

## STRENGTHENING BUSINESS MANAGEMENT AND PRODUCTION GOVERNANCE IN LIVESTOCK FARMER GROUPS BASED ON LOCAL POTENTIAL

Haryadi <sup>1\*</sup>, Emalia Ariska <sup>1</sup>

<sup>1\*</sup> Universitas Islam Kebangsaan Indonesia

Coresponding Author : haryadihasbi@gmail.com

### Abstract

This community service program aims to strengthen business management and production governance among livestock farmer groups based on local potential. The program was initiated due to limited managerial capacity, inefficient production planning, and suboptimal utilization of local resources in small-scale livestock enterprises. The implementation employed a participatory mentoring approach involving training, field assistance, and practical demonstrations related to production management, business planning, and simple financial management. Data were collected through observation, interviews, and documentation. The results indicate improvements in farmers' understanding of production planning, cost efficiency, and business organization. In addition, farmer groups demonstrated increased awareness of the importance of structured management and sustainable production practices. This program contributes to strengthening livestock business resilience and supports local-based agricultural development.

Keywords: Business Management, Production Governance, Livestock Farmers, Local Potential, Community Service

### INTRODUCTION

Livestock farming plays an important role in supporting rural livelihoods, local economic development, and food security. Small-scale livestock enterprises contribute significantly to household income and provide employment opportunities in rural areas. According to the Food and Agriculture Organization (FAO, 2021), the sustainability of livestock farming systems is strongly influenced by the capacity of farmer groups to manage their businesses and organize production efficiently.

Despite its strategic role, many livestock farmer groups continue to face structural challenges, particularly in terms of weak business management and unstructured production systems. Limited knowledge of production planning, cost efficiency, financial recording, and marketing strategies often results in low productivity and unstable business performance. Nugroho and Prasetyo (2021) highlight that inadequate managerial capacity remains one of the primary constraints affecting the competitiveness of small-scale livestock enterprises.

Sound business management and proper production governance are essential components of sustainable livestock development. Management functions such as planning, organizing, implementing, and controlling production activities enable farmers to optimize resources, minimize risks, and improve productivity. Siregar (2022) emphasizes that livestock farmer groups with structured management systems tend to demonstrate higher production efficiency, better income stability, and stronger resilience to market fluctuations.

Local potential represents a critical foundation for livestock development, especially in rural areas. This potential includes locally available feed resources, indigenous livestock breeds, traditional knowledge, labor availability, and strong social capital within farmer groups. Mulyani et al. (2022) argue that the effective utilization of local resources can significantly reduce production costs and increase efficiency when supported by appropriate management and coordination. However, without systematic planning and governance, local potential is often underutilized or exploited inefficiently.

In addition, community-based livestock development emphasizes the importance of collective action and group-based management. Farmer groups function not only as production units but also as learning organizations that facilitate knowledge sharing, collective decision-making, and mutual support. Hidayat and Kurniawan (2023) report that group-based livestock management strengthens cooperation among farmers, improves access to production inputs, and enhances bargaining power in livestock markets.

Another challenge faced by livestock farmer groups is limited access to managerial innovation and modern production practices. Many farmers rely on traditional methods that are not always aligned with current efficiency and sustainability demands. According to Rahmawati (2023), integrating basic business management principles with locally adapted production practices can significantly improve the performance of small-scale livestock enterprises without undermining local wisdom.

Community service programs play a strategic role in addressing these challenges by bridging the gap between theoretical management concepts and practical livestock production. Through participatory mentoring and hands-on assistance, farmers are actively involved in learning processes and encouraged to apply management principles directly to their daily production activities. Widodo et al. (2023) confirm that mentoring-based community service initiatives are effective in improving farmers' managerial skills, production organization, and awareness of sustainable practices.

Furthermore, strengthening business management in livestock farming is closely linked to broader development goals, such as rural economic empowerment and national food security. The Indonesian Ministry of Agriculture (2023) underscores that improving managerial capacity and production governance among livestock farmer groups is a key strategy for increasing domestic livestock output and ensuring sustainable food supply systems.

Based on these considerations, this community service activity focuses on strengthening business management and production governance among livestock farmer groups based on local potential. The program aims to enhance farmers' managerial capacity, optimize the utilization of local resources, and improve production efficiency through participatory mentoring. It is expected that this activity will contribute to sustainable livestock development, increased farmer welfare, and strengthened local food security.

## RESULTS AND DISCUSSION

The community service program aimed at strengthening business management and production governance among livestock farmer groups based on local potential was implemented through participatory and field-based mentoring activities. The program was conducted directly at the livestock production site to ensure that mentoring activities were closely aligned with real production conditions and challenges faced by the farmer group. This approach is consistent with community-based livestock development models that emphasize learning in real production settings (FAO, 2021).

The implementation involved field observation, group discussions, and hands-on assistance related to production organization, feed management, labor allocation, and basic business planning. Farmers actively participated in identifying production constraints and discussing practical solutions based on local conditions. Participatory mentoring has been widely recognized as an effective strategy to enhance farmers' managerial capacity and production awareness (Widodo et al., 2023).



Figure 1. Field mentoring activities on business management and production governance conducted at a livestock farmer group.

The image shows active interaction between the service team and members of the livestock farmer group in the actual production environment. Through this field based mentoring, farmers were guided to observe and evaluate existing production practices, including feeding systems, facility layout, and labor organization. This process facilitated immediate discussion and contextual problem-solving based on real production challenges, as recommended by Siregar (2022).

