

## **The role of livestock service in order to cattle agribusiness development in Regency of Kupang**

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**ABSTRACT:** This article aims to discuss the potentials, opportunities, weaknesses, and constraints of cattle agribusiness development through the role of Livestock Services of Kupang Regency. It is done with the purpose of supporting the return policy of the cattle province according to NTT as the spirit of *Anggur Merah* (budget for people to secure and prosperous). Methods of research is conducted through the analysis of the role of Livestock Services. Discussion is conducted with a SWOT analysis and the results show the position of Livestock Services in quadrant I. Design program to support agribusiness development of cattle is poured into a strategic plan of Livestock Services Regency of Kupang period 2009-2014.

**Key words:** agribusiness, SWOT analysis, cattle province.

### **INTRODUCTION**

Development of cattle in Indonesia aims to meet the understanding of nutritional community that animal protein is in line with the national program of P2SDS (Achievement of Self-Supporting Acceleration Beef) in 2014. This is motivated by the domestic beef supply meets only 65% of the national demands and the remaining approximately 35% is supplied from abroad in the form of steers and frozen meat ([www.agrina.com](http://www.agrina.com)). The concept is for achieving self sufficiency in beef demand to be supported by the availability of domestic cattle population, while cattle population growth requires integrity between the factors of woof, farmers, businesses, governments, as well as climate and resource support.

As one potential area of beef cattle producer of Bali Cattle in the Province of NTT, Kupang Regency with an area of 5,734.63 km<sup>2</sup> is surrounded by the natural grassland as a grazing area. Area of 159,526.90 ha of natural grassland that is technically able to produce woof number as much as 643,212 tons of dry matter/year and may provide woof availability for 37,073.78 LU/year. Regency of Kupang consists of two island that is the island of Semau 103.22 km<sup>2</sup> and Timor island 5,631.41 km<sup>2</sup>. The dominating climate is semi-arid climate with periods of rain between the months of November until March and the period of the dry season between April to October with average rainfall of 1136-2196 mm/year. Minimal rainfall triggered the growth of surface vegetation which is savanna and steppa. This indicates that the development of suitable agricultural sector is dry land farming with livestock sub-sector as the leading sector for 18.24% of the livestock sub sector contributes 45.86% of total agricultural GDP in Kupang Regency. Support of the agriculture sector to GDP Kupang Regency, is backed up by number of workers who worked in the agricultural sector reached 75.78% according to statistical data in 2008.

❖ LU=Livestock Unit

### **MATERIALS AND METHODS**

#### ***Materials***

This paper is a study of Livestock Services Regency of Kupang as an effort of exploring the potential and business opportunities of agribusiness development of Bali cattle in the area of Kupang Regency. Discussion is enriched with secondary data from Livestock Services that are relevant to the purpose of writing this paper.

## **Method**

Methods of data analysis used in the writing of this paper are mostly done by using descriptive and literature review either through the study of literature and the internet with the analysis phase to the SWOT method as recommended by Rangkuti (2006).

## **Agribusiness Cattle Overview**

### **1. Cattle Business Profile**

Cattle business on the island of Timor, especially in Regency of Kupang, has lasted longer and has entrenched hereditary. The first time Bali cattle was brought in by the Dutch government to the island of Timor in 1912. Total of 2,700 livestock consisted of 1,000 cattle, and the remaining were buffalo, horses and goats were sent from Bali to the island of Timor. In addition to livestock were also sent *Jatropha gussypifolia* plant seeds (pine lantana), in the form of hundreds of thousands of cuttings and seeds in the packaging a dozen sacks. This plant is typical of Bali cattle feed (Julianus Akoit *in Pos Kupang* 18/10/2008).

Society of Kupang Regency has a long history in managing the beef cattle breeding business, so that at the time then provide sufficient dominant role in economic society. Development of cattle in Kupang Regency was dominated by the extensive business activities that do business with the release of cattle grazing on pasture, and only a small portion that performs with intensive business activities. Semi intensive business activities conducted by bound and intensive business activities done with the *paronisasi* system or housing (Foenay, 2009).

