

Factors that Caused Farmers to Resign from Partnership Members (Case Study of the Goat Farmers Group, Doko District, Blitar Regency)

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Abstract— The study aims to investigate factors of farmers to resign from a partnership between PT Gombek Boer Indonesia and goat farmers in Doko District, Blitar Regency. This study was conducted in Doko Subdistrict, Blitar District using purposive method. Farmers sampling purposed to investigate factors of farmers to resign from partnerships valuation using the purposive sampling and snowball sampling methods. Data analysis method uses descriptive method. The result of the study showed that factors that caused farmers resigning from a partnership were divided into internal factors consisting of company consistency, limited human resources of its company, training and counseling that were less optimal, and external factors which consist of brokers involvement and farmers' financial. The absence of an agreement letter will make the opportunities of a mismatch in implementing the partnership to be large.

Keywords— Partnership, Internal factors, External factors.

I. PRELIMINARY

Partnership is a part of the form of empowering small farmers to be more developed. According to Hafsa (2000) business partnership means a business cooperation between small businesses (including farmers and fishermen) with medium businesses or with large businesses by taking into account the principle of mutual need, and mutual benefit, by developing this partnership, medium or large entrepreneurs have a moral responsibility in guiding and fostering small entrepreneurs as partners, so that they can be reliable partners for mutual benefit and prosperity. PT Gombek Boer Indonesia is a company engaged in the field of animal husbandry, trading and services in cooperation with GAPOKTAN Doko District since 2016. The cooperation between PT Gombek Boer Indonesia and GAPOKTAN Doko District is called a Boer goats partnership. The partnership system implemented by PT Gombek Boer Indonesia is a partner company as the first party, goat farmers as a second party and farmer groups as a third party. The establishment of a partnership between PT Gombek Boer Indonesia and GAPOKTAN is expected to help small farmers in overcoming problems and making small farmers have a desire develop. Zakaria (2015) states that the business partnership system between small entrepreneurs and large entrepreneurs have a major impact on increasing economic growth, employment, and also income distribution and developing regional development growth.

Yunus (2014) said that the partnership is expected to be able to have positive impact on all parties, especially in this case for farmers. This positive impact can be reflected through improving the quality and knowledge of farmers in developing their businesses. In addition, the influence of the implementation of agribusiness partnerships is on business efficiency, business profits and others. However, when the implementation of the partnership does not run well, business continuity will be threatened. At the beginning of the partnership formation in 2016 the number of partner farmer members was 475 farmers, but in March 2019 the number of farmers who belong to partnership member decreased to 63 farmers. The decrease in the number of farmers who belong to partnership member has an impact on a cooperative relationship. The success and failure of a partnership program are caused by several factors. Those issues as the background of researchers in conducting study on what factors influence farmers to resign from partnership members.

II. MATERIAL AND METHOD

This study was conducted from March, 22 to April, 20 2019. The setting of the study was located in Doko District, Blitar Regency. The researcher used the *purposive sampling* technique to collect the data. Doko District was chosen because PT Gombek Boer Indonesia made the first partnership with GAPOKTAN in Doko District. Besides, Doko District had the second largest number of goat populations in Blitar District in which based on BPS 2017 states that the total goat population was 21,671.

The study was conducted by *description research*. It is in line with Arikunto (2013) who argued that descriptive research is intended to investigate the conditions and the other things which have been mentioned and the results will be presented in the form of the research report. The researcher used *survey method* to obtain the primary and secondary data. Further, *purposive sampling* was used to the selection of the respondent. Mr. Budi's selection as the respondent was based on his position as deputy leader the farmers group of Murih Maju. Moreover, Murih Maju farmers group had the largest number of farmers participating in the partnership on the October, 2018 and the data consisted of 67 farmers but all of farmer groups left from the partnership on March 2019. The selection of the following informant used *the snowball*

sampling as method. It was due to the farmer group of Murih Maju obtained the 15 farmers as the informant.

III. RESULTS AND DISCUSSION

Factors that cause farmers to resign from partnership members

The sustainable cooperation is the main goal of the existed partnership. However, it was not easy to build harmony in the cooperation. When it was first established in 2016, the number of farmer members who joined PT Gombek Boer Indonesia partnership reached up to 475 members and as the time progress they decrease until now, in March 2019 there were only 63 farmers who survived to join the partnership. A drastic reduction occurred in 2018 from 455 farmers in October to 63 farmers in March 2019. The decrease in the number of partner farmers was due to internal and external factors.

A. Internal Factors

Company Consistency

The consistency of partnership performance by PT Gombek Boer Indonesia, can be seen from the ongoing partnership activities whether it is in accordance with the agreement letter that has been made by the company. The agreement contained therein is rights and obligations, sanctions and an agreement on the purchase price of livestock, but in the implementation of the partnership the agreement was not signed by the parties who will carry out the partnership. This is done because the farmers, farmer groups, and PT Gombek Boer Indonesia themselves have made an agreement to carry out a partnership which is simple, easy to understand and easy to implement. If company doesn't sign the existing agreement, it will open possibilities for parties not to implement partnerships job in accordance with what is stated in the agreement letter.

If partnership agreement letter doesn't be signed by the company, there is no specific reference used to determine the limits of violation and determine sanctions. Sumardjo (2004) explains that the importance of clarity of rules or agreements in order to foster trust in existing business partnership. Agreement on rules, price changes, and revenue sharing must be made fairly by the partners. Thus, the goals, interests and business continuity of both parties can be implemented and mutually beneficial.

