

THE IMPACT OF GOVERNMENT POLICY ON SHALLOT COMPETITIVENESS IN WANASARI SUB DISTRICT BREBES REGENCY

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ABSTRACT

This study aims to determine competitiveness, the impact of government policies, and the impact of changes in output prices on the competitiveness of shallot in the Wanasari Sub-district, Brebes Regency using the PAM (Policy Analysis Matrix) method. The results showed that shallot farming had competitive advantage (PCR 0.44) and comparative advantage (DRCR 0.77) which indicated that shallot farming had very high competitiveness. There is protection against output (NPCO 1.63) and subsidies on tradable inputs (NPCI 0.87). Simultaneously government policies on inputs and outputs give benefits to the shallot farming. Changes in output prices greatly affect the competitive advantage of the shallot farming. Farmers will only receive financial benefits if the output price is more than Rp7.185/kg.

Keywords: shallot, competitiveness, government policy, policy analysis matrix

INTRODUCTION

The agriculture sector plays an essential role in the Indonesian economy. As a rural country, Indonesia is heavily focused on agricultural activities. This sector, in addition to being the food-producing sector, also plays a role in contributing to the national gross domestic product and foreign exchange and absorbing the Indonesian people's labor force. In addition to the industrial sector, the agricultural industry is one of the primary raw materials providers in agroindustrial activities.

Red onion is one of the strategic commodities in developing Indonesian agriculture. His role as one of the spices that cannot be replaced makes this commodity a vital commodity that contributes to the movement of agriculture, industry, and services, especially boga services. Today, onion is starting to be glanced at by farmers who are working on their land intensively. This is because onions have high economic value and have a relatively short planting period, which is two months.

Wanasari District became one of the centers of onion production in Brebes Regency. In 2016, the Wanasari District became the highest red onion producer, with an output of 90,675 tons and a harvest area reaching 8,675 hectares. In addition, the productivity of the onion Wanasari subdistrict is also above the average of Brebes Regency, which is 10.45 tons/hectares. This strengthens the

Wanasari District as the most prominent red onion producer in the Brebes Regency (BPS, 2016).

Government policy on national development refers to nine priority agendas called Nawa Cita. Nawa Cita is an effort to accelerate national growth to realize Trisakti, namely Indonesia, sovereign in politics, independent in economics, and personality in culture. One mission that was raised in Nawa Cita is to increase the productivity of the people and competitiveness in international markets so that the Indonesian people can advance and rise with other Asian nations as well to realize economic independence by moving the strategic sectors of the domestic economy.

Agriculture, especially the horticultural subsector, is one of the most potential pillars of the people's economy to develop. Following Nawa Cita, the competitiveness of agricultural products becomes a priority agenda to improve the welfare of the people. There is a high potential for horticultural commodities, especially red onion, to be used as a highly competitive superior commodity to compete in international markets in the era of globalization.

The Ministry of Trade has issued a policy of importing horticulture products through the Regulation of Trade Minister Number 47/MDAG/PER/8/2013. The policy strictly regulates imported activities on horticultural products, especially chili and red onion. Under the procedure, the government has set a reference price for red onion imports of Rp25,700/kg as stated in

the Decree of Director General of Home Trade No. 118/PDN/KEP/10/2013. The policy was taken so that farmers are not harmed because of the plummeting price of red onions caused by economic actors who want to take advantage by importing red onions (Aldila et al., 2015).

As a policyholder, the government is responsible for ensuring agricultural development, especially onion commodities, running smoothly to improve the competitiveness of red onion, the welfare of farmers, and the creation of economic stability. This study aims to know the competitiveness of red onion, the impact of government policies, and changes in output prices on the competitiveness of onion Wanasari District Brebes. The results of this study can be used as a consideration of government policy, taking into account the improvement of the competitiveness of the national red onion through procedures related to the input and output of the red onion business.

