**The Existence of Medicinal Plant Farmer Group and the Impact on Community Development in Indonesia**

**Abstract**

Indonesia has around 5,000 species of incredible medicinal plant for treatment of several diseases as part of Indonesian culture. Demand of traditional medicine in the world continues to increase. The objectives of the research is to know the existence of medicinal plant Farmer Group and the impact on community development. The results of the research show that the existence of medicinal plant Farmer Group has significant impact on increasing of average production, selling price, and R/C ratio in the cultivation of several primary medicinal plants in Indonesia: ginger, galangal, java turmeric, and saffron turmeric. Average R/C of ginger increase become 121,85%, galangal 130,65%, java turmeric 190,62%, and saffron turmeric 117,06%. The existence of Farmer Group build profitably synergy between farmers and traditional medicine industry. Furthermore, the development of medicinal plant Farmer Group is expected will have great impact on supporting economic empowerment and boost community development.

**Keywords:** community, development, farmer, group, medicinal, plant

**Introduction**

Indonesia has more than 5,000 plant species of incredible [medicinal plants](https://www.worldbank.org/en/news/feature/2019/02/14/biodiversity) which usually use in traditional medicines (Lukito, 2020). About 10,000 medicinal plants in the world have been used for traditional herbal medicine (Bareetseng, 2022). Medicinal plants contain substances useful for healing purposes, or which are easily blended for pharmaceutical purposes. World Health Organization (WHO) recommends the use of traditional medicine for the prevention and treatment of chronic, degenerative and cancer diseases. It is estimates that 80% of theglobal populations use traditionalmedicine to meet their primary health (World Health Organization,2022). In India estimated about 70% of rural communities use traditional plant-based medicine for primary health care (World Health Organization,2010).

The use of traditional medicine from medicinal plants for health treatment has been used continuously in several countries in the world for their primary health care needs (Chikezie and Ojiako, 2015). In India was reported has rich history of [traditional medicine](https://www.sciencedirect.com/topics/medicine-and-dentistry/traditional-medicine) known as Ayurveda where it most widely accepted, practiced and rational use of medicinal plants for healing purposes (Shi, Zhang, and Li, 2021). It was reported that Indonesian Traditional Medicine (ITM) has been used by Indonesian peoples for the treatment of several diseases as part of Indonesian culture (Agency for the Assessment and Application of Technology, 2016).

Although the traditional medicine production tends to increase and the medicinal plant market has bright prospects, there are still many problems that make the cultivation of medicinal plants still not well developed. Farmers face problems in cultivating their medicinal plants. Many factors were identified as constraint of medicinal plant cultivation in Indonesia are propagation, planting materials, extension support, market, diseases, pest, capital, government policies,etc. (Nwafor and Manduna, 2021).

Especially in several developing countries cultivation of medicinal plants usually facing some problems such as: lack of capital, lack of cultivation technology, inadequate access to markets and unavailability of high quality of seeds. This condition lead to unprofitable and furthermore farmers use freely accessible wild-harvested plant materials where it will threat the significant damage of incredible medicinal plants (Mofokeng et al 2022). World Health Organization (WHO) has created strategies and guidelines for the cultivation which need to be applied (Chaudhari et al 2022). However, this strategy and guideline must be followed by conceptual program to develop of good medicine plant cultivation (Siahaan and Aryastami, 2018). \

To produce the modern traditional in the traditional medicine industry must be high quality. In Indonesia, the high quality demand of traditional medicine plant production is a request from the Indonesian Agency for Food and Drug Supervisory that modern medicinal herbs must meet high quality requirements because it is related to efficacy, safety and human health risks (Agency for Food and Drug Supervisory, 2020).

This condition resulted in a gap between production by farmers or supply and demand to meet the raw material needs of the traditional medicine industry. The existence of demand greater than supply is must be captured as a business opportunity. Therefore, it is necessary and urgent to do some efforts to improve the quality so that the competitiveness of traditional medicine plant production increases.

Efforts to make significant improvement in the cultivation especially to increase production quality and conservation of medicinal plants can be made through the development of medicinal plant Farmer Group. The existence of medicinal plant Farmer Group beside to overcome problems faced by farmers in cultivation also have a role to maintain towards biodiversity conservation and decrease the extinction from huge exploitation of medicinal plants (Tanga, et al 2018). In Indonesia there are several medicinal plants is reported as critically endangered because over harvested for traditional medicine, such as Pimpinella pruatjan as a drug to increase sexual arousal or aphrodisiac and Nothapodytes nimmoniana as an carsinogenic to prevent growth of cancer (Berita Satu. 2011). Due to high world demand of medicinal herbs, it was reported in India as much as 10% of 900 major medicinal plant species are facing the threat of extinction because of overexploitation (Outlookindia. 2022).

