STRATEGY FOR DEVELOPMENT OF ORGANIC FERTILIZER BUSINESS IN EFFORTS TO INCREASE COMPETITIVENESS AND SUSTAINABLE AGRICULTURE

I Made Budiasa[1], Ni Putu Anglila Amaral[2]

Faculty of Agriculture and Business, Universitas Mahasaraswati Denpasar
Email: mdbudiasa@unmas.ac.id[1], anglilaamaral@unmas.ac.id[2]

ABSTRACT

Sustainable agriculture is the use of renewable and non-renewable resources for the agricultural production process by minimizing the negative impact on the environment to a minimum. Economically profitable and accountable. Farmers are able to generate profits in sufficient and stable production levels, at an acceptable level of risk. With an ecological perspective, the quality of agroecosystems is maintained or improved, by maintaining ecological balance and conserving biodiversity. Organic farming is one of the implementations of sustainable agriculture. The shift in the use of chemical inputs to organic inputs has an optimal effect on potential environmental conservation. Therefore, organic fertilizer is verypotential to be developed in the agricultural business. The results showed that the internal factor is the quality of human resources in adopting integrated agriculture through the use of organic fertilizers and product quality is highly dependent on climatic factors. External factors are seen in the development of globalization with digital marketing and competition for fertilizer products on a global scale. The alternative strategy is the Strenght Opportunity Strategy, namely improving the quality of organic fertilizers, optimizing organizational management and prioritizing customer satisfaction.

Keywords: Strategy, Development, Organic Fertilizer

INTRODUCTION

Indonesia is an agricultural country. A country that has a very large agricultural sector. Indonesia's population in 2015, around 37.75 million people, their main livelihood is as a farmer. A vital commodity that is closely related to efforts to fulfill food is fertilizer. Fertilizer contributes 20% of the success of increasing agricultural production (Ace, 2014). Some of these organic fertilizers are distributed tomeet the needs of government subsidized organic fertilizers but mainly meet the needs of members' organic fertilizers. In addition, if the excess is usually organic fertilizer is sold to the general public. The selling price is usually between IDR 1,000 and IDR 1,200 per kilogram for solid organic fertilizer, while the subsidized price for solid organic fertilizer is IDR 950 per kilogram where farmers only pay IDR 150 per kilogram (BPS, 2014).

Technically integrated agricultural systems are introduced to the business of food crops, secondary crops and horticulture, animal husbandry, plantations, fisheries, and forestry plants in one area/location of activity. Antara (2013) stated that the integrated farming system is the development of a pilot model in accelerating the transfer of technology to rural communities which was accelerated previously through thePrima Tani model. Simantri's targets include increasing planting area, livestock population, fisheries and product quality, availability of quality animal feed throughout the year, availability of organic fertilizers and pesticides, biogas, then developingbusiness diversification and economic business institutions (Bryson, 2017).The purpose of this research is to identify internal and external factors in the development of organic fertilizer business and identify alternative strategies in developing organic fertilizer production business Simantri

437 Batubulan Village, Sukawati District, Gianyar Regency.

RESEARCH METHOD

The location of this research was determined purposively, where this research was carried out from March 2022 to May 2022. The types of data used were qualitative data and quantitative data. The population in this study were all farmers of the Simatri 437 group in Batubulan Village, Sukawati District, Gianyar Regency, totaling 42 farmers. The internal sample was determined by the random sampling method. Based on this, the number of internal respondents was 22 people in the Simantri group of 437. Meanwhile, the number of external respondents was 20 people, determined using the purposive sampling method. Data collection in this study was carried out by: observation, interviews, questionnaires, literature studies and documentation. The method in this study uses a qualitative descriptive method through a SWOT analysis by paying attention to internal factors, namely strengths and weaknesses and paying attention to external factors, namely opportunities and threats.

SWOT analysis is an organizational analysis using the strengths, weaknesses, opportunities and threats from the environment. Bogdan, et al (2005) stated that the SWOT analysis is a systematic identification of various factors to formulate a strategy in a business. This analysis is based on logic that can maximize strengths and opportunities, but simultaneously minimize weaknesses and threats. Data analysis is used to determine the initial strategy by identifying internal factors (strengths and weaknesses) and external factors (opportunities and threats). The EFAS matrix is a way to collect research external data. At this stage the model used is an external strategy factor matrix. or how to determine External Strategic Factors (EFAS): Internal data regarding the strengths and weaknesses of a study can be done using the IFAS matrix. The IFAS matrix is structured to identify internal strategy factors. Internal - External (I-E) is the result of combining the IFAS matrix and the EFAS matrix. Internal External Matrix (1-E) is used to analyze the position of the organization or company in detail and see a good strategy to implement. According to Bryson (2007), the IE matrix can be divided into three different major parts. First, the provisions for divisions that fall into cells 1, II, and IV can be described as growing and developing.

