Farmer group empowerment in developing joint venture (Study case at Karya Jasa 3 Group in Kendal)

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Abstract. This study aims to obtain an effective strategy for group empowerment in increasing joint efforts. The Karya Jasa 3 group in Kaliyoso-Kendal was the object of the present study. Data were collected from March to June 2020. The data taken included assets owned by farmer groups, group businesses, and group cash financial data. Data were collected through interviews with farmer group leaders and direct observation in the field. The data obtained were analyzed in an explanatory manner. The results show that the group empowerment carried out was to build a joint business, in the form of an economic business unit which included: 1) Seed business; 2) Agricultural machine tool service unit; 3) Marketing of agricultural product; 4) Savings and loan business; and 5) Agricultural production supply store. The joint venture that has been built has been able to provide benefits for group members. Business profit was divided as follows: 70% for the group and 30% for members. Benefits for members are used to increase togetherness in the form of social activities. It was found that the strategic approach of empowering farmer groups in joint ventures should not only focus on productive business but also on social activities. Therefore, it was a portion of business profit used for recreation, religious events, or traditional occasions.

1. Introduction
Empowerment is an effort to provide power and strength to the community. Empowerment of rural communities is one of the government's strategies in national development, especially in the agrarian sector as a source of economic strength for the Indonesian people and state [1]. Based on [2], farmer groups are groups of farmer/breeders/planters formed by farmers based on common interests, equality of social, economic and resource conditions, equality of commodities, and familiarity to improve and develop a business. According to [3], farmers' empowerment is more effective through farmer groups.

The development of farmer groups is directed at the application of the agribusiness system, increasing the role, the participation of farmers and other members of rural communities by fostering cooperation between farmers and other related parties to develop their farming businesses. Also, the development of farmer groups is expected to be able to help and explore potential, solve farmer business...
problems more effectively and facilitate access to information, markets, technology, capital and other resources [4].

In carrying out farming activities, farmers are required not only to be oriented towards products needed by the market but also to be able to create markets and compete with agricultural products with other countries in terms of quality, productivity and efficiency. Farmers are expected to be independent and resilient in carrying out farming and no longer expect subsidies and protection from the government. Farmers' independence in realizing farming resilience is a condition that can be cultivated through the empowerment process. Empowerment towards farmer independence can be realized through extension activities. Farmers need to be actively involved in the learning process to be able to find out the problems they are facing and determine their own choices to overcome them [5].

The process of community empowerment has a starting point of making the community independent so that they can improve their standard of living by using and accessing local resources as best as possible. Community building activities are closely related to empowering communities. Empowering communities aims to fight poverty, inequality, and encourage people to be more active and full of initiative. Community empowerment itself is an effort to sanitize the community through the realization of their potential capabilities [6].

The strategy is a way to mobilize human resources, funds and power and equipment owned to achieve the goals set. The meaning of community empowerment itself is a process that develops and strengthens the community's ability to continue to be involved in a development process that takes place dynamically so that people can solve the problems they face and can make decisions independently [6]. This paper describes the empowerment carried out in the Karya Jasa 3 Farmer Group in developing joint ventures.

2. Methodology

The research was conducted in Kaliyoso Village, Kangkung District, Kendal Regency, in March to September 2020, in the Karya Jasa 3 farmer group. The empowerment approach used is to build productive businesses and social activities. The data taken included assets owned by farmer groups, group businesses, and group cash financial data. Data were collected through interviews with Karya Jasa 3 group's leader and direct observation in the field. The data obtained were analyzed in an explanatory manner.

3. Results and discussion

3.1. An overview of Kaliyoso village, Kangkung, Kedal

Kaliyoso Village is one of the areas of Kangkung District, which is located in the northern part. The boundaries of Kaliyoso Village are as follows: the north is bordered by Laban Village, Kadilangu Village, and GebanganomWetan Village border in the east, Sukodadi village border in the south, and Sendang Dawung Village border in the west. The total population is 2,016 people, with 1,253 farming families and 472 household workers. The livelihoods of the population include, among others, owner farmers, cultivators, and traders.