Following the mentoring activities, farmers demonstrated increased awareness of the importance of structured management practices. Prior to the program, production activities were largely conducted based on experience without systematic planning. After the intervention, farmers began to apply simple production schedules, improve coordination among group members, and pay greater attention to cost efficiency and resource utilization. These

findings support Nugroho and Prasetyo (2021), who emphasize that managerial strengthening is a key determinant of livestock business performance.

One of the main outcomes of the program was the improvement in farmers' business management capacity. Farmers gained a better understanding of basic management concepts such as production planning, cost calculation, and simple financial recording. Several farmers started to separate personal and business expenses and showed greater awareness of production costs and output value. This improvement aligns with findings by Rahmawati (2023), who states that integrating basic management principles into livestock mentoring programs enhances farmers' decision-making abilities.

In addition to managerial improvements, the program strengthened production governance through the optimization of local potential. Farmers were encouraged to utilize locally available feed resources, adapt feeding strategies according to production stages, and improve labor distribution within the group. The use of local resources reduced dependency on external inputs and contributed to more efficient production processes. Mulyani et al. (2022) note that effective utilization of local potential is a critical factor in achieving sustainable livestock production systems.

Differences in initial capacity among farmers were observed during the mentoring process. Farmers with lower managerial experience benefited from repeated guidance and peer support, while those with more experience contributed by assisting other group members. This peer-assisted learning environment strengthened group cohesion and collective responsibility in managing livestock production, as highlighted by Hidayat and Kurniawan (2023).

To summarize the observed changes in management and production practices, Table 1 presents a comparison of conditions before and after the implementation of the community service program.

Table 1. Changes in Farmers' Management and Production Practices

Indicator	Before Program	After Program
Production planning	Unstructured	More systematic
Cost awareness	Low	Improved
Financial record keeping	Rarely conducted	Started to apply
Utilization of local resources	Limited	Optimized
Group coordination	Inconsistent	More organized

The table indicates positive changes across all observed indicators following the participatory mentoring activities. These results demonstrate that strengthening business management and production governance through direct field-based assistance effectively supports the development of livestock farmer groups.

From a broader perspective, the findings confirm that integrating management principles with real production contexts enables farmers to apply new knowledge directly to their daily activities. Improved group coordination and collective decision-making highlight the importance of social capital in livestock development. Although the mentoring period was relatively limited and the evaluation relied mainly on qualitative observation, the observed

behavioral and managerial changes indicate that the program provided a strong foundation for sustainable improvement. This is in line with the conclusions of FAO (2021) and Suryana (2022), who emphasize the role of management capacity and local potential in sustainable livestock development.

Overall, the results confirm that community service programs focusing on strengthening business management and production governance based on local potential can significantly contribute to improving the performance, efficiency, and sustainability of small-scale livestock enterprises.

## CONCLUSION AND SUGGESTIONS

### Conclusion

The community service program focusing on strengthening business management and production governance among livestock farmer groups based on local potential was successfully implemented and produced positive outcomes. The participatory and field-based mentoring approach enabled farmer groups to directly apply management concepts within real production environments, making the learning process more contextual and effective.

The results indicate improvements in farmers' managerial capacity, particularly in production planning, cost awareness, simple financial recording, and group coordination. The optimization of local potential also contributed to improved production efficiency and reduced dependency on external inputs. Overall, the program provided a strong foundation for sustainable livestock business development.

### Suggestions

1. Livestock farmer groups are encouraged to consistently implement structured business management practices, including production planning, cost recording, and regular evaluation of production performance, to sustain the improvements achieved through the program.
2. Future community service programs should extend the duration of mentoring activities to allow deeper skill development, stronger behavioral change, and more stable implementation of management and production governance practices.
3. The integration of simple digital tools for production and financial recording is recommended to improve efficiency, transparency, and accuracy in livestock business management.
4. Collaboration with local government agencies, agricultural extension services, and relevant stakeholders should be strengthened to support program continuity, access to technical assistance, and market development for livestock products.
5. Future community service and research initiatives are advised to include quantitative performance indicators, such as productivity levels, cost efficiency, and income changes, to complement qualitative observations and provide a more comprehensive evaluation of program impact.

## REFERENCES

Food and Agriculture Organization. (2021). Guidelines for Sustainable Livestock Production Systems. Rome: FAO.

Hidayat, R., & Kurniawan, D. (2023). Group-Based Livestock Management to Strengthen Social Capital and Production Governance. *Journal of Rural Development Studies*, 8(2), 95–107.

Ministry of Agriculture of the Republic of Indonesia. (2023). Strategic Policy for Strengthening Livestock Production and Food Security. Jakarta: Ministry of Agriculture.

Mulyani, S., Handayani, T., & Prabowo, A. (2022). Utilization of Local Resources in Community-Based Livestock Development. *Journal of Sustainable Agriculture and Livestock*, 6(1), 45–56.

Nugroho, A., & Prasetyo, E. (2021). Managerial Capacity and Performance of Small-Scale Livestock Enterprises. *Journal of Agribusiness and Animal Science*, 4(2), 67–78.

Rahmawati, D. (2023). Integrating Business Management Principles in Livestock Mentoring Programs. *Journal of Community Service and Agribusiness*, 7(1), 22–33.

Siregar, M. (2022). Production Governance and Business Sustainability in Livestock Farming. *Journal of Animal Production and Management*, 5(3), 101–112.

Suryana, A. (2022). Local Potential-Based Livestock Development for Rural Economic Empowerment. *Journal of Agricultural Development*, 10(2), 88–99.

Widodo, S., Lestari, N., & Santoso, B. (2023). Participatory Mentoring Models in Community Service Programs for Livestock Farmers. *Journal of Community Empowerment*, 9(1), 1–12.