



# Strategy for Business Development of Community Food Barn in South OKU District

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## ABSTRACT

Indonesia is known as an agricultural country that has diverse natural resource potential. However, Indonesia is facing a serious problem in terms of food which is the basic need of everyone. Food problems can be in the form of excess food, food shortages, household inability to meet food needs, and emergencies. One of the problems faced by Indonesia is food insecurity or food shortages which are closely related to poverty. One of the development focuses at the moment is directed at addressing the problems of food insecurity and poverty by improving food security. The Food Barn Business Development activity is one of the government's efforts to maintain price stability both at the farmer/producer level and at the consumer level. Through this activity, the Food Barn Group is empowered to be able to carry out its function as a distribution institution in a more efficient distribution chain to reduce price disparities between producers and consumers and indirectly play a role in overcoming plummeting prices during the harvest period and high prices during famine and become an instrument made by the government to withstand price fluctuations in certain situations. Based on the research that has been carried out, the strategies that should be carried out for the Development of a Food Barn Business in South Ogan Komerling Ulu District.

## 1. INTRODUCTION

Food as a basic human need largely determines the survival of society. If there is not enough food that has the potential to strengthen social stability as well as national security, one of the problems faced by Indonesia is food insecurity or food shortages which are closely related to poverty, it is very necessary to have efficient policies to overcome it and it needs careful planning at least to reduce it to eliminate this food security problem from year to year [1]. Food Security according to Law Number 18 of 2012 is a condition for the fulfillment of food for the state up to individuals, which is reflected in the availability of sufficient food, both in quantity and quality, safe, diverse, nutritious, equitable, and affordable and does not conflict with religion, beliefs, and culture. The current development focus is directed at addressing the problems of food insecurity and poverty utilizing improving food security [2].

Development as a process of change, according to Ref. [3], contains the following values: (a) living, in the sense of society's ability to meet or meet basic needs which include; food, clothing, housing, health, basic education and protection; (b) increased

self-esteem, in the sense of developing a sense of self-esteem to be able to live independently regardless of oppression and not being exploited by others only for their benefit; and (c) the freedom to choose alternatives that can be made to realize continuous improvement in the quality of life or well-being for each individual and his community. Food security can be created if individuals get their food needs or food that is nutritious and provides benefits for themselves and is safe for consumption. Jayawinata [4] stated that efforts to develop food barns will be able to make a significant contribution to the realization of food security, and even this institution can become a driver of the rural economy. Community food barns are institutions formed by village/city communities that aim to develop the provision of food reserves with a delayed system of selling, storing, distributing, processing, and trading foodstuffs managed in groups [5].

Rachmat [6] stated that food barns are warehouses storing food reserves that function to maintain food stocks or stability either due to the famine season or because there are emergencies such as natural disasters. According to Ref. [7], food barns consist of two types, namely individual Food Barns and Group Food Barns, individual food barns function to store household food stocks for a certain period while group Food Barns function

to overcome food insecurity during famine and assist members in providing capital. Granaries can help farmers overcome possible food insecurity if they fail to harvest [8]. According to Hermanto [9], the institution of village food barns is a special norm system that organizes a series of steady and structured patterns of actions in meeting the food reserve needs of rural communities

Research Results Ref. [10] that rice farmers' perceptions about the revitalization of Lumbung Pangan Kelompok Tani in Seluma District have a good perception. A good perception of rice farmers means that the farming community has a view in seeing and understanding the benefits of the food barn program. Meanwhile, according to Ref's research. No. 11 The factors that affect the availability of household food for farmers who are members of food barns in Ambarawa District are land area, household income, education level, and age of farmers, where the variables of land area and age of farmers have a positive effect, while variables in education level and household income negatively affect the availability of household food for rice granary members.

Community development includes a variety of activities intended to improve the living standards of the community. This complex process consists of two main elements, namely: (1) community participation in their efforts to improve their standard of living by relying wherever possible on their initiatives and (2) the provision of technical needs and other services as a way to strengthen the initiative, independence, and cooperation that makes development more effective [12].

Dasipah *et al* [13] stated that institutional and socioeconomic factors of farmers have a positive and significant contribution to the high low participation of farmer group members in the Community Food Business Development (PUPM) program. PUPM is an activity to empower community food business institutions or *gapoktan* (a combination of farmer groups/farmer groups, community business institutions engaged in the food sector) in serving Toko Tani Indonesia (TTI) to maintain the stability of food supply and prices [14].

PUPM is one of the government's efforts made to maintain price stability both at the farmer/producer level and at the consumer level. Through this activity, *gapoktan* and Indonesian Farmer Shop *Toko Tani Indonesia* (TTI) are empowered to be able to carry out their functions as distribution institutions in a more efficient distribution chain to reduce price disparities between producers and consumers. The government assistance provided to combined farmer groups "*gapoktan*" in this activity is used to strengthen capital to absorb grain produced by farmers at a minimum price equal to the price of basic food (HPP) so that *gapoktan* can play a role in maintaining the price stability at the farmer level, especially during the harvest. Government assistance is also used to support post-harvest processing so that *gapoktan* can provide good quality rice at a reasonable and affordable price for the community [14].

