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# A Model for Small Farm Sugar Industry Business Development in Lareh Sago Halaban District, Lima Puluh Kota Regency, West Sumatera, Indonesia

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### Abstract

Lareh Sago Halaban District in Lima Puluh Kota Regency is one of the palm sugar producers and centers palm plantations in West Sumatra Province. This is supported by the palm sugar processing industry in in Labuah Gunuang Village. However, product marketing is still limited and the sap processing factory has not met the standards. Objective This research is to design a palm sugar business development model in Labuah Gunuang Village, District Lareh Sago Halaban. The research was conducted at the Mutiara Jorong Talaweh farmer group in Labuah Gunuang Village, because the Mutiara farmer group is sap processing industry centers into printed palm sugar, liquid palm sugar, ant sugar and fresh sap. The Research had been done in June-October 2022. The research method was carried out in a descriptive qualitative manner. Data analysis by compiling designing a model for the development of the palm sugar industry qualitatively based on the determinants industrial development.

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The results of the study obtained a design model for small palm sugar industry business development the Mutiara farmer group, namely ant sugar, is made in sachets weighing 7.5 - 10 grams per sachet, sugar aren is printed into a smaller size of 2x2 cm so that its use is practical for one use, results processed sap that is more hygienic by fixing processed factories that meet standards from Food and Drug Supervisory Agency certificate and Halal so that they meet the standard requirements of hotels, cafes and minimarkets, marketing needs to be developed with digital marketing through social media, and market place, as well as the need for funding sources from investors and local government.

Keywords: palm sugar processing industry; palm sugar business development; palm sugar marketing.

### 1. Introduction

The sugar palm plant (Arenga pinnata Merr) is one type of palm plant that grows on altitude 0 - 1,400 m above sea level. This plant is not requires special growing requirements and maintenance intensive so that it can be planted in marginal land and suitable for conservation purposes land and water. However, palm plants has economic, social, cultural functions as well good environmental conservation. Palm plants is a potential plantation crop large and of economic value to upgrade community welfare. The benefits of palm plants namely sago, palm fiber, fruit, leaves, midrib, roots and skin stem. Palm plants can be processed into sugar sugar palm with high economic value. Benefits of sugar are very much for health that is overcoming anemia, counteract free radicals, energy source In addition, increase endurance, improves digestion, maintains bone health, helps cell growth, maintains the nervous system, improve memory, overcome pain throat, cure urinary tract infection.

Lareh Sago Halaban District in Lima Puluh Kota Regency is one of them producers of palm sugar and centers of palm plants in West Sumatra Province. Palm plantation area in Lareh Sago Halaban District in 2020 amounted to 299 ha with production of 19.27 tonnes and in 2019 of 164 ha with a production of 32.41 tons. Production has increased by 62.7 percent [1]. Therefore, it is necessary a sugar business development model palm sugar in Lareh Sago Halaban District, Lima Puluh Kota Regency. Palm sugar production in District Lareh Sago Halaban which increasingly supported by the presence downstream products are processed into palm sugar. However, product marketing is still limited and the sap processing factory has not meet the standards. Therefore, the need for a development model palm sugar small industry business in Lareh Sago Halaban District. This research purposes to design palm sugar business development model in Labuah Gunuang Village, Lareh Sago Halaban District.

## 2. Materials and Method

The research conducted on Mutiara Jorong Talaweh farmer group in Labuah Gunuang village, Lareh Sago Halaban District, Lima Puluh Kota Regency, West Sumatra, because of the group Mutiara farm is a sap processing industry palm sugar, liquid palm sugar, ant sugar and sap fresh. The research was conducted in June-October 2022. The research method was carried out descriptively qualitative. The data used are primary data and secondary. Primary data is the data obtained directly from Mutiara Farmers Group, direct observation in the field, Focus Group Discussion (FGD) with Mutiara Farmers Group, Head of Jorong Talaweh and Head of

Village Labuah Gunuang. Secondary data obtained from the Central Bureau of Statistics.

