ROLE OF SOCIAL CAPITAL COMMUNITY BUSINESS DEVELOPMENT PROCESS AGROINDUSTRY PALM SUGAR PROTECTED AREAS IN THE FOREST BUFFER

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ABSTRACT

The study aims to determine (1) the state of social capital businesses agro-industry palm sugar in the buffer zones of protected forest sub district of Bulango Ulu Bone Bolango regency, (2) the state of the business development agro-industry of palm sugar in the buffer zones of protected forest sub district of Bulango Ulu Bone Bolango regency, (3) the role of social capital for the development of agro-industrial enterprises palm sugar in the buffer zone of protected forests Bulango Ulu sub district Bone Bolango regency. This research is quantitative. Sources of data in this research are secondary data from the primary data from questionnaires to farmers. The data analysis technique used is descriptive statistics and regression. These results indicate that (1) Social capital is owned by farmers in a fairly good state because it has an average value of 83.32%. This shows that people in a community of palm sugar craftsmen were able to cooperate with each other and mutual cooperation in achieving the common good in a business that was involved. (2) The Palm Sugar Agro-industry business development in the area of protected forest buffer Bulango Ulu sub district Bone Bolango regency has been running quite well because it has an average value of 76.76%. (3) In partial and simultaneously social trust, social norms, social networks and local wisdom a significant effect on the business development process agro-industry of palm sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency the determinant value of 79.90%.

Keywords: Social Trust; Social Norms; Social Network; Local Wisdom; Business Development; Palm Sugar.

INTRODUCTION

Bone Bolango regency has a variety of businesses or small and large companies that support the economy in the sub district. One small business development in the regency of Bone Bolango in the field of agro-industry is the processing of palm sugar. The area which is the center of the palm sugar production in sub district Bulango Ulu, which most of the population remains livelihood as well as craftsmen palm sugar farmers who are home industry that is hereditary. (BPS Bone Bolango, 2018)

The development of small and medium industries in particular palm sugar still gained a lot of obstacles such as the lack of financial literacy and the use of the technology, both for operational and marketing. Various technical training and workshops that do not even touch the various aspects vital in the development of small and medium enterprises where it is known that financial literacy for SMEs is crucial but rarely do so with the financial knowledge makes SMEs experiencing difficulties in obtaining capital for the expansion of the banking business. To that solution is even more imperative that institutional capacity building training program for small and medium industry actors. These things can be maximized by optimizing the social capital in the community.
A primary issue for this knowledge is still limited to palm sugar management, thus realizing that palm sugar management should be reviewed not only the economic aspect, but also from a social and environmental aspects. Sustainability of the domestic industry requires capital, which is the foundation of a business. This is evidenced by frequent discussion capital by economists, notably economic or financial capital. In addition to financial capital, capital that can be used for investment in the future is social capital (Ashari and Mawardi, 2018).

The high value of social capital owned by a region can help the farmers in terms of production, distribution and innovation (Sawitri and Soepriadi, 2014). Not only was the social capital which is characterized by the large number of farmer groups in rural areas would be useful for faster price signals to the aspirations of the farmers to the government. Abdullah (2016); stating that the social capital that grows in a community based on shared norms will be helpful in strengthening the public entity.

Palm sugar business development in Bone Bolango regency this is expected to increase the independence and income artisans in managing the palm sugar business as a form of development of small and medium industries palm sugar by utilizing the potential of social capital consisting of trust, norms and networks that exist in the area. The research was deemed necessary given that palm sugar agro-industry must be maintained and developed for small industry is able to prop up the economy in rural communities. Meanwhile, social capital in the context of increased productivity and competitiveness, position and similar roles with other capitals (economic capital and human capital).

METHOD

Research conducted buffer zones of protected forest, especially in Bolango Ulu sub district, Bone Bolango regency Gorontalo Province. The data analysis technique used two analyzes, namely descriptive analysis and multiple regression analysis.

