

## KORESPONDENSI KARYA ILMIAH JURNAL

### **AGRIBUSINESS PARTNERSHIP PERFORMANCE IN EMPOWERING BROILER BREEDERS**

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# **AGRIBUSINESS PARTNERSHIP PERFORMANCE IN EMPOWERMENT BROILER BREEDER**

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## **ABSTRACT**

This study aims to identify and analyze partnership models of broilers, performance and the extent of the government's role in the empowerment of farmers in the agribusiness partnership system, using a qualitative descriptive research approach based on expert judgment. The findings show that partnership contract farming in South Sulawesi with every variation is essentially different from the basic concept of partnership. The government's role in empowering farmers in the partnership system of broilers in South Sulawesi is to encourage and create a business climate that is conducive and stimulating for the development of broiler farms in South Sulawesi; however, this is not functioning optimally.

*Keyword: Performance, Partnership, Broiler, Empowerment.*

## **INTRODUCTION**

The Indonesian livestock industry is growing very rapidly with increasing purchasing power and experienced a peak in 1996. These developments are less encouraging since the economic crisis around 1997. Along with population growth, increased revenue and increased public awareness of nutrition in Indonesia, broiler demand for livestock products are expected to continue to rise. The consumption of animal protein has been widely met from broiler meat consumption, which accounted for 67% of the total consumption of animal protein, while cows only contributed 16% (Utomo, DB. 2013). This is a business opportunity that is an incentive for employers to increase the productivity of broiler farms.

Broiler farms in Indonesia are a breeding business; there are major obstacles, including not taking into account the economic and business scale, and the modest use of technology, so that productivity is low and quality varies. Broiler farm conditions such as these have a weak position and are sensitive to changes, mainly in marketing their products

(Patrick, I. *et.al.* 2004). Therefore, development interventions need outside forces, such as capital, market creation, organization, and technical guidance. Responding to this problem, the government issued a policy in the form of Presidential Decree No. 99 of 1998 on the field or type of business open to medium businesses or large enterprises on the condition of the partnership, one of which is a partnership of the broilers.

From several models that have been pursued, one that is considered to assist the development of livestock agribusiness in terms of capital, supply of raw materials, marketing and technical guidance of technology development is the partnership pattern of Agribusiness Operations Cooperation (Sulaeman, S. and Eriyatno, 2001). The development of KOA partnership pattern in South Sulawesi shows a very positive trend especially in the last 10 years. At the beginning of development in South Sulawesi, broiler breeders are only dominated by two largest feed industry companies in South Sulawesi, namely partnership under PT Japfa Comfeed Indonesia (JCI) with partnership of PT Primatama Karya Persada (PKP) and Kemitraan under the auspices PT Charoen Pokphand (CP) with partnership of PT. Bina Pratama Satwa (BPS), which at the beginning of its development has only partner farmers in the city of Makassar, Maros regency, Gowa and parts of Takalar district. The development to date of existing partnership partners has reached twenty-seven companies excluding local partners with small populations, with an expanding working area and almost all districts in South Sulawesi (Ridwan, M. 2015).

A partnership development trend that is fast enough indicates the need for the partnership concept in the development of agribusiness broiler farms in South Sulawesi. Despite the partnership model, there are still some problems remaining in its development, especially in terms of optimizing the revenue received by breeder partners. Empowerment carried out by the partners is helping to revive the farming slump due to the economic crisis; however, this was not yet giving hope to propelling farm businesses forward, economically and independently, and the subordination of financiers was strong (large businesses) to farmers/ranchers (small business). In many cases, these partnerships make small farmers increasingly independent, as they can no longer be competitive without access to the services provided by contract farming companies (FAO, 2001 at Begum, et al. 2011). On the other hand, evidence from various countries shows that most contract farming schemes exclude small farmers (Singh, 2000 in Begum et al. 2005). Generally, intensive farming with large capital causes a barrier to the entry of small farmers into the contract system because of high transaction costs and economies of scale (Begum et al. 2005).

Generally, small farmers in Bangladesh as well as in Indonesia cannot take advantage of market opportunities and often have difficulty accessing credit, obtaining information about market opportunities or new technology, purchasing inputs such as DOC, feed, and vaccines and accessing output markets. When the market is accessible, farmers often experience fluctuations in the price or the price is not fair. This is an obstacle to the development of the commercial poultry sector outside of partnerships and represents the 'bottleneck' in the development process. (Begum et al. 2005).

Therefore, one of the challenges in the development of farmers from the low position into a higher position in the third world is how to develop them so that they can organize themselves as an effective pressure group. As is the case in western countries, farmers need to achieve the position and be able to be on an equal footing as well as to deal with various other institutions in the structure of egalitarianism (Brinkerhoff and Goldsmith, 1993; Sumardjo, 1999). Implementing agribusiness development is expected to develop the self-reliance of farmers so that the relationship of the structure of the system is not the position of subordination, but rather a relationship of dependence (interdependence) of mutual support and mutual benefit.

Improving the performance of partnership system in broiler agribusiness in South Sulawesi, requires the implementation of appropriate strategy, competitive and comprehensive and in line with the nature and the initial goal of the realization of a cooperation system between ranchers and farming companies in a partnership concept broiler agribusiness. In order to establish an appropriate, competitive and comprehensive management strategy, the first thing to do is to measure the performance of the developed partnership system. Syahyuti. (2003). states that performance measurement plays an important role in ensuring the success of a strategy run by an organization or institution.

### **Formulation of the problem**

1. Illustration of the agribusiness partnership model of broilers in south Sulawesi
2. How is the agribusiness partnership model performing in the empowerment of broiler breeders in south Sulawesi
3. What is the role of the government in the development of agribusiness partnership broilers in South Sulawesi

### **Research purposes**

1. Identify and analyze models of broiler partnerships that developed in South Sulawesi

2. Understand and analyze the performance of the broiler agribusiness partnership model in the empowerment of broiler breeders in South Sulawesi.
3. Identify and analyze the extent of the government's role in the empowerment of farmers in the agribusiness partnership system of broilers in south Sulawesi.

### **Research usefulness**

The results of this study are expected to be the subject of study to develop a partnership model based on broiler farms which can accommodate the interests of farmers, resulting in greater income generation and self-reliance of farmers, as well as synergies, which are interdependent, mutually beneficial and mutually reinforcing.

## **RESEARCH METHODS**

### **Approach and type of study**

This study uses research paradigm constructivism with descriptive qualitative research (Sugiyono, 2009).

### **Location and Time Research**

This research was located throughout the district/city that is the area of agribusiness partnership broiler operations in the province of South Sulawesi. Collecting data in this study took place in 2015 with a duration of about 6 months.

### **Types and Sources of Data**

Types of data collected in this study were derived from primary and secondary data (Huberman, *etal.* 2009).

1. Primary data were obtained from in-depth interviews with a number of informants/participants as well as direct observation of the object studied.
2. Secondary data were used as supporting data and were obtained from various sources such as library documents (book report on the implementation of partnership, research reports, and reports from various relevant agencies).

### **Data collection technique**

#### **Deep interview**

In-depth interviews will be conducted with a number of informants and experts/specialists consisting of groups of farmers, the government, academia and the private sector (companies/associations of livestock/partnership management institutions broilers). The determination of experts was based on them having a deep knowledge of the studies examined, along with extensive experience in the field of partnership contract farming for broilers; this experience is not only associated with one of the factors of resources, but also to

other related sectors. Besides this, the experts were also chosen because they are already working for the government and private organizations and are involved in the operation, as well as academic activities, especially those focused on livestock (Saaty, 1987; Marimin, 2004).

### **Observations**

In this study, researchers will use a non-participant observation method, in which researchers not directly involved in the daily activities of the community act as independent observers.

### **Secondary Data Collection**

Secondary data were used to support the analysis and interpretation of the data in this study. These data were in the form of written data or images containing data on breeders, planned partnership activities and the types of activities that have already been done, results of the studies which are relevant, as well as archives and other related agribusiness partnership activities.

### **Data analysis**

Technical analysis of the data in this study used qualitative data analysis. To improve the quality of studies regarding the selection of alternative partnership models, the software Expert Choice AHP 12 was used.

## **RESEARCH RESULT**

### **Overview of Model Partnership Broiler in South Sulawesi**

In the poultry business, partnerships are not new, especially in South Sulawesi. Poultry businesses with partnership models have evolved over many years; however, the problems of broiler partnerships are still a topic of conversation or debate which are interesting to study because, despite various models of partnerships having been developed, the results are still far from the expectations. Broiler breeders, as the main focus of the farming sector, remain in a very weak position.

Actually, a partnership between poultry farm breeders or the corporate field of animal husbandry has been introduced by the government since 1984, which is known as PIR poultry. PIR poultry implementation was a follow-up of Presidential Decree No. 50 of 1981. The core aspects of Presidential Decree No. 50 of 1981 are: 1) the poultry farms are allowed to move in the upstream industry of broilers (seed, feed, drug) or downstream industries of broilers (slaughtering and trading of broilers), while the cultivation of broilers is only allowed

for farmers of the people, and 2) farm scale cultivation is limited (750units/cyclefor broilers or 5000 units/cycle for laying hens), to prevent excess supply.

To ensure the upstream market of the broiler industry, while ensuring the provision of poultry production facilities and marketing results for farmers of the population, the government set broiler development patterns in 1984, known as PIR poultry. As an operation, PIR poultry exists in three forms, namely: 1) PIR with plasma agreement, which guarantees the provision of poultry production facilities and the marketing of products, 2) PIR with plasma ratio, i.e.the plasma core system price ratio between the price of feedDOC and the selling price of broilers, and 3) PIR with plasma Mandiri (without any deal or price ratio).

Recent developments in regulatory support have been provided by the government with the enactment of the Government of the Republic of Indonesia No. 6 of 2003; this focused on the empowerment of farmers by providing convenience to farmers in an effort to empower farmers to farmers by type and number of herds under certain scale does not require a business license.

Table 1. shows that of the three partnership models developed in Indonesia today, as reinforced by the explanation of article 29, paragraph 2 of the partnership model in PP 6 in 2013 regarding the Empowerment of Farmers, only a partnership model contract farming/contract grower (100%) was developed in southern Sulawesi; the model involving the management fee and profit-sharing is not well developed in the region. It is not clear why the partnership model has not been developed in South Sulawesi, while in other places, especially in South Sumatra, both models are well developed.In conjunction with the partnership model of contract farming,the partnership management fee dominates (50%) over the contract farming model (40%) and the remainder (10%) for the model results (Sharif, 2010).

Based on the study results on the three models (presented in more detail in Table 2), the model contract price is the model with the least risks for company partnership because therisk is borne by the farmers' partners. This is unlike the partnership model that was developed by JASS Corp., where all of the risks are borne by the company. With conditions that are less risky, this allows suboptimal production facilities to be provided (Day Old Chick (DOC), feed and medicine-vaccine-chemical (OVK)) along with the quality and service field workers less than the maximum, as many complained of by breeders partner in South Sulawesi, namely the quality of DOC and feed less as well as service field technical officer lacking especially give guidance in cultivation.

Table 2 shows the outline of the three main partnership broiler companies in South Sulawesi, which has a base feed industry; DOC and OVK have characteristic partnership models, and are almost the same; the difference is the type of incentive given to farmers' partners, although this is basically the same as the main basis of the calculation, just with different names. The real difference is indicated by a partnership with JASS Corp., running a business partnership, and is not based on industrial means of the production of feed, DOC and even OVK who are willing to risk without burdening breeder partners. On the other hand, they do not give incentives to the market; there is an incentive to improve the price of broiler in the market, so the opportunity to get different prices for improved conditions is not possible while the partnership is developed by industrial feed production facilities; DOC and even OVK provide the profit opportunity. It appears that each of the existing models has strengths and weaknesses which generally still favor the interests of the core company in the base model selection decision (Table 3).

From the description above, efforts have been made to provide maximum opportunities to earn better profits for the farmers' partners. With standard contractual mechanisms, there is no negotiation; operational costs are borne by farmers, and participating breeders bear the risk of losses unless special conditions/mass and not human error, compounded by the quality of the means of production which is less assured as they have no other alternative because the monopoly of the means of production feed DOC and OVK. Under these conditions, it is not an exaggeration to say there has been breeder exploitation. Incentives promised, even with all of the formulas, seem half-hearted.

The tendency above indicates the effort of the company partnership to seek the maximum benefit by choosing alternatives to this model. When the company based Industrial means of feed production, DOC and even OVK already took advantage with a monopoly of production facilities feed, seed and even OVK so in general, they have a very small chance of losing money, but the fact remains to choose the safest position, so that alignments or goodwill grow together through win-win partnership solutions based on the principles of openness, fairness and mutual benefit far short of expectations.

### **Broiler Model Evaluation Partnership in South Sulawesi**

Partnership models with some variations were developed by broiler partnerships in South Sulawesi; the results have identified several criteria for selecting a model with the following weights (Table 4).

Table 4 shows that the contract price is the most important criterion; if the contract price is good, then potential profits will also be improved, in addition to the quality of the

means of production (feed, DOC, and OVK), which is also a matter of no less importance, as it will largely determine production performance. Quality seed and feed largely determine the final performance of maintenance; however, the efforts of farmers to implement good farming inputs, especially if the quality of seed and feed are not good, will produce end results that will reflect the fact that the inputs are not good.

Next to partner requirements, incentives offered, compensation risks and equality and openness, as well as the period and time of harvest, are important matters that also have effects and are taken into consideration when choosing a model of partnership. Based on these criteria, the consideration of the weight of each model can be analyzed in detail in Table 5.

Table 5 shows that of the four alternative models for contract farming, two models are comparably undeveloped in South Sulawesi but are growing in other areas along with alternative models. There is a tendency towards alternative models being able to provide the increased income of farmers in agri-business partnership systems in broilers in South Sulawesi, as shown by the highest weight in the model.

### **The role of government in developing a partnership model broilers**

The role of the government through various policies and programs is expected to encourage and create a conducive business climate and to stimulate farmers and the private sector so that businesses can thrive. In this case, the government acts as a facilitator, regulator, and motivator, and should match relationships between those involved so that actors can interact proportionally and exploitation will be contradictory.

In accordance with mandate PP. No. 6 in 2013 on the empowerment of breeders, the involvement of central and local government in this partnership is to provide guidance in the implementation of partnerships, treating farmers as an asset that must be maintained and nurtured properly. The empowerment of farmers should be from the government down to the local level, which aims to improve independence, provides convenience and progress of the business and improve the competitiveness and prosperity of farmers.

Increased value added to livestock through business partnerships will be more effective if there is proper support from the government in the form of political will and political actions. There are forms of government support for establishing business partnerships in the field of animal husbandry, among other things; first, the application of laws and regulations that do not hamper the development of livestock businesses when building business partnerships. Second, the government should be able to develop and improve the infrastructure to develop business partnerships itself. Third, the government

should provide protection for the breeders from exploitation in cooperation activities with the industry by checking the financial feasibility and managerial capacity of the industry (the company); this will enable the profitable business to be generated for all parties. Fourth, the government should help in the development of an integrated information system that combines information on each part involved in the supply chain system. Government support is expected at the top for business partnerships in the field of livestock to be effective, as well as to increase the added value; ultimately, these can also improve the competitiveness of farm products. In addition, livestock development can create multiple targets, namely to create growth and equitable distribution of income at the same time (growth with equity) (Daryanto, 2009).

