



Small and Medium Sized Businesses Strategy Improving in Sustainability Transformation in Agrobusiness Sector Industry in DKI Jakarta Area, Indonesia

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ABSTRACT: The purpose of research is to give contribution of SMEs in strategies and development in agrobusiness sector industry and environmental sustainability of agrobusiness sector. This research analyses small and medium sized businesses strategy improving in sustainability transformation in agrobusiness sector industry in DKI Jakarta . The business agriculture needs solution environment and sustainability and transformation development business sector of of agriculture industry certain characteristics. Transformation practically development sector business industry one of the efforts to improve competence and skill and full support from government. This research uses with qualitative description and content analysis methode agrobusiness industry sustainability with in business agriculture industry with 25 respondents. This agriculture environmentally sustainability business for SMEs focus to improving SMEs agrobusiness industry We summarize the SMEs Agrobusiness sector for development for SMEs Business especially agrobusiness industry. The limitation of this research is that it is limited to the SMEs business transformation strategy for the sustainability of the agribusiness sector in DKI Jakarta Indonesia.. This material of sustainability agrobusiness industry and give added value to improving and development longterm progame sustainability agrobusiness.. This research provides benefits and opportunities in agrobusiness especially in development and implication to the realities of agrobusiness industry sector.

Keywords: Agrobusiness, Development, Improving, SMEs, Sustainability, Transformation



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INTRODUCTION

Sustainable challenges in the Agrobusiness sector and industry was a program to contribute in SDG number hunger and terms of agro security. Agrobusiness industry look likes agrifood and

rural development, socio environmental sustainability, technology innovation agrobusiness industry in agrofood sector industry (Mastrocinque et al., 2022). Economic growth is one indicator of development progress (Oliinyk et al., 2021; Przybytniowski et al., 2022). One of the economy through international trading. With international trade, it is expected to increase economic activities. Economic growth in a country. Salvatore in Jimmy (2004) states that trade can be a machine for growth. International trade cannot be separated from the existence of Agriculture is one of the most important sectors for humankind, still facing many problems to fulfil the needs of people. Although technological development has been improve rapidly, but it is also can not be implemented fully in agricultural sector due to the lack of some resources. As stated in United Nations about sustainability Development Goals (SDGs) for its 193 member countries (Mattera & Alba Ruiz-Morales, 2021; Yusuf et al., 2020), it explicitly set a goal about responsible consumption and production in SDG number that support the sustainable development including in agricultural sector by producing more and minimizing the cost and emission produced. The meaningful purpose be able to keep innovating for better agriculture development in all over the world. It also the aim of sustainable agrobusiness sector industry and participate in giving solutions and ideas for sustainability in Indonesia and further be implemented for other countries. Innovation especially in usefull transformation of business agriculture industry. Agrifood is one of the food industry that can be emphasized in the developing of the country (Carraresi, 2015). In Asia, these sectors face challenges beyond food products such as, changing lifestyle and cultural agro business industry, especially in other big cities. As a research scholar working in the area of agriculture analytics, the strongly believe that agriculture will be the top priority for the future generations. With increase in the population like land, water, labor, optimization in this sector has been the current focus point by the scientist and the tech community. According to the food industry agro culture business sector of the United Nations the world population will reach 9.1 billion by 2050, and to feed that number of people, global food production will need to grow by 70%. In Asia these sector face challenges beyond food products such as, changing lifestyle and climate change that affects the rate of nutrition and obesity. Nowadays the majority of this area was controlled by small farmers whereby contributes to the industry development. However, small farmers faced the managerial problem in order to manage their basis operational (Inam et al., 2015). Many studies mentioned a farmers or food producer of agrobusiness industry sector does not the produce of the large scale of high, not has high standards to penetrate the global market and produce in a small scale (Baptista et al., 2021; Gillespie & Bold, 2017) production. The purpose of this research is to improving and development small and medium sized business in sustainability transformation in agrobusiness sector industry in Jakarta Area. The development of SMEs in Indonesia is still faced with a variety of problems, causing weak competitiveness of imported products. The main problems faced by SMEs include limited infrastructure and government access related to licensing and high rates of levies. That is because in addition to being indirectly affected by the global crisis, SMEs must also face SMEs to survive can be by increasing and human resources development in order to have value and be able to improve Indonesia's performance, including through credit distribution (KUR), providing access to marketing information, training institutions capacity building, and development information technology (IT) (Bouwman et al., 2019; Lepistö et al., 2022).

