

## Strategy for Developing Local Food Business Processed from Cassava in Bukit Sari Village, Martapura District, Ogan Komering Ulu Timur Regency

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Received: 2024-11-21

Accepted: 2024-11-27

Publication: 2024-11-27

### Abstract

The agricultural sector has a massive role in the economic growth of a country, especially an agrarian country like Indonesia. One effort to improve the community's economy, reduce poverty, and improve the distribution of community income can be made by developing agroindustry. Cassava has become an agro-industrial commodity. Fresh cassava only lasts for a short time and is priced low. However, if further processing is carried out and managed optimally, cassava can provide more excellent economic value, thereby providing substantial profits for farmers and the community. This research aims to analyze strategies that can be formulated and implemented to develop the local cassava food business in Bukit Sari Village, Martapura District, East Ogan Komering Ulu Regency. The research method used in this research is the survey method. The results of this discussion show that there is an opportunity in the cassava chips business for business actors to develop their business into souvenirs from Bukit Sari Village, Martapura District, East Ogan Komering Ulu Regency and the threat to the cassava chips business is that there are competitors for other snack and fast food products so that these cassava chips are forgotten.

**Keywords**—Agroindustry, Cassava, Business Development, Cassava Chips, Marketing Strategy

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### Introduction

The agricultural sector plays a massive role in the economic growth of a country, especially an agrarian country like Indonesia. One of the efforts to improve the community's economy, reduce unemployment, and improve the distribution of community income can be achieved by developing agroindustry. Agroindustry is an industry that processes agricultural raw materials into products that have added value that can be consumed by the community (Fathin & Hapsari, 2021). Unlike other industries, the agroindustry does not have to import most of its raw materials from abroad; it is widely available domestically.

Developing agroindustry indirectly can help improve farmers' economies as they provide raw materials for industry (Idayu et al., 2021). One of the industrial and small businesses developing in Indonesia is the food sector. The development of the food processing industry in Indonesia is supported by natural agricultural resources, both plant and animal, which can produce various processed products made and developed from local or regional natural resources.

Cassava has been used as an agro-industrial commodity. Fresh cassava only lasts a while, and its price is low. However, if further processing is carried out and managed optimally, cassava

can provide more excellent economic value, thus benefiting farmers and the community (Maesaroh, 2020).

Based on the initial survey results, it is known that Martapura District, East Ogan Komering Ulu Regency, has 20 cassava processing businesses with an average number of workers in each business of 2 people. Some of the cassava-processed products produced are chips and kelanting. Most (50%) of cassava processing business actors in Bukit Sari Village, Martapura District, East Ogan Komering Ulu Regency process cassava into processed products in the form of kelanting.

Rural communities generally only rely on on-farm agricultural products in the form of cultivated crop commodity harvests. Farmers and rural communities use cassava primarily for family food consumption, either as a substitute for rice or for snacks. Very few rural communities process cassava into food products with business value (Rudi, 2020). The ease of obtaining cassava raw materials and the low price of cassava can be an opportunity to develop local processed cassava food businesses in rural communities.

The abundant availability of cassava is not only used as raw material for the tapioca industry. However, it is consumed directly by the domestic sector (household consumers) and processed into food products with business value (Willybrordus et al., 2021). Many processed cassava products are easily found in stalls, kiosks, and traditional markets, as well as modern shopping centers, tourist centers, and culinary places. This indicates that the inferior goods inherent in cassava have changed into products preferred by the rural and urban communities. In contrast to processed products, creative cassava products have experienced increased demand and higher selling prices. Therefore, a study related to the development strategy for locally processed cassava products is very much needed so that these products continue to develop in quality and quantity and can reach all market segments.

Based on this background, a study is necessary to determine the development strategy for local cassava-processed food businesses in Bukit Sari Village, Martapura District, East Ogan Komering Ulu Regency.

## Literature Review

In addition to the theories discussed above, a review of the results of previous research was also conducted. Reviewing previous results will help examine what is discussed with various specific approaches and provide an overview of the researcher's position with previous researchers.

