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The Role of Government and Empowerment of Farmers to Improve the Performance of Chili Farming Business

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Abstract:

Chili is one of the vegetable commodities which has quite high economic value, because of its large enough role to meet domestic needs, as an export commodity and the food industry. The purpose of this study was to examine the relationship between the role of government and farmer empowerment and farmer business performance, as well as the relationship between farmer empowerment in improving the business performance of chili farmers in Bali. This study uses a descriptive exploratory approach. The results of the study conclude that the government plays an important role in agricultural development in Indonesia, in addition to other inherent roles, both the regulatory role, the facilitator role and the supervisory role. If farmers can improve their performance, it is necessary to empower farmers. Farmers are said to have good performance when related and meet certain standards. From this model, the motivation and ability factors are important factors in determining the performance of chili farmers.

Keywords **—government role, farmer empowerment, farm performance, chili commodity.**

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I. INTRODUCTION

Agricultural development in an area is not only aimed at increasing production, but also leads to an increase in community income, expansion of employment opportunities, increasing the standard of living of farmers and increasing welfare. The ability of the agricultural sector to contribute directly to economic growth and welfare of farmer households depends on the level of farm income and the surplus generated by the sector itself. Thus, the level of farm income, besides being the main determinant of the welfare of the farmer household, also appears as one of the important factors that condition economic growth [1].

Bali Province is part of the territory of Indonesia which has a large area for conducting agricultural business. The agricultural sector plays an important role in the economy of the Balinese people, one of which is as the second largest contributor to Bali's Gross Regional Domestic Income (PDRB) [2].

The agricultural sector is one of the bases that are highly expected to support economic growth both at present and in the future. Agricultural activities, especially in the field of horticulture, which include flowers, fruit and vegetables, have attracted the attention of various groups. Besides, it can be used as a livelihood that generates profits. Chili is an important vegetable commodity, the fruit is known as a flavoring ingredient and a complement to various Indonesian specialties. The need for chilies from day to day is increasing with the variety of types and menus that use this product [3]. Chili (Capsicum annuum L) is one of the vegetable commodities that has a fairly high economic value, because of its large enough role to meet domestic needs.

The various efforts made by the government to increase chili production and to excite chili farmers aimed at farmers' welfare have not been optimal. The problem of falling chili prices every major harvest and the scarcity of chilies in the market as

well as soaring chili prices, especially just before religious holidays and entering the rainy season, have always been classic unsolved problems. Although the market demand for chili products is increasing, production development is still relatively slow. This is due to various problems, among others, the performance of farmers.

Several important reasons for the development of chili commodities, among others are (1) It is classified as a high economic value commodity; (2) Is one of the leading national vegetable commodities; (3) Occupying an important position in almost all food menus in Indonesia; (4) Has good export prospects; and (5) Are labor intensive in nature [4].

The objectives of this study were to: (1) examine the relationship between the role of government and empowerment of chili farmers in Bali; (2) examining the relationship between the role of the government and the business performance of chili farmers in Bali; and (3) examining the relationship between farmer empowerment in improving the business performance of chili farmers in Bali.

II. THEORITICAL REVIEW

1. Concept of Government Role

The government plays an important role in fostering agriculture in Indonesia, in addition to other inherent roles, both the regulatory role, the facilitator role and the supervisory role [5]. Coaching related to facilitators is to make policies or efforts to avoid price fluctuations and distribution that are more profitable for farmers.

In Law Number 19 of 2013 concerning Protection and Empowerment of Farmers, it is stated that farmer empowerment is any effort to increase the ability of farmers to carry out better farming through education and training, counseling and mentoring, development of systems and means of marketing agricultural products, consolidation and guarantee of agricultural land area, easy access to science, technology and information, and strengthening farmer institutions. This law mandates the government to empower farmers. As a result of research [6] that the role of government is very dominant in empowering farmers. To increase the role of the agricultural sector, guidance is needed by the government in the form of farmer empowerment, but without having to create dependence on the government. Empowerment of farmers will be able to boost farmer business performance.

2. Farming Business Performance Concept

According to [7], agribusiness development begins with the quality of farmers as the main agribusiness actors. In order for farmers to carry out their work properly, it is necessary to have knowledge, mental attitude and skills related to the job. Thus, farm performance refers to the level of the farmer's ability to carry out his work. Farmers are said to have good performance when related and meet certain standards. From this model, motivation and ability are important factors in determining farmer performance [8].

The importance of measuring business performance according to [9], that performance measurement can not only be used as a measure of the success of a business in a certain period, performance appraisal can also be used as feedback for improvements or improvements in performance in the future. Therefore, measurement of the performance of a business must be carried out, because the results of this assessment can be used as a basis for information to make improvements to business performance for the future. KFarm work performance is measured in four indicators, namely: (1) increase in the amount of production, (2) increase in types of business units, (3) increase in sales volume, and (4) increase in operating profit [10].

