Public Value Mapping in Palm Oil Fresh Fruit Bunch Trade Governance: Evidence from Nagan Raya, Indonesia

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ABSTRACT

This article analyzes the governance of Fresh Fruit Bunches (FFB) trading in the palm oil sector in Nagan Raya Regency, Aceh Province, using the Public Value Mapping (PVM) approach. The study examines how interactions among key actors—smallholder farmers, collecting agents, palm oil mills (PKS), local government, academics, and the media—influence the process of public value creation and identifies points of public value failure within the palm oil trading system. This research adopts a descriptive qualitative approach, involving 15 key informants from six actor groups, selected through purposive sampling. Data were collected through in-depth interviews, participatory observation, and document analysis, and analyzed using the Public Value Mapping framework (Bozeman, 2007) combined with the interactive analysis model of Miles, Huberman, and Saldaña (2014). The findings indicate that the FFB trading system in Nagan Raya operates within an oligopsonistic market structure that generates economic efficiency but fails to ensure social justice. Public value creation remains fragmented, as economic values are achieved while social legitimacy and public participation remain weak. Four forms of public value failure are identified: collective failure, participation failure, transparency failure, and institutional reflection failure. These failures illustrate a public value paradox in which market efficiency coexists with persistent social inequality. Although this study is limited to a single case area, the findings offer important practical and policy implications for strengthening sustainable palm oil governance through digital price transparency mechanisms, more inclusive pricing forums, and the reinforcement of academics and the media as reflective institutions. This article extends the application of Public Value Mapping in public governance studies within the agricultural sector and contributes conceptually to the development of more just and value-oriented agribusiness policies in developing countries such as Indonesia.

INTRODUCTION

The palm oil industry occupies a strategic position in the Indonesian economy and has become one of the main drivers of rural development. As the world's largest producer and exporter of crude palm oil (CPO), Indonesia contributes more than half of global supply and provides employment for over 16 million workers, both directly and indirectly, particularly in rural areas (Nasution et al., 2020a; Obidzinski et al., 2012; Sibhatu, 2023). According to FAO data (2024) Indonesia's CPO production reached approximately 45 million tons in 2023, accounting for around 55 percent of total global output. Despite these economic achievements, the national palm oil governance system continues to face fundamental public value challenges. Market structure inequality, weak price transparency, and the dominance of large corporate actors have resulted in smallholder farmers receiving disproportionate benefits from the palm oil supply chain (Obidzinski et al., 2012). These conditions indicate that Indonesia's palm oil trading system has not yet fully generated just public value, as existing market mechanisms remain heavily influenced by concentrated economic power, while principles of transparency, participation, and social welfare have not been fully integrated into governance practices(Hidayat et al., 2018a; Limaho et al., 2022; Pacheco et al., 2020; Xin et al., 2021).

Within the context of public governance, the concept of public value provides a comprehensive analytical framework for evaluating the performance of public policies and organizations, not solely in terms of economic efficiency but also in their capacity to generate socially recognized public benefits. Moore (1997) in Creating Public Value, emphasizes that success in the public sector should not be measured only by administrative efficiency, but by the ability to create collectively recognized public benefits. Bozeman (2007) and Bozeman & Sarewitz (2011) further develop this idea by introducing the Public Value Mapping (PVM) approach, an analytical tool designed to identify and assess the extent to which public policies fulfill core public values such as justice, participation, and sustainability. In addition, Meynhardt (2009) incorporates psychological and social dimensions into public value theory, arguing that public value is constructed through interactions among individuals, institutions, and society. These perspectives suggest that public value is not merely the outcome of organizational performance, but also a reflection of social legitimacy, public trust, and constructive relationships between citizens and public institutions (Ballintyne & Mintrom, 2018; Bojang, 2020; Brown et al., 2021; Douglas & Meijer, 2016).