### 3. Results and Discussion

### 3.1. Overview of Palm Sugar Industry Mutiara Farmer's Group

Palm sugar small industry Mutiara Farmer's Group is a small industry of sap processing into printed sugar, liquid sugar, ant sugar and sap fresh. The pearl farmer group consists of 20 people members of the group. Mutiara Farmer's Group is chaired by Mr. El Manik. Group sap processing factory is in Jorong Talaweh. Jorong Talaweh is the largest producer of sap in Labuah Gunuang Village. Fresh sap harvest done by group members twice a day (morning and evening). day). Molded sugar is produced as much as 40 kg/day and sold to collectors (Riau area) with selling price Rp. 18,000 / kg. Packaged ant sugar with a size of 250 grams selling price Rp. 11,000 and 500 gram selling price Rp. 22.0000, liquid sugar with size 250 ml with a price of Rp. 7000/bottle. Fresh sap at a price of Rp. 4000/bottle sold to local government every day.

### 3.2. Industrial Business Development Model of Mutiara Farmer's Group

Based on the results of interviews and FGD (Focus Group Discussion) with head of the Mutiara farmer group, member Mutiara farmer group, Head of Labuah Gunuang Village and the head of Jorong Talaweh is modeled development of small sugar industry business is as follows: (1) ant sugar is made in sachet packaging with weight 7.5 - 10 grams per sachet. So its use practical with once usage and more practical for its use. This matter very supportive of expansion ant sugar marketing for the need for ant sugar in the cafe, hotels, minimarkets around Lima Puluh Kota Regency, Bukittinggi and Padang City. In fact, the expansion of marketing can reach the hotel in Pekanbaru City, (2) palm sugar is molded into smaller size 2x2 cm so that its use is practical for 1 times of use. 3. Improvement of existing products produced from processed sap more hygienic by fixing the factory standardized processing. Because the condition of the sap processing factory building still use flavone from wood thus saving dust, and sap processing is still in the open space which allows dust to enter on the processed sap product. This matter became an obstacle to get certificate National Agency of Drug and Food Control. In addition, it is necessary to arrange certificates halal so that the product is processed sap especially the ant sugar meets the requirements standard hotels, cafes and minimarkets, (4) product marketing media is still limited with offline marketing, so marketing needs to be developed with digital marketing through social media, and market places, (5) development of sap processing industry need financing for factory improvement, marketing costs, certificate National Agency of Drug and Food Control and Halal. So, it needs contribution from local government and needed investors for the funding. [2] states the development of palm sugar by developing marketing distribution to other regions. The results of [3] are that the development of production centers (palm sugar agrotecnopark) is carried out through planning for the development of small and medium palm sugar industry centers which are spatially mapped and provision of policy formulations for the development of small and medium industrial centers in Landak Regency. According to [4], the strategy for the development of the palm sugar agro-industry in Lareh Sago Halaban District is the SO strategy: strengthening R & D for research on quality ant sugar processing, product diversification, and packaging for the commercialization of palm sugar, WO strategy: improving facilities and infrastructure for ant sugar production to meet export standards and institutional assistance from related agencies, ST strategy: providing financial

assistance to increase palm sugar production, establishing an agritechopark area for palm sugar, providing assistance in the form of appropriate technology and packaging, WT strategy: increasing commitment and cooperation between all sugar palm stakeholders, increased promotion for marketing expansion, policies and sanctions for selling in the form of palm wine. The results of research by [4], the development of the aren agroindustry can refer to the Hariang-Banten and Masarang-Tomohon agro-industry models, with product orientations with high economic value and a broad market.

### 4. Conclusion

Based on the research results, then conclusions obtained by the design of the model development as follows: (1) product innovation technology (printed sugar size 2x2 cm per sachet until use practically, deep ant sugar sachet size weighs 7.5-10 grams per sachet, (2) product revamping hygienic starting from refinement factory sap with closed space and plavon is not made of wood, (3) marketing expanded with digital marketing by social media and market place, (4) funding is needed for factory improvement, marketing and product development.

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