

THE DEVELOPMENT OF SOCIAL AND ECONOMIC ASPECTS OF THE RICE PRODUCTION CENTER (Study Case of Ampek Angkek and Kamang Magek of Agam District)

Fastabiqul Khairad¹

¹Universitas Medan Area, Medan

E-mail: 1fasta.fk@gmail.com

Abstract

West Sumatra province government enhancement the growth of rice production by developing rice production centers. The center's purpose is to reduce cost and enhance efficiency which ultimately increases local economic growth. Kec. Ampek Angkek is a rice production center in the Agam district. In this case study, we explain the progress of center development set in 2013 of the social aspect and economic aspects inside and outside the production center. The research method used is qualitative descriptive with a case study approach. The condition of the development of social and economic use is a case to provide a detailed description of the development of the production center. The result showed that there were similar developments for each aspect

Keywords: production center, social, economy

1. INTRODUCTION

The regional approach to agricultural commodities is an effort to achieve better agricultural product productivity by taking into account the characteristics of the existing area. The determination of central areas in the development of agricultural commodities is one of the comparative economic systems which can be interpreted as a local-based economic order, community-oriented, and dedicated to building a better life for all and not just increasing profits (Eriyatno, 2011).

The production center area approach is one of the production-based agricultural area approaches. The development of production area is a form of spatial planning for the interests of strategic sector development which is expected to accelerate the increase in production of superior regional commodities by developing its administrative areas in an integrated manner (Yulinazra, 2005). The key factors for the development of area-based commodities have the following requirements: (1) each region must have specialization and core competencies in the development of their respective superior commodities; (2) there are upstream and downstream sub-sector activities that can be driving forces for commodity development to have competitiveness; (3) has a link between the development of the commodity farming sub-system and the driving sub-system (upstream and downstream); (4) having a focus on developing products that have added value and a high contribution to increasing the income and welfare of farmers; (5) having a focus on product development that is competitive and oriented to regional, national and export markets; (6) have synergy between programs and between regions; (7) the need for the government's role as a catalyst and facilitator (Kementan, 2012).

The designation of this area is aimed at realizing the efficiency and effectiveness of the regional development planning function so it is necessary to optimally utilize the

THE DEVELOPMENT OF SOCIAL AND ECONOMIC ASPECTS OF THE RICE PRODUCTION CENTER (Study Case of Ampek Angkek and Kamang Magek of Agam District)

Fastabiqul Khairad

potential of the area, resources, and aspirations of the local community. Creating a production center area that is capable of realizing the efficiency and effectiveness of the planning function, of course, is supported by various aspects such as social and economic aspects within the area.

One of the efforts of the West Sumatra provincial government in increasing the economic growth of the agricultural sector is to determine a production center, especially for commodities that have advantages. Through the decree of the Governor of West Sumatra number 521.305.2013, the government established the production center specifically for the food crops sub-sector. To prove the success of determining the production center area can be seen from the development of each aspect of the production center.

To prove the success of determining the production center area can be seen from the development of each aspect of the production center. Thus it can be seen whether the determination of the production center has a positive impact or does not have an impact on the objectives of establishing the production center. For this reason, it is necessary to study the development of the social and economic aspects inside and outside of the production center after the area was determined through the Decree of the Governor of West Sumatra Province number 521.305.2013 which in this study focused on comparing the production center of Ampek Angkek District with non-central areas, namely Kamang Magek District.

2. IMPLEMENTATION METHOD

This research was conducted in Agam District. The location selection was carried out purposively, with the consideration that Agam Regency had the highest rice productivity compared to other rice production centers at 5.63% in 2016. The research location is precisely in the rice production centers of Ampek Angkek District with higher productivity compared to other production areas in Agam Regency, namely 6.10% in 2016. The non-central area chosen was Kamang Magek District with the consideration that it is an area close to production center areas and has fairly stable productivity until 2016 compared to other regions. With higher productivity, it is hoped that the selected areas will indeed have better development of social and economic aspects as well as more efficient farming activities. The research method used is a qualitative descriptive method with a case study approach. The condition of the development of social and economic aspects is used as a case to provide a detailed description of the development of the area and outside the area. The data used in this study consists of two types, namely primary data and secondary data.

