



Strategy for Developing Agribusiness Partnership Patterns of Farmer Groups at the Agricultural Extension Center (BPP) of East Dumai District, Dumai City

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Abstract: This community service program was motivated by the suboptimal development of agribusiness partnership patterns among farmer groups assisted by the Agricultural Extension Center (BPP) of East Dumai District, Dumai City, which has resulted in low productivity, limited value added, and weak bargaining power of farmers. The program aimed to enhance farmers' understanding, capacity, and readiness to develop sustainable agribusiness partnership strategies. The method applied was a community organizing approach through counseling, participatory discussions, and mentoring involving five farmer groups with a total of 15 farmers. The results indicate an improvement in farmers' understanding of agribusiness partnership concepts and models, a shift in mindset from individual to collective group-based farming, and the emergence of initial agreements to develop simple partnership schemes with local agribusiness actors. In addition, farmers showed increased readiness in managerial aspects, product quality improvement, and communication with potential partners. This program contributes to strengthening farmer group institutions and provides a foundation for developing more structured and sustainable agribusiness partnerships.

1. INTRODUCTION

Indonesia is still recognized as an agrarian country, where the agricultural sector plays a strategic role in absorbing labor and serving as the main source of income for most households, particularly in rural and peri-urban areas. This sector not only contributes to national food security but also plays an important role in maintaining social and economic stability within society (Effendi 2019). However, the realities faced by farmers indicate that the sustainability of farming activities continues to encounter various challenges, especially the high costs of production inputs such as agricultural facilities, medicines, and labor, which are not proportional to the financial capacity of small-scale farmers.

In addition to production-related issues, the marketing of agricultural products represents a crucial challenge within the agribusiness system. Marketing operations constitute a stage of farming activities that determines farmers' economic success, yet they often become a weak point, particularly for small farmers who have limited access to market information, distribution networks, and bargaining power in price determination (Elizabeth 2011). This condition causes agricultural products to be sold mainly as raw materials with low added value, making it difficult for farmers' incomes to increase significantly.

Agribusiness as a system requires continuity and synergy among its subsystems,

ranging from the provision of production inputs, cultivation activities, product processing, marketing, to institutional support (Panji 2007). Downey and Erickson (1987) emphasize that agribusiness encompasses all activities related to agricultural commodities in a broad sense, including agro-industry, the distribution of inputs and outputs, and supporting institutional activities. In order for this system to operate effectively and in an integrated manner, sound agribusiness governance and strong institutional support are required (Maulidah 2012).

In the context of modern agricultural development, strengthening farmer institutions through farmer groups has become one of the main strategies. Farmer groups are organizations formed based on shared interests, socio-economic conditions, environmental factors, business commodities, and social proximity among farmers, with the aim of improving and developing their members' farming activities (Hendhi 2014). The existence of farmer groups also functions as a medium for extension services and collective learning in enhancing farmers' knowledge, skills, and independence (Mulyono 2001; Amin et al. 2019). Group-based extension approaches are considered more effective and efficient in encouraging the growth of competitive farmer institutions, as mandated by the Regulation of the Minister of Agriculture Number 67 of 2016 concerning the Development of Farmer Institutions.

In line with this national policy, the Food Security and Agriculture Office (DKPP) of Dumai City has implemented various farmer empowerment programs through training, extension services, mentoring, and strengthening farmer group institutions. These programs aim to enhance the capacity of farmers and agribusiness actors so that they are able to manage farming activities more productively and sustainably (Wahyuni and Shaliza 2021). However, the effectiveness of these programs largely depends on the ability of farmer groups to build networks and mutually beneficial agribusiness partnerships.

Agribusiness partnerships are regarded as one of the strategic instruments in farmer empowerment, as they are able to create balanced, harmonious, and mutually beneficial cooperative relationships between farmers and business partners, built on trust and synergy (Murdiyanto and Kundarto 2012). Through partnerships, farmers with limited land, capital, and market access can obtain technological support, financing, and marketing guarantees for their production outputs, which ultimately contribute to increased income and farmer welfare (Hafsah 2000). Politically, agribusiness partnerships are also part of the government's strategy to reduce economic disparities between large-scale agro-industrial companies and small farmers (Aris 2004).

Nevertheless, the results of the situational analysis of farmer groups under the guidance of the Agricultural Extension Center (BPP) of East Dumai District, Dumai City, indicate that

agribusiness partnership patterns have not yet developed optimally. Most farmers still carry out all farming activities, from production to marketing, independently. This condition is influenced by limited knowledge of agribusiness partnerships, concerns about cooperation requirements perceived as burdensome, and the lack of assistance in building and managing business partnerships (Susanti 2013). The impact is reflected in low farmer group productivity, suboptimal utilization of agricultural potential, and the underdevelopment of value-added agricultural products.

