
**Change Of Social Capital Of Dairy Farmers Groups: A Case Study Of
Institutionalization Of Sapi MerapiSejahtera Sleman (Samesta)
Cooperative In Sleman, Yogyakarta**

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Abstract

The results shows that there are changes of social capital of dairy farmers groups in the process of institutionalization of SAMESTA cooperatives. The change is the impact of the conditions of Indonesian dairy. These changes occur in several elements of social capital, as follows: (1) Value, as a guide and reinforcement of farmers' positive behavior. The existing values among farmers are klangenan (like), titen (scrutinize deeply), honesty, and togetherness. These values become the fuel that forces the farmers to relate each other and realize the more transparent and fairer cooperative. This case shows the influence of cultural values on the farmers' economic behavior. They calculate inputs and outputs, and make some adjustments to prevent them from losing and calculate the standard number of cows that they have. (2) Trust changes positively, especially by raising the milk price from farmers, although it gives a risk to the cooperative income. This decision is expected to increase the farmers' ethos, thus impacts on the increase of milk production. (3) Networks, in which the relationship between farmers firstly occurs in hamlet area, then it extends the network beyond those limits. Farmers from different villages are connected naturally. This inter-subject's relationship occurs due to the same goals, which are wishes to be more dignified, prosperous, and get fair treatment.

Keywords: Cooperatives, Social Capital, Change

INTRODUCTION

The existence of dairy farmers in Sleman Regency has a major contribution in the milk supply in Yogyakarta. The population of dairy cattle in Sleman Regency reaches 93% of the total dairy cattle in Yogyakarta Province.¹ During the Repelita III period (1979-1984), Yogyakarta was included in the dairy cattle development areas. Yogyakarta is one of

¹ Bidang Integrasi Pengolahan dan Diseminasi Statistik, *Daerah Istimewa Yogyakarta Dalam Angka 2017*(Yogyakarta: BPS, 2017), 240.

eight provinces that get the distribution of imported dairy cattle.² Sleman's resident had practiced dairy cow cultivation before the cattle import program occurred. Dairy cooperative was first established in 1971, namely Cooperative of Livestock and Milking Business (UPP) Kaliurang. This cooperative collects milk from several farmers who raise dairy cattle around the tourism spots in Hargobinangun Village, Kaliurang. In addition, FH dairy cow has entered into Sleman since the Dutch colonialism era and the dairy cage as the Dutch relics was located at tourism spot in Kaliurang.

Dairy cooperatives play an important role in milk productivity in Indonesia. Due to the fact that milk is an easy-damaged product, so there must be milk existence in the center of the people's farms, especially for the acceleration and increasing of milk production. The most farmers depend the milk sales on the cooperatives. The existence of cooperatives provides assurance for the farmers in the sale.

Unfortunately, the dairy cooperatives as the dairy marketer have a weak bargaining position in the Milk Processing Industry (IPS). It happens because of the absence of rules of domestic and imported milk absorption ratio by IPS. Likewise, it happens exists in pricing enabling no rule in the determining the basic milk prices. During 1982 until 1998, dairy cooperatives received policy support from government, known as BUSEP or evidence of absorbent, which is the ratio of domestic and imported milk absorption. The cooperative collapsed again after 1998, by the cancellation of BUSEP. By 2016, there was only 19.2% of milk was produced domestically, and the rest was imported.³ According to Prof. Budi Prasetyo Widyobroto from Faculty of Animal Husbandry UGM, the development of Indonesian dairy has been in stagnant phase from 1998 until now.⁴

The dairy conditions have significant impacts on resident's farming. One of the reasons is determining the price of cooperative milk which is influenced by the purchasing price of IPS milk. Therefore, the cooperative determined the purchasing price for the farmer by considering the purchasing price from IPS and it tended to be lower.

²Subandriyo dan Adiarto, "Sejarah Perkembangan Sapi Perah", in *Profil Usaha Peternakan Sapi Perah di Indonesia* (Jakarta: LIPI Press, 2009), 17.

³Titin Agustina, *Outlook Komoditas Pertanian Subsektor Peternakan Susu* (Jakarta: Pusat Data dan Sistem Informasi Pertanian Sekretariat Jenderal Kementerian Pertanian, 2016), 38.