**Table 1.** Development of Beef Cattle Population in Kupang, NTT and the Period 2003-2008

Year	Population	
	NTT	Regency of Kupang
2003	512,999	134,120
2004	522,929	137,473
2005	533,710	140,190
2006	544,482	144,433
2007	555,383	148,044
2008	566,464	151,743

Source : \*NTT Agricultural Statistics 2004, 2005, 2006, 2007, 2008, 2009

\*Regency of Kupang Agricultural Statistics 2007 dan 2009.

### **2. Beef Cattle Agribusiness Enterprises**

Community empowerment in the context of people's livestock development was the expansion of agribusiness farms that aimed for the welfare of farmers in the catch and could increase the productivity of ruminant livestock especially Bali cattle (Tanari, 2007). On economic civilization of money, of course, the development of livestock operations are required to pay attention to the people commercial aspects. Commercialization was one step to push towards achieving a better level of welfare (Hendayana, 2003). Therefore, Downey and Erickson (2004) gave the picture if we took a walk to the supermarket, we would see a variety of engagement in business activities in food production and business selling on storage shelves. We can also see the processing of meat into slices of dried meat and meat ready to eat at various restaurants. This is the result of hard work and efficient by many people in a system that includes activities of the input material (*input*), production and marketing of foodstuffs.

Empowering communities through agribusiness aims to change the paradigm that has been embedded within the community from the traditional pattern of subsistence to a commercial modern direction. Management of a modern agribusiness management describes as "5P" (Planning,

Organizing, Guidance, Control, and Coordination). Two other functions can be added that is communicating and motivation because both functions sustain the success of the first five functions.

**Table 2.** Number of Cattle Slaughtered in NTT  
Period 2003 – 2008

Year	The Slaughtered Cattle
2003	29,048
2004	40,111
2005	89,530
2006	48,187
2007	49,153
2008	50,166

Source : \*NTT Agricultural Statistics 2004, 2005, 2006, 2007, 2008, 2009.

To foster an entrepreneurial spirit (agribusiness) of beef cattle in Kupang Regency, the role of Livestock Services is potential strategic considering that Kupang Regency as most cattle producer areas in NTT. As a leading sector, Livestock Services provides easiness in the investment sector development of livestock, among others :

- a. Investments by investors of investment for the development of large livestock, can be facilitated by the Department of Livestock by connecting investors with the official target groups ;
- b. Investments by investors of investment in the delivery of by-product of livestock (live cattle, frozen meat, beef jerky, *abon*, skin, bone) can be facilitated by the Livestock Services through the use of slaughtering house (RPH) type B. Activities of local entrepreneurs manufacture of processed livestock and livestock product traders ;
- c. Ease in the process of licensing (business license, permit inter-island cattle, frozen meat interisland permit, license business development) because of the SOP that clearly, the cost of processing the management comprehensiveness that is easy and affordable as well as supporting data for investors who clearly (type of business, potential areas development, group development, and other facilities which were facilitated by the service).

As a technical agency responsible for animal productivity, Livestock Services is committed to providing assistance, the ease of licensing, motivation, and infrastructures, as well as other facilities both technical and non technical services to the society of Kupang Regency. The society which has a strong desire for entrepreneurship in the field of beef cattle agribusiness or who want to develop its business further. Role of Livestock Services Regency of Kupang was marginally affected by many factors, among others, the internal factors that come from within its own organization and external factors originating from outside the organization. Internal factors related to the strength (*S*) and weaknesses (*W*), while external factors relate to opportunities (*O*) and threats (*T*) to the main task and function.

### ***Position, Duties, And Function***

As stipulated by Government Regulation (PP) No. 41 of 2007 concerning the regional organizations, Government of Kupang Regency adjusts the device area by forming a technical agency outlined by Regulation of Kupang Regency No. 6 in 2008 regarding the establishment of regional technical services. One of them is Livestock Services Regency of Kupang.