The commodities commonly grown by farmers are corn, soybeans, green beans and tobacco. Before 2013, farmers planted three times a year, after implementing the relay cropping system, they could plant four times. About 15 days before the plants are harvested, the next crop is planted under the plant. According to [7], relay cropping is a method of farming where one plot of land is planted with two or more types of plants with harvest and planting time arrangements. In this system, the second crop is planted near harvest on the first season crop.

Increasing IP 3 to IP 4, provides benefits for farmers by increasing farmers' income. As [7] argues, the alley cropping system provides several benefits for farmers. Among other things, yields can be more uniform in one growing season / year, farmers' income is not interrupted and is greater than monoculture planting. In addition, it reduces the cost of purchasing inputs, especially the cost of processing land and initial compound fertilizers before planting.
3.2. Profile of farmer Group Karya Jasa 3
The "Karya Jasa 3" farmer group was founded on July 7, 1983. The initial number of members was 15 people. Around 2000, the development of farmer groups decreased. In 2018, there was a reorganization of the management to reactivate the group. With this reorganization, the group grew, and the number of members increased to 160.

Group meetings are held regularly. There are two group meetings, namely a meeting of members and specifically for group administrators. Group member meetings are held regularly once a month. Group committee meetings are held twice a month. According to [8], group meetings are a place to exchange information, experiences, learn from each other, help and a means to plan group activities and convey the accountability of the management to members.

Capital is very necessary for developing a group business. Group capital is obtained from compulsory contributions and principal savings. The mandatory fee for each member is IDR6,000.- paid once a month. The principal deposit is IDR50,000.- paid once when you join the group. According to [9], one of the criteria for independent farmer groups is that farmer groups have group capital. Group capital has many benefits for both the group and members and even the surrounding community. The capital of a farmer group is an asset, both movable and immovable goods that belong together and are managed and become a collective responsibility of the farmer group.

Farmer groups are increasingly developing and performing at both the district and provincial levels. 1st winner for district-level outstanding farmer groups in 2014. 1st place for soybean commodity farmer groups at district-level in 2015. Farmer groups are increasingly developing under the leadership of farmer group chairman, Mr. Darmawan, who is also an accomplished Self-Help Extension Officer, the 1st winner at district level for outstanding farmer in 2014. The top six verification of achievement farmer at the Central Java province level in 2015.

To achieve the goal, farmer groups need to develop work programs. The work program is compiled through the deliberation of all members guided by the Extension Officer. Work programs are divided into 3, namely short, medium and long term. empowerment of groups in developing joint ventures

The strategy is essentially planning and management to achieve a goal [11]. One of the factors that can support the achievement of targets for community empowerment activities is strongly influenced by the type of approach used. Several things to be considered in determining a strategic direction that is regarded as suitable with the target group, socio-economic, and cultural conditions of the target group are in the group approach. With a group approach, the activities carried out can be more efficient, effective, and give optimal results than activities carried out individually [12].

The empowerment carried out is building a joint business, namely in a production business unit. A joint venture formed in the form of an economic business unit which includes: 1) Seeding business; 2) Agricultural machine tool service business; 3) Marketing of agricultural products; 4) Savings and loan business; and 5) Agricultural production supply store. The group determines efforts deliberation. The line of [13] that an essential aspect of community empowerment is a program that is self-composed by the community, able to answer the community’s basic needs, support the involvement of the poor, and marginalized groups. Other essential aspects are built from local resources, sensitive to local cultural values, paying attention to environmental impacts, not creating dependence, and is carried out sustainably.