3. RESULTS AND DISCUSSION

3.1 Aspects of Farmer Group Institutions

Farmer groups were formed to be able to solve problems faced by farmers that could not be solved individually. The formation of farmer groups is a process of realizing consolidated agriculture so that it can produce optimally and efficiently. With agriculture being consolidated in farmer groups, procurement of production facilities and sales of

agricultural products becomes more efficient because it is done together. It is expected that the volume of production inputs purchased and the volume of products sold will be larger so that the cost of procuring the inputs and marketing the units of production will be lower. The formation of this farmer group is one of the efforts to empower farmers which aims to increase productivity and income which is expected to have an impact on increasing the welfare of farmers. The number of farmer groups within the Production Center Area of Ampek Angkek District reached 106 groups and 122 groups outside the Production Center Area of Kamang Magek District. However, the number of farmer groups is not a benchmark for the success of these farmer groups. For this reason, the Agam Regency government is working with regional extension workers in terms of increasing the capacity and capability of farmer groups. The ability categories of farmer groups for each region can be seen in Table 1 below:

Table 1. Farmer Group Capacity Category

| Farmer Group | Score | Category |
|------------------------------|-------|----------|
| Ampek Angkek District | | |
| Panampuang village | 493 | Carry on |
| Ampang Gadang village | 274 | Carry on |
| Pasia village | 237 | Beginner |
| Balai Gurah village | 212 | Beginner |
| Biaro Gadang village | 195 | Beginner |
| Kamang Magek District | | |
| Magek I village | 265 | Carry on |
| Magek II village | 285 | Carry on |
| Kamang Hilir village | 190 | Beginner |
| Kamang Mudiak I village | 291 | Carry on |
| Kamang Mudiak II village | 305 | Carry on |

Source: Department of Agriculture of Agam District

Based on table 1 above, it can be seen that farmer groups both inside and outside the production center area are still in the carry-on and beginner categories. For this reason, it is important to increase the capacity of farmers in achieving success in farming. Department of Agriculture of Agam District held various activities that were expected to increase the capacity of farmers, which can be seen in Table 2 below:

Table 2. Farmer Capacity Building Activities

| Year | Activity | Area |
|------|---|------------------------------|
| 014 | SL-PTT Padi Inbrida area of 675 Ha for 27 groups | Ampek Angkek |
| 016 | SL-PTT Padi Inbrida area of 750 Ha for 30 groups Revitalization of P3A for Sawah Paruih group, Boneh Satangkai, Kelok Mesra. | Kamang Magek Kamang Magek |
| 017 | Revitalization and legalization of GP3A at Limo Jorong Ambacang Coaching GP3A in the P3A group of Nan V Nagari Magek | Kamang Magek Kamang Magek |

Source: Department of Agriculture of Agam District

THE DEVELOPMENT OF SOCIAL AND ECONOMIC ASPECTS OF THE RICE PRODUCTION CENTER (Study Case of Ampek Angkek and Kamang Magek of Agam District)

Fastabiqul Khairad

SL-PTT is an activity carried out in the context of increasing production and productivity as well as the quality of food crops to achieve sustainable food self-sufficiency. While GP3A coaching activities are activities directed at strengthening Irrigation Management Institutions (KPI). One of them is aimed at increasing the organizational capacity of Associations of Water User Farmers (P3A/GP3A/IP3A) at the irrigation area level to achieve independence in participatory irrigation management. However, in practice, the government of Agam Regency has not prioritized areas which are production centers. Some of the above activities are dominated by Kamang Magek Subdistrict which is an area outside the KSP, while Ampek Angkek Subdistrict has not had any special guidance related to groups of farmers using irrigation water.

3.2 Aspects of Agricultural Extension Institutions

The role of agricultural extension workers as facilitators, motivators, and supporters of farmer business activities is a central point in providing counseling to farmers, related to sustainable and environmentally friendly farming management. Mistakes in providing counseling to farmers will later have a negative impact that can harm the environment. In principle, the process of implementing agricultural extension can run well and correctly if it is supported by professional extension workers, reliable extension institutions, correct extension materials and appropriate extension methods, and synergized extension management.

Thus, agricultural extension is very important in providing capital for farmers and their families. So at that time, the capacity will be formed to help themselves in achieving goals, improving the welfare of farmers and their families, without having to damage the surrounding environment. The task of an Agricultural Extension Officer (PPL) is to eliminate the obstacles faced by a farmer by providing information and providing views on the problems faced. So that in building agriculture the role of extension workers is needed in increasing the capacity of farmers in farming activities.