RESULTS AND DISCUSSION

Matrix Internal Factor Analysis Summary (IFAS)

After knowing the strength factors of the organic fertilizer business development strategy in Simantri 437 Batubulan Village, Sukawati District, Gianyar Regency, so that internal factors can be known and weight and rating are given to each factor. The score can give an idea of what strategy can be determined. The results of the internal factor scores of strengths and weaknesses can be seen in the following table. Based on the results of the research in the Ifas Matrix Table below, it can be seen that the main strength is the labor from the farmer groups themselves with a total score of (0.228) by utilizing sufficient labor, development activities can be carried out because they do not require large labor costs and can affect farmers' profits. While the lowest strength is. Dominant rice farmers use organic fertilizers with a total score of (0.209) for that it is hoped that extension workers and the government can be

optimized in socializing the use of organic fertilizers to farmers in order to support the organic GO command program

Table 1. Identification of Internal Factors

Strength Factor	Weight	Rating	Score
1. Low organic fertilizer production cost	0,058	3,81	0,219
2. The amount of organic fertilizer production is high	0,056	3,74	0,211
3. The quality of organic fertilizer is good	0,058	3,86	0,225
4. Simantri strategic location	0,056	3,71	0,208
5. Adequate facilities and infrastructure for organic fertilizer processing	0,056	3,71	0,208
6. Affordable organic fertilizer prices	0,058	3,83	0,222
7. Product legality and license are recognized by the public	0,056	3,71	0,208
8. Raw materials for organic fertilizers are easy to obtain	0,058	3,86	0,225
9. The workforce comes from the farmer groups themselves	0,059	3,93	0,233
10. Dominant paddy farmers use organic fertilizer	0,056	3,69	0,206
Total Strength	0,516	37,9	2,165
Weakness Factor	Weight	Rating	Score
1. The stock capacity of raw materials is not continuous	0,042	2,81	0,119
2. Weak financial bookkeeping	0,044	2,88	0,125
3. Product quality depends on climate	0,045	2,98	0,134
4. The intensity of counseling is less than optimal	0,043	2,83	0,121
5. Lack of motivation to work in Simantri 437's group towards an advanced business	0,044	2,93	0,13

6. No product size innovation	0,041	2,71	0,111
7. Lack of promotion of organic fertilizer	0,044	2,93	0,13
8. The packaging of organic fertilizers is less attractive	0,04	2,62	0,104
9. Lack of human resources in operating technology	0,042	2,76	0,115
10. The supply of organic fertilizer is limited	0,044	2,9	0,127
Total Weakness	0,428	28,4	1,216

Source: Primary Data Processed, 2022

Based on the results of the research above, it can be seen that the internal weight value is (1,000). With the total internal score for the strength factor score (2,165) while the total value for the weakness factor score (1,216) can be totaled for the internal factor score (3.381). This shows that the organic fertilizer business development strategy in Simantri 437 is in an averagecondition (3.381). Increase the productivity of existing strengths so that they can overcome existing weaknesses.

Matrix External Factor Analysis Summary (EFAS)

Based on the results of the research on the opportunity factors below, it can be seen that the main opportunities in the organic fertilizer business development strategy are: the development of IT communication is getting more advanced with a total score (0.17) with this opportunity it is hoped that farmers as developers in Simantri 437 will take advantage of it well . Meanwhile, the lowest opportunity is the wide open market with the existence of globalization with a score of (0.148) with this condition, it is very supportive of the organic fertilizer business development strategy in Simantri 437

Table 2. Identification of External Factors

Opportunity Factor	Weight	Rating	Score
1. Have regular customers	0,051	3,12	0,158
2. Consumers' mindset is getting more advanced towards organic farming	0,051	3,14	0,16
3. Healthy lifestyle trends	0,05	3,07	0,153
4. The development of IT communication is getting more advanced	0,052	3,24	0,17

