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Business Design And Implementation Report Organic Layer Farming Business

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Abstract

Livestock is one of the important sectors in the Indonesian economy. One form of economic sector that can be established is Yudho's Farm laying hens farm. This final project is an implementation report of the business design implementation. The establishment of Yudho's Farm business was motivated by the unrest faced by consumers regarding the increasing price of eggs and the unstable quality of eggs. In addition, the problems faced by the author are difficulties in terms of maintenance and cost efficiency. Chicken care is quite difficult and quite expensive, such as the cost of vaccines, medicines and maintenance costs if the chicken is sick.

With the existing problems, Yudho's Farm intends to make an innovation, namely the use of organic herbs. Based on previous research, it shows that the use of organic herbs in chickens serves to maintain chicken health, increase productivity and improve egg quality. In addition, the impact felt from the use of organic herbs is that it can save operational costs because the herbal ingredients used include natural ingredients that are easily available and cheap and can replace the function of vaccines.

Yudho's Farm is located in Cilacap, Central Java. Observation and data collection were carried out by observation for 6 months. Yudho's Farm product distribution is carried out offline to the community and orders can be made online through social media, namely whatsapp. Marketing is done through sales to grocery stores to reach consumers.

The problems faced during the implementation of this business are delays in product preparation and marketing to consumers due to limited human resources and inadequate capital.

Keywords: Animal husbandry, business design, marketing, organic herbs, product inovation

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INTRODUCTION

Livestock is one of the most important sectors in the Indonesian economy. The livestock sector is a sub-sector of the agricultural sector. Agricultural development in the livestock sector as a support for animal protein needs which is a basic human need needs to be maximized so that it can provide additional income for farmers (Ibrahim, 2016). The important role of the livestock sector is food needs. Factors that influence the quality of food consumption are income and education, which can be categorized as socioeconomic characteristics. Proper food selection can be used to ensure the availability of food consumption derived from animal protein sources, one of which is eggs.

Eggs are the most widely consumed food by Indonesians because they contain high protein, amino acids and nutrients (Dananjaya, 2020). Eggs also contain high-quality protein because it consists of a complete arrangement of essential amino acids so that it has a high biological value of 100% (Wulandari & Arief, 2022). The best choice of eggs to meet animal protein needs is purebred chicken eggs because they are affordable, easy to find and taste good (Wibowo, 2019).

In Indonesia, the most common type of farming is chicken farming (Toelle, 2014). In addition, the type of chicken farming industry that is quite attractive is layer farming. This is because layer breeding is one of the agribusiness sectors that has good job prospects, so many people choose to work as layer breeders (Faizun, 2023). Based on data from the Central Statistics Agency (BPS), the total average consumption of broiler eggs in Cilacap in 2021 was 1,999 tons and in 2022 it was 2,538 tons. This figure is still relatively low when compared to developed regions.

Tabel 1 Production of Egg in Cilacap, 2021-2022

Livestock/Poultry	Unit	Production		Production Value (Rp)	
		2021	2022	2021	2022
1. Telur Itik	Ton	1.661	1.690	64.779.000	65.910.000
2. Telur Ayam Ras	Ton	1.999	2.538	39.980.000	65.988.000
3.Telur Ayam Buras	Ton	437	432	21.850.000	21.600.000

Based on the results of this data, the number of laying hens in the Cilacap Regency area from 2020 to 2021 continues to increase. Therefore, with this increase, many people choose to open a business as a layer breeder because the business has a fast capital

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turnover and the price of eggs is relatively affordable (Mulyani & Satriani, 2013). The increasing number of laying hens is also directly proportional to the increasing average egg consumption (Dananjaya, 2020). The advantages of the layer business are high demand for eggs, wide market share, fast harvest time, high productivity, and economically valuable manure (Lumenta *et al*., 2022). Meanwhile, the disadvantage of the layer business is the high production costs such as feed costs which account for 83.58% of the total production costs incurred by farmers in one period. In addition, the capital spent on the laying hen business is also very large, such as making cages and purchasing chickens (Ajizah *et al*., 2018).

Some efforts made to reduce production costs are to provide herbal ingredients as a substitute for vaccines and vitamins. Giving herbal ingredients to laying hens includes efforts used to reduce production costs, so that the benefits obtained are greater. However, in running a layer farming business, there are many problems related to how to take good care of chickens so as not to experience many losses. Most of the laying hen farming business actors are less developed in terms of care and efficiency, such as administering vaccines and vitamins (Agustina *et al*., 2017). Thus, this effort is made to develop and innovate layer farming by using organic materials, namely herbal ingredients. The herbs used also have various properties, namely being able to prevent diseases caused by viruses (bird flu). The use of herbs in laying hens is expected to reduce mortality, increase egg production, improve the interior quality of eggs such as yolk color, and egg shells and extend the storage period.