The appointment of extension workers is determined based on the needs of each region. Refresher activities are carried out once every three years to add extension officers, both civil servants and THL instructors, as well as reduce extension officers due to retirement. For the Ampek Angkek District area, there has been no increase in the number of extension agents since 2013 it was designated as a production center area. Extension officers in Ampek Angkek Sub-District consisted of 4 agricultural extension workers, 2 THL-TBPP APBN extension workers, and 4 independent extension workers. Self-help extension agents are voluntary extension workers who play a role in assisting extension agents. Self-help extension workers themselves come from farmers who can be said to be successful in carrying out their farming activities. So that these successful farmers are expected to increase the capacity of other farmers in farming activities. Same with Ampek Angkek Subdistrict, for Kamang Magek Subdistrict which is outside the Production Center Area there was also no increase in the number of extension workers where agricultural extension workers (PNS) consisted of 5 people, THL-TBPP APBN extension agents consisted of one person and self-help extension agents consisted of 4 people.

The local government itself is more focused on increasing the capacity of extension workers by holding various training activities. The training carried out after the establishment of the Production Center Area (KSP) included training with the theme of soil surveying which was held in 2014 by BPP Jambi and area mapping training in 2016 which was held in Lubuk Basung District for all extension agents from various sub-districts in West Sumatra Province.



3.3 Aspects of Employment

The production center area is the center of production activities which are expected to attract other economic activities. The development of economic activity can create new jobs that impact improving the region's economy. One of the other economic activities is agro-industrial activities. Related to the discussion of the aspect of creating added value which will be explained in the following economic indicators, it can be seen that there has been no increase in agro-industrial activities both inside and outside the production center areas. So that it can be said that the production center areas do not yet have an influence on the creation of new jobs for people in the production center areas.

3.4 Aspects of Capital

The development of agriculture, and the availability of sufficient and timely capital is a strategic and important elements. Capital is one important factor in supporting the sustainability of farming. Cooperatives are one of the capital institutions that can support farming activities. Cooperatives as formal financial institutions are expected to be able to provide capital to farmers so that farmers have no difficulty in obtaining capital. Farmers who have difficulty obtaining capital from formal financial institutions often access it through middlemen or capital providers in production centers. The problem that often occurs is that farmers cannot sell their produce at a better price because it is determined by the middleman. With the existence of formal institutions such as cooperatives, it is hoped that they will be able to provide capital for farming activities so that farmers no longer need to be tied to middlemen and can sell agricultural products at better prices. The development of the number of active formal financial institutions available inside and outside the production center areas can be seen in Table 3 below:

Table 3. Total Availability of Active Formal Financial Institutions

| Year | Total Availability of Active Formal Financial Institutions | |
|------|--|--------------|
| | Ampek Angkek | Kamang Magek |
| 2014 | 22 | 7 |
| 2015 | 24 | 8 |
| 2016 | 25 | 8 |
| 2017 | 25 | 8 |

Source: Disperindag-Kop-UMKM of Agam District

Based on Table 3 above, it can be seen that there has been an increase in the number of active cooperatives in each sub-district. This is due to the efforts of the government through the Agam Regency Trade Cooperative and UMKM Industry Office to reactivate dormant cooperatives. Not only efforts that descend from above, but the participation of both management and cooperative members is important to increase in creating cooperative sustainability. The criteria that must be possessed by cooperative management are being responsible, honest, skilled at communicating, able to work together, hardworking, skilled in the use of information technology, and having high integrity in promoting and developing cooperatives. The management needs to have this to create the survival of the cooperative.

However, the availability of formal financial institutions in each region cannot be determined whether the capital provided is intended for farming activities. This is because people in each region have varied livelihoods. For the production center area, namely Ampek Angkek,

THE DEVELOPMENT OF SOCIAL AND ECONOMIC ASPECTS OF THE RICE PRODUCTION CENTER (Study Case of Ampek Angkek and Kamang Magek of Agam District)*Fastabiqul Khairad*

apart from being a farmer, the community also has other businesses such as in the textile sector. In its implementation, the government has not made any special efforts to develop cooperatives within the production center area of Ampek Angkek District. This is because the government is still trying to develop formal financial institutions that exist in every sub-district in Agam Regency.