METHOD

The primary method used in this study is the descriptive analytics method—research conducted in Wanasari District Brebes Regency. The selection of research locations is deliberate (purposive), considering the area with the most significant harvest and production of onion compared to other sub-districts in Brebes Regency

based on data obtained from the Central Statistics Agency (BPS).

The type of data collected is primary and secondary data. Preliminary data was obtained from interview results using a questionnaire to several onion farmers as respondents. In contrast, secondary data is obtained from related agencies such as the Agriculture Service, Industrial Service, Trade and SMEs, Central Statistics Agency, several other agencies, and scientific publications. Sampling using simple random sampling method, which is the random sampling method of selection from the research population. The number of respondents used as many as 40 red onion farmers in Wanasari District Brebes Regency.

The competitiveness and impact of government policy on onion business in Wanasari District Brebes District was analyzed using the PAM method. The stages in the preparation of the PAM table are as follows (Monke and Pearson, 1989):

1. Identify all inputs used in the production process.
2. Allocate Tradable inputs and nontradable inputs.
3. Calculate the shadow price of input, output, and money exchange rate.
4. Analyze comparative and competitive advantages and policy impacts with PAM models.

Table 1. Policy Analysis Matrix (PAM)

Description	Revenues	Cost		Profit
		Tradable	Nontradable	
Private Price	A	B	C	D
Social Price	E	F	G	H
Policy effect	I	J	K	L

Source : Monke and Pearson, 1989

Description:

- Individual acceptance (production multiplied market price) = A
- Tradable Input multiplied market price = B
- Domestic factor input multiplied market price = C
- Private Profits (D) = (A) - (B+C)
- Social Profits (H) = (E) - (F+G)
- Output Transfer (I) = (A) – (E)
- Transfer Input (J) = (B) – (F)
- Factor Transfer (K) = (C) – (G)
- Net Transfer (L) = (D) – (H)

Policy Analysis Matrix (PAM)

Policy Analysis Matrix (PAM) is an analysis tool used to measure the competitiveness of onion in Brebes District Wanasari Regency. PAM is a matrix arranged by entering the receipt, cost, and profit components.

Profit Analysis

Profit Analysis consists of private profitability (PP) and social profitability (SP). Private Profitability (PP) is one of the indicators of competitive advantage. In the policy analysis matrix (PAM), private profits are symbolized with the letter D and can be formulated as follows (Monke and Pearson, 1989):

$$D = A - (B + C)$$

Private Profitability = private revenues - (private tradable cost + private non tradable cost)

Social benefits are indicators of a commodity's comparative advantage when the market is perfectly competitive or there is no divergence due to government policy or market distortion. In the policy analysis matrix (PAM), social gain is symbolized with the letter H and can be formulated as follows (Monke and Pearson, 1989):

$$H = E - (F + G)$$

Social Profitability = social revenues - (social tradable cost + social non tradable cost)

Competitive and Comparative Advantage Analysis

A commodity's efficiency level can be seen from comparative advantage and competitive advantage. Competitive advantage is seen from the value of private profit and Private Cost Ratio (PCR). Comparative advantage are seen from social gains and the Domestic Resource Cost Ratio (DRCR).

The smaller the value of PCR, the more commodities have competitive advantages. PCR was formulated by Monke and Pearson (1989) as follows:

$$PCR = \frac{C}{(A - B)}$$

$$= \frac{\text{private non tradable cost}}{(\text{private revenues} - \text{private tradable cost})}$$

Comparative advantages of a commodity can also be seen from the Domestic Resource Cost Ratio (DRCR) value. DRCR was formulated by Monke and Pearson (1989) as follows:

$$DRCR = \frac{G}{(E - F)}$$

$$= \frac{\text{social non tradable cost}}{(\text{social revenues} - \text{social tradable cost})}$$

Impact of Government Policy

Government policies on output are explained by the value of Output Transfer (OT) and Nominal Protection Coefficient on Output (NPCO). Based on the PAM marks, OT values are formulated by Monke and Pearson (1989) as follows:

$$I = A - E$$

Output Transfer = private revenues - social revenues)

Nominal Protection Coefficient on Output (NPCO) is a ratio made to measure Output Transfer (OT).

