

Sustainable Coffee Ecosystems: Strategic Partnerships for Inclusive and Resilient Supply Chains in Indonesia

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Abstract :

Coffee supply chains often face persistent challenges, including limited market access, resource constraints, and unequal value distribution, which disproportionately impact smallholder farmers. This study investigates how strategic partnerships between small and medium-sized enterprises (SMEs) and local farmers can drive sustainable, inclusive, and resilient supply chains. Focusing on the partnership between Kedai Kosim and Sendang Coffee Farmers in Indonesia, this qualitative case study employs in-depth interviews, participant observation, and document analysis, framed by the Resource-Based View (RBV) and Stakeholder Theory. Results reveal that the partnership enhances farmer incomes through equitable profit-sharing and market integration, while fostering environmental sustainability via organic farming and product innovation. By addressing systemic inequities, this partnership provides a scalable model for sustainable agricultural ecosystems. The findings contribute to advancing theoretical discourse on strategic partnerships and offer actionable insights for businesses and policymakers aiming to transform global coffee supply chains.

Keywords : *Strategic partnerships, sustainability, smallholder farmers, inclusivity, resilience.*

Abstrak :

Rantai pasok kopi sering menghadapi tantangan seperti keterbatasan akses pasar, kekurangan sumber daya, dan distribusi nilai yang tidak merata, yang secara signifikan memengaruhi petani kecil. Penelitian ini bertujuan untuk mengkaji bagaimana kemitraan strategis antara usaha kecil dan menengah (UKM) dan petani lokal dapat mendorong terciptanya rantai pasok yang berkelanjutan, inklusif, dan tangguh. Studi kasus kualitatif ini berfokus pada kolaborasi antara Kedai Kosim dan Petani Kopi Sendang di Indonesia, dengan menggunakan pendekatan Resource-Based View (RBV) dan Stakeholder Theory. Hasil penelitian menunjukkan bahwa kemitraan ini meningkatkan pendapatan petani melalui mekanisme pembagian keuntungan yang adil dan integrasi pasar, sekaligus mendorong keberlanjutan lingkungan melalui praktik pertanian organik dan inovasi produk. Kemitraan ini tidak hanya mengatasi ketimpangan sistemik tetapi juga menawarkan model yang dapat direplikasi untuk membangun ekosistem pertanian yang berkelanjutan. Temuan ini berkontribusi pada pengembangan teori dan memberikan wawasan praktis bagi bisnis dan pembuat kebijakan yang ingin mentransformasi rantai pasok kopi global.

Kata Kunci: *Kemitraan strategis, keberlanjutan, petani kecil, inklusivitas, ketahanan.*

INTRODUCTION

The global coffee industry holds significant economic, social, and environmental importance, serving as a livelihood source for over 125 million people worldwide (De Vos et al., 2024). As one of the top coffee-producing countries, Indonesia plays a critical role in the global coffee supply chain, with its smallholder farmers contributing approximately 90% of the nation's coffee output. Despite this, the Indonesian coffee sector faces mounting challenges, including market volatility, climate change, and inequities in value distribution along the supply chain. These challenges have heightened the urgency for more sustainable practices that not only ensure environmental protection but also promote social inclusivity and economic resilience. Recent global trends toward sustainability have driven increased consumer demand for ethically sourced coffee, compelling stakeholders across the supply chain to innovate and collaborate (Waskita, Ashari, Al Haris, et al., 2024). Within this context, strategic partnerships between coffee entrepreneurs (*coffeepreneurs*) and smallholder farmers have emerged as a promising approach to fostering more inclusive and resilient supply chains. Such partnerships can address systemic inefficiencies while promoting long-term sustainability, particularly in the face of complex global disruptions such as climate risks and fluctuating commodity prices (Hadi et al., 2022; Wright et al., 2024).

The global coffee industry is not merely an economic powerhouse; it is a lifeline for over 125 million people globally, with its roots deeply intertwined with the livelihoods of smallholder farmers (International Coffee Organization, 2021). Indonesia, as one of the world's largest coffee producers, stands at the heart of this ecosystem, contributing approximately 7% of global coffee production and relying on its smallholder farmers for nearly 90% of total output (Freitas et al., 2024). However, this critical sector faces mounting challenges, including the disproportionate distribution of value along the supply chain, environmental degradation, and the looming threat of climate change (Samoggia & Fantini, 2023). These structural vulnerabilities not only compromise the welfare of farmers but also threaten the long-term resilience of the coffee supply chain (Baran & Woznyj, 2020; Waskita & Ashari, 2024).

Against this backdrop, the rising demand for ethically sourced and sustainably produced coffee has ignited a global movement toward more inclusive and resilient supply chain practices. Strategic partnerships between coffee entrepreneurs (*coffeepreneurs*) and smallholder farmers have gained attention as an innovative solution to bridge existing gaps and drive shared value creation. Such partnerships foster inclusivity by empowering local farmers, enabling them to access markets, technology, and knowledge while simultaneously enhancing supply chain sustainability (Waskita, Ashari, Eldon, et al., 2024; Jacobi et al., 2024). Moreover, these collaborations have the potential to mitigate risks associated with fluctuating commodity prices and environmental shocks, ensuring a more robust and sustainable coffee ecosystem (Wright et al., 2024). Within the context of Indonesia, this study explores how strategic partnerships can redefine supply chain dynamics, providing a replicable model for achieving sustainability in other agricultural sectors. By situating local collaboration at the heart of global sustainability agendas, this study not only enriches theoretical discourse but also offers a practical blueprint for transforming agricultural ecosystems in the Global South.

