

## Feasibility Analysis Of Strawberry Granary Business In Pandanrejo Tourism Village

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**Subject Area :** *Economics*

**Abstract**

*Applying appropriate Strawberry Barn business development strategies can encourage the development of community economic activities to create economic independence. This study aims to: analyze the feasibility strategy for a strawberry agro-tourism business, analyze the factors that support the sustainability of agricultural businesses, and analyze the factors that hinder the development of strawberry farming in Pandanrejo Village, Bumiaji District, Batu City. The research location was agrotourism picking strawberries in Pandanrejo Village, Bumiaji District, Batu City, East Java. Data were obtained by the method of observation, interviews and documentation. Validity data was tested by triangulation technique – research using descriptive analysis. The results show that the strategies that can be used to analyze the feasibility of a strawberry agro-tourism business are supporting the adequacy of agricultural materials, maintaining price stability, breaking the supply chain, and optimizing financial management capabilities for strawberry farmers and business actors.*

**Keywords:** *Business Feasibility, Financial Strategy, Strawberry Barn, Batu*

### INTRODUCTION/BACKGROUND

Indonesia is an agricultural country with a tropical welcome, which has abundant agricultural product potential in the form of agricultural commodities in the sub-sector of food crops, plantations, horticulture and plantations of various types (Pambudi. S.H. et al. 2018). For example, horticultural crops include fruits, vegetables, medicinal plants, and ornamental plants. Horticultural commodities with great potential to enter international and local markets are fruits (Saraswati, I.A.S., Vipriyanti, N.U., & Kardi, C. 2017).

Besides providing vitamins and minerals for the body, fruits also have good market opportunities. Population growth, increased income levels, and public awareness of nutrition have positively impacted the demand for fruits (Palit et al., 2017). One of them, Strawberry, is one of the potential subtropical fruit commodities to be developed in Indonesia. Strawberry plants include plants with high economic value, and their appeal lies in the fruit's striking colour and fresh sweet taste. Strawberries have wider market opportunities because this subtropical fruit is not only consumed fresh, but strawberries can also be made into syrup,

jam, lunkhead, sweets, juice, and raw materials for making ice cream (Aji et al, 2014).

The strawberry business opportunity encourages investors to build a strawberry business. Malang Raya has at least four strawberry-picking tourist sites: Kusuma Agrotourism, Bumdes Raharjo, Pandanrejo Strawberry picking tourism village, and Pujon strawberry picking. This condition is the reason for the importance of strategic analysis of the agricultural development of Strawberry Bumdes Rahardjo. The analysis was carried out to see how the business in the field of strawberry farming is feasible for farmers. In order to be able to compete, an appropriate concept of development strategy is needed. Adopting an appropriate strategy can encourage an appropriate form of business distribution and encourage the community to values that are more beneficial to local communities needs, initiatives and opportunities.

The development of strawberry picking farming in Pandanrejo Village certainly needs help and an important role from various parties, especially the Department of Agriculture and related parties, who can assist in the marketing field. Therefore, this study aims to analyze the feasibility strategy for a strawberry business in Pandanrejo Village, Bumiaji District, Batu City and analyze the inhibiting and supporting factors that support the business development.

## **METHODOLOGY**

This research was conducted at Strawberry Barn, Pandanrejo. Selection of research locations based on location criteria used to develop strawberry farming. This study uses primary data and secondary data. Primary data were obtained from direct

interviews with strawberry farmers as respondents based on a list of questions (questionnaire) that had been prepared. Meanwhile, secondary data were obtained from agencies directly related to the BUMDES research on Strawberry Barns.

## **RESULTS AND DISCUSSION**

### **Benefits of Strawberry Barn for Society**

Strawberry Barn is a tourist destination with potential "Strawberry Fruit". This strawberry barn agro-tourism object was only established in 2018. The barn, which is now where strawberries thrive, is a cage that was stuck before. Then it was changed and is currently a tourist vehicle many tourists visit. The right temperature in Batu Tourism City makes strawberries grow well. There are several types of Strawberry in the Pandanrejo Tourism Village, namely Sweet Charlie, California, Holybrite, Oso Grande, and Rosalinda, which have a distinctive shape and taste from these various types.

