

Conceptualization of Agribusiness / Agro-Industry Potential Study in Kemuning Lor Village, Arjasa District, Jember Regency

Retno Sari Mahanani
Department of Management
Agribusiness
Politeknik Negeri Jember
Jember, Indonesia
retno7089@gmail.com

Luluk Cahyo Wiyono*
Department of Management
Agribusiness
Politeknik Negeri Jember
Jember, Indonesia
cahyowiyono2019@gmail.com

Taufik Hidayat
Department of Management
Agribusiness
Politeknik Negeri Jember
Jember, Indonesia
taufik_hidayat@polije.ac.id

Endro Sugiartono
Department of Management
Agribusiness
Politeknik Negeri Jember
Jember, Indonesia
endro0870@gmail.com

Berlina Yudha Pratiwi
Department of Management
Agribusiness
Politeknik Negeri Jember
Jember, Indonesia
berlina_y@polije.ac.id

Abstract—This study specifically aims to analyze the characteristics of the economic potential of the community in Kemuning Lor Village, analyze the area classification based on the potential for agribusiness-based community economic development, and determine the priority commodities to be developed in the Village of Kemuning Lor. This research is a survey research type, and is a combination of exploratory, descriptive and explanatory research. The research location was determined deliberately in the village of Kemuning Lor, Arjasa District, Jember Regency, East Java. This research was conducted from April to December 2020. The sampling technique was carried out by purposive sampling, which is a method without opportunities or based on certain considerations. The analysis technique used in this research is Location Quotient (LQ) analysis. The results showed that the leading commodities that were prioritized to be developed in Kemuning Lor Village, Arjasa District, Jember Regency were corn (food plants), tobacco (plantation crops) and bananas (fruit plants). Community economic development based on agribusiness / agro-industry in Kemuning Village Lor Arjasa District, Jember Regency has contributed to triggering changes and / or improvements in technology, economy and village community institutions, as well as having a positive impact on increasing farmers' income. The strategic priorities for agribusiness / agro-industrial development include developing access to capital, developing technology and agricultural business scale, developing marketing access, strengthening institutions, managing community-based agricultural resources, building infrastructure for supporting agricultural businesses, developing diversification of agricultural product processing.

Keywords—*potential assessment, agribusiness, agroindustry, kemuning lor village*

I. INTRODUCTION

Regional development has proven that the need for natural resources is increasing and continues to face increasingly serious obstacles, especially in Jember Regency. In this

condition, it is absolutely necessary to sharpen the priority of the superiority of natural resources and other regional resources by fully involving all the potential of the community, especially in areas where the natural resource potential is very limited and the condition of their regional development is still lagging behind compared to other regions. In this condition, a fast, precise and accurate planning, implementation, monitoring and evaluation mechanism is needed.

Jember Regency is divided into several development areas, each of which has different characteristics and potential areas, both the potential for human resources, natural resources, as well as physical infrastructure and institutions that support development. It seems that this resource potential is still not fully utilized and developed, especially due to limited capital and technology. Some of the obstacles faced include the limited information technology and market information needed to develop the region, as well as the weak public access to existing business opportunities. Like Kemuning Lor Village, Arjasa District is a potential village destination for Agribusiness tourism in Jember Regency, especially natural tourism with the potential for plantations, agriculture and livestock that have been determined by the Jember Regency government. The potential for agribusiness tourism has been jointly managed by the Jember Regency Government and the Jember State Polytechnic (Polije). Polije was given the authority to manage chrysanthemum, orchid, cut flower and dragon fruit tourism under the UPT Dataran Tinggi with a real area of about 10 hectares. UPT Dataran Tinggi becomes the production center as well as the Teaching Factory (TEFA) Polije. The Rembangan area is an inseparable part of the Kemuning Lor Village.

Based on the above conditions, Polije proposed Kemuning Lor Village as a new tourism icon or tourism village with a fairly unique concept, namely "Village of Flower, Village of

The Sky and Village of Nature". And it has been agreed with the existence of a Tourism Village Assistance Cooperation Agreement signed between the Ministry of Tourism and Creative Economy, the Ministry of Health PDTT and the Director of Polije on 27 February 2020 in Jakarta. This unique concept cannot be separated from the 3 Agribusiness tourism facilities that are in it and can be enjoyed by visitors. Geographically, the location of Kemuning Lor Village is similar to Batu City in Malang, which is located on a plateau and has cool air. Located in the north of Jember city, Arjasa district, close to a well-known tourist area, namely Rembangan tourism, with an area of up to 42 hectares.