PROBLEM STATEMENT

Despite its prominent role as one of the world's leading coffee producers, Indonesia's coffee supply chain remains fraught with systemic challenges that undermine its sustainability, inclusivity, and resilience. Smallholder farmers, who contribute approximately 90% of the nation's coffee production, face persistent structural disadvantages, including limited market access, insufficient bargaining power, and inadequate access to technology and financial resources (Wardhana et al., 2023; Eldon & Waskita, 2024). These challenges are exacerbated by inequities in value distribution along the supply chain, where farmers often receive only a small fraction of the final retail price, leaving them vulnerable to market volatility and economic instability (Irawan, 2025; Kaido & Takashino, 2023).

The lack of strategic collaboration between small-scale coffee entrepreneurs (SMEs) and farmers further compounds these issues. While coffee entrepreneurs serve as critical intermediaries connecting farmers to larger markets, their potential to foster inclusive and sustainable supply chain practices remains underutilized. Additionally, external pressures such as climate change and fluctuating global coffee prices add layers of complexity, threatening the long-term viability of Indonesia's coffee industry (Azzahro & Hanoum, 2024; Waskita, 2025).

Addressing these interconnected challenges requires innovative solutions that not only enhance supply chain sustainability but also empower smallholder farmers as active participants in value creation (Waskita, 2019; Eldon et al., 2025). Strategic partnerships between coffee entrepreneurs and farmers represent a promising yet underexplored avenue for achieving these objectives. However, there is a limited understanding of how such collaborations can be effectively implemented within the unique socio-economic and environmental contexts of Indonesia's coffee industry. This research seeks to fill this gap by examining how strategic partnerships can foster inclusive, resilient, and sustainable coffee supply chains, with a specific focus on Kedai Kosim as SME and Sendang Coffee Farmers.

Yet, the critical question remains: how can Indonesia's coffee industry transform its structural vulnerabilities into opportunities for sustainable and inclusive growth? Existing scholarship has largely concentrated on either the macro-level dynamics of global coffee trade or the micro-level struggles of smallholder farmers, leaving a significant gap in understanding the meso-level interactions between SMEs and farming communities. Without addressing this missing link, efforts toward sustainability will remain fragmented and insufficient. Therefore, it becomes imperative to investigate how entrepreneurial actors such as Kedai Kosim, when strategically aligned with farmer groups like Sendang Coffee Farmers, can co-create value, balance power asymmetries, and establish resilient business ecosystems that sustain both economic viability and social equity in Indonesia's coffee supply chain. Thus, the urgent problem lies not merely in addressing the inequities of the supply chain but in reconceptualizing farmer-SME relationships as engines of resilience and innovation. This research positions itself at this critical juncture, offering fresh insights into collaborative models that can redefine Indonesia's coffee future.

RESEARCH OBJECTIVES

The overarching aim of this study is to explore how strategic partnerships between coffee entrepreneurs (Kedai Kosim) and smallholder farmers (Sendang Coffee Farmers) contribute to the development of inclusive, resilient, and sustainable coffee supply chains in Indonesia. Specifically, the research seeks to achieve the following objectives:

1. To examine the mechanisms and dynamics of strategic partnerships between coffee entrepreneurs and smallholder farmers, focusing on how these collaborations are formed, managed, and maintained within the context of Indonesia's coffee industry.
2. To identify the key factors that enable the success of strategic partnerships in enhancing inclusivity, promoting sustainable practices, and mitigating risks associated with supply chain disruptions, such as market volatility and climate change impacts.
3. To evaluate the outcomes and impacts of strategic partnerships on both smallholder farmers and coffee entrepreneurs, including improvements in economic benefits, access to resources, capacity building, and long-term supply chain resilience.
4. To develop a replicable framework or model for implementing effective strategic partnerships in other agricultural sectors, with a particular emphasis on scalability and adaptability to diverse socio-economic and environmental contexts.

By addressing these objectives, this research aims to provide actionable insights into the design and execution of collaborative strategies that align with global sustainability goals, such as the *Sustainable Development Goals* (SDGs), particularly those related to reducing inequalities, fostering responsible consumption and production, and combating climate change. Furthermore, the study seeks to contribute to the theoretical discourse on supply chain sustainability by integrating the concepts of inclusivity, resilience, and strategic collaboration into the existing body of knowledge.