From Table 1 it can be seen that each village in South OKU District has a very large rice field with fairly high production, from the results of this production the community usually only saves it for personal food reserves without being sold so that with the development program of barns, it is expected that food reserves are stored regularly. The person is made into mandatory savings in the barn.

South Ogan Komering Ulu District is one of the regencies in South Sumatra Province which is the result of the expansion of Ogan Komering Ulu District. South Ogan Komering Ulu District

was inaugurated through Law No. 37 of 2003 with Muaradua as the capital of the District [15].

Geographically, South OKU District is a hilly and mountainous area and valley with some areas located in mountainous areas and valley basins, with these conditions frequent disasters, be it landslides, floods, or the cut off of transportation access due to roads that were cut off due to disasters, so that the food granary that is a storehouse of food supplies for the local community or the surrounding area so that with this supply it is hoped that there will be no food insecurity due to the disaster. The food barns in South OKU District were built from the South Sumatra Province *Dekon* funds and from the DAK Fund which is the APBN that is directly allocated to the regions. Currently, 41 buildings exist and are scattered in almost every sub-district, but only 54% are active in routine activities but only 20% are active in and run their businesses and they are not by the demands in the technical instructions submitted by the Food Security Agency. Ministry of Agriculture.

Table 1. Rice Field Area by District and Rice Production in 2021

No	Sub-District	Rice Field (Ha)	Production Th. 2021 (Ton)
1	Mekakau Ilir	670	7,258.65
2	Banding Agung	453	4,212.90
3	Warkuk Ranau Selatan	623	5,403.30
4	BPR Ranau Tengah	1249	12,866.55
5	Buay Pemaca	1464	15,540.30
6	Simpang	545	5,742.75
7	Buana Pemaca	536	6,403.05
8	Muaradua	927	9,127.95
9	Buay Rawan	345	4,426.80
10	Buay Sandang Aji	936	9,783.60
11	Tiga Dihaji	776	6,961.05
12	Buay Runjung	1715	18,297.75
13	Runjung Agung	825	8,323.50
14	Kisam Tinggi	921	9,090.75
15	Muaradua Kisam	2133	22,575.75
19	Kisam Ilir	592	5,784.60
17	Pulau Beringin	917	9,751.05
18	Sindang Danau	946	9,760.35
19	Sungai Are	332	3,417.75

Source: South OKU Agriculture Service

## 2. MATERIALS AND METHODS

### 2.1. Simple Random Sampling method

This research was conducted in Ogan Komering Ulu Selatan District, with the survey method and the sampling method using a simple random method. Simple Random Sampling method in which everyone in the entire target population has an equal chance of being selected. The sample is chosen at random which is intended to be an unbiased representation of the total population. With a population of 41 groups, x 25 members per group = 1025 farmers who are members of the group, using the Slovin formula:

$$n = \frac{N}{(1 + (N \times e^2))}$$

n = Sample; N = population;  
e = Margin error 90% or Sig. = 0.10.

The total population is 1025 farmers, and the desired error rate is 10 percent, then the number of samples used is 91 consisting of Group Members.

**2.2. Data Processing and Analysis Method**

To answer the problem formulation, using SWOT matrix analysis [16]. Where the SWOT matrix combines IFAS and EFAS factors to form a strategy. The IFAS factors and EFAS factors are related to the Business Development Strategy of the Community granary group in the South OKU District.

**3. RESULT AND DISCUSSION**

**3.1. SWOT analysis**

*3.1.1. IFAS Factor Weight*

The IFAS factor or factors that influence it from within is a strategy that comes from the strengths and weaknesses of the Food Barn Business Development in South Ogan Komerling Ulu District (Table 2). The way to determine weights is to arrange them in columns, weighting each of them with a scale starting from 1.0 1.0 (very important) to 0.0 (not important), all these weights must not exceed the total score of 1.00 [17].

Table 2. IFAS Factor Weight

IFAS	Weighting	Rating	Score
<b>Strength</b>			
1. The Management's communication with members is good	0.12	3	0.38
2. Finance and capital exist	0.12	3	0.38
3. Compact Group Board	0.13	3	0.45
4. Many members do Saving	0.11	3	0.34
5. Many members do Lending	0.13	3	0.43
Total			<b>1.97</b>
<b>Weakness</b>			
1. Warehouse Maintenance is not good	0.1	2	0.27
2. Many members are inactive	0.11	3	0.31
3. Insufficient grain	0.1	3	0.25
4. Poor grain management	0.1	3	0.25
Total			<b>1.08</b>
The difference in the value of strengths and weaknesses			<b>0.89</b>

*3.1.2. EFAS Factor Weight*

EFAS factors or factors that influence from outside are strategies that come from threats and opportunities from the Food Barn

Business Development Strategy in South Ogan Komerling Ulu District.

