

Business strategy of cattle farmers and bottleneck in production under the rise in beef price; A case study in Malang District

Nuning Nur Laila (農業経営経済学分野)

[Objective]

Rise in beef price has become an important issue for beef-cattle production in Indonesia, particularly, after a sudden reduction of the number of cattle in 2012-2013 which could hamper the sustainability of Indonesian cattle production. In order to implement policy measures, Indonesian government must pay greater attention on the strategy taken by farmers to face the constraints emerged under the circumstances. The strategy taken by farmers could be developed more as one of the solution to increase cattle production. Therefore, this research is conducted to observe farmers' constraints under the rise in beef price and how they face it.

[Method]

A survey of thirteen farmers using qualitative method with in-depth interview was carried out in Malang district in order to observe farmers' constraints and the strategy taken under the rise in beef price.

[Results]

The result showed that during 2010-2015, Malang District farmers had faced constraints such as difficulty in accessing cattle, poor feeding behavior, and long selling channel. Most of them had joined cattle sharing system in order to access cattle. Based on trust and kinship, cattle sharing system allowed smallholders to gain access to the cattle. On the other hand, some farmers' showed their interest joining farmer group in order to improve their poor feeding behavior. Farmer group could be a good solution to enhance farmers' skill in rearing cattle with good guidance. Selling carcass to the beef seller will give higher profit to the farmer, but it has some constraints such as need particular skill to be butcher, needs government license, takes time and need a market link. This new market access must be observed further to know it's potential.

[Conclusion]

In order to increase production, Malang district farmers have taken particular strategy above to solve the problems emerged under the rise in beef price. That must contribute to show some important facts that the government refer to, when they design policy measures to develop cattle production.

Keyword: cattle farmer, beef price, constraint, cattle sharing system