This Strawberry Barn is professionally managed and is a village-owned enterprise. Director of Bumdes Raharjo Pandanrejo Tourism Village, Mukhlas Rofiq, explained that the Strawberry Barn was first opened to the public in January 2019. The opening of the Strawberry Barn was to give birth to an icon in Pandanrejo Village and, in general, Batu City. Rafik, the manager of the Pandanrejo Strawberry Barn, said that strawberries in Pandanrejo have existed for a long time. At that time, the Dutch brought Strawberry and mulberry seeds to Pandanrejo. Most of the residents who farm grow strawberries.

The Strawberry Barn is a natural tourist attraction because it was developed based on its natural potential, namely the strawberry plant, the main crop cultivated by the people of Dusun

Pandan. The area of the Strawberry Barn in Pandanrejo Village reaches 7-8 hectares. Strawberry plants are the main attraction for tourists to pick strawberries. Tourists can pick strawberries directly on the land. In addition, there is also education on planting strawberry seeds, how to care for them, and processing strawberry fruit products. Road access to the Strawberry Barn is limited to motorbikes, cars, elves and small buses. Tourists who visit by large bus must stop at the rest area and then take a Seattle vehicle to Strawberry Barn.

Seeing the condition of the location of the Strawberry Barn, it can be concluded that this object has strategic conditions because the Pandanrejo Strawberry Barn is close to the city centre, namely Batu Town Square, even though the age of this agro-tourism object is still quite young. However, it can have a positive influence on the surrounding community. As for the role of the Strawberry Barn, it is beneficial for the manager and the surrounding community to benefit from the Strawberry Barn agro-tourism object. The existence of Pandanrejo Strawberry Barn motivates residents to open a business. The impact cannot be avoided in human life, both positive and negative, and has even become natural.

### **Strawberry Barns Create Jobs**

The positive impact of tourism on the economy has a multiplier effect, where the economic impact caused by tourism's activities is on a particular region's overall economic activity. In addition, the multiplier impact of this research also creates business opportunities for the Pandanrejo Strawberry Barn in the community. The Pandanrejo Strawberry Barn Agrotourism object has described business opportunities for the community,

especially residents of Pandanrejo Village. Thus, the Strawberry Barn has a role in the welfare of society. The income of the local people who work at the Strawberry Barn will increase due to their increased welfare.

### **Strawberry Barn Stabilizes Prices**

Fair prices between farmers and the market so that there are no more gaps or levels of wealth that are too far apart. Fair price transactions are a business principle. A fair price is a price that does not lead to exploitation or oppression, causing losses to one party and benefits to the other party. The price must reflect the benefits for the buyer and seller fairly. The seller gets a normal profit, and the buyer gets equal benefits according to the price. In this case, the price between farmers and buyers must match the market price. Therefore, local government intervention is needed to make similar price regulations. Strawberry Barn also plays an important role for farmers because it helps market and stabilizes strawberry prices so that farmers no longer experience losses during the main harvest.

### **Strawberry Barn Increases People's Consumption Patterns**

Household/family consumption is one of the household's economic activities to meet various needs for goods and services, from the commodities consumed that will get its satisfaction. Consumption is often used as an indicator of household/family welfare. Public welfare is the goal and aspiration of every country. Income levels vary between households according to the level of need and ability to manage it. In other words, an increase in the income of a community is always followed by an increase in consumption. The higher the income of

the community as a whole, the higher the level of consumption.

The success of development in a country can be seen from the level of people's welfare, one of the indicators that shows the level of people's welfare is the level of consumption. The level of public consumption shows the ability of the community to meet its needs. High consumption means a high level of welfare because people can consume more goods and services to support a better life. Meanwhile, low consumption indicates low income and a low ability to meet life's needs. The greater the expenditure for the consumption of goods and services, the higher the level of family welfare.

