

CHAPTER I

INTRODUCTION

A. Background of Research

At the beginning of 2020, the world was shocked by the emergence of the Coronavirus or Covid-19. Coronavirus is a collection of viruses that can infect the respiratory system. In most cases, this virus causes only mild respiratory infections, such as the flu. However, this virus can also cause severe respiratory infections, such as lung infections (*pneumonia*). This virus is transmitted through phlegm (*droplets*) from the respiratory tract, for example when in a crowded closed room with poor air circulation or direct contact with droplets. This disease appeared in Wuhan, Hubei Province, the People's Republic of China, in December 2019. Covid-19 is a virus that belongs to the Severe Acute Respiratory Syndrome (SARS) family.¹ Severe Acute Respiratory Syndrome (SARS) and Middle East Respiratory Syndrome (MERS) are also caused by CoV that is transmitted from animals to humans.²

On January 30th, 2020 the International Health Regulations (IHR) Emergency Committee of the World Health Organization (WHO) declared this

¹UNICEF, 2020, *Frequently Asked Question about coronavirus disease (COVID-19)*, <https://www.unicef.org/stories/novel-coronavirus-outbreak-frequently-asked-questions>, accessed on November 17th 2021, 11.15 pm

²Hans Tandra, 2020, *Virus Corona Baru COVID-19*, Yogyakarta, Andi Offset, p. 5

disease an extraordinary event and of international concern. The World Health Organization (WHO) on February 1st, 2020 announced that Covid-19 was the official name of the disease. "CO" means "CORONA", "VI" means "Virus", and "D" means "Disease". Then 19 is a marker of the year this virus was discovered, namely 2019.³

The 2019 Coronavirus (Covid-19) pandemic is a real threat to the people of Indonesia. Although initially it was believed that the Covid-19 virus was not found and would not enter Indonesia, in early March 2020, the first case was found in two people from Depok, which was immediately announced by President Joko Widodo accompanied by Minister of Health Terawan Agus Putranto on March 2nd, 2020. The Indonesian government, based on Presidential Decree No. 11 of 2020 concerning the Determination of Public Health Emergency of the Coronavirus Disease 2019 (Covid-19), has designated Covid-19 as a public health emergency that must be handled. This Presidential Decree is issued based on consideration of the remarkable spread of Covid-19 with the increasing number of cases and/or the number of deaths and impacted on the political, economic, social, cultural, national defense and security aspects, as well as a citizen in Indonesia.⁴

³Jaka Pradita, Ahmad Muslim Nazaruddin, 2020, *ANTIPANIK! Buku Panduan Virus Corona*, Jakarta, PT Alex Media Komputindo, p. 3

⁴Leks&Co, 2020, *Presidential Decree No. 11 Year 2020 on Stipulation of Public Health Emergency and Government Regulation on Large-Scale Social Limits to Accelerate the Management of Coronavirus Disease 2019 (Covid-19)*, <https://www.lekslawyer.com/presidential-decree-no-11-year-2020-on->

As a result of the increasing number of cases and after going through a long polemic and proposals from various parties to enforce a lockdown, finally, on March 30th, 2020, President Jokowi issued Government Regulation No. 21 of 2020 to implement LSSR (Large-Scale Social Restrictions) and the status of public health emergency based on the decision of the Minister of Health. Quoted from Government Regulation No. 21 of 2020 states that the basis for the government's consideration of implementing the LSSR is that the spread of Covid-19 with the number of cases and or the number of deaths has increased and spread across regions and countries and has an impact on political, economic, social, cultural, defence and security aspects, public welfare, that the impact of the spread of Covid-19 has resulted in certain conditions so that it is necessary to take countermeasures, one of which is by taking Large-Scale Social Restrictions. This government regulation was then followed by the Decree of the Minister of Health No. 9 of 2020 concerning Guidelines for Large-Scale Social Restrictions in the Context of Accelerating the Handling of Covid-19 on the same basis as the Government Regulation issued by President Jokowi.

