



Implementation Of Corn Sale And Purchase Agreement Law For Farmers With A Partnership Wholesale Transaction System: A Study On Brata Rumbia Trading Business In Central Lampung

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Abstract. This study discusses the implementation of the law of corn sale and purchase agreements carried out by farmers with a wholesale transaction system through the Brata Rumbia trading business partnership in Central Lampung. The focus of the study is on the implementation of the agreement, compliance with civil law provisions, and its impact on the parties involved. The research method used is a juridical-empirical approach, namely by reviewing the agreement documents and their implementation in the field through interviews with farmers and Brata Rumbia. The results of the study indicate that this wholesale transaction system involves a partnership agreement that includes the terms of sale and purchase, the agreed price, and the rights and obligations of each party. However, several obstacles were found such as the discrepancy between the harvest results and the initial agreement, farmers' dependence on partners, and farmers' minimal understanding of the contents of the agreement. This has the potential to cause injustice to farmers. In conclusion, although the agreement is in principle in accordance with civil law, its implementation requires further supervision to ensure justice for all parties. Recommendations submitted include increasing farmers' legal literacy and stricter supervision from related parties.

Keywords: *Implementation of law, sale and purchase agreements, partnerships*

Introduction

The sales and purchase agreement is an important foundation in supporting trade activities, including in the agribusiness sector. This agreement provides a legal framework that ensures certainty and justice for the economic actors involved. In Central Lampung Regency, one of the sales and purchase agreement practices that attracts attention is the partnership wholesale transaction system between corn farmers and UD Brata Rumbia. This system aims to create market certainty for farmers while maintaining supply and price stability for business actors. In this partnership agreement, both parties, farmers and UD Brata Rumbia, make an agreement on the rights, obligations, and conditions that apply legally.¹

The partnership wholesale transaction system implemented by UD Brata Rumbia involves purchasing farmers' harvests in bulk at prices agreed upon before the harvest season. This system provides guarantees for farmers in facing the risk of price fluctuations in the free market, so that farmers feel safer in managing their businesses. For UD Brata Rumbia, this system helps ensure the sustainability of corn supplies with certain volumes and qualities needed in its business processes. However, in practice, this agreement often faces challenges from both business actors and farmers.²

One of the main challenges is the absence of a detailed written agreement between the two parties. Most farmers in Central Lampung rely solely on oral agreements made based on mutual trust. Although under Indonesian civil law, oral agreements are valid as long as they meet the requirements as stipulated in Article 1320 of the Civil Code, written agreements have the advantage of providing stronger legal force in the event of a dispute. The absence of this written agreement often triggers conflict, especially when one party feels disadvantaged due to the discrepancy in the volume or quality of the agreed harvest. The imbalance in bargaining power between farmers and business actors is also a major problem. Farmers, who often depend on business

¹ Djuwito, S. (2021). Legal Aspects of Agreements in the Partnership System in Indonesia: A Review of Agribusiness Cooperation Agreements. *Journal of Law and Agribusiness*, 13(2), 85–99.

² Mulyana, T., & Arifin, Z. (2020). Principles of Good Contract Governance in Agricultural Partnerships. *Journal of Agricultural Law*, 7(1), 12–25.

partners to market their crops, are in a weak position. This dependence causes them to tend to accept the price offered without further negotiation. This condition is not in accordance with the principles of partnership which are ideally based on equality and mutual benefit.³

In addition, UD Brata Rumbia also faces challenges in ensuring that farmers fulfill their obligations. In some cases, farmers sell part of their harvest to other parties who offer higher prices, even though they have been bound by a partnership agreement. This kind of violation is detrimental to business actors because it affects the supply that should be received. This condition shows the need to strengthen the implementation of law in the agribusiness partnership system to protect the interests of both parties.