Concerning with the demand of medicinal herbs, Zion Market Research, United States of America reported that the global [market](https://www.zionmarketresearch.com/report/global-herbal-medicine-market) size in 2021 was worth around US$ 166 billion and is predicted to grow to around US$ 348 billion by 2028 with a compound annual growth rate (CAGR) of roughly 11.2% (Zion Market Research, 2022). Factors such as rising attention on natural products, increasing aging population, and rising cases of chronic disorders are providing a significant impetus to the global market. The market of medicinal plants in the world became more competitive and have bright business prospects. The objectives of the research is to know the existence of medicinal plant Farmer Group and the impact on community development through increasing of production, selling price, revenue, revenue/cost or R/C ratio in the cultivation of several primary medicinal plants in Indonesia: ginger *(Zingiber officinalle),* galangal (*Alpinia galangal),* java turmeric *(Curcuma xanthorrhiza)*, and saffron turmeric (*Curcuma longa*).

**Methods**

This paper contains the results of this descriptive analytical research as an effort to support community development through the development of medicinal plant farmer groups in Indonesia. The primary data was collected through survey by using questionnaire to certain medicinal plants farmers at October 2021. The location was determined purposively and the sample in this research was 50 farmers consist of 25 farmers member of medicinal plant Farmer Group and 25 ordinary farmers or non-Farmer Group. The survey location was in Semarang Regency, Central Java Province where is the center of medicinal plant cultivation in Indonesia. To complete primary data the information was collected through direct interviews with several local community leaders and several medicinal plant experts who have a lot of experience in cultivation of medicinal plants. The information especially concerning with the existing condition of medicinal plants cultivation, problem on production quality including market, and possibility efforts to overcome the problems through the development of Farmer Group. To meet the data and information to compose this paper the researcher team have been conducted discussions in a scientific meeting discussing agricultural issues which was attended by experts from several institutions including universities at December 2021. The scope of analysis covering four primary commodities of medicinal plants in Indonesia: ginger *(Zingiber officinalle),* galangal (*Alpinia galangal),* java turmeric *(Curcuma xanthorrhiza)*, and saffron turmeric (*Curcuma longa*). The data analysis concerning with the farming parameter: production, cost of production, revenue of farming, and the total Revenue and total Cost ratio (R/C). That farming parameter was compared between farmer member of Farmer Group and non-member of Farmer Group.

**Results**

*Production of several medicinal plants in Indonesia*

The production of several medicinal plants in Indonesia continues to increase because the traditions of the Indonesian people who have used herbal medicine since their ancient. There are several primary commodities of medicinal plants that are cultivated in Indonesia where the production tends to increase but relatively low. Ginger *(Zingiber officinalle)* is widely uses people in the world where to reduce various kinds of diseases including cancer (Ellis, 2022). Galangal (*Alpinia galangal*) has significant antioxidant agents against cancer properties and also potential uses for protecting the liver, strengthening the immune system, fighting allergies, managing digestive troubles (Pal, 2023). Java turmeric *(Curcuma xanthorrhiza)* usually used to treat several ailments such as lack of appetite, stomach disorder, liver illness, antimicrobial, anti-inflammatory, and anticancer (Rahmat, Lee, and Kang, 2021). Whereas, saffron turmeric (*Curcuma longa*) is a widely used ingredient in food as well as in health and wellness products. Saffron turmeric has a variety of compounds, called curcuminoid where is its potential to [lower inflammation](https://www.goodrx.com/well-being/diet-nutrition/anti-inflammatory-diet) and can lower blood sugar and triglycerides (Boyers, 2023). The several of primary medicinal plant productions in Indonesia and average increase in 2016-2022 is described in the Table 1 below.