According to Article 21 Regulation of Kupang Regency, the position of Livestock Services is a supporting element of Local Government in the field of Livestock, which is led by a Head Office which is under and responsible to the Regent through the Local Secretary. The main task of Livestock Services is to help Regents on implementing some matters concerning the authority of Local Government and to determine policy in the field of Livestock as well as assessment of the implementation.

Article 22 stated that in order to carry out basic duties referred to what is mentioned in Article 21, Livestock Services has the following functions:

- a. Formulating the technical policy implementation in the field of general guidance based farm policy has been established by the Regents ;
- b. Providing technical assistance on animal health ;
- c. Granting permission and guidance and supervision of farming and processing ;
- d. Implementation of counseling in the field of livestock ;
- e. Technical safeguards in the field of farm animal health, veterinary public health, community resource development and technology, production, facilities, infrastructure, and business activities in the field of animal husbandry ;
- f. The assessment of recommended application of technology in the farm level ;
- g. Implementation of the spread of distribution management and development of animal husbandry ;
- h. Implementation of the management of livestock production ;
- i. Implementation of administrative offices;
- j. Technical Executor Unit Area (UPTD) technical guidance.

### ***Identification Of Issues And Alternative Solution***

#### **a. Problem Identification**

Identification of internal problems :

1. The limited budget is causing the delay of the implementation of many programs and activities;
2. Low motivation and innovation of employees or working apparatus ;
3. Mechanism of action and coordination between unit and secretariat are still not optimal ;
4. Official welfare are not yet sufficient ;
5. Utilization of the office infrastructure is not optimal ;
6. Level of discipline in and out of the office is still lacking.

Identification of external problems :

1. Lack of coordination between institutions that take care of agribusiness farms ;
2. The local autonomy and diversity of regional leaders in realizing the commitment of the provincial livestock so there are a variety of institutional forms that handle livestock sector at district level, which resulted in weak livestock data information flow from all the districts to the province.

#### **b. Alternative Problem Solving**

Alternative Internal Troubleshooting :

1. Higher priority on activities that are strategically important ;
2. Leaders set the example and work to evenly distribute the appropriate duties ;
3. Improving coordination of work between the field scope Animal Husbandry Department ;
4. Provide incentives for employees who excel and get funding assistance for employees and their families health care's ;
5. Utilizing the facilities, equipment, and buildings to respond to the technological advances livestock farming;
6. Exemplifies leadership and example of discipline.

Alternative External Troubleshooting :

1. Doing strong coordination between relevant agencies dealing with animal husbandry development, ranging from policy to implementation aspects ;
2. Intensive dissemination and advocacy for local leader and stakeholders in order to equalize the perception and coordination that the embodiment of farming based agribusiness development. It is a shared responsibility between the central government, local, and community.

## Environmental Analysis Strategic

### a. Identification of Strategic Environment

**Tabel 3.** Identification of strategic environment

INTERNAL		EXTERNAL	
<i>STRENGTH (S)</i>		<i>OPPORTUNITIES (O)</i>	
1. Office infrastructure support ;		1. The commitment to make NTT as a province of cattle ;	
2. Considerable amount of human resource ;		2. Support of natural resources ;	
3. Support farm the state budget and local budget funds ;		3. Ministry of Agriculture program through Livestock General Directorate that is <i>P2SDS</i> 2014;	
4. Apparatus have very adequate level of education;		4. Vision of Kupang Regency Government to make Kupang Regency as the area eminent in eastern Indonesia;	
5. Support of livestock facilities and infrastructure ;		5. Society of Kupang Regency is a sterling farmer community.	
6. Good cooperation with entrepreneur.			
<i>WEAKNESSES (W)</i>		<i>THREATS (T)</i>	
1. Utilization of the office infrastructure is not optimal yet ;		1. Not solid institution that handles livestock sector ;	
2. Human Resources competency has not been adequate ;		2. Weak farm data information flow ;	
3. Mechanism of action and coordination between unit and secretariat is still less;		3. High number of productive female slaughtering	
4. Degree of discipline in and out of the office is still lacking.		4. The lack of access capital.	