To overcome these challenges, the implementation of a clear and detailed written agreement is the main solution. This agreement must cover all important aspects, such as price, volume, quality, delivery time, and sanctions for violators. In addition, it is important for both parties to understand the contents of the agreement to avoid misunderstandings. Socialization to farmers regarding the contents and legal consequences of the agreement can increase their awareness of the importance of a legal and fair agreement. In this case, the local government can play an active role through legal education programs aimed at farmers and business actors. In addition to education, dispute resolution mechanisms also need to be developed to address potential conflicts between farmers and business actors.⁴

One mechanism that can be implemented is mediation, which offers a quick and cost-effective alternative to litigation in court. With mediation, the partnership relationship between the two parties can be maintained without causing significant losses to either party. The local government and local agricultural services can also contribute to monitoring the implementation of the partnership agreement. Regular monitoring can ensure that no party violates the rights or obligations that have been agreed upon. This step not only

³ Supriyadi, B. (2019). The Influence of Partnership System on Farmer Welfare: A Contract Law Perspective. *Journal of Agribusiness and Law*, 10(3), 45–58.

⁴ Wibisono, R., & Purnamasari, T. (2020). Legal Review of Partnership Agreements between Farmers and Entrepreneurs in the Agricultural Sector in Indonesia. *Journal of Law and Development*, 49(4), 525–540.

increases farmer trust in the partnership system, but also creates a more transparent and equitable business environment.⁵

As a form of additional legal protection, business actors can use standard contracts designed according to local needs. These contracts must reflect the principles of fairness, transparency, and mutual benefit. By using professionally prepared standard contracts, both farmers and business actors can exercise their rights and obligations more proportionally. In the long term, a well-implemented agribusiness partnership system has great potential to increase farmer productivity and welfare. In addition, this system also supports the stability of the supply of raw materials needed by business actors, thus providing broad economic benefits. However, the success of this system is highly dependent on the commitment of both parties to comply with the agreed rules. Therefore, strengthening the legal aspects of the partnership agreement is an urgent need to create a sustainable and equitable relationship.⁶

In the context of Central Lampung, good legal implementation in the corn sale and purchase agreement between UD Brata Rumbia and farmers can be a model for the development of agribusiness partnerships in other regions. Support from the government, related agencies, and local legal institutions will make a significant contribution to creating a fair and sustainable partnership system. Thus, it is hoped that this partnership wholesale transaction system will not only provide economic benefits but also encourage the creation of social justice in the agribusiness sector. Through strategic steps such as the implementation of written agreements, legal education, dispute mediation, and supervision of implementation, agribusiness partnerships in Central Lampung can become stronger and provide maximum benefits for all parties. Proper implementation not only increases farmers' income and the efficiency of agribusiness actors' businesses but also supports overall regional economic growth.

⁵ Hermanto, MA, & Setiawan, A. (2022). Analysis of the Implementation of Contract Law in Wholesale Transactions in the Agricultural Sector. *Journal of Economic Law*, 14(1), 77–90.

⁶ Yulianti, S. (2021). Legal Protection for Farmers in the Agribusiness Partnership System. *Journal of Social and Law*, 9(2), 101–116.

The novelty in this research lies in its focus on the partnership piecework transaction system applied by UD Brata Rumbia in Central Lampung, which has not been widely discussed in previous legal studies. This research integrates juridical analysis with the socio-economic conditions of local farmers, thus providing a more holistic perspective on the application of law in the agribusiness sector. In addition, this research offers concrete solutions to overcome legal and operational obstacles in the implementation of partnership agreements, which can become policy recommendations for local governments and agribusiness actors. As for the differences between this research and other studies, the research on business partnerships in Bendosewu Village focuses on the implementation of Islamic law principles in business partnerships, which is different from the focus on wholesale buying and selling in research in Central Lampung. The Islamic law approach offers a more inclusive perspective of justice for farmers, in contrast to the piecework system, which is more transactional and one-sidedly profit-oriented.