Table 1. Content Analysis

No	Description
1.	Produce from unlimited agriculture sector industry
2.	Design of low cost and low expenses of sustainable development business programe
3.	Increase food from agriculture business sector industry from Vegetable and fruit to herbal food and health
4.	Cultivation of organic produce and supplement food
5.	Modification of development agriculture sector business industry

Many studies mentioned a farmers or food producer does not the produce of the large scale of production, not has high standards to penetrate the global market and produce in a small scale ([Fugli, 2010](#); [Gillespie & Bold, 2017](#)). More offer,the quality of the production is not in good quality and logistics is not really good ([Paciarotti & Torregiani, 2018](#); [Verdouw et al., 2018](#)). Indonesia is one of the causes of shifting the function of agriculture land, the climate is also greatly affecting the process of agriculture production in Indonesia which also causes disruption to the sustainable agricultural food,herbal,agroindustry production in DKI Jakarta Area ([Peña et al., 2022](#)). However, there are several to build of SMES system of agricultural value chain involving cooperatives ([Creazza et al., 2022](#); [Thahir et al., 2022](#)). The successful delivery of high quality rice from producers until consumers are the results from adding expected value to each stakeholders in the value chain. For example the required quality by consumers, the capability of producers to meet the expectation of consumers and distribution concerns of SMES especially at DKI Jakarta Area. Agrobusiness industry is one of the keys to encourage economic growth of improving to sustainability. Indonesia's sustainability growth is high dependent on small medium sized business strategy of agroindustry sector, agrobusiness sector,especially agrobusiness sector industries .Agrobusiness industries area are functional area of urban settlement and contribute greatly demographic fields ([Handaka, 2012](#)). Industrial agrobusiness sector and guide Business development and innovation and can encourage new business ([Martínez Hernández et al., 2021](#)).

The Farmers providing basis for all of the food needs. The can change the landscape of the economy in the home country. Thus, the collective of the small farmers can transformation the rural area into a better economy in the district such as generate profits from the farms. The developing economy transforms by the farmers create a strong economy, it's resulted in high demand for local products. By Adopting technology in supply chain management is a critical part in order to give a new system in these sector ([Creazza et al., 2022](#); [Naim et al., 2022](#)). Financial monetary factor in operating their business, the material is a factor to manufacturer innovation sector business industry agroculture. For example, fruit,vegetables,much product food for humans and their waste can become biomass product. Thus, the awareness of product innovation should b learned by the agrifood players in order to create more profitability in the industry. Corporate Sustainability is business approach that creates to stakeholders in the long run generating opportunities and managing risks from economic,environmental and social developments ([Sheehy & Farneti, 2021a](#); [Stahl et al., 2019a](#)). The seat goals of small and medium sized business strategy improving on heps businesses maintain in agroindustries for many people of corporate([Dura et](#)

[al., 2022](#); [Sharma et al., 2022](#)). Corporate sustainability requires companies to consider the environmental an agrobusiness industries of operating core business and implementing and maintaining transformation in agrobusiness sector industries and maintaining good corporate governance. Integration of sector agrobusiness industries sustainability in business process has an impact on short term efficiency,. Corporate sustainability supports the process of accumulating to increase arobusiness sector industries. Sustainability development brings together,environmental,agrobusiness sector in sustainable development continues to focus on growth ([Settembre-Blundo et al., 2021](#); [Sheehy & Farneti, 2021b](#); [Stahl et al., 2019b](#)) . Sustainable development is paradigm of society,state,transformations in taking a step forward by considering national resources and local interest and demands indury sector for continues improvement ([Esposito & Dicorato, 2020](#); [Scott, 2015](#)).

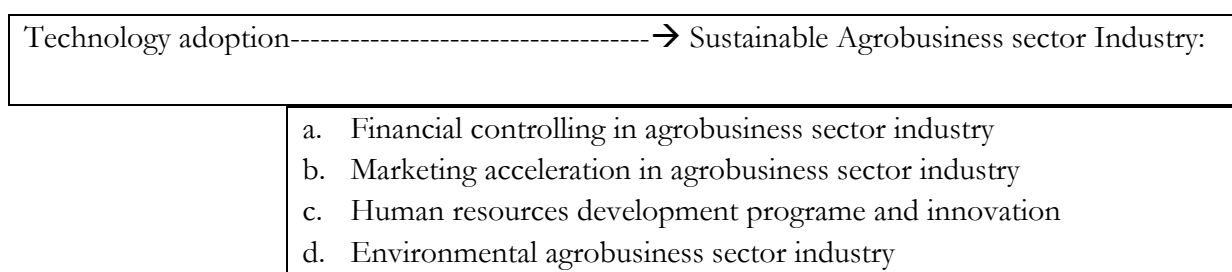


Figure: 1. Source original by June.

