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THE APPLICATION OF AGRIBUSINESS CONCEPT IN REALIZING THE FOOD TENACITY THROUGH THE PROGRAM OF THE CORPORATION-BASED FOOD PRODUCTIVITY ENHANCEMENT MOVEMENT (GP3K) IN SOUTH SUMATERA

Agoes Thony
Teaching power of Kopertis Region II South Sumatera (PNSD) of Agricultural Faculty UNISTI

ABSTRACT. *The various efforts have been conducted by Government in realizing the food tenacity. One of the efforts is by program GP3K which in its implementation involves various parties beginning from farmers, distributors to industrial firms the related parties being actors in agribusiness system, actors of farm subsystems, downstream- and upstream subsystems, even also in order to smooth the activities it has been involved also directly a supporting subsystem. The involvement of various parties has certainly had an authority/interest individually. It is from here needed a trick such that each party can be united in togetherness to achieve a mutual-benefit common aim. This can be properly realized with the application of systemic, synergetic and holistic agribusiness concepts. In order attain the point it is needed a form of cooperative pattern (partnership) among the related parties in supporting the program GP3K in South Sumatera. The farmer as a lance end of subsystem being in the frame of agribusiness system (production actor) needs various technological and institutional innovation in order that the future expectation can be realized: the enhancement of farm (food) production/productivity can be achieved.*

KEYWORDS: Program GP3K, cooperation of technological and institutional innovation

INTRODUCTION

One of measuring rods in determining the success of a state's agricultural development (specially food area) is by looking at the state's capacity in fulfilling the food need of society realized through food self-sufficient (at least food tenacity).In Indonesia the food tenacity is one of important topics and is always told, even it can be pointed to a politic domain. The formulation in the agricultural development planning has established in more details that the agricultural development is carried out not only through the food tenacity program but also followed by the agribusiness development and the enhancement of farmer's welfare. In other words, through the program the perspective of food tenacity in the future expectation can be realized by applying the agribusiness concept involving the upstream sector, farm and downstream as well as intertwined support, so that the availability of food can be met, safe for each area and over time.

Pointed to the early 2000s, before the global warming becomes an important issue, the world is always optimist concerning the food availability. Even at that time, FAO has predicted that for 30 years forward, the enhancement of food production will be larger than the growth of world population. In addition to the food sufficiency, the food quality will be also improved.

But, in several recent years, the problem of world food sufficiency become an important issue, and many circles believed that the world was facing a food crisis since 2007 because the growth rate of world population was still high annually, while ob the other hand, the land available for agricultural activities has been limited, or the growth rate was increasingly small, or even it absolutely tends to be increasingly narrowed. This view was just as Malthus's theory predicting at any time the world will be attacked by hunger because there is a deficit of production/stock.

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AGRIBUSINESS AS SYSTEM

Conceptually the agribusiness system can be meant as all activities, beginning from the procurement and distribution of production facilities to the marketing of products yielded by the farm and agro-industry, intertwined each other in a systemic frame (Davis and Goldberg, 1957; Drilon Jr, 1971; Downey and Steven, 1987; Adjid, 1998; Sumodiningrat, 2000; Firmansyar et al., 2003). According to Bertalanffy (1968) the system is a series of elements that are linked each other and influenced by the environment. Whereas Fairchild (1969) proposed that the system is an organization of intertwined part to form one unity. This opinion was one-way to what has been suggested by Webster (1984) saying that the system is a series or arrangement connected each other.

From the description mentioned above, it can be suggested that the system itself is an unity of several parts called as subsystem, and it has a certain objective. Every system has certain inputs and a specific transformation process that process the inputs into certain outputs. So that it can be concluded that the system is a set of subsystems mutually interacted to and depended on the environment. In attaining its objective the system needs the inputs which in the agribusiness it can be a facility of production and raw materials. By a transformation process the input is converted into output in the forms of goods and services, and this transformation process occurs specifically in various subsystems. Thereby the agribusiness is belong to the system in social science whose the activity is integrated by various disciplines, such as plant cultivation science, industrial techniques (among of them to provide for the facilities of yield production and processing), economic (marketing), and organizational/institutional to produce the goods and services in the agribusiness activities as wholly.

