Endaryanto, T. (2009). Akar penyebab kemiskinan petani hortikultura di kabupaten Tanggamus, provinsi Lampung. *Jurnal Agrikultura*, 20(3): 164–170.
- Jaya, R., Ismail, M., Yusriana, Mirza, I., Mehran, A., & Bakar. (2019). Analisis dan mitigasi risiko rantai pasok minyak pala kabupaten Aceh Selatan menggunakan FMECA. *Jurnal Teknologi Industri Pertanian*, 29(1): 79–87. DOI: 10.24961/j.tek.ind.pert.2019.29.1.79.
- Kausar, & Komar Zaman. 2011. Analisis hubungan patron–klien: studi kasus hubungan toke dan petani sawit pola swadaya di kecamatan Tambusai Utara kabupaten Rokan Hulu. *Indonesian Journal of Agricultural Economics*, 2(2).



Kembauw, E., Mahulette, A. S., Senewe, R. E., Wattimena, A. Y., Kastanya, A., Lailossa, A. A., Wokanubun, A. I., & Samal, R. (2023). Cultivation system and marketing chain of nutmeg in East Seram district, Maluku province, Indonesia. *International Journal of Multidisciplinary Sciences and Arts*, 1(2): 134–139. DOI: 10.47709/ijmdsa.v1i2.2015.

Kompas.com. (2022, 1 December). Mampir ke perkebunan pala legendaris di Banda Neira, usianya 400 tahun. *Kompas*. Retrieved from <https://travel.kompas.com/read/2022/12/01/190600027/mampir-ke-perkebunan-pala-legendaris-di-banda-neira-usianya-400-tahun?page=all>.

Lamere, Z. (2016). Kesenjangan pertumbuhan ekonomi di provinsi Maluku economic growth imbalance in Moluccas province. *ASE*, 12: 121–132. <https://media.neliti.com/media/publications/3537-ID-kesenjangan-pertumbuhan-ekonomi-di-provinsi-maluku.pdf>.

Narasi. (2023, 1 June). Banda Neira, pulau penghasil pala saksi bisu kekejaman Belanda. *Narasi*. Retrieved from <https://narasi.tv/read/narasi-daily/banda-neira-pulau-penghasil-pala>.

Nick. (2018). Ekspor pala ke Belanda, pemuda Maluku ini hasilkan omset miliaran rupiah. *Cengkepala.Com*. Retrieved from <https://www.cengkepala.com/ekspor-pala-ke-belanda-pemuda-maluku-ini-hasilkan-omset-miliaran-rupiah/> on 9 January 2023.

Nyoman, K. R. (2010). *Metodologi penelitian kajian budaya dan ilmu sosial humaniora pada umumnya*. Pustaka Pelajar: Yogyakarta.



- Mani, I. L. O., Basir, A. P., & Saimima, A. (2020). Analisis lahan potensial untuk kegiatan budidaya rumput laut di perairan Kampung Baru desa Pulau Hatta Maluku Tengah. *Jurnal Program Studi Budidaya Perairan*, 1(1): 37–47.
- Marfai, M. A., Mei, E. T. W., & Retnowati, A. (2019). *Pengurangan risiko bencana Gunung Api Gamalama Ternate*. Yogyakarta: Gadjah Mada University Press.
- Marsh, D., & Stoker, G. (2002). *Teori dan metode dalam ilmu politik*. Bandung: Nusamedia.
- Oktavia, H. F., & Fathin, S. (2022). Start up pertanian di Indonesia. *AGRISIA Jurnal Ilmu-ilmu Pertanian*, 14(2).
- Peluso, N. L., & Ribot, J. (2003). A theory of access. *Rural Sociology*, 68: 153–181. DOI: 10.1111/j.1549-0831.2003.tb00133.
- Prayudha, B., Hafizt, M., & Vimono, I.B. (2020). Pemanfaatan citra satelit penginderaan jauh dan sistem informasi geografi untuk analisis nilai ekonomi ekosistem pesisir. *Jurnal Oseanologi dan Limnologi di Indonesia*. 5(1): 33-46. DOI: 10.14203/oldi.2020.v5iL.203.
- Putnam, R. with Leonardi, R. & Nanetti, R. (1993) *Making democracy work: civic traditions in modern Italy*. Princeton, NJ: Princeton University Press
- Quartey, P., Udry, C., Al-hassan, S., & Seshie, H. (2012). IGC project on agricultural financing and credit constraints: the role of middlemen in marketing and credit outcomes in Ghana. *Institute of Statistical, Social & Economic Research*, 33.



- Ranjan, R. (2017). Challenges to farm produce: a model of bargaining between farmers and middlemen under risk. *Journal of Agricultural and Resource Economics*, 42(3): 386–405.
- Rasyadian, Y. (2019). Merajut dengan tanah, menjejak dengan sekolah: gerakan perlawanan atas neoliberalisme di desa pertanian Sarimukti. <https://www.researchgate.net/publication/334272623>
- Russel, S. D. (2015). Middleman and moneylending: relations of exchange in a highland philippine economy. *Journal of Anthropological Research*, 43(2): 139–161.
- Rustinsyah. (2011). Hubungan patron-klien di kalangan petani desa Kebonrejo. Department of Anthropology, FISIP, Universitas Airlangga, 24.
- Sudrajat, J., Isytar, I., & Arifin, N. (2021). Farmers' perception and engagement with the role of middlemen: a case study of the vegetable farmers. *Makara: Human Behavior Studies in Asia*, 25(1): 45–54. DOI: 10.7454/hubs.asia.107022.
- Sugiono. (2013). Metode penelitian kuantitatif, kualitatif dan R&D. Bandung: Alfabeta.
- Talla, M. (2022). PT Kamboti Rempah Maluku ekspor perdana pala dari ambon ke Eropa. *Tribun Maluku*. Retrieved from <https://www.tribun-maluku.com/2022/01/pt-kamboti-rempah-maluku-ekspor-perdana-pala-dari-ambon-ke-eropa/>.
- Tháy, P. T. T., Flaaten, O., & Skonhoft, A. (2019). Middlemen: good for resources and fishermen? *Environment and Development Economics*, 24(5): 437–456. DOI: 10.1017/S1355770X19000196.



Timisela, N.R., Lawalata, M., Parera, W.B., & M, T. (2012). Efisiensi relatif agroindustri pala banda dengan pendekatan data envelopment analysis. *Jurnal Sosial Ekonomi Pertanian dan Agribisnis*. 9(1), 25–33. DOI: 10.20961/sepa.v9i1.48800.

