International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Corn Marketing Development Strategy In Lima Puuh Kota Regency

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Abstract

The purpose of the study was to determine the Internal and External Factors of Maize Marketing Development and determine the development strategy of Maize Marketing. Maize is one of the main crop commodities in Indonesia that has a relatively wide range of uses, especially for human consumption and animal feed needs. This research uses descriptive research methods. This research was conducted in Lima Puluh Kota Regency. This research is located in Mungka Sub-district. The technique used in this research is nonprobability sampling technique, namely snowball sampling. the analysis that will be used is descriptive analysis, farming analysis, IFE and EFE analysis, SWOT analysis and strategic architecture design. The results showed that The strategy for developing maize marketing in Lima Puluh Kota Regency is the SO (Strengths-Opportunities) strategy, consisting of: (a) Increasing marketing cooperation with maize farmers, and (b) Increasing marketing cooperation with farmers.

Keywords: Marketing, Strategy, maize, Strengths, Development

INTRODUCTION

Agricultural development in Indonesia has a very important role in the nation's economy (Mukhlis et al, 2023). Advancing Indonesia's agricultural sector requires integration into macroeconomic policies as well as improvements at the micro level of farming and agribusiness (Arifin, 2004). Dahliana & Tahir (2021) explained that the

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government has set three main commodities in food crops as national priorities throughout 2010-2014, namely rice, corn, and soybeans.

Maize is one of the main crop commodities in Indonesia that has a relatively wide range of uses, especially for human consumption and animal feed needs. Maize is also a demanded commodity in the world market. Maize is the second most important commodity after rice. As a major source of carbohydrates in Central and South America, maize is also an alternative food source in the United States.

Some areas in Indonesia such as in Madura and Nusa Tenggara use maize as a staple food. Apart from being a source of carbohydrate, this commodity is also grown as animal feed (forage and cobs), oil (from seeds), flour (from seeds, known as corn flour or cornstarch), and industrial raw materials (from seed flour and cob flour). Along with the increasing rate of population growth, the market demand for corn continues to increase (Purwono & Hartono, 2007).

The Ministry of Agriculture confirms that the 2018 national corn production is surplus, and has even exported to the Philippines and Malaysia. The surplus production was obtained after calculating the 2018 production minus the projected national corn demand. Based on the calculation of the Directorate General of Food Crops, corn production in the last 5 years has increased by an average of 12.49 percent per year. That means, in 2018 maize production reached 30 million tons of dry shelled corn (PK). This is also supported by data on the size of harvest areas per year, which increased by an average of 11.06 percent, and the average productivity increased by 1.42 percent (Badan Pusat Statistik, 2019).

Maize Commodity Development in Indonesia still faces several obstacles, among others: (1) little use of hybrid seeds, (2) scarcity of fertilizers, (3) underdeveloped institutions, (4) inadequate post-harvest and harvest technology, (5) narrow arable land, and (5) inactive water. National maize development policies include; (1) creating a strategic socio-economic environment conducive to business development; (2) providing support facilities and encouraging accelerated adoption of advanced technology; (3) increasing productivity, efficiency, and competitiveness; (4) improving the welfare and equity of various parties involved in maize commodity development; and (5) strengthening the targets and sustainability of agribusiness systems and businesses. It appears that policy analysis plays a decisive role in realizing competitive agribusiness systems and businesses. The strategy to increase national maize production is through: (1) increasing productivity; (2) expanding planting areas; (3) securing production; (4) empowering institutions, and (5) processing and marketing (Aldillah, 2017).

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Chicken breeding, both laying hens and broiler breeds in West Sumatra, has increased from year to year both in population and production (Rosita et al, 2020). Chicken breeding, both layer and broiler breeds, in West Sumatra has increased from year to year in terms of population and production. Likewise, in Lima Puluh Kota Regency, the number of broiler chicken population reached 70% of the broiler chicken population in West Sumatra, where in 2018 the number of broiler chicken population reached 70% of the broiler population in West Sumatra, In 2018, the total broiler population reached 10,664,380, consisting of 4,796,490 laying hens and 5,867,890 broilers (Badan Pusat Statistik Kabupaten Lima Puluh Kota, 2019).