Global research demonstrates significant progress in the implementation of the public value concept across various sectors. Based on a bibliometric analysis of 426 international publications indexed in the Scopus database between 2018 and 2025, the volume of public value research has increased rapidly, indicating a shift in academic orientation from efficiency-based governance toward value-based governance (Brown et al., 2021; Candel & Paulsson, 2023; Hidayat et al., 2018b; Hofmann et al., 2019; Ojasalo & Kauppinen, 2024; Scupola & Mergel, 2022; Twizeyimana & Andersson, 2019; Wang et al., 2022; Willems et al., 2023). Keyword mapping using VOSviewer identifies four major thematic clusters. The first cluster emphasizes governance and trust within the public sector; the second focuses on public perception and social legitimacy; the third relates to sustainability and public service delivery; and the fourth

addresses economic efficiency and societal welfare. The central position of public value within the keyword network signifies its role as an overarching integrative framework that connects multiple dimensions of contemporary governance, ranging from efficiency to social legitimacy (Figure 1).

Figure 1. Previous Studies about Public Value
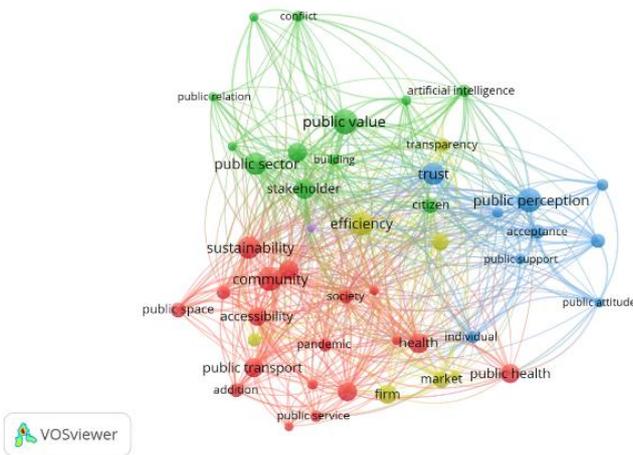
Source: *VOS Viewer (2025)*

Figure 1 illustrates the conceptual structure of public value research and the relationships among its key thematic dimensions. The clustering pattern indicates that public value scholarship is organized around governance and institutional trust, public perception and social legitimacy, sustainability and public service delivery, as well as economic efficiency and social welfare. The central positioning of "public value" within the network highlights its role as an integrative concept that connects these diverse dimensions of contemporary governance. This integrative function provides a conceptual foundation for applying the Public Value Mapping approach in this study to analyze palm oil governance in Nagan Raya Regency, where economic outcomes and social legitimacy are closely intertwined. These findings are consistent with previous studies from Alford & O'Flynn (2009), Brown et al., (2021), Douglas & Meijer (2016), Ojasalo & Kauppinen, (2024), and Sami et al., (2018) which confirm that the current public governance paradigm is increasingly value-oriented, with accountability, participation, and collaboration emerging as core elements in the creation of public value.

In the Indonesian context, public value challenges have also become a central issue in the agribusiness sector. Existing studies indicate that the national palm oil trading system continues to experience structural inequalities between large corporate actors and independent smallholder farmers, resulting in an uneven distribution of economic and social value (Maifianti et al., 2021; Nasution et al., 2020b). These studies further reveal that Fresh Fruit Bunches (FFB) prices at the farm-gate level are often below government-determined reference prices, primarily due to limited access to market information and the dominance of intermediary collectors. The oligopsonistic market structure reinforces the dominant position of palm oil mills (PKS), while the role of local governments in price-setting forums remains largely administrative and has not yet been effective in ensuring price transparency. Moreover, studies by Raharja et al., (2020) and Suardi et al., (2022) even show that weakness function

reflective actor social like academics and media also participated make things worse accountability public in governance commodities strategic area. This findings consisten with Judijanto & Pamungkas (2024) who emphasize the importance of multi-actor collaboration in sustainable agribusiness governance to create synergies between economic and social interests.