As stipulated in Government Regulation No. 6 in 2013 on the Empowerment of Farmers, the government has been fortified by providing a clear legal umbrella for the empowerment of farmers; this ranges from access to sources of finance, science, information technology, to servicing the farm, health services, technical assistance, the development of partnerships, the creation of a favorable climate and the protection of livestock prices.

Implementation of these regulations in the field needs to be concrete and effective; in order for that to be effective, the mechanism to implement these regulations needs to be compiled and made clear. Every farm business must be known by the local Animal Husbandry Department as a representative government; escorts and coaching will prevent exploitation of the breeder/plasma.

Government policies that have been made should be a guideline for businesses in the field of animal husbandry. Against this, breeding companies that break the rules must be dealt with firmly by the proposed revocation of business licenses by the local mayor, according to the Decree of the Minister of Agriculture No. 404/Kpts/OT.210/6/2002 on Guidelines for Licensing and Registration of Livestock enterprises. However, the problems that have occurred between farmers and entrepreneurs need ways to be settled amicably, without entering into the realm of law; the government can facilitate the mediation or reconciliation for the troubled, so that the world of farming in Indonesia can continue to grow and provide benefits without breaking rules and regulations, being detrimental to either party.

## **Conclusion**

Based on the description that has been presented in the previous section, it can be summarized as follows:

1. From the number of partnership models recommended in the existing regulations, only one main model of partnership has been developed in broiler farms in South Sulawesi; this is a

partnership based on the contract price/contract growth with every variation of the contract. This depends on actors who develop business partnerships that are essentially in contrast to the partnership model mandated by the government, namely the creation of partnerships that have a win-win solution, the sharing of resources and the sharing of risks based on the principle of mutual needs, mutual strengthening and mutual benefit, to create a system of partnerships that serve and improve the welfare of society and breeder members of the partnership (breeder partners) through guidance and empowerment.

2. The results of the evaluation of several variations of the contract farming model developed in South Sulawesi and several other models developed out of South Sulawesi, as well as the study of alternative models, suggest that it is necessary to reconstruct a model of partnership developed, which is reinforced with evaluation of alternative models for the development of broiler agribusiness partnership in South Sulawesi.
3. The role of the government in empowering the farm in broiler partnership systems in South Sulawesi is encouraging and creates a conducive business climate; also, it is stimulating the development of broiler farms in South Sulawesi but is not functioning optimally. The role of local government as a facilitator, regulator, and motivator has been matching actors so that they can interact proportionally and the exploitation is contradictory. The government, especially animal husbandry departments, "do not know" and "do not want to know" about the development of partnerships and company partnerships, so there is no obligation to provide periodic reports to the agency or agencies. Therefore, the government does not have accurate data on the development of business partnerships from time to time as a basic instrument for monitoring development and assessing the contribution of business development to farm breeders.

### **Suggestions**

To create a partnership model that is ideal for the empowerment of broiler farm in south Sulawesi and able to add value for the actors it needed support from the government in the form:

- (1) provides protection to the breeder of the people from exploitation in cooperation activities with the industry, with constant monitoring and evaluation of evolving partnership practices
- (2) abolished the monopoly of the means of production practices carried out by a partnership company either directly or indirectly by encouraging regulations that enable a shift in

actors partnership of companies based livestock feed industry company to a partnership model based Cooperative Agribusiness Poultry broiler.

- (3) optimize the role of government and financial institutions (banks) as an agency that helps finance (credit) to farmers and cooperatives that run the system partnership with the procedures and requirements easy.

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Table. 1. Partnerships Model and Main Actors Partnership Broiler in South Sulawesi

No	Company Partnership	Partnership Model		
		Management Fee	Contract prices	Profit sharing
1	JAPFA Group	-	X	-
2	Charoen Pokphand Group	-	X	-
3	Patriot Group	-	X	-
4	JASS	-	X	-

Source: Research Data Processed in 2015

Table. 2. Comparison of Model Contracts Broiler Farming Partnership in South Sulawesi

No	Description of Partnership	Company Partnership			
		JAPFA Group	Pokphand Group	Patriot Group	JASS
1	Operating costs by breeders	X	X	X	X
2	Affected the market price	X	X	X	-
3	Fee DOC in	-	-	-	-
4	Fee DOC out	-	-	-	-
5	Marker price incentive affected Breeder:	X	X	X	X
	a) Performance incentive (IP/IPX)	-	-	-	-
	b) Incentive Death	X	X	X	-
	c) Achievement EEF	X	X	X	-
	d) Incentive FCR	-	-	-	X
	e) Incentive Markets				
	f) Healthy Broiler Incentive				
6	Compensation prices sick broilers	-	-	-	X
7	The risk of sick broilers	-	X	X	X
8	Compensation cost of living	-	-	-	-
9	For the period end results	-	-	-	-
10	Risks Sharing:				
	a) Losses incurred Core	-	-	-	X
	b) Losses are borne by farmers	-	-	-	-
	c) Losses are shared	X	X	X	-

Source: Research Data Processed in 2015

Table. 3. Strengths and weaknesses of the partnership model

No	Partnership Model	Advantages	Weaknesses
<b>1</b>	<i>Contract Farming (CF):</i>		
	2) JAPFA Group	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• There is an incentiveso that there is a potential market income higher when market prices improved (above the contract price)</li> <li>• Many variations incentives (market incentive, IP, FCR)</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Breeders participate bear the risk of loss unless special conditions/mass and not human error</li> <li>• Quality poultry production facilities less assured.</li> </ul>
	3) Charoen Pokphand Group	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• Variations many incentives (Incentive IP, FCR, Acf EEF)</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Breeders participate bear the risk of loss unless special conditions/mass and not human error</li> <li>• Quality poultry production facilities less assured.</li> </ul>
	4) Patriot Group	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• There is an incentive so that there is a potential market income higher when marketprices improved (above the contract price)</li> <li>• Variations many incentives (Incentive markets, IP, FCR)</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Breeders participate bear the risk of loss unless special conditions/mass and not human error</li> <li>• Quality poultry production facilities less assured.</li> </ul>
	5) JASS	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• Companies bear the risk of losses breeder</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Unable to take advantage of improving market prices (more above of the contract price)</li> <li>• Variations relatively less incentive, the incentive is only IP and healthy broiler</li> </ul>
<b>2</b>	Management Fee *)	<ul style="list-style-type: none"> <li>• Operating costs given the company's core (eg: USD 500 / Doc in and Rp 300-500 / units harvest)</li> </ul>	<ul style="list-style-type: none"> <li>• Unable to take advantage of improving market prices.</li> <li>• Variation less incentive, the incentive only IPX</li> </ul>

		<ul style="list-style-type: none"> <li>• The company's core risk for loss breeder</li> <li>• There is an incentive feat (IPX)</li> </ul>	
<b>3</b>	Profit Sharing <sup>*)</sup>	<ul style="list-style-type: none"> <li>• Operating costs given the company's core (eg: USD 500 / Doc in and Rp 150 / units harvest)</li> <li>• The company's core risk for loss breeder</li> <li>• There is a 35% incentive achievement of profit</li> </ul>	<ul style="list-style-type: none"> <li>• Unable to take advantage of improving market prices.</li> <li>• Variation incentive less, only incentive accomplishment</li> </ul>

Source: Research Data Processed in 2015

Table 4. Selection Criteria Weight partnership model

No	Criteria	Score
1	Terms partnership	0.163
2	The quality and quantity poultry production facilities (DOC, feed, and OVK)	0.217
3	Contract price offered	0.259
4	Equality and openness recapitulation of the maintenance contract and the breeder (RHPP)	0.064
5	Period and time of harvest (age and distance between harvests)	0.045
6	Incentive offered	0.118
7	Compensation risk	0.089
8	Responsiveness field officer	0.045

Source: Research Data Processed in 2015

Table 5. Weight Assessment Partnership Models

No	Alternative Partnership Model	Weight	Ranked
<i>Existing Models South Sulawesi</i>			
1	Contract Farming JAPFA Group	0.238	2
2	Contract Farming Pokphand Group	0.172	3
3	Contract Farming Patriot Group	0.121	4
4	Contract Farming JASS	0.062	6
<i>Existing Models outer South Sulawesi</i>			
5	Management Fee	0.263	7
6	Profit sharing	0.090	5
<i>Alternative Model</i>			

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7	<i>Contract Farming proposal</i> <sup>*)</sup>	0.054	1
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*\*) = Contract Farming Cooperative Based Agribusiness.*

*Source: Research Data Processed in 2015*

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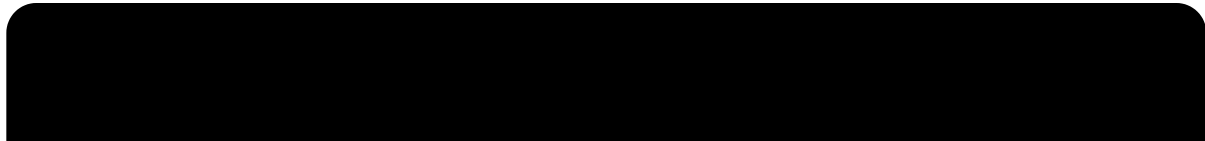
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## AGRIBUSINESS PARTNERSHIP PERFORMANCE IN EMPOWERMENT EMPOWERING BROILER BREEDERS

### ABSTRACT

This study aims to identify and analyze partnership models of broiler (i.e., chickens raised for meat) farms, their performance and the extent of the government's role in the empowerment of farmers in the agribusiness partnership system, using a qualitative descriptive research approach based on expert judgments. The findings show that partnership contract farming in South Sulawesi with-in every variation is essentially different from the basic concept of partnership. The government's role in empowering farmers in the partnership system of broiler farms in South Sulawesi is to encourage and create a business climate that is conducive and stimulating for the development of broiler farms in South Sulawesi; however, this is not functioning optimally.

*Keyword: Performance, Partnership, Broiler farms, Empowerment.*

### INTRODUCTION

The Indonesian livestock industry is growing very rapidly with increasing purchasing power and experienced a peak in 1996. These developments have been are less encouraging since the economic crisis around 1997. Along with population growth, increased revenue and increased public awareness of nutrition in Indonesia, broiler demand for livestock products is are expected to continue to rise. The consumption of animal protein has been widely met from broiler (i.e. chickens raised for meat) meat consumption, which accounted for 67% of the total consumption of animal protein; while cows only contributed 16% (Utomo, DB, 2013). This is a business opportunity that is an incentive to for employers to increase the productivity of broiler farms.

Broiler farms in Indonesia are a breeding business; there are major obstacles, including not taking into account the economic and business scale, and the modest use of technology, so that productivity is low and quality varies. The position of broiler farms conditions such as these have are weak position and are sensitive to changes, mainly in marketing their products (Patrick, et al., 2004). Therefore, development interventions need outside forces, such as capital, market creation, organization, and technical guidance. Responding to this problem, the government issued a policy in the form of Presidential

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Decree No. 99 of 1998 on the field or type of business open to medium businesses or large enterprises on the condition of the partnership, one of which is a partnership of ~~the~~ broiler farms.

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From several models that have been pursued, one that ~~is~~ has been considered to assist the development of livestock agribusiness in terms of capital, supply of raw materials, marketing and technical guidance of technology development is the partnership pattern of Agribusiness Operations Cooperation (Sulaemana, S. and Eriyatno, 2001). The development of KOA partnership patterns in South Sulawesi shows a very positive trend especially in the last 10 years. At the beginning of development in South Sulawesi, broiler breeders ~~were~~ are ~~only~~ dominated by the two largest feed industry companies in South Sulawesi, namely a partnership under PT Japfa Comfeed Indonesia (JCI) with partnership of PT Primatama Karya Persada (PKP), and Kemitraan under the auspices PT Charoen Pokphand (CP) with partnership of PT. Bina Pratama Satwa (BPS), which at the beginning of its development has only partner farmers in the city of Makassar, Maros regency, Gowa and parts of Takalar district. The development to date of existing partnership partners has reached twenty-seven companies, excluding from the count local partners with small populations, with an expanding working area including ~~and~~ almost all districts in South Sulawesi (Ridwan, M. 2015).

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~~A partnership development trend that is fast enough indicates the need for the partnership concept in the development of agribusiness broiler farms in South Sulawesi.~~ Despite the partnership model, there are still some problems remaining in its development, especially in terms of optimizing the revenue received by breeder partners. Empowerment carried out by the partners is helping to revive the farming slump due to the economic crisis; however, this ~~is~~ was not yet giving hope to propelling farm businesses forward, economically and independently, and the subordination of financiers was strong (large businesses) to farmers/ranchers (small business). In many cases, these partnerships make small farmers increasingly ~~independent~~, as they can no longer be competitive without access to the services provided by contract farming companies (FAO, 2001, ~~in~~ at Begum, et al., 2011). On the other hand, evidence from various countries shows that most contract farming schemes exclude small farmers (Singh, 2000, in Begum et al., 2005). Generally, intensive farming with large capital causes a barrier to the entry of small farmers into the contract system because of high transaction costs and economies of scale (Begum et al., 2005).

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**Commented [DJ10]:** Ok wording here? Implies financiers are subordinate to farmers – usually it's the other way around.

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Generally, small farmers in Bangladesh as well as in Indonesia cannot take advantage of market opportunities and often have difficulty accessing credit, obtaining information about market opportunities or new technology, purchasing inputs such as DOC, feed, and vaccines; and accessing output markets. ~~Even w~~When the market is accessible, farmers often experience fluctuations in the price or the price is not fair. This is an obstacle to the development of the commercial poultry sector outside of partnerships and represents the 'bottleneck' in the development process. (Begum et al. 2005).

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Therefore, one of the challenges in the development of farmers from ~~the a~~ low position into a higher position in the third world is how to ~~develop-help~~ help them ~~so that they can~~ organize themselves as an effective pressure group. As is the case in ~~W~~western countries, farmers need to achieve ~~a sufficient~~the position ~~to and~~ be able to be on an equal footing as well as to deal with various other institutions in the structure of egalitarianism (Brinkerhoff and Goldsmith, 1993; Sumardjo, 1999). Implementing agribusiness development is expected to develop ~~the~~ self-reliance of farmers so that the relationship of the structure of the system is not ~~at~~the position of subordination, but rather a relationship of dependence (interdependence) of mutual support and mutual benefit.

Improving the performance of ~~the partnership system in broiler agribusinesses in South Sulawesi,~~ requires the implementation of ~~an appropriate strategy that is ,competitive and comprehensive and in line with the nature of and their initial- goals~~goal of the realization of a cooperation system between ranchers and farming companies in a partnership concept ~~broiler agribusiness~~. In order to establish an appropriate, competitive and comprehensive management strategy, the first thing to do is to measure the performance of the developed partnership system. Syahyuti- (2003)- states that performance measurement plays an important role in ensuring the success of a strategy run by an organization or institution.

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### Research purposes

1. Identify and analyze models of broiler ~~farm~~ partnerships that ~~have~~ developed in South Sulawesi
2. Understand and analyze the performance of the broiler agribusiness partnership model in the empowerment of broiler breeders in South Sulawesi.
3. Identify and analyze the extent of the government's role in the empowerment of farmers in the agribusiness partnership system of broiler ~~farms~~ in south Sulawesi.

## RESEARCH METHODS

### Approach and type of study

This study uses research paradigm constructivism with descriptive qualitative research (Sugiyono, 2009).

