

PROCEEDING INTERNATIONAL CONFERENCE

Agribusiness Development for Human Welfare



Organized by:

Department of Agribusiness, Faculty of Agriculture Universitas Muhammadiyah Yogyakarta

Supported by:















PROCEEDING INTERNATIONAL CONFERENCE

AGRIBUSINESS DEVELOPMENT FOR HUMAN WELFARE

"Small and Medium-sized Enterprises Competitiveness"



ISBN 978-602-7577-70-1



EDITOR TEAM

Siti Yusi Rusimah Achmad Fachruddin Rohandi Aziz Dara Rosalia

ADDRESS

Agribusiness Department
Agriculture Faculty
Universitas Muhammadiyah Yogyakarta

Jl. Lingkar Selatan, Tamantirto, Kasihan, Bantul, Yogyakarta, 55183

Phone. 0274-387656 (ext. 201) Fax. 0274-387646

e-mail: adhw2016@umy.ac.id



EDITOR FOREWORD

The economic integrations by ASEAN certainly have given a major influence on Small and Medium-sized Enterprises (SMEs). Beside economic integration in the form of free trade area (FTA) that has been going on since the early 2000s, economic integration in the form of ASEAN Economic Community (AEC) has been ongoing since the beginning of 2016. Through this integration, SMEs have opportunity to expand access to markets, technology, and capital. But at the same time SMEs are required to improve their competitiveness in order to survive in the market.

In order to explore ideas, concept, and innovations related to the competitiveness of SMEs, International Conference on Agribusiness Development for Human Welfare (ADHW 2016) was held in Yogyakarta on May 14, 2016. The conference organized by Department of Agribusiness Universitas Muhammadiyah Yogyakarta, in collaboration with Department of Agribusiness and Information System Universiti Putra Malaysia, Department of Agro-Industrial Technology Kasetsart University, Department of Agriculture Socio-Economics Universitas Gadjah Mada, Department of Agriculture Socio-Economics of Universitas Brawijaya, Indonesian Society of Agriculture Economics, Agribusiness Association of Indonesia. Hopefully proceedings of ADHW 2016 provide stimulus for increasing competitiveness of SMEs in ASEAN, especially in Indonesia.

Furthermore, we are grateful to Allah, the Sustainer of all word, who always makes it easy for our affairs. We would like to acknowledge with thanks to all the institution and individual who joined with resources and efforts in organizing the conference that resulted in the papers which are published in this proceeding. Special thanks to all authors and discussants who contributed with their intellectual capital and responded to our call papers. Thanks and acknowledgment are also due to all reviewers of the conference who helped in evaluating submitted papers; and to the members of the Organization Committee, who ensured smooth execution of the event.

May 30, 2016

Editor



LIST OF REVIEWERS

1. Prof. Dr. Mad Nasir Shamsudin	(Universiti Putra Malaysia)
2. Prof. Dr. Zaenal Abidin Mohamed	(Universiti Putra Malaysia)
3. Dr. Ismail Abd. Latif	(Universiti Putra Malaysia)
4. Dr. Juwaidah Sharifudin	(Universiti Putra Malaysia)
5. Assist. Prof. Dr. Amin Mahir Abdullah	(Universiti Putra Malaysia)
6. Assist. Prof. Dr. Nitty Hirawaty K.	(Universiti Putra Malaysia)
7. Assist. Prof. Dr. Parthana Parthanadee	(Kasetsart University)
8. Assist. Prof. Dr. Pornthipa Ongkunaruk	(Kasetsart University)
9. Dr. Jumpol Vorasayan	(Kasetsart University)
10. Prof. Dr. Ir. Masyhuri	(Universitas Gadjah Mada)
11. Prof. Dr.Ir. Irham, M.Sc.	(Universitas Gadjah Mada)
12. Dr. Jamhari, SP. MP.	(Universitas Gadjah Mada)
13. Dr. Jangkung HM, SP.M.Ec.	(Universitas Gadjah Mada)
14. Subejo, SP, M.Sc., Ph.D.	(Universitas Gadjah Mada)
15. Dr. Ir. Rini Dwiastuti, M.S.	(Universitas Brawijaya)
16. Ir. Edi Dwi Cahyono, M.Sc., Ph.D.	(Universitas Brawijaya)
17. Wisynu Ari Gutama, S.P., M.MA.	(Universitas Brawijaya)
18. Hery Toiba, S.P., M.P., Ph.D.	(Universitas Brawijaya)
19. Yuniar Khasanah, M.Sc.	(Lembaga Ilmu Pengetahuan Indonesia)
20. Lusty Istiqamah, M.Biotech	(Lembaga Ilmu Pengetahuan Indonesia)
21. Ir. M. Kismuntono	(Lembaga Ilmu Pengetahuan Indonesia)
22. Dr. Ir. Sriyadi, MP.	(Universitas Muhammadiyah Yogyakarta)
23. Dr. Ir. Widodo, MP.	(Universitas Muhammadiyah Yogyakarta)
24. Dr. Ir. Indardi, M.Sc.	(Universitas Muhammadiyah Yogyakarta)
25. Dr. Ir. Triwara BS, MP.	(Universitas Muhammadiyah Yogyakarta)
26. Dr. Aris Slamet Widodo, SP. MSc.	(Universitas Muhammadiyah Yogyakarta)



ATTENDED REVIEWER

NO	NAME	INSTITUTION	SIGNATURE
1	Prof. Dr. Zaenal Abidin Mohamed	UPM	7~
2	Assistant, Prof. Dr. Pornthipa Ongkunaruk	Kasetsart University	Pornthipa0
3	Prof. Dr. Ir. Irham, M.Sc	UGM	82
4	Dr. Jangkung HM, SP. M.Ec	UGM	Timis
5	Dr. Ir. Lestari Rahayu Waluyati, MP	UĢM	₹
6	Ir.Edy Dwi Cahyono, M.Sc., PhD	UNIBRAW	78
7	Wisnynu Ari Gutama, S.P, M.MA	UNIBRAW	BU
8	Hery Toiba, S.P.,M.P.,Ph.D	UNIBRAW	At.
9	Yuniar Khasanah, M.Sc	LIPI	Ofre
10	Lusty Istiqamah, M.Biotech	LIPI	dr.
11	Ir. M. Kismuntono	LIPI	There



PREFACE

Assalaamualaikum, Warahmatullaahi., Wabarakaatuh.