In supporting the sustainability of farming, production facilities, and infrastructure are also needed, starting from seeds, fertilizers, pesticides, and others so kiosk facilities and retailers in agricultural areas are needed. The production center area is the central activity in conducting farming. Based on data from the technical coordinators of the Ampek Angkek and Kamang Magek sub-districts, there has been no increase in the number of production input kiosks starting in 2013 since the establishment of the KSP. Although since the establishment of the production center area in 2013 there has not been an increase in the availability of production input kiosks, there have been efforts to develop input production kiosks by increasing the scale of the business both inside and outside the production center area.

3.5 Aspects of Production and Productivity

One indicator of the success of agricultural development is the increase in production and productivity. The determination of agricultural production center areas is basically to create higher production compared to other areas which are not used as centers. With higher production and lower farming costs, cost efficiency will be created in central areas, which is one of the successes of establishing production center areas. The production and productivity for areas inside and outside the production center area can be seen in Table 4 below:

Table 4. Production and Productivity inside and outside the Production Center Area

| Year | Inside the Production Center Area | | Outside the Production Center Area | |
|------|-----------------------------------|-----------------------|------------------------------------|-----------------------|
| | Production (Ton) | Productivity (Ton/Ha) | Production (Ton) | Productivity (Ton/Ha) |
| 2013 | 18.694 | 6,81 | 21.028 | 5,74 |
| 2014 | 14.170 | 6,10 | 22.464 | 5,74 |
| 2015 | 16.141 | 6.81 | 20.828 | 5.74 |
| 2016 | 14.890 | 6,10 | 22.329 | 5,66 |
| 2017 | 16.903 | 5.67 | 26.321 | 5,55 |

Source: Department of Agriculture of Agam District

Based on Table 4, it can be seen that production and productivity in the production center area (Ampek Angkek) tend to fluctuate, there has been no increase from 2013 since the establishment of the KSP. Likewise, areas outside the center (Kamang Magek) tended to decrease from 2015 to 2017. This illustrates that the implementation of various programs ranging from farmer group training and the various new technologies applied have not affected increasing production in the two areas.

3.6 Aspects of Market Institute

Marketing of agricultural products can be defined as carrying out activities and businesses aimed at flowing goods and services from the point of production to the point of consumption. In the distribution of agricultural products various institutions can be classified into 1) Intermediary traders, namely collector traders, wholesalers, and retailers; 2) Intermediary agents consisting of brokers, commissioners, auctioneers, and others; 3) Speculative intermediaries; 4) Institutions of

other facilities. Marketing of agricultural products that have been going on in general has a long marketing chain starting from producer farmers, collectors, wholesalers, and retailers to consumers. The long market chain causes higher price margins and results in small profits for farmers and higher prices for consumers.

For this reason, various efforts were made to break the long market chain by creating other marketing institutions such as the Agribusiness Sub Terminal (STA), cooperatives engaged in marketing, and other marketing institutions arising from the community. STA is a marketing infrastructure that is used as a place for buying and selling transactions of agricultural products in the form of physical and non-physical which are located in production center areas. So that STA is emphasized as a marketing tool carried out in production centers. Through STA, farmers as producers can receive information ranging from prices to other production management according to market demand. In the STA various activities related to creating better-quality agricultural products can be carried out such as post-harvest management which includes packaging, sorting, grading, storage as well as promotion, and transportation. The purpose of this STA is to expedite marketing and develop agribusiness and break the long chain of marketing of agricultural products.

The STA in Agam Regency had previously been made by the government which was located in Nagari Lambah, Ampek Angkek District during the implementation of the agropolitan program from 2002 to 2007. However, the market that was created caused overlapping of service functions because the position of STA Nagari Lambah was located between the City of Bukittinggi and Pasar Baso so the market in Nagari Lambah became neglected and useless. This is because, in reality, it is very difficult to change the existing marketing network, namely in the cities of Bukittinggi and Baso (Yunelimeta, 2008). Until now there has been no reactivation of the STA in Ampek Angkek District as the production center area. Likewise, areas outside the production centers of Kamang Magek District do not have STA, where the community in general still depends on selling agricultural products to middlemen as collectors. This is because farmers already have attachments to middlemen caused by borrowing capital for farming activities. Another factor is also caused by the trust and social ties that have existed for a long time between farmers and middlemen.

