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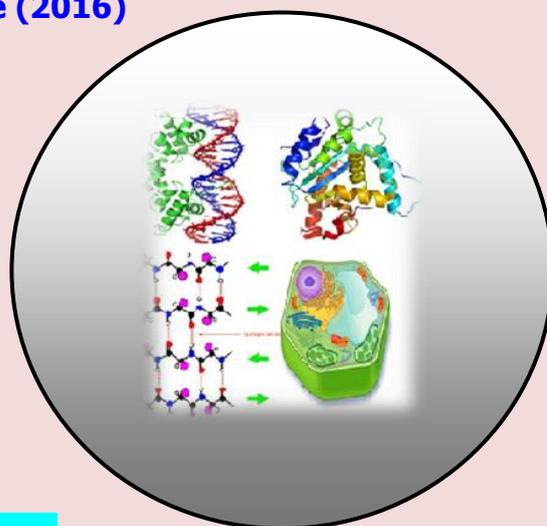
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RESEARCH PAPER

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Strategy of Business Development Based on Potential Area of Livestock in Gianyar Regency

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ABSTRACT

The zoning area of livestock based on the diversity of local resources, have relationship and mutually support each others in order to strengthen the economics of rural communities. This study was held in order to provide guidance to develop the area of livestock commodities as prescribed by the Minister of Agriculture Number: 43/Kpts /PD/410/1/, 2015. This study was a survey research, conducted in cattle, pigs, and goats farming in Gianyar. The farmers respondents were determined by purposive sampling method based on type of livestock and then stratified by the scale of farming. The expert respondents were chosen by purposive sampling method based on the research criteria. This study aims to identify the concept of regional development of livestock commodities in each district based on the potential area, and create strategies to develop livestock business in Gianyar. This study used quantitative and qualitative data, sourced from primary and secondary data. Data were collected by interviewing the respondents using a structured questionnaire, in-depth interviews, observation, study literature and document searches. Data were analysed by LQ, IE, SWOT, and QSPM analysis. The results of this study are: 1) Pig farming are potential to develop in Payangan (LQ 4.78; 2) Cattle farming are potential to develop in Tegallalang (LQ 6.25; 3) Goat farming are potential to develop in Gianyar (LQ 2.46); 4) There are six alternative strategies that can be applied in the development of farming business in Gianyar, namely: a) develop a home industry based on farming product, b) develop agro ecotourism based on farming commodities, c) build a small scale of animal feed factory, d) create an effective and efficient feed formulation to develop productivity of livestock, e) intensify the planting of horticultural which their waste can be used as qualified animal feed, and f) create an agribusiness system based on potential area in order to develop the livestock business in Gianyar; and 5) The priority strategy recommended in this study is create an agribusiness system based on potential area in order to develop the livestock business in Gianyar.

Keywords: Zoning Area, Potential Area, Alternative Strategy and Priority Strategy.

INTRODUCTION

The Government gives a special attention for economic development of rural communities, through competitive and sustainable livestock approaches by optimizing the utilization of local resources. Along by the increasing of population growth, level of community income, and the increasing of public awareness about the importance of animal protein, causing an increase in demand of animal products. This condition prompted the government to make efforts to increase livestock production and productivity in accordance its genetic potentials, and development of the superior commodities based on potential livestock areas.

Bali has a plasma nutfah Sapibali, superior local cattle in Indonesia. Bali cattle breeding have been cultivated since ancient times. In addition to raising cattle, farmers in Bali also have a goats, and pigs. Selection of livestock commodity is naturally affected by local conditions, rice fields areas usually choose a cattle farming, dry areas or plantation areas usually choose goat farming. The pig farming is almost equally carried out by the Balinese people in rural areas, due to the high demand of pigs for ceremony or daily consumption.

Based on the Decree of the Minister of Agriculture Republic Indonesia No. 43 / Kpts / PD.410 / 1/2015, Gianyar regency has been designated as the development area of pig farms (Ministry of Agriculture Republic Indonesia, 2015). The Government of Gianyar Regency gives an attention to increase the livestock business growth, in order to fulfill the demand of animal products. There are seven sub-districts in Gianyar Regency, namely Blahbatuh, Gianyar, Tegalalang, Payangan, Tampaksiring, Sukawati, and Ubud which have various resources and different regional development appropriations.