These conditions are clearly evident in Nagan Raya Regency, Aceh, which is one of the major palm oil plantation centers in the region. According to data from Statistics Indonesia (BPS, 2024), the total area of palm oil plantations in Nagan Raya exceeds 70,000 hectares, approximately 65 percent of which is managed by independent smallholder farmers. The fresh fruit bunches (FFB) supply chain in this region involves six main actors: farmers, collector agents, palm oil mills (PKS), local government, academics, and the media. Interactions among these actors are complex and highly asymmetrical. Farmers typically sell their harvested FFB to local collectors who act as intermediaries between farmers and palm oil mills, while prices are largely determined through informal arrangements that tend to favor industrial actors. Although local governments possess formal authority to establish reference prices, in practice they have not been able to ensure price fairness at the farm level. Academics and the media, who ideally function as reflective actors in safeguarding public accountability, have not yet played an optimal role in monitoring market transparency and price policy implementation. As a result, the FFB trading system operates efficiently in economic terms but fails to generate public value in the form of distributive justice and social welfare (Jelliani & Maifianti, 2021; Maifianti et al., 2021).

This study adopts the Public Value Mapping (PVM) approach as its conceptual framework, viewing public value as the outcome of interactions among actors within a governance system. In the context of Nagan Raya Regency, public value is either created or undermined through interactions among farmers, collector agents, palm oil mills (PKS), local government, academics, and the media. These relationships reflect the dynamic tension between economic interests and social legitimacy within palm oil governance. Through the PVM approach, this research seeks to identify the public values articulated by each actor and to assess the extent to which these values are realized in palm oil governance practices. As emphasized by Brown et al., (2021) and Willems et al., (2023) the success of public governance depends not only on the ability to generate economic outputs, but also on the degree to which policy processes and outcomes reflect collectively recognized public values.

Based on this framework, the study aims to analyze the governance of Fresh Fruit Bunches (FFB) trade in Nagan Raya Regency using the Public Value Mapping approach, with a particular focus on how inter-actor interactions influence public value creation and where public value failures occur. This research is expected not only to contribute theoretically to the development and application of the public value concept in the agribusiness sector, but also to provide practical policy recommendations for local governments and relevant stakeholders to promote a more transparent, inclusive, and socially equitable palm oil trading system.

METHOD

This study employs a descriptive qualitative approach using the Public Value Mapping (PVM) analytical framework

developed by Bozeman. This approach is selected because it enables an in-depth exploration of the meanings and public values embedded in the governance practices of Fresh Fruit Bunches (FFB) trade at the local level. A qualitative approach is considered most appropriate for examining complex social phenomena, such as inter-actor interactions and value inequalities within the palm oil trading system, where social, cultural, and institutional contexts play a critical role in shaping public values (Creswell & Poth, 2016). Accordingly, this study seeks not only to empirically describe patterns of relationships among actors, but also to interpret how each actor perceives, negotiates, and realizes public values such as justice, transparency, and sustainability within the governance process.

The research was conducted in Nagan Raya Regency, Aceh, which is one of the largest palm oil production centers in the province. The study location was selected using purposive sampling, taking into account the region's socio-economic characteristics, the dominance of independent smallholder farmers, and the complex relationships among farmers, collector agents, and palm oil mills (PKS). Nagan Raya was also chosen because it represents local-level palm oil governance challenges, where the interactions among local government, social institutions, and mass media play a significant role in shaping public value perceptions.

The study involved six main groups of actors within the Fresh Fruit Bunches (FFB) trading system: independent smallholder farmers, collector agents, palm oil mill management, local government officials (Plantation Office), local academics, and regional mass media. Each actor group was viewed as a value carrier with distinct perspectives and interests regarding palm oil governance. Informants were selected through purposive sampling, based on their direct involvement in the trading system and their knowledge of pricing policies and local market mechanisms.