3.2.1 Seeding business. Empowerment carried out in the seedling business is to legalize the business as a soybean seed producer. In 2018, the recommendation letter was approved by BPSB as a producer of “Karya Jasa” seeds for food/soybean development with a recommendation number as a producer of food plant development seeds; 5.1.402 / Prd.TP / kelompok / 8/2018. Besides, collaborating with larger seed producers to produce soybean seeds. The partners will buy in the form of seed candidates. The group has collaborated with UD Sujinah Grobogan and PB Utama Purworejo.
3.2.2. Agricultural machine tool service business. The farmer groups get aid from the government. The agricultural machine tool assistance is managed by UPJA "Karya Jasa." The operated equipment can be seen in the table 1 below:

| No. | Agricultural machine tools     | Total | Information          |
|-----|--------------------------------|-------|----------------------|
| 1   | Wheel tractor 4                | 1     | Goverment assistance |
| 2   | Bad dryers                     | 1     | Goverment assistance |
| 3   | Hand tractor                   | 1     | Goverment assistance |
| 4   | Pickup                         | 1     | Self-subsitent       |

3.2.3. Marketing of agricultural products. The farmer group buys the harvest from the members (soybeans, corn) at a mutually agreed price. The location of a large corn warehouse is close to Kaliyoso Village. The group takes advantage of the members of IDR100.- / kg. Meanwhile, the price of soybean is by mutual agreement and depends on the prospective seed’s quality.

3.2.4. Savings and loans business. This savings and loan business is beneficial for members in obtaining funds for their farming. The payment system is carried out after harvest. Namely: the loan must be returned when the farmer harvests. These savings and loans are used to meet the purchase of: 1) Subsidized/non-subsidized fertilizers; 2) Agricultural medicines; 3) Soybean and corn seeds; 4) Tobacco seeds.

3.2.5. Agricultural production supply store. This shop provides the means of production needed by group members, including seeds, fertilizers, medicines, and others required for farming. The advantages of productive business units managed by farmer groups can be seen in figure 1 below.

![Figure 1](image-url)  
**Figure 1.** Profits of the production business unit per year and earning during 2010-2018.
Figure 1 shows that the profit from each group's business fluctuated. From the figure, it can be seen that the highest yield was obtained in 2017. Increased earnings in 2017 were brought due to increased profits in buying and selling agricultural products and seeds and in the service business of agricultural machine tools. Meanwhile, the lowest profit was in 2011 because this year, only yields were obtained from the sale and purchase of farm products and seed business.

Join venture profits, 70% are returned to the group for capital, and 30% return to the members as the business's remainder. Meanwhile, what is returned to the group is used to increase group assets. In 2017, the joint venture profits were used to buy pickup trucks, and in 2018 it was used to purchase land to make a warehouse for agricultural machinery. Meanwhile, the profits owned by farmers are used for social activities. Therefore, it was a portion of the business profit used for recreation, religious events, or traditional occasions.

The advantages of joint ventures make farmer groups more independent in meeting group needs. This group's independence can be seen from the group's ability to buy land and pick-up cars independently. Groups can provide production facilities for members. Payment can be made after harvest. By buying input from the group, the profits will be returned to the members as well.

As an organization, capital is needed so that the group can run well. The accumulation of capital carried out by the Farmer Group comes from business profits, principal savings, and mandatory savings for members. Apart from being used for group capital, the joint venture profits are partly returned to the members in the form of residual income, which is used to finance joint activities. The cash development of the farmer group can be seen in Figure 2.

![Figure 2. Development of farmer group cash from 2008-2018.](image)

The group's cash development is determined by the mandatory fees and principal fees and profits from the joint venture. Group cash has increased from 2011 since the group business has started to run and is profitable. The most significant increase was in 2016. Group cash decreased quite a lot in 2018 because it bought land to build a warehouse and pick-up car.

4. Conclusion

Empowerment that is carried out is to build a joint business, in the form of an economic business unit which includes: 1) Seed business; 2) Agricultural machine tool business; 3) Marketing of agricultural product; 4) Savings and loan business; and 5) Agricultural production supply store. The joint venture that has been built has been able to provide benefits for group members. Business profit was divided as
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