

TECHNICAL GUIDANCE FOR INCREASING BUSINESS PRODUCTIVITY AND INCOME OF COASTAL COMMUNITIES THROUGH THE IMPLEMENTATION OF AGRIBUSINESS MANAGEMENT

Dr. Jopinus Saragih¹, Nurmala², Yunardi³

Lecturer at Universitas Efarina

Corresponding email: jr.saragih68@gmail.com¹⁾

Abstract

Communities in coastal and marine areas generally depend on fishing, especially capture fisheries (fishermen). The potential for fishery resources in coastal areas is quite large, but some people in these areas are still below the poverty line. With the difficulty in getting capital from the cooperative, SME entrepreneurs are looking for other alternatives by borrowing money from relatives and or middlemen. However, middlemen in most cases actually ensnare SME entrepreneurs, namely in the form of providing loans at high interest rates (18 – 30% per year). Thus, the objective of developing capital associated with business development cannot be achieved. Achievement of the target of mastering the material, all participants can follow the entire training process from start to finish, and the activities designed are 100% implemented. The target for delivering training material was also achieved because the material could be delivered as a whole. Thus, the objectives of technical guidance activities can be fulfilled.

Keywords : Technical Guidance, Productivity, Agribusiness Management

INTRODUCTION

Communities in coastal and marine areas generally depend on fishing, especially capture fisheries (fishermen). The potential for fishery resources in coastal areas is quite large, but some people in these areas are still below the poverty line. The low level of income of fishermen and fish farmers is actually very contradictory to the large potential of existing fish resources and the nature of the fishing business which actually has a comparative advantage compared to other businesses. The fishery business, both fishing and aquaculture, has a low ICOR index (Incremental Capital Output Ratio), which is between 2.80 – 3.95, meaning that investment in the fishery sector is more efficient and can provide greater output than other businesses, especially food crop agriculture, horticulture and plantations. Opportunities and basic needs as well as the value of fishery products tend to increase both domestically and abroad (Kamiso, 2002). Given this, community empowerment in coastal areas, especially fishermen, needs to be prioritized on poverty alleviation through increasing income and welfare.

Several research results show that in general the problems faced by fishing businesses are (Purnomo, et al, 2000; Directorate General of PK2P, 2004; Sofia, 2010):

1. Small business scale tends to cause inefficiency in doing business.
2. Market access is very limited. This is due to the lack of guarantees for the quantity, quality and continuity of production.
3. Limited access to capital. This is because the existing cultivation business conditions are not yet bankable.
4. Procurement of the use of production facilities is less independent.
5. Innovation and adoption of technology is slow/slow.

Dr. Jopinus Saragih, Nurmala, Yunardi

This problem arises because fisheries SMEs have difficulty meeting the requirements formal set by the cooperative in terms of channeling capital loans. With the difficulty in getting capital from the cooperative, SME entrepreneurs are looking for other alternatives by borrowing money from relatives and or middlemen. However, middlemen in most cases actually ensnare SME entrepreneurs, namely in the form of providing loans at high interest rates (18 – 30% per year). Thus, the objective of developing capital associated with business development cannot be achieved. Based on this, it can be argued that government programs related to SME lending still have a chance in the context of developing community businesses in coastal areas, especially the sector fisheries through improvements to government capital policies.

IMPLEMENTATION METHOD

The target audience in this activity are several fisheries business actors (fishermen, fish cultivators and fishery product processing) and stakeholders related to community empowerment in coastal areas. This target group is later expected to function as a motivator for business actor other fisheries to carry out business management properly and correctly. Business Management Technical Guidance is part of the Directorate Program Partnership Technical Guidance Activities. PMPPU to Improve the Quality of Human Resources in Simalungun Regency which was carried out by the Fisheries and Marine Services of North Sumatra Province on May 19-20 2022, at the Niagara Hotel. Evaluation of dedication is carried out on the level of knowledge and ability of participants in compiling records of business transactions, financial reports (income statements and balance sheets) expressed in the form of a percentage (%) compared to the total technical assistance participants.