### Location and Time Research

This research was located throughout ~~the district/city, the center~~~~that is the area~~ of agribusiness partnership broiler operations in the province of South Sulawesi. Collecting data in this study took place in 2015, with a duration of about 6 months.

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### Types and Sources of Data

Types of data collected in this study were derived from primary and secondary data (Huberman, *et al.*, 2009).

1. Primary data were obtained from in-depth interviews with a number of informants/participants as well as direct observation of the object studied.
2. Secondary data were used as supporting data and were obtained from various sources such as library documents (book report on the implementation of partnership, research reports, and reports from various relevant agencies).

### Data collection technique

#### Deep interview

In-depth interviews ~~will be~~~~were~~ conducted with a number of informants and experts/specialists consisting of groups of farmers, the government, academia and the private sector (companies/associations of livestock/partnership management institutions broilers). The determination of experts was based on them having a deep knowledge of the ~~studies~~ ~~issues~~ examined, along with extensive experience in the field of partnership contract farming for broilers; this experience is not only associated with one of the factors of resources, but also to other related sectors. Besides this, the experts were also chosen because they are already working for the government and private organizations and are involved in ~~the~~ operations, as well as academic activities, especially those focused on livestock (Saaty, 1987; Marimin, 2004).

**Commented [DJ15]:** Assume these interviews have already occurred.

#### Observations

In this study, researchers ~~will-used~~ a non-participant observation method, in which researchers not directly involved in the daily activities of the community act as independent observers.

### Secondary Data Collection

Secondary data were used to support the analysis and interpretation of the primary data in this study. These data were in the form of written data or images containing data on breeders, planned partnership activities and the types of activities that have already been done, results of ~~the-relevant~~ studies ~~sswhich are relevant~~, as well as archives and other related agribusiness partnership activities.

### Data analysis

Technical analysis of the data in this study used qualitative data analysis. To improve the quality of studies regarding the selection of alternative partnership models, the software Expert Choice AHP 12 was used.

## RESEARCH RESULTS

### Overview of Model Partnership Broiler Farms in South Sulawesi

In the poultry business, partnerships are not new, especially in South Sulawesi. Poultry businesses with partnership models have evolved over many years; however, the problems of broiler partnerships are still a topic of conversation or debate ~~that~~which is ~~are~~ interesting to study because, despite various models of partnerships having been developed, the results are still far from the expectations. Broiler breeders, as the main focus of the farming sector, remain in a very weak position.

Actually, ~~a~~ partnerships between poultry farm breeders ~~and~~ the corporate field of animal husbandry has been introduced by the government since 1984, which is known as PIR poultry. PIR poultry implementation was a follow-up of Presidential Decree No. 50 of 1981. The core aspects of Presidential Decree No. 50 of 1981 are: 1) the poultry farms are allowed to move in the upstream industry of broilers (seed, feed, drug) or downstream industries of broilers (slaughtering and trading of broilers), while the cultivation of broilers is only allowed for small farmers ~~of the people~~, and 2) farm scale cultivation is limited (750 units/cycle for broilers or 5000 units/cycle for laying hens), to prevent excess supply.

To ensure the upstream market of the broiler industry, while ensuring the provision of poultry production facilities and marketing results for farmers of the population, the

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government set broiler development patterns in 1984, known as PIR poultry. As an operation, PIR poultry exists in three forms, namely: 1) PIR with plasma agreement, which guarantees the provision of poultry production facilities and the marketing of products, 2) PIR with plasma ratio, i.e. the plasma core system price ratio between the price of feed/DOC and the selling price of broilers, and 3) PIR with plasma Mandiri (without any deal or price ratio).

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Commented [DJ18]: Not sure what you mean by "plasma"

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Recent developments in regulatory support have been provided by the government with the enactment of the Government of the Republic of Indonesia No. 6 of 2003. This focused on the empowerment of farmers by providing convenience to farmers in an effort to empower farmers, such that certain types of farmers by type and below a certain number of herds under certain scale does not require a business license.

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Table 1- shows that of the three partnership models developed in Indonesia today, as reinforced by the explanation of Article 29, Paragraph 2 of the partnership model in PP 6 in 2013 regarding the Empowerment of Farmers, only a partnership model contract farming/contract grower (100%) was developed in southern Sulawesi; the model involving the management fee and profit-sharing is not well developed in the region. It is not clear why the partnership model has not been developed in South Sulawesi there, while in other places, especially in South Sumatra, both models are well developed. In conjunction with the partnership model of contract farming, the partnership management fee dominates (50%) over the contract farming model (40%) and the remainder (10%) for the model results (Sharif, 2010).

Based on the study results on the three models (presented in more detail in Table 2), the model contract price is the model with the least risks for company partnership, because the risk is borne by the farmers' partners. This is unlike the partnership model that was developed by JASS Corp., where all of the risks are borne by the company. With conditions that are less risky, this allows suboptimal production facilities to be provided, such as (Day Old Chick (DOC), feed and medicine-vaccine-chemical (OVK), along with the quality and service field workers less than the maximum optimal. Mas many complaints have been made of by breeders partners in South Sulawesi, namely about the quality of DOC and feed, less as well as service field technical officer lacking the ability to give especially give guidance in cultivation.

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Table 2 shows the outline of the three main partnership broiler companies in South Sulawesi, which has a base feed industry; DOC and OVK have characteristic partnership models, and are almost the same; the difference is the type of incentive given to farmers' partners, although this is basically the same as the main basis of the calculation, just with

different names. The real difference is indicated by a partnership with JASS Corp., running a business partnership, and is not based on industrial means of the production of feed, DOC and even OVK who are willing to risk without burdening breeder partners. On the other hand, they do not give incentives to the market; there is an incentive to improve the price of broilers in the market, so the opportunity to get different prices for improved conditions is not possible while the partnership is developed by industrial feed production facilities; DOC and even OVK provide the profit opportunity. It appears that each of the existing models has strengths and weaknesses, which generally still favor the interests of the core company in the ~~the~~-base model selection decision (Table 3).

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From the description above, efforts have been made to provide maximum opportunities to earn better profits for the farmers' partners. With standard contractual mechanisms, there is no negotiation; operational costs are borne by farmers, and participating breeders bear the risk of losses unless special conditions/mass and not human error, compounded by the quality of the means of production which is less assured as they have no other alternative because the monopoly of the means of production feed DOC and OVK. Under these conditions, it is not an exaggeration to say there has been breeder exploitation. Incentives promised, even with all of the formulas, seem half-hearted.

The tendency above indicates the effort of the company partnership to seek ~~the~~ maximum benefits by choosing alternatives to this model. ~~When the company~~-based industrial means of feed production, DOC and even OVK have already taken advantage with a monopoly of production facilities feed, seed and even OVK so in general, they have a very small chance of losing money, but the fact remains to choose the safest position, so that alignments or goodwill grow together through win-win partnership solutions based on the principles of openness, fairness and mutual benefit far short of expectations.

### Broiler Model Evaluation Partnership in South Sulawesi

Partnership models with some variations were developed by broiler partnerships in South Sulawesi; the results have identified several criteria for selecting a model with the following weights (Table 4).

Table 4 shows that the contract price is the most important criterion; if the contract price is good, then potential profits will also be improved, in addition to the quality of the means of production (feed, DOC, and OVK), which is also a matter of no less importance, as it will largely determine production performance. Quality seed and feed largely determine the final performance of maintenance; however, the efforts of farmers to implement good

farming inputs, especially if the quality of seed and feed are not good, will produce end results ~~that will reflect~~ ing poor inputs. ~~the fact that the inputs are not good.~~

Next to partner requirements, incentives offered, compensation risks and equality and openness, as well as the period and time of harvest, are important matters that also have effects and are taken into consideration when choosing a model of partnership. Based on these criteria, the consideration of the weight of each model ~~can be~~ analyzed in detail in Table 5.

Table 5 shows that of the four alternative models for contract farming, two models are comparably undeveloped in South Sulawesi, but are growing in other areas along with alternative models. There is a tendency towards alternative models being able to provide the increased income of farmers in agri-business partnership systems in broilers in South Sulawesi, as shown by the highest weight in the model.

#### **The role of government in developing a partnership model for broiler farmers**

The role of the government through various policies and programs is expected to encourage and create a conducive business climate and to stimulate farmers and the private sector so that businesses can thrive. In this case, the government acts as a facilitator, regulator, and motivator, and should match relationships between those involved so that actors can interact proportionally and exploitation will be contradictory.

In accordance with mandate PP. No. 6 in 2013 on the empowerment of breeders, the involvement of central and local government in this partnership is to provide guidance in the implementation of partnerships, treating farmers as an asset that must be maintained and nurtured properly. The empowerment of farmers should be from the government down to the local level, which aims to improve independence, provides convenience and progress of the business and improve the competitiveness and prosperity of farmers.

Increased value added to livestock through business partnerships will be more effective if there is proper support from the government in the form of political will and political actions. There are forms of government support for establishing business partnerships in the field of animal husbandry, among other things: First, the application of laws and regulations that do not hamper the development of livestock businesses when building business partnerships. Second, the government should be able to develop and improve the infrastructure to develop business partnerships ~~itself~~. Third, the government should provide protection for ~~the~~ breeders from exploitation in cooperation activities with the industry by checking the financial feasibility and managerial capacity of the industry (the

company); this will enable the profitable business to be generated for all parties. Fourth, the government should help in the development of an integrated information system that combines information on each part involved in the supply chain system. Government support is expected at the top for business partnerships in the field of livestock to be effective, as well as to increase the added value; ultimately, these can also improve the competitiveness of farm products. In addition, livestock development can create multiple targets, namely to create growth and equitable distribution of income at the same time (growth with equity) (Daryanto, 2009).

As stipulated in Government Regulation No. 6 in 2013 on the Empowerment of Farmers, the government has been fortified by providing a clear legal umbrella for the empowerment of farmers; this ranges from access to sources of finance, science, information technology, to servicing the farm, health services, technical assistance, the development of partnerships, the creation of a favorable climate and the protection of livestock prices.

Implementation of these regulations in the field needs to escort and ~~direct~~ ~~concrete~~ movement; in order for that to be effective, the mechanism to implement these regulations needs to be compiled and made clear. Every farm business must be known by the local Animal Husbandry Department as a representative government; escorts and coaching will prevent exploitation of the indication of the breeder/plasma.

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Government policies that have been made should be a guideline for businesses in the field of animal husbandry. Against this, breeding companies that break the rules must be dealt with firmly by the proposed revocation of business licenses by the local mayor, according to the Decree of the Minister of Agriculture No. 404/Kpts/OT.210/6/2002 on Guidelines for Licensing and Registration of Livestock enterprises. However, the problems that have occurred between farmers and entrepreneurs need ways to be settled amicably, without entering into the realm of law; the government can facilitate the mediation or reconciliation for the troubled, so that the world of farming in Indonesia can continue to grow and provide benefits without breaking rules and regulations, being detrimental to either party.

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## Conclusion

Based on the description that has been presented in the previous section, it can be summarized as follows:

1. From the number of partnership models recommended in the existing regulations, only one main model of partnership has been developed in broiler farms in South Sulawesi; this is a partnership based on the contract price/contract growth with every variation of the

contract. This depends on actors who develop business partnerships that are essentially in contrast to the partnership model mandated by the government, namely the creation of partnerships that have a win-win solution, the sharing of resources and the sharing of risks based on the principle of mutual needs, mutual strengthening and mutual benefit, to create a system of partnerships that serve and improve the welfare of society and breeder members of the partnership (breeder partners) through guidance and empowerment.

2. The results of the evaluation of several variations of the contract farming model developed in South Sulawesi and several other models developed out of South Sulawesi, as well as the study of alternative models, suggest that it is necessary to reconstruct a model of partnership developed, which is reinforced with evaluation of alternative models for the development of broiler agribusiness partnership in South Sulawesi.
3. The role of the government in empowering ~~the~~-farms in broiler partnership systems in South Sulawesi is encouraging and creates a conducive business climate; also, it is stimulating the development of broiler farms in South Sulawesi, but is not functioning optimally. The role of local government as a facilitator, regulator, and motivator has been matching actors so that they can interact proportionally and the exploitation is contradictory. The government, especially animal husbandry departments, "do not know" and "do not want to know" about the development of partnerships and company partnerships, so there is no obligation to provide periodic reports to the agency or agencies. Therefore, the government does not have accurate data on the development of business partnerships from time to time as a basic instrument for monitoring development and assessing the contribution of business development to farm breeders.

# **AGRIBUSINESS PARTNERSHIP PERFORMANCE IN EMPOWERING BROILER BREEDERS**

## **Performance of agribusiness partnership in empowering broiler breeder**

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## **ABSTRACT”**

This study aims to identify and analyze partnership models of broiler (i.e., chickens raised for meat) farms, their performance and the extent of the government's role in the empowerment of farmers in the agribusiness partnership system, using a qualitative descriptive research approach based on expert judgments. The findings show that partnership contract farming in South Sulawesi in every variation is essentially different from the basic concept of partnership. The government's role in empowering farmers in the partnership system of broiler farms in South Sulawesi is to encourage and create a business climate that is conducive and stimulating for the development of broiler farms in South Sulawesi; however, this is not functioning optimally.

*Keyword: Performance, Partnership, Broiler farms, Empowerment.*

## **INTRODUCTION**

The Indonesian livestock industry is growing very rapidly with increasing purchasing power and experienced a peak in 1996. Developments have been less encouraging since the economic crisis around 1997. Along with population growth, increased revenue and increased public awareness of nutrition in Indonesia, demand for livestock products are expected to continue to rise. The consumption of animal protein has been widely met from broiler (i.e. chickens raised for meat) consumption, which accounted for 67% of the total consumption of animal protein; cows only contributed 16% (Utomo, 2013). This is a business opportunity that is an incentive to increase the productivity of broiler farms.

Broiler farms in Indonesia are a breeding business; there are major obstacles, including not taking into account the economic and business scale, and the modest use of technology, so that productivity is low and quality varies. The position of broiler farms such as these are weak and are sensitive to changes, mainly in marketing their products (Patrick *et al.*, 2004). Therefore, development interventions need outside forces, such as capital, market creation, organization, and technical guidance. Responding to this problem, the government issued a policy in the form of Presidential Decree No. 99 of 1998 on the field or type of business open to medium businesses or large enterprises on the condition of the partnership, one of which is a partnership of broiler farms.

From several models that have been pursued, one that has been considered to assist the development of livestock agribusiness in terms of capital, the supply of raw materials, marketing and technical guidance of technology development is the partnership pattern of Agribusiness Operations Cooperation (Sulaeman and Eriyatno, 2001). The development of KOA partnership patterns in South Sulawesi shows a very positive trend, especially in the last 10 years. At the beginning of development in South Sulawesi, broiler breeders were dominated by the two largest feed industry companies in South Sulawesi, namely a partnership under PT Japfa Comfeed Indonesia (JCI) with partnership of PT Primatama Karya Persada (PKP), and Kemitraan under the auspices PT Charoen Pokphand (CP) with partnership of PT. Bina Pratama Satwa (BPS), which at the beginning of its development has only partner farmers in the city of Makassar, Maros regency, Gowa and parts of Takalar district. The development to date of existing partnership partners has reached twenty-seven companies, excluding from the count local partners with small populations, with an expanding working area including almost all districts in South Sulawesi (Ridwan, 2015).