Based on the background of the problems described above, the following problems can be identified:

1. Is the provision of organic herbs to laying hens economically valuable?
2. Can giving organic herbs to laying hens increase egg productivity?
3. Is this business economically feasible or not?

Objectives

This article intends

1. To determine the economic value of giving organic herbs to the laying hen farming business.
2. To determine the effect of organic herbs on the productivity of laying hens
3. To determine whether or not organic herbal laying hen farming is economically feasible.

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Furthermore, the benefit of this research is that the existence of this egg product is expected to meet consumer needs for cheap and quality eggs. This is because the use of organic herbal ingredients can affect the health of chickens so that the productivity of the eggs produced is better and of higher quality and can save operational costs from the use of vaccines that are replaced with organic herbal ingredients. In addition, it also introduces product innovation to the market.

LITERATURE REVIEW

The Ansoff Matrix is a table showing four strategies used to analyze business risks and growth opportunities (Suciati *et al*., 2020). The matrix introduced by Ansoff is useful as a source of growth theory that occurs both internally and externally.

In market penetration, this theory explains how a company's marketing strategy introduces products to existing markets. This theory explains how a product can enter the same market and increase market share. In this case, Yudho's Farm introduces egg products that use organic herbal ingredients and promotes them using social media, word of mouth and selling eggs at prices below competitors. By doing this strategy, the company can expand market share.

In addition, another theory is product development which explains how to introduce new products to existing markets. This strategy includes innovation in products in order to meet the needs and desires of consumers. This is because consumer desires change rapidly and are influenced by many things. In this case, Yudho Farm is developing products, namely making organic eggs to be sold to existing markets. This product development is carried out because it uses organic herbal ingredients so that the chicken eggs produced are of higher quality and the shelf life will be longer than ordinary eggs. Development through organic herbal ingredients can also save production costs because organic herbal ingredients are easy to obtain at low prices. In addition, with organic herbal ingredients, the function of vaccines can also be replaced.

Furthermore, market development theory explains how to sell existing products to new markets. This theory explains more about how to reach new consumers such as geographical expansion to new regions or new market segmentation. Based on this theory, Yudho's farm has not done enough market development because he is worried that he cannot meet consumer needs due to limited egg production.

The last theory is diversification, which describes the development of new products and selling them to new markets. If the company is successful in diversifying, it will gain new customers and increase business growth. The diversification carried out by Yudho

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Farm is by developing organic eggs using herbal ingredients sourced from easily available natural resources. In addition, this development can also meet market needs that want eggs at low prices, but have good quality. In this case, the company also has a competitive advantage that is not owned by competitors.

Lean Production theory, which states continuous efforts to eliminate waste and increase the added value of products in order to provide value to customers (Tandeuun, 2007). In this case, the efforts made in eliminating waste at Yudho Ranch business include:

a) Efficient production planning

In managing feed inventory Yudho's Farm uses the Just-in-Time method by purchasing feed for 2 weeks so that there is no waste of stock.

b) Quality management

In maintaining product quality, Yudho's Farm checks the eggs before they are sold.

c) Efficient supply chain management

To create an efficient supply chain, Yudho's Farm works closely with feed sellers to ensure timely feed supply to avoid production disruptions.

d) Optimal resource utilization

In utilizing existing resources, Yudho's Farm manages well water to be used as chicken drinking water, and utilizes easily available herbal plants as herbal medicines and vaccine substitutes.

e) Employee training and empowerment

Providing training to employees or cage workers on effective and efficient rearing techniques.

RESEARCH METHOD

This study used quantitative and qualitative approaches. The quantitative approach was carried out by collecting data in the form of productivity of eggs produced, the quality of eggs produced, and the health of chickens. In addition, the qualitative approach used was by conducting interviews with farmers who use organic and those who do not use organic.

RESULT

The use of organic herbs is much more economical than the use of vaccines. This is not only comparing the price of vaccines with the price of the ingredients used to make herbal ingredients, but also many other impacts. Before using organic herbs Yudho's

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Farm found many chickens that were sick even though they had been vaccinated. Usually vaccines are given once every 3 months to maintain the health of chickens. And if the chicken is sick then the chicken will not lay eggs until she recovers, and this will be a high cost burden because it must continue to feed and medicine.

In addition, the effect of organic herbs on chickens is to increase egg productivity. Based on previous research, the benefits of organic herbs on laying hens are maintaining the health of chickens and increasing egg productivity. This is evident while running an organic farming business the quantity and weight of eggs produced is greater than before using organic herbs.

