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FARMER GROUP DEVELOPMENT STRATEGY IN SUNGAI RAYA SUB-DISTRICT EAST ACEH REGENCY

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Abstract

The study aims to formulate a strategy for developing farmer groups in Sungai Raya District. This study uses a descriptive approach with a SWOT analysis to identify the actual conditions of farmers, while *Analytical Business Questions Model* (ABQM) was applied to determine priority strategies based on the urgency of the problem and institutional potential. Data were obtained through observation, interviews, and documentation of farmer group in 13 villages. The results showed that Sungai Raya District has significant agricultural potential, supported by land availability, commodity diversity, and support from agricultural extension workers. However, several weakness exist, such as limited capacity, utilizing agricultural technology, increasing access to capital, and developing innovations based on the experience of farmer group members are key factors in supporting the sustainability of farmer groups.

Keywords: ***Farmer Group, Development Strategy, SWOT, ABQM***

INTRODUCTION

The agricultural sector has a strategic role in Indonesia's economic development (Siregar *et al.*, 2024). The agricultural sector's role includes providing jobs, providing food, earning foreign exchange, alleviating rural poverty, and supporting agricultural development, which can reduce imports and boost exports. The agricultural sector also served as the backbone of the economy during periods of economic recession, first due to the 1998 financial crisis and then the Covid-19 pandemic throughout 2020 and 2021 (Siregar *et al.*, 2024). The importance of the agricultural sector's contribution to the economy and social welfare cannot be separated from farming activities. Farming is a system consisting of input, output and off farm (Yantu *et al.*, 2013 in Farida *et al.*, 2024). Income, earnings, and profits are the goals of farmers running their farming businesses as well as possible to obtain maximum results (Mamondol, 2018).

Every farming activity basically takes place in an interdependent social environment, so that the existence of farmer groups as agricultural institutions is strategic in strengthening farmers' abilities in managing businesses, as a learning class, a means of cooperation (Farida *et al.*, 2024). According to Minister of Agriculture Regulation No. 82 of 2013, the growth and development of farmer groups and farmer group associations are carried out through farmer empowerment. However, several studies show that the majority of farmer groups in Indonesia still face obstacles in terms of weak organizational performance and tend to be passive. This impacts the low quantity and quality of agricultural production and farmers' bargaining position in the agricultural product market. Therefore, strengthening the organizational capacity of farmer groups is crucial to increasing the competitiveness and sustainability of farming businesses.

Increasing the capacity of farmer groups encourages them to be more active in collaborating, developing farming businesses, and increasing agricultural yields and productivity (Margolang, 2018). The development and formation of farmer groups is one of the government's ways to create independence for farmers so that they can create prosperous farmers. In 2022, Aceh Province was recorded as having 27,413 farmer groups (BPPSDMP, 2022). Of these, the majority are in the Beginner class (20,817 groups), then the Advanced class (5,998 groups), and the Intermediate class (567 groups), with only 31 groups having reached the main class. The regencies of North Aceh, East Aceh, and Pidie are the regions with the largest number of farmer groups, while Banda Aceh, Lhokseumawe, and Simeulue have the smallest number of groups. Although the number of farmer groups has become very large in

quantity, the main challenge remains finding farmer groups that are active and function optimally as institutions to support improved farming performance. To improve the agricultural sector, the East Aceh District government has taken Strategic steps through agricultural policies. Several government efforts have included introducing innovative agricultural technologies, empowering farmer groups and their members, and providing competent agricultural extension workers. According to data from the East Aceh Regency Food Security and Extension Service, in 2023, there were 2,147 farmer groups assisted by 186 agricultural extension workers (DKPLUH, 2023).