Despite the partnership model, there are still some problems remaining in its development, especially in terms of optimizing the revenue received by breeder partners. Empowerment carried out by the partners is helping to revive the farming slump due to the economic crisis; however, this is not yet giving hope to propelling farm businesses forward, economically and independently, and the subordination of financiers was strong (large businesses) to farmers/ranchers (small business). In many cases, these partnerships make small farmers increasingly dependent, as they can no longer be competitive without access to the services provided by contract farming companies (FAO, 2001, in Begum *et al.*, 2011). On the other hand, evidence from various countries shows that most contract farming schemes exclude small farmers (Singh, 2000, in Begum *et al.*, 2005). Generally, intensive farming

with large capital causes a barrier to the entry of small farmers into the contract system because of high transaction costs and economies of scale (Begum et al., 2005).

Generally, small farmers in Bangladesh as well as in Indonesia cannot take advantage of market opportunities and often have difficulty accessing credit; obtaining information about market opportunities or new technology; purchasing inputs such as DOC, feed, and vaccines; and accessing output markets. Even when the market is accessible, farmers often experience fluctuations in the price or the price is not fair. This is an obstacle to the development of the commercial poultry sector outside of partnerships and represents the 'bottleneck' in the development process. (Begum et al. 2005).

Therefore, one of the challenges in the development of farmers from a low position into a higher position in the third world is how to help them organize themselves as an effective pressure group. As is the case in Western countries, farmers need to achieve a sufficient position to be able to be on an equal footing as well as to deal with various other institutions in the structure of egalitarianism (Brinkerhoff and Goldsmith, 1993; Sumardjo, 1999). Implementing agribusiness development is expected to develop self-reliance of farmers so that the relationship of the structure of the system is not a position of subordination, but rather a relationship of dependence (interdependence) of mutual support and mutual benefit.

Improving the performance of the partnership system in broiler agribusinesses in South Sulawesi requires the implementation of an appropriate strategy that is competitive and comprehensive and in line with the nature of their initial goals. In order to establish an appropriate, competitive and comprehensive management strategy, the first thing to do is to measure the performance of the developed partnership system. Syahyuti (2003) states that performance measurement plays an important role in ensuring the success of a strategy run by an organization or institution.

### **Research purposes**

1. Identify and analyze models of broiler farm partnerships that have developed in South Sulawesi
2. Understand and analyze the performance of the broiler agribusiness partnership model in the empowerment of broiler breeders in South Sulawesi.
3. Identify and analyze the extent of the government's role in the empowerment of farmers in the agribusiness partnership system of broiler farms in South Sulawesi.

## **RESEARCH METHODS**

### **Approach and type of study**

This study uses research paradigm constructivism with descriptive qualitative research (Sugiyono, 2009).

### **Location and Time Research**

This research was located throughout the district/city, the center of agribusiness partnership broiler operations in the province of South Sulawesi. Collecting data in this study took place in 2015, with a duration of about 6 months.

### **Types and Sources of Data**

Types of data collected in this study were derived from primary and secondary data (Huberman *et al.*, 2009).

1. Primary data were obtained from in-depth interviews with a number of informants/participants as well as direct observation of the object studied.
2. Secondary data were used as supporting data and were obtained from various sources such as library documents (book report on the implementation of partnership, research reports, and reports from various relevant agencies).

### **Data collection technique**

#### **Deep interview**

In-depth interviews were conducted with a number of informants and experts/specialists consisting of groups of farmers, the government, academia and the private sector (companies/associations of livestock/partnership management institutions broilers). The determination of experts was based on them having a deep knowledge of the issues examined, along with extensive experience in the field of partnership contract farming for broilers; this experience is not only associated with one of the factors of resources, but also to other related sectors. Besides this, the experts were also chosen because they are already working for the government and private organizations and are involved in operations, as well as academic activities, especially those focused on livestock (Saaty, 1987; Marimin, 2004).

#### **Observations**

In this study, researchers used a non-participant observation method, in which researchers not directly involved in the daily activities of the community act as independent observers.

### **Secondary Data Collection**

Secondary data were used to support the analysis and interpretation of the primary data in this study. These data were in the form of written data or images containing data on breeders, planned partnership activities and the types of activities that have already been done, results of relevant studies, as well as archives and other related agribusiness partnership activities.

### **Data analysis**

Technical analysis of the data in this study used qualitative data analysis. To improve the quality of studies regarding the selection of alternative partnership models, the software Expert Choice AHP 12 was used.

## **RESULTS**

### **Overview of Model Partnership Broiler Farms in South Sulawesi**

In the poultry business, partnerships are not new, especially in South Sulawesi. Poultry businesses with partnership models have evolved over many years; however, the problems of broiler partnerships are still a topic of conversation or debate that is interesting to study because, despite various models of partnerships having been developed, the results are still far from the expectations. Broiler breeders, as the main focus of the farming sector, remain in a very weak position.

Actually, partnerships between poultry farm breeders and the corporate field of animal husbandry have been introduced by the government since 1984, which is known as PIR poultry. PIR poultry implementation was a follow-up of Presidential Decree No. 50 of 1981. The core aspects of Presidential Decree No. 50 of 1981 are: 1) the poultry farms are allowed to move in the upstream industry of broilers (seed, feed, drug) or downstream industries of broilers (slaughtering and trading of broilers), while the cultivation of broilers is only allowed for small farmers, and 2) farm scale cultivation is limited (750 units/cycle for broilers or 5000 units/cycle for laying hens), to prevent excess supply.

To ensure the upstream market of the broiler industry, while ensuring the provision of poultry production facilities and marketing results for farmers of the population, the

government set broiler development patterns in 1984, known as PIR poultry. As an operation, PIR poultry exists in three forms, namely: 1) PIR with plasma agreement, which guarantees the provision of poultry production facilities and the marketing of products, 2) PIR with plasma ratio, i.e. the plasma core system price ratio between the price of feed DOC and the selling price of broilers, and 3) PIR with plasma Mandiri (without any deal or price ratio).

Recent developments in regulatory support have been provided by the government with the enactment of the Government of the Republic of Indonesia No. 6 of 2003. This focused on the empowerment of farmers by providing convenience to farmers in an effort to empower farmers, such that certain types of farmers and below a certain number of herds do not require a business license.

Table 1 shows that of the three partnership models developed in Indonesia today, as reinforced by the explanation of Article 29, Paragraph 2 of the partnership model in PP 6 in 2013 regarding the Empowerment of Farmers, only a partnership model contract farming/contract grower (100%) was developed in southern Sulawesi; the model involving the management fee and profit-sharing is not well developed in the region. It is not clear why the partnership model has not been developed there, while in other places, especially in South Sumatra, both models are well developed. In conjunction with the partnership model of contract farming, the partnership management fee dominates (50%) over the contract farming model (40%) and the remainder (10%) for the model results (Sharif, 2010).

Based on the study results on the three models (presented in more detail in Table 2), the model contract price is the model with the least risks for company partnership, because the risk is borne by the farmers' partners. This is unlike the partnership model that was developed by JASS Corp., where all of the risks are borne by the company. With conditions that are less risky, this allows suboptimal production facilities to be provided, such as Day Old Chicks (DOC), feed and medicine-vaccine-chemical (OVK), along with the quality and service field workers less than the optimal. Many complaints have been made by breeder partners in South Sulawesi, namely about the quality of DOC and feed, as well as service field technical officer lacking the ability to give guidance in cultivation.

Table 2 shows the outline of the three main partnership broiler companies in South Sulawesi, which has a base feed industry; DOC and OVK have characteristic partnership models, and are almost the same; the difference is the type of incentive given to farmers' partners, although this is basically the same as the main basis of the calculation, just with different names. The real difference is indicated by a partnership with JASS Corp., running a business partnership, and is not based on industrial means of the production of feed, DOC

and even OVK who are willing to risk without burdening breeder partners. On the other hand, they do not give incentives to the market; there is an incentive to improve the price of broilers in the market, so the opportunity to get different prices for improved conditions is not possible while the partnership is developed by industrial feed production facilities; DOC and even OVK provide the profit opportunity. It appears that each of the existing models has strengths and weaknesses, which generally still favor the interests of the core company in the base model selection decision (Table 3).

From the description above, efforts have been made to provide maximum opportunities to earn better profits for the farmers' partners. With standard contractual mechanisms, there is no negotiation; operational costs are borne by farmers, and participating breeders bear the risk of losses unless special conditions/mass and not human error, compounded by the quality of the means of production which is less assured as they have no other alternative because the monopoly of the means of production feed DOC and OVK. Under these conditions, it is not an exaggeration to say there has been breeder exploitation. Incentives promised, even with all of the formulas, seem half-hearted.

The tendency above indicates the effort of the company partnership to seek maximum benefits by choosing alternatives to this model. The company-based industrial means of feed production, DOC and even OVK have already taken advantage with a monopoly of production facilities feed, seed and even OVK so in general, they have a very small chance of losing money, but the fact remains to choose the safest position, so that alignments or goodwill grow together through win-win partnership solutions based on the principles of openness, fairness and mutual benefit far short of expectations.

### **Broiler Model Evaluation Partnership in South Sulawesi**

Partnership models with some variations were developed by broiler partnerships in South Sulawesi; the results have identified several criteria for selecting a model with the following weights (Table 4).

Table 4 shows that the contract price is the most important criterion; if the contract price is good, the potential profits will also be improved, in addition to the quality of the means of production (feed, DOC, and OVK), which is also a matter of no less importance, as it will largely determine production performance. Quality seed and feed largely determine the final performance of maintenance; however, the efforts of farmers to implement good farming inputs, especially if the quality of seed and feed are not good, will produce end results reflecting poor inputs.

Next to partner requirements, incentives offered, compensation risks and equality and openness, as well as the period and time of harvest, are important matters that also have effects and are taken into consideration when choosing a model of partnership. Based on these criteria, the consideration of the weight of each model is analyzed in detail in Table 5.

Table 5 shows that of the four alternative models for contract farming, two models are comparable undeveloped in South Sulawesi, but are growing in other areas along with alternative models. There is a tendency towards alternative models being able to provide the increased income of farmers in agri-business partnership systems in broilers in South Sulawesi, as shown by the highest weight in the model.

### **The role of government in developing a partnership model for broiler farmers**

The role of the government through various policies and programs is expected to encourage and create a conducive business climate and to stimulate farmers and the private sector so that businesses can thrive. In this case, the government acts as a facilitator, regulator, and motivator, and should match relationships between those involved so that actors can interact proportionally and exploitation will be contradictory.

In accordance with mandate PP. No. 6 in 2013 on the empowerment of breeders, the involvement of central and local government in this partnership is to provide guidance in the implementation of partnerships, treating farmers as an asset that must be maintained and nurtured properly. The empowerment of farmers should be from the government down to the local level, which aims to improve independence, provides convenience and progress of the business and improve the competitiveness and prosperity of farmers.

Increased value added to livestock through business partnerships will be more effective if there is proper support from the government in the form of political will and political action. There are forms of government support for establishing business partnerships in the field of animal husbandry, among other things. First, application of laws and regulations that do not hamper the development of livestock businesses when building business partnerships. Second, the government should be able to develop and improve the infrastructure to develop business partnerships. Third, the government should provide protection for breeders from exploitation in cooperation activities with the industry by checking the financial feasibility and managerial capacity of the industry (the company); this will enable the profitable business to be generated for all parties. Fourth, the government should help in the development of an integrated information system that combines information on each part involved in the supply chain system. Government support is

expected at the top for business partnerships in the field of livestock to be effective, as well as to increase the added value; ultimately, these can also improve the competitiveness of farm products. In addition, livestock development can create multiple targets, namely to create growth and equitable distribution of income at the same time (growth with equity) (Daryanto, 2009).

As stipulated in Government Regulation No. 6 in 2013 on the Empowerment of Farmers, the government has been fortified by providing a clear legal umbrella for the empowerment of farmers; this ranges from access to sources of finance, science, information technology, to servicing the farm, health services, technical assistance, the development of partnerships, the creation of a favorable climate and the protection of livestock prices.

Implementation of these regulations in the field needs to escort and direct movement; in order for that to be effective, the mechanism to implement these regulations needs to be compiled and made clear. Every farm business must be known by the local Animal Husbandry Department as a representative government; escorts and coaching will prevent exploitation of the indication of the breeder/plasma.

Government policies that have been made should be a guideline for businesses in the field of animal husbandry. Against this, breeding companies that break the rules must be dealt with firmly by the proposed revocation of business licenses by the local mayor, according to the Decree of the Minister of Agriculture No. 404/Kpts/OT.210/6/2002 on Guidelines for Licensing and Registration of Livestock enterprises. However, the problems that have occurred between farmers and entrepreneurs need ways to be settled amicably, without entering into the realm of law; the government can facilitate the mediation or reconciliation for the troubled, so that the world of farming in Indonesia can continue to grow and provide benefits without breaking rules and regulations, being detrimental to either party.

## **Conclusion**

Based on the description that has been presented in the previous section, it can be summarized as follows:

1. From the number of partnership models recommended in the existing regulations, only one main model of partnership has been developed in broiler farms in South Sulawesi; this is a partnership based on the contract price/contract growth with every variation of the contract. This depends on actors who develop business partnerships that are essentially in contrast to the partnership model mandated by the government, namely the creation of partnerships that have a win-win solution, the sharing of resources and the sharing of risks

based on the principle of mutual needs, mutual strengthening and mutual benefit, to create a system of partnerships that serve and improve the welfare of society and breeder members of the partnership (breeder partners) through guidance and empowerment.

2. The results of the evaluation of several variations of the contract farming model developed in South Sulawesi and several other models developed out of South Sulawesi, as well as the study of alternative models, suggest that it is necessary to reconstruct a model of partnership developed, which is reinforced with evaluation of alternative models for the development of broiler agribusiness partnership in South Sulawesi.
3. The role of the government in empowering farms in broiler partnership systems in South Sulawesi is encouraging and creates a conducive business climate; also, it is stimulating the development of broiler farms in South Sulawesi but is not functioning optimally. The role of local government as a facilitator, regulator, and motivator has been matching actors so that they can interact proportionally and the exploitation is contradictory. The government, especially animal husbandry departments, "do not know" and "do not want to know" about the development of partnerships and company partnerships, so there is no obligation to provide periodic reports to the agency or agencies. Therefore, the government does not have accurate data on the development of business partnerships from time to time as a basic instrument for monitoring development and assessing the contribution of business development to farm breeders.

### **Suggestions**

To create a partnership model that is ideal for the empowerment of broiler farm in south Sulawesi and able to add value for the actors it needed support from the government in the form:

- (1) provides protection to the breeder of the people from exploitation in cooperation activities with the industry, with constant monitoring and evaluation of evolving partnership practices
- (2) abolished the monopoly of the means of production practices carried out by a partnership company either directly or indirectly by encouraging regulations that enable a shift in actors partnership of companies based livestock feed industry company to a partnership model based Cooperative Agribusiness Poultry broiler.

- (3) optimize the role of government and financial institutions (banks) as an agency that helps finance (credit) to farmers and cooperatives that run the system partnership with the procedures and requirements easy.