To Develop the livestock business, it should be focus to the existing condition of live stock resources in each sub-district, the carrying capacity of forage, and then the socio-cultural and economic conditions, by mapping the potential of livestock area. Mapping of the livestock area will estimate the potential of each area to development of live stock commodities.

Potential commodities that have been identified, will be the main focus in the development of live stock business in each district. Putri, et all (2016) said that the government have to create a strategy based on the potential of each sub district in Gianyar Regency, so that the development of live stock business can be programmed and directed well.

RESEARCH METHODELOGY

This research was conducted in Gianyar Regency from June to August 2016. The farmer's respondents were determined by purposive sampling method based on type of livestock and then stratified by the scale of farming. The expert respondents were chosen by purposive sampling method based on the research criteria. There are 105 farmer respondents consisting of 35 bali cattle farmers, 35 goat farmers, and 35 pig farmers; and 5 expert respondents has been used in this study. The research data was obtained by interviewing the respondents using structured questionnaires, in depth interviews, observation, and literature study. Location Quotient Analysis (LQ) is used to analyze the potential of livestock development area, whether as a bases or non-bases sector. According to Gibson *et al* (1991) and Hendayana (2003) the LQ method is formulated as follows:

$$LQ = \frac{v_i/v_t}{V_i/V_t}$$

Where

- vi = population of bali cattle/goats/pigs in sub district
- vt = population of ruminants/non ruminants in sub district
- Vi = population of cattle/goats/pigs in Gianyar Regency
- Vt = population of ruminants/non ruminants in Gianyar Regency

Decision criteria

1. If the LQ value of sub district ≥ 1 , then that sub district is the bases sector
2. If the LQ value of sub district < 1 , then that sub district is the non bases sector

The business environment condition is determined by using Internal Factor Evaluation and External Factor Evaluation. Factors of strengths and weaknesses of live stock business in Gianyar regency were analysis using Internal Factor Evaluation, and then Factors of opportunities and threats of livestock business in Gianyar regency were analysis using external Factor Evaluation. Each factor is given a weight and rating that describes its importance. Weights are determination by Paired Comparison (Kinnear and Taylor, 1996), with the following formula:

$$\alpha_i = \frac{X_i}{\sum_{i=1}^n X_i}$$

Where

- α_i = Weight of the variable-i
 X_i = Weight of the variable-i
i = 1, 2, 3.....n
n = Number of factors

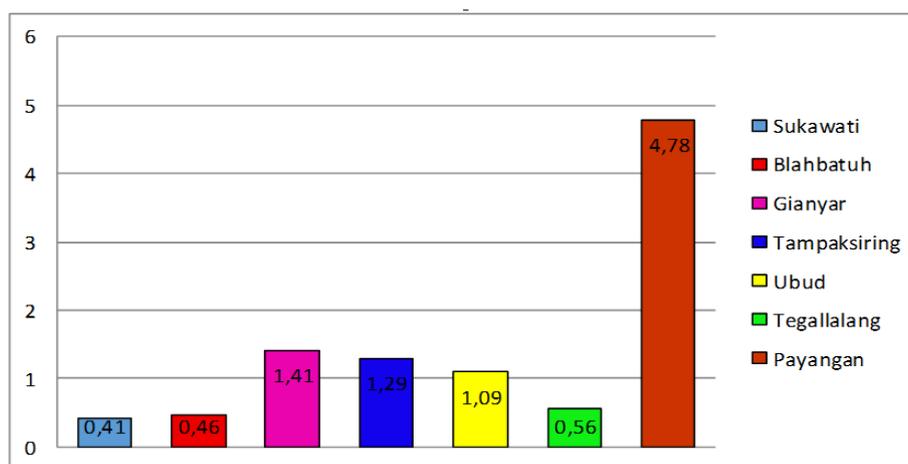
According to David (2002) the rating is determined based on the importance of each factor, on a scale of 1 (low/poor), 2 (average), 3 (high /above average), 4 (very high/superior).