⁴Harviyan Perdana Putra, "DPN: Kondisi Peternakan Sapi Perah Kritis", *ekonomi.metronews.com*, 23 Agustus 2017, Retrieved from <http://ekonomi.metrotvnews.com/mikro/GKdgml4k-dpn-kondisi-peternakan-sapi-perah-kritis>, on November 20, 2017 pukul 22.23

Sleman regency has had four milk cooperatives that actively accommodate milk from farmers so far. The cooperatives are Kaliurang UPP Cooperative (1971), Mulya Warga Cooperative (1979), Sarono Makmur Cooperative (1994), and Sapi Merapi Sejahtera Cooperative / SAMESTA (2017). SAMESTA is a new cooperative. This cooperative became the meeting point of the economic recovery program after the eruption of Mount Merapi in 2010, known as Merapi Project. This program planned the institutionalization of dairy cattle business. The object of the program was farmers' unease toward the feasible milk price. The problem empowered them to establish a new cooperative that prioritized transparency and actively member engagement.

The establishment of this new cooperative is the form of social capital. As Coleman argued, that social organization is a social capital. This social capital supports reaching goals that can not be achieved without its existence or which can be achieved by higher losses.⁵ It is necessary to look at the properties of social capital to understand its changes. Coleman added that social capital is determined by its function. It lies in a relation line between individuals, and not on individual. The function is the value of aspects of social structure that enable the actor to realize his interests.⁶ Coleman criticized classical and neo classical economic theories which stated that society is made up of groups of individuals who are free to achieve goals. For Coleman, the related individuals' behavior shapes the social system behavior, which provides mutual influence for the individual. Coleman added that norms are supra-individual entities, which are both limit and stimulant in determining the actions of individuals ruled by the norm.⁷

Likewise, Francis Fukuyama argued that the neo-classical premise stating that human being is rational individual who maximizes utility is not entirely correct.⁸ It means that not all humans act just to meet their economic demand. Some of them think about the

⁵James S. Coleman, *Dasar-Dasar Teori Sosial: Referensi bagi Reformasi, Restorasi dan Revolusi*, cet. Ke-2, diterj. Imam Muttaqien, Derta Sri Widowatie, dan Siwi Purwandari (Bandung: Nusa Media, 2009), 420.

⁶*Ibid.*, 422.

⁷*Ibid.*, 447.

⁸*Utility* based on Jeremy Betham as cited by Fukuyama is reaching pleasure and avoiding pain. Check, Francis Fukuyama, *Trust: Kebajikan Sosial dan Penciptaan Kemakmuran*, cet. Ke-2, trans. Ruslani (Yogyakarta: Qalam, 2010), 25.

idea of justice and injustice and act based on the idea. Fukuyama added that there would not have been so many wars if people only fought for the economic resources.⁹

Social capital is very dynamic and it is often neglected. Social capital tends to be seen and judged from its formal form only, in the form of social institutions or the existence of farmer groups. Both government and private parties often ignore the elements of the capital and the changes in it. The failure in seeing the changes will have an impact on the failure of any effort or intervention.

This paper tries to describe the pattern of relationship between farmers and social capital in the groups of farmers, and see the changes in the elements of social capital. Hopefully, the efforts or intervention to empower Indonesian dairy can be conducted well.

Research Methods

The research method is determined based on the objectives which wants to be achieved by this study. Therefore, the researcher chooses descriptive method to describe thickly about the social phenomenon without intervening. Researcher sees that the daily expressions in society give the complete answers to the real conditions of society. This research is qualitative, meaning that it does not use quantitative calculation to solve social problems. In collecting the data, there is observation to enable the researcher getting involved in a series of farmers empowerment activities of in the research area. In this position, the researcher captures the behavior of people who show certain social phenomena naturally. In order to maintain objectivity of the research, the researcher does not do any manipulation or intervention on the activities carried out by the community. Intentional or unintentional findings are recorded in the form of field notes. These notes become the material to be analyzed by the researcher. The researcher conducts in-depth interviews on the subject or the data source to get deeper information and explore the meaning of the symptoms that appear.

The research chooses the case of institutionalization in SAMESTA Cooperative as the material based on the following considerations:

⁹*Ibid.*

1. This cooperative is formed based on the same value, which is the farmers' hope to improve their dignity and welfare.

2. The farmers' choice to leave the previous cooperative and choose a new one indicates the effort of systemic improvement at the cooperative.

The subjects of this research are the actors or farmers who are actively involved in establishing SAMESTA cooperative, namely: (1) The dairy farmers involved as the managers of the Milk Cooperative. (2) Members of Dairy Cooperatives. (3) Supporting Institution of Merapi Project. Techniques of collecting the data collection: Primary data, by (1) observing participants, where the researcher is directly involved in a series of farmers' activities and observes them without intervening the condition.¹⁰ (2) in-depth interviews to the persons who know the cooperative founding. Secondary data is taken from the documents of meetings of farmers, official government data, and other relevant data. To analyze the data, this research uses thick descriptive technique.