Previous research will be described in the table below:

Table 2.1. Previous Research

No	Author	Research Title	Análisis Tools	Análisis Result
1	(Utami & Dumasari, 2020)(Jefri & Ibrohim, 2021)	Business Development Strategy for Local Processed Cassava Food Business in Banyumas Regency	SWOT Matrix analysis	Local food processed products made from cassava in the Kalibogor and Sokaraja Districts consist of three main products: getup, ceripinstripinga, and kl; antinplanting goreng business center is located in the district of Sokaraja, particularly in central and west Sokaraja. Pekaja village in the District of Kalibagor

is also the center of cassava cultivation, and the farmers in Pekaja cultivate cassava and process it, especially klanting. At the same time, Wlahar village became a business center, stripping cassava chips to the scale house industry. SWOT analysis shows that the business of processed food made from cassava in Banyumas is profitable enough so that it can optimally utilize its competitiveness advantages by taking over market share, for instance, increasing sales volume, promoting products to several tourist destinations and other areas, participating in exhibitions of superior local products and so.

2.	(Masrurotin et al., 2021)	Sweet Potato Diversification Development Strategy Towards Processed Agroindustry in Banyuwangi Regency	SWOT Matrix analysis	Internal factors include strengths and weaknesses. Strength factors consist of the availability of raw materials, government support for local food processing msms, farmer groups that develop sweet potatoes, and women farmer groups. Weakness factors include the following: promotion for consumption of local food products has yet to be maximized, farmer institutions need to be stronger, there is limited capital, less skilled labor, little interest in developing processed sweet potato products, and the absence of PIRT permits. External factors include opportunity and threat factors. Opportunity factors consist of local food development policies by the government, technological developments in the production process, market availability, the number of processed products and derivative products that can be produced from sweet potatoes, and information technology that helps in the marketing process. Threat factors include the development of other processed products, the public perception that they like manufactured products, and an increase in imports of other food ingredients. Based on the SWOT
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and AHP analysis, strategies were obtained with strategic priorities and priority index values respectively as follows: (1) increasing various processed sweet potato products by continuing to innovate (0.300); (2) fostering partnerships in marketing and utilizing information technology for online marketing and promotions (0.20); (3) creating products that have distinctive characteristics and follow consumer tastes (0.179); (4) utilizing government support for promotion of processed sweet potato products at various levels (0.139); (5) take advantage of government policies to obtain capital, receive training to increase knowledge in production and product diversity in obtaining PIRT permits (0.136); (6) strengthen and improve.

3.	(Surya et al., 2021)	Cassava Based Agroindustry Development Strategy in Wonogiri Regency	The results of strategy formulation based on analysis of program development elements produced five strategies: 1) Intensification and Extensification of Cassava Cultivation; 2) Dissemination of Technological Innovation that Leads to Efficiency in the Production Process; 3) Optimizing Cassava Clusters; 4) Improving Business Management of Cassava-Based Agroindustry Actors and 5) Growing Partnerships in Marketing.
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## Research Method

The research method used in this study is the survey method. According to Sugiyono (2018), the survey method is a quantitative research method used to obtain data that occurred in the past or present about beliefs, opinions, characteristics, behavior, and relationships between variables and to test Several hypotheses about the sociological and psychological variables of samples taken from a particular population.

**Sampling Method and Data Collection** The sampling technique is the key informant who is also the subject of this research through in-depth interviews selected purposively using an interview guide as an interview guide.

## Results and Discussion

Analysis of cassava chips business development strategy Based on the analysis and discussion of problems faced by the cassava chips business, this business has excellent prospects for

development. However, to obtain such a condition, development prospects are needed by comparing internal and external environmental factors. The study results show internal and external factors in the cassava chips business. More details are as follows:

**1. Internal Factors (Strengths and Weaknesses)**

**A. Strength Factor**

a. Availability of materials

The availability of cassava raw materials is easy to obtain. The main ingredients in this food are cassava, salt, and cooking oil. They are not too worried about getting all these ingredients because they are available in the local traditional market. Therefore, one of the factors for the continuity of a business is the availability of raw materials that are easy to obtain.

b. Production process

The production process for cassava chips is very easy. The process of cassava business activities is easier, namely from peeling cassava, soaking, washing, cutting (grating), and frying to the final stage, namely packaging.

c. Raw Material Prices

Stable raw material prices, from the ease of obtaining raw materials for this business to the stable price of cassava raw materials, make business actors develop this cassava chips business to become their business.

d. Product marketing process

The marketing process for cassava chip products is more straightforward. In the marketing process for cassava chips, entrepreneurs market cassava chips in the areas around their place of business and market them outside the area where the entrepreneur is located.

e. Type of cassava used

The type of cassava used in processing cassava chips is suitable for planting in the research area. There is much cassava in the research area because cassava is suitable for planting.