Desa Kemuning Lor is an area that still has a rural feel that holds a lot of natural wealth, also known as Plantation, Agriculture and Animal Husbandry Village because of its fertile territory. Apart from that, from a social and economic perspective, the majority of the population is farming using existing land. The condition of the agricultural area that is owned by the village of Kemuning Lor can support village planning as an agro-tourism area in Jember which can increase the value and income for villagers and districts. Based on the above background, in order to optimize the potential of the area, research is needed related to the potential that can be developed, so that in the future a sustainable agro-tourism location can be formed in the village of Kemuning Lor, Arjasa District, Jember Regency, East Java [3].

The phenomenon that occurs in Kemuning Lor Village, Arjasa District, Jember Regency, with the potential for large and abundant natural resources, has not been able to contribute to the economic development of some communities. For that, it requires a strategy to increase the activity of potential resources to empower people to increase income so that they have a more local, regional, and national role.

Agribusiness as a system consisting of procurement and distribution of production facilities, primary production activities (cultivation), processing (agro-industry), and marketing. These functions become a subsystem of the agribusiness system (Sa'id and Intan, 2001: 19). The agribusiness pattern in this research is determined through the type of potential in agribusiness activities in Kemuning Lor Village, Arjasa District, Jember Regency, community involvement in every agribusiness potential and institutional roles in any existing agribusiness potential, so that it is known how the classification and typology of Kemuning Lor Village, Arjasa District, Jember Regency based on the potential of agribusiness activities that each region has, which creates agribusiness development strategies to increase people's income.

Based on the above background, several problems that can be formulated in this study are: (1) what is the description of the characteristics of the economic potential of the community in Kemuning Lor Village ?; (2) what is the area classification based on the potential for agribusiness-based community economic development as a strategy to increase the income of the people of Desa Kemuning Lor? And (3) what superior commodities are the priority to be developed in Desa Kemuning Lor?

II. LITERATURE REVIEW

A. Agribusiness

According to Suryanto (2004), agribusiness or agribusiness is an agricultural business in a broad sense covering all activities ranging from the procurement and distribution of production facilities to the cultivation of farm production, product processing activities and marketing activities. Agribusiness activities as a whole include:

1. Upstream agribusiness subsystem (upstream agribusiness), namely economic activities that produce and distribute production facilities;
2. Farm cultivation subsystem (on-farm agribusiness), namely economic activities that use inputs to produce primary production;
3. Downstream agribusiness subsystem (down stream agribusiness), namely economic activities that process primary agricultural products into processed products that are ready for consumption;
4. Marketing subsystem (marketing agribusiness), namely activities to market primary agricultural products and processed products.

According to Subyakto (1996) that the purpose of agribusiness activities is to gain profits where the overall investment is related to the activities of farming which is not only in the context of fulfilling the needs of rural communities, but also in order to obtain greater added value, so that off-road activities. farms such as agro-industry and marketing are very important. In the agribusiness system, because one sub-system and another are interrelated, Soehardjo's development in Said and Intan (2001) puts forward the following requirements:

1. Agribusiness development must be able to develop all the sub-systems in it because none of them is more important than the others.
2. Each sub system has backward and forward linkages. Backward linkages can be seen from the linkage of the processing subsystem which will function properly if it is supported by the availability of raw materials produced in the production sub-system. Future linkages can be seen from the linkages between sub-processing systems that will work well if a market for their products is obtained.
3. Agribusiness requires supporting institutions such as financial institutions, education, research, land affairs and transportation.
4. Agribusiness involves actors and various parties (BUMN / government, private sector and farmers themselves) with their respective roles. The quality of the human resources of these actors greatly determines the functioning of an agribusiness sub-system.

B. Featured Commodities

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Leading Commodities are mainstay commodities that have a strategic position, based on both technical considerations (soil and climate conditions) as well as socio-economic and institutional considerations (mastery of technology, human resource capacity, infrastructure, and local socio-cultural conditions), to be developed in an area. Alkadri (2011) suggests several criteria in determining a superior commodity, including:

1. These leading commodities can make a significant contribution to increasing production, income and expenditure.
2. Able to compete with similar products from other regions in the national and international markets, both in product prices, product costs and service quality.
3. Has linkages with other regions, both in terms of markets (consumers) and the supply of raw materials.
4. Has a technology status that continues to increase, especially through technological innovation
5. Able to optimally absorb qualified workers according to the scale of production.
6. Can survive in a certain long term, starting from the phase of birth, growth to the phase of saturation or decline.
7. Not prone to external and internal turmoil.
8. Development must obtain various forms of support, for example security, social, cultural, information and market opportunities, institutions, incentive / disincentive facilities and others.