Dear Honorable Governor of Yogyakarta Special Province

Dear respectable Prof. Dr. Zainal Abidin Mohamed

Dear respectable Asist. Prof. Pornthipa Ongkunaruk

Dear respectable Rector of UMY Prof. Dr. Bambang Cipto, MA.

Dear all invited Guests, Speakers, and Participants of International seminar of ADHW 2016.

Alhamdulillah, all praise be to the Almighty God, so that we can be gathering here today at Muhammadiyah University of Yogyakarta in order to attend the Conference on Agribusiness Development for Human Welfare (ADHW) 2016.

Ladies and Gentlemen,

On behalf of the committee, I would like to say welcome to this International Conference on ADHW 2016 and thank you for attending our invitation.

Especially, we are grateful to invited speakers, Prof. Zainal Abidin Mohamed and Asist. Prof. Pornthipa Ongkunaruk, for their willingness to share information and thoughts in this conference. As a bit report, that this conference has been attended by 85 speakers coming from five countries.

This conference entitled "Small and Medium-sized Enterprise Competitiveness". ASEAN Economic Community is the largest economic integration that is going to be implemented at the beginning of 2016 (December 31, 2015). Through this integration, SMEs will have opportunity to expand access to markets, technology, and capital. But at the same time SMEs are required to improve their competitiveness in order to survive in the market. We expect that this seminar is capable of producing thoughts building SMEs within ASEAN, especially Indonesia, to face the free trade.

This event can be done by support and efforts from all sides. Therefore, I would like to say thank you to all committee members having worked hard to conduct this event. We, as the organizer commitee, do apologize when there is a shortage in conducting this event.

Wassalamualaikum, Warahmatullaahi., Wabarakaatuh.

Chairman

International Conference on ADHW 2016

Dr. Aris Slamet Widodo, SP., MSc.



WORDS OF WELCOME

Assalamu'alaikum warahmatullahi wabarakatuh

Alhamdulillah, all praise be to Allah SWT, who has given us His blessings so that this International Seminar of Agribusiness Development for Human Welfare (ADHW) 2016 entitled "Small and Medium-sized Enterprises Competitiveness" can be conducted. This International Conference is held in cooperation among Agribusiness Study Program of Muhammadiyah University of Yogyakarta with Putra University of Malaysia (UPM), Kasetsart University (KU), Association of Indonesian Agricultural Economy (PERHEPI), and Agribusiness Association of Indonesia (AAI), Universitas Gadjah Mada (UGM) and Universitas Brawijaya (UB).

Countries of ASEAN members like Indonesia, Malaysia, and Thailand have more than 90% Small and Medium-sized Enterprises (SMEs). In general, SMEs play important role in economic developments such as in terms of employment, added value, improve foreign exchange, and economic growth. For Indonesia, the role of SMEs is limited to employment and added value, while the foreign exchange from SMEs is still low. According to the General Director of SMEs of Industrial Ministry, in 2013 the total SMEs being able to pass through export market is just under 5 percent. For that required many breakthrough and innovation so that the role of SMEs becomes real economic development, especially in Indonesia, and generally in ASEAN countries.

On behalf of Agribusiness Department of Universitas Muhammadiyah Yogyakarta, we would like to express our gratitude Putra University of Malaysia (UPM), Kasetsart University (KU), Association of Indonesian Agricultural Economy (PERHEPI), Agribusiness Association of Indonesia (AAI), Universitas Gadjah Mada (UGM) and Universitas Brawijaya (UB) for all supports, sponsors, and all committee members having worked so hard that this International Conference can be conducted.

Hopefully, these sinergies coming from various parties can provide contribution for developing SMEs in Indonesia and other ASEAN countries as well.

Wassalamu'alaikum warhmatullahi wabarakatuh

Head of Agribusiness Department Universitas Muhammadiyah Yogyakarta

Ir. Eni Istiyanti, MP.





Gubernur

Daerah Istimewa Yogyakarta

Sambutan KONFERENSI INTERNASIONAL "AGRIBUSINESS DEVELOPMENT FOR HUMAN WELFARE" Yogyakarta, 14 Mei 2016

Assalamu'alaikum Wr. Wb.

Salam sejahtera untuk kita semua.

Yang Saya hormati:

- Rektor Universitas Muhammadiyah Yogyakarta;
- Para Narasumber;
- Hadirin dan Para Peserta yang berbahagia,

Puji dan syukur marilah kita panjatkan kehadirat Allah SWT karena hanya atas limpahan rahmat serta karunia-Nya, kita dapat hadir pada kesempatan acara **Konferensi Internasional "***Agribusiness Development For Human Welfare*" ini dalam keadaan sehat wal'afiat.

Pada kesempatan kali ini, secara ringkas Saya akan menyampaikan mengenai industri kecil menengah nasional yang menjadi tema pada pembukaan Seminar Internasional "Agribusiness Development For Human Welfare" ini.

Hadirin dan Saudara-saudara sekalian yang Saya hormati,

Berdasarkan data BPS, pertumbuhan industri pengolahan nonmigas pada tahun 2015 secara kumulatif sebesar 5,04%; lebih tinggi dari pertumbuhan ekonomi (PDB) pada periode yang sama sebesar 4,79%. Pada periode Januari-Desember 2015, nilai ekspor produk industri pengolahan nonmigas mencapai USD 106,63 Milyar, dan nilai impor mencapai USD 108,95 milyar, sehingga neraca perdagangan insdustri pengolahan nonmigas pada periode yang sama sebesar USD 2,32 milyar (nerasa defisit).

Usaha pemerintah untuk memperkecil defisit di atas, salah satunya dengan cara memberdayakan Industri Kecil dan Menengah (IKM) yang merupakan bagian penting dalam perkembangan industri nasional. Sampai saat ini, Insutri Kecil dan Menengah



telah berkontribusi sebesar 34,82% terhadap pertumbuhan industri pengolahan nonmigas secara keseluruhan.

Angka ini dapat tercapai karena dukungan lebih kurang 3,6 juta unit usaha, yang merupakan 90 persen dari total unit usaha insutri nasional. Jumlah unit usaha tersebut telah mampu menyerap tenaga kerja sebesar 8,7 juta orang, yang tentunya berdampak pada meningkatnya ekonomi nasional serta mengurangi kemiskinan.