Maize production in Lima Puluh Kota Regency, shows fluctuating figures both in terms of planted area and production, but productivity has always increased. Land size indicates how much land the farmer owns for maize farming, Land ownership status is private land and leased land, land area of maize are 0.2 – 0.5 hectars (Mukhlis, 2023). Production in 2018 was 39,627 tons. In the same year, the population of broiler and layer chickens was 5,830,746. The feed required per day is 728.84 tons, for a one-year (365) day feed requirement of 266,026.6 tons of which is sourced from corn (46%), which is 122,372.23 tons so that in 2018 the demand for corn that can be met is only 32.38% (Badan Pusat Statistik Kabupaten Lima Puluh Kota, 2019). The unmet demand for maize is confirmed by the results of Mukhlis et al (2023), the amount of maize production produced by farmers is below normal production standards, which is only 1,600 kg - 8,700 kg / growing season, this is equivalent to 5.8 - 8.0 tons / ha. The average maize production was 3,477 kg/planting season, equivalent to 7.18 tons/ha.

These conditions indicate that the demand for maize for broiler feed has not been met. Therefore, research is needed to find the right maize marketing development strategy to meet the demand for maize for broiler feed in Lima Puluh Kota Regency.

RESEARCH METHODS

This research uses descriptive research methods. According to Wirartha, (2006), descriptive research is research that describes and relates various conditions, situations or various variables. Then, analyse and present facts systematically so that they are easier to understand and conclude.

The research was conducted for 2 months, starting from Juli - Agustus 2022. The selection of research locations was carried out deliberately (Sugiono, 2013). This research was conducted in Lima Puluh Kota Regency. This research is located in Mungka

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Sub-district, because it is a center for broiler chickens, which makes the need for animal feed, namely the corn commodity was high.

The population of this study are all maize farmers who supply their maize for animal feed in Lima Puluh Kota Regency. While the sample of this study is all corn farmers who supply their corn for animal feed in Mungka District, Lima Puluh Kota Regency. The technique used in this research is nonprobability sampling technique, namely snowball sampling. According to Sugiyono (2014) snowball sampling is a sampling technique that starts small, then gets bigger. Researchers chose snowball sampling because in determining the sample, the researcher first only determines one or two people, but because the data obtained is considered incomplete, the researcher looks for other people to complete the data.

The data obtained both in the form of primary and secondary data are processed by quantitative and qualitative methods. In this research, the analysis that will be used is descriptive analysis, farming analysis, IFE and EFE analysis, SWOT analysis and strategic architecture design. In this research there are internal parties and external parties. The internal parties in this study are actors in the on farm subsystem, namely corn farmers in Lima Puluh Kota Regency. On the other hand, external parties in this study are divided into two, namely external task parties and external remote parties. External task parties consist of (1) upstream subsystem actors, namely the nursery industry and production input providers; (2) marketing subsystem actors, namely maize suppliers (traders) and consumers; (3) downstream (processing) subsystem actors, namely the maize processing industry; and (4) supporting institutions subsystem, namely financial institutions. The external remote parties are the local government of Lima Puluh Kota Regency and the central government.

RESEARCH RESULTS AND DISCUSSION

A. Internal and External Factors of Maize Marketing Development

Based on the results of the research, there are several results of the identification and grouping of internal factors in maize marketing in Lima Puluh Kota Regency as follows:

a. The strengths of maize marketing in Lima Puluh Kota Regency are: (1) High production of maize, (2) High production of maize, (3) High motivation of farmers to plant maize, (4) High motivation of farmers to plant maize, (5) Wide availability of land for maize farming,

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b. Weakness factors in the development of maize marketing in Lima Puluh Kota District are: (1) Lack of capital in farming, (2) Limited post-harvest handling, (3) Low bargaining position of farmers in maize marketing, (4) Low access to marketing information, (5) Instability of maize prices, (6) Farmers' linkages with marketing institutions (toke),

Based on the identification of internal factors that influence the development of maize marketing, the IFEM matrix can be compiled. For more details, see Table 1.

Table 1. Matrix of Internal Factors of Maize Marketing

Internal Factors	Weight	Scale	Scores
Strengths			
Currently high maize prices	0.14	4	0.55
High amount of maize production	0.12	4	0.47
High motivation of farmers to plant maize	0.11	4	0.44
Good maize quality	0.10	4	0.39
Wide availability of land for maize farming	0.08	3	0.25
S u b t o t a l	0.55		2.11
Weaknesses			
Lack of capital in farming	0.10	2	0.21
Limited post-harvest handling	0.09	2	0.18
Low bargaining position of farmers in maize marketing	0.08	1	0.08
Low access to marketing information	0.08	1	0.08
Maize price instability	0.06	1	0.06
Farmers' linkages with marketing institutions (toke)	0.05	1	0.05
S u b t o t a l	0.45		064
T o t a l	1.00		2.76

Based on Table 1 above, the analysis of the IFEM matrix shows that the Strengths (S) factor has a value of 2.11 while the Weaknesses (W) factor has a value of 0.64. This indicates that maize marketing development in Lima Puluh Kota Regency has more strengths than weaknesses.