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Table. 1. Partnerships Model and Main Actors Partnership Broiler in South Sulawesi

No	Company Partnership	Partnership Model		
		Management Fee	Contract prices	Profit sharing
1	JAPFA Group	-	X	-
2	Charoen Pokphand Group	-	X	-
3	Patriot Group	-	X	-
4	JASS	-	X	-

Source: Research Data Processed in 2015

Table. 2. Comparison of Model Contracts Broiler Farming Partnership in South Sulawesi

No	Description of Partnership	Company Partnership			
		JAPFA Group	Pokphand Group	Patriot Group	JASS
1	Operating costs by breeders	X	X	X	X
2	Affected the market price	X	X	X	-
3	Fee DOC in	-	-	-	-
4	Fee DOC out	-	-	-	-
5	Marker price incentive affected				
	Breeder:	X	X	X	X
	a) Performance incentive (IP/IPX)	-	-	-	-
	b) Incentive Death	X	X	X	-
	c) Achievement EEF	X	X	X	-
	d) Incentive FCR	-	-	-	X
	e) Incentive Markets				
	f) Healthy Broiler Incentive				
6	Compensation prices sick broilers	-	-	-	X
7	The risk of sick broilers	-	X	X	X
8	Compensation cost of living	-	-	-	-
9	For the period end results	-	-	-	-
10	Risks Sharing:				
	a) Losses incurred Core	-	-	-	X
	b) Losses are borne by farmers	-	-	-	-
	c) Losses are shared	X	X	X	-

Source: Research Data Processed in 2015

Table. 3. Strengths and weaknesses of the partnership model

No	Partnership Model	Advantages	Weaknesses
<b>1</b>	<i>Contract Farming (CF):</i>		
	2) JAPFA Group	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• There is an incentive so that there is a potential market income higher when market prices improved (above the contract price)</li> <li>• Many variations incentives (market incentive, IP, FCR)</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Breeders participate bear the risk of loss unless special conditions/mass and not human error</li> <li>• Quality poultry production facilities less assured.</li> </ul>
	3) Charoen Pokphand Group	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• Variations many incentives (Incentive IP, FCR, Acf EEF)</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Breeders participate bear the risk of loss unless special conditions/mass and not human error</li> <li>• Quality poultry production facilities less assured.</li> </ul>
	4) Patriot Group	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• There is an incentive so that there is a potential market income higher when market prices improved (above the contract price)</li> <li>• Variations many incentives (Incentive markets, IP, FCR)</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Breeders participate bear the risk of loss unless special conditions/mass and not human error</li> <li>• Quality poultry production facilities less assured.</li> </ul>
	5) JASS	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• Companies bear the risk of losses breeder</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Unable to take advantage of improving market prices (more above of the contract price)</li> <li>• Variations relatively less incentive, the incentive is only IP and healthy broiler</li> </ul>
<b>2</b>	Management Fee *)	<ul style="list-style-type: none"> <li>• Operating costs given the company's core (eg: USD 500 / Doc in and Rp 300-500 / units harvest)</li> <li>• The company's core risk for</li> </ul>	<ul style="list-style-type: none"> <li>• Unable to take advantage of improving market prices.</li> <li>• Variation less incentive, the incentive only IPX</li> </ul>

loss breeder

- There is an incentive feat (IPX)

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# **AGRIBUSINESS PARTNERSHIP PERFORMANCE IN EMPOWERING BROILER BREEDERS**

## **Performance of agribusiness partnership in empowering broiler breeder**

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## **ABSTRACT”**

This study aims to identify and analyze partnership models of broiler (i.e., chickens raised for meat) farms, their performance and the extent of the government's role in the empowerment of farmers in the agribusiness partnership system, using a qualitative descriptive research approach based on expert judgments. The findings show that partnership contract farming in South Sulawesi in every variation is essentially different from the basic concept of partnership. The government's role in empowering farmers in the partnership system of broiler farms in South Sulawesi is to encourage and create a business climate that is conducive and stimulating for the development of broiler farms in South Sulawesi; however, this is not functioning optimally.

*Keyword: Performance, Partnership, Broiler farms, Empowerment.*

## **INTRODUCTION**

The Indonesian livestock industry is growing very rapidly with increasing purchasing power and experienced a peak in 1996. Developments have been less encouraging since the economic crisis around 1997. Along with population growth, increased revenue and increased public awareness of nutrition in Indonesia, demand for livestock products are expected to continue to rise. The consumption of animal protein has been widely met from broiler (i.e. chickens raised for meat) consumption, which accounted for 67% of the total consumption of animal protein; cows only contributed 16% (Utomo, 2013). This is a business opportunity that is an incentive to increase the productivity of broiler farms.

Broiler farms in Indonesia are a breeding business; there are major obstacles, including not taking into account the economic and business scale, and the modest use of technology, so that productivity is low and quality varies. The position of broiler farms such as these are weak and are sensitive to changes, mainly in marketing their products (Patrick *et al.*, 2004). Therefore, development interventions need outside forces, such as capital, market creation, organization, and technical guidance. Responding to this problem, the government issued a policy in the form of Presidential Decree No. 99 of 1998 on the field or type of business open to medium businesses or large enterprises on the condition of the partnership, one of which is a partnership of broiler farms.

Eaton and Shepherd (2001), Sriboonchitta S. and Wiboonpongse A (2005), Bijman (2008), Mansur *et al.* (2009), Swain *et.al* (2012), Priscilla *et.all* (2012), and D'Silva *et.all* (2009), (2012), distinguish five models of Contract Farming (CF); centralized model, core plantation model, multipartite model, informal model and intermediate model. This model differs in the type of contractor, product type, vertical coordination intensity between farmers and contractors, and the number of key stakeholders involved.

Under the Multipartite Model, a joint venture between legal entities and private companies contracts with farmers. Also public or private of credit providers, extension, and input can be part of the arrangement. As part of the liberalization process in the 1980s and 990s, many governments in developing countries actively invested in agricultural contracts through joint ventures with private companies (Little and Watts, 1994).

From several models that have been pursued, one that has been considered to assist the development of livestock agribusiness in terms of capital, the supply of raw materials, marketing and technical guidance of technology development is the partnership pattern of Agribusiness Operations Cooperation (Sulaeman and Eriyatno, 2001). The development of KOA partnership patterns in South Sulawesi shows a very positive trend, especially in the last 10 years. At the beginning of development in South Sulawesi, broiler breeders were dominated by the two largest feed industry companies in South Sulawesi, namely a partnership under PT Japfa Comfeed Indonesia (JCI) with partnership of PT Primatama Karya Persada (PKP), and Kemitraan under the auspices PT Charoen Pokphand (CP) with partnership of PT. Bina Pratama Satwa (BPS), which at the beginning of its development has only partner farmers in the city of Makassar, Maros regency, Gowa and parts of Takalar district. The development to date of existing partnership partners has reached twenty-seven companies, excluding from the count local partners with small populations, with an expanding working area including almost all districts in South Sulawesi (Ridwan, 2015).

The development trend of the partnership is quite rapid, indicating the need for partnership concept in Broiler Agribusiness development in South Sulawesi. Partner companies benefit from contract farming partnership models because; 1) politically contract mechanisms with farmers are more acceptable than self-employed, 2) they can overcome the problems of land constraints by partnering with a number of landowners, 3) more secure production yields when compared to buying on the open market, 4) minimizing risk by not moving in the field of cultivation, and 5) the quality is more secure than if must buy in the open market. (Seker, et.all., 2006). The same thing was conveyed by Bandhu and Swine, (2009), Dhillon and Singh, (2006), Seker, et.all., (2006) that contract farming can provide benefits to farmers in terms of; 1) input and production services usually given by partner companies, 2) the existence of credit facilities; 3) enabling to learn new skills especially when contract farming introduces new technology; 4) price risk can be reduced by the initial contract; 5). market guarantees. One of the keys to its success is the guarantee of business risks, both in the form of production and marketing risks from partner companies (Tomislav and Hedge, 2003;).

Despite the partnership model, there are still some problems remaining in its development, especially in terms of optimizing the revenue received by breeder partners. Empowerment carried out by the partners is helping to revive the farming slump due to the economic crisis; however, this is not yet giving hope to propelling farm businesses forward, economically and independently, and the subordination of financiers was strong (large businesses) to farmers/ranchers (small business). In many cases, these partnerships make small farmers increasingly dependent, as they can no longer be competitive without access to the services provided by contract farming companies (FAO, 2001, in Begum et al., 2011). On the other hand, evidence from various countries shows that most contract farming schemes exclude small farmers (Singh, 2000, in Begum et al., 2005). Generally, intensive farming with large capital causes a barrier to the entry of small farmers into the contract system because of high transaction costs and economies of scale (Begum et al., 2005). **In some partnerships farmers become weak partners, vulnerable to exploitation. Agribusiness companies can extract the monopsony rents in the output market, and extract the monopoly rents in the input market** Warning, et.al, 2000). There is concern that excessive dependence of farmers with credit systems in partnership companies can lead them to prolonged debt problems making it difficult to escape (Brithal, 2008).

Generally, small farmers in Bangladesh as well as in Indonesia cannot take advantage of market opportunities and often have difficulty accessing credit; obtaining information

about market opportunities or new technology; purchasing inputs such as DOC, feed, and vaccines; and accessing output markets. Even when the market is accessible, farmers often experience fluctuations in the price or the price is not fair. This is an obstacle to the development of the commercial poultry sector outside of partnerships and represents the 'bottleneck' in the development process. (Begum et al. 2005).

Therefore, one of the challenges in the development of farmers from a low position into a higher position in the third world is how to help them organize themselves as an effective pressure group. As is the case in Western countries, farmers need to achieve a sufficient position to be able to be on an equal footing as well as to deal with various other institutions in the structure of egalitarianism (Brinkerhoff and Goldsmith, 1993; Sumardjo, 1999) *dalam* Sumarjo (2001) . Implementing agribusiness development is expected to develop self-reliance of farmers so that the relationship of the structure of the system is not a position of subordination, but rather a relationship of dependence (interdependence) of mutual support and mutual benefit.

Improving the performance of the partnership system in broiler agribusinesses in South Sulawesi requires the implementation of an appropriate strategy that is competitive and comprehensive and in line with the nature of their initial goals. In order to establish an appropriate, competitive and comprehensive management strategy, the first thing to do is to measure the performance of the developed partnership system. Syahyuti (2003) states that performance measurement plays an important role in ensuring the success of a strategy run by an organization or institution.

### **Research purposes**

1. Identify and analyze models of broiler farm partnerships that have developed in South Sulawesi
2. Understand and analyze the performance of the broiler agribusiness partnership model in the empowerment of broiler breeders in South Sulawesi.
3. Identify and analyze the extent of the government's role in the empowerment of farmers in the agribusiness partnership system of broiler farms in South Sulawesi.

## **RESEARCH METHODS**

### **Approach and type of study**

This study uses research paradigm constructivism with descriptive qualitative research (Sugiyono, 2009).

### **Location and Time Research**

This research was located throughout the district/city, the center of agribusiness partnership broiler operations in the province of South Sulawesi. Collecting data in this study took place in 2015, with a duration of about 6 months.

### **Types and Sources of Data**

Types of data collected in this study were derived from primary and secondary data (Huberman *et al.*, 2009).

1. Primary data were obtained from in-depth interviews with a number of informants/participants as well as direct observation of the object studied.
2. Secondary data were used as supporting data and were obtained from various sources such as library documents (book report on the implementation of partnership, research reports, and reports from various relevant agencies).

### **Data collection technique**

#### **Deep interview**

In-depth interviews were conducted with a number of informants and experts/specialists consisting of groups of farmers, the government, academia and the private sector (companies/associations of livestock/partnership management institutions broilers). The determination of experts was based on them having a deep knowledge of the issues examined, along with extensive experience in the field of partnership contract farming for broilers; this experience is not only associated with one of the factors of resources, but also to other related sectors. Besides this, the experts were also chosen because they are already working for the government and private organizations and are involved in operations, as well as academic activities, especially those focused on livestock (Saaty, 1987; Marimin, 2004).

#### **Observations**

In this study, researchers used a non-participant observation method, in which researchers not directly involved in the daily activities of the community act as independent observers.

## **Secondary Data Collection**

Secondary data were used to support the analysis and interpretation of the primary data in this study. These data were in the form of written data or images containing data on breeders, planned partnership activities and the types of activities that have already been done, results of relevant studies, as well as archives and other related agribusiness partnership activities.

## **Data analysis**

Technical analysis of the data in this study used qualitative data analysis. To improve the quality of studies regarding the selection of alternative partnership models, the software Expert Choice AHP 12 was used.

## **RESULTS**

### **Overview of Model Partnership Broiler Farms in South Sulawesi**

In the poultry business, partnerships are not new, especially in South Sulawesi. Poultry businesses with partnership models have evolved over many years; however, the problems of broiler partnerships are still a topic of conversation or debate that is interesting to study because, despite various models of partnerships having been developed, the results are still far from the expectations. Broiler breeders, as the main focus of the farming sector, remain in a very weak position.

Actually, partnerships between poultry farm breeders and the corporate field of animal husbandry have been introduced by the government since 1984, which is known as PIR poultry. PIR poultry implementation was a follow-up of Presidential Decree No. 50 of 1981. The core aspects of Presidential Decree No. 50 of 1981 are: 1) the poultry farms are allowed to move in the upstream industry of broilers (seed, feed, drug) or downstream industries of broilers (slaughtering and trading of broilers), while the cultivation of broilers is only allowed for small farmers, and 2) farm scale cultivation is limited (750 units/cycle for broilers or 5000 units/cycle for laying hens), to prevent excess supply.

To ensure the upstream market of the broiler industry, while ensuring the provision of poultry production facilities and marketing results for farmers of the population, the government set broiler development patterns in 1984, known as PIR poultry. As an operation, PIR poultry exists in three forms, namely: 1) PIR with plasma agreement, which guarantees the provision of poultry production facilities and the marketing of products, 2) PIR with

plasma ratio, i.e. the plasma core system price ratio between the price of feed DOC and the selling price of broilers, and 3) PIR with plasma Mandiri (without any deal or price ratio).

Recent developments in regulatory support have been provided by the government with the enactment of the Government of the Republic of Indonesia No. 6 of 2003. This focused on the empowerment of farmers by providing convenience to farmers in an effort to empower farmers, such that certain types of farmers and below a certain number of herds do not require a business license.

Table 1 shows that of the three partnership models developed in Indonesia today, as reinforced by the explanation of Article 29, Paragraph 2 of the partnership model in PP 6 in 2013 regarding the Empowerment of Farmers, only a partnership model contract farming/contract grower (100%) was developed in southern Sulawesi; the model involving the management fee and profit-sharing is not well developed in the region. It is not clear why the partnership model has not been developed there, while in other places, especially in South Sumatra, both models are well developed. In conjunction with the partnership model of contract farming, the partnership management fee dominates (50%) over the contract farming model (40%) and the remainder (10%) for the model results (Sharif, 2010).

Based on the study results on the three models (presented in more detail in Table 2), the model contract price is the model with the least risks for company partnership, because the risk is borne by the farmers' partners. This is unlike the partnership model that was developed by JASS Corp., where all of the risks are borne by the company. With conditions that are less risky, this allows suboptimal production facilities to be provided, such as Day Old Chicks (DOC), feed and medicine-vaccine-chemical (OVK), along with the quality and service field workers less than the optimal. Many complaints have been made by breeder partners in South Sulawesi, namely about the quality of DOC and feed, as well as service field technical officer lacking the ability to give guidance in cultivation.