Research data were collected through in-depth interviews, participant observation, and document analysis. In-depth interviews were conducted with 15 key informants representing the six main actor groups, using semi-structured interview guides to explore their perspectives and experiences in palm oil trading governance. Participant observation was carried out in several major palm oil–producing villages in Nagan Raya Regency to gain direct insights into FFB buying and selling processes, farmer–collector relationships, and price determination dynamics. Secondary data were obtained from official documents issued by local governments, FFB price reports from the Aceh Agriculture and Plantation Service and the Nagan Raya Regency Plantation Service, as well as relevant local media coverage.

Data analysis was conducted using the Public Value Mapping (PVM) framework, which systematically traces the relationships among values, actors, and policy processes. The analysis began by identifying policy objectives and the public values articulated by each actor within the palm oil trading system. This was followed by mapping inter-actor relationships to examine how interactions and interests may generate power asymmetries or value conflicts. The next stage involved analyzing public value outcomes, specifically assessing the extent to which policy practices and market dynamics either generate or hinder socially expected public values. Finally, instances of public value failure were identified as consequences of imbalances between economic and social values (Bozeman & Johnson, 2015). The analytical process was iterative and interactive, following the qualitative data analysis model proposed by Miles (2014), which includes

data reduction, data display, and the drawing of reflective and verifiable conclusions.

To ensure data validity and trustworthiness, this study applied source and method triangulation techniques. Interview findings were cross-checked with data obtained from participant observation and policy documents, while analytical interpretations were further verified through a member-checking process with selected informants. Research ethics were strictly observed by obtaining informed consent from all participants, ensuring the confidentiality of informants' identities, and safeguarding that the research outcomes do not cause social harm to the studied community.

This approach enables a comprehensive understanding of how public value is created, negotiated, and, in some cases, fails to be realized within the FFB trading system in Nagan Raya Regency. The structured research and analytical process within the Public Value Mapping (PVM) framework is illustrated in Figure 2, which depicts the relationships among research stages, inter-actor interactions, and the channels through which public value creation and public value failure occur in the context of sustainable palm oil governance. The methodological mapping presented in Figure 2 provides the foundation for the analysis and discussion in the subsequent sections.

Figure 2. Structured research and analysis process in PVM framework
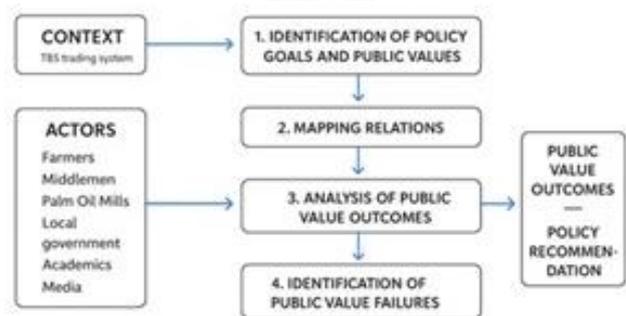
RESULTS AND DISCUSSION
Dynamics of Inter-Actor Interactions and Public Value Creation in the FFB Trading System

The Fresh Fruit Bunches (FFB) trading system in Nagan Raya Regency operates within a complex socio-economic environment, where public values are shaped through layered interactions among economic, social, and institutional actors. Based on field observations and in-depth interviews, the FFB supply chain involves six main actors: independent smallholder farmers, collector agents, palm oil mills (PKS), local government, academics, and the media. Each actor performs distinct roles in the process of public value formation, ranging from production activities at the farm level to price policy supervision by local government institutions. The market mechanism in Nagan Raya functions within a strong social relational context, in which economic values are closely intertwined with social dimensions such as trust, local power relations, and institutional authority.

The FFB trading system in this region exhibits an oligopsonistic market structure, characterized by the presence of only a limited number of palm oil mills acting as primary buyers of farmers' output. Farmers typically sell their FFB to local collector agents, who then distribute the produce to PKS, while prices are largely determined through informal arrangements that

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tend to favor industrial actors. Although the local government, through the Plantation Office, formally establishes weekly reference prices, in practice the prices received by farmers in the field are often lower than the official benchmarks. This condition indicates that existing market mechanisms have not fully generated public value in terms of price justice, as economic power remains concentrated among certain dominant actors.