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Based on the results of the research, there are several results of identification and grouping of external factors in the development of maize marketing in Lima Puluh Kota Regency as follows:

a. The opportunities in the development of maize marketing in Lima Puluh Kota Regency are: (1) The large number of livestock businesses, (2) The high demand of 30 tons every day, (3) Consumers demand high quantity and quality of maize, (4) Government policies in the development of maize farming.
b. The threats in the development of maize marketing in Lima Puluh Kota Regency are: (1) Imported maize from outside Lima Puluh Kota Regency, (2) Difficulty in obtaining P32 seeds, (3) Scarcity of subsidized fertilizer, (4) Low price of maize from outside.

Based on the identification of external factors influencing maize marketing development, the EFEM matrix can be compiled. For more details, see Table 2.

Table 2. External factors matrix of maize marketing development

External Factors	Weight	Scale	Scores
Opportunities			
Large number of livestock businesses	0.17	4	0.68
High demand of 30 tons daily	0.16	4	0.64
Consumers demand high quantity and quality of maize	0.10	4	0.40
Government policy in corn farming development	0.08	3	0.24
S u b t o t a l	0.51		1.96
Threats			
Imported maize from outside Lima Puluh Kota District	0.18	2	0.36
Difficulty in obtaining P32 seeds	0.11	2	0.22
Scarcity of subsidized fertilizer	0.10	2	0.20
Low price of imported maize	0.09	1	0.09
S u b t o t a l	0.49		0.89
T o t a l	1.00		2.85

Based on Table 2 above, the analysis of the EFEM matrix shows that the Opportunities factor has a value of 1.96 while the Threats factor has a value of 0.89. This condition indicates that the development of maize marketing in Lima Puluh Kota Regency

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is still open to opportunities, given that the value of threats is smaller than the value of existing opportunities.

IFAS and EFAS matrix of maize marketing development

Tabel 3. Matriks IFAS dan EFAS Pemasaran Jagung

IFAS / EFAS	STRENGTHS (S)	WEAKNESSES (W)
OPPORTUNITIES (O)	STRATEGI *SO* = 2.11 + 1.96 = **4.07**	STRATEGI *WO* = 0.64 + 1.96 = 2.60
THREATS (T)	STRATEGI *ST* = 2.11 + 0.89 = **3.00**	STRATEGI *WT* = 0.64 + 0.89 = 1.53

Based on Table 3 above, the results of the calculation of the weight value plus the scale value in the IFAS and EFAS matrix show that the score value of SO = 4.07, score value ST = 3.00, score value WO = 2.60, and score value WT = 1.53. Based on the score values obtained, the main strategy used in the development of maize marketing is the Strengths-Opportunities (SO) strategy because it has the highest score value, but it is possible to use ST, WO and WT strategies.

B. Maize Marketing Development Strategy

SWOT Matrix of Maize Marketing

Based on the analysis of the IFEM and EFEM matrices, a SWOT matrix can be prepared to analyze the formulation of alternative strategies, both SO, ST, WO, and WT strategies. The results of the SWOT matrix analysis can be seen in Table 4.

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E-ISSN : 2964-0865
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Table 4. SWOT Matrix for Maize Marketing Development

IFAS / EFAS	STRENGTHS (S)	WEAKNESSES (W)
	1. High corn price 2. High amount of maize production 3. High motivation of farmers to plant maize 4. Good maize quality 5. Wide availability of land for corn farming	1. Lack of capital in farming 2. Limited post-harvest handling 3. Low bargaining position of farmers in maize marketing 4. Low access to marketing information 5. Instability of maize prices 6. Farmers' linkages with marketing institutions (toke)
OPPORTUNITIES (O)	**Strategies SO**	**Strategies WO**
1. Number of livestock businesses 2. High demand of 30 tons daily 3. Consumers demand high quantity and quality of corn 4. Government policy in maize farming development	1. **Improve marketing cooperation with maize farmers** (S2, S3, S4, S5, O3, O4) 2. **Improve marketing cooperation with livestock entrepreneurs** (S1, S2, O1, O2, O3)	1. Training and counseling on cooperatives and Agribusiness Microfinance Institutions (MFIs) in accessing capital (W1, W3, W6, O2, O4) 2. Counseling on post-harvest handling and marketing access (W2, W3, W5, O1, O3) O10)
THREATS (T)	**Strategies ST**	**Strategies WT**
1. Imported maize from outside Lima Puluh Kota District 2. Difficulty in obtaining P32 seeds 3. Scarcity of subsidized fertilizer 4. Low external maize prices	1. Increase maize production in both quantity and quality to reduce maize imports and reduce the selling price of local maize (S2, S4, S5, T1, T4)	1. Set stable and affordable prices to be more competitive (W3, W4, W5, T1, T4)