Table 2 shows the outline of the three main partnership broiler companies in South Sulawesi, which has a base feed industry; DOC and OVK have characteristic partnership models, and are almost the same; the difference is the type of incentive given to farmers' partners, although this is basically the same as the main basis of the calculation, just with different names. The real difference is indicated by a partnership with JASS Corp., running a business partnership, and is not based on industrial means of the production of feed, DOC and even OVK who are willing to risk without burdening breeder partners. On the other hand, they do not give incentives to the market; there is an incentive to improve the price of broilers in the market, so the opportunity to get different prices for improved conditions is not

possible while the partnership is developed by industrial feed production facilities; DOC and even OVK provide the profit opportunity. It appears that each of the existing models has strengths and weaknesses, which generally still favor the interests of the core company in the base model selection decision (Table 3).

From the description above, efforts have been made to provide maximum opportunities to earn better profits for the farmers' partners. With standard contractual mechanisms, there is no negotiation; operational costs are borne by farmers, and participating breeders bear the risk of losses unless special conditions/mass and not human error, compounded by the quality of the means of production which is less assured as they have no other alternative because the monopoly of the means of production feed DOC and OVK. Under these conditions, it is not an exaggeration to say there has been breeder exploitation. Incentives promised, even with all of the formulas, seem half-hearted.

The tendency above indicates the effort of the company partnership to seek maximum benefits by choosing alternatives to this model. The company-based industrial means of feed production, DOC and even OVK have already taken advantage with a monopoly of production facilities feed, seed and even OVK so in general, they have a very small chance of losing money, but the fact remains to choose the safest position, so that alignments or goodwill grow together through win-win partnership solutions based on the principles of openness, fairness and mutual benefit far short of expectations.

### **Broiler Model Evaluation Partnership in South Sulawesi**

Partnership models with some variations were developed by broiler partnerships in South Sulawesi; the results have identified several criteria for selecting a model with the following weights (Table 4).

Table 4 shows that the contract price is the most important criterion; if the contract price is good, the potential profits will also be improved, in addition to the quality of the means of production (feed, DOC, and OVK), which is also a matter of no less importance, as it will largely determine production performance. Quality seed and feed largely determine the final performance of maintenance; however, the efforts of farmers to implement good farming inputs, especially if the quality of seed and feed are not good, will produce end results reflecting poor inputs.

Next to partner requirements, incentives offered, compensation risks and equality and openness, as well as the period and time of harvest, are important matters that also have

effects and are taken into consideration when choosing a model of partnership. Based on these criteria, the consideration of the weight of each model is analyzed in detail in Table 5.

Table 5 shows that of the four alternative models for contract farming, two models are comparable undeveloped in South Sulawesi, but are growing in other areas along with alternative models. There is a tendency towards alternative models being able to provide the increased income of farmers in agri-business partnership systems in broilers in South Sulawesi, as shown by the highest weight in the model.

### **The role of government in developing a partnership model for broiler farmers**

The role of the government through various policies and programs is expected to encourage and create a conducive business climate and to stimulate farmers and the private sector so that businesses can thrive. In this case, the government acts as a facilitator, regulator, and motivator, and should match relationships between those involved so that actors can interact proportionally and exploitation will be contradictory.

In accordance with mandate PP. No. 6 in 2013 on the empowerment of breeders, the involvement of central and local government in this partnership is to provide guidance in the implementation of partnerships, treating farmers as an asset that must be maintained and nurtured properly. The empowerment of farmers should be from the government down to the local level, which aims to improve independence, provides convenience and progress of the business and improve the competitiveness and prosperity of farmers.

Increased value added to livestock through business partnerships will be more effective if there is proper support from the government in the form of political will and political action. There are forms of government support for establishing business partnerships in the field of animal husbandry, among other things. First, application of laws and regulations that do not hamper the development of livestock businesses when building business partnerships. Second, the government should be able to develop and improve the infrastructure to develop business partnerships. Third, the government should provide protection for breeders from exploitation in cooperation activities with the industry by checking the financial feasibility and managerial capacity of the industry (the company); this will enable the profitable business to be generated for all parties. Fourth, the government should help in the development of an integrated information system that combines information on each part involved in the supply chain system. Government support is expected at the top for business partnerships in the field of livestock to be effective, as well as to increase the added value; ultimately, these can also improve the competitiveness of farm

products. In addition, livestock development can create multiple targets, namely to create growth and equitable distribution of income at the same time (growth with equity) (Daryanto, 2009).

As stipulated in Government Regulation No. 6 in 2013 on the Empowerment of Farmers, the government has been fortified by providing a clear legal umbrella for the empowerment of farmers; this ranges from access to sources of finance, science, information technology, to servicing the farm, health services, technical assistance, the development of partnerships, the creation of a favorable climate and the protection of livestock prices.

Implementation of these regulations in the field needs to escort and direct movement; in order for that to be effective, the mechanism to implement these regulations needs to be compiled and made clear. Every farm business must be known by the local Animal Husbandry Department as a representative government; escorts and coaching will prevent exploitation of the indication of the breeder/plasma.

Government policies that have been made should be a guideline for businesses in the field of animal husbandry. Against this, breeding companies that break the rules must be dealt with firmly by the proposed revocation of business licenses by the local mayor, according to the Decree of the Minister of Agriculture No. 404/Kpts/OT.210/6/2002 on Guidelines for Licensing and Registration of Livestock enterprises. However, the problems that have occurred between farmers and entrepreneurs need ways to be settled amicably, without entering into the realm of law; the government can facilitate the mediation or reconciliation for the troubled, so that the world of farming in Indonesia can continue to grow and provide benefits without breaking rules and regulations, being detrimental to either party.

## **Conclusion**

Based on the description that has been presented in the previous section, it can be summarized as follows:

1. From the number of partnership models recommended in the existing regulations, only one main model of partnership has been developed in broiler farms in South Sulawesi; this is a partnership based on the contract price/contract growth with every variation of the contract. This depends on actors who develop business partnerships that are essentially in contrast to the partnership model mandated by the government, namely the creation of partnerships that have a win-win solution, the sharing of resources and the sharing of risks based on the principle of mutual needs, mutual strengthening and mutual benefit, to create

a system of partnerships that serve and improve the welfare of society and breeder members of the partnership (breeder partners) through guidance and empowerment.

2. The results of the evaluation of several variations of the contract farming model developed in South Sulawesi and several other models developed out of South Sulawesi, as well as the study of alternative models, suggest that it is necessary to reconstruct a model of partnership developed, which is reinforced with evaluation of alternative models for the development of broiler agribusiness partnership in South Sulawesi.
3. The role of the government in empowering farms in broiler partnership systems in South Sulawesi is encouraging and creates a conducive business climate; also, it is stimulating the development of broiler farms in South Sulawesi but is not functioning optimally. The role of local government as a facilitator, regulator, and motivator has been matching actors so that they can interact proportionally and the exploitation is contradictory. The government, especially animal husbandry departments, "do not know" and "do not want to know" about the development of partnerships and company partnerships, so there is no obligation to provide periodic reports to the agency or agencies. Therefore, the government does not have accurate data on the development of business partnerships from time to time as a basic instrument for monitoring development and assessing the contribution of business development to farm breeders.

### **Suggestions**

To create a partnership model that is ideal for the empowerment of broiler farm in south Sulawesi and able to add value for the actors it needed support from the government in the form:

- (1) provides protection to the breeder of the people from exploitation in cooperation activities with the industry, with constant monitoring and evaluation of evolving partnership practices
- (2) abolished the monopoly of the means of production practices carried out by a partnership company either directly or indirectly by encouraging regulations that enable a shift in actors partnership of companies based livestock feed industry company to a partnership model based Cooperative Agribusiness Poultry broiler.
- (3) optimize the role of government and financial institutions (banks) as an agency that helps finance (credit) to farmers and cooperatives that run the system partnership with the procedures and requirements easy.

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Table. 1. Partnerships Model and Main Actors Partnership Broiler in South Sulawesi

No	Company Partnership	Partnership Model		
		Management Fee	Contract prices	Profit sharing
1	JAPFA Group	-	X	-
2	Charoen Pokphand Group	-	X	-
3	Patriot Group	-	X	-
4	JASS	-	X	-

Source: Research Data Processed in 2015

Table. 2. Comparison of Model Contracts Broiler Farming Partnership in South Sulawesi

No	Description of Partnership	Company Partnership			
		JAPFA Group	Pokphand Group	Patriot Group	JASS
1	Operating costs by breeders	X	X	X	X
2	Affected the market price	X	X	X	-
3	Fee DOC in	-	-	-	-
4	Fee DOC out	-	-	-	-
5	Marker price incentive affected Breeder:	X	X	X	X
	a) Performance incentive (IP/IPX)	-	-	-	-
	b) Incentive Death	X	X	X	-
	c) Achievement EEFF	X	X	X	-
	d) Incentive FCR	-	-	-	X
	e) Incentive Markets				
	f) Healthy Broiler Incentive				
6	Compensation prices sick broilers	-	-	-	X
7	The risk of sick broilers	-	X	X	X
8	Compensation cost of living	-	-	-	-
9	For the period end results	-	-	-	-
10	Risks Sharing:				
	a) Losses incurred Core	-	-	-	X
	b) Losses are borne by farmers	-	-	-	-
	c) Losses are shared	X	X	X	-

Source: Research Data Processed in 2015

Table. 3. Strengths and weaknesses of the partnership model

No	Partnership Model	Advantages	Weaknesses
<b>1</b>	<i>Contract Farming (CF):</i>		
	2) JAPFA Group	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• There is an incentiveso that there is a potential market income higher when market prices improved (above the contract price)</li> <li>• Many variations incentives (market incentive, IP, FCR)</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Breeders participate bear the risk of loss unless special conditions/mass and not human error</li> <li>• Quality poultry production facilities less assured.</li> </ul>
	3) Charoen Pokphand Group	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• Variations many incentives (Incentive IP, FCR, Acf EEF)</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Breeders participate bear the risk of loss unless special conditions/mass and not human error</li> <li>• Quality poultry production facilities less assured.</li> </ul>
	4) Patriot Group	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• There is an incentive so that there is a potential market income higher when marketprices improved (above the contract price)</li> <li>• Variations many incentives (Incentive markets, IP, FCR)</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Breeders participate bear the risk of loss unless special conditions/mass and not human error</li> <li>• Quality poultry production facilities less assured.</li> </ul>
	5) JASS	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• Companies bear the risk of losses breeder</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Unable to take advantage of improving market prices (more above of the contract price)</li> <li>• Variations relatively less incentive, the incentive is only IP and healthy broiler</li> </ul>
<b>2</b>	Management Fee *)	<ul style="list-style-type: none"> <li>• Operating costs given the company's core (eg: USD 500 / Doc in and Rp 300-500 / units harvest)</li> </ul>	<ul style="list-style-type: none"> <li>• Unable to take advantage of improving market prices.</li> <li>• Variation less incentive, the incentive only IPX</li> </ul>

		<ul style="list-style-type: none"> <li>• The company's core risk for loss breeder</li> <li>• There is an incentive feat (IPX)</li> </ul>	
<b>3</b>	Profit Sharing <sup>*)</sup>	<ul style="list-style-type: none"> <li>• Operating costs given the company's core (eg: USD 500 / Doc in and Rp 150 / units harvest)</li> <li>• The company's core risk for loss breeder</li> <li>• There is a 35% incentive achievement of profit</li> </ul>	<ul style="list-style-type: none"> <li>• Unable to take advantage of improving market prices.</li> <li>• Variation incentive less, only incentive accomplishment</li> </ul>

Source: Research Data Processed in 2015

Table 4. Selection Criteria Weight partnership model

No	Criteria	Score
1	Terms partnership	0.163
2	The quality and quantity poultry production facilities (DOC, feed, and OVK)	0.217
3	Contract price offered	0.259
4	Equality and openness recapitulation of the maintenance contract and the breeder (RHPP)	0.064
5	Period and time of harvest (age and distance between harvests)	0.045
6	Incentive offered	0.118
7	Compensation risk	0.089
8	Responsiveness field officer	0.045

Source: Research Data Processed in 2015

Table 5. Weight Assessment Partnership Models

No	Alternative Partnership Model	Weight	Ranked
<b>Existing Models South Sulawesi</b>			
1	Contract Farming JAPFA Group	0.238	2
2	Contract Farming Pokphand Group	0.172	3
3	Contract Farming Patriot Group	0.121	4
4	Contract Farming JASS	0.062	6
<b>Existing Models outer South Sulawesi</b>			
5	Management Fee	0.263	7
6	Profit sharing	0.090	5
<b>Alternative Model</b>			
7	Contract Farming proposal <sup>*)</sup>	0.054	1

\*) = Contract Farming Cooperative Based Agribusiness.

Source: Research Data Processed in 2015

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# **AGRIBUSINESS PARTNERSHIP PERFORMANCE IN EMPOWERING BROILER BREEDERS**

## **Performance of agribusiness partnership in empowering broiler breeder**

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## **ABSTRACT”**

This study aims to identify and analyze partnership models of broiler (i.e., chickens raised for meat) farms, their performance and the extent of the government's role in the empowerment of farmers in the agribusiness partnership system, using a qualitative descriptive research approach based on expert judgments. The findings show that partnership contract farming in South Sulawesi in every variation is essentially different from the basic concept of partnership. The government's role in empowering farmers in the partnership system of broiler farms in South Sulawesi is to encourage and create a business climate that is conducive and stimulating for the development of broiler farms in South Sulawesi; however, this is not functioning optimally.

*Keyword: Performance, Partnership, Broiler farms, Empowerment.*

## **INTRODUCTION**

The Indonesian livestock industry is growing very rapidly with increasing purchasing power and experienced a peak in 1996. Developments have been less encouraging since the economic crisis around 1997. Along with population growth, increased revenue and increased public awareness of nutrition in Indonesia, demand for livestock products are expected to continue to rise. The consumption of animal protein has been widely met from broiler (i.e. chickens raised for meat) consumption, which accounted for 67% of the total consumption of animal protein; cows only contributed 16% (Utomo, 2013). This is a business opportunity that is an incentive to increase the productivity of broiler farms.

Broiler farms in Indonesia are a breeding business; there are major obstacles, including not taking into account the economic and business scale, and the modest use of technology, so that productivity is low and quality varies. The position of broiler farms such as these are weak and are sensitive to changes, mainly in marketing their products (Patrick *et al.*, 2004). Therefore, development interventions need outside forces, such as capital, market creation, organization, and technical guidance. Responding to this problem, the government issued a policy in the form of Presidential Decree No. 99 of 1998 on the field or type of business open to medium businesses or large enterprises on the condition of the partnership, one of which is a partnership of broiler farms.

From several models that have been pursued, one that has been considered to assist the development of livestock agribusiness in terms of capital, the supply of raw materials, marketing and technical guidance of technology development is the partnership pattern of Agribusiness Operations Cooperation (Sulaeman and Eriyatno, 2001). The development of KOA partnership patterns in South Sulawesi shows a very positive trend, especially in the last 10 years. At the beginning of development in South Sulawesi, broiler breeders were dominated by the two largest feed industry companies in South Sulawesi, namely a partnership under PT Japfa Comfeed Indonesia (JCI) with partnership of PT Primatama Karya Persada (PKP), and Kemitraan under the auspices PT Charoen Pokphand (CP) with partnership of PT. Bina Pratama Satwa (BPS), which at the beginning of its development has only partner farmers in the city of Makassar, Maros regency, Gowa and parts of Takalar district. The development to date of existing partnership partners has reached twenty-seven companies, excluding from the count local partners with small populations, with an expanding working area including almost all districts in South Sulawesi (Ridwan, 2015).