Industri Kecil dan Menengah (IKM) memiliki peran yang strategis dalam perekonomian nasional. Hal ini sejalan dengan Visi Pemerintah dalam Rencana Pembangunan Nasional Jangka Menengah (RPJMN) 2015-2019 yaitu "Terwujudnya Indonesia yang berdaulat, mandiri, dan berkepribadian berlandaskan gotong royong".

Untuk lebih meningkatkan peran tersebut, Penumbuhan dan Pengembangan Industri Kecil dan Menengah diarahkan untuk memiliki tujuan jangka menengah guna mewujudkan industri kecil dan industri menengah yang berdaya saing, berperan signifikan dalam penguatan struktur industri nasional, pengentasan kemiskinan dan perluasan kesempatan kerja, serta menghasilkan barang dan/atau jasa Industri untuk keperluan ekspor.

Hadirin dan Saudara-saudara sekalian,

Awal tahun ini, kita telah memasuki era Masyarakat Ekonomi ASEAN (MEA). Dengan demikan, perekonomian nasional akan langsung bersaing dengan para pelaku pasar di kawasan ASEAN. Produk dan jasa termasuk investasi negara-negara anggota telas bebas memasuki pasar di kawasan ASEAN.

Dalam rangka menghadapi hal tersebut, Pemerintah mengambil langkahlangkah strategis berupa peningkatan daya saing industri dan mendorong investasi di sektor industri; di mana peningkatan daya saing industri itu sendiri dilakukan melalui penguatan struktur industri dengan melengkapi struktur industri yang masih kosong serta menyiapkan strategi ofensif dan defensif dalam akses pasar.

Pemerintah telah melakukan Penguatan Sektor IKM dengan strategi ofensif dan defensifnya melalui beberapa program pelaksanaan, diantaranya antara lain: Penumbuhan Wirausaha Baru; Pengembangan IKM melalui Pengembangan Produk IKM serta Peningkatan Kemampuan Sentra dan UPT; Pemberian Bantuan Mesin dan Peralatan Produksi; Perluasan Akses Pasar melalui Promosi dan Pameran; Fasilitasi Pendaftaran Hak Kekayaan Intelektual; Fasilitasi Sertifikasi Mutu Produk dan Kemasan; serta Fasilitasi Pembiayaan melalui Skema Kredit Usaha Rakyat (KUR).

Saya berharap agar berbagai program-program pemerintah tersebut dapat didukung secara sinergis oleh seluruh komponen masyarakat. Untuk itu, Saya berpesan kepada Saudara-saudara sekalian agar semua program pemerintah dalam bidang



Industri, khususnya dalam program pemberdayaan Industri Kecil dan Menengah, didukung dengan sepenuh hati, agar dapat lebih bermanfaat bagi masyarakat dalam rangka pengembangan industri kecil menengah.

Hadirin dan Saudara-saudara sekalian yang Saya hormati,

Demikian beberapa hal yang dapat Saya sampaikan. Akhirnya dengan memohon ridho Allah Subhanahu Wata'ala, seraya mengucap "Bismilahirrahmanirrahim", Konferensi Internasional "Agribusiness Development For Human Welfare" dengan ini secara resmi Saya nyatakan dibuka. Semoga Allah SWT memberikan petunjuk, bimbingan, perlindungan dan kemudahan dalam setiap langkah dan upaya kita. Amien.

Sekian dan terima kasih.

Wassalamu'alaikum Wr. Wb.

Yogyakarta, 14 Mei 2016

DAERAHISTIMEWA YOGYAKARTA

HAMENGKU BUWONO X



TABLE OF CONTENTS

EDITOR FOREWORDi
LIST OF REVIEWERS ii
PREFACEiv
WORDS OF WELCOMEv
WELCOME FROM GOVERNOR OF YOGYAKARTAvi
TABLE OF CONTENTSix
RICE SELF-SUFFICIENCY IN INDONESIA: AN ANALYSIS ON BUDGET ALLOCATION AND THE ACHIEVEMENT
MODELING OF COOPERATION TO IMPROVE RURAL ECONOMIC IN LANGKAT 8 Muhammad Buchari Sibuea
GRANARY GROUP PERFORMANCE IMPACT TO THE PRICE AND FOOD SELF- SUFFICIENCY ON THE FARM HOUSEHOLDS20 Sri Mardiyati, Jamhari, Jangkung Handoyo Mulyo Dwidjono Hadi Darwanto
ANALYSIS OF AGRIBUSINESS SYSTEM AND COMPETITIVENESS OF GROUPER FISH IN INDONESIA
ANALYSIS OF COMPETITIVENESS ASEAN RICE TRADE IN THE ERA OF ASEAN ECONOMIC COMMUNITY36 Mohammad Natsir, Sri Mardiyati
PARTICIPATORY EXTENSION AND FARMERS ATTITUDE CHANGE (CASE PASSION FRUIT FARMERS IN THE VILLAGE BATU BELERANG SINJAI DISTRICT)
Muh. Arifin Fattah and Amruddin
THE RELATIONSHIP BETWEEN EMPOWERMENT OF FARMER GROUP ASSOCIATION (GAPOKTAN) AND MANGO FARM INCOME
EFFECTIVENESS OF TRAINING MODEL ON CRAFTSMEN CALLIGRAPHY GOAT LEATHER IN AN ATTEMPT TO STRENGTHEN THE COMPETITIVENESS IN SUKOHARJO, INDONESIA
EFFORTS TO IMPROVE COMPETITIVENESS OF WOMEN FARMERS GROUP "MELATI" IN SENDANGSARI VILLAGE, PENGASIH DISTRICT, KULON PROGO REGENCY
INSTITUTIONAL CHANGE AND ITS EFFECT TO PERFORMANCE OF WATER USAGE ASSOCITION IN IRRIGATION WATER MANAGEMENTS
FOOD PROCESSING INDUSTRY EMPOWERMENT EFFECTIVENESS IN BANGUNTAPAN SUB-DISTRICT, BANTUL, YOGYAKARTA SPECIAL REGION76 Sapto Husodo, Amie Sulastiyah, Galuh H.E. Akoso
URBAN DWELLER PERCEPTION TOWARDS URBAN AGRICULTURE85 Ida Naziera Ngahdiman, Rika Terano. Zainal Abidin Mohamed