1. Descriptive analysis

Descriptive statistics are used to analyze the data in ways that describe or depict the data that has been collected as without meaning make conclusions or generalizations apply to the public (Sugiyono, 2014). The calculation of the score as follows:

\[
\% \text{ items score} = \frac{\text{Actual score}}{\text{Ideal Score}} \times 100\%
\]

2. Regression Analysis

Linear regression equation of X to Y is formulated as follows:

\[
Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon
\]

Information:

\[
\begin{align*}
\hat{Y} & = \text{Business Development} \\
\alpha & = \text{constant} \\
\beta & = \text{Coefficient of regression} \\
X_1 & = \text{Social Trust} \\
X_2 & = \text{Social Norm} \\
X_3 & = \text{Social Network} \\
X_4 & = \text{Local Wisdom} \\
\varepsilon & = \text{Error rate (errors)}
\end{align*}
\]
RESULTS
1. Descriptive statistics
   Descriptive analysis of each of the variables is as follows:

Social Trust
Results of respondents to find out how the perception of respondents to the variable social trust can be presented in the following table:

Table 1: Analysis of social trust variable Respondents Answers

| Statement | F1 | F2 | F3 | F4 | F5 | Currents | Ideal | %   |
|-----------|----|----|----|----|----|----------|-------|-----|
| A1        | 0  | 2  | 8  | 17 | 41 | 301      | 340   | 88.53% |
| A2        | 5  | 6  | 8  | 18 | 31 | 268      | 340   | 78.82% |
| A3        | 1  | 5  | 5  | 19 | 38 | 292      | 340   | 85.88% |
| A4        | 0  | 1  | 16 | 33 | 18 | 272      | 340   | 80.00% |
| A5        | 0  | 2  | 13 | 24 | 29 | 284      | 340   | 83.53% |
| A6        | 0  | 3  | 7  | 33 | 25 | 284      | 340   | 83.53% |
| A7        | 0  | 2  | 13 | 14 | 39 | 294      | 340   | 86.47% |
| **Total** | 6  | 21 | 70 | 158| 221| 1,995    | 2,380 | 83.82% |

Source: Data Processed, 2020

Based on the above table it can be seen that the results of the descriptive analysis of the variables of social trust. The results found that social trust variable lies in a pretty good criteria with a score of 83.82%. This shows that palm sugar farmers have a sense of trust with the other palm sugar farmers in improvement palm sugar agro-industry business. The existence of high trust this to be a picture that cooperation between farmers are in line with expectations formed a community of fellow craftsmen palm sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency.

Social Norms
Respondents to find out how the perception of respondents to the variable social norms. It can be presented in the following table:

Table 2: Analysis of variables respondents answer social norms

| Statement | F1 | F2 | F3 | F4 | F5 | Currents | Ideal | %   |
|-----------|----|----|----|----|----|----------|-------|-----|
| B1        | 0  | 2  | 5  | 33 | 28 | 291      | 340   | 85.59% |
| B2        | 1  | 1  | 13 | 30 | 23 | 277      | 340   | 81.47% |
| B3        | 1  | 2  | 12 | 29 | 24 | 277      | 340   | 81.47% |
| B4        | 1  | 0  | 13 | 5  | 49 | 305      | 340   | 89.71% |
| **Total** | 3  | 5  | 43 | 97 | 124| 1,150    | 1,360 | 84.56% |

Source: Data Processed, 2020

Based on the above table it can be seen that the social norm variable lies in a good criterion with a score of 84.56%. This shows that palm sugar farmers have attitudes and social behavior and in accordance with the rules of the norm in society to establish an agro-commodity business. The existence of social norms that good will established a coordination in the achievement of business targets for palm sugar declared by farmers and the government.
Social Networks

The result of the respondents' answers to determine how the respondent's perception of the social network variables can be presented in the following table:

| Statement | F1 | F2 | F3 | F4 | F5 | Currents | Ideal | %   |
|-----------|----|----|----|----|----|----------|-------|-----|
| C1        | 0  | 1  | 4  | 28 | 35 | 301      | 340   | 88.53% |
| C2        | 0  | 3  | 8  | 39 | 18 | 276      | 340   | 81.18% |
| C3        | 0  | 1  | 14 | 21 | 32 | 288      | 340   | 84.71% |
| C4        | 0  | 1  | 12 | 30 | 25 | 283      | 340   | 83.24% |
| C5        | 0  | 1  | 8  | 51 | 8  | 270      | 340   | 79.41% |
| Total     | 0  | 7  | 46 | 169| 118| 1,418    | 1,700 | 83.41% |