In the agribusiness system that is one of economic activities, there are also activities involving the sectors as the sectors associated with economy. Furthermore, the series of sector relatedness in economy have been proposed by Chenery (1979(and Djojodipuro (1992) that the investment provides an indirect effect on the relatedness in the forms of: (1) the investment will create the demand for goods between (*backward linkage*); and (2) the production yielded the investment will create an offer to other sectors (*forward linkage*), that will enhance the profits and new investment in the sector.

Logically the relatedness of system will bring the process of economic surplus accumulation in each subsystem and region. Thereby the agribusiness can be analyzed separately in depicting the relatedness of the sectors involved in the activities and the agribusiness system. So operationally the components working in the agribusiness system consist of several institutions whose the main function is to provide a maximal value-added for the agribusiness actor. So that the agribusiness itself is not only a process of land-based agricultural activity, but also it is an activity involving all agricultural actors preparing the input, a process goes to output, and transformation for selling the product to consumers (Austin, 1983; Seperich et al., 1994; Wilson, 2002). As proposed by Schaffener et al. (1998), that the agribusiness as a system is an activity involving many societies and organizing the agricultural-outcome input-based efforts to double the income, providing the employment and to double the value-added.

In order to enhance the function and role of agribusiness institution, according to Adjid (1998), it is necessarily created a conducive condition, so that it has been created a harmonic partnership relation between the farmer's institution (farmers' group) and other institutions. In creating the harmonic partnership relation there are points that are necessarily considered: the game rule agreed by economic actors must be transparent, there are the clarity and certainty concerning the profit and risk sharing and to be able to encourage the farmer's autonomy.

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FOOD TENACITY

The concept of food tenacity followed by Indonesia can be seen from The Law No. 7 of 1996 concerning Food. Article 1 paragraph 17 providing that "The food tenacity is a condition where the neighborhood association (RT) food has been fulfilled, reflected from the availability of food is sufficient, both in the amount and in quality, safely, evenly, and reached". This Law is in line with the definition of food tenacity under Food and Agricultural Organization (FAO) and World Health Organization (WHO) of 1992, the access of each neighborhood association (RT) or individual for obtaining the food over time for the need of healthy life. Whereas in *World Food Summit* in 1996, the food tenacity was called as the access of each neighborhood association (RT) or individual for obtaining the food over time for the need of healthy life with the requirement for receiving the food over time according to the local value and culture (Pambudy, 2002).

The Law No. 17 concerning the concept of national food tenacity provides a stress on the access of each neighborhood association (RT) for obtaining the sufficient, quality and cost-reached foods, although the words neighborhood association (RT) not yet meant to secure that each individual in the neighborhood association (RT) gets the same access to the food because in the neighborhood association (RT) there is a power relation (Pambudy, 2002). The implication of this concept's policy is that the government, on one hand, is obliged to secure the food sufficiency in a sense that the good-quality amount and price stability, and, on the other hand, the enhancement of society's income, particularly the low-income category.

In 2005, by The Law No. 11 of 2005, the government ratified International Covenant for Social Cultural Economic Rights (*Kovenan Ekosob*). This covenant, among other things, contains the state's responsibility for respecting, protecting, and fulfilling the people's rights for food. In the other words, the food problem is a human right who the fulfillment becomes the state's responsibility. The consequence of this ratification, according to Irham (2008), is that the government must amend all laws that are inharmonic to the terms of *Covenan Ekosob*, including the food items: Law No. 7 of 1996. Irham explained that at least there are 4 reasons why the Law must be amended: (1) the protection to the people's rights for food by the state is a real obligation; (2) The Law can become a guaranty for the fulfillment of government's responsibility in making the people to be prosperous through the fulfillment of food continuously; (3) the food crisis attacking the world (since 2007) was a valuable lesson about the importance of a nation having a sovereignty for the food to guarantee the food sufficiency for the citizens; and (4) the economic development can continue if the fulfillment of the people's basic rights for food has been met.