In addition to STA, cooperatives can also be used as one of the marketing institutions for agricultural products, through cooperatives the market chain can be broken so that farmers can directly sell agricultural products through cooperatives. However, cooperatives in the two regions still act as capital providers and have not been able to develop into marketing institutions. This is due to the resources and capabilities of the community which have not been able to create cooperatives as marketing institutions as well as the attachment and habit of selling agricultural products directly to middlemen.

Some people in the production center area of Ampek Angkek District still depend on middlemen to sell their products. Within the production center area of Ampek Angkek District, Nagari Batu Taba, to be precise, there is a marketing agency that was established directly by and at the initiative of the community called the Community Food Distribution Agency (LDPM). LDPM was established in December 2014 and started operating activities in 2015. The purpose of establishing LDPM is to assist the community in marketing agricultural products, especially food. For areas outside the production centers of Kamang Magek district, they are still completely dependent on collectors or middlemen in marketing agricultural products. The strong attachment between farmers and middlemen in areas outside the production center of the Kamang Magek district causes farmers to sell their agricultural products to middlemen. This is not only due to

THE DEVELOPMENT OF SOCIAL AND ECONOMIC ASPECTS OF THE RICE PRODUCTION CENTER (Study Case of Ampek Angkek and Kamang Magek of Agam District)

Fastabiqul Khairad

attachment due to loans to middlemen but also trust that has existed for a long time. For this reason, it is difficult to break the market chain of collectors (middlemen) in Kamang Magek District.

3.7 Aspect of Economic Value of Rice Commodity

Prices of agricultural commodities are also influenced by the amount of supply and demand. According to the law of demand and supply, when the supply is low, the selling price is higher, and vice versa when the supply is high, the selling price is low. However, there are price rules for rice commodities called roof prices and floor prices. The roof price is the highest price set by the government, where the price is still affordable by the community. Meanwhile, the floor price is the lowest price allowed by the government to protect producers. This policy occurred in the rice commodity because rice is a strategic commodity and a basic need that controls the lives of many people. For rice commodity prices set for the two regions are relatively the same, namely around Rp. 210,000, - up to Rp. 220,000, - per sack of grain.

3.7 Aspect of Value Added

One of the efforts to increase the selling price of agricultural products is to process them into products that have added value. Agro-industry is part of an agribusiness system that is capable of processing agricultural produce into semi-finished goods or can be consumed directly. For the area within the production center area of Ampek Angkek District, there are agro-industrial activities with Cangkiang Special Cake products. This typical cangkiang cake is made from rice flour, glutinous rice flour, and tapioca flour. However, the typical cangkiang cake agro-industry activity has existed since before the production center area was established and has won second place in the UP3HP group competition at the provincial level in 2011. There are 13 agro-industries in the form of home industries for the typical cangkiang cake which is located in Nagari Batu Taba.

The current problem is that the activities of the cangkiang cake home industry are starting to decline every year. This is due to the lack of interest from young people to continue the business which is indeed a family hereditary business. For the name of the business and business location of the typical cangkiang cake agro-industry, see Appendix 12. With the designation of production center areas, it is hoped that various agro-industrial activities will be developed that are not only focused on one type of product. However, until now there has been no development of agro-industrial activities in the production center area of Ampek Angkek District.

It is different from Kamang Magek District, which is an area outside the production center that has quite good agro-industry development, especially processed cassava products, namely cassava crackers or also called kamang crackers. This kamang cracker, which is processed from cassava, also won second place in the UP3HP competition at the West Sumatra Province level in 2017. The problem that occurs is the lack of variety in agro-industrial activities in the two regions which are still focused on one agricultural commodity and one processed product.