EFFECTIVENESS OF WELFARE DEVELOPMENT SCHEME ON QUALITY OF LIFE TO RURAL POOR COMMUNITY IN MALAYSIA93
Mohd Nizam Abdul Aziz, Fazlin Ali, Zainal Abidin Mohamed and Hanina Halimatusaadiah Hamsan
ASSOCIATION BETWEEN SOCIO-DEMOGRAPHIC CHARACTERISTICS WITH PINEAPPLE FARMER'S KNOWLEDGE, SKILLS AND PRACTICES IN MALAYSIA.106 Melissa Alina Yusoff, Norsida Man, Nolila Mohd Nawi, Khadijat Jaji
MARKET STRUCTURE AND ANALYSIS OF SEA FISH MARKETING AT DISTRICT OF JEMBER112 Syamsul Hadi, Edy Sutiarso, dan Henik Prayuginingsih
MARKET STRUCTURE, EFFECTIVENESS, AND EFFICIENCY OF THE RUBBER RAW MATERIALS MARKETING IN MUSI RAWAS DISTRICT121 May Shiska Puspitasari
ANALYSIS OF BEEF SUPPLY CHAIN MANAGEMENT AT AGRIBUSINESS BASED SLAUGHTERHOUSE IN UPTD OF ANIMAL SLAUGHTERHOUSE OF PALU129 Muh Zulfadhli Prasetyo, Yulianti Kalaba, Lien Damayanti, dan Erny
ANALYSIS OF INFLUENCE OF MARKETING MIX AGAINST PURCHASE DECISION OF GROWING UP MILK ON THREE SOCIO-ECONOMIC CLASS IN MALANG139 Sunardi, Jabal Tarik Ibrahim, Anas Tain
TRANSACTION COST ANALYSIS ON CARDAMOM MARKETING IN PADASARI VILLAGE, CIMALAKA DISTRICT, SUMEDANG REGENCY
RICE SEEDS MARKET STRUCTURE IN EAST JAVA
NUTMEG'S (MYRISTICA FRAGGAN HAITT) ANALYZE MARKETING MARGIN AND EFFICIENCY OF TANJUNG SANI VILLAGE TANJUNG RAYA SUBDISTRICT AGAM DISTRICT
Devi Analia, Faidil Tanjung, Syofyan Fairuzi dan Ramita Sari Pimura THE EFFICIENCY OF SUPPLY CHAIN EMPING MELINJO IN BANTUL REGENCY
YOGYAKARTA183
Eni Istiyanti, Diah Rina Kamardiani
VALUE CHAIN OF PINEAPPLE IN MALAYSIA191 Norsida Man, Nolila Mohd Nawi, Khadijat Jaji, Melissa Alina Yusoff
DYNAMIC SYSTEM OF INDONESIAN HALAL MEAT INDUSTRY: SUSTAINABLE SUPPLY CHAIN MANAGEMENT PERSPECTIVE
ANALYSIS OF THE PROFITABILITY OF DAIRY FARMERS BASED ON THE SCALE OF LIVESTOCK OWNERSHIP IN DISTRICT SEMARANG216 Mukson, S.I.Santoso, H.I.Nisa, H. Setiyawan and M. Handayani
DEVELOPMENT STRATEGY OF LEADING COMMODITY THROUGH COMMUNITY-BASED ENTERPRISE IN INDONESIA-MALAYSIA BORDER AREA223 Jangkung Handoyo Mulyo, Irham, Hani Perwitasari, Fatkhiyah Rohmah
BUSINESS DEVELOPMENT STRATEGY SOYBEAN SAUCE PRODUCTION IN <i>CAP BAWANG</i> SOY SAUCE COMPANY AT NGAWI REGENCY230 Feti Munika Sakti, Mohamad Harisudin, Raden Rara Aulia Qonita
FOREIGN LABOR RECRUITMENT IN OIL PALM PLANTATION IN MALAYSIA241 Marlia Musa, Amin Mahir Abdullah, Mohd Mansor Ismail



MICRO ENTREPRENEURS' INTENTION TO BECOME MEMBER OF MICROCREDIT SCHEME WITH EDUCATIONAL TRAINING AND MOTIVATIONAL PROGRAM250 Rika Terano, Zainalabidin Mohamed and Fatin Najiha Mohd Tammili
FARMING INCOME ANALISYS OF DRY LAND IN THE GUNUNGKIDUL DISTRICT257
Aris Slamet Widodo, Retno Wulandari
ANALISYS OF FACTOR THAT INFLUENCE THE DEMAND FOR ORGANIC VEGETABLES IN MEDAN264 Sasmita Siregar, Hadriman Khair, Yudha Andriansyah Putra
RICE CONSUMER BEHAVIOR IN THE MUSI RAWAS DISTRICT272 Zaini Amin
ANALYSIS OF CONSUMER PERCEPTIONS AGAINST LOCAL AND IMPORT FRUITS IN MEDAN280 Hadriman Khair
CONSUMERS'INTENTION TO PURCHASE GENETICALLY- MODIFIED SOYBEAN PRODUCTS IN MALAYSIA288 Welson Chin Vui Son, Kelly Wong Kai Seng, and Juwaidah Sharifuddin
CONSUMER PREFERENCE TOWARDS ORGANIC VEGETABLES AT SUPER INDO SULTAN AGUNG YOGYAKARTA299 Nisa Murty Andari, Widodo, Sriyadi
STRENGTHENING THE ECONOMIC OF FOREST FRINGES COMMUNITY THROUGH MODEL FOR ENHANCING LOCAL CATTLE COMPETITIVENESS306 Teguh Hari Santosa, Toni Herlambang, Nurul Qomariah, dan Oktarina
FACTORS AFFECTING THE PRODUCTION AND BENEFIT ON THE PLANTING SYSTEM OF JAJAR LEGOWO AND TEGEL IN THE DISTRICT MUSI RAWAS317 Nila Suryati
PLANTING DISTANCE AND DOSE OF ORGANIC MANURE ON THE SOIL CHEMICAL PROPERTIES AND YIELD OF LOWLAND RICE
TECHNOLOGY ADOPTION OF HIGH QUALITY GREENBEANS SEED BY FARMERS' HOUSEHOLD IN CENTRAL JAVA334 Wiludjeng Roessali, Wahyu Dyah Prastiwi, Tutik Dalmiyatun
PRODUCTION EFFICIENCY OF IRRIGATION LOWLAND ORGANIC PADDY FARMING SYSTEM AT BAROKAH FARMER'S GROUP IN SEMARANG REGION.340 Titik Ekowati, Edy Prasetyo, and Bambang Trisetyo Eddy
THE FARMER'S KNOWLEDGE AND ATTITUDES FOR ENVIRONMENTAL FRIENDLY OF SHALLOT CULTIVATION IN BALI
THE ANALYSIS OF A VERTICALLY INTEGRATED ORGANIC RICE COMPANY: A CASE STUDY IN THAILAND354 Yaniga Prasertwattanakul and Pornthipa Ongkunaruk
EFFECTIVENESS AND GROUP COMMUNICATION NETWORK361 Indardi
THE INSTITUTIONAL ROLE IN DISSEMINATING SITE-SPECIFIC AGRICULTURAL INNOVATION IN ACEH