Sungai Raya District has 13 villages with an area of 96km^2, there are 79 farmer groups consisting of 1,564 farmers, with 7 field agricultural extension workers. The majority of farmer groups are in the Beginner ability class, namely 63 groups. This means that farmer groups in the region are still in the early stages of development. Meanwhile, farmer groups in the Advanced class number 12 groups, 3 groups in the Intermediate class, and only 1 group in the Main class (BPP Sungai Raya, 2023). The distribution of farmer groups also varies between villages. Bukit Drin Village is the area with the largest number of farmer groups, namely 13 groups, followed by Labuhan Keude Village with 9 groups and Seuneubok Pase with 11 groups. The dominance of Beginner class farmer groups indicates that most groups still have limitations in aspects of organizational management, member participation, and activity planning. This condition demonstrates the importance of capacity building through intensive mentoring, training, and ongoing support from the government and related institutions so that farmer groups can develop towards the Advanced, Intermediate, and Main classes. Thus, it is crucial to conduct in-depth research on farmer group development strategies in Sungai Raya District, East Aceh Regency. This research is expected to provide a clear picture and provide appropriate recommendations regarding farmer group development strategies that can be adapted to field conditions. Therefore, the results of this study are expected to inform the formulation of more effective policies to improve farmer welfare in Sungai Raya District.

LITERATURE REVIEW

Understanding Farmer Group Institutions

Farmer institutions are organizations that facilitate collaboration, knowledge sharing, and collective problem-solving. These institutions can take the form of farmer groups, agricultural cooperatives, or other farmer organizations aimed at strengthening farmers' bargaining power in the agricultural value chain (Yulianti & Sari, 2021). Farmer groups are agricultural institutions formed based on shared interests, shared environmental conditions (social, economic, and resource), and familiarity to improve and develop the businesses of its members and to grow themselves, by and for farmers who know each other, are close, trust each other, have interests in farming, similarities in terms of tradition, settlement, and expanse of farming land (Damayanti, 2017). According to Permentan No. 82 of 2013, the role of farmer groups includes: Study Classes, Cooperation Forums and Production Units.

BPPSDMP (2020) classifies the forms of farmer groups as follows: Beginner Groups, Advanced Groups, Intermediate Groups, and Primary Groups. Therefore, it is important to develop farmer groups that involve establishing and strengthening group capacity to manage resources, share knowledge, and engage in market access. Farmer group development aims to improve the group's ability to carry out its functions, develop agribusiness, and form a strong and independent farmer organization. This is characterized by regular meetings, the preparation of joint work plans, participatory evaluations, the implementation of agreed-upon rules, orderly administration, collaboration with other parties, and the cultivation of business capital from member contributions or the results of group activities (Unwakoly, 2019).

Farmer Group Development Strategy

Strategy is the process of determining plans for company leaders that focuses on the organization's long-term goals, along with the development of plans or efforts to achieve those goals (Yatminiwati, 2019). Strategy is a structured and integrated approach to achieving predetermined goals. Development comes from the verb "to work," which means to bloom, to grow, or to advance. According to Martini (2016), development is creating, organizing, or organizing a method or effort to achieve a goal. In the case of farmer groups, a farmer group development strategy is a series of planned actions aimed at increasing the capacity, productivity, and welfare of farmer group members. According to Hunger and Wheelen (2003), farmer group development can be analyzed from two main perspectives. The first perspective is what the farmer group wants to do (intense to do), which includes long-term visions and goals, as well as increasing crop yields, expanding market access, and improving members' skills through training and education. The second perspective is what the farmer group does (eventually does), which reflects the real implementation of plans and programs that have been formulated, for example the application of new agricultural technology, collaboration with research institutions and development of distribution networks. According to Kase (2019), the strategy for developing farmer groups is directed at two main goals: 1) Removing the shackles of backwardness, and 2) Accelerating the position of farmer groups within the power structure. To achieve these two

goals, three mutually supportive strategic approaches are required: 1) Enabling, namely creating an atmosphere or climate that is conducive to developing the potential of farmer groups, 2) Empowering, namely strengthening the potential and capabilities of farmer groups, and 3) Protecting, namely providing protection to farmer groups, especially those in a weak position, and preventing exploitation and unbalanced competition.

