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Strategy For The Development of Leading Agriculture Commodities

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Abstract

The agribusiness potential in the Tana Tidung Regency area has not been managed and utilized optimally. The results obtained are still relatively small and have not been able to empower the community's economy because existing commodities have not been developed into superior commodities. As a result, cross-border or regional trade opportunities have not made a meaningful contribution to society and the region. One alternative in developing the region is to carry out a strategy to develop superior agribusiness commodities so that the region can be developed into a growth centre for the surrounding area. The objectives of carrying out this research are (1) to find out the basic and main agricultural sectors. knowing superior agribusiness commodities, (2) to identify the factors that determine the success of developing superior agribusiness commodities, and (3) to provide recommendations for strategies for developing superior agribusiness commodities in Tana Tidung Regency. The research results show that the leading commodities in supporting regional development in Tana Tidung Regency based on LQ and B/C ratio values > 1 and farmers' preferences are spinach (LQ=8.06), mustard greens (LQ=2.15), kangkong (LQ= 2.18), and cayenne pepper (LQ=1.84). Strategies that can be implemented to develop superior commodities in Tana Tidung Regency are 1) Increasing cooperation/partnerships between farming institutions and the private sector or government, 2) Increasing the supporting capacity of infrastructure, facilities and infrastructure, 3) Optimizing capital assistance from the government as a stimulant for innovation in processing, marketing and socialization of production results, 4) Providing information data to support marketing requests.

Keywords: Strategy, Development, Leading Agribusiness Commodities

A. Introduction

Regional development aims to improve the standard of living of people in the region through harmonious and integrated development between sectors that is efficient and effective towards achieving regional independence and equitable progress throughout Indonesia. According to Rahmat (2009), this understanding is called community empowerment, where regional or regional development is nothing other than regional efforts to harmoniously combine natural, human and technological resources by taking into account the environmental capacity. The people's economic empowerment program must be able to drive the economic dynamics of the people based in rural areas and/or the lower strata of society in peri-urban areas. The program must be well planned, and have clear objectives and targets so that it can improve the welfare of society, especially the lower levels of society (Handayani 2022; Luckradi 2022). One of the regional developments based on development areas is the approach to potential natural resources in reliable areas. Reliable areas in question are areas that are already developed and not yet developed. Areas that are already developed are directed to be further developed.

Mainstay areas that are prospective for development have the opportunity to be developed because there are natural resources, access to growth centres, close to residential centres and the provision of supporting infrastructure is possible. Development through developing reliable/potential areas is very important. It is hoped that regional development that produces competitive, priority superior products in each region can become a centre of growth and have a positive impact on economic development in the surrounding region so that development becomes more equitable. The spread of aggregate growth centres is expected to increase community business results, generate foreign exchange for the region, open up employment opportunities and increase people's purchasing power.

Reliable regional development by developing superior agribusiness commodities is a development policy strategy to create centres of economic growth that can provide a reference for regions in responding to challenges and problems of equitable development. The development of superior agribusiness commodities is very important considering its role in national economic development, namely: a). as a food provider to strengthen national food security and reduce dependence on imports, b) as a foreign exchange supplier for the country or region, c) role as a labour supplier (). The agricultural sector, which includes food crops and horticulture, plantations, fisheries and animal husbandry, should be made a reliable sector capable of creating stability and sustainability of regional economic development so that it is ready to face the flow of globalization of trade.

The implementation of regional development using a potential area development approach has been planned by the Regional Government of Tana Tidung Regency for 2005 - 2025, which shows that planning in the 3rd Stage for 2018 - 2022 is aimed at further strengthening overall development in various fields, one of which is agriculture by emphasizing achievement on increasing the competitiveness of regional economies according to the potential of each region based on agribusiness and agroindustry by prioritizing the widest possible participation of the community. One of the issues raised in the Regional Medium Term Development Plan is the development of agribusiness, sustainable agriculture and farmer welfare by the vision of the Regional Government of Tana Tidung Regency, namely "The realization of a Tana Tidung that is dignified, prosperous, beautiful and humanistic."

