

Abstract

This study aims to elucidate the performance of the certified organic rice agriculture supply chain in Central Java and to determine the effect of the relationship between producers, distributors, and retailers on the said performance. This study also observes whether supply chain management mediates the relationship between the relationship's quality and the supply chain's performance. The dataset was obtained using a questionnaire and 102 respondents were chosen by snowball sampling method from the small farmers' groups ("poktan"), farmer combined groups ("gapoktan"), organic rice farmers associations, small and medium distributors, and retailers, which consist of modern markets, supermarkets, and minimarkets, in Central Java, Jakarta, Yogyakarta, and East Kalimantan. The data was processed using SEM PLS with WarpPLS 6.0 program. The study found that the quality of the relationship had an indirect and significant positive effect on supply chain performance through supply chain management practices. It is discovered that the commitment within a relationship influences supply chain management. This study was conducted on certified organic rice at one production area, Sawangan, Central Java, with the limited involved distributors and retailers following the supply chain from the supplier side. Supply chain management practices are gaining prominence in organic rice supply chains that require the member's cooperation and commitment in its application. Farmers' associations, distributors, and retailers benefit from a better relationship quality between them, which ultimately encourages supply chain performance improvement. Distributor-retailer's long-term relationship that provides more profit value can be used as a model to develop organic farmers in other regions in Indonesia. The practical implication of this study is that using a developed and validated multi-dimensional construct can help certified organic rice entrepreneurs and the government to evaluate the certified organic rice supply chain's performance.

Keywords: Agribusiness, Farmers, Management, Performance, Supply chain, Relationship Quality, Certified Organic.