**2. IFAS and EFRAS Matrix for Cassava Chip Business in Bukit Sari Village, Martapura District, East Ogan Komering Ulu Regency**

The factors analyzed with the IFAS matrix are the company's internal strategy factors. These strategy factors are the strengths and weaknesses of the business unit. Results identification of strengths and weaknesses is included as internal strategy factors so that they are given weight and rating so that the results are obtained identification as in table 4.8. The efas matrix is the result identification of opportunities and threats included as strategy factors, then given weight and rating so that the results are obtained identification as in table 4.8. Table 4.8. IFAS Matrix Cassava chips business

	<b>Factors Internal Strategy</b>	<b>Bobot</b>	<b>Rate</b>	<b>Bobot x Rate</b>
	<b>Strenght</b>			
1	Availability of cassava raw materials that are easy to obtain	0,147	4	0,588

2	The production process in the cassava chips production business activity is very easy	0,137	3	0,411
3	Stable raw material prices	0,140	4	0,560
4	Easier marketing process for cassava chips products	0,143	4	0,578
5	The type of cassava used in processing cassava chips is suitable for planting in the research area	0,140	4	0,560
<b>Amount</b>		<b>0,707</b>		<b>2,697</b>
<b>Weakness</b>				
1	Consumer demand for this product is still lacking	0,083	1	0,083
2	The tools used are still simple/manual	0,070	2	0,140
3	The taste of the product is still lacking	0,070	1	0,070
4	Unattractive product packaging	0,070	1	0,070
<b>Amount</b>		<b>0,293</b>		<b>0,363</b>
<b>Total</b>		<b>1,00</b>		<b>3,060</b>

Table 4.8 shows the results of the IFAS (internal analysis summary) matrix calculation, which shows a total internal factor value of 3,060. This shows that the cassava chips business's internal position is above average in utilizing its strengths and overcoming its internal weaknesses.

### 1. SO Strategy

This strategy involves utilizing all the power to seize and utilize the greatest opportunity. If a company has a big weakness, it will try to overcome it and turn it into an opportunity.

- a. The availability of raw cassava materials is essential in the cassava chips business. The most critical factor in running a cassava chips business is the availability of the primary raw material. If cassava is available in the cassava chips business, the business can run well.
- b. The marketing of cassava chips must be further developed. To advance a business, we must have a market or place to sell our business results, such as cassava chips. There are many ways to market cassava results, one of which is through social media. We can use social media to market our business more widely.

### 2. WO Strategy

This strategy is implemented based on using opportunities by minimizing existing weaknesses. We are developing a cassava chips business with a good strategy. Making the business grow, in the business world, we as business actors are required to have a strategy and broad thinking to develop our own business so our business can compete with other products and can be accepted by the community for that we as business actors are guided to have broad thinking and promising strategies for the development of the business.

### 3. ST Strategy



This strategy is intended to use the company's strengths to overcome threats originating from the company's external environment.

- a. Maintaining and continuing to develop the cassava chips business as souvenirs or gifts from the area, maintaining the long-established business and maintaining consistency in the taste of cassava chips, making it a typical souvenir. This makes the business continue to grow and becomes a satisfaction for business actors if consumers like the results of the process.
- b. There are many opportunities to cook cassava chips using social media as a marketing medium. To market household processed products in the current era is not tricky, so our business runs smoothly in the current era where many business actors use social media to market their merchandise; so too, with the cassava chips business, why don't we market this processed product using social media?

#### 4. WT Strategy

This strategy is based on activities that minimize existing weaknesses and avoid threats. Business actors must be motivated to innovate in taste, packaging, and processing.