METHOD

The research use description qualitative method approach ([Sugiyono, 2017](#)). Focus analysis by Description qualitative method :How to find out the level of satisfaction and solutions for SMES Enterprenenurs in sustainability and management of agricultural industry sector and business transformation. The research of networking system transformation business in improving and optimizing business results and supporting agricultural industry sector at DKI Jakarta Area .

How can SMES Entrepreneurs Agrobusiness sector industry in the development of agriculture industry sector industry business sector of these agricultural business sectors the following sustainability and transformation business modern .

Data representative of the research are:

1. The SMES Enterprenenurs in East Jakarta,Cipayung District
2. Agro Industry business sector in the agricultural sector in South Jakarta ,Cilandak ,Rasuna Said,Tebet
3. Enterprenur of retail trading in DKI Jakarta

RESULT AND DISCUSSION

The SMES Enterprenenurs of agricultural sector industry became a breakthrough supporting budget income DKI Jakarta Area as follow:

Table 2.
Sample of Respondent

No	Sample data (Agricultural business actor in Jabodetabek area)	Amount
1.	The representatives of SMES Enterprenenurs in East Jakarta,Cipayung District	10
2.	Agro Industry business sector in South Jakarta Area,Cilandak ,Rasuna Said,Tebet area and its surroundings.	8
3.	Entrepreneur of retail trading in DKI Jakarta	7
	The total sample	25

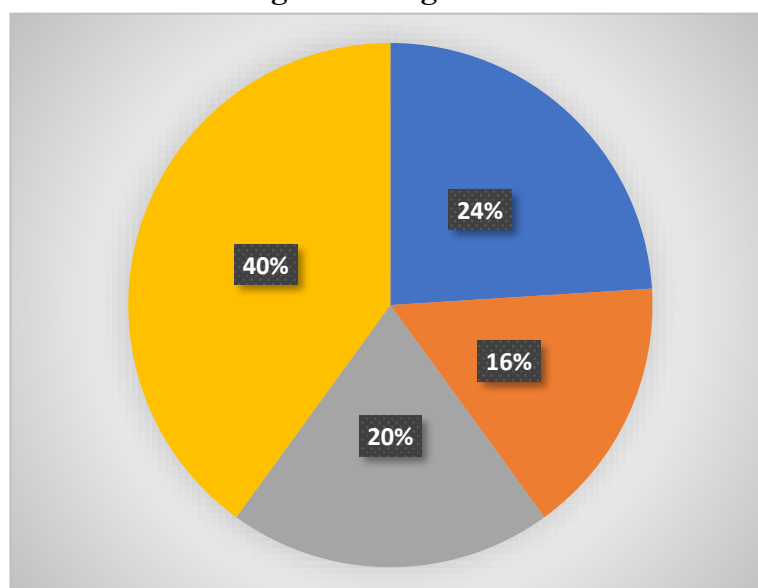
Data source: Data (June-July 2022)

Table 3.
Characteristics of Informants by age

No	Age	Amount of Informants	Percentage
1.	Less than 20 years	6	24%
2.	21 years-30 years	4	16%
3.	31 years - 40 years	5	20%
4.	More Than 40 years	10	40%
Amount		25	100%

Data : Primer Data (Juni – July 2022)

Figure 2. Diagram



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Andaningsih, Nugrahanti, and Novita

Interview data sampling of respondent :

1. Has the Small and medium Sized business enterprise have strategy to improve of developing carried out properly and satisfaction ?
 2. Has the Small And Medium Business enterprises have in sustainability transformation to improve of the quality Business industry of agriculture sector ?
 3. Has Small and Medium Sized Business to produce from unlimited agriculture sector industry and design of low cost and low expenses of sustainability development business programe?
 4. Has the Small and Medium Sized increase food from agriculture business sectorindustry from vegetable and fruit to herbal food and health?
 5. Has the SMEs Cultivation of organic produce and supplement food?
 6. Has the SMEs Of Modivication of developing agriculture sector business industry?
-

The Small and medium Sized business enterprise have strategy to improving development been carried out properly at Cipayung District, East Jakarta area and its surroundings. The second point survey, it shows a 60% satisfaction level for Small And Medium Business enterprises have in sustainability transformation improving the quality of agricultural industry sector of products through the transformation of agricultural technology results been carried out properly. For point survey questions number of 58 % Small and Medium Sized Business to produce from unlimited agriculture sector industry and design of low cost . For the point survey question number 4 and 5 shows 50 % levels of Small and Medium Sized increase food from agriculture business sectorindustry from vegetable and fruit to herbal food and health and the Small and Medium Sized Cultivation of organic produce and supplement food and for the point survey question number 6 shows 64 % the Small and Medium Sized increase food from agriculture business sector industry from vegetable and fruit to herbal food and health.