Source: Data Processed, 2020

Based on the above table it can be seen that the results for the variables descriptive analysis of social networks. The results found that the variables of social networks lies in a pretty good criteria with a score of 83.41%. This shows that palm sugar farmers have a wide social network in the palm sugar agro-industry businesses, this can be seen from the cooperation between farmers and the government, overhead material providers palm sugar and cooperation in marketing. Cooperation or a good social network will make the farmers to receive a booking then will divide the reservation to other farmers that have the same income or business income in palm sugar.

Local Wisdom

Respondents to find out how the perception of respondents to variable local wisdom. It can be presented in the following table:

| Statement | F1 | F2 | F3 | F4 | F5 | Currents | Ideal | %   |
|-----------|----|----|----|----|----|----------|-------|-----|
| D1        | 0  | 3  | 5  | 32 | 28 | 289      | 340   | 85.00% |
| D2        | 0  | 3  | 3  | 52 | 10 | 273      | 340   | 80.29% |
| D3        | 0  | 0  | 6  | 46 | 16 | 282      | 340   | 82.94% |
| D4        | 0  | 2  | 6  | 48 | 12 | 274      | 340   | 80.59% |
| D5        | 0  | 2  | 9  | 49 | 8  | 267      | 340   | 78.53% |
| Total     | 0  | 10 | 29 | 227| 74 | 1,385    | 1,700 | 81.47% |

Source: Data Processed, 2020

Based on the above table it can be seen that the variable local wisdom lies in the criteria fairly well with a score of 81.47%. This shows that palm sugar farmers in the buffer zone of protected forests Bulango Ulu sub district Bone Bolango regency able to apply the local values of cooperation and mutual assistance in optimizing the agro-industry effort both from the aspect of financial and non-financial.

Business Development

Respondents to find out how the perception of respondents for each variable business development process agro-industry of palm sugar. It can be presented in the following table:
Table 5: Analysis of respondents answer variables Business Development

| Statement | F1 | F2 | F3 | F4 | F5 | Currents | Ideal | %   |
|-----------|----|----|----|----|----|----------|-------|-----|
| Y1        | 0  | 3  | 35 | 27 | 3  | 234      | 340   | 68.82%|
| Y2        | 4  | 15 | 0  | 34 | 15 | 245      | 340   | 72.06%|
| Y3        | 0  | 0  | 31 | 14 | 23 | 264      | 340   | 77.65%|
| Y4        | 0  | 11 | 10 | 31 | 16 | 256      | 340   | 75.29%|
| Y5        | 0  | 3  | 16 | 41 | 8  | 258      | 340   | 75.88%|
| Y6        | 0  | 3  | 4  | 37 | 24 | 286      | 340   | 84.12%|
| Y7        | 0  | 0  | 4  | 46 | 18 | 286      | 340   | 84.12%|
| Y8        | 0  | 2  | 15 | 45 | 6  | 259      | 340   | 76.18%|
| Y9        | 0  | 2  | 5  | 42 | 19 | 282      | 340   | 82.94%|
| Y10       | 3  | 3  | 30 | 19 | 13 | 240      | 340   | 70.59%|
| Total     | 7  | 42 | 150| 336|145| 2,610    | 3,400 | 76.76%|

Source: Data Processed, 2020

Based on the above table it can be seen that the process variable business development process agro-industry of palm sugar lies in a pretty good criteria with a score of 76.76%. This shows that farmers can conduct business easily palm sugar agro-industry and appropriate because of the existence of a program created by the government where it can be seen from the quality of palm sugar increases, the ease in sales and business capabilities in cost efficiency. Criteria pretty well indicates that the aspects that still need to be addressed by the farmers and the government, namely the availability of capital and labor in fulfilling the market demand.