SWOT Analysis

Swot analysis is one of methods used ini strategic planning development plans by considering internal and external conditions (M Dermawan *et al.,* 2023). According to Fahmi (2013) to analyze SWOT in more depth. It is necessary to look at external factors and internal as an important part. This analysis is has four main components, namely : *Strength, Weakness, Opportunity and Threat,* (Ngurah *et al.*, 2018). External factors influence the formation of *Opportunities and Threat* (O and T) and internal factors influence the formation of *Strengths and Weakness* (S and W) (Kurniasih *et al.,* 2021). M Dermawan *et al.,* (2023) in his research also stated that the use of SWOT analysis can touch on several aspects of objectives such as strategic planning to reduce obstacles, and reduce future risks, or strategic planning for survival.

METHOD

The research was conducted in Sungai Raya District, East Aceh Regency, Aceh Province. The subjects of this study were beginner farmer groups registered with the East Aceh Regency Food Security and Extension Service, located within the Sungai Raya District Agricultural Extension Assistance area. The scope of the research was limited to analyzing farmer group development strategies in Sungai Raya District, East Aceh Regency. The farmer group development strategy encompasses internal factors (strengths and weaknesses) and external factors (opportunities and threats). The types of data used in this study are primary and secondary data. Primary data is data obtained from respondents through observation and interviews using a questionnaire covering the condition of farmer groups, farmer group activities, obstacles faced, institutional activities, marketing and production facility support. Meanwhile, secondary data is data obtained from data sources relevant to this study, such as statistical data, BPP Sungai Raya, the East Aceh Food Security and Extension Service, journals, articles and the internet. The population in this study was 63 beginner class farmer groups with a total of 1,335 farmer members. The sampling technique used was Simple Random Sampling done in a manner proportional namely 20% based on the number of members in the beginner class farmer group representing each village with the following provisions: Sample=(Number of farmers in group/Village Ax20%).

Table 1. distribution of proportional sampling based on beginner farmer groups

No	Village Name	Population		Number of Samples
		Name of Farmer Group	Number of Members	
1	Gajah Mentah	Naguna	19	4
2	Sungai Simpang	Bangun Karya	24	5
3	Sueneubok Aceh	Alue Incin	21	4
4	Sueneubok Pase	Udep Makmu	21	5
5	Alue Itam	Tunas Muda	25	4
6	Paya Keutapang	Perdata Tani	19	4
7	Bukit Drien	Bantimoh	21	4
8	Krueng Lingka	Ingin Jaya	14	3
9	Alue Rangan	Tunas Desa	20	4
10	Glp. Payong	Baroena	13	3
11	Labuhan Keude	Labuhan Jaya	19	4
12	Bukit Selamat	Tani Makmu	24	5
Number of Samples				48

Source : Primary Data (processes), 2024

Data analysis in this study began with the use of a SWOT analysis to identify the internal and external conditions of the farmer group. The results of the SWOT analysis are presented ini SWOT matrix, which connects internal factors (strengths and weaknesses) with external factors (opportunities and threats) to produce four alternative strategies as follows:

1) SO Strategy (Strength-Opportunity) : utilize strengths to take advantage of existing opportunities.
2) WO Strategy (Weakness-Opportunity) : overcome weaknesses in taking advantage of existing opportunities.

3) ST Strategy (Strength-Threat) : using force to overcome existing threats.
4) WT Strategy (Weakness-Threat) : Minimize weaknesses and avoid existing threats.

The next stage is to deepen the strategy by formulating strategic questions (strategic questions) with the approach Analytical Business Questions Model (ABQM). This method is used to deepen the strategic analysis obtained through the SWOT approach as a basis for formulating farmer group development strategies. The formulation of these strategic questions refers to the principles Goal Questions-Metric (GCM) is an approach that provides a systematic framework for converting strategic objectives into key questions that can guide the preparation of development steps (Carvalho *et al.*,2023).