DISCUSSION

Dairy production in Yogyakarta in 2016 is relatively low compared to other provinces. But the production of dairy milk in Yogyakarta increases each year. The following data provides population and production of dairy milk in Indonesia:

Table 1: Population and Production of Dairy Milk in Indonesia divided by Province

| No | Provinces | Dairy Cow Population (numbers of cow) | | | Dairy Milk Production (Weight / ton) | | |
|----------|-------------------|--|--------------|--------------|---|--------------|--------------|
| | | 2014 | 2015 | 2016 | 2014 | 2015 | 2016 |
| 1 | East Java | 245.246 | 255.947 | 264.905 | 426.254 | 472.213 | 481.399 |
| 2 | West Java | 123.140 | 116.400 | 119.287 | 258.999 | 249.947 | 256.206 |
| 3 | Central Java | 122.566 | 134.670 | 137.434 | 98.494 | 95.513 | 97.214 |
| 4 | Yogyakarta | 3.990 | 4.044 | 4.066 | 5.870 | 6.187 | 6.221 |
| 5 | Jakarta | 2.638 | 2.433 | 2.603 | 5.170 | 4.769 | 5.102 |
| 6 | Other Provinces | 4.936 | 5.154 | 5.565 | 5.964 | 6.496 | 6.809 |
| | Indonesia | 502.516 | 518.649 | 533.860 | 800.751 | 835.125 | 852.951 |

¹⁰ Nyoman Kutha Ratna, *Metode Penelitian: Kajian Budaya dan Ilmu-Ilmu Sosial Humaniora Pada Umumnya*, (Yogyakarta: Pustaka Pelajar, 2010), 217.

There are many factors cause the low level of milk production. Some studies and opinions of the experts, summarized as follows:

1. Prof. Dr. drh. Agnesia Endang Tri Hastuti Wahyuni, M.Sc., in the inaugural speech of Professor at the Faculty of Veterinary UGM in UGM Senate Hall, on August 4, 2015, said that besides population, cow health, there is inflammatory disease or mastitis attacks the dairy cattle.¹¹
2. The Annual Report of the Agriculture Department of Yogyakarta in 2016 formulated several problems in the agriculture field, including the livestock sub-sector, namely (a) limited land availability, the big amount of agricultural field conversion to non-agricultural field (b) Human resources, the low interest of the young generation in this sector (c) high prices of agricultural inputs and unstable out put prices, (d) Impacts of climate change.¹²
3. Prof. Budi Prasetyo Widyobroto, as a researcher of Nutrition and Animal Feed Indonesia from Faculty of Animal Husbandry (Fapet) Universitas Gadjah Mada (UGM), mentioned that the development of Indonesian dairy has experienced 3 development phases. First, it was before 1980 which called as the phase of development. Second, in 1980-1997 called as a phase of population increase. Third, from 1997-present which is a phase of stagnation.¹³ Policy issues was the main factor of the dairy cow degradation in Indonesia. The cancellation of the Minister's Decree on the ratio of domestic and imported milk absorption supported the Milk Processing Industry (IPS).
4. The Farmer Academy forum, held by Merapi Project, attended by farmers, lecturers of the Faculty of Animal Husbandry of UGM, Sarihusada, Veterinarians, INSIST and LPITP, on March 08, 2017 in Mansour Faqih Insist Pakem Hall, concluded that several factors affecting the low dairy production are (a) there are still many farmers who

¹¹ Gusti, "Tingkatkan Produksi Susu Dalam Negeri, Dosen FKH UGM Kembangkan Vaksin Mastitis", ugm.ac.id, 05 Agustus 2015, retrieved from <https://ugm.ac.id/id/berita/10249-tingkatkan-produksi.susu.dalam.negeri.dosen.fkh.ugm.kembangkan.vaksin.mastitis>, on Nopember 17, 2017 at 12.15