Development is oriented towards the preservation of resources and the environment. Saragih (2001) states that superior commodities are defined as basic commodities, namely commodities that are produced excessively in the sense that they are used by the community in a certain area so that these advantages can be sold outside the region. As a result of efforts to transfer outside the region, supporting activities were created that could increase added value and expand employment opportunities [5].

III. RESEARCH METHOD

This research is included in the survey research type, and is a combination of exploratory, descriptive and explanatory research. Exploratory research is carried out to obtain in-depth information related to weighting, rating, and formulation of alternative strategies that are synthesized through theoretical studies and empirical studies before continuing with descriptive research.

The location of the research was determined intentionally in Kemuning Lor Village, Arjasa District, Jember Regency, East Java with the consideration that Kemuning Lor Village is one of the 2,000 tourist villages designated by the Ministry of Tourism and Creative Economy in 2020. In the research data collection, there were 3 (three) stages carried out, namely as follows: (1) the stage before data collection in the field, namely conducting preliminary

observations and research on the performance, activities and potentials in Kemuning Lor Village, Arjasa District, Jember Regency which will be used as the location. research; (2) the primary data collection stage using a list of questions (questionnaire) as the main data collection tool, namely through the interview method or interview; and (3) the secondary data collection stage obtained from the Jember Agribusiness Development Agency (LPA), East Java Regional Spatial Planning (RTRW), and the Central Statistics Agency (BPS).

The population in this study were all agribusiness / agro-industry actors in the village of Kemuning Lor, Arjasa District, Jember Regency. The sampling technique is carried out using a non-probability method, namely purposive sampling method or based on certain considerations, namely knowledge, ability, and experience in the field under study. The research sample was selected from the elements of policy makers, agribusiness farmer resources, trading institutions, suppliers, and local community leaders.

Based on the research objectives that have been determined, it is necessary to analyze the data that has been collected, namely (1) to analyze the potential characteristics of the Agribusiness Potential of Kemuning Lor Village, Arjasa District, Jember Regency; and (2) analyzing the regional classification based on the potential for agribusiness development in the village of Kemuning Lor, Arjasa district, Jember district by looking at the potential sector based on the area concerned using the location quotient (LQ) analysis method.

IV. RESULTS AND DISCUSSION

A. *Conditions and Economic Potentials of the Community of Kemuning Lor Village, Arjasa District, Jember Regency*

Desa Kemuning Lor is an area that still has a rural feel that holds a lot of natural wealth, also known as Plantation, Agriculture and Animal Husbandry Village because of its fertile territory. Apart from that, from a social and economic perspective, the majority of the population is farming using existing land. The condition of the agricultural area that is owned by the village of Kemuning Lor can support village planning as an agro-tourism area in Jember which can increase the value and income for villagers and districts.

Geographical Conditions

In general, the geographic location of Kemuning Lor Village is located in a high and mediumland area consisting of rice fields and upland land where the soil conditions are quite fertile. Kemuning Lor Village has an area of 1087.68 Ha. Located at an altitude of 150 - 750 above sea level (asl) with temperatures between 18°C-29°C. From a topography perspective, Kemuning Lor Village is located in the northern part of Jember Regency which is an agricultural area which is generally not very fertile for the development of food crops.

Demographic Overview

In general, the majority of the population in Kemuning Lor Village are indigenous people and the rest are a small part of the population of immigrants. Judging from the distribution of ethnic groups in the Kemuning Lor village,

there are two Javanese and Madurese ethnic groups. In accordance with the population data update in 2016, the population of Desa Kemuning Lor is 8674 people.

Economic Conditions

Desa Kemuning Lor is known as an agricultural village, has natural potential which is quite prospective for regional economic development at the village level. In accordance with the existing village potential, the economy in Kemuning Lor Village still relies on the agricultural sector as the basis and driving force of the regional economy. Until now, agriculture as a leading sector still has a dominant and strategic role for economic development, both as a provider of foodstuffs, raw materials for processed products, an increase in village and community income and the absorption of a significant amount of labor.