The agribusiness potential in Tana Tidung Regency has not been managed and utilized optimally. The results obtained are still relatively small and have not been able to empower the community's economy. Existing commodities have not been developed into superior commodities. As a result, cross-border trade opportunities have not made a meaningful contribution to society and the region. One alternative in developing border areas is to develop reliable areas through the development of superior agribusiness commodities with the hope that border areas can be developed into growth centers for the surrounding areas.

B. Methodology

1. Research Design

The research was completed by using qualitative methods. According to (Chusnul 2022; Chalil 2014), qualitative research methods are research methods that attempt to identify various phenomena and social realities ideographically. In this regard, a series of characters, types and dimensions in qualitative methods provide promise for social scientists in Indonesia, especially in the field of sociology, to be able to develop social science and methods in a more autonomous format. The research was carried out in Tana Tidung Regency, North Kalimantan Province

2. Participants/Respondents/Population and Sample

The respondents of this research consist of 2 components, namely farmers and related government institutions. The procedure used in determining the sample is non-probability sampling. A sampling of government institutions used the snowball sampling technique (Soewadji, 2012) and for sampling, farmers were obtained from each sub-district in Tana Tidung Regency with a total of 100 respondents.

3. Technique of Data Collection

The data collection techniques used were observation, documentary interviews and triangulation. Observations are carried out for field studies directly at the research object. The next step is an interview by conducting questions and answers with the informant who is considered to know best about what will be researched in the field. next is Documentation, namely collecting data by recording or recording events and objects that are considered valuable and important in research. The last is Triangulation which is carried out to collect data which combines data collection techniques from existing data sources to search for the truth about several phenomena based on what has been found.

4. Instruments

The instrument used by researchers is a questionnaire containing important questions given to respondents as material for analyzing and identifying research problems.

5. Technique of Data Analysis

The analysis method used is the LQ analysis method and SWOT analysis. Location quotient (LQ) analysis is an analysis used to determine the extent of specialization of sectors in a region that utilize base sectors or leading sectors. out sector i in the province. The leading sector here means a sector that will not run out if exploited by the regional government. The formula for determining the leading sector is as follows (Pieter 2017; Fauzi N.A 2022):

$$LQ = \frac{Li\ /Lt}{Ni/Nt}$$

Information :

Li = Number of commodities in sector i at the lower regional level.

Lt = Total commodities at the lower regional level If the calculation results in the formulation above produce:

- LQ > 1 means that the commodity is the basis or source of growth.
- LQ = 1 The commodity is classified as non-basic, it does not have a comparative advantage.
- LQ < 1. This commodity is also non-based.

SWOT analysis is a strategic planning method used to evaluate strengths, weaknesses, opportunities and threats that occur in a project or in a business venture, or evaluate one's own product lines or those of competitors (Rangkuti, 2008).

C. Findings and Discussion

1. Findings

1.1 Identification of Leading Agribusiness Commodities in Tana Tidung Regency

1) Food Subsector

There are 4 main commodities in the food crop sub-sector cultivated by farmers in Tana Tidung Regency, namely rice, corn, cassava and sweet potatoes. These food crop commodities are commodities that farmers have consistently cultivated for a long time. This food crop commodity is also one of the mainstay commodities that is cultivated both for own consumption and for sale.

Table 1. Results of LQ Analysis of Food Crop Commodities in Tana Tidung Regency 2018-2022

Commodities	LQ Analysis					Average
	2018	2019	2020	2021	2022	
Rice	0,973	0,415	1,121	3,247	3,227	1,151
Corn	0,378	1,806	1,510	0,248	0,268	0,842
Cassava	1,188	3,119	0,498	0,876	0,633	1,263
Sweet Potato	1,087	1,373	0,276	0,085	0,089	0,582

Based on the results of the LQ analysis in Table 1, rice and cassava plants are the basic crops in Tana Tidung Regency, this can be seen from the LQ value being greater than 1 (LQ>1). If we look at the development of production value, rice and cassava plants have the potential to become superior commodities because they have greater production value compared to other food commodities.