It has been pointed out by Irham (2008), that in addition to The Law No. 7of 1996 was not suitable to *Kovenan Ekosob*, and also it not yet touched the four aspects. For instance, The Law No. 7of 1996 has "eliminated" the state's obligation and responsibility in the fulfillment of rights for food, by providing a part of the obligation nurden to the society (Article 45). In addition, according to him, what intended by the "government" in this Law must be pointed out again, whether it is central government or local government. This become to be very important after the local autonomy has been legalized. Even Irham argued that in the context of local autonomy, justly who has the central role in the fulfillment of food availability should be local government.

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PROGRAM GP3K

The ministry of State-Owned Corporation (BUMN) is currently developing the Corporation-Based Food Production Enhancement Movement (GP3K) by doing the intensification and extensification of land. By the implementation of this program it can expectedly enhance the agricultural productivity, to open an employment for the agricultural manpower, and to pressure the rate of land function shift.

The government is optimist with the program of Corporation-Based Food Production Enhancement Movement (GP3K) involving a number of State-Owned Corporations (BUMN), to be able to lever the production of national food. By the program GP3K, the land productivity is expected to be increased at average one tone per hectare. The enhancement of productivity follows the activity of agricultural intensification through program GP3K, among of them are the providing of excellent seed, the providing of fertilizer, clearance of new land, rental land to the farmer, soft loan, as well as accompaniment.

In the operation, this program GP3K is supported at least four companies of State-Owned Corporations (BUMN) engaged in increasing the number of national food stocks. The companies are PT Sang Hyang Seri, PT Pertani, PT Pusri and affiliates, and Perum Perhutani.

In addition to intensification, GP3K also conducted a clearance of new land. In the year the total new land cleared has reached at 100 thousand hectares: PT Sang Hyang Seri assists to clear about 40 thousand hectares for wet rice field, PT Pertani 30 thousand hectares, and PT Pusri 30 thousand hectares. Thereby the future expectation through GP3K the paddy production may be increased, so that the 1.6-million rice import plan was not conducted.

This program GP3K has been made to support the attainment of national food surplus and the plant cultivation to the farmers. The objective of the program is to increase the productivities of paddy, corn, soybean at the optimal level.

The Corporation-Base Food Tenacity will be more efficient and has a competitiveness. So far the issue about the availability of world food still becomes a concernment of many people. It has been triggered by the prolonged global crisis, the uncertain climate change, also the rapid rate of population explosion. In Indonesia alone, the government has targeted the rice surplus of 10 million tons in 2014. For the realization, it was required a cross-sector cooperation, such as the role of a number of State-Owned Corporations (BUMN) in supporting the food production.

The food tenacity is a highly determinant for a nation’s survival. Indeed, realizing surplus of 10 million tons is not easy. It is needed a cross-sector cooperation. The food production indeed has not merely an objective to achieve the target. But there must be also a business calculation. All that are conducted to go toward a corporation that is more efficient and has a competitiveness.

THE CONCEPT OF AGRIBUSINESS AND FOOD TENACITY IN SOUTH SUMATERA

The geographic fact and the vital wealth resource available indicate that Indonesian superiority situated at the agribusiness sector being an upstream raw material resource for the agro-industrial sector. Moreover, the number of people working in agribusiness activities is adequately large, so that it is properly given a priority of big attention, such that it grows into a superior sector.

The agribusiness development in Indonesia, according to Saragih (1998), is a demand for a logic development and it must be continued as a realization of continuity, the variety and deepening of

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agricultural development that have so far conducted with an impressive outcome. Even in the industrialized states that have entered the stage of information economy, the role and contribution of agribusiness and agro-industry are still absolutely very large. Furthermore, this has been pointed out by Syarkowi (2004) saying that the agribusiness is constantly needed in any progressive level of a nation and state's economic life. So righteously the application of agribusiness concept in realizing the food tenacity through program GP3K will produce an approach model with a pattern integrated in one system integrity.