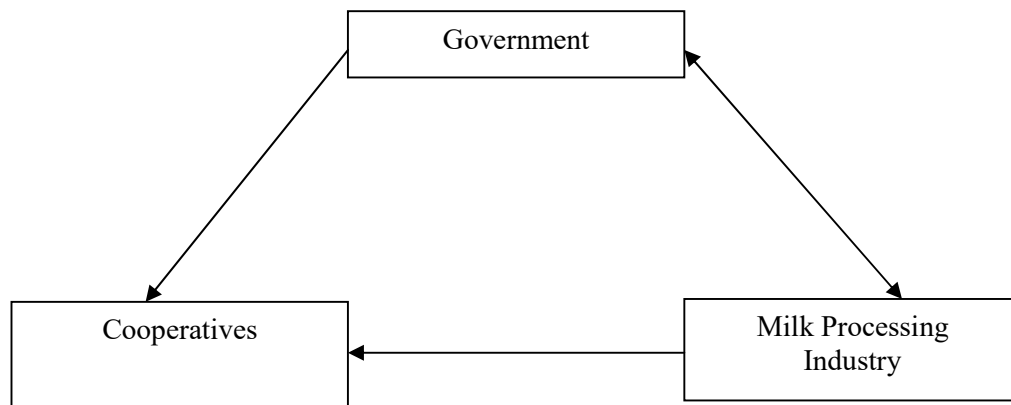
¹² *Laporan Tahunan Dinas Pertanian Daerah Istimewa Yogyakarta Tahun 2016*, (Yogyakarta: Dinas Pertanian DIY, 2016), 406-409.

¹³ "90% Usaha Persusuan Dikelola Secara Tradisional", agrofarm.id, 15 November 2017, retrieved from <https://www.agrofarm.co.id/90-usaha-persusuan-dikelola-secara-tradisional/>, on Nopember 21, 2017 at 09.30

practice dairy cow cultivation "kerono kahanan" meaning resigned to the conditions. Only small numbers of farmers think about the profit and loss, including the standard of livestock ownership on a household scale. (b) There is also unstable quality which shows poor management. (c) Unappropriate dairy price. This condition decrease the young generation to choose farming, which the average age of farmers is 40 years.

According to the researcher, the most influential factor is the policy. The government policy has direct impact on the dairymen relationship. Interdependence between the dairymen becomes lame. Corporation or milk processing industry dominates the relationships between them that enables other persons to depend on the dairy industry. The condition of the interdependence described as follows:

Picture 1
Interdependence Pattern



At least there are three related subjects in the dairy system, namely the government, cooperatives, and business actors. They work based on their functions. The central government acts as a regulatory provider. The Local Government carries out the service, coaching, and control. Cooperatives run their business in accommodating the milk produced by farmers and the business actors hold milk processing.

Through The Instruction of President No. 4 Year 1998, the government revoked the ratio of domestic and imported milk.¹⁴ The instruction provides flexibility to the dairy

¹⁴ The milk ratio is the comparison between domestic and imported milk which processed by milk industry compared with the amount of allowed milk composition in fresh milk which determined regularly. Check Inpres No. 4 of 1998.

industry to import milk in order to meet production targets. It means that the milk processing industry is no longer depends on the milk production of the cooperatives.

The cooperatives become subject who depends much on other institutions, which are the government and the milk processing industry. They do not have a powerful bargaining position in these relationships.

Some policies that have been issued by both Central and Provincial Governments are as follows:

1. Instructions of Indonesian President No. 4 of 1998 on Coordination of National Dairy Development and Guidance. This Instruction revokes the provisions and attachments of The Instruction of President No. 2 of 1985 and its derivative regulations. Some of the unavailable provisions are the ratio of milk, i.e. the ratio of domestic milk produced by milk processing industry to the allowed imported milk ingredients in fresh milk which is periodically fixed. (Article 1, number 8 of Inpres No. 2 Year 1985). The ratio of milk absorption as regulated in the Regulation of Minister of Trade No. 169 of 1995 explained that the absorption of 1 ton of fresh milk in the country allowed to import 2.90 tons. Then in the Regulation of Minister of Trade No.349 of 1997, the ratio of milk absorption is 1 ton of domestic milk versus 1.60 tons of imported milk.
2. Regulation of the Minister of Agriculture No. 26 of 2017 on the Milk Supply and Distribution. It regulates milk supply and distribution from farmers. Article 24 regulates the partnership requiring business actors (individuals or corporations) to make relation with Farmers, Farmers Groups and/or Cooperatives in Utilization of Domestic Fresh Milk (SSDN). Chairman of the Indonesian Dairy Council felt that the Ministerial Regulation needs support from Regulation of President as the higher regulation.¹⁵
3. Joint Regulation of Yogyakarta and Central Java Governors on Dairy Cooperation, in 2008. It regulates cooperation in breeding, cultivating management, human resource development, institutional, industrial process, infrastructure, result presenting, and capital.