NPCO calculations can show the impact of government incentives that cause differences in output values measured by private/domestic prices and social prices. NPCO was formulated by Monke and Pearson (1989) as follows:

$$NPCO = \frac{A}{E}$$

$$= \frac{\text{private revenues}}{\text{social revenues}}$$

Government policies on Tradable input are explained by the value of Transfer Input (IT) and the Nominal Protection Coefficient on Input (NPCI). At the same time, nontradable inputs are described with a Transfer Factor (TF) value. IT values show the impact of government intervention on Tradable inputs that result in differences in private and social transaction costs. Based on the PAM matrix, IT values are formulated by Monke and Pearson (1989) as follows:

$$J = B - F$$

Input Transfer = private tradable cost - social tradable cost

The nominal Protection Coefficient on Input (NPCI) is the ratio between the cost of the Tradable Input based on private price and the Tradable Input based on social price. The difference between these two costs indicates a policy that results in the financial worth of the tradable input is different from the shadow price of the tradable input. NPCI was formulated by Monke and Pearson (1989) as follows:

$$NPCI = \frac{B}{F}$$

$$= \frac{\text{private tradable cost}}{\text{social tradable cost}}$$

Transfer Factor (TF) shows the influence of government policy on domestic inputs. The TF value indicates the magnitude of subsidies against nontradable inputs.

$$TF = C - G$$

Transfer Factor = private non tradable cost - social non tradable cost

The impact of government policies on input-output can be explained through the value of Effective Protection Coefficient (EPC), Net Transfer (Net Transfer or NT), Profitability Coefficient (PC), and Subsidy Ratio for Producers or SRP). Effective Protection Coefficient (EPC) is an indicator of the overall impact of input and output policies on domestic commodity systems. The EPC value describes the extent to which government policies are protective or hinder

domestic production (Monke and Pearson, 1989). Based on the PAM matrix, the EPC value is formulated by Monke and Pearson (1989) as follows:

$$EPC = \frac{(A - B)}{(E - F)}$$

$$= \frac{(\text{private revenues} - \text{private tradable cost})}{(\text{social revenues} - \text{social tradable cost})}$$

Net Transfer (NT) is the difference between the net profit that manufacturers receive and the social net profit. In addition, the value of NT also describes the difference between output transfer and input transfer. The NT value shows the overall impact of government policy on farmers' acceptance. NT was formulated by Monke and Pearson (1989) as follows:

$$NT = D - H$$

Net Transfer = private profitability - social profitability

Profit/Profitability Coefficient Coefficient (PC) compares private and social net profits. The Profit Coefficient was formulated by Monke and Pearson (1989) as follows:

$$PC = \frac{D}{H}$$

$$= \frac{\text{private profitability}}{\text{social profitability}}$$

The subsidy ratio for Manufacturers/Subsidies Ratio to Producers (SRP) is a ratio that describes the entire transfer impact. SRP is measured by comparing net transfer with output value at social price. The SRP indicates the extent to which revenue from the business

increases or decreases due to the influence of transfer from the government. The Subsidy Ratio for Manufacturers is formulated by Monke and Pearson (1989) as follows:

$$SRP = \frac{L}{E}$$

$$= \frac{\text{net transfer}}{\text{social revenues}}$$

Competitiveness Assessment Matrix

The commodity range reflects the competitiveness ability, whether it includes very high, high, medium, low, or very low competitiveness. The criteria are presented in a matrix containing indicators used, including PP, SP, PCR, and DRCR of the commodity.

According to Kothari (2005) cit Setiawan et al. (2014), the difference in competitiveness range in a commodity can be used to determine the priority scale of the development of commodities concerned, namely:

- Commodities that have very high competitiveness are highly prioritized to develop.
- Commodities that have high competitiveness are still prioritized to be developed, but commodities that have very high competitiveness.
- Competitive commodities have two possibilities, namely, can be developed or can not be developed, depending on the field, whether due to policy distortions or market failure.
- Meanwhile, commodities that have low or very low competitiveness should not be developed.