RESULTS AND DISCUSSION

The results of the technical guidance activities that have been carried out broadly include several components, namely the successful achievement of the planned material targets, the achievement of the training objectives and the participants' ability to master the material. Achievement of the target of mastering the material, all participants can follow the entire training process from start to finish, and the activities designed are 100% implemented. The target for delivering training material was also achieved because the material could be delivered as a whole. Thus, the objectives of technical guidance activities can be fulfilled. The competency mastery of the trainees is evaluated through group practice. Most (70%) of the training participants knew and were able to explain the importance of recording transactions in business. As many as 10 people (50%) have been able to record business transactions and 5 people (25%) have continued with the preparation of financial reports (income statements and balance sheets). In addition, participants have also tried to utilize the information from the financial statements to make future business projections. In general, business management carried out by fisheries business actors in coastal areas still relies on conventional marketing networks (traditional market networks, regular buyers). This condition causes the scale of product marketing and profits received by producers to be still limited. Even though the market potential for fishery products is still wide open, especially for business actors who are able to manage their business by carrying out appropriate planning and marketing strategies, namely (1) collecting market information to determine product type, size, quantity, price, time, distribution mechanism and service. towards consumers; (2) marketing mix: 4P (product, price, place, promotion); (3) product life cycle: market introduction, market growth, market maturity, and sales decline; (4) maintain and extend the market maturity stage:

Technical assistance participants have skills in the field of business management, so that in running their business they can apply the correct management principles. By receiving business management training, the participants (fishery business actors) gain knowledge on how to maintain motivation in running a business, how to identify and find solutions to the problems they face, how to collaborate with various parties, how to give confidence to be able to get capital assistance, how managing a good business, as well as good sales/marketing tips; so that with this ability, fishery business actors will be more motivated to continue to run and develop their business in the fishery business sector.

CONCLUSION

Technical assistance participants have good enough motivation to know and master good management in efforts to develop their business. most of the participants already know and are able to explain the importance of recording various transactions in their business. Approximately 50% of participants have been able to record business transactions and 5 people (25%) have continue with the preparation of financial reports (profit and loss statement and balance sheet), as well as utilize this financial information to make business projections in the future. It is hoped that the ability to prepare financial reports can be further developed for the preparation of investment proposals, both investments originating from government grant programs for business groups (coastal community economic empowerment programs) as well as investment funds for individuals (cooperatives, banking and financial institutions). In addition, the market potential is still quite large, so the development of fisheries business in coastal areas can be carried out through expanding the scale of product marketing, especially for business actors who are able to manage their business by carrying out appropriate planning and marketing strategies.

REFERENCES

- Directorate General of PK2P, 2004. Strategy for Increasing Fish Consumption in Indonesia. Book of Leading Plans for Increasing Fish Consumption Strategy in Indonesia. Directorate General of Institutional Capacity Building and Marketing. Ministry of Maritime Affairs and Fisheries, 2004. p. 11 – 14.
- Downey, WD and SP Erickson. 1987. Agribusiness Management. Second edition. Erlangga Publisher.pp. 516.
- Effendi, I and W. Oktariza. 2006. Fisheries Agribusiness Management. Self-help Spreader. Jakarta. pp. 164
- Griffin, RW and RJ Ebert. 2001. Introduction to Business. Indonesian Edition.Prenhalindo. Jakarta.
- Kamiso HN, 2002. Empowerment of Local Communities and Institutions in the Exploration of Coastal and Marine Resources Towards Regional Autonomy. Department of Marine Affair and Fisheries Republic of Indonesia. GEO Cities. Co. Id.
- Kieso, DE, Weygandt, J. Jerry., and Terry DW 2002. Intermediate Accounting.Tenth Edition. Erlangga. Jakarta.

TECHNICAL GUIDANCE FOR INCREASING BUSINESS PRODUCTIVITY AND INCOME OF COASTAL COMMUNITIES THROUGH THE IMPLEMENTATION OF AGRIBUSINESS MANAGEMENT

Dr. Jopinus Saragih, Nurmala, Yunardi

Kotler, P. 2004. *Fundamentals of Marketing*. Volume I. Prenhallindo. Jakarta.

Purnomo, AH, Reswati, E., Hikmah, Hikamayani, Y., 2003. Development of the fishing industry in areas with important ecological roles. Technical Report of the 2003 Research Center for Product Processing and Socio-Economy of Maritime Affairs and Fisheries.

Sofia, LA 2010. Analysis of Business Capital Needs for Fishermen in the Fishery Processing Industry in Takisung District. *Ziraa'ah Journal*. 29 (3): 219–227.

Zamroni, A., and Purnomo, AH, 2005. Identification of Capital Needs for Small and Medium Scale Enterprises in the Fisheries Processing Industry. *Indonesian Fisheries Research Journal*. 11; 3 : 41-50.