International Conference on Agribusiness Development for Human Welfare 2016

INCREASE RICE PRODUCTIVITY TROUGH MODELS OF CROPPING SYSTEMS AND THE USE OF HYBRID VARIETIES3 Suharno, Rika Nalinda	379
THE FARMER'S PERCEPTION TO THE USING OF TECHNLOGY AFTER PADDY'S HARVEST IN SOUTH SULAWESI3 Irmayani, Hariyono, Nur Rahmah Safarina Hamzah	
VALUATION IRRIGATION OF RICE FARMING AT UPSTREAM AND DOWNSTREA AREAS IN SPECIAL REGION OF YOGYAKARTA	
RICE FARMER'S PERCEPTION AND ITS EFFECT TOWARD INTENTION TO ADOPT ORGANIC FARMING3 Ashari, Juwaidah Sharifuddin, Zainal Abidin Mohammed, Rika Terano	399
FACTORS INFLUENCING THE ATTITUDES OF VEGETABLE FARMERS TOWARD THE USE OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) IN PENINSULAR MALAYSIA4 Nor Haslina Nor Rizan, Amin Mahir Abdullah, Norsida Man, and Nolila Mohd Nawi	



FOOD PROCESSING INDUSTRY EMPOWERMENT EFFECTIVENESS IN BANGUNTAPAN SUB-DISTRICT, BANTUL, YOGYAKARTA SPECIAL REGION

Sapto Husodo¹, Amie Sulastiyah², Galuh H.E. Akoso³

¹Sekolah Tinggi Penyuluhan Pertanian Yogyakarta

²Lecturer at (STPP) Agricultural Extension Major in Yogyakarta

³Staff at STPP Yogyakarta

Jl. Kusumanegara No.2 Yogyakarta

*corresponding author: saphus2007@gmail.com

ABSTRACT

The research aimed to identify the effectiveness of food processing industry empowerment in Banguntapan sub-District as one of STPP Yogyakarta's partner areas. The research was performed during May-October 2015 through purposive sampling. Primary data was retrieved by questionnaire distribution to food processing industry business players as respondents. Methods of data retrieval were questionnaire, interview, and documentation/observation methods. The research presented the following results: 1) the effectiveness of objective achievement indicated that the empowerment activities were effective but only at knowledge achievement sphere; 2) the effectiveness of integration showed that officers have explain the details on food processing industry empowerment planning; and 3) the effectiveness of adaptation indicated that the facilitator, official, and participant recruitments have been adapted to the environment, as well as in the procurement process and human resources assignment.

Keywords: empowerment, effectiveness, food processing industry

INTRODUCTION Background

paradigm agriculture The Indonesia's reformation era places farmers as the subject to attain national goals, namely farmer empowerment to reality bring into an independent, advanced, prosperous, and equitable farmer society. Agricultural growth can be achieved though continuous development indicated by the profitable, sustainable production and the freedom for farmers to independently make the best choices in farming.

The agriculture sector plays a role in providing jobs, especially for most human resources residing in rural areas, where generally farm businesses are located. This condition may reduce the flow of urbanization which encourages people to leave the rural areas and compete in urban areas without adequate education and skills. However, this potential role is hampered by the reality that it only relies

on the primary sector and the relatively small farmland as well as business scale, it is fragmented and operates under/below the economies of scale that may allow them to work efficiently as well as other constraints related to capital and access to financial resources.

Indonesia's past agriculture development has several drawbacks, namely only focused on farming, weak macro policy support and centralistic in nature. As a result Agriculture in Indonesia is still dominated by the following characteristics: (a) small scale farming, (b) limited capital, (c) traditional technology (d) generally influenced by the seasons, (e) local market oriented, (f) family business oriented, (g) limited loan, technology and market access, (h) the mono/olygopsony nature of agriculture commodity market dominated wholesalers. Other obstacles such as uncontrolled farmland conversions, the lack of quality seeds, fertilizer shortages during planting season, rice selfsufficiency which does not improve farmers' welfare and Human Rights cases demanded the government to strive to solve Indonesia's agricultural problems. Some experts believe the approach is unsuitable because it does not put forth the human aspect (the farmers) and the learning process. Agriculture extension objective is that farmers are aware, willing and able to solve their own problems, which is only possible by putting forth the man and the learning process. The notion is supported by the view that the farmer as an adult has already developed a selfconcept. learning experience, readiness to learn (Apps, 1973). Global politics and economic changes also demand updates in agriculture extension. Thus future agriculture development in Indonesia requires not only solving existing problems, but also dealing with challenges upcoming from politics changes domestically as well internationally.

National development is currently facing new challenges with the weakening industrial competitiveness at international market level. The digression is related to the high cost or production process lack of efficiency. This industry cost is generally linked to the increase of energy cost and high economy cost of bureaucracy service. The weak linkages of upstream and downstream industries are also to structure blame the industry for shortcoming.

Medium term industry development policy is directed to building 10 industry clusters as follows: (i) food beverages. (ii) seafood processing. (iii) textiles and textile products, (iv) footwear, (v) oil palm, (vi) wood (including rattan), (vii) rubber and rubber goods, (viii) pulp and paper, (xi) electricity machines and equipments, and (x) petrochemicals. The ten core industry clusters are developed comprehensively and integrated, also simultaneously supported bv development of related and supporting industries. To date industrial development still faces numerous problems and obstacles. The decreasing competitiveness is well related to the yet

implemented competency-based industries. Although it is only one of the so many factors impacting the decline of competitiveness, but the core competencies as the factor in competitive strength has its own value to be considered (Djamaris, 2007).

