

## The Analysis of Constraints and Opportunities Development of Livestock in Aceh Besar

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### Abstract

This research aims to analyze the constraints and opportunities of livestock business development in Aceh Besar. The data used in this research is primary data obtained by distributing questionnaires to the related parties such as Animal husbandry in Aceh and Aceh Besar, breeders, breeders association and manager of slaughterhouse. The data analyzed by using SWOT analysis. The research found that the opportunity of livestock development is great enough beside the availability of land, government participation in giving seed (calf) of Aceh cattle to a number of breeders, mowers/feed crusher, vaccination, administration, artificial insemination and land development for forage. In addition, the constraints experienced by cattle breeders are limited which based on the infrastructure, poor management of cattle breeders, lack of cage sanitation, limited forage during dry season, and the demands of industry/manufacture are still dominated by imported beef.

**Key words:** constraints, opportunities, development of livestock in Aceh Besar

### Introduction

Livestock is the closest real sector in Indonesian people, especially Acehnese. Livestock business is an integral part in daily life of Acehnese. The Government of Aceh has made some various efforts to increase production and productivity of livestock in order to reduce a dependency on the other regions in handling the need of livestock. However, the efforts of government have not provided the optimal results. The indicator is not achieved yet in Beef self-sufficiency and still supplied from outside.

Based on the report from the agency of Peternakan dan Kesehatan Hewan Aceh (2010), the cattle population in Aceh in 2009 was 590.315 (88.11%) from cattle population in Aceh about 669.996 around 23 districts/cities in Aceh. The largest population of cattle in Aceh includes district of East Aceh (100.992), North Aceh (97.394), and Aceh Besar (96.789). The population in 2011 is 731.645, the weight of calf in Aceh is around 128 + 30 kg, and bull is around 145 + 37 kg. Aceh cattle have been in around of Aceh, and some districts of North Sumatera. Bps (Statistical agency) in Aceh (2008), the total number of land area in Aceh is nearly 1,52,578 hectares and can be used as a source of forage for livestock with the integration system of livestock with plantation plants, Moreover, the agriculture waste such as abundant rice straw have been burned by farmers, but it also could be functioned as forage.

On the other part, beef price in Aceh is extremely high, especially during Ramadan and two feasts, and even called as the highest cost in the world. The lack of production and productivity of livestock because of the development has not been business-oriented. Livestock in Aceh is still traditional and in a very small-scale enterprise, so the economic impact is still extremely small. To change the concept requires hard work and the integration with some various agencies (partnership).

Partnership is a successful movement in developing a small-scale livestock. The integration with private entrepreneurs in livestock needs to be made in order to learn about the changes from traditional livestock to be agribusiness livestock. Partnership and cooperation among breeders, businesses and local governments in livestock must be synergistically. Besides, by having technical capability such as selection of location, and partnership also play role in provision of seeds, maintenance, business, capital, and marketing

Long ago, government of Indonesia has issued Regulation Number. 44 of 1997 on the partnership which is directed on the basis of the economic norms that applid in business relations, mutual need,

mutually reinforcing, and profitable. Furthermore, the Decree of the Minister of Agriculture Number. 940 / Kpts / OT.210 / 10/1997 on the guidelines of Agricultural Business Partnership. The purpose of partnership is to increase revenue, improve quality of human resources partnership, increase business scale, keep business continuity, and to foster and enhance the ability of a partner group. The applicable Partnership patterns are: Core-plasma, Sub-contracting, Public trading, agency and etc, such as agribusiness operational cooperation in which involves supervision and control by board agribusiness, DG Scope of Department of Agriculture, Agriculture Extension center, and Department of Technical Scope of the Ministry of Agriculture.

The research conducted by Azhar and Syamni (2010) claimed that problems are competition, a long process of export documents, product quality, export barriers, transportation delays, communication limit, lack of understanding about the international market, import administration procedure, inability to meet the market needs, lag of shipment. The same case also faced by the breeders such as lag of development, and limited private investment in the livestock sector. Because of livestock sector is considered as a risky sector, the banks consider it less interesting. Based on the description above, the purpose of of this research is to know the constraints and opportunities for partnership development of breeders in Aceh.