Independent smallholder farmers interpret public value primarily in terms of economic justice, fair pricing, and household income stability. However, their position within the market system remains structurally weak due to their heavy dependence on collector agents. As one farmer in Darul Makmur Sub-District explained, "*We do not know the official price on a daily basis. If the collector says the price has gone down, we simply accept it.*" Another farmer from Seunagan sub-district added, "*Sometimes we sell under a debt-based arrangement and receive payment only after the collector delivers the FFB to the palm oil mill.*" These accounts reveal a form of structural dependency that is not merely economic, but also social, where personal trust, loyalty, and informal relationships often substitute for formal market mechanisms. Within Bozeman's (Bozeman, 2007) framework, this situation reflects a public value deficit, namely a condition in which the public is unable to articulate or secure public values independently due to limited access to power resources and market information. The farmers' constrained bargaining position limits their ability to influence pricing mechanisms, thereby undermining the realization of economic justice as a core public value.

Collector agents play a dual role as intermediaries between farmers and industry, while simultaneously controlling the flow of economic value at the local level. For collectors, public value is primarily associated with efficiency and supply continuity. As one collector in Kuala Pesisir Sub-district stated, "*We maintain good relationships with farmers to ensure that supply is not disrupted. However, when the palm oil mills lower their prices, there is little we can do.*" Another collector in Tripa Makmur noted, "*Sometimes we provide farmers with advance loans so that they continue selling to us.*" This dual role illustrates an inherent dilemma between maintaining system stability and ensuring social justice. From the perspective of Meynhardt's (2009), public value theory, public value can only be realized when economic relationships are accompanied by social responsibility and collective awareness oriented toward shared welfare. In the absence of such conditions, efficiency-driven interactions risk reinforcing existing inequalities rather than producing socially recognized public value.

Palm oil mills (PKS) occupy a central position in determining the direction of the FFB trade. As one PKS staff member explained during an interview, "*We follow the provincial reference price, but the final decision depends on market conditions. When production increases, prices automatically decline.*" This statement confirms that PKS tend to define public value primarily from the perspective of economic efficiency and market stability. According to Moore (1997), however, public value should not be measured solely by industrial stability, but rather by social legitimacy and collectively perceived societal benefits. In practice, the relationship between PKS and farmers remains largely transactional and top-down, reinforcing value asymmetries in which social dimensions are marginalized.

Local government formally functions as a regulator responsible for ensuring price fairness and market transparency. In Nagan Raya Regency, the Plantation Office establishes weekly FFB reference prices through a joint pricing forum involving representatives of farmers, companies, and academics.

Nevertheless, the effectiveness of this policy remains limited due to weak supervision and enforcement at the field level. As one Plantation Office official noted, "*We announce the official price, but it is difficult to ensure that all agents and mills comply. Many transactions occur outside our monitoring.*" Within the framework of Bryson et al. (2023), this situation reflects an implementation gap, whereby publicly articulated values embedded in policy fail to materialize due to institutional capacity constraints.

Academics and local media function as reflective actors responsible for safeguarding public transparency and accountability. Academics are involved in the price-determination forum by providing scientific and analytical inputs to support policy formulation. As one academic from Teuku Umar University stated, "*We recommend a pricing formula that considers farmers' actual production costs, but its implementation has not been consistent.*" Meanwhile, local media serve as a channel for public information; however, their role is constrained by social and political pressures that limit editorial independence. A journalist from Serambi Indonesia Daily explained, "*If the reporting is too critical, someone may call to ask for clarification, so we have to be cautious.*" These conditions indicate that reflective functions remain weak, resulting in incomplete public accountability.