GAP ANALYSIS

Extensive research has explored sustainability in agricultural supply chains, focusing on improving environmental, economic, and social outcomes across various contexts. Studies such as Azzahro and Hanoum (2024) emphasize the importance of collaboration between supply chain actors to achieve shared value and enhance sustainability. Similarly, Hadi et al. (2022) highlight how strategic partnerships can improve resilience in supply chains, particularly in addressing risks such as climate change and market fluctuations. In the coffee sector, Wardhana et al. (2023) examine the challenges faced by smallholder farmers in Indonesia, underscoring the need for equitable access to resources, markets, and fair profit distribution. However, while the literature acknowledges the importance of inclusivity and sustainability, most studies focus on broad, macro-level analyses without delving into the micro-level dynamics of specific partnerships. This gap is particularly critical, as it is at the micro-level of farmer–entrepreneur collaboration where transformative practices can emerge, directly reshaping the future of Indonesia's coffee industry.

Despite the growing body of work on sustainable supply chains, several critical gaps remain in the context of the Indonesian coffee industry:

1. Limited focus on strategic partnerships at the local level: Few studies examine how collaborations between small-scale coffee entrepreneurs (*SMEs*) and smallholder farmers can address systemic challenges in sustainability, inclusivity, and resilience. Most existing research centers on multinational corporations or macro-level initiatives, leaving a gap in understanding localized, *SME*-driven models.
2. Insufficient exploration of inclusivity as a sustainability dimension: While sustainability research often prioritizes environmental outcomes, the role of inclusivity in empowering smallholder farmers as active participants in the supply chain remains underexplored.
3. Lack of qualitative, context-specific studies: The Indonesian coffee sector has unique socio-economic and environmental dynamics, yet there is a paucity of in-depth qualitative research that contextualizes sustainability and resilience within these specific conditions.
4. Fragmented understanding of resilience in coffee ecosystems: Although resilience has gained prominence in supply chain research, few studies integrate resilience with inclusivity and sustainability in the context of smallholder-driven coffee supply chains.

This study addresses these gaps by providing a focused, qualitative investigation into the strategic partnerships between Kedai Kosim as *SME* and Sendang Coffee Farmers as one of the smallholder coffee farmers in Indonesia. By exploring this case, the research contributes to the literature in the following ways:

1. Localized insights: It sheds light on the unique challenges and opportunities faced by smallholder farmers and *SMEs* in Indonesia, offering context-specific strategies for achieving sustainability.
2. Integration of inclusivity, sustainability, and resilience: The study bridges a critical gap by examining how these three dimensions interact within the framework of strategic partnerships, providing a holistic view of coffee supply chain dynamics.
3. Actionable frameworks: It develops a replicable model for fostering strategic partnerships in agricultural supply chains, with implications for other sectors and regions facing similar challenges.
4. Theoretical advancement: By integrating concepts from supply chain sustainability, inclusivity, and resilience, the research contributes to advancing theoretical understanding in these interrelated fields.

This research not only addresses significant gaps in the literature but also aligns with global priorities, such as the United Nations' *Sustainable Development Goals* (SDGs), particularly those focused on reducing inequalities, promoting sustainable production, and addressing climate change. Ultimately, it positions Indonesian coffee not merely as a global commodity, but as a catalyst for reimagining inclusive, resilient, and sustainable supply chains worldwide.

NOVELTY AND RESEARCH JUSTIFICATION

This study introduces a novel perspective on sustainable coffee supply chains by focusing on the role of strategic partnerships between small-scale coffee entrepreneurs (Kedai Kosim) and local farmers (Sendang Coffee Farmers) in fostering inclusivity, resilience, and sustainability. While much of the existing literature has explored sustainability from a macro-level or corporate-centric viewpoint (Boscari et al., 2024; Torres et al., 2024), this research provides a micro-level, context-specific examination of how localized collaborations can drive transformative outcomes in agricultural ecosystems.

The primary novelty of this research lies in its integrative approach, which simultaneously addresses three critical dimensions: inclusivity, resilience, and sustainability within the coffee supply chain. Unlike previous studies that often treat these dimensions as isolated or secondary objectives (Freitas et al., 2024; Samoggia & Fantini, 2023), this study positions them as interdependent pillars that are essential for the long-term success of smallholder-driven coffee ecosystems. Moreover, this research extends the theoretical discourse on supply chain sustainability by:

1. Introducing a localized partnership model: The study highlights how coffee entrepreneurs and farmers in Indonesia collaboratively navigate systemic challenges, offering a replicable framework for other agricultural supply chains.
2. Focusing on inclusivity as a core driver of sustainability: By emphasizing the empowerment of smallholder farmers through equitable profit-sharing, capacity building, and market access, the research brings inclusivity to the forefront of the sustainability conversation.
3. Integrating resilience into sustainability frameworks: By examining how partnerships mitigate risks associated with climate change, market fluctuations, and resource scarcity, the study advances the understanding of supply chain resilience in the context of agricultural sustainability.

From a practical standpoint, this research offers actionable insights for policymakers, practitioners, and industry stakeholders aiming to create sustainable coffee ecosystems. It provides evidence-based recommendations for fostering strategic partnerships that balance economic, social, and environmental goals, aligning with global sustainability priorities such as the United Nations' Sustainable Development Goals (SDGs), particularly those targeting sustainable consumption and production, reduced inequalities, and climate action.

The originality and relevance of this research lie in its ability to bridge the gap between theory and practice, contributing both to the academic literature and to the practical transformation of Indonesia's coffee supply chain. By positioning inclusivity not as a peripheral concern but as the linchpin of sustainability, this study establishes a paradigm shift in how agricultural supply chains can be restructured. In doing so, it not only enhances the theoretical foundations of supply chain sustainability but also delivers a bold roadmap for achieving inclusive, resilient, and future-proof agricultural ecosystems worldwide.