Identification of Successes and Constraints in the Development of Production Center Areas

After observing the development of social and economic aspects in the area inside and outside production centers, the achievements of the area are seen based on the success criteria for regional development set by the government based on the Minister of Agriculture of the Republic of Indonesia No: 50/Permentan/OT.140/8/2012. The results of the successful development of production centers in the Ampek Angkek District can be seen in Table 5 below:

Table 5. Achievements of Production Center Areas in Ampek Angkek District.

| Criteria | Achievements |
|---|---------------------|
| Management Aspect | |
| Determination of agricultural production areas based on the potential of land resources | achieved |
| Compilation of a master plan and action plan for the development of regional agricultural areas | achieved |
| Issuance of cross-sectoral cooperation agreement documents for the development of regional agricultural areas (MoU) | achieved |
| Availability of budget allocations (non-Ministry of Agriculture APBN) for the development of agricultural areas | achieved |
| Technical Aspect | |
| Increased productivity and production of commodities | not yet reached |
| Increased post-harvest activity and product quality | not yet reached |
| Increased product value-added processing activities | not yet reached |
| Increased commodity marketing network up to the export level | not yet reached |
| Increased income of commodity business actors | not yet reached |
| Increased absorption of labor and business opportunities | not yet reached |
| Increased accessibility to financing sources, input and output markets, technology, and information | not yet reached |

Source: Permentan RI No: 50/Permentan/OT.140/8/2012 (processed data)

Based on Table 5 above, in terms of management aspects the success of agricultural areas has been achieved, but technically the success criteria for agricultural areas have not been achieved by the previous explanation regarding the development of each aspect of the production center area, especially in Ampek Angkek District as a rice production center area in the Regency.

This illustrates that after the establishment of the production center area in 2013, it has not had a significant influence on the development of the production center area. In terms of social and economic aspects, there are similar developments both within the production center area of Ampek Angkek District and outside the production center area of Kamang Magek District.

4. CONCLUSION

Based on research that has been conducted in the Production Center Area of Ampek Angkek District and outside the Production Center Area of Kamang Magek District, Agam Regency, the conclusion that can be obtained from the development of each social aspect and economic aspect is that there is a similar development between the two areas from 2013 to in 2018 after the establishment of the production center area. It is suggested that there is a need for special efforts from the government for the development of rice production centers which are the centers of production activities.

THE DEVELOPMENT OF SOCIAL AND ECONOMIC ASPECTS OF THE RICE PRODUCTION CENTER (Study Case of Ampek Angkek and Kamang Magek of Agam District)

Fastabiqul Khairad

To develop better central areas, the government can make various efforts, such as 1) the development of accessibility of sources of financing, input and output markets as well as farming technology and information; 2) the development of quality local varieties to create higher productivity; 3) Increasing the capacity of farmers through various training activities, especially the development of cooperatives or other community institutions in terms of marketing agricultural products so that farmers can receive better selling prices compared to middlemen, and; 4) Development of community capacity through various training related to post-harvest activities, product quality and agro-industry in creating product added value.

REFERENCES

- Adisasmita, Rahardjo. (2010). *Pembangunan Kawasan dan Tata Ruang*. Yogyakarta: Graha Ilmu. 302 hal.
- [BPS] Badan Pusat Statistik. (2017). *Sumatera Barat dalam Angka Tahun 2017*. Sumatera Barat. 855 hal.
- Eriyatno. (2011). *Membangun Ekonomi Komparatif (Strategi Meningkatkan Kemakmuran Nusa dan Resilensi Bangsa)*. Jakarta: PT. Gramedia. 248 hal.
- [Kementan] Kementerian Pertanian. (2012). *Kajian Pengembangan Komoditas Strategis Berbasis Kawasan*. Laporan Akhir Penelitian T.A. 2012. 40 hal.
- Peraturan Menteri Pertanian RI Nomor: 50/Permentan/OT.140/8/2012.
_____. Nomor 56/Permentan/RC.040/11/2016.
- Sjafrizal. (2008). *Ekonomi Regional Teori dan Aplikasi*. Padang: Praninta Offset. 328 hal.
- Yulinazra. (2005). *Implementasi Pengembangan Kawasan Sentra Produksi (KSP) di Lunang Silaut Kabupaten Pesisir Selatan [abstrak]*. Yogyakarta: Universitas Gajah Mada.
- Yunelimeta. (2008). *Pembangunan Pedesaan dalam Konteks Agropolitan, Desentralisasi dan Otonomi Daerah di Indonesia Daerah Minangkabau – Sumatera Barat*. . [Tesis]. Semarang. Program Pasca Sarjana. Magister Teknik Pembangunan Wilayah dan Kota Universitas Diponegoro. 122 hal.