Large-Scale Social Restrictions (LSSR) were enforced in Indonesia in March 2020 as an effort to suppress the transmission of Covid-19 in Indonesia.

LSSR is one type of implementation of health quarantine in the regions, in addition to home quarantine and hospital quarantine. The purpose of the LSSR is to prevent the spread of Covid-19 in certain areas. Restrictions on activities carried out include schools, workplaces, religious activities, and restrictions on activities that involve large numbers of people.

LSSR is implemented by local governments at the provincial and district/city levels after obtaining approval from the Minister of Health through a Ministerial Decree.⁵

Several policies taken by the government can have an impact on disrupting business relations and even have legal implications, it is estimated that many business actors cannot carry out agreements properly. If an area or region has implemented LSSR, it means closing the entrances and exits for the community. For example, the delivery of goods to an area that is implementing LSSR is hampered. With such circumstances, it is most likely that many agreements, contracts, business transactions or activities are hampered due to the spread of the Covid-19 outbreak. The discourse on the lockdown in Indonesia is getting stronger due to the increasing number of positive cases of the coronavirus and the death rate. For this reason, some areas have tightened access for entry and exit and even closed roads to stop the spread of the Covid-19.

⁵Wikipedia, *Pembatasan Sosial Berskala Besar*, https://id.wikipedia.org/wiki/Pembatasan_sosial_berskala_besar, accessed on November 19th 2021, 00.30 am

Partnership agreement in the field of broiler farming is one of the business agreements affected by the LSSR policy due to the Covid-19 pandemic. Many farmers are implementing a system of partnership cooperation with large-scale chicken farming companies. Partnership cooperation in the livestock sector has been regulated in the Regulation of the Minister of Agriculture of the Republic of Indonesia Number 13/Permentan/PK.240/5/2017 concerning Livestock Business Partnerships.⁶

A partnership agreement is a legally binding contract between the parties involved in a partnership. The partnership system is the management of livestock in cooperation with partner companies as core companies and breeders as plasma. According to Muhammad Jafar Hafsa partnership is a business strategy carried out by two or more parties within a certain period to achieve mutual benefits with the principle of mutual need and mutual growth.⁷ There is a cooperation related to the contract agreement in the development of broiler chickens through a partnership pattern which contains the provision of *sapronak*, pricing, guarantees and risks that have been agreed between the two parties. In the broiler partnership business, plasma must first agree on a contract. Contract agreements are generally made in writing and also made

⁶ Yona Aprillia Kurniawat, 2020, *Tinjauan Tentang Perjanjian Kemitraan Ternak Antara PT Cemerlang Unggas Lestari Dengan Peternak Rakyat*, Universitas Sebelas Maret Surakarta, Vol 7 No. 1 (2020), p. 211

⁷ Mohammad Jafar Hafsa, 2000, *Kemitraan Usaha*, Jakarta, Sinar Harapan, p. 10

orally as evidence in the event of a dispute so if this form is not followed, the agreement is invalid.

Partnership agreement made between Budiono Farm and PT. Cemerlang Unggas Lestari which was held in 2021 is based on the principles of mutual need, mutual trust, mutual strengthening, and mutual benefit. The first party and the second party agree to carry out partnership cooperation in broiler cultivation or breeding business using the core-plasma partnership cooperation pattern. The contents of the agreement contain several main points of the agreement, including procurement of livestock production facilities, quantity, type and price, the payment system, chicken marketing, partnership term, and *Force Majeure*. But during the agreement, an extraordinary event occurred, namely the covid 19 pandemic which appeared in early 2020.