RESEARCH METHODOLOGY

This study adopts a qualitative research design to explore the dynamics of strategic partnerships between small-scale coffee entrepreneurs (Kedai Kosim) and smallholder farmers (Sendang Coffee Farmers) in Indonesia. A qualitative approach is particularly suited for this study as it enables an in-depth understanding of the social, economic, and contextual factors shaping these partnerships (Creswell & Poth, 2016a). By employing a case study method, the research provides rich, context-specific insights into how these collaborations foster inclusivity, resilience, and sustainability in the coffee supply chain.

This research is underpinned by the Resource-Based View (RBV) theory (Barney, 2001), which posits that competitive advantage arises from the strategic management of valuable, rare, inimitable, and non-substitutable (VRIN) resources. In the context of this study, the partnership between Kedai Kosim and Sendang Coffee Farmers exemplifies how resource sharing knowledge, market access, and technological innovations can drive mutual benefits and long-term sustainability. RBV is complemented by Stakeholder Theory (Freeman, 2010), which emphasizes the importance of balancing the needs of all stakeholders, including farmers, entrepreneurs, and consumers, to achieve sustainable outcomes.

The research was conducted through four interconnected phases to ensure both depth and rigor, reflecting the complex and dynamic nature of strategic partnerships in the coffee supply chain. A phased approach was deliberately chosen because examining collaboration between entrepreneurs and smallholder farmers requires methodological sensitivity to capture both the structural and relational aspects of the phenomenon. Each phase was designed to build upon the insights of the previous one, creating an iterative cycle of data collection, analysis, and validation. This structure not only allowed the study to address the research problem holistically but also ensured methodological triangulation, thereby enhancing the credibility, transferability, and trustworthiness of the findings (Guba & Lincoln, 1994). By integrating exploratory inquiry, systematic data collection, rigorous analysis, and robust validation, the research design provided a comprehensive framework capable of uncovering nuanced dynamics of partnership formation, resource mobilization, and sustainability practices in the Indonesian coffee sector.

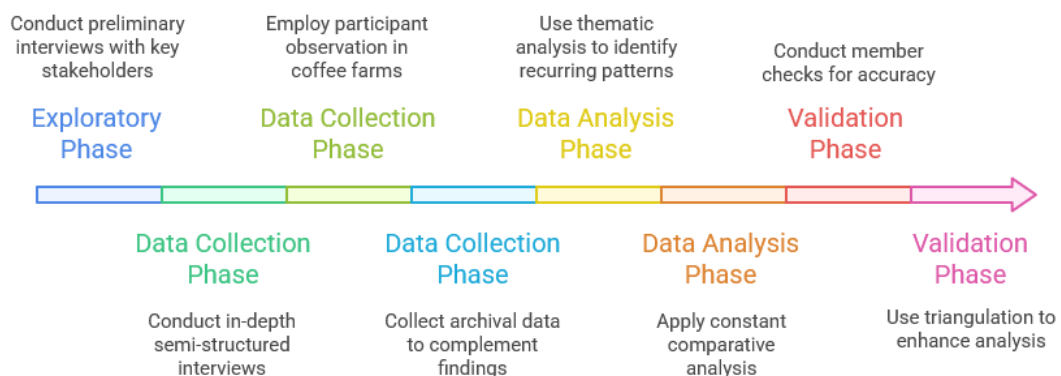


Figure 1. Research Process Timeline: From Exploration to Validation

The first phase was exploratory in nature and sought to build contextual understanding of the partnership dynamics between Kedai Kosim, a small-scale coffee enterprise, and Sendang coffee farmers. Preliminary interviews with selected stakeholders captured initial insights into motivations, expectations, and perceived challenges, while secondary data such as policy documents, company reports, and industry publications situated the case within broader institutional and socio-economic contexts. Recent studies emphasize that exploratory phases are crucial in developing grounded research questions and in aligning local realities with global sustainability debates (Creswell & Poth, 2016; Wuelser & Pohl, 2016; Ayala-Orozco et al., 2018). This stage thus provided a robust foundation for framing the inquiry.

The second phase focused on systematic data collection using multiple qualitative techniques to capture diverse perspectives. Semi-structured interviews were conducted with coffee entrepreneurs, farmers, and supply chain actors, as this method allows flexibility while ensuring thematic comparability (Dixon-Woods et al., 2006; Candelo et al., 2018). Participant observation in coffee farms and Kedai Kosim outlets further enriched the data by revealing tacit practices, embodied skills, and unspoken norms often invisible in interviews (Ningi, 2022; Waskita & Ashari, 2025). Additionally, archival materials such as partnership agreements, financial records, and sustainability plans were examined to provide documentary triangulation. Multi-method data collection of this kind has been increasingly recognized in supply chain research for its ability to capture the complexity of inter-organizational collaboration (Malacina, 2023; Waskita & Ashari, 2024; Seif & Jafari, 2025).