Table 2. Competitiveness Assessment Matrix of Red Onion Farm in Wanasari District

Indicator	Value Criteria				
PP	+	-	-	-	-
SP	+	+	-	-	-
PCR	+	+	+	-	-
DRCR	+	+	+	+	-
Combined Value	4+	3+1-	2+2-	1+3-	4-
Competitiveness	Very High	High	Medium	Low	Very Low

Source: Kohari (2005) cit. Setiawan et al.(2014)

Sensitivity Analysis of Red Onion Competitiveness

Sensitivity analysis or sensitivity aims to determine the effect of changes in the price of red onion output on competitiveness reviewed by indicators of competitive advantage. This analysis shows at once as a step of anticipation if there are changes in the implementation of an activity, especially to the onion business, which has a very volatile output price. The sensitivity analysis in this study was conducted on changes to the private

output price of Rp10,000/kg, Rp7,000/kg, and Rp5,000/kg.

RESULTS AND DISCUSSION

Wanasari District Red Competitiveness Analysis

Based on Table 3, it is known that the value of private profit is the profit on. A government policy of Rp46.141.115 is much higher than when no government policy is shown with its social benefits, which is Rp10.255.067. This indicates

that divergence causes actual prices to differ from social prices, implying that overall government distortion or intervention is exceptionally protective and beneficial for onion engagement. Positive private and social benefits illustrate that the onion business in Wanasari District is worth reviewing financially and economically.

The impact of government policy leads to divergence against. The output and input price are reflected in the third line of PAM. The difference in the value of private receipts and social receipts of Rp36.450.090 indicates that there is a policy that

provides implicit subsidies to output or resource transfer that adds to the system's profit from the private price of onion output of Rp14.074/kg, which is much greater than its social price of Rp8.632. In addition, the government also applies subsidies to farmers for tradable inputs that cause the private cost of tradable inputs to be lower than the price of tradable inputs in international markets. Distortive government policies are applied to achieve non-efficiency goals, namely for the welfare and food security (Pearson et al., 2005).

Table 3. Policy Analysis Matrix (PAM) of Red Onion Farm in Wanasari District

Description	Revenues (Rp)	Cost (Rp)		Profit (Rp)
		Tradable Input	Nontradable Input	
Private Price	94.258.877	12.460.674	35.657.088	46.141.115
Social Price	57.808.787	12.710.894	34.842.827	10.255.067
Divergency	36.450.090	-250.220	814.261	35.886.049

Source: Primary Data Analysis, 2018

Table 4 shows the known value of PP and PCR engagement onion in the Wanasari District. The value of PP obtained is Rp46.141.115. The value of PP >0 indicates that the onion business at the time of government policy is financially beneficial and worthy of effort. Meanwhile, the PCR coefficient value is less than one, which is 0.44. The PCR value of 0.44 means that to produce one unit of output at private prices, it is necessary

to incur a domestic input fee of 0.44 units, or in other words, to make one unit of production can save domestic input by 0.56 units. PP and PCR indicators show onion engagement in Wanasari District has a competitive advantage. The competitive advantage is inseparable from government policy, especially on interventions on the price of onions that are protective to the farmers of onions at the time.

Table 4. Competitive Advantage of Red Onion Farm in Wanasari District

Parameter	Value	Indicator of Excellence
<i>Private Profitabilty</i> (PP) (Rp)	46.141.115,00	PP >0
<i>Private Cost Ratio</i> (PCR)	0,44	PCR <1

Source: Primary Data Analysis, 2018

Based on Table 5, it is known that the value of SP engagement onion in Wanasari District is Rp5,757,828. The value of social gain / SP >0 indicates that the onion business activities are economically beneficial even without any policy from the government. In addition, the DRCCR value is obtained at 0.77. This shows that the Onion engagement is financially efficient and has comparative advantages. The value of DRCCR of

0.77 means that to produce foreign exchange of one unit only required a domestic production factor of 0.77, which means that it can save foreign exchange of 0.23 from the cost of import needed. Therefore, an onion-onion-based business system will be more profitable if manufactured domestically than imported from abroad because it can save foreign exchange by 23%.