## Materials and Methods

### Procedure

The data classified into primary and secondary data. The primary data collected by using sampling procedures in a research survey, and the secondary data collected from documents of relevant agencies such as Bps (Statistical Agencies), Bappeda Aceh, Department of animal husbandary and animal health, statistical office of subdistrict, agency of local market and scientific publications. The research conducted in the area of production centers and livestock development in Aceh Besar. Aceh Besar was chosen because this district requires 25-30 cattle every day and able to be supplied by its local cattle (Serambi Indonesia newspaper, 2015)

### Data Analysis Methods

The study of partnership between the breeders and businesses also revisited based on the constraints and opportunities of partnership so that is expected to obtain a form of partnership which is really profitable, especially the breeders. Furthermore SWOT analysis was carried out based on the identification of internal and external factors to formulate the feasible policies and strategies of livestock development in Aceh. The assessment of business partnership between farmers with business is conducted through SWOT analysis (Strengths, Weaknesses, Opportunities, Threats).

SWOT analysis carried out to formulate the implemented strategies, and this analysis classified the environmental factors faced by livestock business as strength, weakness, opportunities and threats factors. The analysis of quantitative used IFE matrix, EFE and IE by the following steps: (1) indentifying external and internal factors of livestock business, (2) determining weight of each variable, (3) ratings. This analysis aimed to know the ability of livestock in facing the internal and external environment. The way to figure out the condition of livestock on the environmental conditions could be done by these ways: The score of IFE group in a strong position (3,0-4,0), average score (2,0-2,99) and weak (1,0-1,99). While the score of EFE classified into a strong position (3,0-4,0), middle position (2,0-2,99), and low position (1,0-1,99). SWOT matrix is prepared to find out S-O Strategy, W-O strategy and W-T strategy.

## Results and Discussion

Table 1. Breeder Organization in Aceh Besar

Number	Organization	Organization address	Total of Group Members	Facilities Obtained by Organization	Total
1.	Agrona	Desa Saree Aceh, Kec Lembah Seulawah	10	Cattle, Compost Home	76
2.	Hidayah Lam Seulawah	Desa Lamtamot, Kec. Lembah Seulawah	15	-	70
3.	Seulawah Raya	Desa Lamcarak, Kec. Seulimum	8	-	24
4.	Bersama	Desa Bithak, Kec. Kuta Cot Glie	20	Cattle, Cage, Medicine	56
5.	Seunong Cot	Desa Keumire, Kec. Kuta Cot Glie	25	Cattle, Cage, HMT, Medicine	62
6.	Kube Cot Jure	Desa Lampanah Dayah, Kec. Indrapuri	29	Cattle, Cage, HMT, Medicine	51
7.	Sinar Muda	Desa Meureu Ule Titi, Kec. Indrapuri	30	HMT	43

8.	Cot Malem Farm	Desa Krueng Lamkareung, Kec. Indrapuri	30	Cattle, Cage, Medicine	32
9.	Hikmah Tsunami	Desa Lembeutong, Kec. Indrapuri	10	Compost Home	14
10.	Usaha Jaya	Desa Tumbo Baro, Kec. Kuta Malaka	20	Cattle, Cage, HMT, Medicine	32
11.	Peukan Cot	Desa Teu Dayah, Kec. Kuta Malaka	13	-	12
12.	Cot Pakrut	Desa Lambirah, Kec. Sukamakmur	30	Cattle, medicine, Feed, Recording Facility	56
13.	Sibreh Jaya	Desa Bukloh, Kec. Sukamakmur	10	Cattle	32
14.	Saboh Hate	Desa Piyeung, Kec. Montasik	25	Cattle, Cage, HMT, Medicine	34
15.	Bak Mee Raya	Desa Cot Leuot, Kec. Blang Bintang	15	Cattle, Cage, HMT, Medicine	60
16.	Aneuk Tani	Desa Krueng Anoi, Kec. Kuta Baro	20	Cattle, Cage, HMT, Medicine	47
17.	Sapeu Pakat	Desa Cot Preh, Kec. Kuta Baro	13	-	37
18.	Usaha Mitra Ternak Bersama	Desa Lampuuk, Kec. Kuta Baro	10	Cattle, Cage, HMT, Medicine	-
19.	Meubeudoh Sajan	Desa Lam U, Kec. Ingin Jaya	10	-	-
20.	Bina Bersama	Desa Lubok Batee, Kec. Ingin Jaya	10	Cattle, Cage, HMT, Medicine	-
21.	Mandiri Sejahtera	Desa Lamreh, Kec. Mesjid Raya	10	Cattle, Cage, HMT, Medicine	70

Source : Department of Animal Husbandary Aceh Besar District, 2015.