Alternative strategies are determined using SWOT analysis (Rangkuti, 2002), comparing between internal and external factors, to obtain alternative strategies that maximize Strengths and Opportunities, and minimizing Weaknesses and Threats). The priority strategy analysed using QSPM analysis (David, 2002). QSPM analysis used to evaluate the alternative strategies based on the attractiveness score of each strategy. Attractiveness score (AS) is determined by examining internal and external factors, and how the role of each factor in the process of selecting the strategy. The AS value are: 1 = unintersting, 2 = rather interesting, 3 = interesting, 4 = very interesting.

RESULT AND DISCUSSION

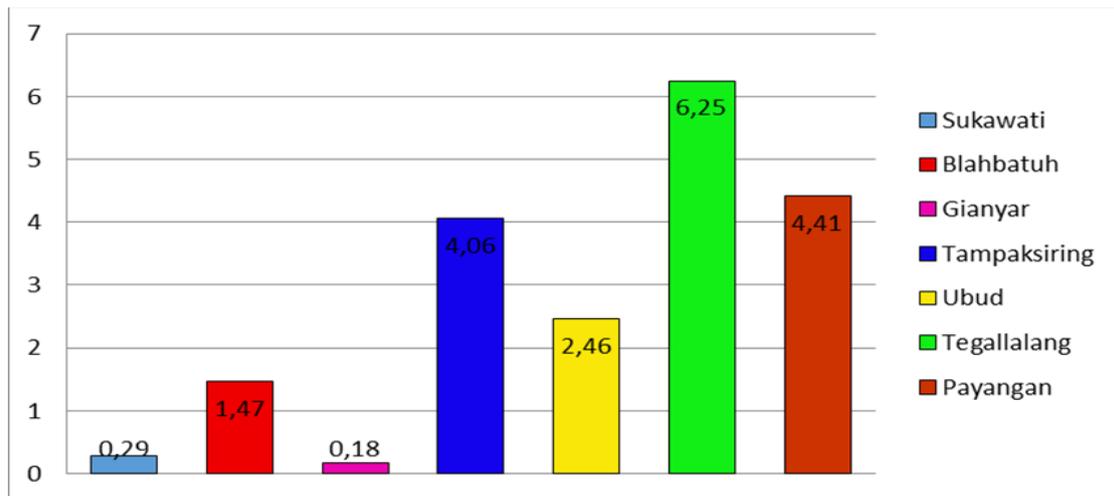
Bases Areas for Pig, Bali cattle, and Goat Farming

Based on the research results, each district in Gianyar Regency has the different potential of livestock development. Based on Location Quotient (LQ) analysis, the bases areas for pig farming development are: Payangan with LQvalue 4.78; Gianyar with LQvalue 1.41; Tampaksiring with LQ value of 1.29; and Ubud with LQ value 1.09 (Figure 1).



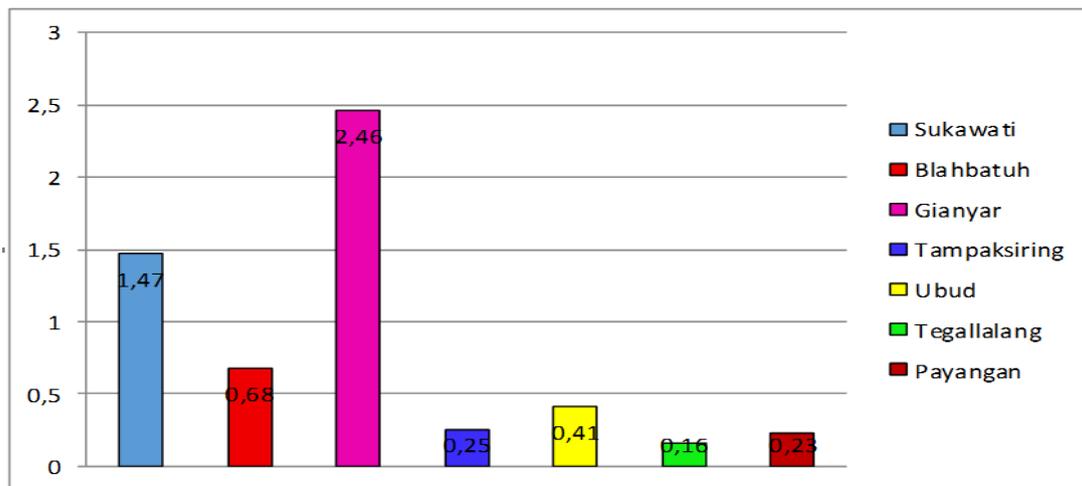
Figur 1. LQ Analisis of pig farming in Gianyar Regency.