2. Multiple Regression Analysis

The results of multiple regression with SPSS 21 is shown in Table 6 below:

Table 6: Results of Multiple Regression Analysis

| Variable          | Coefficients unstandardized | t-value | p-value | Conclusion |
|-------------------|-----------------------------|---------|---------|------------|
| Social trust (X1) | 0.446                       | 2.635   | 0.011   | Significance |
| Social norms (X2) | 0.453                       | 2.296   | 0.025   | Significance |
| Social network (X3)| 0.464                       | 3.682   | 0.000   | Significance |
| Local wisdom (X4) | 0.290                       | 2.362   | 0.021   | Significance |

Dependent variable : Business development (Y)
Constant : 0.399
F-Statistics (Sig.) : 67.505 (0.000)
R-squared (Adjusted) : 0.811 (0.799)

Source: Data Processed, 2020

Based on Table 6, the value of the coefficient of determination adjusted R² of 0.799. This value amounted to 79.90% means that the size of the business development process agro-industry of Palm Sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency can be explained by social trust, social norms, and social networks and local wisdom in the area of protected forest buffer Bulango Ulu sub district Bone Bolango regency. While 20.1% is explained by other factors beyond the variables studied. Other factors which are the availability of financial capital, the optimization of operating costs, labor effectiveness, marketing effectiveness and increase sales consistently.
The results of the simultaneous effect test showed that the F-value at 67.505 with a significance level (Probability Value) of 0.000. Values obtained from test probability is smaller than the alpha value of 0.05. Overall, therefore, it can be concluded that the independent variables (social trust, social norms, social networks and local wisdom) together have a significant effect on the business development in a protected forest buffer area Bulango Ulu sub district Bone Bolango regency.

3. Result of t-test

Based on the analysis of data processing summary in Table 6, it can be described as follows:

The effect of social trust on the business development

Based on t-test values obtained for 2,635 social trust that the significant value of social trust (0.011) is smaller than the probability value of 0.05. It can be concluded that social confidence positive and significant impact on the business development process agro-industry of Palm Sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency.

The effect of social norms on the business development

Based on the t-test value of 2.296 obtained social norms that the significant value of social norms (0.025) is smaller than the probability value of 0.05. It can be concluded that social norms positive and significant impact on the business development process agro-industry of Palm Sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency.

The effect of social networks on the business development

Based on the t-test value of 3.682 obtained social network that the significant value of social networks (0.000) is smaller than the probability value of 0.05. It can be concluded that social networks influence positively and significantly related to the business development process agro-industry of Palm Sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency.

The effect of local wisdom of the business development

Based on t-test values obtained for 2,362 local wisdom that the significant value of local wisdom (0.021) is smaller than the probability value of 0.05. It can be concluded that local wisdom and significant positive effect on the business development process agro-industry of Palm Sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency.

DISCUSSION

1. Social Capital circumstances Palm Sugar Agro-industry business communities in the Buffer Zone Forest Preserve Sub district of Bulango Ulu, Bone Bolango regency

Descriptive analysis found that social capital social capital owned by a farmer in a fairly good state because it has an average value of 83.32%. This shows that people in a community of palm sugar craftsmen were able to cooperate with each other and mutual cooperation in achieving the common good in a business that was involved. This is very important because efforts to tackle the problem together and as a source of motivation to achieve economic progress considering social capital is created relationships and norms that shape the quality and quantity of social relationships in a society fellow farmers palm sugar.
These results are in line with the statement of Widodo (2016); Cahyono and Adhiatma (2012) that Social capital is the ability of people in an entity or group to work together to build a network in order to achieve a common goal. The cooperation is characterized by a pattern of interrelations reciprocity and mutual benefit, and is built on the belief that sustained by norms and social values are positive and strong. That power will be maximized if it is supported by the spirit of proactively making relationships on the principles of reciprocity, mutual benefit and built upon trust.

Meanwhile, it can also be known every aspect of social capital that are applied by farmers palm sugar Bone Bolango regency. It research on social trust found that social trust variable lies in a pretty good criteria with a score of 83.82%. This shows that palm sugar farmers have a sense of trust with the other palm sugar farmers in developing of business agro-industry palm sugar. The existence of high trust this to be a picture that cooperation between farmers are in line with expectations formed a community of fellow craftsmen palm sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency. This is consistent with the statement of Fukuyama (2002); Hasbullah (2006) trust is very important from the social norms of the cooperative that raises a good social capital.