2) Horticultural Crops Sub-Sector

In the horticultural crop sub-sector in Tana Tidung Regency, there are various kinds of commodities that are cultivated consistently by farmers

Table 2. LQ Analysis of Horticultural Vegetable Crop Commodities in Tana Tidung Regency 2018-2022

Commodities	LQ Analysis					Average
	2018	2019	2020	2021	2022	
Spring onion	0,641	0,399	0,278	0,576	0,421	0,463
Spinach	2,260	1,159	0,990	0,339	0,143	1,034
Cayenne Pepper	0,867	1,197	1,394	0,4211,365	0,347	1,009
Long beans	0,358	1,185	0,934	1,5090,899	0,913	0,980
Kale	1,203	0,834	0,907	1,365	0,213	1,043
Pets	2,390	1,643	1,065	0,899	0,368	1,273
Eggplant	0,557	1,111	1,234	0,628	1,013	0,909
Tomato	0,718	0,810	0,926	1,152	0,873	0,896

Based on the results of the LQ analysis in Table 2, the basic vegetable horticultural crop commodities in Tana Tidung Regency are spinach, kale and cayenne pepper, and water pets. This can be seen from the LQ value being greater than 1 (LQ>1). If we look at the development of production value, kale plants have the potential to be a superior commodity because they have a greater average production value compared to other vegetable horticulture.

1.2 SWOT Analysis

The superior commodity development strategy is analyzed based on the results of the analysis of external and internal factors in the form of strengths, weaknesses, opportunities and threats in the development of superior commodities. The formulation of alternative strategies includes two stages, namely the input stage and the matching stage. The input stage is the stage of grouping the identification results and concluding the basic information needed to formulate a strategy using the IFE (Internal Factor Evaluation) and EFE (External Factor Evaluation) matrices. The second stage, namely the matching stage, is the strategy formulation stage using IE (Internal-External) and SWOT matrix analysis (Rangkuti, 2008).

Table 3. Matriks Internal Faktor Evaluation (IFE)

	Strategy Factors	Weighted Average	Average Rating	Value
	Strengths			
1	Production Facilities	0,110	3,0	0,3300
2	Human Resource	0,130	3,2	0,4160
3	Land Suitability	0,080	2,2	0,1760
4	institutional	0,080	2,6	0,2080
5	Business Performance	0,122	2,0	0,2440
6	Production Quality	0,064	2,0	0,1280

	Total	**0,586**		**1,5020**
	Weakness			
1	Information Data	0,080	3,2	0,2560
2	Funding	0,100	4,0	0,4000
3	Production Process	0,060	4,0	0,2400
4	Processing	0,070	4,0	0,2800
5	Marketing	0,050	4,0	0,2000
6	socialization	0,054	3,6	0,1944
	Total	**0,414**		**1,5544**
	Tendency towards Internal Factors	**1,000**		**-0,0684**

Table 4. Matriks Eksternal Factors Evaluation (EFE)

	Strategy Factors	**Weighted Average**	**Average Rating**	**Value**
	Opportunity			
1	Cooperation	0,066	3,8	0,2508
2	Government Support	0,070	3,8	0,2660
3	Natural resources	0,056	3,6	0,2016
4	Potential Market Demand	0,102	3,6	0,3672
5	Investment Development Opportunities	0,070	2,0	0,1400
6	Infrastructure carrying capacity	0,072	3,6	0,2592
	Total	**0,436**		**1,4848**
	Threat			
1	Land Conversion	0,072	1,2	0,0864
2	Consumer Sensitivity	0,108	3,0	0,3240
3	Coordination	0,092	2,0	0,1840
4	Topography and Area	0,062	1,8	0,1116
5	Accessibility	0,060	1,6	0,0960
6	Socioeconomic	0,078	2,6	0,2028
7	Natural disasters	0,092	3,6	0,3312
	Total	**0,564**		**1,3360**
	Predisposition to external factors	**1,00**		**0,1488**

2. Discussion

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Internal factor weighting is an effort to compare each internal factor that influences the development of food crop commodities. The results of the weight assessment and rating for each respondent are then created in the form of an IFE matrix for all respondents. The IFE Matrix describes internal strategic factors in the categories of strengths and weaknesses in food crop commodity development. The results of the IFE matrix analysis illustrate how much influence internal strategic factors have on commodity development. Data regarding strength and weakness factors are presented in the IFE Matrix in Table 3.