RESULTS AND DISCUSSION

1) General Condition of the Research Location

Sungai Raya District has an area of 18,900 km^2, consisting of 35% rice fields, 25% fish ponds and 40% land. Most of the rice fields are rain-fed and pumped rice fields, with varying topography ranging from plains, undulating land, to hills. The Southern Region of Sungai Raya District has an undulating plateau contour with a slope of 15-30% and an altitude of 0-500 meters above sea level. The soil type is dominated by alluvial sandy clay texture of around 10%. The climate is tropical with an average temperature of 20-30ºC. The rainy season lasts from September-February, and the dry season from March-August, with 5-7 wet months each year (BPP Sungai Raya, 2025). Administratively, Sungai Raya District borders North: East Peureulak & Rantau Selamat, East : Strait of Malacca, South: Rantau Selamat, and West: Rantau Selamat The distance from the capital of East Aceh Regency is approximately 35 km. Based on 2024 population data, The total population in the Sungai Raya BPP working area is 13,614, consisting of 7,011 (51.5%) males and 6,603 (48.5%) females. The male population dominance indicates high community involvement in sectors generally dominated by men, such as agriculture, plantations, and seasonal work or labor migration.

2) Farmer Group Profile

Sungai Raya District has 81 farmer groups with a total of 1,836 members spread across 13 villages. Each village has distinct institutional characteristics, including the number of groups, their preferred commodities, and the year of their formation. The group's organizational structure generally consists of a chairperson, secretary, and treasurer, but the level of participation and internal dynamics vary. The primary commodity cultivated is lowland rice, a practice influenced by the condition of the 644 hectares of rice fields, most of which are rain-fed (76.7%), making them vulnerable to climate change. Conversely, several villages, such as Geulumpang Payong and Kuala Parek, do not have rice fields and focus more on fishponds and horticulture.

The distribution of farmer groups in Sungai Raya District shows institutional variation across villages. Buket Drien Village has the largest number of farmer groups, with 15 groups and 465 members, followed by Seuneubok Pase (224 members), and Alue Itam (152 members). In contrast, Kuala Parek and Krueng Lingka Village each have only one farmer group, indicating the importance of institutional strengthening in villages with a limited number of groups. Institutionally, farmer groups in this District were formed over a long period of time, from 1982 to 2024. Groups such as Bina Karya (1982) and Tani Makmur (1984) have survived for decades, demonstrating institutional stability. Meanwhile, new groups such as Rezeky Tani (2024) and Anugrah Tani (2024) reflect the ongoing process of regeneration and the formation of new farmer groups. Based on observations that have been made, common problems faced by farmer groups include low access to technology, limited capital, price fluctuations, and low involvement of young farmers.

3) Development Strategy for Farmer Groups in Sungai Raya District

Based on institutional conditions, cultivated commodities, and various problems identified in the field, it is necessary to formulate a development strategy capable of addressing the internal and external challenges faced by farmer groups in Sungai Raya District. The strategic analysis was prepared by utilizing the results of mapping internal and external factors using the SWOT approach as follows:

a. Strengths

Farmer groups in Sungai Raya District possess various strengths that can be used as strategic capital to improve performance and competitiveness. First, the availability of extensive and adequate agricultural land is a key factor enabling farmer groups to optimally scale their businesses. Access to representative land provides space for crop diversification and the implementation of more efficient production technologies. Second, the diverse commodities cultivated by farmers in Sungai Raya District, such as rice, corn, oil palm, and horticultural crops, are a strategic strength of this group. This farming pattern, which is not limited to a single commodity, has been proven

to reduce the risk of losses due to crop failure caused by weather factors, pest attacks, and market price fluctuations. For example, during a prolonged dry season that causes a decline in rice production, farmers can still earn income from oil palm or horticultural crops that are relatively more resistant to drought. This diversification also creates broader marketing opportunities, both for local and regional needs, thereby strengthening the economic resilience of farmers in this region. The third factor is technical support from agricultural extension workers, which includes technology transfer, technical consultation, and facilitating access to market information and government programs. Extension workers are a crucial bridge in developing the capacity of farmer groups, particularly in facing the challenges of modern agribusiness. Furthermore, the experience of farmer group members in managing their farms is another important strength. The empirical knowledge passed down through generations provides an advantage in practical decision-making in the field. This is reinforced by the active participation of members in every group meeting and activity, demonstrating social cohesion and collective commitment to shared goals. The availability of young human resources willing to learn and adopt new agricultural technologies is a crucial asset for the sustainability of farming in Sungai Raya District. This young generation has a high level of adaptability to innovations, such as the use of modern agricultural equipment, superior quality, and water-efficient irrigation systems. They also tend to actively seek information through digital media and participate in training, thereby accelerating technology transfer at the farmer group level. The presence of these skilled young workers supports farmer regeneration and increases the competitiveness of the agricultural sector in the region. Farmer groups also frequently receive government support in the form of agricultural machinery, seeds, and fertilizer subsidies, which strengthen their productive capacity. According to Zakaria *et al.*, (2024), the role of stakeholder has a significant impact on farmer group management in supporting effective and sustainable management. Finally, the existence of farmer groups positively contributes to the local economy and farmer welfare, reflecting significant socioeconomic value for the Sungai Raya District community in general.