Based on these objective conditions, farmer groups at the BPP of East Dumai District were selected as the subject of community service activities because they possess considerable agribusiness potential but are not yet supported by structured and sustainable partnership patterns. This Community Service Program (PkM) focuses on developing strategies for agribusiness partnership patterns through extension and mentoring approaches, with the aim of encouraging social change in the form of increased capacity of farmer groups to establish business partnerships, the growth of creativity and innovation in agribusiness management, and the enhancement of value added and farmer welfare. Thus, this PkM is expected to make a tangible contribution to strengthening farmer institutions and promoting sustainable local agribusiness development in East Dumai District, Dumai City.

2. METHOD

This Community Service Program (PkM) was implemented using a community organizing approach that places farmer groups as active subjects throughout the entire process, from planning to evaluation. The subjects of the program consisted of five farmer groups under the guidance of the BPP of East Dumai District, involving a total of 15 farmers. The activities were carried out at the BPP of East Dumai District, located on Cendrawasih Street, Laksamana Subdistrict, East Dumai District, Dumai City, Riau Province. The PkM adopted the theme “Strategy for Developing Agribusiness Partnership Patterns of Farmer Groups at the Agricultural Extension Center (BPP) of East Dumai District, Dumai City” and was conducted on Wednesday, January 17, 2024.

The planning of activities was carried out participatively through coordination among the community service team, agricultural extension officers, and representatives of farmer groups. In the initial stage, identification of problems and potentials owned by farmer groups was conducted, particularly related to farm productivity, marketing of agricultural products, and limited access to sustainable agribusiness partnership patterns. The results of this situational analysis served as the basis for formulating the focus of activities, namely

strengthening farmers' understanding and capacity in developing agribusiness partnership strategies that are appropriate to local conditions.

The involvement of farmer groups was not limited to participation as program beneficiaries but also as partners in the planning and implementation processes. Farmers were provided with opportunities to convey their experiences, constraints, and expectations regarding the development of farming activities and agribusiness partnerships. This participatory approach aims to foster a sense of ownership of the program, thereby enabling the results of the activities to be more easily applied and sustained in their agricultural practices.

The implementation methods of the PkM included extension services, participatory discussions, and mentoring. Extension activities focused on delivering material on agribusiness concepts and various partnership models that can be applied. Participatory discussions were used to examine real problems faced by farmers and to formulate joint solutions. The mentoring stage was directed at guiding farmer groups in determining appropriate partnership patterns, identifying potential business partners, and preparing follow-up action plans. In general, the activity flow consisted of situational analysis, joint planning, extension activities, discussion of alternative partnership models, mentoring, as well as evaluation and follow-up.

3. RESULTS

The implementation of the Community Service Program (PKM) demonstrates that the community organizing approach applied was able to build the active involvement of farmer groups from the stage of problem identification to the formulation of solutions. During the initial discussion stage, farmers openly conveyed various constraints in their farming activities, such as limited market access, fluctuations in harvest prices, limited business capital, and the absence of clear agribusiness partnership patterns with agribusiness actors. This process not only served as a means of data collection but also functioned as a space for collective reflection that fostered awareness that strengthening farmers' bargaining position can be achieved through structured partnership cooperation.

At the extension stage, there was an increase in farmers' understanding of the concept of agribusiness partnerships, including the roles of each party within partnership schemes. Farmers began to understand that partnerships are not merely buyer–seller relationships, but forms of cooperation based on the principles of mutual need, mutual benefit, and equality of roles (Ambar 2004; Hildawati 2020). Interactive discussions indicated a shift in farmers' perspectives from individual business patterns toward collective, group-based business models. Several participants began to identify potential local business partners, such as permanent

collectors, small-scale agro-industrial actors, and marketing cooperatives.

Participatory discussions resulted in an initial formulation of partnership patterns considered most appropriate, namely general trading and simple subcontracting arrangements with agricultural product collectors. Together with the community service team, farmers identified possible divisions of roles, such as the provision of harvest outputs that meet quality standards by farmers and guaranteed purchase by business partners. This stage indicated the emergence of a new social institution in the form of group agreements to sell agricultural products collectively in order to strengthen bargaining power.

Further mentoring encouraged changes in farmers' behavior in business management. Farmers began to record production outputs, pay greater attention to harvest quality, and become more open to the adoption of recommended cultivation technologies. These changes indicate an improvement in farmers' managerial and technical capacities as part of their readiness to engage in partnerships (Nurhayati et al. 2022). In addition, several members of the farmer groups emerged as active coordinators of communication with potential partners and motivators for other members, thereby assuming the role of local leaders within the groups.

Socially, this PKM activity fostered collective awareness that partnerships can serve as a strategy to overcome limitations in capital, technology, and market access that farmers have long faced (Mirza and Ramadhan 2023). This awareness constitutes an important form of social capital for the sustainability of agribusiness cooperation at the farmer group level. Thus, the outcomes of the PKM are not limited to increased knowledge, but also encompass changes in attitudes, business behavior, and the strengthening of farmer group institutions.