Indeed, it is very ironic to see the fact that Indonesia, as a large agrarian state, undergoes a problem of food tenacity. In order to understand why it is so, we need to know previously what the main determinant factors of food tenacity are. According to Yustika (2008), related to the food tenacity, the discussion must be associated with the problems of rural and agricultural-sector developments. It is in this point encountered a reality that the rural institution is at least supported by three pillars: the land mastering institution, work relationship institution, and the crediting institution. The land is still a most important asset for the rural community to bring into the production activities. Whereas the work relation will determine an economic ratio proportion that will be distributed to the economic actors in the rural areas. Finally, the aspect of crediting/financing has a very important role as a trigger of economic activities in rural areas. Furthermore, is has been said that the three pillars/institutions will be highly determinant for the farmer's decision that simultaneously influence the degree of food tenacity.

The view mentioned above is not mistake, but is may be developed, where the food tenacity is highly determined not only by the three pillars but also by a number of the following factors, such as: land, infrastructure, technology, expertise and insight, energy, fund, physical environment/climate, work relation, availability of other inputs. Furthermore, Thony (2012) suggested that in implementing the program GP3K for supporting the food tenacity, there were three cores of problems that need to get an attention: how to realize the food tenacity, how to enhance the farmer's welfare, and how to increase the value-added as well as the competitiveness of food tenacity production. In order to realize the mentioned above, it is needed a sufficient infrastructures such as there is a certainty of product market and price guarantee, fluent transportation, production incentive to the farmers as the food business actors, and then the availability of production facilities locally and the application of efficient technology.

From the description mentioned above, it can be designed an appropriate agribusiness approach model through the partnership patterns of upstream, farms, downstream parties as well as the supporting parties joined in one frame of agribusiness system producing the integrity of systemic, holistic, and synergistic agribusiness systems.

The pattern of agribusiness partnership was conducted by empowering the farmers being in the lace end as the main industrial actors in a farm process through the technological and institutional innovation applied in the form of technology packet, business capital, price guarantee, outcome purchasing. So that it can motivate the parties in partner, thereby the expectation of productivity enhancement can be realized.

The technology packet prepared is n the form of technology packet that is easily understood and conceived as well as having local raw materials (specific-location) for the farmers in daily life embracing their farms. By using the technology packet will has an impact on the enhancement of outcomes, so that the farm will be better. The facilities in obtaining the loan in the form of credit for business capital and the facilities of returning with the returning system after harvest. In addition, there wer the price guarantee and the buying guarantee to the farm products through the institutions joined in the agribusiness partnership.

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With the pattern of agribusiness partnership becoming an institution between the upstream actors (BUMN of infrastructure or rice production industry) and the farmers as industrial actors of farm production process and downstream actors (service industry), as well as supporting actors (elucidators), implementing the functions and tasks individually in cooperation with mutually needing involved themselves in one umbrella organization to achieve a mutual aim in realizing the food tenacity in South Sumatera. Hence, the final expectation of business outcomes is that the farmer's business outcome has been increased, the income added, and the end to the farmer's welfare has been created.

SUMMARY

- The efforts has been conducted by the government in realizing the food tenacity through program GP3K which in the implementation involves various parties beginning from farmers, distributors to industrial firms being the actors in the agribusiness system. It is from here needed a trick in order that each party united to achieve a mutual-benefit objective.
- The achievement of the point has been carried out through a form of agribusiness partnership pattern between the related parties in attaining the objective of program GP3K in South Sumatera.
- The farmers as lance end (production actors) from the subsystem available in the frame of agribusiness system need various technological and institutional innovation in order that can realize the expectation forward: the enhancement of farm (food) production/productivity can be achieved.

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