3. Farmers Exchange Rate and Policies

The phenomena of food production, trade and consumption demands the role of the government to protect domestic producers and consumers. Through the policy of agricultural and food commodity prices, the government is expected to maintain food price stability so as to reduce farmers' uncertainty in marketing agricultural commodities and ensure that consumers get food at a reasonable price [11].

The design and implementation of food commodity price policies, especially non-rice food, has not been formulated comprehensively, but only based on the characteristics of each commodity. The non-rice food commodity price policy is only applied to the base price, without a maximum price limit. This is different from the basic price of rice, which is equipped with the highest retail price, which is a reflection of the maximum price of the commodity [12]. [13] argued that the basic price setting for secondary crops is based on production costs and is balanced with the base price of unhulled rice. This reflects that the government still places the price of non-rice food commodities in second place after grain / rice.

Farmer Exchange Rate (NTP) is the comparison between the price index received by farmers (IT) and the price index paid by farmers (IB) as a percentage. The farmer exchange rate is also an indicator used to measure the level of welfare or the purchasing power of farmers (Badan Pusat Statistik 2011).

Conceptually, NTP measures the exchange power of agricultural commodities produced by farmers against products purchased by farmers for consumption purposes and for agricultural production purposes. The low exchange rate of farmers makes it difficult for them to meet other basic needs. The problem is a matter of life and death for farmers who own land and live only from agricultural products [14].

In general, there are three definitions of farmer exchange rates [15]. First, if NTP> 100, it means that the farmers experience a surplus, the price of production increases more than their consumption. Farmers' income rose more than their expenses. Thus the level of farmer welfare is better than the previous level of farmer welfare. Second, NTP = 100, it means that the farmers break even. An increase or decrease in the price of a product is equal to the percentage increase or decrease in the price of the consumer goods. The welfare level of farmers has not changed. Third, NTP <100, it means that farmers are experiencing a deficit. The increase in the price of production goods is relatively smaller than the increase in the price of consumer goods.

III. METHOD

This study uses a descriptive exploratory approach, namely by providing descriptions or explanations of the concepts or patterns used or occurring in an object or phenomenon being observed [16] [17] with a literature review analysis. Another opinion also explains that exploratory research is research that aims to explore broadly about the causes or things that influence the occurrence of something [18].

IV. ANALYSIS AND FINDINGS

1. Potential Relationship, Environment and Farming Business Performance

Apart from being a source of livelihood for the community, agricultural activities have a role as an environmental buffer. Therefore, sustainable agricultural activities are non-negotiable. In essence, agricultural management must be carried out without damaging the environment. Climate change has become an important issue in various sustainable development studies. This is also a big challenge for the agricultural sector. The big impact in various aspects of human life is inevitable. One of the biggest is felt by the agricultural sector [19]. The erratic shifting of seasons causes farmers to have difficulty determining the right time to start planting, seeding and fertilizing. As a result, Production will decline because the schedule for the provision of seeds and fertilizers is not certain and will result in an uncertain supply, while demand continues. This severe impact is more likely to occur in developing countries [20], especially in tropical countries such as Indonesia.

It is fitting that the agricultural sector be designed to be more friendly to this phenomenon through short, medium and long term adaptations. Accompanied by advances in agricultural technology and improvement in the quality of resources, of course farmers as agricultural managers are expected to be able to adapt to these inevitable factors. However, given the generally

low level of knowledge of farmers, of course, a greater effort is needed to increase their ability to face these natural challenges so that farmers can increase their productivity and performance. In order for farmers to carry out their work properly, it is necessary to have knowledge, mental attitude and skills related to the job. Therefore, Farming performance refers to the level of the farmer's ability to do his job. Farmers are said to have good performance when related and meet certain standards. From this model, motivation and ability are important factors in determining farmer performance [8].

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2. *The Role of Productivity in Empowering Farmers*

Productivity is the ratio between input and output of a production process in a certain period [21]. Agricultural productivity is strongly influenced by inputs and outputs from agriculture. Inputs from agriculture include labor, agricultural land, technology, and capital, while output from agriculture includes managed agricultural products such as rice, besides that productivity in agriculture is also inseparable from the surrounding socio-economic factors [22]. Economic factors in this case include the use of technology [23]. Technology is measured through the use of seeds, use of fertilizers, use of pesticides and agricultural equipment used. The use of this technology must be balanced with the human resources (HR) available because HR is an important component in increasing production,

So that farmers can increase their productivity, it is necessary to empower farmers. Empowerment is a process of giving power in the form of opportunities or opportunities, knowledge, expertise, and material, so as to make the powerless become powerful (powerful) or help increase one's ability, capacity, and self-confidence so that they have strength to overcome the problems faced in order to achieve a better life [25].