If the community can rely on to keep commitments, norms of mutual help and gentlemen, and avoiding opportunistic behavior, the various parties will be developed more quickly, and a group formed that would be able to achieve the common goals more efficiently. Community trust as a binder in forming social capital correlates with economic growth of the community. Relationships between labor with sellers and buyers in the transaction are equally expect honesty. Belief cannot appear immediately, but requires a process of relationship between businesses that have long been involved in joint economic behavior. So with this confidence will improve the cooperation of all farmers in business development agro-industry of palm sugar.

Then proceeds to the social norm was found that the social norm variable lies in a good criterion with a score of 84.56%. This shows that palm sugar farmers have an attitude and a good social norms and in accordance with the rules of the norm in society to establish an agro-commodity business. The existence of social norms that good will established a coordination in the achievement of business targets for palm sugar declared by farmers and the government. This is consistent with the statement of Douglass North (Fukuyama, 2002); Adinda and Suwartiningisih (2015) explains that the norms are very important for reducing transaction costs. If we do not have norms, then we may have to negotiate ownership rules on a case by case basis, a situation that is not conducive to the exchange market, investment, and economic growth. In this case the norms maintain social relationships between labor with sellers and buyers. Compliance with market participants against social norms that have been agreed to increase solidarity and develop cooperation with reference to social norms as a standard and as agreed by them.

While the results of the social network that was found that the variables of social networks lies in a pretty good criteria with a score of 83.41%. This shows that palm sugar farmers have a wide social network in the palm sugar agro-industry businesses, this can be seen from the cooperation between farmers and the government, overhead material providers palm sugar and cooperation in marketing. Cooperation or a good social network will make the farmers to receive a booking then will divide the reservation to other farmers that have the same income or business income in palm sugar. These results are consistent with the statement of Erlina et al., (2019); Melis (2018) describes their attachment economic behavior in social relations in which through social networks is happening in the economic life. At levels between individuals, social networks can be defined as a series of typical relationship between a number of people with additional properties, which are characteristics of this
relationship as a whole, which is used to interpret the social behavior of individuals involved.

Recently the local wisdom is found that variables local wisdom lies in the criteria fairly well with a score of 81.47%. This shows that palm sugar farmers in the buffer zone of protected forests Bulango Ulu sub district Bone Bolango regency able to apply the local values of cooperation and mutual assistance in optimizing the agro-industrial enterprises from both financial and non financial aspects. These results are consistent with the statement of Suhartini (2009); Puspaningrum (2015); that in adapting to the environment, people acquire and develop a wisdom that intangible knowledge or ideas, norms, customs, cultural values, activities and equipment as a result of abstraction to manage the environment. Often their knowledge of the local environment accurate as guidance in developing the life in the settlements.

2. The state of the business development process Agro-Industry Palm Sugar in Buffer Zone Forest Preserve Sub district of Bulango Ulu, Bone Bolango regency

The test results descriptive about it was discovered that the business development process agro-industry of palm sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency has been running quite well because it has an average value of 76.76%. This shows that farmers can conduct business easily palm sugar agro-industry and appropriate because of the existence of a program created by the government where it can be seen from the quality of palm sugar increases, the ease in sales and business capabilities in cost efficiency. Criteria pretty well indicates that the aspects that still need to be addressed by the farmers and the government, namely the availability of capital and labor in fulfilling the market demand.

These results are consistent with the statement of Rompas (2018) that the scope of economically viable businesses can be defined as a business diversification economical characterized by total production costs combined (joint total production costs) in producing two or more types of products together is smaller than the sum of the cost of production of each product, if produced separately.

3. Role of Social Capital to the business development process agro-industry of Palm Sugar in Buffer Zone Forest Preserve Sub district of Ulu Bulango, Bone Bolango regency

The test results are partial to the first hypothesis found that social trust and a significant positive effect on the business development process agro-industry of palm sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency. Positive regression coefficient shows that the higher the level of trust businesses to workers and surrounding communities that take part in the palm sugar business will be open also opportunities for business development process agro-industry of palm sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency.