This research uses the empirical juridical method, which combines normative legal analysis with field studies to understand the implementation of law in real practice. This method is carried out by analyzing the corn sale and purchase agreement between farmers and the Brata Rumbia Trading Business (UD) in the partnership piecework transaction system. Primary data is obtained through direct interviews with farmers, UD Brata Rumbia managers, and related parties such as the local government that oversees the agricultural sector. The legal approach is used to understand the legal basis governing this agreement, such as Articles 1320 and 1338 of the Civil Code, which relate to the validity of an agreement and the principle of freedom of contract. An empirical approach is applied to see how the law is implemented in practice, including the obstacles faced by the parties.

Research methods

This research uses the empirical juridical method, which combines normative legal analysis with field studies to understand the implementation of law in real practice. This method is carried out by analyzing the corn sale and purchase agreement between farmers and the Brata Rumbia Trading Business (UD) in the partnership piecework transaction system. Primary data is obtained

through direct interviews with farmers, UD Brata Rumbia managers, and related parties such as the local government that oversees the agricultural sector. This approach aims to identify legal obstacles faced by farmers in the implementation of the agreement, as well as reveal the dynamics that occur in the field.

This method is also complemented by the study of relevant documents such as partnership contracts, government regulations on agriculture, and relevant legal regulations. Secondary data from scientific literature and legal documents were used to strengthen field findings. The analysis was conducted qualitatively by reviewing compliance with contractual legal principles, dispute resolution mechanisms, and implementation of rules in the local context. With this approach, the research not only understands the normative aspects but also the social reality of law at the community level.

Discussion

1. Implementation of the law on corn sales and purchase agreements in the partnership wholesale transaction system between farmers and the Brata Rumbia Trading Business (UD) in Central Lampung

The corn sale and purchase agreement with the wholesale partnership system is basically a contractual relationship based on the principle of consensualism. According to Article 1320 of the Civil Code (KUHPerdata), an agreement is considered valid if it meets four requirements: the existence of an agreement, the capacity of the parties, a specific object, and a lawful cause. In the case of this partnership system, the agreement between farmers and UD Brata Rumbia usually involves determining the price, quality of corn, production volume, and delivery schedule. Thus, in theory, this relationship meets the legal criteria. However, in practice, agreements are often made without a written contract, although this can potentially raise serious legal problems. Without a written document, each party can have a different interpretation of the contents of the agreement that has been made, especially when problems arise related to inconsistencies in quality or price. This ambiguity can add to the complexity of dispute resolution, because there is no clear reference to the rights and obligations of each party. As a result, the

parties involved in the agreement may feel disadvantaged or not get what was promised.⁷

When an agreement is not written down, then the evidence of the agreement only relies on witnesses or informal records, which are often not strong enough to be used as a basis for legal evidence. In this case, the dispute resolution process can be more complicated and time-consuming, because judges or authorities must rely on testimony or evidence that may be difficult to verify. Therefore, it is important for parties involved in the agreement to always record the agreement in writing, in order to ensure legal certainty and reduce the risk of disputes in the future.⁸

The imbalance in bargaining power between farmers and business actors is an important issue in the implementation of this partnership agreement. In this relationship, business actors often have a dominant position because they have better access to markets, price information, and financial resources. Meanwhile, farmers are in a weaker position due to limited access to market information and dependence on business actors as the main buyers of their crops.

The weakness of farmers' bargaining position is reflected in how they often accept the conditions set by business actors without further negotiation. For example, in determining the price of corn, farmers often have no other option but to accept the price offered, even though the price is considered less profitable. This situation is exacerbated by farmers' ignorance of their rights in the agreement, making them more vulnerable to being harmed. In some cases, farmers are not even aware of the legal consequences of the verbal agreements they make with business actors. Most partnerships between farmers and UD Brata Rumbia are carried out verbally, without a written contract containing detailed provisions. This practice is one of the main obstacles in the implementation of the law on agreements, because verbal agreements are difficult to prove legally. For example, if there is a dispute regarding the quality of corn supplied, the business actor may claim that the quality does not comply

⁷ Kurniawan, F., & Utami, S. (2020). Legal Certainty in Contract Agreements between Farmers and Collectors. *Journal of Civil Law*, 6(2), 60–75.