Despite the partnership model, there are still some problems remaining in its development, especially in terms of optimizing the revenue received by breeder partners. Empowerment carried out by the partners is helping to revive the farming slump due to the economic crisis; however, this is not yet giving hope to propelling farm businesses forward, economically and independently, and the subordination of financiers was strong (large businesses) to farmers/ranchers (small business). In many cases, these partnerships make small farmers increasingly dependent, as they can no longer be competitive without access to the services provided by contract farming companies (FAO, 2001, in Begum *et al.*, 2011). On the other hand, evidence from various countries shows that most contract farming schemes exclude small farmers (Singh, 2000, in Begum *et al.*, 2005). Generally, intensive farming

with large capital causes a barrier to the entry of small farmers into the contract system because of high transaction costs and economies of scale (Begum et al., 2005).

Generally, small farmers in Bangladesh as well as in Indonesia cannot take advantage of market opportunities and often have difficulty accessing credit; obtaining information about market opportunities or new technology; purchasing inputs such as DOC, feed, and vaccines; and accessing output markets. Even when the market is accessible, farmers often experience fluctuations in the price or the price is not fair. This is an obstacle to the development of the commercial poultry sector outside of partnerships and represents the 'bottleneck' in the development process. (Begum et al. 2005).

Therefore, one of the challenges in the development of farmers from a low position into a higher position in the third world is how to help them organize themselves as an effective pressure group. As is the case in Western countries, farmers need to achieve a sufficient position to be able to be on an equal footing as well as to deal with various other institutions in the structure of egalitarianism (Brinkerhoff and Goldsmith, 1993; Sumardjo, 1999). Implementing agribusiness development is expected to develop self-reliance of farmers so that the relationship of the structure of the system is not a position of subordination, but rather a relationship of dependence (interdependence) of mutual support and mutual benefit.

Improving the performance of the partnership system in broiler agribusinesses in South Sulawesi requires the implementation of an appropriate strategy that is competitive and comprehensive and in line with the nature of their initial goals. In order to establish an appropriate, competitive and comprehensive management strategy, the first thing to do is to measure the performance of the developed partnership system. Syahyuti (2003) states that performance measurement plays an important role in ensuring the success of a strategy run by an organization or institution.

### **Research purposes**

1. Identify and analyze models of broiler farm partnerships that have developed in South Sulawesi
2. Understand and analyze the performance of the broiler agribusiness partnership model in the empowerment of broiler breeders in South Sulawesi.
3. Identify and analyze the extent of the government's role in the empowerment of farmers in the agribusiness partnership system of broiler farms in South Sulawesi.

## **RESEARCH METHODS**

### **Approach and type of study**

This study uses research paradigm constructivism with descriptive qualitative research (Sugiyono, 2009).

### **Location and Time Research**

This research was located throughout the district/city, the center of agribusiness partnership broiler operations in the province of South Sulawesi. Collecting data in this study took place in 2015, with a duration of about 6 months.

### **Types and Sources of Data**

Types of data collected in this study were derived from primary and secondary data (Huberman *et al.*, 2009).

1. Primary data were obtained from in-depth interviews with a number of informants/participants as well as direct observation of the object studied.
2. Secondary data were used as supporting data and were obtained from various sources such as library documents (book report on the implementation of partnership, research reports, and reports from various relevant agencies).

### **Data collection technique**

#### **Deep interview**

In-depth interviews were conducted with a number of informants and experts/specialists consisting of groups of farmers, the government, academia and the private sector (companies/associations of livestock/partnership management institutions broilers). The determination of experts was based on them having a deep knowledge of the issues examined, along with extensive experience in the field of partnership contract farming for broilers; this experience is not only associated with one of the factors of resources, but also to other related sectors. Besides this, the experts were also chosen because they are already working for the government and private organizations and are involved in operations, as well as academic activities, especially those focused on livestock (Saaty, 1987; Marimin, 2004).

#### **Observations**

In this study, researchers used a non-participant observation method, in which researchers not directly involved in the daily activities of the community act as independent observers.

### **Secondary Data Collection**

Secondary data were used to support the analysis and interpretation of the primary data in this study. These data were in the form of written data or images containing data on breeders, planned partnership activities and the types of activities that have already been done, results of relevant studies, as well as archives and other related agribusiness partnership activities.

### **Data analysis**

Technical analysis of the data in this study used qualitative data analysis. To improve the quality of studies regarding the selection of alternative partnership models, the software Expert Choice AHP 12 was used.

## **RESULTS**

### **Overview of Model Partnership Broiler Farms in South Sulawesi**

In the poultry business, partnerships are not new, especially in South Sulawesi. Poultry businesses with partnership models have evolved over many years; however, the problems of broiler partnerships are still a topic of conversation or debate that is interesting to study because, despite various models of partnerships having been developed, the results are still far from the expectations. Broiler breeders, as the main focus of the farming sector, remain in a very weak position.

Actually, partnerships between poultry farm breeders and the corporate field of animal husbandry have been introduced by the government since 1984, which is known as PIR poultry. PIR poultry implementation was a follow-up of Presidential Decree No. 50 of 1981. The core aspects of Presidential Decree No. 50 of 1981 are: 1) the poultry farms are allowed to move in the upstream industry of broilers (seed, feed, drug) or downstream industries of broilers (slaughtering and trading of broilers), while the cultivation of broilers is only allowed for small farmers, and 2) farm scale cultivation is limited (750 units/cycle for broilers or 5000 units/cycle for laying hens), to prevent excess supply.

To ensure the upstream market of the broiler industry, while ensuring the provision of poultry production facilities and marketing results for farmers of the population, the

government set broiler development patterns in 1984, known as PIR poultry. As an operation, PIR poultry exists in three forms, namely: 1) PIR with plasma agreement, which guarantees the provision of poultry production facilities and the marketing of products, 2) PIR with plasma ratio, i.e. the plasma core system price ratio between the price of feed DOC and the selling price of broilers, and 3) PIR with plasma Mandiri (without any deal or price ratio).

Recent developments in regulatory support have been provided by the government with the enactment of the Government of the Republic of Indonesia No. 6 of 2003. This focused on the empowerment of farmers by providing convenience to farmers in an effort to empower farmers, such that certain types of farmers and below a certain number of herds do not require a business license.

Table 1 shows that of the three partnership models developed in Indonesia today, as reinforced by the explanation of Article 29, Paragraph 2 of the partnership model in PP 6 in 2013 regarding the Empowerment of Farmers, only a partnership model contract farming/contract grower (100%) was developed in southern Sulawesi; the model involving the management fee and profit-sharing is not well developed in the region. It is not clear why the partnership model has not been developed there, while in other places, especially in South Sumatra, both models are well developed. In conjunction with the partnership model of contract farming, the partnership management fee dominates (50%) over the contract farming model (40%) and the remainder (10%) for the model results (Sharif, 2010).

Based on the study results on the three models (presented in more detail in Table 2), the model contract price is the model with the least risks for company partnership, because the risk is borne by the farmers' partners. This is unlike the partnership model that was developed by JASS Corp., where all of the risks are borne by the company. With conditions that are less risky, this allows suboptimal production facilities to be provided, such as Day Old Chicks (DOC), feed and medicine-vaccine-chemical (OVK), along with the quality and service field workers less than the optimal. Many complaints have been made by breeder partners in South Sulawesi, namely about the quality of DOC and feed, as well as service field technical officer lacking the ability to give guidance in cultivation.

Table 2 shows the outline of the three main partnership broiler companies in South Sulawesi, which has a base feed industry; DOC and OVK have characteristic partnership models, and are almost the same; the difference is the type of incentive given to farmers' partners, although this is basically the same as the main basis of the calculation, just with different names. The real difference is indicated by a partnership with JASS Corp., running a business partnership, and is not based on industrial means of the production of feed, DOC

and even OVK who are willing to risk without burdening breeder partners. On the other hand, they do not give incentives to the market; there is an incentive to improve the price of broilers in the market, so the opportunity to get different prices for improved conditions is not possible while the partnership is developed by industrial feed production facilities; DOC and even OVK provide the profit opportunity. It appears that each of the existing models has strengths and weaknesses, which generally still favor the interests of the core company in the base model selection decision (Table 3).

From the description above, efforts have been made to provide maximum opportunities to earn better profits for the farmers' partners. With standard contractual mechanisms, there is no negotiation; operational costs are borne by farmers, and participating breeders bear the risk of losses unless special conditions/mass and not human error, compounded by the quality of the means of production which is less assured as they have no other alternative because the monopoly of the means of production feed DOC and OVK. Under these conditions, it is not an exaggeration to say there has been breeder exploitation. Incentives promised, even with all of the formulas, seem half-hearted.

The tendency above indicates the effort of the company partnership to seek maximum benefits by choosing alternatives to this model. The company-based industrial means of feed production, DOC and even OVK have already taken advantage with a monopoly of production facilities feed, seed and even OVK so in general, they have a very small chance of losing money, but the fact remains to choose the safest position, so that alignments or goodwill grow together through win-win partnership solutions based on the principles of openness, fairness and mutual benefit far short of expectations.

### **Broiler Model Evaluation Partnership in South Sulawesi**

Partnership models with some variations were developed by broiler partnerships in South Sulawesi; the results have identified several criteria for selecting a model with the following weights (Table 4).

Table 4 shows that the contract price is the most important criterion; if the contract price is good, the potential profits will also be improved, in addition to the quality of the means of production (feed, DOC, and OVK), which is also a matter of no less importance, as it will largely determine production performance. Quality seed and feed largely determine the final performance of maintenance; however, the efforts of farmers to implement good farming inputs, especially if the quality of seed and feed are not good, will produce end results reflecting poor inputs.

Next to partner requirements, incentives offered, compensation risks and equality and openness, as well as the period and time of harvest, are important matters that also have effects and are taken into consideration when choosing a model of partnership. Based on these criteria, the consideration of the weight of each model is analyzed in detail in Table 5.

Table 5 shows that of the four alternative models for contract farming, two models are comparable undeveloped in South Sulawesi, but are growing in other areas along with alternative models. There is a tendency towards alternative models being able to provide the increased income of farmers in agri-business partnership systems in broilers in South Sulawesi, as shown by the highest weight in the model.

### **The role of government in developing a partnership model for broiler farmers**

The role of the government through various policies and programs is expected to encourage and create a conducive business climate and to stimulate farmers and the private sector so that businesses can thrive. In this case, the government acts as a facilitator, regulator, and motivator, and should match relationships between those involved so that actors can interact proportionally and exploitation will be contradictory.

In accordance with mandate PP. No. 6 in 2013 on the empowerment of breeders, the involvement of central and local government in this partnership is to provide guidance in the implementation of partnerships, treating farmers as an asset that must be maintained and nurtured properly. The empowerment of farmers should be from the government down to the local level, which aims to improve independence, provides convenience and progress of the business and improve the competitiveness and prosperity of farmers.

Increased value added to livestock through business partnerships will be more effective if there is proper support from the government in the form of political will and political action. There are forms of government support for establishing business partnerships in the field of animal husbandry, among other things. First, application of laws and regulations that do not hamper the development of livestock businesses when building business partnerships. Second, the government should be able to develop and improve the infrastructure to develop business partnerships. Third, the government should provide protection for breeders from exploitation in cooperation activities with the industry by checking the financial feasibility and managerial capacity of the industry (the company); this will enable the profitable business to be generated for all parties. Fourth, the government should help in the development of an integrated information system that combines information on each part involved in the supply chain system. Government support is

expected at the top for business partnerships in the field of livestock to be effective, as well as to increase the added value; ultimately, these can also improve the competitiveness of farm products. In addition, livestock development can create multiple targets, namely to create growth and equitable distribution of income at the same time (growth with equity) (Daryanto, 2009).

As stipulated in Government Regulation No. 6 in 2013 on the Empowerment of Farmers, the government has been fortified by providing a clear legal umbrella for the empowerment of farmers; this ranges from access to sources of finance, science, information technology, to servicing the farm, health services, technical assistance, the development of partnerships, the creation of a favorable climate and the protection of livestock prices.

Implementation of these regulations in the field needs to escort and direct movement; in order for that to be effective, the mechanism to implement these regulations needs to be compiled and made clear. Every farm business must be known by the local Animal Husbandry Department as a representative government; escorts and coaching will prevent exploitation of the indication of the breeder/plasma.

Government policies that have been made should be a guideline for businesses in the field of animal husbandry. Against this, breeding companies that break the rules must be dealt with firmly by the proposed revocation of business licenses by the local mayor, according to the Decree of the Minister of Agriculture No. 404/Kpts/OT.210/6/2002 on Guidelines for Licensing and Registration of Livestock enterprises. However, the problems that have occurred between farmers and entrepreneurs need ways to be settled amicably, without entering into the realm of law; the government can facilitate the mediation or reconciliation for the troubled, so that the world of farming in Indonesia can continue to grow and provide benefits without breaking rules and regulations, being detrimental to either party.

## **Conclusion**

Based on the description that has been presented in the previous section, it can be summarized as follows:

1. From the number of partnership models recommended in the existing regulations, only one main model of partnership has been developed in broiler farms in South Sulawesi; this is a partnership based on the contract price/contract growth with every variation of the contract. This depends on actors who develop business partnerships that are essentially in contrast to the partnership model mandated by the government, namely the creation of partnerships that have a win-win solution, the sharing of resources and the sharing of risks

based on the principle of mutual needs, mutual strengthening and mutual benefit, to create a system of partnerships that serve and improve the welfare of society and breeder members of the partnership (breeder partners) through guidance and empowerment.

2. The results of the evaluation of several variations of the contract farming model developed in South Sulawesi and several other models developed out of South Sulawesi, as well as the study of alternative models, suggest that it is necessary to reconstruct a model of partnership developed, which is reinforced with evaluation of alternative models for the development of broiler agribusiness partnership in South Sulawesi.
3. The role of the government in empowering farms in broiler partnership systems in South Sulawesi is encouraging and creates a conducive business climate; also, it is stimulating the development of broiler farms in South Sulawesi but is not functioning optimally. The role of local government as a facilitator, regulator, and motivator has been matching actors so that they can interact proportionally and the exploitation is contradictory. The government, especially animal husbandry departments, "do not know" and "do not want to know" about the development of partnerships and company partnerships, so there is no obligation to provide periodic reports to the agency or agencies. Therefore, the government does not have accurate data on the development of business partnerships from time to time as a basic instrument for monitoring development and assessing the contribution of business development to farm breeders.

### **Suggestions**

To create a partnership model that is ideal for the empowerment of broiler farm in south Sulawesi and able to add value for the actors it needed support from the government in the form:

- (1) provides protection to the breeder of the people from exploitation in cooperation activities with the industry, with constant monitoring and evaluation of evolving partnership practices
- (2) abolished the monopoly of the means of production practices carried out by a partnership company either directly or indirectly by encouraging regulations that enable a shift in actors partnership of companies based livestock feed industry company to a partnership model based Cooperative Agribusiness Poultry broiler.

- (3) optimize the role of government and financial institutions (banks) as an agency that helps finance (credit) to farmers and cooperatives that run the system partnership with the procedures and requirements easy.

