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# Strategic Management of Rice Agribusiness in Papuan Local Farmers in Semangga District, Merauke Regency

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**Abstract.** This research aims to analyze the management of local farmers' agribusiness in rice farming in the semangga district. There are strengths and weaknesses of agribusiness management by local farmers so it is necessary to develop an appropriate strategy formulation for local farmers. Data was analyzed quantitatively using the likert scale technique with a total sample of 50 respondents. Location selection by purposive sampling or intentionally, the research location was conducted in the District of Semangga, Meruke Regency. The results of the study show that all sectors in the agribusiness sub-system have not been well adopted by local farmers.

Keywords. Local, Strategy, Management, Agribusiness, Rice

#### 1. Introduction

Indonesia is an agrarian country where most of the population lives from agricultural products, so agriculture is a sector that plays an important role in the welfare of the lives of the Indonesian population. Good and continuous agriculture will support the needs of sustainable and sufficient food and improve the living standards of people in rural areas. The staple food needs of the Indonesian people are rice sourced from rice. [4].considering the importance of rice commodities for people's lives so that the government needs to pay serious attention in handling the development of food crops in general, the agribusiness sector. [2].

The current phenomenon in avoiding food imports, as much as possible creates productive agriculture. Therefore it is necessary to manage agricultural strategies. The current development of agriculture is directed to the agribusiness system covering the sub-input system, the process sub-system to the sub-system and the supporting sub-systems. Fulfillment of rice production will certainly require infrastructure to support rice agribusiness activities, so that the sub-system can be controlled by agribusiness players as a whole. [6]. The basic principle of management strategy that needs to be considered is the use of natural resources for food and agribusiness development sustainably in accordance with the capabilities and carrying capacity of nature. The input sub-system includes the production process or farming activities carried out in an environmentally friendly manner, so as not to cause negative impacts and externalities to the community. In its substance, Agribusiness explained that



Chapter ICSS (International Conference on Social Science)

the output sub-system includes handling and processing of products, distribution and marketing, and the use of products that do not cause environmental problems (waste and waste).

Food security programs are shown to shape Indonesian people who are independent and prosperous. To support this, the resulting agribusiness products must be profitable for business, meet market preferences, consumers, and be safe for consumption. The situation and development of demand and market are references in agribusiness. [7].

The development of the agribusiness system is also in line with the mandate of the constitution namely No. 22 of 1999, Law No. 25 of 1999 and PP 25 of 2000 concerning the implementation of Regional Autonomy. [3]. In terms of economy, the essence of Regional Autonomy is to accelerate regional economic development by utilizing available resources in each region, which is nothing but resources in the field of agribusiness. The government wants to maintain self-sufficiency in rice in a sustainable manner. Increased rice productivity of 1.5% per year with a 1.52 harvest index is expected to maintain rice self-sufficiency until 2025. [5]. Efforts to achieve these targets are to develop strategies to encourage synergy between the agribusiness sub-systems. Next is increasing farmers' access to resources, capital, technology and markets and encouraging increased productivity through new innovations. It is important to encourage active participation of all stakeholders, including government support, the role of credit institutions and the development of partnership programs, formulating strategies in responding to competitive business competition and knowledge of climate and weather information in implementing farming.

Merauke Regency is a food center in eastern Indonesia, Merauke regency has the highest rice production in Papua province so that Merauke Regency is dubbed as a national food barn. This is proven by the fact that Merauke district produces the highest rice production in Papua Province, namely 153,661.09 tons with productivity of 4.73 tons / ha [1]. The composition of farmers in Merauke regency is dominated by non-papuan farmers and other sub-systems of agribusiness that cannot be controlled by local farmers, so it will become a problem or problem when local farmers have not mastered the management of agribusiness. The high productivity of rice in Merauke Regency is an advantage and attractiveness to formulate the right strategy for local farmers to be able to manage agribusiness as a whole on rice commodity farming.

#### 2. Methodology

This research was conducted in June 2018 in the Semangga District of Merauke Regency. The location of the study was purposively or purposive sampling by looking at the number of local Papuan farmers who were active in rice farming. The population is all local farmers using the Slovin formula so that the number of samples used is as high as 50 respondents of local farmers and sample selection is done randomly. The research method is quantitative descriptive. The analysis used is the Likert scale to find out perceptions, opinions and attitudes of local farmers descriptively through questionnaires.

#### 3. Result and Discussion

Analysis of the distribution of answers to respondents of local Papuan farmers in the Semangga District **Table 1.** Likert Scale

Management Strategy Pattern Indicator VL L HE Η VH Total Rata – Rata 170,4 Total

Information:



Chapter ICSS (International Conference on Social Science)

- 1. Government Support
- 2. The Role of Credit Institutions
- 3. Development of the Partnership Program
- 4. Business Competition
- 5. Climate and Weather

#### 3.1. Local Government Support

The support of the Merauke district government to local Papuan rice farmers is very high, seen in the results of the Likert scale test with a total of 213. The support provided by the government in the form of non-financial assistance, namely, printed land, tools, machinery, seeds and fertilizers. Local government support that has been received by local farmers has a very positive impact on the progress of farming.

#### 3.2. Business Competition

Business competition that occurs between rice farmers is so high, it can be seen from the results of the Likert scale test which is equal to 181. Business competition is a natural thing that happens in the business / business world, so that through the competition, the strategies of each businessman emerge to master market. In the neighboring districts, rice farming competition faced is the beginner of local farmers who will later compete with experienced rice farmers, namely non-local farmers. Non-local farmers have more control over various agribusiness sub-systems ranging from input, process to output and other support.

#### 3.3. Development of the Partnership Program

The development of partnership programs implemented by local farmers is quite high, as seen from the results of the Likert scale, which is equal to 167. The agribusiness sector in running a business is building partnerships with other parties. The partnership program that has been implemented is a partnership with the government through bulog, private entrepreneurs, and other stakeholders and this partnership is going pretty well. So what needs to be improved on the partnership system for local farmers in the Semangga district is the marketing and management system.

#### 3.4. The Role of Credit Institutions

The role of credit institutions in the rice agribusiness sector is still relatively low, as seen from the Likert scale iji yield, which is equal to 155. The constraints experienced in running the rice agribusiness sector in accessing credit are quite high returns for long periods of time. The second cause is that farmers do not have a legal guarantee to access credit. So the role of credit institutions for local farmers is low.

#### 3.5. Climate and weather

Climate and weather have an effect on farming activities. Information and understanding of climate and weather for local farmers is very low, seen from the results of the Likert scale test which is equal to 136. Climate shows a strong influence on farming, because if an extreme climate occurs it will harm farming such as long droughts or rain resulting in submerged plants and broken. Adobtion of climate and weather information received by local farmers is very low.

#### **Initiative Progress Strategy**

- 1) The role of the government in providing adequate warehousing systems
- 2) The role of the government in facilitating rice milling in local villages
- 3) The role of the government in opening partnerships with parties outside the region
- 4) The implementation of technical guidance, guidance, training and counseling by related parties such as agricultural extension officers, university supervisors, universities, private sector and food crop agencies and other institutions to develop local farmer human resources in adopting



Chapter ICSS (International Conference on Social Science)

- technology, cultivation techniques and farming management systems for the development of rice farming for more prospective local farmers.
- 5) Support information from BMKG district to the local farmers about extreme weather forecasts so that risk can be minimized in rice farming being carried out.

#### 4. Conclusion

Agribusiness management strategies for local farmers in the semangga district need to be handled exclusively so that all agribusiness sub-systems can be managed directly by local Papuan farmers

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