The problem that arises due to the LSSR policy in the *Covid-19* pandemic in this partnership is that several points in the agreement cannot be fulfilled. Non-fulfillment of the agreement can be caused by *Force Majeure* or coercive circumstances due to events that are beyond human reach. The LSSR policy has an impact on the intensity of the chicken rearing, where this pandemic has reduced the rearing cycle due to reduced market demand. Not only that, but breeders are also forced to reduce the amount of production to reduce production costs. In this case, Budiono Farm carries out a partnership agreement with PT. Cemerlang Unggas Lestari, during the conditions before

the Covid-19 pandemic, the delivery of Day Old Chicken (DOC) from the main party to the farm was around 5-6 times a year. However, due to several areas implementing LSSR including West Java based on West Java Governor Regulation Number 36 of 2020 concerning Guidelines for Large-Scale Social Restrictions in the Prevention of Coronavirus Disease 2019 (Covid-19) where one of the senders of chicks is from Tasikmalaya, so access to the chicks are getting tighter and harder, so the main party only send chicks 4 times a year.

In the contract between Budiono Farm and PT. Cemerlang Unggas Lestari, it contains an Article regarding *Force Majeure*, which reads:

Article 15

“If *Force Majeure* occurs, such as natural disasters, riots, floods, volcanic eruptions, fires, serious chicken/poultry disease outbreaks and others that directly affect the ability of one of the parties to implement this agreement, the party experiencing this must report to the other party regarding the incident within 12 hours of the incident, so that the parties together can immediately take actions deemed necessary and useful to reduce the loss/risk of a *Force Majeure* event that occurs. In such case, each of the parties cannot be held responsible for the extraordinary incident or *Force Majeure*”.⁸

The non-fulfillment of an agreement can be legally justified if the parties can prove that there are unavoidable obstacles or it is called *Force Majeure*. In

⁸ Contract between Budiono Farm and PT. Cemerlang Unggas Lestari

the Common Law system the doctrine of *Force Majeure* is defined as the inability to carry out the performance.⁹ The *Force Majeure* clause is an agreement intended to prevent the loss of one of the parties due to the inability to fulfill its performance. Although this inability occurs not because of a fault or negligence but because of an unexpected event. Unexpected events can be fire, earthquake, flood, thunderstorm, hurricane, other natural disaster, power outage, catalyst breakdown, sabotage, war, invasion, civil war, rebellion, revolution, military coup, terrorism, nationalization, blockade, embargoes, labor disputes, strikes and sanctions against the government.¹⁰

Based on the background and cases mentioned above, the writer is interested in researching the problem with the title “THE IMPACT OF COVID-19 IN BROILER CHICKEN PARTNERSHIP AGREEMENT”.

B. Statement of Problem

1. What is *Force Majeure* categorization in the implementation of the partnership agreement at Budiono Farm?

⁹Anonim, 2011, *Force majeure in Troubled Times: The Example of Libya*, Hutson, Jones Day Publication, p. 1

¹⁰Thomas S. Bishoff & Jeffrey R. Miller, 2009, *Force majeure and Commercial Impracticability: Issues to Consider Before the Next Hurricane or Natural Disaster Hits*. *The Michigan Business Law Journal*, 1(1), p. 17

2. What is the impact of Large-Scale Social Restriction in implementing broiler chicken partnership agreement between Budiono Farm and PT. Cemerlang Unggas Lestari?

C. Objectives Research

The objectives to be achieved by the author in conducting this research can be categorized into two groups, namely:

1. Objective Goal, namely:
 - a. To find out the categorization of *Force Majeure* in the implementation of the partnership agreement at Budiono Farm.
 - b. The author wants to know the impacts of Large-Scale Social Restriction policy in the implementation of broiler chicken partnership agreement between Budiono Farm and PT. Cemerlang Unggas Lestari.

2. Subjective Goal, namely :

To obtain data in the context of drafting legal writing as one of the requirements for obtaining a law degree at the Faculty of Law, Universitas Muhammadiyah Yogyakarta.

D. Benefit of Research

The benefits of this research are as follows:

1. Theoretical Benefits

Theoretically, the benefits of writing this law can provide knowledge of Civil Law, especially in the field of agreement.

2. Practical Benefits

The practical benefit of this research is that it can provide guidance to the community in implementing partnership agreements during the Covid-19 pandemic and can be used to resolve cases similar to this case.