5. The provincial government of Bali as a branding	0,049	3,05	0,15

for Simantri products			
6. Low cost of organic fertilizer promotion with digital marketing	0,05	3,07	0,153
7. High brand perception	0,049	3,05	0,15
8. Go organic government policy	0,05	3,07	0,153
9. The market is wide open with globalization	0,049	3,02	0,148
10. Business expansion is supported by the Bali Provincial Government	0,051	3,17	0,162
Total Opportunity	0,502	31	1,557
Threat Factor	Weight	Rating	Score
1. There is no cooperative partnership network with the private sector	0,049	3,05	0,15
2. Consumer purchasing power is limited	0,051	3,12	0,158
3. Competition for similar products is high	0,049	3,05	0,15
4. The bargaining position of consumers is getting higher	0,05	3,07	0,153
5. IT acceleration is not able to be absorbed by farmers quickly	0,049	3,02	0,148
6. The increase in fuel and electricity affects product capacity	0,05	3,07	0,153
7. Government policies during the pandemic can affect the sale of organic fertilizers	0,049	3,05	0,15
8. Increase in raw material prices	0,051	3,12	0,158
9. Competition for fertilizer products on a global scale	0,051	3,17	0,162
10. Similar competitors are superior to follow market trends quickly	0,049	3,05	0,15
Total Threat	0,498	30,8	1,532

Source: Primary Data Processed, 2022

Based on the table above, it can be seen that the external value is theopportunity factor is (1,557) while weighted (1,000). The score for

thetotal score for the threat factor is (1,532) so that the total score for the

external factor is (3,089). This showsthat the organic fertilizer business development strategy in Simantri 437 is in an average condition (3,089), namely the development of the organic fertilizer business in Simantri 437 taking advantage of existing opportunities to overcome the threats faced. An assessment of the internal and external factors of the organic fertilizer business development strategy in Simantri 437can be obtained with a total score whichis the sum of the results of the multiplication of weights and ratings. Obtaining a total score of internal factors of (3.381) and an external factor score of (3.089), namely the development of an organic fertilizer business must overcome threats with existing opportunities.

Internal-External Matrix

After obtaining a score from the IFAS matrix which provides an overview of the strengths and weaknesses possessed and the score from the EFAS matrix which provides an overview of the opportunities and threats faced by the development of ecotourism based on environmentally friendly agriculture as an effort to empower farmers in Subak Mambal, thenext stage is the guiding between thematrix IFAS and EFAS matrix. Basedon the results of the IFAS and EFAS matrix scores, it will be known the position of ecotourism development based on environmentally friendly agriculture as an effort to empower farmers in the IE (Internal-External) matrix. The Internal-External Matrix is used to determine the current positionof the organic fertilizer business development as an effort to empower farmers in Simantri 437 based on the total score of the IFAS matrix and the EFAS matrix. The total score of the IFAS matrix is 3,381 while the total score for the FFAS matrix is 3,089.

Based on the total IFAS matrix and EFAS matrix, the organic fertilizer business development is in quadrant I, meaning that the strategy that can be implemented in quadrant I is to grow and build. Common strategies used in this position are belly button penetrationand product development. According to David (2017), market penetration is increasing market share for current products/services in the market through greater marketing efforts. In penetrating the market there are several things that are done to market organic fertilizers developed by Simantri 437, namely by strengthening effective promotion aspects such as through social media. Social media is one of the suggestions for doing promotions that are very easy and don't take a long time and cost a lot. Promoting through social media will be able to increase consumer interest in organic fertilizer optimally.

SWOT Matrix Analysis

The SWOT Matrix analysis provides an overview of the strengths-weakness factors as well as opportunities and threats in Simantri
437 Batubulan Village, Sukawati District, Gianyar Regency. Identification of internal and external factors can create four main strategies, namely: SO strategy (Strength and Opportunities), WO strategy (Weakness and Opportunities), ST strategy (Strength and Treats) and WT strategy (Weakness and Treats). The following is a table of SWOT Matrix Analysis of organic fertilizer business development strategies in Simantri 437 Batubulan Village, Sukawati District, Gianyar Regency, Bali Province

Table 3. Results of SWOT Matrix Analysis of Organic Fertilizer Business Development Strategy in Simantri 437 Batubulan Village, Ginyar Regency