#### *Beef cattle in Aceh Besar*

Government programs in purifying cow of Aceh are being encouraged, either in Pulo Raya, Aceh Besar district or by giving cows to the cattle for breeding of Aceh cattle with Grant system. Breeding program is organized by a group of breeders and that assistance needs to be done to improve breeders welfare and to keep the development on local cattle of Aceh. However, some breeders prefer to feed the cattle from outside of Aceh such as Brahmana, Limusin and Simental because they are bigger and can produce a plenty beef in Aceh.

The improvement of livestock program has been conducted in Aceh Besar. In 2012, there was a control on productive cattle/buffalo by saving, improving the strategic area and competitive commodities through the improvement of beef cattle area, and improving the integrated cattle of Ruminansia through the improvement of integrated cattle. In 2013, there were cattle seeding, improvement area of cattle, and bull procurement for seeding.

In 2014, there were development of Aceh cattle through the artificial cattle feeding. The government also provided mowers, besides giving forage to, some of breeders also feed their cattle by giving the artificial feed. Basically, breeders product the artificial feed by using machine than mixing it with another ingredients (cocoa, palm residue, soybean, bran, and wheat) through these mechanisms: sago 55%, soybeans 10%, palm residue 20%, wheat 10%, and bran 5%.

#### *Constraints and Opportunities Livestock Sector in Aceh*

In the development of livestock sector in Aceh appears some constraints such as technical aspects in breeders level, supply chain management and institutional partnerships. In addition, Aceh also has a great opportunity for development of livestock sector. The followings will figure out the constraints and opportunities for the development of beef cattle in Aceh Besar.

#### *Constraints in Livestock development in Aceh Besar*

##### *Technical aspect*

1. Cattle feeding only by giving forage will cause difficulties in having forage.
2. There is no any artificial feed because it is only produced by beef cattle companies for their private needs and not for selling.
3. Lack of capital and access to the capital sources.
4. Beef cattle rarely bathed and cage sanitation is bad that affects the quality of cattle.
5. Lack of Aceh cattle

6. Cattle security is less assured because the location of livestock is in upland areas and around the riverbanks of Krueng Aceh that is far from human habitation.
7. Low of bargaining on the cattle cost because of market price and the quality of cattle

#### *Supply Chain Management*

1. Lack of market infrastructure such as veterinary and meat markets so that breeders tend to sell their cattle to the traders.
2. High cost transportation to veterinary market
3. Generally, industry/manufacture tends to use the imported beef because of the cost is much cheaper than Aceh beef.
4. High imports cattle and beef in Aceh.

#### *Partnership Institutional*

1. Lack of manufacturing industry so that there is no direct partnership between breeders and manufacturing industry
2. Lack of institutional consolidation in the breeders either membership, management, market access or capital access.
3. Partnership pattern of livestock is still in a general trade, so that there is no technical and institutional aspect.

#### *Opportunities on Livestock Development in Aceh Besar*

1. High market demand on beef every year in Aceh
2. High price beef in Aceh, especially during Meugang or two days before religious holiday
3. There is a possibility of utilization of farm waste as the cattle feed.
4. The existence of government programs for refining cow of Aceh.
5. There are government programs to help the livestock .
6. High demand for meat manufacturing industry.

#### **Conclusions**

Livestock sector in Aceh still provides a great opportunity because of the existence of high demand and maximum cost in market. In addition, the government supports by giving calf (seed) and feeding program, and beef demand from industry and restaurant are still high. In another part, livestock in Aceh also faces some constraints such as technology, support from government and private sector in providing the quality seeds, availability of feed factory around livestock to anticipate the increase of feed prices, development of breeder organizations (groups of breeders, breeders associations), market access, institutional of market that needs to be increased in accordance with the area of livestock development, and some improvements toward educator role, artificial insemination officers, medical personnel in livestock. All of them could be carried if the livestock in Aceh runs with the integrated, sustainable and partnership system, and the active role of breeder organization.

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