b. Weakness

Despite its strengths, the Sungai Raya Sub-district farmer group also faces a number of internal weaknesses that need to be addressed immediately to prevent them from becoming obstacles to organizational development. One of the main weaknesses is limited available business capital, as well as members' difficulty in accessing financing sources, both from banks and cooperatives. This dependence on external assistance makes the group less financially independent. Furthermore, access to modern agricultural technology remains relatively low. A lack of resources and limited information contribute to suboptimal productivity, particularly in terms of labor efficiency and crop yields. This problem is exacerbated by the fact that not all members actively participate in training or educational programs organized by the government or related institutions, creating a knowledge gap among members. A lack of managerial skills in managing farmer groups is also a significant weakness. Many group administrators lack the capacity to develop business plans, maintain financial records, or manage institutional relationships with external parties. This impacts the efficiency and sustainability of farming businesses. Furthermore, communication between members remains ineffective, particularly in the decision-making process. This lack of transparency and coordination makes it difficult to reach strategic agreements. In the long term, this situation can weaken organizational cohesion. High dependence on external assistance also indicates low internal initiative in developing independent businesses. Another crucial weakness is the group's poorly structured management structure. The lack of a clear division of tasks and minimal leadership training leads to an informal and reactive organizational structure. This can hinder the effectiveness of planning and implementing group work programs.

c. Opportunities

Farmer groups in Sungai Raya District have several strategic opportunities that can encourage sustainable agricultural business development. One key opportunity is the availability of applicable government assistance programs, such as seeds, fertilizer, agricultural machinery, and business capital. These programs are relatively easy to access for legally incorporated and institutionally active farmer groups, thus providing an opportunity to increase efficiency and productivity. The second opportunity is the increasing market demand for local agricultural products. This phenomenon occurs in line with increasing consumer awareness of fresh and local food. This situation strongly supports the sustainability of farmer groups' businesses, particularly in terms of agricultural marketing. Based on interviews with the heads and members of several farmer groups in Sungai Raya District, Market demand for agricultural products such as rice, corn, and vegetables has increased significantly in the past two years. This is influenced by the increasing number of collectors visiting villages directly, increased demand from traditional markets in Idi and Langsa, and direct purchases from traders outside the region. For example, in the 2024 harvest season, one farmer group's rice production was sold out within just three days of harvest, with the selling price 10-

15% higher than the previous year. Furthermore, the opportunity to adopt new technologies is a crucial opportunity that must be seized. Integrated agricultural technology, water-efficient irrigation systems, and digital-based applications for farm management are now more accessible, both through government assistance and private partners. Adopting these innovations can improve input efficiency, reduce post-harvest losses, and increase product added value. Furthermore, strategic partnerships with the private sector and agricultural institutions are an important alternative for increasing farmer groups' access to resources. Through these partnerships, farmer groups can obtain training, market access, the provision of competitively priced agricultural inputs, and business capital. Agricultural extension support also makes a significant contribution through the dissemination of market information, enabling farmer groups to increase the economic value of their commodities. Furthermore, farmer groups have the potential to develop value-added agricultural products, such as processed palm sugar, shredded coconut, chili sauce, and derivative products such as essential oils from herbal plants. The development of these products opens up opportunities for more stable and market oriented business diversification, while also creating new entrepreneurial opportunities for the surrounding community.

d. Threats

On the other hand, farmer groups face various external threats that must be considered in strategic planning. The primary threat identified is fluctuations in agricultural product market prices, which not only affect farmers' incomes but also create uncertainty in business planning. Reliance on conventional methods without a strong marketing strategy leaves farmer groups vulnerable to price manipulation by middlemen or global market conditions. Another significant threat is extreme climate change, such as erratic rainfall, flooding, and prolonged drought. These changes directly impact production, disrupting the planting cycle and increasing the risk of crop failure.