The third phase centered on data analysis, where thematic analysis following Clarke and Braun's (2017) framework was applied to uncover recurring partnership patterns, relational dynamics, and sustainability outcomes. To enhance analytical robustness, constant comparative analysis was used to contrast findings between entrepreneurs and farmers, thereby exposing asymmetries in perspectives and potential power imbalances. This analytic strategy has been widely employed in qualitative supply chain studies to ensure rich and theoretically informed interpretations (Braun & Clarke, 2019; Touboulic & McCarthy, 2020; Mishra & Dey, 2022). By integrating iterative cycles of coding, categorization, and thematic abstraction, the study produced empirically grounded insights into how partnerships can foster inclusivity and resilience.

The final phase involved validation to ensure credibility and trustworthiness. Member checks were conducted by sharing preliminary findings with participants, thereby fostering reflexivity and co-construction of knowledge (Birt et al., 2016; Korstjens & Moser, 2018). Triangulation across interviews, observations, and archival documents further minimized potential bias and reinforced the study's methodological rigor. Recent methodological discussions highlight that such validation practices are essential for qualitative research in complex supply chain contexts, where multiple actors and perspectives must be balanced (Pearlson et al., 2019; Russo et al., 2024). Ultimately, by integrating exploratory depth, methodological triangulation, rigorous analysis, and reflexive validation, this study not only advances empirical understanding of farmer-entrepreneur collaboration but also sets a replicable benchmark for qualitative research on sustainable supply chains in emerging economies.

Data Collection Techniques

1. Semi-Structured Interviews:

Interviews were guided by open-ended questions designed to uncover the motivations, challenges, and outcomes of the partnership. Example questions include: *“How has the partnership influenced your farming practices?”* and *“What challenges do you face in sustaining the partnership?”*

2. Participant Observation:

Observations focused on interactions between Kedai Kosim representatives and farmers, farming practices, and partnership activities. Detailed field notes were taken to capture contextual insights that interviews might not reveal.

3. Document Analysis:

Relevant documents, such as partnership agreements, operational guidelines, and sustainability reports, were analyzed to understand the formal structure and goals of the collaboration.

4. Literature Review:

A review of recent studies on sustainable supply chains, strategic partnerships, and coffee industry dynamics provided a theoretical and contextual foundation for the research. Recent works, such as Touboulic & McCarthy (2020), Malacina (2023), Russo et al. (2024), and Wright et al. (2024), offer insights into the interplay between sustainability, inclusivity, and resilience in agricultural supply chains.

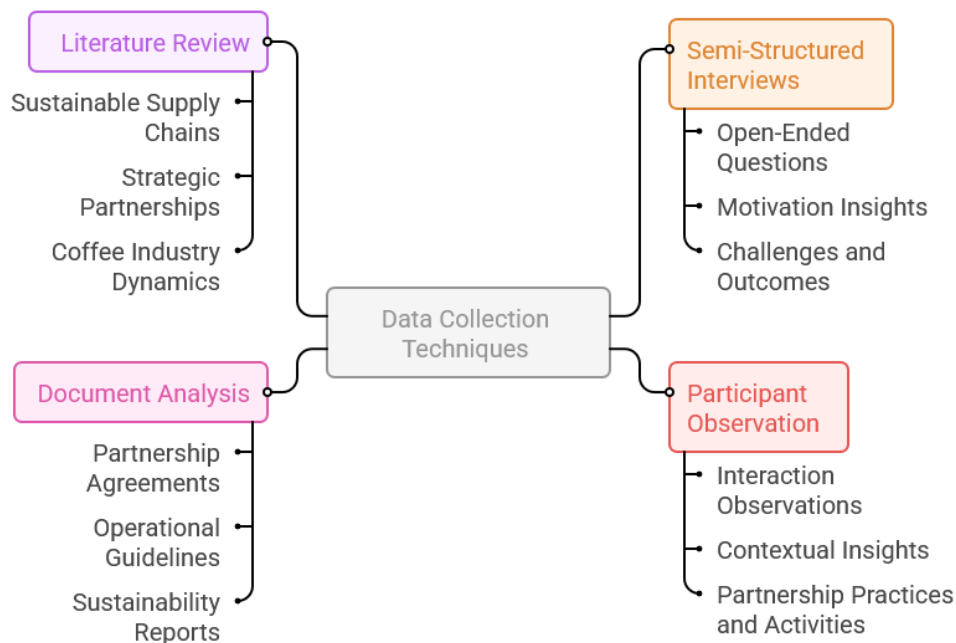


Figure 2. Data Collection Techniques for Partnership Analysis

Ethical Considerations

The research adheres to ethical standards by ensuring informed consent, confidentiality, and anonymity for all participants. Ethical approval will be obtained from a recognized institutional review board prior to data collection.

RESULTS

1. Strategic Partnership Dynamics

The case study reveals that the strategic partnership between Kedai Kosim and Sendang Coffee Farmers is underpinned by a shared-value framework, where economic, social, and environmental benefits are co-created. Three key dynamics characterize this partnership:

1. Resource Sharing and Capacity Building:

Kedai Kosim provides Sendang Coffee Farmers with training on sustainable farming practices, including organic cultivation methods and post-harvest processing techniques. This knowledge transfer has significantly improved the quality and consistency of coffee beans, enabling farmers to meet premium market standards. Farmers reported an average yield increase of 15–20% after adopting these practices.