Table 3. IFAS Factor Weight

EFAS	Weighting	Rating	Score
<b>Opportunity</b>			
1 Supportive Government policies	0.15	3	0.46
2 Procurement of rice from outside the region	0.14	3	0.40
3 Agricultural Extension Officer as an active coach	0.15	3	0.46
4 The Food Security Service always conducts guidance	0.15	3	0.46
Total			<b>1.79</b>
<b>Threats</b>			
1. Many Grocery Stores	0.11	2	0.26
2. The general public does not receive benefits	0.11	2	0.26
3. The price offered is high	0.1	2	0.20
4. Members do not repay loans	0.12	3	0.29
Total			<b>1.01</b>
The difference between the value of opportunities and threats			<b>0.78</b>

**3.2. Grand Strategy**

After the internal strategy (IFAS) and external strategy (EFAS) are made and the difference value is known, the next step is to make a Grand Strategy SWOT to determine an Effective Food Barn Development Strategy in South Ogan Komerling Ulu District. The strategy that should be applied in this condition is to support an aggressive growth policy (growth-oriented strategy) (Table 4).

Table 4. The grand strategy based on SWOT analysis

Internal	<b>Strengths (S)</b> 1. The Management's communication with members is good 2. Finance and capital exist 3. Compact Group Board 4. Many members do Saving	<b>Weakness (W)</b> 1. Warehouse Maintenance is not good 2. Many members are inactive 3. Insufficient grain 4. Poor grain management
External		
<b>Opportunity (O)</b> 1. Supportive Government policies 2. Procurement of rice from outside the region 3. Agricultural Extension Officer as an active coach 4. The Food Security Service always conducts guidance	<b>Strategy SO</b> Use S to take advantage of O S1O1 Improves Communication both with the membership and with the <i>leading</i> sector of the coach. S2O2 Strives to utilize existing capital to prioritize the purchase of grain in their respective regions S3O3 Strive Every month or at least three months of meetings that present extension workers as coaches. S4O4 The guidance that is always carried out by the food security service is mandated to add knowledge about increasing joint efforts.	<b>Strategy WO</b> Overcome W by utilizing O W1O1 Make an application to the Government for building repairs and building maintenance. W2O2 involves all members as a business team both purchasing and marketing in the field W3O3 Deliberations with coaches to make efforts to provide grain for savings and loans to members so that all members feel they have W4O4 The savings and loans management system continues to be sought to improve the system and the way that members are willing to be directly involved and feel belonging
<b>Threat (T)</b> 1. Many Grocery Stores 2. The general public does not receive benefits 3. The price offered is high 4. Members do not repay loans	<b>Strategy ST</b> Use S to avoid T S1. T1. Create Healthy Competition with existing stores <sup>2</sup> with good communication. S2. T2 Invite the whole Community to join so that capital increases S3. T3 The cohesiveness of members to buy their own goods even with high price for mutual benefit S4. T4 Member who is diligent in savings and loans so that they are also actively resuscitating other members together and providing <i>reward</i> .	<b>Strategy WT</b> Minimize W and T W1. T1. improve warehouse maintenance together to become a shared store W2. T2. Activate existing members by way of deliberation W3T3. Increase Deposits per member so that the stock is sufficient W4T4 Make rules and mutual agreements on the savings of loans and the sanction of borrowers who are late in returning.

#### 4. CONCLUSION

Based on the research that has been carried out, the strategies that should be carried out for the Development of a Food Barn Business in South Ogan Komerang Ulu Selatan District are:

##### 4.1. Strategy SO

1. Improve communication both with membership and with leading sector coaches.
2. Utilize the existing capital to advance the purchase of grain in their respective districts if not met just take from other districts
3. Every month or at least once every three months hold a meeting that brings Field Agricultural Extension (PPL) and the Food Security Service as the Supervisor of the Food Barn
4. The guidance that is always carried out by the food security service is used to increase knowledge about improving joint efforts.

##### 4.2. Strategy WO

1. Make an application to the Government for building repairs and building maintenance
2. Involve all members as a business team, both purchasing and marketing in the field so that they feel needed in the group
3. Consult with all members of the effort to meet the capital for savings and loans so that all members feel they have.
4. Try to improve the savings and loan management system.

##### 4.3. Strategy ST

1. Create Healthy Competition with existing grocery stores with good communication.
2. Invite the whole community to join so that capital increases
3. Invite all members to buy their goods even at high prices for mutual benefit.
4. Give rewards to members who are actively saving and borrowing.

##### 4.4. Strategy WT

1. Improve joint warehouse maintenance to become a joint shop
2. Activate existing members by way of deliberation
3. Increase savings per member so that the stock is sufficient

4. Make rules and mutual agreements regarding loan retention procedures and sanctions for borrowers who are late in returning.

#### 4.5. Suggestions

Suggestions put forward related to this research are: (1) It is necessary to carry out further studies related to what factors can hinder policies in the development of the Community Food Barn business in the South OKU District; (2) There is a need for special training in the Food Barn Business Development Program that is applicable, sustainable and easily understood by the Management and Members of the Food Barn group so that the Community Food Barn Business in Ogan Komering Ulu Selatan District can develop independently and sustainably.

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