¹⁵Rizky, “*Dewan Susu Desak Industri Serap Produksi Peternak Lokal*”, rri.co.id, 23 Agustus 2017, retrieved from http://rri.co.id/yogyakarta/post/berita/426940/ekonomi/dewan_susu_desak_industri_serap_produksi_peter_nak_lokal.html, on 21 Nopember 2017 at 09.56

As long as the existence of Inpres No.4 / 1998, the Regulation of the Minister of Agriculture which regulates the obligation of businessmen to relate with farmers or cooperatives in utilizing milk, has not been able to ensure the increase of the Domestic Fresh Milk (SSDN) absorption.

Besides the regulation on milk absorption ratio, the government also has not set about the basic price of milk. It is very problematic to set the price because it is different in each region. The implication shows that the prices are determined based on market mechanisms. The Milk Processing Industry (IPS) is more dominant in milk pricing so far. The price determined for the farmers by the cooperative refers to the purchasing price of IPS.

For example, in Yogyakarta, Sarihusada establishes a basic price based on the milk quality and it adds some benefits when the germ rate is low. SAMESTA Cooperative Sleman got the highest price 5,100 rupiah / kg during February-September 2017, and the lowest price was 4,556 rupiah / kg.¹⁶ This price became a standard for dairy cooperatives to determine the purchasing price from farmers.

There are two models of determining purchasing price by cooperatives. First, it is set based on the quality. Second, it is set in the similar price or flat. The first model is practiced by Sarono Makmur Cooperative and Samesta Cooperative. While the second model is practiced by Livestock and Dairy Business Cooperatives (UPP) Kaliurang, and Mulya Warga Cooperative. The following data provides milk price of farmers to cooperatives:

Table 2

Cooperatives' Purchasing Price

| No | Name of Cooperatives | Models of Determining Prices | Price | Selling |
|----|----------------------|------------------------------|-------------------------------|------------------------------------|
| 1 | UPP | Flat | Rp. 4.300/liter ¹⁷ | Sarihusada, Retail |
| 2 | Warga Mulya | Flat | Rp. 4.500/liter ¹⁸ | Sarihusada, Retail, Diolah sendiri |
| 3 | Sarono | Quality | Rp. 400/total solid. | Nestle, Retail, |

¹⁶ Interview with Ilham Syaiful Huda, Team Leader Merapi Project, Sleman, 31 Oktober 2017

¹⁷ Interview with Ilham Syaiful Huda, Team Leader Merapi Project, Sleman, 31 Oktober 2017

¹⁸ Interview with Ilham Syaiful Huda, Team Leader Merapi Project, Sleman, 31 Oktober 2017

| | | | | |
|---|---------|---------------------|--|--------------------|
| | Makmur | Requirement | If the milk has good quality, which TS value is 12, the farmers will get Rp. 4800/liter ¹⁹ | Self-Processing |
| 4 | SAMESTA | Quality Requirement | Rp. 400/total solid. If the milk has good quality, which TS value is 12, the farmers will get Rp. 4800/liter ²⁰ | Sarihusada, Retail |

Overview of the Establishment Process of SAMESTA Cooperative

One indicator of getting high trust from society is the establishment of social institutions that are able to bring both social and economic impacts. There are some few institutional processes which conducted through intervention processes without considering the social conditions. For example, help for some groups impact on the rising of new groups in order to get more support.

Sapi Merapi Sejahtera Cooperative (SAMESTA) was established on December 22, 2016. Members of this cooperative are the farmers around the slopes of Merapi, including Cangkringan and Pakem Districts. SAMESTA Cooperative is a part of the economic recovery program for the Mount Merapi eruption victims, known as Merapi Project. The program is based on the agreement of Danone Ecosystem, Sarihusada, Sleman Local Government, and Yogyakarta Provincial Government which is located in Umbulharjo Village, Cangkringan District, Sleman.

This cooperative was formed in the last phase of the program. Choosing the cooperative as the institution was the result of a long debate. Firstly, Sarihusada offered farmers an institution in the form of Limited Liability Company/ Perseroan Terbatas (PT), but they wanted a cooperative. Finally, there was agreement that the institution which would accommodate the farmers' activities in Merapi Project is in the form of cooperative.

¹⁹Interview with Santoso, Anggota Koperasi Saroni Makmur, Sleman, 21 November 2017

²⁰ Interview with Ruslan, Ketua Koperasi SAMESTA, Sleman, 23 November 2017

The bargaining process between farmers and program managers happened many times. First, it happened in the beginning phase of the program. Merapi Project launched FIGA (Family Income Generating Activities) program. The FIGA program was a package of economic recovery activities for the eruption victims. FIGA was an activity outside of dairy field. The activities of this programs were cultivating eel, kascing, chicken, vegetables, goats and planting hard plants. These activities were intended for farmers groups, which required them to take the entire package of activities.