### **Strawberry Barn Agrotourism Pandanrejo Village, Batu City Increasing Community Consumption Patterns**

Samuelson and Nordhaus explain the general regularity of consumption patterns carried out by households or families. Low-income families spend their income mainly to fulfil their basic needs in food and housing. After income increases, food expenditure increases so that food becomes varied. However, there is a limit to the extra money used for food expenses when their income increases (Samuelson & Nordhaus, 2009). Therefore, when income is higher, the proportion of food expenditure will decrease and will shift to non-food needs such as clothing, recreation, luxury goods, and savings.

Consumption patterns can also be used as an indicator of household welfare. The consumption pattern, dominated by food expenditure, is a picture of a society with common welfare. On the other hand, a consumption pattern that is dominated by

non-food expenditure is a picture of a more prosperous household. The pattern is because households with low incomes can only focus on meeting basic needs for the household's survival, so the dominant consumption pattern is food consumption. Meanwhile, households with higher incomes can meet both food and non-food need.

### **Strawberry Barn Technical Feasibility Analysis**

The high demand for strawberries in the market makes agricultural opportunities in the Strawberry Barn very promising. With 60% production capacity, the net profit they can get at the beginning of the harvest of 3,000 stems is IDR 1.8 million. With the same assumptions, the harvest in the coming weeks for a total of 5,000 strawberries will amount to IDR 2.98 million per month. This figure is obtained if sales of strawberry products remain at IDR 40,000 per kilogram. It can be calculated how much more the profit margin will be if the rainfall is low, especially in the dry season.

Farmers are not only facing the problem of humid air. Farmers still have to face the problem of leaf pests, namely pink apid and verticillium fungus. It is easy to observe the leaves affected by pests because the colour changes to yellowish brown (necrosis). For that, they were spraying anti-pest drugs over all the strawberry plants. The maintenance costs incurred are large. About IDR 450,000 for each treatment, with details of IDR 250,000 for labour costs and IDR 200,000 for medicines.

For some people, strawberry farming is a business opportunity. Many farmers take advantage of it. However, for now, processed strawberry products are still limited to drinks and sales of fruit

products. Limitations in processing and procurement of equipment are obstacles to processing strawberries into products with high use value.

### **Marketing Aspect**

Marketing channels are interdependent organizations involved in making a product or service ready for use or consumption by consumers. In distributing goods and services, marketing agencies also play a role because marketing institutions are intermediary institutions involved in the process of delivering goods or services from producers to consumers. In this study, there are three marketing channels, namely:

- a. Farmers à Wholesalers/ inter-city traders à Hotels
- b. Farmers à Wholesalers à Processing companies à Consumers
- c. Farmers à Wholesalers à Retailers à Consumers

Marketing institutions carry out marketing functions in the process of delivering strawberries from harvest locations to farmers to consumers, accompanied by an increase in the use value of this commodity (Limbong & Sitorus, 1987). The functions of marketing agencies carried out by related marketing institutions are exchange functions, physical functions and facilities functions.

The marketing agencies involved in the Strawberry Barn are wholesalers, inter-city traders, inter-island traders and retailers. Collector traders who work as traders between cities and islands are one person. As well as retail traders totalling four people. When viewed from the number of buyers and sellers, from farmers to collectors involved in Strawberry marketing in the research area, the

market structure in this study leads to imperfect competition, namely a monopsony market structure. Because there is only one buyer from the farmers, namely the collectors, farmers can only sell strawberry harvests to one buyer, namely the wholesaler, because there is an attachment relationship and a cooperation agreement.

Market entry and exit conditions are related to the ability of marketing agencies to enter and leave the market. This is influenced by the level of barriers to entering the market. Based on information obtained from research on Strawberry Barns, at the farmer (producer) level, the barrier to entry and exit from the market is marketing institutions, namely collectors, here farmers cannot sell Strawberry yields to other marketing institutions because there are already ties and cooperation agreements so that all crops must be sold to collectors. At the level of retailers, the obstacles they face are the capital to buy Strawberry Barns, and the obstacles for retailers are the locations where they sell and the price competition that arises between fellow retailers. At the collector level, between cities, it is not possible to sell to other markets because they already have links with existing marketing institutions, namely distribution destination areas.