⁸ Nurhadi, T., & Rahman, A. (2021). Implementation of Profit Sharing System in Partnership Agreement in Agriculture. *Journal of Islamic Law and Economics*, 9(1), 34–49

with the agreement, while the farmers feel that they have met the standards set. Without a written document, disputes of this kind are difficult to resolve fairly.

In addition, verbal agreements often do not cover all important aspects of the partnership, such as payment mechanisms, tolerance for late delivery, or sanctions if one party violates the agreement. The imperfections in this agreement create room for violations, both intentional and unintentional, by both parties. Although in theory this corn sale and purchase agreement meets the requirements for a valid agreement, in practice there are often discrepancies with the contents of the agreement. For example, farmers are sometimes unable to meet the agreed amount of corn supply due to weather factors, pest attacks, or limited resources. On the other hand, business actors may delay payment for harvests for financial reasons or changes in market prices. Such discrepancies often create tension between the two parties, which can ultimately threaten the sustainability of the partnership.⁹

On the farmers' side, the inability to fulfill their obligations is often caused by limited production capacity. In some cases, farmers are also tempted to sell their crops to other parties who offer higher prices, even though they have been bound by an agreement with UD Brata Rumbia. This phenomenon, known as side selling, is a form of contract violation that often occurs in agribusiness partnerships. From the perspective of business actors, this behavior creates uncertainty in supply planning and can be financially detrimental to them. Most farmers involved in this partnership do not have an adequate understanding of the contents and implications of the agreements they make. Many of them do not know that the verbal agreements they make actually have legal force, although they are more difficult to prove than written agreements. As a result, farmers often do not understand their rights, such as the right to claim compensation if the business actor violates the agreement, or the right to ask for clarification of the provisions of the agreement that are considered detrimental.¹⁰

⁹ Prayitno, H. (2022). Legal Conflict in the Sale and Purchase Agreement of Crops in the Agricultural Sector. *Journal of Agrarian Law and Conflict*, 11(3), 90–104

¹⁰ Wahyuni, E., & Ningsih, F. (2021). Legal Aspects of the Wholesale Transaction System in Agribusiness Partnerships. *Journal of Law and Public Policy*, 5(2), 145–159.

This lack of understanding makes farmers tend to be passive in partnership relationships, so they are more likely to accept the terms set by business actors without negotiating. This worsens the imbalance in bargaining power between the two parties and makes farmers more vulnerable to exploitation. The implementation of legal agreements in this partnership system also faces challenges in terms of supervision and law enforcement. Many agreements are made without supervision from the government or related institutions, so there is no clear mechanism to ensure that both parties comply with the agreement. The absence of this supervision provides room for violations of the agreement, both by farmers and business actors, without any clear legal consequences.

For example, if a business actor fails to pay a farmer on schedule, the farmer often lacks the resources or access to pursue their rights through legal channels. On the other hand, business actors also have difficulty enforcing agreements if farmers sell their crops to other parties. Without adequate oversight, these partnerships are vulnerable to violations and conflicts that are detrimental to both parties.

The economic dependence of farmers on business actors is also an important factor in this partnership relationship. For many farmers, UD Brata Rumbia is the only reliable buyer to sell their crops. This dependence often leaves farmers with no choice but to accept the terms set by business actors, even if these terms are considered unfair. However, this dependence is also reciprocal. Business actors depend on farmers to meet their corn supply needs. This dependence creates a complex relationship, where both parties need each other but also exploit each other. In this context, the imbalance of power between farmers and business actors is one of the main sources of tension in the partnership relationship.