One of the groups in Boyong Village, Pakem, namely Anggayuh Makmur initially rejected the FIGA program package because the program required them to do all the offered activities. Wahyudi, one of the members of the farmer group stated that they had been ready to accept the program if only they had been allowed to choose only one activity, that was goat farming. The action was based on critical awareness. Farmer groups did not easily accept the offered programs. Moreover, the farmer group had a similar goal to make his village as the center of goats farming.²¹

Second, In August 2016, Merapi Project was concerned to increase milk production in an integrated livestock center, which was its core activity. The dream was constrained by the condition of cows in communal cages which had low production. Therefore, it needed involvement of more farmers outside the communal cage.

The Merapi Project Manager conducted an assessment to the farmers group which involved in the program. In the meeting of farmers and program managers in different places, they concluded that farmers could not keep their dairy cows if their cages were far from home, which were communal. So if they wanted to involve more farmers to increase milk production, they must have not force the farmers to farm in communal cages, because the action would be useless and it would take many failures.

The solution actually came from the farmer that suggested there must have been a rowdy cow (sapi gaduh). The farmers would not mind if they had to deposit the milk production from the rowdy cows to the Merapi Project integrated farming center. This solution became the Merapi Project program plan, called as POG (Past On Give). There were 50 farmers joined in the POG program. Each farmer got one old pregnant cow. The

²¹ Interview with Johan Rifqi, Fasilitator FIGA, Sleman, 31 Oktober 2017

milk produced by the cow and 60 percent of the calf price were the farmers' right in the rowdy system. The Merapi project got 40 percent of the calf purchasing price and accommodated the milk produced by the rowdy cow.²²

Those two cases above indicate the existence of social capital. It means that the values among the farmers groups is the guidance, to do something or refuse it. Absolutely, not all groups have the such capital. Those such groups are the ones who become the reinforcement of the SAMESTA Cooperative.

Interaction Patterns Among Dairy Farmers and the Raise of Social Values

The consequence of dairy farming options is that farmers should be disciplined. Their activities start from early morning and end in the afternoon every day. It is different from the broiler cow farming that is not too time-consuming in its maintenance. The consequence of the time discipline enables the limited time for farmers to interact each other.

Interaction between the farmers are about the problems of dairy farming. The problems are unstable milk production, cow's health, food availability, and the difference data between farmers and cooperatives related to the milk deposit at the end of the month. Because of those problem, their communication runs well. They communicate when they meet at the field, deposit milk at the milk accomodating point, and on their social activities, such as kenduren, member meetings, and counseling.

An example could be seen in the activities of farmers coaching and counseling conducted by Sarihusada and UGM, on November 23, 2017 in Cooperation SAMESTA Hall. The presenter was a food expert from UGM, Mrs. Nafiatul Umami. The meeting discussed about how to calculate the cost of food and required protein content. The interesting thing occured during the question and answer session, when there were two farmers asking questions that were unrelated to the material. He asked about the pattern of giving concentrate to old pregnant cows, and the second question related to fermentation food.

Researchers saw two possibilities in the event. First, the farmers were not interested in the discussion. Second, they were not used to communicate with question and answer

²² Interview with Ilham Syaiful Huda, Team Leader Merapi Project, Sleman, 31 Oktober 2017

patterns. After the event ended, most farmers kept discussing to talk about many things for hours, included their responses to the material had been presented. Riyadi, as one of the farmers, commented "that to calculate the cost of food is not as simple as that. It needs to think about the risks of feeding, and the most importantly is the continuity and consistency in the feeding process. Cows which are used to consume the mixture of green grass and kamprang or hay will not have interest eating grass only. It also influences on production.

Farmers like to share their experiences and provide solutions related to problems they have. The problems are about land issues, giving calcium, dry period of cows, and workers. Another thing that attracts the attention of researcher is by the time one of the farmers, Mr. Wahyu, revealed that the key of farming is *seneng*. It means that the cows do not only need food to eat and drink, but also attention. They will feel comfortable if the owner like to care of them. In addition, we can recognize quickly when there is something wrong with the cow, whether it is about lust, sickness, or giving birth. Mr. Wahyu has told about one of the values (norms) in farming. It is possible that his statement in fluence other farmers. It will be obligation for other farmers who have not had the such attitude, to improve their way in farming.