Agricultural industry is an industry that processes and produces goods supporting the agricultural sector. The industry includes agriculture, estate crops, fisheries, forestry, and livestock. The objectives of agricultural industry development are to: 1) Increase production and its quality; 2) Improve farmers', ranchers, and fishermen's livelihood; 3) Open employment and business opportunities to support industry development; 4) Increase national income through export.

Food processing is an example of agriculture industry. Food processing is apparently popular and favored by the community, in the form of snacks and local specialties. These products are also potential production-wise as well as market-wise, although they still need to undergo improvements in several aspects as technology/equipments. production continuity, quality uniformity, packing, labeling, etc. As from the marketing aspect, the industry still lacks proportion support, market development strategies, limited distribution, and also weak marketing target as well as consumer perceptions (Sapuan, 2000 and Pratiwi, 2002).

Along with the rapid development in sectors in Bantul District, the agriculture and livestock sub sectors well planned development programs. For this reason a good development program as guidance is needed in order to reach the desired targets and goals. One example of good relationship and communication between the district and village government levels may be built in the form of extension programs, dissemination of information, or facilities and funding for the community for their farming and ranching activities. Agriculture extension plays a role in assisting farmers to become self-helping and able to solve their own problems thus



improving their livelihoods. Therefore the important value in extension is empowerment (Sadono, 2008).

Different empowerment activities such as trainings, funding, assistance and transfer technology have implemented in the effort to improve the value add and productivity in the food processing industry, yet the effectiveness of such activities are still unknown. As a result, feedback as evaluation material for the next activity planning is unavailable. Therefore, this research aims to review the effectiveness of food processing empowerment activities industry Banguntapan Sub-District, as one Sekolah Tinggi Penyuluhan Pertanian (STPP) Agricultural Extension Major Yogyakarta's target areas.

Objectives

The research objective is to know the effectiveness of food processing industry empowerment activities in Banguntapan sub-District as STPP Yogyakarta's target area.

Theories

Effectiveness is goal achievement or making the right choices among several alternatives. It can also be interpreted as success measurement in reaching predetermined goals, while efficiency is minimum resources utilization to achieve optimum yield. Efficiency can only be evaluated with relative valuation, comparing input and output.

According to Drucker (1978), effectiveness is an accordance level between the empirical output within a system and the expected output. It is closely related to an activity to work properly for a better result. Effectiveness the main element in achieving predetermined goals in organizations, activities or programs. H. Emerson in Handayaningrat (1994)stated "Effectiveness is measurement in terms of reaching the predetermined targets." According to Steers (1986), effectiveness is the effort range of a program as a system with certain resources facilities to meet its goals and targets

without crippling the means and resources nor putting unnatural pressure towards its implementation.

Efforts evaluate how to an organization runs can utilize the effectiveness concept. This concept is a determining factor to whether or not a significant change to the organization's form and management should be done. In effectiveness this matter. is achievement of organizational goals by efficiently utilizing its resources, namely availability personnel, of infrastructures. method and models. efficient if they are Activities are performed properly in accordance to the procedure, and are effective if they are performed correctly and proven to be beneficial.

Measuring organizational effectiveness is complicated because it can be a studied from many different aspects depending on who performs the assessment and interpretation. From the productivity point of view, a production manager provides an insight effectiveness means quality and quantity of goods and service. This research employs the effectiveness measurement theory by Duncan in Steers (1986): 1) Objective achievement: achievement is the entire effort to achieve objectives, thus it requires phasing, objective achievement consists of time, and goals as concrete targets; 2) Integration: measurement of organization's ability to perfom socialization, develop consensus and communication with other organizations; and 3) Adaptation: the organisation's ability to adjust to its environment. For this, procurement and human resources placement become the measurement.

According to Korten (1992) empowerment is the improvement of the community's self-reliance based on its internal capacities and strength resouces through capital redistribution. Pranarka and Vidhyandika (1996) explained that empowerment is the effort to create a more effective structural just and civilized condition at family, community, state, regional, international levels, as well as politics, economy, et cetera. According to Paul (1987) empowerment means

equitable sharing of power thus enhancing the weaker group's political and power awareness and broaden its influence in the process and results of development. Hulme and Truner (1990) argued that empowerment generates social changes that enables marginalized people to give political influences locally as well as nationally. It is also a process linked to the realitonship of power shifts individuals, amond groups, institutions.

Empowerment is better explained at the point of human being's powerlessness, helplessness, inability to help himself, and losing the ability to control his own life (Prijono and Pranarka, 1996). Empowerment has the interrelating dimensions, such as imposed by Kieffer (1984): 1) Development of a more positive self-concept; 2) A more critical and analytical comprehension of the social political environments. and and 3)Individual and group resources for social and group acts.

The main principles in community empowerment concept development according to Drijver and Sajise in Sutrisno (2005) are: 1) Bottom up approach: in this condition the management stakeholders agree to the predetermined goals then step by step put effort to realize them; 2) Participation: each each planning contributes to management phases; 3) Sustainability: partnership development with all elements within the society; 4) Alignment: policies and trategies at local, regional and national levels; 5) Social and economics benefits: as part of the management program.

The principle of community empowerment is to develop the poor, weak, marginalized, and create interrelationship among the society. development institutions, mobilize & optimalize resources utilization sustainability, reduce dependence, share power and responsibility, and to enhance Empowerment process sustainability. canbe performed individually as well as collectively. This process is the form of social change related to relations among different social levels indicated by

economic polarization, so the ability of "senasib" individuals to gather in a group tend to be valued as the most effective empowerment form (Friedman, 1992).

United Nations (1956) in Tampubolon (2006) define empowerment process as follows:

- 1. Getting to know the local community;
- 2. Gathering knowledge about the local community;
- Identifying the local leaders;
- 4. Stimulating the community to realize that it has problems;
- 5. Helping people to discuss their problem;
- 6. Helping people to identify their most pressing problems;
- 7. Fostering self-confidence
- 8. Deciding on a program action;
- Recognition of strengths and resources;
- 10. Helping people to continue to work on solving their problems;
- Increasing people's ability for selfhelp;

In Community Based Development concept, community empowerment is a community empowering activity by giving motivation and encouragement to the society to be able to discover its own potentials and improve its livelihod. CBD consist of 3 main characters: 1) CBD based on society resources, 2) CBD based on society participation, and 3) Sustainable CBD. Some weaknesses of community empowerment are as follows:

- Community empowerment is usually directed to the local community and focus on society problems (Suharto, 2006), although in reallity the problems may also extend micro and macro aspects.
- Dependency on external sources of funding.
- Imbalance economic structures mainly favoring larger economic groups rather than micro, small and medium enterprises.