This imbalance in partnership relationships not only impacts the economic aspect, but also creates social impacts at the community level. Farmers' dissatisfaction with business actors often triggers internal conflicts among farmers themselves, especially when some farmers choose to violate the agreement by selling their crops to other parties. On the other hand, business actors who feel disadvantaged by the violation of the agreement can take actions that are detrimental to farmers, such as lowering the purchase price or tightening partnership requirements. An inharmonious relationship between

farmers and business actors can create tensions that damage the sustainability of the partnership system. This tension often arises because of dissatisfaction on the part of farmers regarding prices, quality, or late payments from business actors. Conversely, business actors feel disadvantaged by the instability of supply or product quality that does not meet expected standards. The growing distrust between the two parties leads to ongoing tensions, which can hinder long-term cooperation.

As a result of this tension, farmers tend to be reluctant to continue working with business actors who cannot meet their expectations. They prefer to look for other partnership opportunities that are more profitable or that are considered to appreciate their contributions more. On the other hand, business actors may feel frustrated and choose to look for other sources of supply that are considered more stable and reliable. This change in supply flow risks reducing the quality and quantity of production which can ultimately affect their business profits. In the long term, this disharmonious relationship can be detrimental to both parties. Farmers lose access to wider markets and business actors also lose consistent supplies. Furthermore, this tension can hinder the development of the agribusiness sector in the area. Conflicts that are not resolved properly risk creating an environment that is less conducive to investment and innovation, which in turn hinders efforts to increase the competitiveness and sustainability of the agribusiness sector as a whole.

2. Obstacles Faced in the Implementation of Corn Sales and Purchase Agreements with the Partnership Wholesale Transaction System and Solutions that Can Be Applied

The implementation of corn sales agreements with a partnership wholesale transaction system, especially between farmers and business actors such as UD Brata Rumbia, is one approach that is often used to create mutually beneficial economic cooperation relationships. However, in practice, many obstacles hinder the effective implementation of the agreement. These obstacles not only have an impact on the instability of the relationship between farmers and business actors, but also reduce the level of trust and sustainability of the cooperation that has been formed. One of the main obstacles that is often faced is the lack of understanding of farmers regarding the contents of the

agreements they sign. This happens because the majority of farmers in rural areas have relatively low levels of education and limited access to legal information. In many cases, agreements are only made verbally without clear written documents. Even if a written agreement is made, the language used is often too complicated or not explained properly to farmers.¹¹

The absence of a clear written agreement opens up opportunities for violations of rights and obligations between the two parties. For example, farmers may not know that they have the right to claim compensation if a violation occurs by the business actor. Article 1320 of the Civil Code mentions four conditions for a valid agreement, namely agreement, capacity of the parties, lawful objects, and legitimate causes. However, in this context, the terms of the agreement are often weak because farmers do not fully understand the consequences of the agreement. Another problem that often arises is the imbalance in bargaining power between farmers and business actors. Business actors tend to have a dominant position because they control the market, capital, and distribution networks. In contrast, farmers often only have their crops as their main source of income, so they are very dependent on business actors to buy their crops.¹²

This dependency provides loopholes for business actors to set conditions that are more beneficial to them, such as low purchase prices or other provisions that burden farmers. Article 1338 of the Civil Code emphasizes that a legally made agreement applies as a law for the parties that make it. However, this provision can become a tool of pressure if the agreement is not drafted fairly and transparently. Non-compliance with the agreement is the next obstacle. In some cases, farmers sell their crops to third parties at higher prices, even though they are bound by contracts with business actors. This action is usually taken because farmers feel that the price offered by business actors does not match their expectations. On the other hand, business actors also often face

¹¹ Andrianto, R., & Suyatno, T. (2022). Legal Analysis in Partnership Agreements between Farmers and Agro-Industry Companies. *Journal of Agribusiness and Law*, 15(2), 45-58.

¹² Fitria, E., & Pramesti, A. (2021). Partnership Agreement in the Perspective of Contract Law: A Study in the Agricultural Sector. *Journal of Agricultural Law and Policy*, 10(1), 72-83.

difficulties in ensuring the quality and quantity of corn they receive in accordance with the agreement.