For the farmers, the gathering activity is an opportunity to share knowledge. Farming management on a family scale allows the head of the family to attend the group meetings. When the head of the family receives an invitation of a group meeting, then his task will be delegated to the family members.

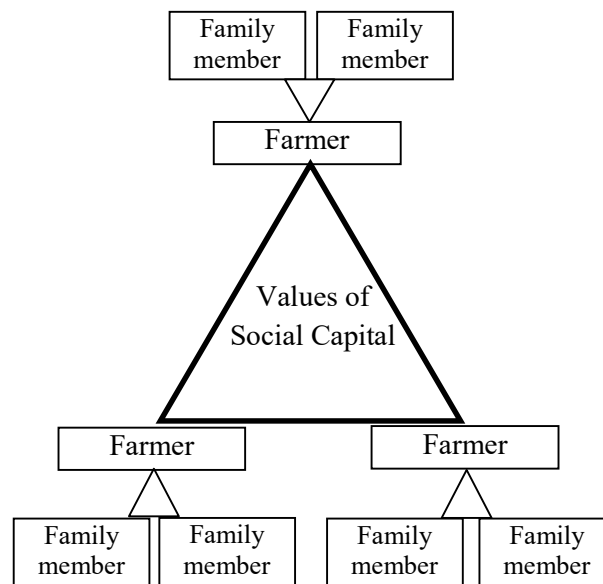
In the farmer families, family members are accustomed to cooperate in farming. Some farmers' wives are eager to look for grass, engage in milking activity, and clean the cage. Taking care of cows near home provides an opportunity to transfer knowledge about technical maintenance from the farmers to their wives and children. The social values that appear in the interaction among farmers flow into the smallest area, their family.

The interaction pattern among farmers illustrates how social behavior is formed and it rises social values or virtues in farming. The repetitive interaction among the farmers ultimately forms a social relation. Michener and Delamater as quoted by Hidayati, stated that social relation is also called as social relationship that is the result of systematic

interaction (chain of behavior) between two or more people. The relationship in the social relation is reciprocal between individuals and they influence each other.²³

According to Coleman, social capital manifestes in inter-individual relations which is different from clear physical capital.²⁴ It means that social relation becomes a prerequisite to bear the social capital. Here is a scheme of relationship among farmers:

Picture 2:
Interaction Pattern Among Farmers



Forms of Social Capital of Farmers Groups

Based on the research, the researcher identify several forms of social capital in the farmers groups:

1. Norm

Norm is a form coming with social capital. As Putnam, cited by Zaini Rohman, said that norm contains beliefs, values, wishes, and goals which believed and practiced by society.²⁵ Fukuyama represented values or norms in the form of social virtues. The

²³Hidayati, "Relasi Sosial", karyatulisilmiah.com, 12 Mei 2016, retrieved from <https://karyatulisilmiah.com/relasi-sosial/> , on 21 Nopember 2017 at 22.41

²⁴James S. Coleman, *Dasar-Dasar Teori Sosial: Referensi bagi Reformasi, Restorasi dan Revolusi*, 421.

²⁵Zaini Rohmad, *Sosiologi Pembangunan* (Yogyakarta: Ombak, 2016), 168.

kinds of the virtues such as honesty, cooperating thought and sense of duty or serving others, are very important to create individual virtues.²⁶ The values appear among the farmers are as follows:

First, “*Klangenan*” value or interest in farming is one of the values among farmers. This value is the result of the dairy farmers community, although not all of them are motivated to practice the value. The existence of this value is very important to decrease loss of farming. The value becomes a bond for the farmers to relate each other and share information in order to reach the better way in dairy farming.

Second, honesty. This value is based on some cases, such as good quality of the milk brought by the farmers. There are no other composition in the milk. One of the influential reason is the price based on the quality of the milk. The researcher has not satisfied with the argument, because there was a farmer stated when he brought his milk to UPP Cooperative Kaliurang, there was not any quality control. Supri, as he called, claimed that farmers did not perform any deceit by adding other composition into the milk, although their price is very low or “*diidak-idak*”. He said that his attitude at that time because it was his way or *yo opo anane*.²⁷

Third, togetherness. This value is represented in the farmers’ commitment to increase the milk production by cooperating with the cooperative. The farmers have opportunity to sell their own product directly to the customers in higher price, as Supri practiced by delivering fresh milk to one of the supermarket in Yogyakarta everyday. He distributes 100 liters of milk each day. In order to fulfill the milk request, he does not use his own milk. He brings his milk into the cooperative, then he buys the other milk from the cooperative.