Based on research conducted on the cassava chips business in Bukit Sari Village, Martapura District, East Ogan Komering Ulu Regency, this is one of the household businesses in Bukit Sari Village, Martapura District, East Ogan Komering Ulu Regency. These cassava chips are used as souvenirs or gifts from Bukit Sari Village, Martapura District, and East Ogan Komering Ulu Regency.

Internal and external environmental conditions of the cassava chips business: In terms of internal environmental factors according to Jatmiko (2021), namely:

- a. Production/operation aspect, in this cassava chips business, it is very easy to produce from the way it is made itself and in the provision of raw materials that are easy to obtain so that the production aspect runs well.
- b. Marketing aspect, in the cassava chips business, there is already a marketing system, because cassava chips entrepreneurs directly marketing at the business place also with its target consumers. The community around the business place but does not rule out the possibility for consumers who come from outside the area as well.
- c. Human resource aspect, in the cassava chips business in Bukit Sari Village, Martapura District, and East Ogan Komering Ulu Regency, there are 1 human resource.
- d. Financial/accounting aspects, in the cassava chips business in Bukit Sari Village, Martapura District, East Ogan Komering Ulu Regency, only a few have a systematic financial system.

Regarding the information system aspect, there is no sophisticated information system in the cassava chips business, but some entrepreneurs use certain technologies to market their food. Moreover, according to Jatmiko (2021), the external environment consists of the macro and micro external environments. The macro external environment includes physical, economic, social, political, legal, technological, and demographic factors. At the same time, The micro external environment consists of the threat of new entrants, supplier power, buyer/customer power, threat of substitute products, and competitors in the industry. Based on the analysis of the company's environmental factors, namely the internal environment and the external environment, in Table 4.8 of the IFAS matrix (Internal Factor Summary), the results of the strength factor are 2.697, and the weakness factor is 0.363.

In Table 4.9 of the EFAS matrix (External Factor Summary), the opportunity factor results are 2.236, and the threat factor is 0.522. So, it can be concluded that the cassava chips business in the SWOT analysis diagram is located in quadrant I with an aggressive strategy or growth strategy.

The right strategy in developing a cassava chips business is: According to Rangkuti (2019), an aggressive strategy is very profitable. The company has strengths and opportunities to take advantage of existing opportunities. The strategy that must be implemented in this situation is to support an aggressive growth policy. According to Jatmiko (2021), an aggressive strategy or growth strategy is the time for companies to grow with various company targets. Company growth results from internal variables with the support of skills to read the conditions of the company's external environment. Several company strategies are included in the growth strategy, namely:

1. Concentration growth is a company strategy that focuses on a single product or service business or a small number of related products small related products.
2. Vertical Integration Strategy Vertical integration occurs when a business moves into an area that serves the supply of raw materials or brings products closer to customers.
3. Diversification Strategy is a company that produces different products from the original. Of the three strategies classified by Jatmiko, the right aggressive strategy to be applied in the cassava chips business is concentration growth. Concentration growth or market penetration strategy is a company strategy that focuses on a single product or service business or a small number of related products.

## Conclusion

Based on the results of the research conducted, the following conclusions can be drawn:

1. The strengths of the cassava chips business in Bukit Sari Village, Martapura District, East Ogan Komering Ulu Regency are the availability of cassava raw materials, which are very easy to obtain, and the production process for cassava chips business activities. This wood is very easy.
2. The weaknesses of the cassava chips business in Bukit Sari Village, Martapura District, East Ogan Komering Ulu Regency are that consumer demand is still lacking, the taste is still lacking, and the packaging is not attractive.
3. Opportunities in the cassava chips business: Business actors can develop the business as a souvenir/gift from Bukit Sari Village, Martapura District, and East Ogan Komering Ulu Regency.
4. The threat to the cassava chips business is the presence of competitors in the form of other snack and fast food products, so cassava chips should be remembered.
5. According to the analysis results, the strategy used in the cassava chips business in Bukit Sari Village, Martapura District, East Ogan Komering Ulu Regency, is Aggressive. Alternative Strategies, namely concentration growth or market penetration strategies, are company strategies that focus on a single product or service business or a small number of interrelated products.

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