Overall, inter-actor interactions within the FFB trading system in Nagan Raya demonstrate a fragmented pattern of public value creation. Economic values such as efficiency and supply continuity are largely achieved, while social values—including fairness, participation, and legitimacy—remain underdeveloped. This imbalance suggests that the palm oil trading system in Nagan Raya continues to operate within an economically centered governance framework, rather than transitioning toward value-centered governance as proposed by Alford & O'Flynn (2009). Consequently, the optimization of public value creation requires collaborative engagement among all actors—government, industry, academics, media, and civil society—to balance economic efficiency with social justice. To clarify how each actor contributes to public value creation and failure, the roles and outcomes are summarized in Table 1.

Table 1. Inter-Actor Interactions and Public Value Outcomes in the Fresh Fruit Bunches (FFB) Trading System in Nagan Raya Regency

Actor	Role in the Trading System	Expected Public Values	Public Values Created	Public Value Failures
Smallholder farmers	Primary producers of FFB, highly dependent on collecting agents for market access	Price fairness, household economic welfare, participation in decision-making	Production efficiency and income stability, but in a limited form	**Public value deficit:** dependence on agents and lack of price transparency
Collecting Agents	Main intermediaries between farmers and palm oil mills; regulators of local FFB flows	Supply efficiency, continuity, and social relations with farmers	Economic efficiency and supply continuity achieved, but without social justice	**Instrumental failure:** reinforcement of oligopsony structures and patronage relationships
Palm Oil Mills (PKS)	Main buyers and price setters of FFB at the regional level	Industrial stability, supply chain efficiency, business sustainability	High efficiency and increased productivity	**Equity failure:** social values and distributive justice are ignored
Local Government	Regulator and facilitator of pricing policy and market supervision	Price fairness, policy transparency, and farmer protection	Normative justice pursued through official price determination	**Implementation gap:** weak supervision and lack of effective sanctions

Academics	Reflective actors providing scientific analysis for policy formulation	Evidence-based pricing policy and increased public transparency	Scientific recommendations produced, but largely not implemented	Reflective failure: recommendations are not adopted by government
Local Media	Social watchdog and public information disseminator on prices and policies	Transparency, accountability, and social control over economic actors	Limited news coverage due to social and economic pressures	Legitimacy loss: weak independence of local media

As summarized in Table 1, each actor holds distinct perceptions and orientations toward public value. Smallholder farmers conceptualize public value primarily in terms of economic justice, while collecting agents focus on system efficiency. Palm oil mills emphasize industrial stability, whereas local government seeks to promote price fairness through administrative policy instruments. Academics and local media function as reflective guardians of public value; however, their effectiveness remains limited in practice. This pattern reveals a persistent imbalance between economic and social values, in which economic considerations dominate and become the primary benchmark for assessing the performance of the trading system.

Public Value Failure and Implications for Sustainable Palm Oil Governance

Although the Fresh Fruit Bunches (FFB) trading system in Nagan Raya Regency has developed mechanisms that are relatively efficient and economically stable, the findings of this study indicate that the process of public value creation continues to face multiple forms of failure. Within the Public Value Mapping (PVM) framework, public value failure is understood not merely as a consequence of administrative weaknesses or misguided policies, but as a structural condition that emerges when core public values—such as justice, participation, transparency, and social legitimacy—are not realized in governance practices (Bozeman, 2007; Bozeman & Sarewitz, 2011; Bryson et al., 2014). In the context of palm oil trading in Nagan Raya, these failures are not solely driven by economic factors. Rather, they are rooted in the ways key actors interact, negotiate, and interpret public value within an asymmetric governance system characterized by unequal power relations and limited accountability mechanisms.

The Failure of Collective Values and Public Representation

The first form of public value failure identified in this study is the failure of collective values, which occurs when the palm oil trading system fails to represent the shared interests of society. Ideally, public values are formed through inter-actor collaboration to generate social benefits for all stakeholders. However, interview findings indicate that pricing policies and FFB trading practices predominantly reflect the economic interests of particular groups. As one farmer in Kuala Pesisir District stated, "*The government-announced price does not apply here. Agents and mills make the decisions.*" This statement reflects the erosion of deliberative space, which should serve as the foundation of public policy legitimacy.