**Table 1.** Production of several primary medicinal plants and

average increase in Indonesia 2016-2022

|  |  |
| --- | --- |
| Year | Production of medicinal plants (ton)  |
| Ginger *(Zingiber officinalle)*  | Galangal(*Alpinia galangal*)  | Java Turmeric *(Curcuma xanthorrhiza)* | Saffron Turmeric (*Curcuma longa*)  |
| 2016 | 340,341 | 59,453 | 22.124 | 107,302 |
| 2017 | 216,587 | 63,536 | 24.561 | 128,339 |
| 2018 | 207,412 | 70,015 | 25.571 | 203,458 |
| 2019 | 174,380 | 75,385 | 29.637 | 190,909 |
| 2020 | 183,518 | 68,659 | 26.743 | 193,583 |
| 2021 | 307,242 | 76,745 | 32.282 | 184,825 |
| 2022 | 247,455 | 66,313 | 28.100 | 196,499 |
| Average Increase (%/year) | 0.55 | 2.33 | 4.84 | 12.53 |

(Indonesian Central Agency of Statistics 2019 and 2023, analysis results)

As shown in Table 1, the average increase of primary medicinal plant production is still relatively low especially for ginger where only increase about 0.55% per year compared to the average increase of demand for herbal medicines. The processed products of herbal medicine which have high economic value (Andarini, 2020).

*Condition of herbal medicine industry in Indonesia*

Until now, there are still few herbal medicine industries in Indonesia that are able to produce modern herbal medicine that is high quality, highly efficacious, safe, and has no risk to human health. This is due to the problem of availability of high quality raw materials. Besides the enough use of production facilities, such as: superior seeds and fertilizers, the high quality production of medicinal plant can be produced from cultivation which must follow the principle of Good Agricultural Practices (GAP). It was reported in China that GAP is fundamental importance to obtain high quality of herbal medicine production for the modernization of Traditional Chinese Medicine (TCM). Furthermore, there were loss of herbal medicine production sale due to low quality (Li et al, 2014). In India it was reported that to achieve the quality assurance of herbal raw materials, the implementation of medicinal plant cultivation must be carried out in accordance with GAP (Singh and Baldi, 2018). Therefore, through the coordinated cultivation by the Farmer Group it is expected to ensure the high quality production of medicinal plants and assure the biodiversity conservation and can contribute to high income generation to farmers and development of the rural area (Mofokeng et al, 2022).

*General role Farmer Group in Indonesia*

Farmer Group are group of farmers who are informally bound and formed on the basis of similarities, interests, similar environmental conditions (social, economic, resources), familiarity and harmony, and have leaders to achieve common goals (Hasan, et al, 2020). In Indonesia there are various Farmer Groups that are developed according to commodities which are formed on the basis of shared interests, such as Farmer Groups for rice, tobacco, rubber, cocoa, medicinal plants, and others. The formation of this Farmer's Group is one of the Indonesian government's ways of helping agricultural development and improving the welfare of farmer communities.

The role of Farmer Groups in assisting agricultural development is through providing various facilities needed to carry out agricultural cultivation, such as providing adequate production facilities, upgrading, providing technology, information through extension. This Farmers Group acts as a learning vehicle for its members to increase their knowledge and skills to be able to grow into independent farmers in their farming business. Furthermore, the Farmer Group is a production unit that is directed to have capabilities make decisions in determining profitable production development, including marketing joint results so that they have a high bargaining position. The desired goal is the realization of good agriculture with high productivity, optimal farming, and a prosperous farming community (Hasan, et al, 2020).

In reality, this farmer group acts as a forum for farmers to exchange ideas, experiences, knowledge and innovation capabilities to make agricultural cultivation more advanced. Based on Indonesian Minister of Agriculture Regulation, Number: 67/Permentan/SM.050/12/2016, Farmer Groups have the following characteristics: (a). Get to know each other, be familiar, and trust each other among members; (b). Have the same views and interests in farming; (c). Have similarities in traditions and/or settlements, business landscape, type of business, economic or social status, language, education and ecology; (d). There is a division of tasks and responsibilities among members based on mutual agreement (Indonesian Ministry of Agriculture, 2016).

The development of Farmer Groups in the cultivation of medicinal plants in Indonesia is vital considering the impact of increasing demand for traditional medicines, it is need the increasing attention concerning with the quality to maintain the efficacy, safety, and risk to human health (Chikezie and Ojiako, 2015) and (Andarini, 2020).

The case in Indonesia, the traditional medicine industry Sido Muncul is one of the company that acts as a Farmer Group of medicinal plant who has developed partnerships witth at least 100 Farmer Groups at several regencies in Central Java Province, Indonesia. In the partnership, Sido Muncul industry provide convenience in the form of superior seeds and cultivation assistance with cultivation until harvest (Nugroho and Sodiq, 2015). With high quality are entirely purchased by Sido Muncul industry at a high price, so that there are beneficial synergy between medicinal plant farmers and the traditional medicine industry.