METHOD

Time and Location

The research was performed in May to October 2015 in Banguntapan sub-District, Bantul, Yogyakarta.

Sampling and Data Retrival Methods

sampling technique implemented in the research is purposive sampling. For an indepth information on food processing industry empowerment, an interview session with respondents was held on location. The research used primary data retrieved from survey. covering the area of Banguntapan sub-District, Bantul, especially the industrial centers. Samples food processing enterprises were taken as respondents as primary data. Secondary data was taken from secondary sources (Bungin, 2006), in this case secondary data was collected from village and sub-district levels, BP3K, Statistics Bureau, and other related institutions. Data retrieval methods were interview questionnaire. adn documentation, or observation.

Data Analysis Method

This research is qualitative descriptive in nature. A qualitative desctiptive study aims to understand phenomena of what study subjects are experiencing by describing in words in a schientific context (Moleong, 2005). The data analysis method in the study is qualitative data analysis. the data analysis performed process was continually starting with analyzing, observing, recording, until arriving into conclusion. To avoid data error, data validity was tested as follows:

- 1. Data collecting was performed continually on the same subjects.
- Triangulation to other reliable sources if needed
- 3. Checking by the subjects.

In the analysis, the researchers refer to stages as explained by Miles and Huberman cited in Moleong (2005):

Information gathering through interwiew with compatible key

- informans the directly observed on location to support the study.
- Data reduction, the process of selection, focusing on simplification, raw data transformation from notes retrieved from the location.
- Data display in the form of narration, graphics, tables, and charts to improve comprehension.
- 4. Lastly, conclusion drawing/ verification.

Effectivenes measurement theory by Duncan *in* Steers (1986) expressed 3 indicators:

- Objective achievement: achievement is the entire effort to achieve objectives related to the implementation of food processing industry empowerment in Banguntapan:
 - a. Time: the punctuality in activity implementation by the food processing industry empowerment management, namely UPPM (Research and Community Service Unit) of STPP Yogyakarta.
 - b. Target: objectives to be realized by the management in Banguntapan.
- 2. Integration: measurement of the organization's ability to perfom socialization, develop consensus and communication with other organizations. Integration in this research refers to the officials ability perform socialization to the community in realizing the effectiveness of food processing industry empowerment Banguntapan.
- Adaptation: the organisation's ability to adjust to its environment. For this, procurement and human resources placement become the measurement.

RESULTS AND DISCUSSION

In general effectivenes is comprehended as how far a predetermined goal can be realized. Effectiveness concept always associated the expected with the reality result. Effectiveness is a standard in comparing

between performed processes and the achieved goals. A program is considered as effective when an effort gives the Effectiveness expected result. measurement as explained by Steers can be comprehended as a program's or activity's ability to yield profit or gain. Effectiveness can be seen from the financial and work atmosphere point of (Steers. views. Duncan 1985:53) explained effectiveness measures as follows: 1) Objective achievement: includes time and target; 2) Integration: measurement of the organization's ability socialization, perfom develop consensus and communication with other organizations. Integration in this research refers to the officials ability to perform socialization to the community in realizing the effectiveness of food processing industry empowerment in Banguntapan; 3) Adaptation: the organisation's ability to adjust to its environment. For this, procurement and human resources placement become the measurement. In the context of STPP's Research and Community Service Unit (Unit Penelitian dan Pengabdian Masyarakat), implementation of food processing industry empowerment program, levels of effectiveness are:

- 1. Objective achievement
 - a. Time is the punctuality of activity implementation designed by the management of food processing industry empowerment in Banguntapan sub-District.
 - b. Target is the objective to be realized by the management and stakeholders of food processing empowerment industry in Banguntapan sub-District. in general the objective of this empowerment activity knowledge and attitude improvement of the stakeholders. For the knowledge aspect officials performed pre test and post test. Pre test and post test results demonstrated knowledge improvement about agriculture food processing industry
- technique including tubers, syrup, dried noodles, et cetera. Skill and aspects attitude were not measured due to budaet restriction. Empowerment followespecially competency strengthening and development of skills is the responsibility of agriculture extension institution. empowerment The pattern implemented an integrated pattern and responsibility division between farmers and extension officers as the facilitator and motivator for UPPM's farmers. ability empowerment activity realization was effective but limited only to the achievement of knowledge. Interviews with some respondents discovered that the benefit from empowerment activities was only limited to insight and activity improvement but did not contribute to business development efforts. However the empowerment activity was able to motivate the participants to improve their selfconfidence in business development. This may interpreted as an indirect effect of the empowerment program in context of entrepreneurship building character for the participants.
- 2. Integration is the measurement of the organization's to ability socialization: develop consensus and communication with other organizations. Integration is related to procedure and socialization process. Integration in this research means measurement of the ability level of officials in performing socialization to the society and to realize the effectiveness of program empowerment. Integration is related to program socialization process. Socialization is performed prior to empowerment program implementation, so that such program



- can be comprehended and accepted by the community especially the food processing industry players as the empowerment beneficiaries. with Interview the respondents discovered that in the socialization, UPPM officers have clearly explained the empowerment program plan, from what the empowerment through training was, the objectives, also the benefit from participating in such program.
- 3. Adaptation is the organisation's ability to adjust to its environment in the process of procurement and human resources placement. Interview results discovered that the entire facilitator, officials, as well participant recruitment processes was performed by UPPM alongside the human resources department of STPP Yogyakarta after approved by the Vice Dean of Academics. All and criteria during recruitment process was determined by UPPM. After selecting competent human resources, the Dean of STPP assigned the officials and facilitators through decree issuance.

CONCLUSION

Based on field data analysis, the researchers concluded that the Empowerment Program through Food Processing Industry Training by STPP's Research and Community Service Unit (UPPM) was performed effectively by the program implementer. The conclusion was drawn through data analysis using Duncan's program effectiveness, namely objective achievement, integration, and adaptation.