2. Market Access and Profit Sharing:

Farmers benefit from direct market access through Kedai Kosim's retail outlets and e-commerce platforms, eliminating intermediary dependency. A transparent profit-sharing mechanism ensures equitable revenue distribution, with farmers receiving 60–70% of the final sale price. This arrangement has increased farmer income by an estimated 25% annually.

3. Joint Innovation:

Collaborative efforts between Kedai Kosim and farmers include experimenting with new coffee varieties and developing unique fermentation techniques. These innovations have resulted in the production of specialty-grade coffee, which commands higher market prices and attracts niche consumer segments.

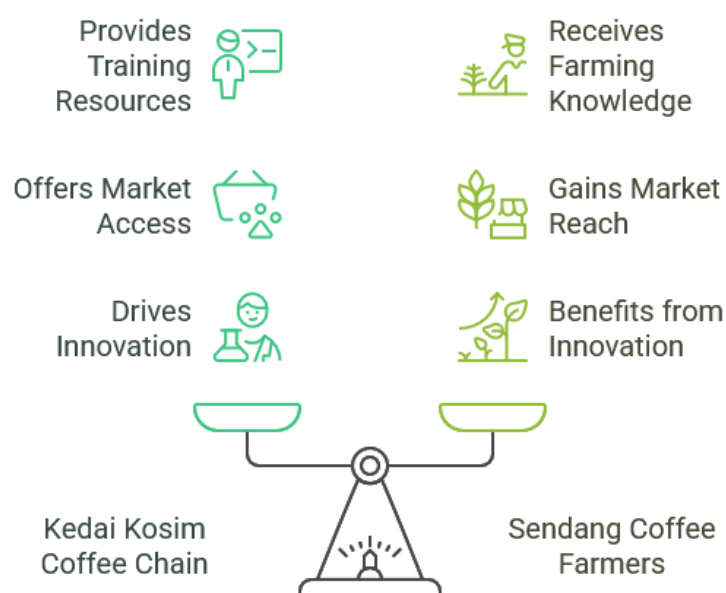


Figure 3. Balancing Mutual Benefits in Strategic Partnerships

2. Inclusivity and Resilience in the Supply Chain

The findings indicate that inclusivity is a cornerstone of the partnership, with Kedai Kosim actively involving farmers in decision-making processes and ensuring fair treatment. For instance:

- Empowering Marginalized Farmers: Women and smallholder farmers with limited resources are prioritized in training programs and resource allocation, fostering social equity.
- Building Resilience: Through diversified income streams and improved farming techniques, farmers have become less vulnerable to market volatility and climate-related risks. The use of organic inputs and water-efficient practices further enhances environmental sustainability.

