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The Limitations and Benefits of Partnership Sharing System of Corporated Cattle Market (CCM)

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ABSTRACT

The development of the cattle market business needs to be tackled in several ways, including sharing system partnership among breeders. This qualitative and descriptive study were aimed to determine the limitations and benefits cattle breeders' membership of the sharing system partnership which is implemented in Corporated Cattle Market (CCM) in the Barru Regency, Indonesia. The study population included all cattle breeders who joined Corporated Cattle Market or not in Barru Regency. The results showed the obstacles faced by breeders who did not join the sharing system partnership program because they concerning about the marketing system of CCM, cattle facilities and feeds, and profit sharing system that might be unequal. We also obtained the limitations of sharing system partnership program (CCM) were the complicated marketing cattle rules, CCM location cage, and cattle feed management among CCM member. Otherwise, the benefits of system partnership program (CCM) were cattle prices homogeneity, improving profit of farmer, improving the quality of cattle by guaranteed feed and vaccine, improving cattle waste treatment, and also increasing social relation between farmer or breeder.

KEY WORDS: limitation, benefit, partnership, cattle

INTRODUCTION

Paradigm farm development was the realization of a healthy society and productive and creative through a tough farm based on local resources. To Achieve this paradigm performed a variety of missions, namely: (1) provide food from cattle, (2) empower human resource farms, (3) increase the income of farmers, (4) create jobs livestock, and (5) to preserve and utilize natural resources, which as a whole in line with agricultural development programs that build food security and developing the agribusiness sector [1]. Rural development is a strategy to reduce the disparity between urban and rural development. Agricultural and rural development are closely connected; agricultural development is associated with the development of farms using the agribusiness system which is often employed in rural communities because it can help people with small amounts of capital and rural areas [2]. The benefits of local resources possessed by each region, when used in line with a livestock development paradigm, helps to realize a healthy, productive and creative society through robust farming based on local resources. This paradigm may be achieved by improving food from cattle, human resource farms,

farmers income, opening job vacancy, and preserving and using natural resources in total harmony with agricultural development programs that build food security and develop the agribusiness sector [3].

One of the farmer or breeder project that involved in the agribusiness development program has a farm mini-exhibitions that explaining the potential exploration of natural and human resources. Shifting the typology of farm businesses, employment, application of technology, the availability of market and network marketing towards more effective and efficient processes, and increasing the availability of cow breeds and beef quality and sustainable utilization of farm waste [4].

The development of agribusiness systems can accommodate aims to improve the competitiveness of products. There are three alternative activities of marketing system:

- 1) Integration of farmers, professionally managed by a private company.
- 2) Integration of farmers, conducted jointly incorporated cooperatives or other organizations among farmers.
- 3) A combination of both, or known by sharing system business partnership.

Regarding post-harvest and marketing systems, farmers need business partners who guarantee capital, and marketing skills [5]; the development of beef cattle would be facilitated by support from development sector capital, marketing and social economy.

A sustainable profitability rate is essential for the feasibility of cattle fattening activities. Such a level of profitability will contribute to continuity of the enterprise and thus reduce the gap between the supply of and the demand for beef meta in Turkey. Increasing the number of culture-breed cattles in the herd is considered as an important step to achieve such a target [6] and [7]. Daily weight gain per cattle, the purchase feed expenses and the production efficiency are the major factors, which affect the profitability [8]; [9]. Profitability is also influenced from sale prices [10], resource management [11], economics of scale [12] and government supports [13].

One of the agribusiness development activities involves a Corporate Cattle Market (CCM) as part of a corporation program of the government of Barru which was implemented in 2011 and designed by the District Veterinary Office, Barru. The program was initiated by Bali cattle breeders and farmers association which interested to give assistance to Barru farmer to maintaining their cattle (especially cows) including farm facility management, vaccines and medicines to the cows, and the manufacture farm waste and biogas reactors. The CCM of Barru Regency often held mini-exhibition to sell their cows. Ten cows were usually placed together in one cage during the exhibition [14]. The CCM was considered as modern way of cattle marketing that aimed at accessing the investor and cattle ranchers in Barru.

CCM as a solution for farmers who have the farm assets but they do not have sufficient time to manage it. Therefore, they hire people who have skills in animal husbandry to manage it. This is the beginning of sharing system program, where the farmer owner and the farm manager share the profit according their agreement. This system has implemented since 2011 in Barru and inspired the farmers to make CCM together [15]. They believe that working this way can gain the profit. However, there are farmer who did apply the sharing system program and did not join CCM because they concerning that this system is complicated and have limitations. Therefore, we need to determine the limitations and benefits of the sharing system partnership program of Corporated Market Cattle.