One tangible manifestation of farmer empowerment is through agricultural extension activities. Extension is carried out, for example by providing information about new technology and ways to grow crops in a better way. The counseling is aimed at increasing the ability and skills of farmers in running their farming business in order to get more, better and more diverse results. These better results can support farmer business performance [26].

3. *The Role of Government and Empowerment of Farmers*

The government plays an important role in fostering agriculture in Indonesia, in addition to other inherent roles, both the regulatory role, the facilitator role and the supervisory role. Coaching related to facilitators is to make policies or efforts to avoid price fluctuations and distribution that are more profitable for farmers. As [5] states that the coaching is one of them carried out through efforts to develop farmer institutions to realize farmer welfare, considering that so far farmers have been impressed as an inferior profession. The problems of equity, marginality and poverty can easily be seen, both from the income side, from the job side and from the business side. The classification of society based on these aspects generally has a pyramid shape with the largest number of people under the weak,

Based on a study [27] on the strategy of empowering poor farmers through the corn and livestock integration program in the Bali area, it is shown that 1) empowerment and participatory poor

farmers are two important aspects that are the focus of rural agricultural development programs. Empowerment of poor farmers is a target to be achieved, while the participation of poor farmers is a means of achieving the targeted goals. The participation role of poor farmers is a strategic approach to realize the empowerment of poor rural farmers; 2) empowerment of poor farmers can be realized from their participation (participation) in the implementation of the corn-livestock integration program. Through the integration of livestock corn, it is expected to increase the use of added value generated from forage maize waste as cattle feed and cow waste (dung) as fertilizer for their corn plants; 3) the benefits of farmer participation in the implementation of the corn-livestock integration program are: i) being able to choose good and correct livestock (healthy and capable of procreating); ii) able to provide a sustainable supply of animal feed from maize, even during the dry season, with feed preservation technology; iii) implementing a permanent housing system; iv) maintaining animal health through injection/immunity according to the condition and age of the cattle (whether sick or healthy); v) understand the more successful reproduction process through injection marriage; vi) know and be able to handle the process of birth and raising calves; vii) able to market livestock when it is old enough to be sold. 4) the application of a participatory development model in the corn-livestock integration program is a very wise implication, which makes it very strategic in seeking to empower poor farmers in agricultural development in rural areas, towards increasing income and welfare of farmer households.

4. Role of Government and Farmers' Performance

In Law Number 19 of 2013 concerning Protection and Empowerment of Farmers, it is stated that farmer empowerment is any effort to increase the ability of farmers to carry out better farming through education and training, counseling and mentoring, development of systems and means of marketing agricultural products, consolidation and guarantee of agricultural land area, easy access to science, technology and information, and strengthening farmer institutions. This law mandates the government to empower farmers.

With the active role of the government, the application of agroecology as an innovation has economic benefits, namely it can increase farmer productivity by minimizing external input, which has implications for reducing costs incurred by farmers in the production process. Furthermore, optimizing production and minimizing costs can improve farmer performance and income which will have implications for improving farmer welfare.

V. CONCLUSION

The government plays an important role in fostering agriculture in Indonesia, in addition to other inherent roles, both the regulatory role, the facilitator role and the supervisory role. To increase the role of the agricultural sector, guidance is needed by the government in the form of empowering farmers but without having to create dependence on the government. Empowerment of farmers will be able to boost farmer business performance.

So that farmers can improve their performance, it is necessary to empower farmers. Empowerment is a process of giving power in the form of opportunities or opportunities, knowledge, expertise, and materials, so as to make the powerless become powerful (powerful) or help increase a person's ability, capacity, and self-confidence so that they have strength. to overcome the problems faced in order to achieve a better life.

In order for farmers to carry out their work properly, it is necessary to have knowledge, mental attitude and skills related to the job. Thus, farming performance refers to the level of the farmer's ability to carry out his work. Farmers are said to have good performance when related and meet certain standards. From this model, motivation and ability factors are important factors in determining farmer performance.

In an effort to raise awareness of farmers about the importance of gathering strength together, the

government should play a role through agricultural extension to build institutions. Farmers' institutions can only play an optimal role if their growth and development are fully controlled by farmers so that farmers must become subjects in the process.

Farmers as actors of agricultural development should be given protection and empowerment to support the fulfillment of food needs, which are the basic rights of everyone in order to realize food sovereignty, food self-sufficiency and food security in a sustainable manner.

The performance of farmers is the same as the ability of farmers to manage the farm, plan and implement it. In order for farmers to do their job well, it is necessary to have knowledge, mental attitude and skills related to the job. Thus, the performance of farmers refers to the level of farmers' ability to carry out their work.

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