Table 5. Comparative Advantage of Red Onion Farm in Wanasari District

Parameter	Value	Indicator of Excellence
<i>Social Profitabilty</i> (SP) (Rp)	10.255.067,00	SP >0
<i>Domestic Resource Cost Ratio</i> (DRCCR)	0,77	DRCCR <1

Source: Primary Data Analysis, 2018

Analysis of the Impact of Government Policy on Red Onion Business

Based on the OT value of more than zero, which is Rp36.450.090, and the NPCO value of more than one, which is 1.63, it can be concluded

that the onion farmers in Wanasari District get protection against the output price of the onion. This is following the government policy through Permentan Number 38/2017 on the recommendation of imported horticultural products (RPIH), with one of the main objectives

being to encourage domestic production. In addition, based on Permenagag No. 27/M-DAG/PER/5/2017, the reference price of red onion at the farmer level is Rp15,000/kg. Meanwhile, the Decree of the Director General of Home Affairs as Chairman of the Technical Team of Horticultural Product Price Monitor Number 118/PDN/KEP/10/2013 on the Price of Horticultural Product Reference has set the reference price for onions and chili peppers. The reference price of red onion is Rp25,700/kg in the consumer chain, which is expected to regulate the price of onion and prevent improper imported red

onion supplies. The average private price of onion in Wanasari District is Rp14.074. Therefore, according to regulations, the government should not import onions because the prices received by farmers are still relevant to the cost of the reference price set. In this regard, the Minister of Trade can assign state-owned enterprises to import red onions after coordinating with the Minister of Agriculture and Coordinating Minister for Economic Affairs if the price of onions is far above the benchmark price at the consumer level and is felt to disrupt national stability.

Table 6. Output Policy of Red Onion Farm in Wanasari District

Parameter	Value	Indicator
<i>Output Transfer</i> (OT) (Rp)	36.450.090,00	OT >0
<i>Nominal Protection Coefficient Output</i> (NPCO)	1,63	NPCO <1

Source: Primary Data Analysis, 2018

Transfer Input (IT) differs between private tradable input costs and social Tradable inputs. If the IT value <0, the farmer pays the tradable input fee lower than the social price. Based on Table 7, negative IT, which is Rp-250.220. Less than zero IT values indicate the government's subsidies against Tradable inputs.

Nominal Protection Coefficient Input (NPCI) is the ratio of private Tradable Input costs to social Tradable Input costs. The value of NPCI obtained by 0.98 or less than one indicates that there is a protective government policy to farmers against the price of tradable input, so farmers get 2% cheaper than they should be paid due to government subsidies. There are input subsidies from the government in the form of grants against fertilizer prices, namely Urea, ZA, NPK, and SP36 fertilizer. This is under the mandate set out in the Minister of Trade Regulation No. 15/M-DAG/PER/4/2013 on the procurement and distribution of subsidized fertilizers for the agricultural sector as well as Regulation Minister of Agriculture Number 47/Permentan/SR.130/12/2017 on allocation and

highest retail price of subsidized fertilizer for the agricultural sector, which was then followed up by the Head of Provincial Regional Service to propose the number of subsidized fertilizers for all subsectors with the issuance of the Decree of the Head of Provincial Regional Office on allocation of subsidized fertilizers in each district/city. Although the government supports inputs fertilizer, the overall impact of policy on onion inputs is only 2%. This can be caused because other tradable inputs, namely pesticides, are handed over to market mechanisms, and there are taxes and entrance fees so that the price received by the farmer is higher.