The target market used determines the market targeted in product marketing. Market segmentation of product sales based on geography includes population, age of population and region. Based on demographics, this product is not grouped into certain criteria because this product is safe for consumption by anyone. Farmers will have a target or target market segmentation to develop the business produced by the company. The target

market provides good prospects for where this company can market.

Meanwhile, economic growth in Indonesia, which is growing and improving, is currently positively impacting strawberry farming business activities. This is because the development of improved economic growth illustrates the public's demand to consume healthy snacks that contain relatively good nutrition. This means opportunities in producing are categorized as snacks to add elements of nutritional value to people's lives. Thus, when this business has been running, it will become a company that can grow fast. This can be seen from Indonesia's relatively good economic condition and people's appetite for trying a unique product.

Production capacity planning is carried out for all machines, equipment and other production factors following the planned number of final products. By itself, up to a detailed level, production capacity will all refer to the results of calculating market opportunities for the product in question. Production capacity is usually expressed in units per certain period (year, month, week, day or hour).

## Competitor Analysis

The Company's Marketing Strategy is carried out based on the 4 P analysis, which consists of the following:

### a. Price (price)

Strategies regarding how our products are more attractive to consumers in terms of price than competitors. Generally, consumers are more interested in products with lower prices.

### b. Products

Strategies on how business products can attract consumers to buy them. The products offered are of the best quality, with high levels of nutrition and health.

### c. Promotions

Strategies regarding how consumers can recognize products through personal selling, namely promotions through direct sales, where consumers are by offering and trying products directly.

### d. Place (Distribution Channel)

The place is a way of distributing products to reach consumers. These are strategies to make the products or services offered more easily accessible to consumers and can be made available to the right target market. The strawberry barn has a fixed location that is easily accessible to consumers. The location is also quite strategic because it is close to the campus and the surrounding community.

company, and then to carry out its business, workers and a treasurer or administration assist it.

Table 1. Market and Marketing Aspects

No	Assessment Aspect	Point				
		1	2	3	4	5
1	Ability to achieve high sales volume profitable				✓	
2	Ability to produce better products compared to competitors.					✓
3	The ability to set a better price compared to competitors				✓	
4	Ability to distribute more products efficient than competitors.				✓	
5	Ability to promote more products effective than competitors				✓	

Source : Data Editor 2022

## Management Aspect

### Planning

Aspects of Management is an attempt to plan, implement and supervise or control marketing activities within an organization to achieve all

organizational goals effectively and efficiently. The function of marketing management is to analyze the market and its marketing environment so that profits are obtained to get business opportunities.

Table 2. Management and Marketing Aspects

No	Assessment Aspect	Point				
		1	2	3	4	5
1	Ability to complete business development in accordance with the planned time				✓	
2	Availability of manpower to run the business				✓	

Source : Data Editor 2022

### Organizational structure

The organizational structure is a chart arranged to make it easier to know a systematic picture of the cooperative relationships of people in an agency to achieve a goal. In an organizational structure, later, we will know the organization's management system, and with that organizational structure, it will be easier to coordinate and know each other's tasks. From the organizational structure, it can be explained that the leadership holds control of the

residents of Pandanrejo Village. However, there are still several obstacles related to the problem of providing capital, pest management, and marketing patterns. At the Strawberry Barn, the barrier to entry and exit from the market is the marketing agency, namely the collectors. Here farmers cannot sell Strawberry harvests to other marketing institutions because there are already ties and cooperation agreements, so all harvests must be sold to collectors. Therefore, it is necessary to have marketing agents that are right on target so that farmers are protected in terms of the selling price of strawberries.

## CONCLUSION

The application of appropriate Strawberry Barn business development strategies can encourage the development of community economic activity tourism in order to create economic independence. The positive impact of tourism on the economy has a multiplier effect, where the economic impact caused by tourism's activities is on a particular region's overall economic activity. The Pandanrejo Strawberry Barn Agrotourism object has described business opportunities for the community, especially

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