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Table. 1. Partnerships Model and Main Actors Partnership Broiler in South Sulawesi

No	Company Partnership	Partnership Model		
		Management Fee	Contract prices	Profit sharing
1	JAPFA Group	-	X	-
2	Charoen Pokphand Group	-	X	-
3	Patriot Group	-	X	-
4	JASS	-	X	-

Source: Research Data Processed in 2015

Table. 2. Comparison of Model Contracts Broiler Farming Partnership in South Sulawesi

No	Description of Partnership	Company Partnership			
		JAPFA Group	Pokphand Group	Patriot Group	JASS
1	Operating costs by breeders	X	X	X	X
2	Affected the market price	X	X	X	-
3	Fee DOC in	-	-	-	-
4	Fee DOC out	-	-	-	-
5	Marker price incentive affected Breeder:	X	X	X	X
	a) Performance incentive (IP/IPX)	-	-	-	-
	b) Incentive Death	X	X	X	-
	c) Achievement EEF	X	X	X	-
	d) Incentive FCR	-	-	-	X
	e) Incentive Markets				
	f) Healthy Broiler Incentive				
6	Compensation prices sick broilers	-	-	-	X
7	The risk of sick broilers	-	X	X	X
8	Compensation cost of living	-	-	-	-
9	For the period end results	-	-	-	-
10	Risks Sharing:				
	a) Losses incurred Core	-	-	-	X
	b) Losses are borne by farmers	-	-	-	-
	c) Losses are shared	X	X	X	-

Source: Research Data Processed in 2015

Table. 3. Strengths and weaknesses of the partnership model

No	Partnership Model	Advantages	Weaknesses
<b>1</b>	<i>Contract Farming (CF):</i>		
	2) JAPFA Group	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• There is an incentiveso that there is a potential market income higher when market prices improved (above the contract price)</li> <li>• Many variations incentives (market incentive, IP, FCR)</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Breeders participate bear the risk of loss unless special conditions/mass and not human error</li> <li>• Quality poultry production facilities less assured.</li> </ul>
	3) Charoen Pokphand Group	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• Variations many incentives (Incentive IP, FCR, Acf EEF)</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Breeders participate bear the risk of loss unless special conditions/mass and not human error</li> <li>• Quality poultry production facilities less assured.</li> </ul>
	4) Patriot Group	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• There is an incentive so that there is a potential market income higher when marketprices improved (above the contract price)</li> <li>• Variations many incentives (Incentive markets, IP, FCR)</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Breeders participate bear the risk of loss unless special conditions/mass and not human error</li> <li>• Quality poultry production facilities less assured.</li> </ul>
	5) JASS	<ul style="list-style-type: none"> <li>• The cost is borne by the company's core poultry production facilities</li> <li>• Companies bear the risk of losses breeder</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed contract, no negotiations</li> <li>• Operational costs are borne by farmers</li> <li>• Unable to take advantage of improving market prices (more above of the contract price)</li> <li>• Variations relatively less incentive, the incentive is only IP and healthy broiler</li> </ul>
<b>2</b>	Management Fee *)	<ul style="list-style-type: none"> <li>• Operating costs given the company's core (eg: USD 500 / Doc in and Rp 300-500 / units harvest)</li> </ul>	<ul style="list-style-type: none"> <li>• Unable to take advantage of improving market prices.</li> <li>• Variation less incentive, the incentive only IPX</li> </ul>

		<ul style="list-style-type: none"> <li>• The company's core risk for loss breeder</li> <li>• There is an incentive feat (IPX)</li> </ul>	
<b>3</b>	Profit Sharing <sup>*)</sup>	<ul style="list-style-type: none"> <li>• Operating costs given the company's core (eg: USD 500 / Doc in and Rp 150 / units harvest)</li> <li>• The company's core risk for loss breeder</li> <li>• There is a 35% incentive achievement of profit</li> </ul>	<ul style="list-style-type: none"> <li>• Unable to take advantage of improving market prices.</li> <li>• Variation incentive less, only incentive accomplishment</li> </ul>

Source: Research Data Processed in 2015

Table 4. Selection Criteria Weight partnership model

No	Criteria	Score
1	Terms partnership	0.163
2	The quality and quantity poultry production facilities (DOC, feed, and OVK)	0.217
3	Contract price offered	0.259
4	Equality and openness recapitulation of the maintenance contract and the breeder (RHPP)	0.064
5	Period and time of harvest (age and distance between harvests)	0.045
6	Incentive offered	0.118
7	Compensation risk	0.089
8	Responsiveness field officer	0.045

Source: Research Data Processed in 2015

Table 5. Weight Assessment Partnership Models

No	Alternative Partnership Model	Weight	Ranked
<i>Existing Models South Sulawesi</i>			
1	Contract Farming JAPFA Group	0.238	2
2	Contract Farming Pokphand Group	0.172	3
3	Contract Farming Patriot Group	0.121	4
4	Contract Farming JASS	0.062	6
<i>Existing Models outer South Sulawesi</i>			
5	Management Fee	0.263	7
6	Profit sharing	0.090	5
<i>Alternative Model</i>			
7	Contract Farming proposal <sup>*)</sup>	0.054	1

<sup>\*)</sup> = Contract Farming Cooperative Based Agribusiness.

Source: Research Data Processed in 2015

Re: Revisi CJ692

---

From: Clinical Journal (clinicaljournalcapa@gmail.com)

To: muhridwanrizal@yahoo.com

Date: Friday, December 8, 2017 at 02:40 PM GMT+8

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Selamat siang,

Terima kasih atas konfirmasinya, Pak  
Kami telah terima revisi dari Bapak.  
Revisi akan segera kami proses.  
Mohon ditunggu informasi dari kami selanjutnya.

Salam,  
Klinik Jurnal CAPA

2017-12-07 12:27 GMT+07:00 MUH. RIDWAN Rizal <[muhridwanrizal@yahoo.com](mailto:muhridwanrizal@yahoo.com)>:

Terima kasih atas koreksinya

Bersama ini saya kirimkan revisi berdasarkan saran dan komentar tim CAPA, hasil revisi tambahan saya berikan tanda dengan warna merah, warna kuning yg sdh saya hitamkan berarti sdh ada revisi perbaikannya.

Mohon maaf atas beberaoa kekurangtelitian yg terjadi, ini karena adanya pembatasan halaman yg dilakukan oleh panitia di workshop sehingga sebagian saya hilangkan dan lupa mengoreksi bagian daftar pustaka. Pada revisi ini saya masukkan kembali supaya sesuai, semoga jumlah halaman tidak berlebih.

Wassalam  
Muh.Ridwan

[Dikirim dari Yahoo Mail di Android](#)

Pada Kam, 30 Nov 2017 pada 16:36, Clinical Journal  
<[clinicaljournalcapa@gmail.com](mailto:clinicaljournalcapa@gmail.com)> menulis:

Selamat sore,

Bersama ini kami informasikan bahwa paper Bapak sudah diproses untuk layouting.  
Sebelum kami lanjutkan untuk submission, mohon Bapak dapat memperbaiki paper terlebih dulu.  
Adapun hal yang perlu diperbaiki adalah mohon untuk melengkapi referensinya karena banyak yg tidak sinkron dan sedikit sekali yang disitasi dalam teks. Bagian-bagian yang perlu diperbaiki sudah kami tandai warna kuning.

Mohon untuk segera konfirmasi revisi ke kami.

Salam,  
Klinik Jurnal CAPA

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<b>Judul Manuskrip</b>	AGRIBUSINESS PARTNERSHIP PERFORMANCE IN EMPOWERMENT BROILER BREEDER
<b>Nama</b>	Muh.Ridwan
<b>Jurnal</b>	Bulgarian Journal of Agriculture Science
<b>ID Klien</b>	CJ692

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<b>Judul Manuskrip</b>	AGRIBUSINESS PARTNERSHIP PERFORMANCE IN EMPOWERMENT BROILER BREEDER
<b>Nama</b>	Muh.Ridwan
<b>Jurnal</b>	Bulgarian Journal of Agriculture Science
<b>Status</b>	
<b>Deskripsi status</b>	Dear Author, Kami informasikan bahwa status paper anda UNDER REVIEW dan TELAH DIFOLLOW-UP melalui email editor untuk perkembangan status manuscript anda. Mohon ditunggu info dari kami selanjutnya. Salam, Clinical Journal CAPA
<b>ID Klien</b>	CJ692

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**BJAS – about your paper**

---

Снежана Бесарабова <bjas\_sb@abv.bg>  
To: Сearaa Journalae <capa.journal81@gmail.com>

19 February 2018 at 20:26

Dear Dr. Ridwan

The investigation:

*AGRIBUSINESS PARTNERSHIP PERFORMANCE IN EMPOWERING BROILER BREEDERS*

is accepted for the review process of BJAS journal. I'll write you lately about it.

Best regards

Snezhana Besarabova

Executive Editor, BJAS

>----- Оригиналното писмо -----

>От: Сearaa Journalae [capa.journal81@gmail.com](mailto:capa.journal81@gmail.com)

>Относно: Submission of New Manuscript for Bulgarian Journal of Agriculture Science

>До: [bjas\\_sb@abv.bg](mailto:bjas_sb@abv.bg)

>Изпратено на: 24.01.2018 05:06

Dear chief of editor

Bulgarian Journal of Agriculture Science

We submit article entitle “*Agribusiness partnership performance in empowering broiler breeders: Performance of agribusiness partnership in empowering broiler breeder*” for publish in Bulgarian Journal of Agriculture Science. All author agree to publish in this journal and equally contribute to this study. This paper not recognized for publication in another journal and submit for Bulgarian Journal of Agriculture Science only. We hope you accepted our article for publish in Bulgarian Journal of Agriculture Science because this study identify and analyze partnership models of broiler (i.e., chickens raised for meat) farms, their performance and the extent of the government's role in the empowerment of farmers in the agribusiness partnership system, using a qualitative descriptive research approach based on expert judgments.

What this study adds:

The findings show that partnership contract farming in South Sulawesi in every variation is essentially different from the basic concept of partnership. The government's role in empowering farmers in the partnership system of broiler farms in South Sulawesi is to encourage and create a business climate that is conducive and stimulating for the development of broiler farms in South Sulawesi; however, this is not functioning optimally.

Thank you

Dr. Muh. Ridwan, S.Pt., M.Si

Department of Social Economy, Faculty of Animal Husbandry, Hasanuddin University, Makassar

Kompleks Taman Dataran Indah Blok B.26, Jalan Dr.Leimena, Makassar, South Sulawesi, Indonesia.  
Postal Code 90233. Phone: +62811416121

Email: [muhridwanrizal@yahoo.com](mailto:muhridwanrizal@yahoo.com)



---

**Bulg. J. Agric. Sci. – accepted paper**

---

**Снежана Бесарабова** <bjas\_sb@abv.bg>  
To: Сearaa Journalae <capa.journal81@gmail.com>

2 April 2018 at 12:52

Dear Dr. Ridwan

I'm glad to make you know that the research:

*AGRIBUSINESS PARTNERSHIP PERFORMANCE IN EMPOWERING BROILER BREEDERS*

is already accepted and included in 3-2018 issue of BJAS journal. Do you agree?

The investigation consists of 22.6 standard pages.

And the publishing tax will be 226 Euro.

With best regards

Snezhana Besarabova

Executive Ed., BJAS

>----- Оригинално писмо -----  
>От: Сearaa Journalae [capa.journal81@gmail.com](mailto:capa.journal81@gmail.com)  
>Относно: Re: BJAS – about your paper  
>До: Снежана Бесарабова <bjas\_sb@abv.bg>  
>Изпратено на: 31.03.2018 18:59

Dear chief of editor  
Bulgarian Journal of Agriculture Science

Thank you for accepting my manuscript for review in your journal.  
Is there any new information about the reviewing progress?

I hope my manuscript can be considered for publication in this journal.

I am looking forward to hearing from you.

Best wishes,  
Muh. Ridwan

On Mon, Feb 19, 2018 at 8:26 PM, Снежана Бесарабова <bjas\_sb@abv.bg> wrote:

Dear Dr. Ridwan

The investigation:

*AGRIBUSINESS PARTNERSHIP PERFORMANCE IN EMPOWERING BROILER BREEDERS*

is accepted for the review process of BJAS journal. I'll write you lately about it.

Best regards

Snezhana Besarabova

Executive Editor, BJAS

>----- Оригиналното писмо -----

>От: Серапа Journalae сара.journal81@gmail.com

>Относно: Submission of New Manuscript for Bulgarian Journal of Agriculture Science

>До: bjas\_sb@abv.bg

>Изпратено на: 24.01.2018 05:06

Dear chief of editor

Bulgarian Journal of Agriculture Science

We submit article entitled "*Agribusiness partnership performance in empowering broiler breeders: Performance of agribusiness partnership in empowering broiler breeder*" for publish in Bulgarian Journal of Agriculture Science. All author agree to publish in this journal and equally contribute to this study. This paper not recognized for publication in another journal and submit for Bulgarian Journal of Agriculture Science only. We hope you accepted our article for publish in Bulgarian Journal of Agriculture Science because this study identify and analyze partnership models of broiler (i.e., chickens raised for meat) farms, their performance and the extent of the government's role in the empowerment of farmers in the agribusiness partnership system, using a qualitative descriptive research approach based on expert judgments.

What this study adds:

The findings show that partnership contract farming in South Sulawesi in every variation is essentially different from the basic concept of partnership. The government's role in empowering farmers in the partnership system of broiler farms in South Sulawesi is to encourage and create a business climate that is conducive and stimulating for the development of broiler farms in South Sulawesi; however, this is not functioning optimally.

Thank you

Dr. Muh. Ridwan, S.Pt., M.Si

Department of Social Economy, Faculty of Animal Husbandry, Hasanuddin University, Makassar

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Postal Code 90233. Phone: +62811416121

Email: muhridwanrizal@yahoo.com





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**Bulg. J. Agric. Sci. – accepted paper**

---

**Rumyana Vasileva** <bjas\_sb@abv.bg>  
To: Ceapaa Journalae <capa.journal81@gmail.com>

31 July 2018 at 19:53

Dear Dr. Ridwan,  
We received the payment, thank you, please find attached the invoice.  
Issues 3 and 4 have already been published. Your article can be included in No. 5/2018.  
Best regards,  
Roumyana Vassileva  
editor of BJAS

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>От: Ceapaa Journalae [capa.journal81@gmail.com](mailto:capa.journal81@gmail.com)  
>Относно: Re: Bulg. J. Agric. Sci. – accepted paper  
>До: Снежана Бесарабова <bjas\_sb@abv.bg>  
>Изпратено на: 31.07.2018 14:53

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With best regards,  
Muh. Ridwan

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### Progres Asistensi Publikasi

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**Tanggal** tanggal

**Judul Manuskrip** AGRIBUSINESS PARTNERSHIP PERFORMANCE IN EMPOWERMENT BROILER BREEDER

**Nama** Muh.Ridwan

**Jurnal** Bulgarian Journal of Agriculture Science

**Status**

**Deskripsi status** Dear Author, Kami informasikan bahwa status paper anda telah PUBLISHED. Anda dapat mengakses **jurnal** Anda melalui link berikut ini: <http://www.agrojournal.org/24/05-04.html> Terima kasih atas kepercayaan Anda terhadap kami. Salam, Clinical Journal CAPA

**ID Klien** CJ692

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