The impact of the mutually partnership, in 2020 Sido Muncul industry has made the first export of traditional processing products to Saudi Arabia where exports continue to grow. Furthermore, in 2021 Sido Muncul industry also made the first export of patchouli essential oil products to France with a total of 61 tons. The demand for this essential oil market continues to increase, especially from European and American countries (Sido Muncul, 2021). Sido Muncul industry will continue to increase export considering the supply of high quality of raw materials which are produced through the partnership between Sido Muncul industry and farmers. At the end of September 2022 the sales turnover of Sido Muncul industry was recorded at US$ 174 million where it continues to increase (Sido Muncul, 2023). Therefore, with the development of the Farmer Group of medicinal plant is expected have a great impact on increasing the production volume of traditional medicines that meet the quality requirements for export.

*Role of Farmer Group on medicinal plant production*

The massive usage and business of medicinal plants in the world need it is need increasing care of good medicinal plants cultivation with regard to maintain conservation. The over exploitation of medicinal plant become serious thread with the extinction. The Indonesia Government have special interest concerning with the conservation where have agreed and committed to protect biodiversity follow the United Nations Convention on Biological Diversity at 1992. The framework for increasing production quality of medicinal plant can be done through the formation of medicinal plant Farmer Group which is described in Figure 1 below.



**Figure 1.** The framework role of medicinal plant Farmer Group for

increasing production quality of medicinal plants

It can be seen from Figure 1, the Farmer Group has a very strategic role for increasing quality production of medicinal plants and community development. Firstly, in practice, Farmer Groups play a role in providing the needs of farmers, especially in obtaining cultivation technology, agricultural extension including the implementation of Good Agricultural Practice (GAP) so that they are able to increase productivity and quality. medicinal plants. The Indonesian government through the Ministry of Agriculture give instruction regarding with the cultivation guidelines with GAP principle (Indonesian Minister of Agriculture, 2012). The purpose of regulation is beside to provide high quality of traditional medicine raw materials in accordance with standard quality requirements in the modern traditional medicine industry also to meet requirements for export. The role of Farmer Group's is based on Indonesian Constitution no. 19/2013 concerning the protection and empowerment of farmers, where in this constitution it is explicitly stated that the Indonesian government will help farmers in facing the problem of difficulties in obtaining production infrastructure and facilities, provide easy access to science, technology and information, and help market farmers' production.

Secondly, the Farmer Group participates in penetrating the medicinal plant production market into the traditional medicine industry because the high quality of production meets the standard requirements of the traditional medicine industry. Farmer Group also have strong bargaining position in deciding price of medicinal plant production. With the high selling price and higher income receive by farmers, it will attract farmers to cultivate medicinal plants more intensively in Indonesia. On the other hands the traditional medicine industry will receive guarantee of sustainable raw material supply from farmers. Therefore, the existence of Farmer Group act as foster father for establishing reciprocal partnerships between medicinal plant farmers and the traditional medicine industry.

Thirdly, the Farmer Group plays a role in protection of medicinal plants from extinction due to overexploitation. The implementation of the protection need facilitation from local government especially in the provision of high quality of medicinal plant seeds. The availability of seeds with high quality is expected will avoid overexploitation of medicinal plant and protect from the extinction. Due to the over harvested, cultivation of medicinal plants is strongly encourage to conserve in order to protect from extinction for sustainable production. Through the conservation action by Farmer Group, medicinal plant resources can be used sustainably.

*Business prospect of traditional medicine*

Zion Market Research United States of America (USA) stated that it is estimated that the global traditional medicine market size is worth around US$ 166 billion in 2021 and is predicted to grow to around US$ 348 billion by 2028 with a compound annual growth rate (CAGR) of roughly 11.2% (Zion Market Research, USA, 2022). Furthermore, the global market of traditional medicine was US$ 110.2 billion in 2020 and estimated reach to a high of US$ 178.4 billion by 2026 or growing at a CAGR of 8.1% over the analysis period (Global Industry, 2021). Meanwhile, according to Fortune Business Insight stated that the global traditional medicine market which is estimated to grow from US$ 165.66 billion in 2022 to US$ 347.50 billion in 2029 with a CAGR of 11.16% during the forecast period (Fortune Business Insight, 2022). Several factors such as increasing elderly population, and increasing cases of chronic diseases are providing a significant impetus to the global market growth. Market growth is expected to continue to increase with increasing awareness regarding the negative impacts of using traditional medicines.