Farmer group members' awareness of sustainable agricultural practices remains low. Many members don't understand the importance of soil conservation, organic fertilizer use, and agricultural waste management. If not addressed promptly, this could degrade land quality and threaten long-term production sustainability. Supporting infrastructure for agricultural activities in this area, such as road access to agricultural land, Irrigation channels and local market facilities remain limited. Poor infrastructure increases logistics costs and makes it difficult to market crops on time, reducing the competitiveness of local agricultural products. Finally, farmer groups also face uncertainty due to inconsistent government policies, particularly regarding the distribution of agricultural aid and subsidies. Changing policies without clear communication create uncertainty and make it difficult for farmer groups to plan long-term.

SWOT Matrix of Sungai Raya District Farmers group

The SWOT matrix generates alternative strategies based on a combination of strengths, weaknesses, opportunities, and threats. The following are alternative strategies for developing the Sungai Raya Farmers Group :

1) SO Strategy (Strength – Opportunity), this strategy is based on activities that utilize strengths and maximize opportunities. Based on these strengths and opportunities, the Sungai Raya District Farmers Group has the following alternative strategies :
   a. Strategy to optimize the cohesiveness and experience of members to participate in government assistance programs to increase production.
   b. Strategy to utilize technical support from extension workers to adopt the latest agricultural technology.
   c. Strategy for building marketing partnerships with the private sector to expand access to resources and export markets.
2) WO Strategy (Weakness – Opportunity), this strategy is based on the weaknesses of the farmer group and the opportunities it addresses. Therefore, the alternative strategies are as follows :
   a. Strategy for applying for business capital assistance from the government and related financial institutions to optimize market opportunities.
   b. Strategy to increase training for farmer group members regarding modern agricultural technology.
   c. Strategy to improve the managerial skills of farmer group members through training programs.
3) ST Strategy (Strength – Threat), this strategy is based on the strengths of farmer groups to address threats that could hinder business operations. The alternative strategies prepared are as follows :
   a. Strategy to optimize technical support from extension workers to mitigate the impacts of climate change.
   b. Strategy to increase active participation of members in meetings to face the challenge of unstable market prices.
   c. Strategy for maintaining good relations with partners and extension workers to face uncertainty in government policies.

4) WT Strategy (Weakness – Threat), this strategy minimizes weaknesses in an organization, particularly in the Sungai Raya District farmer group, and can also avoid potential threats. Alternative strategies include the following :
   a. Strategies to improve financial management and accountability to reduce dependence on external assistance.
   b. Strategy to increase member awareness about the importance of sustainable agricultural practices.
   c. Strategies to improve communication between members to strengthen cooperation in managing farmer groups.

Based on the identification of internal and external conditions of farmer groups, a SWOT analysis indicates that farmer groups in Sungai Raya District have considerable potential for development. Farmer groups possess a number of strengths that can be optimized to capitalize on existing opportunities, particularly in terms of member experience and support from government programs. However, internal weaknesses such as disorganized administration, low technology adoption, and limited production facilities remain challenges that need to be addressed. Furthermore, external threats such as price fluctuations and climate change must also be strategically anticipated.

Priority Strategy for Developing farmer Groups in Sungai Raya District

The results of the SWOT analysis serve as the basis for formulating the direction of farmer group development. Therefore, to ensure the strategy can be implemented effectively, the analysis is continued using ABQM by formulating strategic questions (strategic business questions) as a formulation of farmer group development strategies. Principles business questions in line with research conducted by Carvalho *et al.*, (2023) which shows that GQM is effective in translating analytical objectives into targeted questions relevant to strategy formulation or metrics needs. The questions formulated are as follows.