For the informants who represent this research in the DKI Jakarta Area:

1. Representatives of SMES Enterprenurs as many as 10 sample of 6 SMES working as pure Enterprenurship in collaboration with local Agrobusiness sector industry cooperatives
 2. Agrobusiness sector industry ,livestock in Cilandak,Rasuna said and Tebet area were 8 sample
 3. Entrepreneur of retail tradings are 7 sample in the field of SMEs Agrobusiness in the DKI Jakarta .
-

It is able to reduce the negative impact on the farming Agrobusiness sector industry. The International institutions project that the global economy will experience a contraction of minus 4.9% (IMF 2020), -5.2% (World bank 2020). Especially in the agricultural sector, large scale restrictions in Indonesia, especially the DKI Jakarta, it have been very wide impact., ([Yusuf et al., 2020](#)). Broadly speaking a few things that need to be fully alerted:

- a. Financial controlling in agrobusiness sector industry
- b. Marketing acceleration in agrobusiness sector industry
- c. Human resources development programe and innovation
- d. Environmental agrobusiness sector industry

Financial controlling provides maximum contribution to the development and growth of the agribusiness sector in the Cilandak, Cipayung and DKI Jakarta areas in increasing direct and indirect sales productivity which greatly supports the progress of small and medium micro entrepreneurs in improving their business development strategy and progress through periodic inspections of reports financial activities, company's profit and loss rate, the level of cash flow and net working capital turnover in performing its business activities. Representing 10 samples of entrepreneurs who are engaged in industrial agribusiness. As much as 65 % of them have been able to supervises their business properly through infiltration strategies and creative ideas for MSME production innovation that are of great interest to the public such as culinary businesses, industrial herbs and cooperation in trade distribution channels. As many as 35% of them recently adapted to increased production.

Marketing acceleration in the agrobusiness sector industry provides fish air for retail business entrepreneurs, especially traders in the Cipayung region and the Cilandak region in increasing their sales volume through continuous and programmed business strategies through the MSME program assisted in the agribusiness sector in maintaining the viability of their business. The acceleration rate representing 8 samples of entrepreneurs, of which 70% have carried out business expansion through a network of agribusiness industrial networks with good cooperation between entrepreneurs, manufactures and suppliers of goods on an on going and sustainable basis. And the remaining 30% is in the process of developing and innovation products through market mechanisms and approach to customer needs.

The Human resources development program and innovation is able to provide an increase and productivity of the workforce to improve business development strategies to the wider area ([Burrichter et al., 2022](#)). With a strategy to increase regular workforce training programs, companies are expected to be able to be self sufficient and achieve maximum and sustainable profit levels. This can be done with cooperation between agencies and institutions, has access to additional knowledge, training models and improving the quality and quality of the workforce to the maximum to maximize company profits within the scope of SMEs business in The Cipayung, Cilangkap and DKI Jakarta regions.

The environmental agrobusiness sector industry provides broad job opportunities and a wide range of business opportunities by taking into account the existing working capital factors in certain

agribusiness sector industries. The determining factors include business capital, workforce and leadership models and business strategies to see distribution opportunities and future production line.

CONCLUSION

1. SMEs Sustainability and transformation of agricultural business sector industry, especially in the field of agrobusiness and agricultural as a whole, involving the local government, the central government in increasing the resilience good strategy of agricultural production development programme in remote learning communities in an efficient and effective manner, especially in expansion development programme and improve the standards of SMEs and micro and medium industry agrobusiness sector industry in Indonesia in general and the DKI Jakarta Area in particular must follow and comply with health protocols wherever they work at home or in the field.
2. This description qualitative research method, SMES sustainability and transformation programme is currently expected to make a major contribution to regional farmers and traders in the agrobusiness industry in an effort to create jobs in a better and prosperous future through sustainability development programme and transformation of development programme and transformation programme of SMEs at DKI Jakarta

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