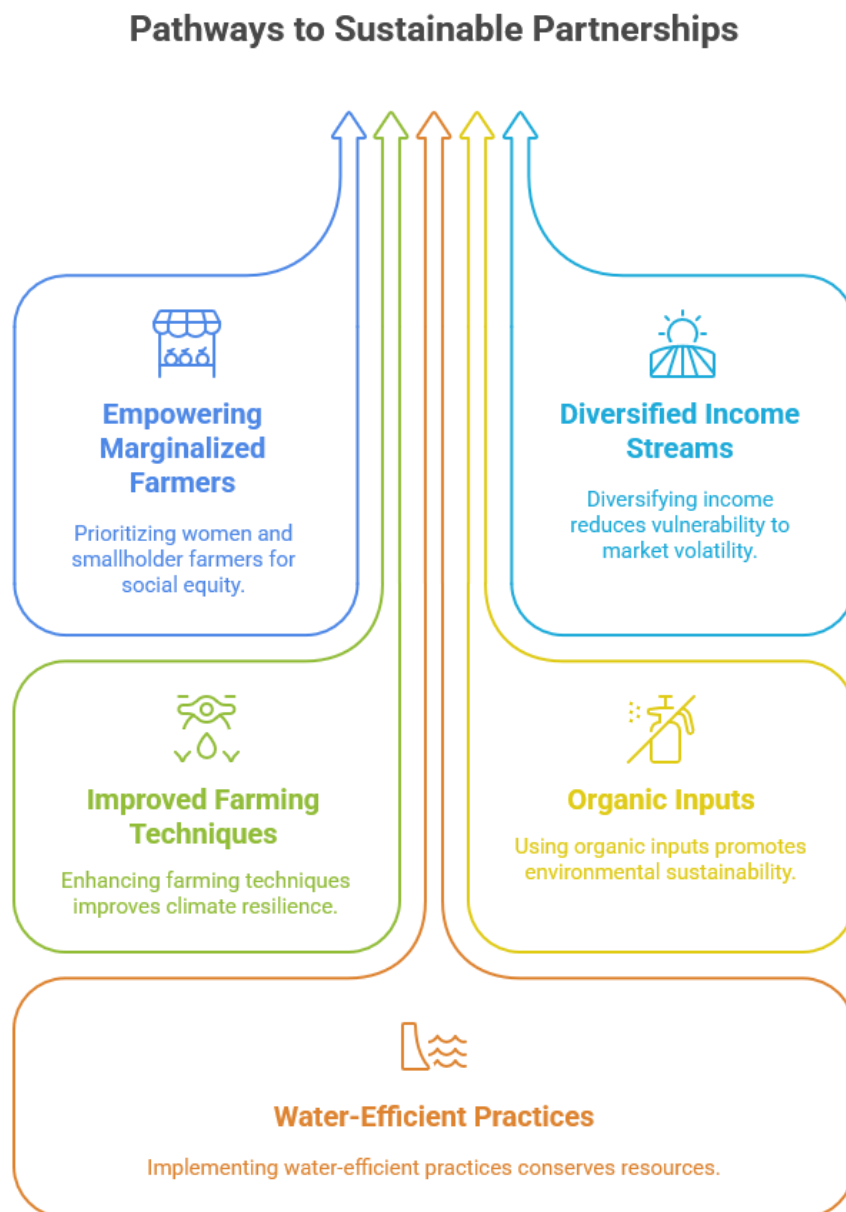


Figure 4. Pathways to Sustainable Partnerships

3. Alignment with Theoretical Frameworks

The results align with the Resource-Based View (RBV) by illustrating how the partnership capitalizes on complementary resources; Kedai Kosim's market expertise and the farmers' agricultural knowledge to create a competitive advantage. Furthermore, the findings extend Stakeholder Theory by demonstrating the tangible benefits of prioritizing equitable stakeholder relationships. The partnership also exemplifies how inclusive practices contribute to long-term sustainability and resilience, providing a replicable model for other agricultural supply chains.

4. Practical Outcomes and Measurable Impact

The tangible impacts of the partnership on economic, social, and environmental dimensions include:

- **Economic Impact:** A 25% increase in farmer incomes due to access to premium markets and profit-sharing mechanisms.
- **Social Impact:** Enhanced community cohesion through collaborative initiatives and improved gender equity in farmer participation.
- **Environmental Impact:** Reduction in chemical fertilizer use by 30%, adoption of organic farming practices, and increased biodiversity on coffee farms.

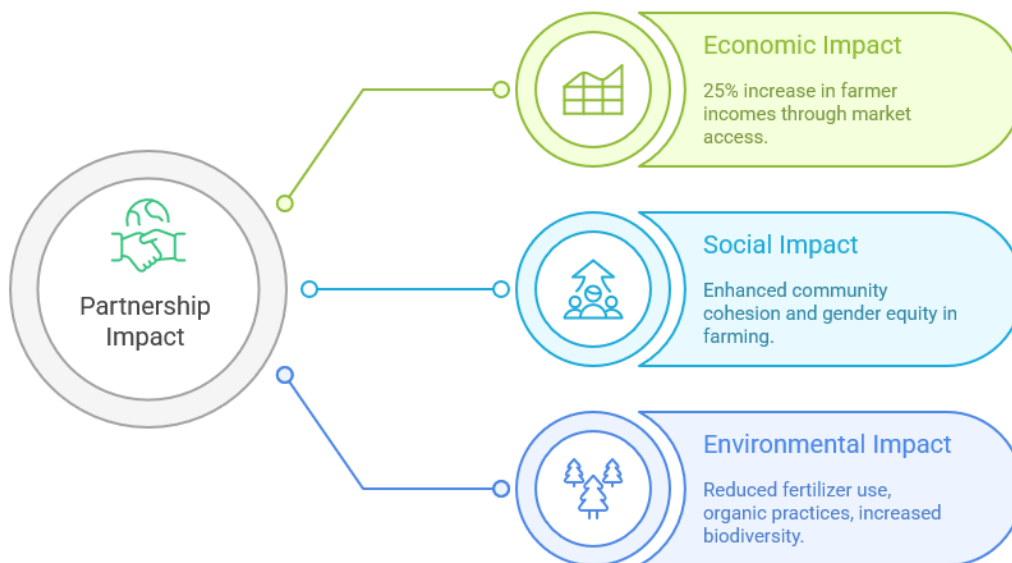


Figure 5. Unveiling the Partnership's Multifaceted Impact

5. Challenges and Opportunities

While the partnership has yielded significant benefits, some challenges remain:

- **Scalability:** Expanding the model to other regions requires careful adaptation to local contexts.

- **Market Dependency:** Farmers' reliance on Kedai Kosim as their primary buyer could pose risks if market dynamics change.
- **Resource Limitations:** Limited financial and technological resources occasionally hinder the pace of innovation and farmer training programs.

These challenges underscore the need for ongoing support from policymakers, NGOs, and other stakeholders to sustain and scale the partnership.

Strategic Partnership Characteristics

The partnership between Kedai Kosim and Sendang Coffee Farmers is characterized by a unique shared-value approach, wherein both parties co-create economic and social benefits. Key aspects of this partnership include:

- **Knowledge Sharing:** Kedai Kosim provides farmers with training on sustainable farming practices and post-harvest handling to improve coffee quality.
- **Market Integration:** Farmers gain direct access to higher-value markets through Kedai Kosim's retail networks, bypassing intermediaries.
- **Profit Sharing:** Transparent profit-sharing mechanisms ensure that farmers receive equitable compensation for their contributions.
- **Joint Innovation:** Collaborative initiatives, such as experimenting with new coffee varieties and processing techniques, enhance product differentiation and market competitiveness.