The bases areas for bali cattle farming development are:Tegalalang with LQ value 6.25; Payangan with LQ value 4,41; Tampaksiring with LQ value 4.06; Ubud with LQvalue 2 ,46; And Blahbatuh with LQ value 1.47 (Figure 2).



Figur 2. LQ Analysisresultof Bali cattlefarming in Gianyar Regency.

The bases areas for goat farming development are: Gianyar with LQ value 2, 46; And Sukawati with LQvalue 1.47 (Figure 3).



Figur 3. LQ AnalysisResultofGoat Farming in Gianyar Regency.

The LQ values greater than one indicate tha tthe sub districtis a bases area for development of livestock business. For example, Payangan District has a LQ value of pigfarms of 4.78, meaning that Payangan Districtis very potential in the development of pigfarm business compared to other livestock business.

Livestock Business Condition in Gianyar Regency

The existing condition of livestock business in Gianyar Regency is in the second cell within the IE matrix with a total IFE scoreof 2.58 and a total EFE score of 3.07. The second cell on the IE matrix shows that livestock business activities in Gianyar Regency have high industrial attractiveness, and potential to be developed.

		Internal Total Score					
		3,0		2,0		1,0	
External Total Score	4,0	I and Build	Grow	II and Build	Grow	III	Hold and Maintenance
	3,0	IV and Build	Grow	V and Maintenance	Hold	VI	Harvest and Divest
	2,0	VII Maintenance	Hold and	VI Harvest Divest	and	VI	Harvest and Divest
	1,0						

Figure 4. Internal – External Matrix.

Based on SWOT analysis, there are six alternative strategies that can be applied in the development of farming business in Gianyar, namely: a) develop a home industry based on farming product, b) develop agro ecotourism based on farming commodities, c) build a small scale of animal feed factory, d) create an effective and efficient feed formulation to develop productivity of livestock, e) intensify the planting of horticultural which their waste can be used as qualified animal feed, and f) create an agribusiness system based on potential area in order to develop the livestock business in Gianyar. Based on QSPM analysis, the priority strategy is create an agribusiness system based on potential area in order to develop the livestock business in Gianyar with total attractive score 6, 24. The concept of agribusiness system are to improve the linkages between upstream industry, on farm, downstream industry and its supporting organizations with the aim to increase business growth and farmer's income. The concepts of agribusiness system are applied in each sub district with the livestock commodities are according to the potential of each region. The implementation of integrated agribusiness system concept from upstream to downstream, and determination of the right commodity based on potential area, it is expected that livestock business in Gianyar Regency are grows and develop sustainably.

CONCLUSIONS

The conclusions of this research are: 1) Payangan is potential for pig farming development; 2) Tegallalang is potential for bali cattle farming development; 3) Gianyar is potential for goat farming development; 4) There are six alternative strategies that can be applied in the development of farming business in Gianyar, namely: a) develop a home industry based on farming product, b) develop agro ecotourism based on farming commodities, c) build animal feed factory, d) create an effective and efficient feed formulation to develop productivity of livestock, e) provision of animal feed price subsidies by government, f) intensify the planting of horticultural which their waste can be used as qualified animal feed, and g) create an agribusiness system in order to develop the livestock business in Gianyar; and 5) The priority strategy recommended in this study is create an agribusiness system in order to develop the livestock business in Gianyar.

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