Transfer Factor (TF) shows the subsidies against nontradable inputs obtained from the difference in private and social nontradable input costs. The TF brought is positive, which is Rp814.261. If the TF is positive, there is a negative subsidy to the nontradable input. This shows that farmers pay higher prices for nontradable inputs than the price that should be delivered, particularly for labor costs.

Table 6. Input Policy of Red Onion Farm in Wanasari District

Parameter	Value	Indicator
<i>Input Transfer</i> (IT) (Rp)	-250.220,00	IT <0
<i>Nominal Protection Coefficient Input</i> (NPCI)	0,87	NPCI <1
<i>Transfer Factor</i> (TF) (Rp)	814.261,00	TF <0

Source: Primary Data Analysis, 2018

Based on Table 8, we obtained an EPC value of 1.81. EPC is the ratio between the added value of private and social prices. The EPC worth >1 indicates that the government's policy towards input and output provides incentives for onion farmers in Wanasari District. The policies taken

are protective and aim to protect domestic red onion production.

NT is a value that describes government policy's impact on onion farmers' income. NT obtained a positive value of Rp35.886.049. The value of NT >0 indicates that farmers receive

benefits for government policy towards the input and output of red onions that are proven in the presence of an additional surplus of Rp35,886,049.

Profitability Coefficient (PC) is a coefficient that shows the impact of government policy on private gains. PC value is the ratio between private profits and social growth. Based on Table 8, we obtained a PC value of 4.50. The PC value >1 indicates that the overall policy taken by the government towards input and output provides incentives for onion farmers. The PC value of 4.50 indicates that the farmer's profit was 4.50 times greater than its social gain.

One indicator used to measure the combined impact of the government policy is SRP.

Based on Table 8, it is known to have an SRP value of 0.62. Positive value SRP shows farmers are spending less on production than opportunity costs. SRP can also be interpreted as a measure of protection equivalent to the output rate (equal tariff output), which is the value of the tariff that must be imposed if the entire transfer is made through import tariffs (Pearson et al., 2005). Thus, NT amounting to Rp35,886,049 occurs when imposed tariffs on onion imports of 62% and no other divergence. This suggests that most subsidies for onion farmers in the Wanasari District are sourced from policies related to import output or tariffs.

Table 8. Input-Output Policy Indicator of Red Onion Farm in Wanasari District

Parameter	Value	Indicator
Effective Protection Coefficient (EPC)	1,81	EPC >1
Net Transfer (NT) (Rp)	35.886.049,00	NT >0
Profitability Coefficient (PC)	4,50	PC >1
Subsidy Ratio to Producers (SRP)	0,62	SRP >0

Source: Primary Data Analysis, 2018

Based on Table 9 shows that the onion engagement in District Wanasari has competitive and comparative competitiveness because the assessment indicator is entirely positive. The value of PCR and DRPCR worth less than one hints that the onion business in Wanasari District can compete in international markets even without government intervention. In addition, the competitiveness assessment matrix shows that the

onion engagement in Wanasari District has a very high competitiveness rate, indicating that it would be more beneficial if onions were produced domestically rather than imported from other countries and has implications that the onion engagement in Wanasari District is highly prioritized to be developed to maintain its competitiveness level through production efficiency and policy from the government.

Table 9. Competitiveness Assessment Matrix of Red Onion Farm in Wanasari District

Parameter	Value	Criteria
Private Profitability (PP) (Rp)	46.141.115,00	+
Social Profitability (SP) (Rp)	10.255.067,00	+
Private Cost Ratio (PCR)	0,44	+
Domestic Resource Cost Ratio (DRPCR)	0,77	+
Value		4+
Competitiveness Assessment		Very High

Source: Primary Data Analysis, 2018

Analysis of Red Onion Competitiveness Competitiveness

Table 10 shows that in an output price scenario of Rp10,000, the onion business still benefits farmers of Rp18,855,392 with a PCR value of 0.65. This indicates that the onion business still has a competitive advantage at the price level of Rp10,000/kg. However, in the scenario of red onion prices of Rp7,000/kg and Rp5,000/kg, onion engagement does not have a competitive advantage reviewed by competitive advantages because it has negative advantages and PCRs worth more than one. The onion effort will only provide an advantage and have a competitive

advantage if the output price at the farmer level is more than Rp7.185/kg.