The delay of PT Gombek Boer Indonesia in purchasing livestock products shows that the company is not consistent in carrying out the contents of the agreement letter. So that, farmers partner's trust in the company decreases. According to Mulyani (2017), the success of a partnership needs to be supported by strong trust in each other in order sustain the partnership and it also affects on the performance of the implementation of the partnership. Lack of trust can decrease the performance in meeting supply needs and in improving quality.

Limited Human Resources at the Company

PPL is one of important components in a partnership companies. PPL's knowledge and experience in providing counseling to farmers is needed by partnership companies. PPL is expected to be able to help companies in

assisting/guiding, fostering and supervising farmers so that the partnership runs according to the agreed agreement. The PPL selection system that has been implemented by PT Gombek Boer Indonesia is empowering young people around PT Gombek Boer Indonesia office in Resapombo Village. There is no specific selection to be one of PPL members at PT Gombek Boer Indonesia. So, it has an impact on the assistance of farmers. The farmers argue that PPL assistance that is currently running at PT Gombek Boer Indonesia doesn't feel good. PPL rarely visits farmers, PPL will only comes when farmers contact them such as when the animals want to be mated, sick or there are animals that are ready to be purchased by the company.

The absence of routine assistance provided by PPL makes farmers feel unattended and bound. This opens up huge opportunities for farmers to commit fraud. PPL function is less optimal due to so many duties in company, for example as an officer serving farmers, helping to raise livestock that have not been sold and find market share so that existing livestock can be sold immediately. Human Resources management, the ability to coordinate and integrate company operations ideally requires experience, not only knowing or having knowledge.

Less training and counseling

Technology and training are facilities should be provided by companies as a support for farmer's profits in conducting partnerships other than market certainty. The existence of partnership is expected to be a fresh breeze for farmers to be able to renew the economy in accordance with the benefits of the partnership, according to Hartono (2012) which states that for farmers who are relatively weak in terms of technological capabilities and production facilities, by partnering, it will be able to save production time through production technology provided by the company. The absence of training and counseling related to the latest technology in goat breeding provided by PT Gombek Boer Indonesia to partner farmers makes them less eager to join the partnership. According to Hasyim (2005), farmers' dependence on partner companies is the high use of capital and the technology used. When farmers do not get what they want such as market guarantees and technology, farmers will feel that there is no difference between joining a partnership and not joining a partnership.

B. External Factors

Broker Involvement

One of the ways can have be done to improve the bargaining of farmer by building the partnership institutions (Nurdiani 2013). The bargaining of farmer increased along with the farmer entered into the partnerships. Farmers obtained an advantage such as mating a doe goat of a farmer with a billy goat of Boer. Further, mating both of the goats birth *Cross Boers* which had more advantages compared to Javanese goats. This breeding itself can attract among the broker. The high bargaining of the farmers made the opportunities for the farmer in conducting fraudulence. Most of the farmers left the PT Gombek Boer Indonesia partnership since it was found fraudulence. The fraudulence committed by farmers was also due to the difference in the price provided by PT Gombek Boer Indonesia. PT Gombek Boer Indonesia provided a price difference of Rp3,000/ kg for *Doe Cross Boer*

calf. It was intended in order to the difference in income from purchases between billy goat and doe goat were not significant. In addition, The PT Gombek Boer Indonesia was also intended to attract farmers to conduct a partnerships. Beyond of this partnerships, the price of billy goat was more expensive than doe goat, Thus, the opportunity was used by the farmer to sell billy goat for the middlemen or the partner companies in the outside, meanwhile the doe goat was being sold to PT Gombek Boer Indonesia.

Farmer Finance

The fraudulence committed by the farmer was triggered by the lack of fund owned by the farmer so then it encouraged the farmers to sell the goats in the outside of PT Gombek Boer Indonesia. However, not all farmers who did not have fund to sell the production breed of the goat such as *calf Cross Boers* in the outside of PT Gombek Boer Indonesia. Some farmers who sell their broodstock to cover their needs. Farmers who selling brooders said that they were afraid of fraudulence by selling *calf Cross Boer calf* to the outside of PT Gombek Boer Indonesia, they prefer to sell the other cattle and also the broodstock, even though, they knew as the risk if they were not able to join the partnership in the next period.

Farmers were regarded as the owner of their business also wanted their turnover business result in order to meet operational cost of business and family cost. The purpose of farmers in conducting their own partnerships was to obtain the market certainty in which the farmer is more likely easy to sell their cattle without looking for the strategic markets. Notoatmodjo (2005) pointed out that one of the partnership principles, namely the principle of *mutual benefit* in which the individuals, organizations or institutions that have been conducting partnerships will obtain the advantages from sustainable partnership which was appropriate based on the contribution of each farmer. However, if there was no

advantages obtained in the partnership, the farmer tended to quit from the partnership to maintain their cattle business.

IV. CONCLUSIONS

1. It was found that two factors made the farmer resigned from the partnership. It was due to Internal factor and External factor. Internal factor covered the company consistency, the lack of human resources in the company, training and counseling program was not optimal. Meanwhile, the external factors covered the involvement of *brokers* and the farmers' financial.
2. The treaty letter cannot make the chance of a mismatch in the implementation of the partnership to be large.

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