The total value of the influence of internal factors as a whole is 1.5020. Meanwhile, the internal strategic factor which is the main weakness in developing food crops is funding which is still less than optimal in supporting farmers to develop food crops which have an impact value of 0.4000. The tendency value towards internal factors is negative, namely -0.0684. The EFE Matrix describes external strategic factors in the form of opportunities and threats for the development of superior food crop commodities.

The results of the EFE analysis illustrate the extent to which external strategic factors influence commodity development. The weight and rating values were obtained based on the results of interviews with five informants. The weight assessment is a calculation of the average respondent's assessment of all external strategic factors. Rating is a respondent's assessment in measuring how much influence these factors have on commodity development. The EFE matrix presents the results of the analysis of external strategic factors, which are divided into four groups of opportunities and six external environmental threats which are described in the EFE matrix in Table 4.

One of the opportunity factors with the largest influence value (0.3672) is potential market demand. This opportunity is an important factor in supporting the successful management and development of horticultural crop commodities because so far the government has provided facilities and infrastructure, as well as assistance to farmers in increasing horticultural crop yields. Government support has also been realized in providing plant seeds and organic and inorganic fertilizers as well as other facilities and infrastructure. The quality of production and consumer sensitivity in Tana Tidung Regency is a threat in itself that will affect the development of horticultural crop commodities if it is not followed by efforts to improve the quality of all horticultural crop production.

Based on the internal and external factors that have been identified, the development of food crop commodities is in quadrant 3, where the opportunities are high but there are also high internal weaknesses. The strategy that should be applied in quadrant three conditions is a turnaround strategy where internal problems are minimized so that existing opportunities can be taken advantage of (Rangkuti, 2009). Figure 1 shows the position in favour of a conservative strategy that uses existing opportunities to overcome weaknesses.

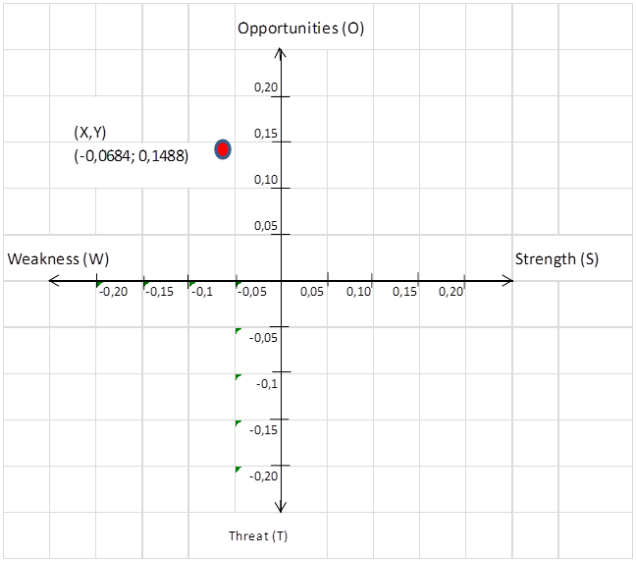

Figure 1. Position of Agricultural Commodity Development Strategy in Tana Tidung Regency

Alternative strategies for agricultural commodity development that are possible to implement based on the quadrant III position are as follows: 1. Increasing cooperation/partnerships between farming institutions and the private sector or government. 2. Increasing the supporting capacity of infrastructure, facilities and infrastructure to support the marketing process of

production. 3. Optimizing capital assistance from the government as a stimulant for innovation in processing, marketing and socialization of production results. 4. Providing information data to support marketing requests.

D. Conclusion

Leading commodities that have a strategic position to be developed in the Tana Tidung district based on the results of LQ analysis and B/C ratio >1 and farmers' preferences are spinach (LQ=8.26), kale (LQ=2.06), and cayenne pepper (LQ=2.06). LQ=1.84). Strategies that can be implemented to develop superior agricultural commodities in Tana Tidung Regency are increasing cooperation/partnerships between farming institutions and the private sector or government, increasing the supporting capacity of infrastructure, facilities and infrastructure, optimizing capital assistance from the government as a stimulant for innovation in processing, marketing and outreach. production results, and Providing information data to support marketing requests.

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