The trade value of herbal medicine is hoped can continue to be increased significantly through the development of Farmer Group of medicinal plant that can increase production quality of medicinal plants. Furthermore, it is estimated that the use of herbal medicines in Indonesia continues to increase considering the Indonesian culture that cannot be separated from consuming herbal medicines. The World Health Organization stated that the main rationale for adopting herbal medications is that they have a higher level of immunity than synthetic drugs (Spherical Insight, 2022).

The traditional medicine market globally is still wide open where North America dominates the traditional medicine market because of increasing preference for traditional drugs. World Health Organization (WHO) estimated that the growing demand of medicinal plant production in the world reported by reach at the rate of 15 to 25% annually with the value more than USD 5 trillion by 2050 (Ndhlovu et al, 2022). The population growth in Indonesia and migration of people to urban areas resulted in more competitive medicinal plant trade market (Wyka. A. S. and Prinsloob, 2018). The market of medicinal plants in the world became more competitive which is believed to have the potential to be developed and has bright business prospects and will be the driving force for community development (Lukito, 2020) and (Ndhlovu et al, 2022). Furthermore, it is expected can contribute to the development of economy and job creation especially for a developing country such as Indonesia (Street and Prinsloo, 2013).

**Discussion**

*High quality requirement in herbal medicine industry*

As a result of increasing demand of traditional medicines, there are need aware of increasing concerns about the quality with regard to efficacy, safety, and risk of the traditional medicine raw material. The traditional medicine industry, especially those producing modern traditional medicine require high quality of traditional medicine raw materials. In Indonesia, the quality of raw material is a requirement from the Agency for Food and Drug Supervisory 2020, Indonesia statedthat modern traditional medicine must meet high quality requirements because it involves efficacy, safety, and health risks for people who consume it (Agency for Food and Drug Supervisory, 2020) see at Figure 2 below. This is also confirmed in the Presidential Regulation of the Republic of Indonesia Number 54 of 2023 where the implementation of medicinal plant cultivation must be directed on improving production quality for producing high quality of herbal medicine (Indonesian Ministry of State Secretariat, 2023).



**Figure 2.** High quality requirement of medicinal plant production

in the industry of medicinal herbs

In general, there are not many traditional medicine industries that are able to produce high quality of modern traditional medicine with high efficacy, high safety, and have zero risk to human health because it is constrained by the supply of high quality raw materials. Besides the enough use of production facilities, such as: superior seeds and fertilizers, the high quality production of medicinal plant can be produced from cultivation which must follow the principle of Good Agricultural Practices (GAP). It was reported that the effort to improve quality of traditional medicines can be achieved by implementing of Good Agricultural Practices (GAP) at the cultivation of medicinal plants (Chikezie and Ojiako, 2015).

Furthermore, in China the principle of GAP is fundamental importance to obtain high quality of traditional medicine production for the modernization of Traditional Chinese Medicine (TCM). Furthermore, there were loss of traditional medicine production sale due to low quality (Li et al, 2014). In India it was reported that to achieve the quality assurance of traditional raw materials, the cultivation of medicinal plants must be carried out according to the GAP (Singh and Baldi, 2018). According to Sumarno,the application of GAP to medicinal plants is basically the application of a modern agricultural production system to meet the requirements of food safety and quality assurance, especially as a requirement in international trade (Sumarno, 2019). According to Evrina**,** the scope of GAP application in the cultivation of medicinal plants involving from the selection and good land management, the use of high-yielding and certified seed varieties which are not contaminated with pathogenic bacteria and diseases, the use of organic fertilizer, intensive care, controlling plant pests and diseases, and proper harvesting methods based on age and specific characteristics such as texture, color, aroma and taste (Evrina, 2016)

*Analysis of medicinal plant farming business*

In Indonesia, there are four primary medicinal plant which is widely produced by medicinal plant farmers and is a commodity used by the herbal medicine industry and for export, that are: ginger *(Zingiber officinalle),* galangal (*Alpinia galangal),* java turmeric *(Curcuma xanthorrhiza)*, and saffron turmeric (*Curcuma longa*). The data analysis concerning with the farming parameter: production, cost of production, revenue of farming, and the total Revenue and total Cost ratio or R/C. That farming parameter was compared between farmer member of Farmer Group and non-Farmer Group. The results of survey on 25 medicinal plant farmer respondents member of Farmer Group and 25 farmers non-Farmer-Group in the cultivation of medicinal plant in Semarang Regency, Central Java showed that there was an average increase in various farming parameters which is described at Table 2 in the following.