From a Public Value Mapping perspective, this condition illustrates a collective value failure, whereby policy objectives fail to accommodate the aspirations of affected communities. The expected public values of price fairness and farmer welfare are not

achieved because policy processes remain largely top-down and lack effective feedback mechanisms. In fact, as emphasized by Alford & O'Flynn (2009), value-based public governance requires meaningful public involvement throughout the entire policy cycle, not merely at the implementation stage.

Failure of Participation and Representation of Weak Actors

The second form of public value failure identified in this study concerns the weak participation of farmers and local communities in decision-making forums. In principle, the weekly Fresh Fruit Bunches (FFB) price determination meeting should function as a deliberative space for dialogue among farmers, palm oil mills, and government representatives. In practice, however, farmer participation tends to be largely symbolic. As one farmer representative in Kuala District explained, "*We are invited, but only to listen. Those who speak are still company representatives and government officials.*" This statement illustrates a participation deficit, as described by Bozeman & Johnson (2015), in which public participation becomes a procedural formality without genuine deliberative power.

Limited participation also reinforces knowledge gaps between economically powerful actors and local communities. Farmers have little access to market information, production cost data, or complex pricing mechanisms. As a result, participatory spaces that should facilitate public value creation instead reproduce structural inequalities. Meynhardt (2009) characterizes this condition as a form of social reflective failure, whereby inter-actor interactions fail to generate shared understanding regarding the meaning and realization of public value.

Failure of Transparency and Information Asymmetry

One of the most significant findings of this study is the persistence of strong information asymmetry within the FFB trading system. Farmers lack reliable access to information regarding palm oil mill purchasing prices, transportation costs, and quality deductions imposed by collecting agents. As one farmer in Tadu Raya District explained, "We are told that mill prices are high, but we do not know exactly how much. The agent does not show any receipt." This statement confirms that information governance at the local level does not yet reflect the principles of public transparency.

Bozeman (2007) conceptualizes transparency failure as a form of instrumental failure, in which systems and policy instruments designed to promote openness instead generate public uncertainty. In the case of Nagan Raya, the absence of publicly accessible price-reporting mechanisms restricts the public value space and undermines accountability. Trust—an essential foundation of social relations—becomes replaced by suspicion and dependency. In sustainable governance paradigms, transparency is a core prerequisite for legitimacy and social accountability (Candel & Paulsson, 2023; Sami et al., 2018).

Failure of Justice, Distribution of Economic Value, and Institutional Reflection

Another manifestation of public value failure emerges in the domain of distributive justice and institutional reflection. Although the palm oil supply chain operates smoothly and generates economic gains, the largest benefits tend to be concentrated at the level of large industries and collecting agents,

while smallholder farmers receive the smallest share of value added. As one farmer in Darul Makmur Sub-District stated, *"World prices are increasing, but prices at the farm level remain almost the same."* From the perspective of Bozeman & Johnson (2015), this condition represents an equity failure, in which public policies generate economic outputs without ensuring the fair distribution of benefits to vulnerable public groups.

Weak institutional reflection further exacerbates this situation. Local government, academics, and the media—actors that should function as reflective guardians of public value—have not yet been able to perform their roles strategically. Government institutions remain focused on administrative procedures, academics possess analytical capacity but have limited influence in policy advocacy, and local media face socio-economic pressures that constrain their independence. These weaknesses result in the absence of effective feedback loops among actors, making it difficult for public values such as accountability and social trust to develop sustainably. Within Meynhardt's (2009) framework, this condition can be described as a loss of social legitimacy, occurring when public institutions fail to represent societal aspirations due to weak reflective and participatory functions.