To find out the number of eggs produced, Yudho's Farm conducts egg counts every day to determine the percentage of eggs produced. While using organic herbs, the percentage of eggs produced is above 85%. This number is a high number for the number of eggs produced in layer farms.

DISCUSSION

Identification of problems that occur at Yudho's Farm is divided into 4 aspects:

1. Production/operations aspect

   The problem in the production or operations aspect is the delay in preparing and marketing the products. This is due to a shortage of production labor so that all work from maintenance to product marketing runs untimely. For now, Yudho's Farm only uses 1 worker.

   In addition, another problem is related to the supply of feed from suppliers. Sometimes the quality of the feed supplied varies because the supplier adjusts the selling price of the raw materials used to make the feed, thus affecting growth, health and egg production.

2. Marketing aspect

   Problems that occur in the marketing aspect are unstable markets such as changes in the selling price of eggs and fluctuating demand from consumers which is influenced by many factors.

   In addition, the problem faced by Yudho's Farm is that many new players are turning into layer farmers. So that competition in the layer farming industry is increasing. And another problem that exists is market saturation of egg products which results in product sales slowing down.

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3. Human Resources Aspect

The problem in the human resources aspect is the difficulty in finding labor that meets the criteria. This is because the work done is menial and dirty, so no young people are interested in working. Therefore, the workforce used for now is older people who naturally work more slowly.

4. Financial Aspects

The problem with the financial aspect is the fluctuating price of feed. In addition, the slow turnover of money due to long product sales also disrupts production processes such as the purchase of chicken feed. Another problem is the lack of business capital to increase the number of chickens and labor.

Then in the problem solving carried out from each of these aspects are:

1. Marketing aspect

The market price of eggs cannot be controlled by farmers. The selling price of eggs on the market is also constantly changing depending on demand, supply, feed prices and government policies such as the provision of PKH (Family Hope Program) assistance for the community. In dealing with the problem of fluctuations in the selling price of eggs, Yudho's Farm tries to optimize production costs by innovating to increase a larger profit margin. One way to reduce production costs is by developing new products through innovation of organic herbal ingredients as a vaccine substitute and working with feed suppliers to get affordable feed prices.

Furthermore, the solution to the problem is to diversify the market by selling products to new consumers to find sales opportunities. In this case, the new target market set is the upper middle class, cake traders and orders for celebrations. In addition, in the face of increasing competition in the industry, Yudho's Farm strives to innovate organic egg products as the company's competitive advantage that cannot be imitated by competitors.

Strengthening branding is also carried out in order to compete in the market by maintaining egg quality consistently so that consumers are not disappointed and turn to choose competitors' products. In addition, making attractive packaging is also needed to strengthen product branding.

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2. Operation/production aspect

Considering that the business is still small, the availability of labor and working capital is limited, for now Yudho's Farm has not decided to add labor, so what needs to be done is to change the way we work to be more effective and efficient. The delay in selling products is also caused by the lengthy process of cleaning eggs before they are prepared.

Therefore, Yudho's farm decided to change the way of cleaning eggs which is usually done during the day after the hens have all laid eggs into 2 stages. The first stage is done in the morning around 10am and continued in the afternoon. This way, the work is more effective. In addition, to cope with changes in feed quality supply from suppliers. Yudho's Farm increases the dosage of herbs and vitamins to maintain maximum egg production.

3. Human resources aspect

A company experiences human resource problems, namely ineffective work methods. This is because the workers used are old people. In recruiting workers, the problem that occurs is that there are no young people who want to work as cage workers, so they have to use older people. In dealing with this problem, Yudho's Farm provides training to workers so that they can work appropriately.

4. Financial aspect

In dealing with the problem of fluctuations from unstable feed prices, Yudho's Farm can save money by reducing production costs because the selling price of feed cannot be regulated by farmers. In this case, Yudho's farm prefers to use organic herbal concoctions rather than vaccines in chicken rearing to save costs. In addition, Yudho's farm also uses filtered well water to feed the chickens to reduce production costs.

CONCLUSION

Giving organic herbs to chickens is economically valuable compared to not using herbs because by giving organic herbs, there is no need to use vaccines which are included in the operational burden. In addition, the health of chickens is also better maintained so that it does not require costs to buy medicines. By giving organic herbs, it can reduce the company's operational costs.

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Egg productivity after being given organic herbs is also higher than those not given. This is due to the benefits of herbs that can maintain the health of chickens so that chickens can lay eggs optimally.

Economically, this organic layer farming business is feasible to run, because the profit margin obtained is greater than not using organic herbal innovation. It can also create a competitive advantage for the product so that it can compete with competitors.

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