Table 2. Analytical Business Questions Model (ABQM)

Business Questions	Strategic Answers
1. How can farmer groups strength management and governance so that they do not depend on external assistance?	1. Building an administration system and financial transparent, orderly and sustainable financial management through strengthening the group's internal capacity.
2. How can farmer groups increase through utilization relevant agricultural technology?	2. Encourage increased production capacity of members in utilization innovation technology agricultural that is relevant to land conditions and group capabilities.
3. How can farmer groups expand access to capital to maxime market opportunities and increase productivity?	3. Developing group capabilities in accessing capital to optimize market opportunities and increase productivity.
4. How can farmer groups utilize member's experiences to produce value-added agricultural products?	4. Encourage members to develop innovations based on cultivation experience to produce processed or premium quality products that have higher economic value.

Source : Processed primary data, 2025

Each strategy has a different logical basis and implementation stages, but all aim to strengthen the position of farmer groups as key actors in agricultural development. The following description outlines concrete steps for implementing each strategy, along with an explanation of the role of extension workers and the expected benefits. In line with Nikofien *et al.*, (2025) in his research on priority strategy to improve the class of farmer groups namely, improving evaluation and reguler meetings to utilize market access by improving farming performance, optimizing joint funds and capital to increase sales and production quality, increasing the quantity and quality of extension workers to take advantage of opportunities for good production results and improving training and administrative management to utilize fertilizer subsidies, infrastructure and land protection policies.

1) Improve the transparent, orderly and sustainable financial administration and governance system by strengthening the internal capacity of the group.

   This strategy aims to build farmer group independence by strengthening internal financial management. To date, many farmer groups remain heavily dependent on government or external assistance, both in the form of production inputs and capital. This dependency makes the sustainability of the group's business less secure when assistance is no longer available.

In this regard, agricultural extension workers in Sungai Raya District need to conduct training on basic financial record keeping, such as maintaining cash receipts and disbursements, simple profit and loss reports, and recording group assets. Furthermore, the group treasurer is responsible for recording every transaction, both income from sales and expenses for purchasing production inputs. Extension workers also encourage transparency by announcing financial reports at monthly meetings. Furthermore, groups are encouraged to develop additional businesses such as selling seeds, producing organic fertilizer, or providing equipment rental services so that income is not solely dependent on the main harvest. A portion of business profits is allocated as a group reserve fund (at least 10-15%) to be used for urgent needs or future business investments. Thus, dependence on external aid can be reduced gradually. Therefore, Hamzah *et al*., (2025) in his research stated that it is important to maximize the role of agricultural extension workers in identifying the potential and needs of farming communities in supporting sustainable agricultural systems.

2) Encourage increased member capacity in utilizing agricultural technology innovations that are relevant to land conditions and group capabilities.

Advances in agricultural technology can increase productivity and efficiency in farming, but their adoption in the field is often hampered by limited knowledge, costs, and farmers' continued reliance on traditional methods. Therefore, the role of extension workers is crucial. The initial step is to identify relevant and locally appropriate technologies, such as superior pest-resistant varieties, water-efficient drip irrigation systems, biofertilizers, or modern planting tools. Afterward, the government or extension workers facilitate the establishment of demonstration plots or Integrated Crop Management Field Schools (SL-PTT), which serve as venues for hands-on learning in the fields. Through this method, farmers not only receive theoretical instruction but also see tangible evidence of the technology's application.

Technical training is conducted with the involvement of resource persons from agricultural research centers, universities, or private sectors with innovative technologies. This training requires assistance throughout the technology implementation process, from land preparation and the use of new tools or materials, to maintenance and harvesting. The final stage is a joint evaluation to assess the effectiveness of the technology compared to traditional methods. This step not only increases farmer groups' productivity but also enhances their competitiveness in the market. This aligns with research conducted by Wijayanti *et a*l., (2025) that the development strategy for the Sumber Harjo Farmers' Group is to increase the capacity of human resources for management and technological skills through training from Agricultural Extension Workers and independent Extension Workers.