Theoretical Implications and Reflections for Palm Oil Governance Sustainable

The findings presented above demonstrate that public value failure in Nagan Raya is systemic, encompassing economic, social, and institutional dimensions. The imbalance between economic and social values generates a governance paradox in which market efficiency is not accompanied by social legitimacy. In Bozeman's (2007) terms, this phenomenon can be understood as a public value paradox, where the achievement of certain values undermines the realization of others. Therefore, strengthening sustainable palm oil governance requires a fundamental transformation from an economically performance-based system toward a public value–oriented governance framework.

From a practical perspective, local governments need to develop digital-based transparency platforms that allow real-time public access to information on FFB prices and quality standards. Price determination forums should be restructured into genuinely deliberative arenas that enable substantive farmer participation rather than symbolic representation. At the same time, academics and local media must be strengthened as reflective institutions capable of bridging scientific knowledge with broader public interests and societal concerns.

From a theoretical standpoint, the results of this study extend the application of the Public Value Mapping (PVM) approach within public governance research in the agricultural sector. The Nagan Raya case demonstrates that public value in agribusiness governance is shaped through complex social negotiations among actors with divergent interests. Accordingly, agricultural governance in Indonesia needs to shift from an economically centered paradigm toward value-centered governance, in which social justice, transparency, and participation become primary indicators of public policy success. Thus, this study not only contributes empirical insights to the literature on sustainable palm oil governance, but also offers a conceptual framework for fostering more inclusive, equitable, and public value–oriented agricultural development in developing countries such as Indonesia.

CONCLUSION

This article confirms that the Fresh Fruit Bunches (FFB) trading system in Nagan Raya Regency constitutes a complex public value system marked by persistent inequalities, in which economic efficiency is not balanced by social justice and institutional legitimacy. Using the Public Value Mapping (PVM) approach, the study demonstrates that interactions among key actors—smallholder farmers, collecting agents, palm oil mills (PKS), local government, academics, and the media—produce a fragmented pattern of public value creation. While economic values such as efficiency and supply continuity are largely realized, social values including fairness, participation, transparency, and public trust remain insufficiently embedded within the governance system.

Public value failure in Nagan Raya manifests in several interconnected forms: (1) collective value failure, where pricing policies fail to reflect societal aspirations; (2) participation failure, resulting from the limited role of farmers in decision-making forums; (3) transparency failure, characterized by information asymmetries between farmers, agents, and palm oil mills; and (4) institutional reflection failure, due to the weak capacity of government, academics, and media to function as guardians of public value. These failures generate a governance paradox in which economic success conceals deep social shortcomings.

From a practical perspective, this article highlights that transforming sustainable palm oil governance at the local level requires three key interventions. First, digital-based transparency platforms must be strengthened to ensure open and real-time public access to information on FFB prices and quality standards. Second, price determination forums need to be redesigned as inclusive and genuinely deliberative spaces that enable substantive farmer participation. Third, the roles of academics and the media should be reinforced as reflective institutions capable of bridging scientific knowledge, public policy, and societal interests.

From a theoretical perspective, this study extends the application of Public Value Mapping within public governance research in the agricultural sector. It demonstrates that public value is not produced solely through formal policies, but emerges from ongoing social negotiations among actors within local economic systems. These findings reinforce the need for a paradigm shift from economically centered governance toward value-centered governance, in which social welfare, transparency, and public legitimacy become primary indicators of success in agricultural governance in Indonesia.

Nevertheless, this study has several limitations. The analysis is confined to a single case study area—Nagan Raya Regency—thereby requiring caution in generalizing the findings to the national level. Furthermore, the study does not examine in depth how national policy dynamics shape local actor behavior in the creation of public value. Future research is encouraged to adopt comparative interregional designs, employ mixed-methods approaches, and extend analysis to other agribusiness sectors such as rubber and coffee, in order to develop a more comprehensive understanding of public value in sustainable agricultural governance in Indonesia.

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