4. DISCUSSION

The results of the PKM activities indicate that a participatory approach is effective in building farmers' awareness and readiness to engage in agribusiness partnerships. Fundamentally, partnerships represent cooperative relationships between two or more parties based on agreements, mutual dependence, and the objective of achieving mutual benefits (Ambar 2004; Hafsa 2000). Field findings show that when farmers are involved from the planning stage, they gain a better understanding of their position and role within the agribusiness system, thereby fostering a sense of ownership of the partnership schemes being designed.

Active farmer involvement in discussions and the formulation of partnership patterns reinforces the principle of community empowerment, in which communities are not merely objects of programs but subjects who determine the direction of change. This is consistent with

the view that successful partnerships must place small- and large-scale business actors in equal positions and avoid the exploitation of any party (Wahyuni et al. 2022). The collective agreement to market harvest outputs jointly indicates the formation of a new institutional mechanism that strengthens the bargaining position of farmer groups.

Changes in farmers' behavior related to business record-keeping, improvements in production quality, and openness to technology reflect a process of capacity building that constitutes an essential prerequisite for agribusiness partnerships. In the literature, the role of large- or medium-scale business partners includes providing technological support, financing, and market guarantees, while farmers are responsible for maintaining continuity and quality of production (Nurhayati et al. 2022; Natawidjaja 2008). The findings of this PKM indicate that farmers' internal readiness is a key factor in ensuring that partnership relationships operate in a balanced manner.

From the perspective of partnership patterns, farmers' preference for general trading and simple subcontracting models indicates a tendency toward more flexible arrangements that are suitable for local conditions. The literature classifies agribusiness partnerships into various models, such as nucleus-plasma, subcontracting, general trading, franchising, and operational agribusiness cooperation (Hildawati 2021; Zakaria 2015). The selection of simpler models reflects the early stage of farmers' adaptation to formal partnership systems.

The emergence of local leaders among farmer group members strengthens the dynamics of social change. In the context of community development, local figures with close social ties play an important role in bridging new knowledge with the community's everyday practices. Their presence accelerates the diffusion of innovation and strengthens group cohesion in implementing partnership agreements.

Theoretically, the PKM process illustrates stages of empowerment that include awareness-raising, capacity building, and collective action in the form of partnership formulation. Farmers' primary motivations for entering partnerships namely market guarantees and income improvement are also consistent with findings that farmers tend to engage in partnerships to reduce marketing risks and enhance business stability (Ardieansyah 2019; Mirza and Ramadhan 2023). Nevertheless, the literature also cautions that partnerships often face challenges if they are not based on transparency and fair evaluation (Purnaningsih 2007; Sumardjo et al. 2004).

Thus, this discussion emphasizes that the success of agribusiness partnership facilitation is determined not only by knowledge transfer, but also by community organizing processes, the strengthening of farmer group institutions, and the establishment of fair

collective agreements. The combination of these factors constitutes an important foundation for the realization of sustainable agribusiness partnerships oriented toward farmer welfare.

5. CONCLUSION

The Community Service Program (PKM) on strategies for developing agribusiness partnership patterns among farmer groups under the guidance of the Agricultural Extension Center (BPP) of East Dumai District demonstrates that community organizing and participatory approaches are effective in encouraging changes in farmers' knowledge, attitudes, and business behavior. Active farmer involvement from the stages of problem identification to solution formulation has fostered a sense of ownership of the program, leading to the understanding that partnerships are not merely trading relationships but strategic cooperation based on the principles of mutual need, mutual benefit, and equality of roles. Theoretically, this process reflects stages of community empowerment that begin with awareness-raising, followed by capacity building, and culminate in collective action in the form of initial agreements to establish agribusiness partnerships.

The results of the PKM indicate improvements in farmers' understanding and skills related to farm business management, production planning, and readiness to engage with business partners. The extension and mentoring activities not only broadened farmers' insights into various agribusiness partnership models but also encouraged the formation of collective commitments within farmer groups to strengthen bargaining power through collective marketing. The emergence of members who act as group mobilizers (local leaders) further reinforces the institutional dynamics of farmer groups as social institutions that are more adaptive to change.

Reflectively, this activity confirms that the success of agribusiness partnership development is determined not only by the presence of business partners but also by the internal readiness of farmer groups, in terms of organizational capacity, human resources, and group solidarity. Continuous mentoring is a crucial element to ensure that the changes in business behavior that have begun to emerge can be maintained and further developed toward more formal and sustainable partnerships.

Based on these results, it is recommended that farmer groups formulate more structured strategies for agribusiness partnership development, including the determination of partnership models that are aligned with commodity potential and market conditions. Farmer groups also need to implement partnerships consistently and in a well-directed manner to generate tangible impacts on increasing productivity and members' income. In addition,

strengthening internal organizational capacity, ensuring transparency in group management, and expanding networks with business actors and supporting institutions are strategic steps to ensure that agribusiness partnerships develop sustainably and contribute to the improvement of farmer welfare.

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