### b. Internal Factors Analysis Framework

**Tabel 4.** Internal factor analysis strategy (IFAS)

INTERNAL FACTORS STRATEGIC	Weight	Rating	Score (Weight X Rating)
<i>STRENGTH</i>			
1. Office infrastructure support ;	0.15	3	0.45
2. Considerable amount of human resource ;	0.20	4	0.80
3. Support from the state budget and local budget funds ;	0.15	4	0.60
4. Apparatus have very adequate level of education ;	0.25	4	1.00
5. Support of livestock facilities and infrastructure ;	0.20	3	0.60
6. Good cooperation with entrepreneur.	0.15	3	0.45
Total Score			3.90
<i>WEAKNESSES</i>			
1. Utilization of the office infrastructure is not optimal yet ;	0.20	4	0.80
2. Human Resources competency has not been adequate ;	0.15	2	0.30
3. Mechanism of action and coordination between unit and secretariat is still less;	0.15	3	0.45
4. Degree of discipline in and out of the office is still lacking.	0.20	4	0.80
Total Score			2.35

Description rating :

1 : very unimportant      2 : not important    3 : quite important

4 : important              5 : very important

Note:

Strength factor - Weaknesses factor = 3.90 – 2.35

= 1.55

To analyze the internal environment factors it can be done by a weighting, rating, and scoring. The result of multiplying the weight and the rating is the score that can be used to determine the priority of environmental factors.

c. External Factors Analysis Framework

*External Factor Analysis Strategy (EFAS)*

To analyze the external environmental factors can be analyzed with a weighting, rating, and scoring. The result of multiplying the weight and the rating is the score that can be used to determine the priority of environmental factors.

**Tabel 5.** External factor analysis strategy (EFAS)

EXTERNAL FACTORS STRATEGIC	Weight	Rating	Score (Weight X Rating)
<b><i>OPPORTUNITIES</i></b>			
1. The commitment to make NTT as a province of cattle ;	0.15	3	0.45
2. Support of natural resources ;	0.25	4	1.00
3. Ministry of Agriculture program through Livestock General Directorate that is <i>P2SDS</i> 2014 ;	0.15	3	0.45
4. Vision of Kupang Regency Government to make Kupang Regency as the area eminent in eastern Indonesia ;	0.20	3	0.60
5. Society of Kupang Regency is a sterling farmer community.	0.20	3	0.60
Total Score			3.10
<b><i>THREATS</i></b>			
1. Not solid institution that handles livestock sector ;	0.15	3	0.45
2. Weak farm data information flow ;	0.25	4	1.00
3. High number of productive female slaughtering ;	0.20	4	0.45
4. The lack of access to capital.	0.15	3	0.45
Total Score			2.35

Description rating :

1 : very unimportant            2 : not important    3 : quite important

4 : important                    5 : very important

Note:

$$\begin{aligned} \text{Opportunities factor} - \text{Threats factor} &= 3.10 - 2.35 \\ &= 0.75 \end{aligned}$$

d. Strategic Analysis

Strategic analysis was obtained by analyzing the **Strength**, **Weaknesses**, **Opportunities**, and **Threat** (SWOT). With the SWOT analysis, obtained by the strategic assumptions (Tabel 6).