OT values indicate transfer value. In an output price scenario of Rp10,000, OT is positively valued, indicating the transfer from consumers to manufacturers, meaning consumers pay onions more expensive than social prices. In contrast, the OT value is negative in the output price scenario of Rp7,000/kg and Rp5,000/kg. This indicates the presence of a transfer from producers to consumers because farmers receive lower prices than social prices. Based on the NPCO value, at output prices of Rp7,000/kg and Rp5,000/kg, there is no protection policy against output (deprotection) that causes output prices to be lower than their social

prices. Meanwhile, at an output price of Rp10,000/kg, NPCO values more than one, which means farmers receive price protection over government policies that cause the price received to be higher than its social price.

Changes in output prices with three output price scenarios, Rp10,000/kg, Rp7,000/kg, and Rp5,000/kg, influence simultaneously input and output policy impacts. The three parameters used to measure the effects of government policy on the input and output of the onion business, namely EPC, NT, and SRP, indicate that farmers will only

receive benefits for onion input and output policies at the time of output price of Rp10,000/kg. Meanwhile, at the time, the output price of Rp7,000/kg and Rp5,000/kg EPC value is less than one, indicating the input and output policy is disprotective and unfavorable for farmers. This is in line with other parameters, such as NT and SRP, that are negative, which means that farmers do not receive incentives and even receive damaging subsidies that cause farmers to lose at the time of output prices of Rp7,000/kg and Rp5,000/kg.

Table 10. Competitiveness Sensitivity

Parameter	Harga Privat (Rp/kg)				Indikator
	14.074	10.000	7.000	5.000	
PP (Rp)	46.141.115,00	18.855.392,00	-1.236.554,00	-14.631.185,00	PP>0
PCR	0,44	0,65	1,04	1,70	PCR<1
OT (Rp)	36.450.090,00	9.164.367,00	-10.927.579,00	-24.322.210,00	OT>0
NPCO	1,63	1,16	0,81	0,58	NPCO>1
EPC	1,81	1,21	0,76	0,47	EPC>1
NT (Rp)	35.886.049,00	8.600.326,00	-11.491.620,00	-24.886.251,00	NT>0
PC	4,50	1,84	-0,12	-1,43	PC>1
SRP	0,62	0,15	-0,20	-0,43	SRP>0

Source: Primary Data Analysis, 2018

CONCLUSIONS

Based on data analysis and discussion in this study, it can be concluded some of the following:

- Wanasari subdistrict red onion has very high competitiveness reviewed from competitive and comparative advantages.
- Government policy positively impacts the onion business in Wanasari District. There is a positive transfer of input and protection against the output of the onion business that, as a whole, implies the benefits the farmer receives are higher than its social gain.
- Changes in private output prices significantly impact the competitive advantage of Wanasari District onion. Farmers will only receive the benefits of government policy and will benefit financially if the output price received is more than Rp7.185/kg.

Wanasari subdistrict Red Onion has very high competitiveness, so the development program of the onion business is very prioritized because it can provide benefits for farmers reviewed from the financial and economic side.

Government policy for the short term towards onion engagement, especially against output price protection, needs to continue. In addition, it needs a program that can boost the productivity of the onion business in Wanasari District and can still be optimized so that farmers' income can be increased.

Government policy for the long term, it is necessary to consider transfer from the government to the input of onion business and slowly replace it with a program that can increase the insight, ability, and independence of the onion farmers relating to the onion's business system but still maintain the policy of protection of onion prices so that farmers do not worry about the plummeting of onion prices. It is expected that with the government's policies, farmers will be able to increase the productivity of onions and earn higher income.

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