**Table 2**. Comparison of various farming parameters between farmers

member of Farmer Group and non-Farmer Group

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Farming Parameter (average) | Unit | Ginger *(Zingiber officinalle)*  | Galangal(*Alpinia galangal*)  | Java Turmeric *(Curcuma xanthorrhiza)* | Saffron Turmeric (*Curcuma longa*)  |
| Production  | kg/ha | 8.250 | 9.325 | 9.800 | 9.850 |
| Production (FG) | kg/ha | 11.525 | 12.154 | 13.500 | 14.500 |
| Cost of Farming | US$/ha | 4.561 | 3.463 | 4.205 | 3.868 |
| Cost of Farming (FG)  | US$/ha | 6.013 | 4.566 | 3.707 | 7.075 |
| Revenue | US$/kg | 5.428 | 4.294 | 4.836 | 4.990 |
| Revenue (FG) | US$/kg | 8.720 | 7.396 | 8.127 | 10.684 |
| Ratio Revenue/Cost (R/C) | - | 1,19 | 1,24 | 1,15 | 1,29 |
| Revenue/Cost (R/C) (FG) | - | 1,45 | 1,62 | 2,19 | 1,51 |

FG: member of Farmer Group

The difference in average production is most likely due to the role of Farmer Group in supplying of superior seeds of medicinal plants including adequate agricultural production facilities which really help farmers in cultivating medicinal plants. The increase in average production, average selling price of production, and R/C mainly occurred in the cultivation of turmeric saffron plants. Meanwhile, the highest increase in R/C ratio occurred in the cultivation of java turmeric plants. This increase in the selling price of production was due to an increase in production quality meet with the standards required by the traditional medicine industry and meet requirements for export so that the prices were higher, which is described in the Table 3 below.

**Table 3**. Average percentage increase in production, price, R/C ratio, and revenue

between farmers on Farmer Group and non-Farmer Group

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Farming Parameter | Unit | Ginger *(Zingiber officinalle)*  | Galangal(*Alpinia galangal*)  | Java Turmeric *(Curcuma xanthorrhiza)* | Saffron Turmeric (*Curcuma longa*)  |
| Increase of Production  | % | 139.70 | 130.34 | 137.76 | 147.21 |
| Increase of Price  | % | 115.00 | 132.14 | 122.00 | 145.45 |
| Increase of R/C | % | 121.85 | 130.65 | 190.62 | 117.06 |
| Increase of Revenue  | % | 160.65 | 172.23 | 168.06 | 214.12 |

Graphically, the increase in production and R/C ratio is described in Figures 3 and 4 below.

|  |  |  |
| --- | --- | --- |
|  |  |  |

|  |  |  |
| --- | --- | --- |
| **Figure 3**. Differences in average production of several medicinal plants cultivation between farmers member of Farmer Group and non-Farmer Group |  | **Figure 4**. Differences in average R/C ratio of several medicinal plants cultivation between farmers member of Farmer Group and non-Farmer Group |

From the above analysis show that the existence of the Farmer Group on medicinal plant is very helpful in improving the welfare especially farmers. Therefore, the development of the Farmer Group in cultivating medicinal plants needs to be carried out on a wide scale for the farming community so that the impact will be greater in the social economic development of the community. The role of the government, both central and regional, in providing facilitation to support the development of the Farmer Group is very required for attaining success and sustainability in the cultivation of medicinal plants which have very bright business prospects.

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**Conclusion**

The existence of medicinal plant Farmer Group is very potential to support the economic development. The development of medicinal plant Farmer Group must be carried out in harmony between the upstream and downstream sides. The development of medicinal plant Farmer Group must be directed to obtain a profitably synergy between medicinal plant farmers and traditional medicine industry. The development of the medicinal plant Farmer Group is expected to increase the competitiveness of the production of traditional medicine plants and provide sustainable supply of raw meterials to the traditional medicine industry. Furthermore, the development of Farmer Group will have a great impact to support the traditional medicine business, increase contribution to national healthcare systems, and boost community development.

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