REFERENCES

- Apps, J.W. 1973. Toward A Working Philosophy of Adult Education. New York: Publication in Continuing Education. Syracuse University.
- Bungin, B. 2006. Penelitian Kualitatif Komunikasi, Ekonomi, Kebijakan

- Publik, dan Ilmu Sosial Lainnya, Kencana Prenada Media Group, Jakarta.
- _____. 2007. *Penelitian Kualitatif.* Jakarta: PT Rieneka Cipta.
- Djamaris, A. 2007. Laporan Akhir Kajian Pengembangan Kompetensi Inti Daerah Kab. Bantul. Departemen Perindustrian, Ditjen Industri Kecil dan Menengah
- Drucker, P.F. 1978. *Manajemen: Tugas dan Tanggung jawab Praktek*. Jakarta:Penerbit Gramedia.
- Friedmann, J. 1992. *Empowerment: The Politics of Alternative Development*. Chambridge: Blackwell Publishers.
- Handayaningrat, S. 1994. *Pengantar Ilmu Administrasi Manajemen*. Jakarta: Gunung Agung.
- _____. 2001. Pemberdayaan Ekonomi Rakyat : Sebuah Rekonstruksi Konsep CBD.PT. Pustaka Quantum, Jakarta.
- Hulme, D.M. and Turner. 1990. Sociology of Development: Theories, Policies and Practices. Hertfordshire: Harvester Whearsheaf.
- Kieffer, C. 1984. 'Citizen Empowerment: A Development Perspective', in [20] Rappaport, J., Swift, C. and Hess, R. (eds.). Studies in Empowerment: Steps Toward Understanding and Action. New York: Haworth, 9-3.
- Korten, D.C. 1992. People Centered Development: Reflections on Development Theory and Methods. Manila.
- Moleong, L. J. 2005. Metode Penelitian Kualitatif. Bandung, Edisi Revisi,Penerbit PT Remaja Rosdakarya.
- Paul, S. 1987. Community Participation in Development Projects-The World Bank Experience. Washington DC: The World Bank.
- Pratiwi, A.R. 2002. Kelayakan dan Prospek Pangan Lokal dan Makanan Tradisional di Jawa

- Tengah. Makalah Apresiasi/WorkShop Kajian Pangan Lokal dan Tradisional . Badan Bimas Ketahanan Pangan, Propinsi Jawa Tengah.
- Pranarka & Vidhandika. (1996).

 Pemberdayaan (empowerment).

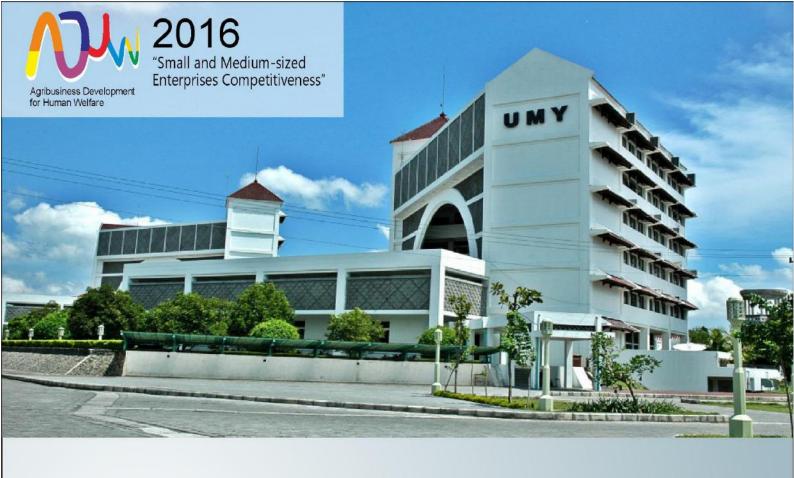
 Jakarta: CSIS.
- Prijono, O.S. dan Pranarka A.M.W. (ed.). 1996. *Pemberdayaan: Konsep, Kebijakan dan Implementasi.* Jakarta: Centre for Strategic and International Studies (CSIS).
- Sadono, D. 2008. Pemberdayaan Petani:
 Paradigma Baru Penyuluhan
 Pertanian di Indonesia. *Jurnal Penyuluhan, Maret 2008, Vol. 4 No.1*. IPB Bogor.
- Sapuan. 2000. Evaluasi dan Strategi Pengembangan Pemasaran Makanan Tradisional . Jurnal Makanan Tradisional Indonesia. Pusat Kajian Makanan Tradisional IPB, UGM dan Unibraw. Volume 2. No. 4 p : 1 – .

- Steers, RM. 1986. *Efektivitas Organisasi*. Jakarta: Erlangga.
- Suharto, E. 2006. Membangun Masyarakat Memberdayakan Rakyat: Kajian Strategis Pembangunan Kesejahteraan Sosial dan Pekerjaan Sosial. Bandung: Refika Aditama.
- 2005. Pemberdavaan Sutrisno. D. Masyarakat dan Upaya Peningkatannya dalam Pengelolaan Jaringan Irigasi Mendut Kabupaten Semarang. Tugas Akhir tidak diterbitkan. Prorgam Perencanaan Studi Wilayah dan Kota, Fakultas Teknik Universitas Diponegoro, Semarang.
- Tampubolon, M. 2006. Pendidikan Pola Pemberdayaan Masyarakat dan Pemberdayaan Partisipasi Masyarakat Dalam Pembangunan Sesuai Tuntutan Otonomi Daerah. http://www.depdiknas.go.id/Jurnal/3 2/pendidikan pola pemberdayaan mas.htm



DISCUSSION FROM PARALLEL SESSION

PAPER TITLE	PER TITLE Food Processing Industry Empowerment Effectiveness in Banguntapan Subdistrict, Bantul, Yogyakarta Special Region	
AUTHOR	Sapto Husodo, Amie Sulatiyah, Galuh H.E Akoso	
DISCUSSION		
QUESTION	 What is the result on Duncan method The indicate is not clear Result too small compared to the whole paper The conclusion is not clear Why the objective, adaption are effective? 	
ANSWER	- Many way to measure effectiveness : objective achievement, integration and adaption	
SUGGESTION	- Less discussion especially on Duncan program	



SECRETARIAT OFFICE

F3 Ground Floor, Agribusiness Department, Universitas Muhammadiyah Yogyakarta Jalan Lingkar Selatan Tamantirto, Bantul. D.I.Yogyakarta 55183 Phone +62274 387656 (Ext 201) Fax +62274 387646