Article 1338 of the Civil Code stipulates that every agreement must be carried out in good faith, which means that both parties must respect each other's rights and obligations that have been agreed upon with full responsibility. This good faith is a basic principle in legal relations that aims to maintain trust and good cooperation between the parties. However, in practice, many agreements are not carried out in good faith, which can damage relationships and create tension between the parties involved. Non-compliance with the principle of good faith often appears in the form of violations of agreed obligations, either in the form of delays, reduced quality, or even denial of the contents of the agreement. Such actions can trigger conflict between the parties involved, because one party feels disadvantaged and unappreciated. For example, in a partnership relationship between farmers and business actors, business actors who do not pay on time or do not fulfill other obligations can trigger disappointment from farmers, which has the potential to lead to a split in the cooperation. In the long term, non-compliance with the principle of good faith not only harms the individuals or groups involved, but can also disrupt the stability of the legal system as a whole. When conflicts continue to develop without any attempt to resolve the issue fairly, this can cause significant financial losses for both parties. In addition, failure to implement agreements in good faith can create legal uncertainty, which has a negative impact on the business climate and public confidence in the legal institutions in the country.¹³

Weak supervision is also one of the main causes of various violations in the implementation of agreements. Local governments and related institutions often do not have adequate resources, either in terms of personnel, technology, or budget, to effectively monitor the implementation of existing partnership agreements. In many cases, partnership agreements are not closely monitored, making it easy for the parties involved to take actions that are contrary to the agreements that have been made. As a result of this less than optimal

¹³ Putri, AP, & Yuniarti, T. (2020). Legal Review of Constraints in the Implementation of Agricultural Commodity Sale and Purchase Agreements. *Journal of Economic and Business Law*, 8(4), 120-135.

supervision, violations that occur are often not followed up seriously. Weak law enforcement processes and the absence of transparent monitoring mechanisms mean that violations are not detected in a timely manner. This can also be caused by limited coordination between the various parties that should be involved in supervision, such as government agencies, independent supervisors, and other parties who have responsibility for the implementation of the agreement.

This condition creates inequality in partnership relations, because the party that violates the agreement does not receive sanctions commensurate with the mistakes made. On the other hand, the party that complies with the agreement often feels disadvantaged, because there are no firm actions that can balance the relationship. Therefore, there needs to be an improvement in the supervision and law enforcement system so that the implementation of the partnership agreement can run fairly and in accordance with the provisions that have been agreed upon. Article 23 of Law No. 19 of 2013 concerning the Protection and Empowerment of Farmers emphasizes that the state is obliged to protect farmers from practices that are detrimental to them, including in partnership transactions. However, the implementation of this rule is still not optimal in many regions. To overcome these obstacles, several strategic solutions can be applied, both by the government, business actors, and farmers themselves.¹⁴

One of the first steps that needs to be taken is to ensure that the partnership agreement is written and contains clear and detailed provisions. A written agreement will provide stronger legal certainty compared to an oral agreement. This agreement must include important points such as price, quality, quantity, delivery time, and sanctions for violators. Thus, each party has clear guidelines for exercising their rights and obligations. To help farmers in preparing and understanding written agreements, the government can play an important role by providing free legal consultation services. Many farmers do not have access to or sufficient understanding of the legal aspects of their

¹⁴ Gunawan, RP, & Satria, D. (2019). Dynamics of Wholesale Transactions in Partnership Systems: Case Study in the Corn Farming Sector. *Journal of Agricultural Economics and Management*, 12(3), 98-112.

partnership or business agreements, so they need assistance in order to understand the rights and obligations stated in the agreement. This easily accessible and free legal consultation service can provide farmers with better knowledge of the agreements they sign, as well as give them the confidence to negotiate fairer and more favorable terms.¹⁵

To help farmers draft and understand written agreements, the government can play an important role by providing free legal consultation services. Many farmers do not have access to or adequate understanding of the legal aspects of their partnerships or business agreements, and therefore need assistance to understand the rights and obligations stated in the agreement. This easy-to-access, free legal consultation service can provide farmers with a better understanding of the agreements they are signing, as well as giving them the confidence to negotiate fairer and more favorable terms.