IFAS / EFAS	Strength (S)	Weakness (W)
	1. Low organic fertilizer production cost (0.219) 2. High amount of organic fertilizer production (0.211) 3. Good quality organic fertilizer (0.225) 4. Simantri strategic location (0.208) 5. Facilities and infrastructure for fertilizer processing are adequate (0.208) 6. Affordable price of organic fertilizer (0.222) 7. Product legality and license are recognized by the public (0.208) 8. Organic fertilizer raw materials are easy to obtain (0.225) 9. Labor comes from the farmer group itself (0.233) 10. Dominant paddy farmers use organic fertilizer (0.206)	1. Discontinuous raw material stock capacity (0.119) 2. Weak financial bookkeeping (0.125) 3. Product quality depends on climate (0.134) 4. The intensity of counseling is less than optimal (0.121) 5. Lack of work motivation of Simantri 437 group towards advanced business (0.13) 6. No product size innovation (0.111) 7. Lack of promotion of organic fertilizers (0.13) 8. Packaging of organic fertilizer is less attractive (0.104) 9. Low human resources in operating technology (0.115) 10. Limited supply of organic fertilizer products (0.127)

Opportunity (O)	Strategic S-O	W-O Strategic
1. Have regular customers (0.158) Consumers' mindset is getting more advanced towards organic farming (0.16) 3. Healthy lifestyle trends (0.153) 4. The development of IT communication	1.Trying to maintain and improve the quality of organic fertilizers. 2. Maintain	1.Improve and enhance promotion strategies and increasingly advanced technology.

is getting more advanced (0.17) 5. The provincial government of Bali as a branding for Simantri products (0.15). 6. Low promotional costs with digital marketing (0.153). 7. High brand perception (0.15). 8. Government policy of organic GO (0.153). 9. The market is wide open with globalization (0.148). 10. Business expansion (expansion) is supported by the Bali provincial government (0.162)	organizational management and always prioritize customer satisfaction.	2. Increase the size of organic fertilizer products to be more varied.
Threat (T) 1. There is no cooperative partnership network with the private sector (0.15) 2. Limited consumer purchasing power (0.158) 3. High competition for similar products (0.15) 4. The bargaining position of consumers is getting higher (0.153) 5. IT acceleration is less able to be absorbed by farmers quickly (0.148) 6. The increase in fuel and electricity affects product capacity (0.153) 7. Government policies during the pandemic can affect the sale of organic fertilizers (0.15) 8. Increase in raw material prices (0.158) 9. Competition for fertilizer products on a global scale (0.162) 10. Similar competitors are better at following market trends quickly (0.15)	S-T 1.Maintaining old partners and exploring new partnerships. 2.Carry out promotional activities to attract consumers	W-T 1. Expanding the market network by utilizing social media. 2.Improve the management systemin order to restrain the pace of competition from outside.

Source: Primary Data Processed, 2022

CONCLUSION

The results showed that the internal factor is the quality of human resources in adopting integrated agriculture through the use of organic fertilizers and product quality is highly dependent on climatic factors. External factors are seen in the development of globalization with digital marketing and competition for fertilizer products on a global scale. The alternative strategy is the Strength Opportunity Strategy, namely improving the quality of organic fertilizers, optimizing organizational management and prioritizing customer satisfaction. What can be suggested is to improve the quality and capacity of the product and take advantage of the potential of both raw materials and other supporting equipment so that the quality of organic fertilizer products can be guaranteed and compete with other products, as well as improve the management system by rearranging the organizational structure and assigning tasks to each product human resources.

REFERENCES

Ace Suryadi. 2014. Indonesian Education Towards 2025, Bandung: PT. Rosdakarya Youth.

Antara and Yono, 2013. The Effect of Fertilization Types and Population on Growth and Production of Tomato (Glycine max (L.) Merril). Thesis. Faculty of Agriculture. Bogor Agricultural University, Bogor.

Central Bureau of Statistics of Bali Province. 2014. Bali in Figures 2014. The Central Bureau of Statistics of the Province of Bali. Denpasar.

Bogdan and Taylor, 2005. Qualitative Research Methodology. Bandung: Remadja Karya.

Brady, N.C., and R.R. Weil. 2002. The Nature and Properties of Soils. Pearson Education. 13th ed. Inc., New Jersey, USA.

Bryson, John. M. 2007. Strategic Planning for Social Organizations. Yogyakarta. Student Library.

David, Fred R. 2002. Strategic Management: Concepts. Jakarta: Prenhallindo.