**Tabel 6. Strategic assumption**

	<u>STRENGTH (S)</u>	<u>WEAKNESSES (W)</u>
IFAS	1. Office infrastructure support ;	1. Utilization of the office infrastructure is not optimal yet ;
EFAS	2. Considerable amount of human resource ;	2. Human Resources competency has not been adequate ;
	3. Support from the state budget and local budget funds ;	3. Mechanism of action and coordination between unit and secretariat is still less ;
	4. Apparatus have very adequate level of education ;	4. Degree of discipline in and out of the office is still lacking.
	5. Support of livestock facilities and infrastructure ;	
	6. Good cooperation with entrepreneur.	
<u>OPPORTUNITIES (O)</u>	<u>STRATEGIC ASSUMPTION (SO)</u>	<u>STRATEGIC ASSUMPTION (WO)</u>
1. The commitment to make NTT as a province of cattle ;	1. Optimizing the state budget and local budget to support the commitments made NTT as a province of cattle (S3 + O1) ;	1. Overcome weaknesses ineffective office facilities and infrastructure to utilize the support of natural resource potential (W1 + O2) ;
2. Support of natural resources ;	2. Optimizing the role of human resource to support the ministry of agriculture program through Livestock General Directorate that is P2SDS 2014 (S2 + O3) ;	2. Overcome weaknesses human resource competencies inadequate by training to support P2SDS program (W2 + O3) ;
3. Ministry of Agriculture program through Livestock General Directorate that is P2SDS 2014 ;	3. Optimizing the educational competence apparatus to support the vision of Kupang Regency Government (S4 + O4) ;	3. Overcome the coordination of work that still less to support NTT as the provincial of cattle (W3 + O1) ;
4. Vision of Kupang Regency Government to make Kupang Regency as the area eminent in eastern Indonesia ;	4. Optimizing infrastructure to exploit the potential of natural resources (S5 + O2) ;	4. Overcome the weakness of the discipline in and out the office to support the vision of Kupang Regency Government (W4 + O4.)
5. Society of Kupang Regency is a sterling farmer community.	5. Cooperating with entrepreneur to empower farmers (S6 + O5).	
<u>THREATS (T)</u>	<u>STRATEGIC ASSUMPTION (ST)</u>	<u>STRATEGIC ASSUMPTION (WT)</u>
1. Not solid institution that handles livestock sector ;	1. Optimizing utilization office facilities and infrastructure to obtain livestock data information (S1 + T2) ;	1. Overcome the weaknesses of the utilization of facilities and infrastructure office are not optimal to strengthen access to livestock data information (W1 + T2) ;
2. Weak farm data information flow ;	2. Optimizing the number of human resource to strengthen the livestock sector institutions (S2 + T1) ;	2. Overcome weaknesses human resources competencies are not yet sufficient to establish the livestock sector institutions (W2 + T1) ;
3. High number of productive female slaughtering ;	3. Optimizing the use of State Budget and Local Budgets for the allocation of capital livestock agribusiness sector (S3 + T4) ;	3. Overcome weaknesses and work mechanism of coordination between unit and secretariat which is still less to reduce the number of productive female slaughtering (W3 + T3) ;
4. The lack of access to capital.	4. Optimizing exploitation of livestock facilities and infrastructure to reduce the high number of productive female slaughtering (S5 + T3).	4. Overcome weaknesses degree of discipline in and out of the office that was still less to extend the network to get funding sources for livestock sectors (w4 + T4).

## CONCLUSIONS

From the results of problem identification and SWOT analysis of the institutional Livestock Services in order to achieve beef cattle agribusiness development program in Kupang Regency, Livestock Services position was in quadrant I. This institution must be more aggressive to make a breakthrough development, because the future challenges will be heavier. This tendency is marked by the decline in beef cattle population. To make it be successful, strategic steps to be taken are as follows :

1. Optimizing the state budget and local budget to support the commitments made NTT as a province of cattle ;
2. Optimizing the role of human resource to support the ministry of agriculture program through Livestock General Directorate that is *P2SDS* 2014 ;
3. Optimizing the educational competence apparatus to support the vision of Kupang Regency Government ;
4. Optimizing infrastructure to exploit the potential of natural resources ;
5. Cooperating with entrepreneur to empower farmers.

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