Fourth, titen. It means giving attention in detail, including dishonesty to the farmers. When the farmers treated dishonestly, he will remember it forever. This value provides positive effects so far. It build the farmer’s attitude to verify their supplying milk notes in the cooperative. This attitude increases the trustworthy between farmers and cooperative.

The values are pre-condition of the social capital. The existence of the values are able to keep the farmers’ consistency in running their business. Farmers live in Merapi

²⁶Francis Fukuyama, *Trust: Kebajikan Sosial dan Penciptaan Kemakmuran*, 65.

²⁷ Interview with Supriyanto, Peternak Kelompok Kemiri, Sleman, 24 Oktober 2017

slopes are those who have high sensitivity. The natural factors, especially eruption, becomes the real warning for the farmers. The values forces the farmers to keep their business, although the milk price and their cattle food price are almost the same, which people called as *bakbuk*.

2. Trust

Most farmers feel that their farming business has not been able to fulfill their family need, so they like to have sidejob. It has impact on the low milk production. For farmers, cow caring cost which cannot be compared with the milk price decreases the farmers' trust to this sub-sector.

Some farmers choose other kinds of profession, such as mining and tourism. The farmer who are able to keep their profession, they are divided into two sides. Some of them run farming only to be able to keep their wealthy, and the others try to empower the dairy cow farming by renovating the basic level of the field. The renovation aims to repairing the caring technique, to prove that dairy cow farming is able to provide benefit for farmers.

The renovation is also conducted on macro parts. The subjects inspire others to build new cooperative which prioritizes justice and transparency in the system and management.

The trust from other farmers to the cooperative grows slowly. Likewise, SEMESTA cooperative increase the milk price from the farmers. As the consequence, the cooperative get lower profit, as well as their Bussiness Business Revenue Residu (SHU).The cooperative comittee argued that it is the best way to rebuild farming ethos. Actually, the cooperative is not fully loss their profit because of the high milk price. The Business Revenue Residu iof the cooperatve will be distributed to the farmers. In addition, the cooperative also makes an alternative choice to increase their income, by looking for the opportunity in retail market.

In simple way, *trust* means believe in. The believe comes into human being as the reciprocal effect of the social relationship. Putnam believed that trust is a wish to take a risk in social relationships because of the feeling that the others will act as we hope and they will support each other.²⁸

²⁸Zaini Rohmad, *Sosiologi Pembangunan*, 166.

Coleman practiced if A do something for B, A believes that B will reply his goodness in the future. This case creates an expectation from A and B is obliged to keep the trust.²⁹

If we connect the theory with what SAMESTA Cooperative has done so far, it proves that what the cooperative has done will rise a new obligation of increasing dairy cow production. The expectation will be paid if there is increasing amount of milk production. The cooperative's strategy is a real example of gaining trust.

3. Network

The interesting thing in this case is how the actors or farmers are naturally organized, beyond their boundaries. Farmers who were originally organized on a hamlet scale shifted to a wider scale, to the cross-district. They are organized due to similar value, wishing more dignified, prosperous, and getting fair treatment.

CONCLUSIONS

As an affirmation of the above discussion, the authors conclude:

1. Dairy cooperatives have not yet have a strong bargaining position in dairy market. In dairy industries, milk processing industry has a stronger position, especially in determining milk price from cooperatives. The imbalance relation influences the feasible milk price for the farmers. This condition needs serious attention from the government in balancing relation among dairymen.
2. The impact of the unequal relationship is felt by the farmer. Under these condition, farmers look for alternative solutions to solve problems by using social capital to form a new cooperative.
3. The process of institutionalization of SAMESTA cooperative shows the existence of social capital change. These changes occur in several elements of social capital, which are: (1) Values, such as klangenan (like), titen (scrutinize deeply), honesty, and togetherness. These values become the fuel that drives the farmers to relate each other and realize the fairer and more transparent cooperative. This shows the influence of cultural values on the farmers economic behavior. (2) Trust, which changes in a positive direction, especially in determining the milk price from farmers. Although this determination gives risk to cooperative income, it is expected to increase the farmers' ethos, thus increase the milk production. (3) Networks, relationship among farmers firstly occurs only in hamlet area, which extends beyond those limits. Farmers from

²⁹James S. Coleman, *Dasar-Dasar Teori Sosial: Referensi bagi Reformasi, Restorasi dan Revolusi*, 423.

different villages are connected naturally. This inter-subject's involvement is in the same goal, that are wishing more dignified, prosperous, and get fair treatment.

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