3) Developing group capabilities in accessing capital to optimize market opportunities and increase productivity.

Business capital is a key factor determining a farmer group's ability to scale up production and capitalize on larger market opportunities. Many farmer groups already possess skills and land, but are unable to expand due to limited capital. This strategy involves the relevant government agencies helping farmer groups access financing. The process begins with identifying various capital assistance programs, whether from the government (e.g., People's Business Credit/KUR, regional budget assistance), financial institutions, or CSR programs from private companies. Extension workers then assist the groups in developing business proposals, including budget plans, profit projections, and market analysis.

In addition to assisting with document preparation, extension workers must ensure the completeness of administrative requirements, such as group legality, member ID cards, and bank accounts. Partnerships with cooperatives, farmer group associations (Gapoktan), or partner companies are also facilitated to expand opportunities for capital distribution. Once capital is received, extension workers are required to monitor its use to ensure it aligns with planned business objectives, such as purchasing production inputs, improving land infrastructure, or increasing processing capacity. With good capital management, farmer groups can expand production and capture previously unreachable market opportunities. The results of this study align with Wijayanti's *et al*., (2025) that in the development strategy of the Sumber Harjo Farmers Group, it is important to develop savings and loan business units as a source of agricultural capital with the support of Farmers Group assets and cooperation with the Department of Agriculture and local markets.

4) Utilizing members' experience in farming to develop value-added agricultural products.

The experience and skills possessed by farmer group members constitute invaluable social capital. Many members possess inherited knowledge in cultivation, processing, and marketing techniques. This strategy encourages the use of this experience to produce value-added products, so profits are generated not only from the sale of raw produce but also from processed products. According to Hamzah *et al.*, (2025) in his research stated that the strategy for developing farmer groups in Takalar is to maximize the potential or experience of farmer group members in handling coordination between institutions.

The first step is to map members' expertise, such as who is skilled in crop management, marketing, or specific cultivation technologies. Based on this mapping, the group can develop processed products such as packaged organic rice, cassava chips, organic fertilizer, or horticultural products. The next step is to conduct market testing at the local level through sales at weekly markets, village bazaars, or partnerships with farmer shops. After receiving consumer feedback, the group can refine its product and marketing strategy. Once the product is ready to compete, extension workers can help expand marketing through digital platforms such as online marketplaces, social media, or participation in agricultural exhibitions. In this way, the farmer group will not only rely on raw product sales but also build a brand and increase its economic value. Focusing on high-priority strategies is expected to bring positive and significant changes to the development of farmer groups in Sungai Raya District.

Based on the priorities, a crucial step in optimizing farmers' capacity and developing an effective and sustainable agricultural sector is through improved management and administration of farmer groups. By improving management and administration, farmer groups can improve financial management, organization, and recording of agricultural activities that are more structured and transparent, thereby strengthening the competitiveness and productivity of agricultural products. The implementation of good management will strengthen collaboration among farmer group members and open up opportunities for diversification of farming businesses (Aziz and Ari, 2025).

CONCLUSION

Based on the results and discussion above, the research indicates that farmer groups in Sungai Raya District have strong development potential, but still face various structural and technical challenges that require strategic intervention. Externally, available opportunities include government program support, increased market demand for local products, and opportunities for technology adoption and partnerships with various parties. On the other hand, farmer groups must face threats such as fluctuating market prices, climate change, limited supporting infrastructure, and uncertainty about government policies. Overall, there are four main focuses that need to be developed by the Sungai Raya District farmer groups, namely 1) Improving financial management and organizational transparency to reduce dependence on external assistance, 2) Utilizing the support of extension workers in implementing more effective technology and cultivation practices, 3) Expanding access to capital through collaboration with the government and financial institutions, and 4) Optimizing member experience to produce agricultural products with added value. This strategy provides policy direction that can be used by local governments, extension workers, and other supporting institutions in strengthening the sustainability of farmer groups as a whole.

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