Figure 6. Factors Enhancing partnership Benefits

More than a business arrangement, this partnership represents a model of inclusive innovation, where farmers are not passive suppliers but active co-creators of value. By aligning entrepreneurial ambition with community empowerment, Kedai Kosim and Sendang Coffee Farmers exemplify how localized partnerships can drive systemic change, offering not just better coffee, but a blueprint for more equitable and resilient agricultural ecosystems.

DISCUSSION

The findings of this study underscore the transformative potential of strategic partnerships in reshaping coffee supply chains toward greater sustainability and inclusivity. By leveraging the Resource-Based View (RBV) and Stakeholder Theory, this research highlights how Kedai Kosim and Sendang Coffee Farmers collaboratively created a mutually beneficial ecosystem that enhances both economic value and social equity. The partnership's success stems from its ability to integrate complementary resources such as Kedai Kosim's market expertise and the farmers' agricultural knowledge into a unified framework that fosters innovation, resilience, and long-term sustainability. These outcomes not only validate existing theoretical frameworks but also extend them by demonstrating the critical role of localized entrepreneurial initiatives in driving equitable value distribution. Furthermore, this study illuminates the unique contribution of inclusive practices in addressing systemic challenges within smallholder-driven supply chains, such as resource scarcity, market access barriers, and income disparities. This discussion contextualizes the findings within the broader literature, providing new insights into the practical and theoretical dimensions of sustainable agricultural ecosystems.

CONCLUSION

This study demonstrates the critical role of strategic partnerships in creating sustainable and inclusive coffee supply chains, as evidenced by the collaboration between Kedai Kosim and Sendang Coffee Farmers in Indonesia. By leveraging complementary resources and fostering mutual trust, this partnership has enhanced farmer livelihoods, promoted environmental sustainability, and generated economic resilience. The findings contribute to existing theoretical frameworks such as the Resource-Based View (RBV) and Stakeholder Theory by extending their application to localized, smallholder-driven supply chains. Specifically, the study illustrates how inclusive practices and equitable profit-sharing mechanisms can address systemic challenges like resource scarcity and income inequality, while simultaneously building resilience against external shocks, such as market fluctuations and climate-related risks.

In addition, the study's results emphasize the importance of localized entrepreneurial initiatives in fostering innovation and creating shared value. By integrating social equity and environmental stewardship into their operational model, Kedai Kosim and the farmers have set an example for sustainable business practices that can be replicated across other agricultural contexts. This research not only validates the importance of strategic partnerships but also sheds light on their broader implications for achieving global sustainability goals, particularly the United Nations' Sustainable Development Goals (SDGs) particularly SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), and SDG 12 (Responsible Consumption and Production). Ultimately, strategic partnerships emerge as transformative levers for reshaping agri-food systems toward a more inclusive, equitable, and sustainable future, directly contributing to global efforts in achieving the 2030 Agenda for Sustainable Development.

RECOMMENDATIONS

For Practice

1. **Scaling the Partnership Model:** Policymakers and industry stakeholders should facilitate the replication of this partnership model in other regions and agricultural sectors, ensuring that localized adaptations address the unique needs of each community.
2. **Capacity Building for Farmers:** Continuous investment in farmer training programs focused on sustainable farming practices, financial literacy, and digital marketing will further empower smallholder farmers.
3. **Enhancing Transparency through Technology:** The adoption of digital tools, such as blockchain, can improve transparency in profit-sharing mechanisms, strengthen trust among stakeholders, and attract premium markets demanding traceable supply chains.

For Policy

1. **Incentivizing Inclusive Partnerships:** Governments should create enabling environments through subsidies, tax incentives, or grants for businesses that prioritize inclusivity and sustainability in their operations.
2. **Strengthening Institutional Support:** Establish cooperative institutions that facilitate farmer access to credit, market information, and technological resources to enhance their bargaining power and operational efficiency.

For Future Research

1. **Exploring Long-Term Impacts:** Future studies should investigate the longitudinal effects of strategic partnerships on farmer livelihoods, market resilience, and environmental sustainability.
2. **Comparative Analysis:** Conducting cross-regional or cross-sector comparisons can provide deeper insights into the scalability and adaptability of similar partnership models.
3. **Gender Dynamics and Equity:** Further research is needed to examine the role of gender inclusivity within agricultural partnerships and its implications for broader social equity.

Beyond immediate benefits, these recommendations emphasize the critical role of multi-stakeholder collaboration in shaping sustainable agricultural ecosystems. Embedding inclusivity and transparency within the partnership framework not only addresses systemic inequities but also enhances market competitiveness in the global coffee arena. By positioning smallholder farmers as co-creators of value rather than passive participants, the partnership model contributes to both economic empowerment and environmental stewardship. Collectively, these recommendations underscore that strategic partnerships between SMEs and smallholder farmers are not merely an operational arrangement, but a transformative pathway toward building an inclusive, resilient, and globally competitive coffee industry in Indonesia.

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