The current resources that have superior economic potential are in the fields of agriculture, plantation and forestry with several products produced including: Rice, Coffee, Corn, Peanuts, Cassava, Dragon Fruit, Rambutan, Durian, Apokat, Petai, Ginger, Sea Sengon and Mahogany.

B. Identification of Agribusiness Potentials for Community Groups in Kemuning Lor Village, Arjasa District, Jember Regency

The Kemuning Lor community is a society that cannot be separated from their life throughout the day with a life that is synergized with nature, including agriculture, plantations, animal husbandry, entrepreneurship and tourism. Desa Kemuning Lor is a place where they manage their lives, develop creativity and innovation to optimize the potential of agriculture, plantations, animal husbandry as an inseparable part of the community in participating in environmental conservation, environmental utilization and environmental management. The development paradigm that is oriented to the interests of the community emphasizes the importance of empowering the people's economy in carrying out development in order to develop the capacity of the community itself. So that local people have the right, authority and obligation to organize and manage themselves on their own initiative in their regional household affairs.

In line with the enactment of decentralization, the mechanism for channeling development assistance which was originally planned, managed and implemented by the central government, has gradually been transferred to the coordination of its implementation by the regional government and finally can be channeled directly and managed by the people who need it the most, including community groups in Desa Kemuning Lor. .

The development is carried out by the community itself and the government as facilitators who facilitate implementation by providing the best possible service. The ranks of government, both regional and sectoral in the region, need to identify target groups of program activity actors in their respective regions based on community conditions, potential resources, and superior commodities in an accurate and up-to-date manner.

To increase efficiency and effectiveness in community empowerment, the role of community groups is expected. It is hoped that the ranks of the Jember Regency regional government can help prepare the community to use assistance

as funds for productive socio-economic activities. The preparation of the community in a joint business group (Koperasi-UKM) is expected to grow into the embryo of a development fund management institution capable of planning, implementing, and preserving activities carried out by the community themselves.

Basically, community groups can be classified into three stages, namely: (1) groups that are not yet market oriented, with income status below the minimum income line or disadvantaged groups of people; (2) groups that are in a transitional stage, whose income status has started to increase from a minimum condition and has a growing market potential; and (3) a market-oriented group, with an above average income status and a more developed potential market.

Development program assistance will be strongly influenced by the classification of these community groups. For the first group who are unable and not yet market-oriented, special attention needs to be paid to obtaining grants in the form of revolving grants but need to be accompanied by intensive assistance in order to be independent. In general, block grants can be used in two forms: namely, social investments that do not generate income directly, such as facilities and infrastructure, including simple technology; and income-generating economic investments such as revolving funds as working capital. Meanwhile, groups that are able to get out of underdeveloped conditions can receive semi-commercial funding.

Identification of potential community groups in the village of Kemuning Lor, Jember Regency, in 4 hamlets which include Krajan hamlet, Kopang Kebun hamlet, Darungan hamlet and Rayap hamlet. The economic potential of the Kemuning Lor village community can be assessed based on the economic activities of the community which include production activities and productivity in carrying out their activities

Economic Situation

In general, the livelihoods of the people of the Kemuning Lor Village. can be identified into several sectors, namely agriculture, services / trade, industry and others. Based on existing data, there are 4,130 people working in the agricultural sector, 511 people working in the service sector, 325 people working in the industrial sector, and 12 working in other sectors. Thus the number of people who have livelihoods is 4,978 people.

Unemployment rate in Kemuning Lor Village. still pretty low. Based on other data, it is stated that the number of people aged 20-55 who have not worked is 425 out of the total workforce of around 2,548 people. These figures represent the range of unemployment rates in Desa Kemuning Lor.

V. CONCLUSION

The community activity program in Kemuning Village, Arjasa District, Jember Regency has contributed to triggering socio-cultural, technological, economic and institutional changes in the village community, having a positive impact on increasing community income and the vertical mobility of the farming community from labor status to farm owner (entrepreneur).

The community in Kemuning Village, Arjasa District, Jember Regency has potential as strengths and opportunities,

in addition to obstacles as weaknesses and threats. Its strengths, namely: adequate labor available, potential age, level of education and persistence / motivation; opportunities, namely: the potential of SDI, job opportunities in agriculture are open.

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