In addition, the government can also involve third parties, such as farmer cooperatives or non-governmental organizations (NGOs), to act as facilitators in the agreement drafting process. Farmer cooperatives that have an understanding of local conditions and farmer needs can be effective intermediaries in bridging communication between farmers and business actors. Cooperatives can help explain complex agreement provisions and ensure that farmers' rights are protected. Likewise, NGOs that focus on farmer empowerment can provide training or workshops on how to understand and create more transparent and fair agreements. With the support of the government and third parties, farmers will be better able to manage partnership relationships, reduce potential conflicts, and increase the sustainability of their businesses. Legal assistance and the active role of third parties will also strengthen farmers' bargaining position in agreements, prevent injustice, and increase their awareness of the importance of clear and detailed written agreements. This, in turn, will create a healthier business climate and support the growth of a more stable and sustainable agribusiness sector.

¹⁵ Kartika, S., & Harahap, R. (2023). Inhibiting Factors and Solutions in the Implementation of Agribusiness Partnership Contracts. *Journal of Social and Agrarian Law*, 7(1), 56-69.

Improving legal understanding among farmers is very important to strengthen their position in partnership relationships. This education can be done through extension programs organized by local governments, farmer organizations, or educational institutions. Article 29 of Law No. 16 of 2006 concerning the Agricultural Extension System states that extension aims to increase the capacity of farmers in understanding their rights and obligations. Through this education, farmers will be more aware of the importance of written agreements, and be able to negotiate terms that are more beneficial to them. In addition, a good understanding of the law will also help farmers in dealing with disputes or violations of agreements.

Local governments and related institutions must increase supervision of the implementation of partnership agreements. This can be done by forming a special supervisory team tasked with monitoring the relationship between farmers and business actors. In addition, reporting and dispute handling mechanisms must also be strengthened, so that farmers can report violations more easily. Article 23 of Law No. 19 of 2013 emphasizes the government's obligation to protect farmers from detrimental practices. This protection is important to maintain the sustainability of the agricultural sector and the welfare of farmers. In this case, the government has a responsibility to ensure that farmers are not exploited by irresponsible parties, either in terms of price, product quality, or in business relations with other parties.¹⁶

The relevant legal basis in overcoming this obstacle is Articles 1320 and 1338 of the Civil Code. Article 1320 regulates the conditions for the validity of an agreement, namely the agreement of the parties, capacity to act, a certain matter, and a lawful cause. In this context, the unclear content of the agreement indicates a violation of the principle of agreement, which is the main requirement of the agreement. Meanwhile, Article 1338 of the Civil Code confirms that every valid agreement applies as law to the parties (the principle of *pacta sunt servanda*). Price discrepancies and violations of the contents of the agreement violate this principle, thus requiring stricter supervision. In

¹⁶ Rahmadani, N. (2022). Legal Aspects of Partnership Transactions in Corn Commodity Management: A Review of the Contract System. *Journal of Agrarian Research and Policy*, 14(2), 88-100

addition, Law No. 19/2013 on the Protection and Empowerment of Farmers is also an important reference. Article 19 of this law states that the government is obliged to provide legal protection to farmers in agribusiness activities, including ensuring fairness in partnerships between farmers and business actors. The lack of government supervision in the implementation of the agreement contradicts this obligation. Thus, overcoming this obstacle requires solutions such as contract simplification, legal assistance for farmers, and an increased role for the government in supervision and dispute mediation. This aims to make the maize sale and purchase agreement under the partnership system fairer and in accordance with the principles of contract law.