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E-ISSN : 2964-0865
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Maize Marketing Development Strategy

Based on the results of the analysis in the SWOT matrix above, there are several alternative strategies that can be used in the development of maize marketing in Lima Puluh Kota Regency, namely:

1. The SO (Strengths-Opportunities) strategy is a strategy based on the object's way of thinking, namely by using all strengths to seize and take advantage of opportunities as much as possible. The strategies that can be offered are:
   a. Increase marketing cooperation with maize farmers. This strategy is supported by the use of several strengths of maize marketing development, namely: (1) high maize production, (2) high motivation of farmers to plant maize, (3) good maize quality, and (4) wide availability of land for maize farming. This strategy is aimed at seizing and utilizing several existing opportunities that are beneficial to the development of maize marketing, namely: (1) Consumers demand high quantity and quality of maize, (2) Government policies in maize farming development.
   b. Increase marketing cooperation with livestock entrepreneurs. This strategy uses the strengths, namely: (1) High maize prices, (2) High maize production. This strategy is aimed at seizing and utilizing existing opportunities, namely: (1) large number of farms, (2) high demand of 30 tons daily, and (3) consumers demand high quantity and quality of maize.
2. The WO (Weaknesses-Opportunities) strategy is a strategy that is determined based on the utilization of existing opportunities by minimizing existing weaknesses. The strategies that can be offered are:
   a. Training and counseling on cooperatives and Agribusiness Microfinance Institutions (MFIs) in accessing capital. This strategy aims to minimize the existing weaknesses in maize marketing development, namely: (1) Lack of capital in farming, (2) Low bargaining position of farmers in maize marketing, and (3) Linkages between farmers and marketing institutions (toke). This strategy is aimed at seizing and utilizing several opportunities, namely: (1) High demand of 30 tons daily, and (2) Government policy in maize farming development.
   b. Counseling on post-harvest handling and marketing access. This strategy aims to minimize existing weaknesses, namely: (1) Limited post-harvest handling, (2) Low bargaining position of farmers in maize marketing, and (3) Instability of maize prices. This strategy is aimed at seizing and utilizing existing opportunities, namely: (1) A large number of farms, and (2) Consumers demand high maize quantity and quality.

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3. ST (Strengths-Threats) strategy is a strategy that uses the strengths of the object to overcome threats. The strategies that can be offered are: a. Increase maize production both in quantity and quality so as to reduce maize imports and reduce the selling price of local maize. This strategy uses the strengths, namely: (1) high maize production, (2) good maize quality, and (3) wide availability of land for maize farming. This strategy addresses external threats to maize marketing development, namely: (1) The presence of imported maize from outside Lima Puluh Kota District, and (2) The low price of maize from outside.
4. The WT (Weaknesses-Threats) strategy is a strategy based on defensive activities and seeks to minimize existing weaknesses and avoid threats. The strategies that can be offered are: Set stable and affordable prices to be more competitive. This strategy aims to minimize the existing weaknesses in maize marketing development, namely: (1) Low bargaining power of farmers in maize marketing, (2) Low access to marketing information, and (3) Instability of maize prices. This strategy is aimed at avoiding external threats, namely: (1) Imported maize from outside Lima Puluh Kota District, and (2) Low maize prices from outside.

CONCLUSION

Internal factors in maize marketing development in Lima Puluh Kota Regency consist of: (a) Strengths, including: (1) High amount of maize production, (2) High amount of maize production, (3) High motivation of farmers to plant maize, (4) High motivation of farmers to plant maize, (5) Wide availability of land for maize farming; (b) Weaknesses, including: (1) Lack of capital in farming, (2) Limited post-harvest handling, (3) Low bargaining position of farmers in maize marketing, (4) Low access to marketing information, (5) Instability of maize prices, (6) Farmers' relationship with marketing institutions (toke).

External factors in maize marketing development in Lima Puluh Kota Regency consist of: (a) Opportunity factors, including: (1) The number of farms, (2) The high demand of 30 tons every day, (3) Consumers demand high quantity and quality of maize, (4) Government policies in maize farming development; (b). Threats include: (1) Imported maize from outside Lima Puluh Kota Regency, (2) Difficulty in obtaining P32 seeds, (3) Scarcity of subsidized fertilizer, (4) Low price of maize from outside.

The strategy for developing maize marketing in Lima Puluh Kota Regency is the SO (Strengths-Opportunities) strategy, consisting of: (a) Increasing marketing cooperation with maize farmers, and (b) Increasing marketing cooperation with farmers.

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