3 Research methods:

This research was conducted in September to October 2016 in the subdistrict of Tanete Riaja, Barru Regency, South Sulawesi Province. This was a descriptive study which using the 561 farmers as research objects, but only 103 who implemented sharing system program. Data were collected qualitatively and quantitatively. Data were obtained from primary sources that included direct observations and interviews with Bali cattle ranchers; secondary data were gathered from statistical books, various sources of literature and related agencies associated with this research. We also conducted focus groups of discussion (FGD) in order to gain responses from the participants.

RESULTS AND DISCUSSION

Showroom program mechanism:

The purpose of showroom program for beef cattle is to put the cattle in animal cage so that their health and their feed can be controlled. Members of the group were 30 people, but not all of members of the group bring the cattle into the showroom. The sharing system consisted of beef cattle farmers and the capital owners. The distribution of profit was 50:50. If the Animal Husbandry services as the first party gave 1 head of beef cattle to the farmer as the second party, it should be returned 2 head beef cattle in 5 years. If beef cattle were sick, it will be investigated by officer for treatment. If the cattle cannot be recovered, the second party (farmers) can sell it. If the cattle died because of disease, the farmers will not be charged. The important thing is there should be reported for mortality based on the examination results of the death. If the cattle died due to the accidents such as the cattle hit by a car, the cattle fell from a cliff, and the farmer should replace it. If the cattle were lost due to

be stolen, so the second party (farmers) reported to the police. If the second party (farmers) died, then that will be forwarded to their next generation.

The limitations of CCM perceived by farmer or breeder who implementing sharing system program:

Information is important to implement knowledge and technology. Attitude formation is a mental process to adopt or not adopt technology. CCM is a new program in Barru regency which has many constrains from farmers.

Table 1: Limitations perceived by farmer or breeders to following sharing system program

Variable	Step 1	Step 2	Step 3
	Percentage	Percentage	Percentage
Program rules are complicated	28.6	21.5	19.9
Forage feed	35.8	17.8	17.8
Cage	17.8	26.8	26.8
Marketing cattle	17.8	33.9	35.8

Table 1 shows the limitations by the CCM member of the cattle marketing because farmers thought the preserve near the residence then the trader will be easier to meet breeders and negotiate directly. This was hard to do when the cows were placed in CCM cages that are located far apart with the location of residence breeder as well as the procurement fodder and rules that have not been understood by ranchers to participate in this program, this is in accordance with the opinion of [16], that an innovation must be accompanied by effective extension, so the adoption of the technology will reach its target. Besides the public mindset regarding maintenance systems still need to be updated so that they may be more interested to implement breeding cattle in the showroom. Besides, in implementing a program, the community as the target first cultivated in order to renew their ways of thinking towards more advanced.

Benefits perceived by breeders of memberships of the sharing system program:

Sharing system partnership program aims to increase the income of cow cattle farmers in cooperation with the investors, where the government acts as a facilitator by providing cattle feed, vaccines, and engineering services. We obtained the benefit of implemented sharing system partnership by joining CCM that collected from FGD among the farmer or breeder (Table 2):

Table 2: The benefits of implementing sharing system partnership program

Benefits	Step 1	Step 2	Step 3
	Percentage	Percentage	Percentage
Cattle waste treatment guaranty	23.2	16.1	14.3
The homogeneity of cattle prices	17.9	21.4	25
Processing of agricultural waste	12.5	14.3	12.5
Treatment and artificial insemination	19.7	14.3	7.1
Marketing cattle	12.5	17.9	23.2
Strengthening group	14.3	16.1	17.9

Table 2 shows the there are six factors affecting farmers to follow CCM program. The highest factor is the uniformity of the price of cattle, meaning that farmers offered traders the same price for particular weight. Farmers know the benefits clearly after deducted the cost compared to farmers who are not follow the CCM program. Most of farmers do fattening for their beef cattle for 3 – 6 months. This agrees with that of (17) who argued that fattening business is profitable.

Conclusion:

The limitations of sharing system partnership program (CCM) were the complicated marketing cattle rules, CCM location cage, and cattle feed management among CCM member. Otherwise, the benefits of system partnership program (CCM) were cattle prices homogeneity, improving profit of farmer, improving the quality of cattle by guaranteed feed and vaccine, improving cattle waste treatment, and also increasing social relation between farmer and breeder.

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