

## **ABSTACT**

*Agricultural sector in the Indonesian economy has traditionally been known as an important sector for such acts as the main source of food, and economic growth. One area which is the largest export producer of palm oil is the agribusiness sector, which can produce palm oil, biodiesel and cosmetic raw materials.*

*Step analysis of this study is to determine in advance the position of the upstream oil palm industry and the needs of the downstream sector of oil products, palm oil, after it carried out the analysis and evaluation of the implementation strategy at this point in the framework of competition in the upstream oil palm industry has been effective whether or not .*

*Generally, the agribusiness sector during 2009 has decreased. This can be seen from the growth rate dropped to 3.75% in quarter II/2009, compared to 5.53% in the same period in 2008.*

*Oil palm is one of the most rapidly growing commodity in the last two decades. In the era of the 1980s until the mid-1990s, the oil palm industry is growing very rapidly. In this period the area increased at a rate of approximately 11% per year. In line with the expansion of acreage, production also increased at a rate of 9.4% per year. Domestic consumption and exports also increased significantly with each rate of 10% and 13% per year.*

*Strategy analysis focuses on overall corporate development by controlling operating costs by increasing productivity, focus on palm oil industry which is currently a shortage of seeds achieve 70 million / year, to be innovative in refined products from crude palm oil into products such as biogas and energy Alternatively, to expand out Jambi province for future development and make improvements on the management side.*