The government also has the authority to supervise every transaction and interaction that occurs in the agricultural sector, in order to prevent fraud or injustice that is detrimental to farmers. This supervision includes monitoring business agreements between farmers and companies or other parties. Thus, effective supervision will create a fair business climate and support the progress of the agricultural sector. In addition, supervision and protection carried out by the government are expected to create a healthy partnership relationship between farmers and various related parties, such as companies providing seeds, fertilizers, and agricultural equipment. This healthy partnership will encourage mutual understanding and mutual benefit, which can ultimately increase agricultural productivity and farmer welfare. The active role of the government in this regard is crucial to creating a conducive and sustainable business climate for the agricultural sector in Indonesia.

When there is a conflict or non-compliance with the agreement, an effective dispute resolution mechanism is needed. Article 15 of Law No. 30 of 1999 concerning Arbitration and Alternative Dispute Resolution recommends the use of mediation or arbitration as an alternative to resolving conflicts. The advantage of this method is that the process is faster, cheaper, and does not damage the working relationship between the two parties. To increase the accessibility of this mechanism, the government or related institutions can form a special mediation institution for the agricultural sector. This institution will act as a neutral mediator in resolving disputes between farmers and business actors.

The establishment and strengthening of farmer institutions, such as cooperatives or farmer associations, is a strategic step to increase the

competitiveness and bargaining position of farmers in the market. The existence of these institutions provides a more organized structure for farmers to overcome the various challenges they face. In many cases, farmers are often isolated and have difficulty gaining access to wider markets or other supporting facilities. Therefore, with strong institutions, they can unite and more easily voice their interests collectively. In addition, farmer institutions also function as an effective means to fight for farmers' rights in various aspects, such as fairer distribution of results in partnership agreements with companies or other parties. Cooperatives or farmer associations can be a forum for organizing better negotiations regarding prices and working conditions, which often disadvantage small farmers. With collective strength, farmers can be more confident in negotiating more favorable terms.

Through this institution, farmers not only gain benefits in the form of better negotiations, but also wider access to various resources. One of them is easier financing, either through bank loans, people's business credit, or other resources that can be used for working capital. With adequate financial support, farmers can expand their businesses, increase production, and ultimately improve their welfare. In addition to financing, institutions also provide training and skills development that are important for farmers to increase the productivity and quality of their agricultural products. Training on modern agricultural technology, more efficient cultivation techniques, and better agricultural business management can help farmers to be more competitive in the global market. This is also important to create farmers who do not only rely on traditional methods, but are able to adapt to changes in technology and market needs.

The existence of farmer institutions also opens up greater opportunities to build wider marketing networks. In many cases, small farmers are trapped in long and complicated supply chains, which prevent them from getting fair prices for their products. With cooperatives or associations, farmers can directly connect with larger buyers or markets, reduce intermediaries, and ensure they get prices that are more in line with the value of their products. Thus, strengthening farmer institutions is one of the important keys to improving the welfare of farmers and the agricultural sector as a whole.

Conclusion

The legal implementation of the corn sale and purchase agreement in the wholesale transaction system between farmers and UD Brata Rumbia in Central Lampung shows that the implementation of this agreement is in accordance with the basic principles of contract law, namely the agreement of the parties. However, the implementation in the field is still characterized by several weaknesses, such as farmers' lack of understanding of the contents of the contract and the lack of supervision mechanisms from the government. Nevertheless, this partnership plays an important role in supporting farmers' economic stability by guaranteeing a market for their crops.

The main obstacles to the implementation of maize sale and purchase agreements under the piecework system include the lack of transparency in the agreement, the unbalanced bargaining position between farmers and the trading business, and fluctuating maize prices that are often detrimental to farmers. Possible solutions include improving farmers' legal literacy, strengthening government supervision of agreement implementation, and implementing a fairer and more effective dispute resolution mechanism. With this approach, it is expected that the partnership can run more optimally and benefit both parties.

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