Then for the second hypothesis is found that the social norm of positive and significant impact on the business development process agro-industry of palm sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency. Positive regression coefficient indicates that social norms are applied properly in the dynamics of palm sugar business will be a factor that can enhance the business development process agro-industry of palm sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency become more optimal.

Meanwhile for the third hypothesis results found that social networking positive and significant impact on the business development process agro-industry of palm sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency. Positive regression coefficient indicates that the wider social network of
entrepreneurs palm sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency will increase the production and marketing aspects that will be able to be a factor that resulted in positive growth for business development. This extensive network also will make businesses able to meet the market demands of palm sugar.

As well as for the fourth hypothesis testing found that local wisdom and significant positive effect on the business development process agro-industry of palm sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency. The regression coefficient positively shows that by applying the noble values of local wisdom in entrepreneurship palm sugar will make the image of the good efforts that would lead to stigma is also good that the result would make the public believe the product so that will be a process of business development process agro-industry of palm sugar in buffer zones of protected forest Bulango Ulu sub district Bone Bolango regency.

Through these results, an increase in social capital by palm sugar farmers need to be done by the farmers with the guidance and motivation of the government in improving cooperation between farmers. With their attention to things emotionally, competence, motivation and spiritual farmers in agro-industry effort will greatly promote the good efforts undertaken, especially if farmers active in setting aside part of their income to the common interest. Agro-industry business development process can be conducted in the presence of government intervention in the marketing aspect, especially the price and distribution channels as well as the most important in the provision of financial and capital assistance that will improve the ability of farmers to meet market demand. Then the need for an intense training to farmers, especially in the maintenance and preservation of protected forest in order not to be a factor that negatively impact the environment and the sustainability of palm sugar agro-industry businesses.

The results of multiple regression testing found that social trust, social norms, social networks and local wisdom together a significant effect on the business development process agro-industry of palm sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency the determinant value of 77.00%. Another factor potentially able to explain the process variables business development agro-industry of palm sugar which are the availability of financial capital, the optimization of operating costs, labor effectiveness, marketing effectiveness and increase sales consistently. Thereby, for the farmers and the government and other interested parties need to create a partnership that exists between farmers and SME actors processed food materials using palm sugar factory overhead. In this way the two benefits that can be obtained in particular to a reduction in marketing margins for palm sugar farmers can sell at a price a little more expensive then the perpetrators of SMEs processed food can be purchased at a price slightly cheaper.

These results are consistent with the statement of Anggita (2013) that the farming community is still a concern for the troubles of others. Although it does not provide financial assistance, but people there still will move to help the poor widow or lend the shuttle car to take a sick person without asking for a reward. People are also still work together to build a mosque and roads by dues independently without government assistance. Social activities that there was only limited to traditional activities, while in the construction of facilities of public infrastructure, a farmers community in Bone Bolango regency more rely on government assistance.
CONCLUSION

Social capital is owned by farmers in a fairly good state because it has an average value of 83.32%. This shows that people in a community of palm sugar craftsmen were able to cooperate with each other and mutual cooperation in achieving the common good in a business that was involved. Business development process agro-industry of palm sugar in the buffer area of protected forests Bulango Ulu sub district Bone Bolango regency has been running pretty well because it has an average value of 76.76%, which means that farmers can conduct business easily palm sugar agro-industry and appropriate because of the existence of a program created by the government where it can be seen from the quality of palm sugar is increasing, ease of sale as well as the ability the cost efficiency effort. Criteria pretty well indicates that the aspects that still need to be addressed by the farmers and the government, namely the availability of capital and labor in fulfilling the market demand.

Agro-industry business development process can be conducted in the presence of government intervention in the marketing aspect, especially the price and distribution channels as well as the most important in the provision of financial and capital assistance that will improve the ability of farmers to meet market demand. The need for an intense training to farmers, especially in the maintenance and preservation of protected forest in order not to be a factor that negatively impact the environment and the sustainability of palm sugar agro-industry businesses.

For farmers, the government and other interested parties need to create a partnership that exists between farmers and SME actors processed food materials using palm sugar factory overhead. In this way the two benefits that can be obtained in particular to a reduction in marketing margins for palm sugar farmers can sell at a price a little more expensive than the perpetrators of SMEs processed food can be purchased at a price slightly cheaper.

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