Strategic Plan for Survival of Shallot Farmers' Business Capital Management

Kamaludin¹, Sri Wahyuningsih²
¹²Cirebon Maritime Academy, Cirebon, Indonesia
¹ kamaludin.abahirzka@gmail.com, ²swyuni0389@gmail.com
*corresponding author

Abstract
The objective of this research was to obtain a theoretical concept related to a strategic plan for business capital management for shallot farmers using rainfed lowland planting media. This research used a qualitative research method with the main focus of analyzing the management of the business capital of shallot farmers using rainfed rice-growing media. Data collection techniques used in this research were observation, interviews, and documentation using triangulation techniques to ensure the validity of the data obtained. The theory of strategic survival plan is the result and novelty of this research. The theory of strategic survival plan is the management of business capital where all the actions taken by shallot farmers using rainfed rice planting media try everything they can to obtain onion seeds as initial capital.

Keywords: Business Capital Management, Shallot Farmers, Rainfed Rice Fields, Survival Strategic Plan.

Rencana Strategis Bertahan pada Pengelolaan Modal Usaha Petani Bawang Merah

Abstrak
Tujuan penelitian ini adalah untuk memperoleh sebuah konsep teori terkait rencana strategis pengelolaan modal usaha bagi petani bawang merah yang menggunakan media tanam sawah tadah hujan. Penelitian ini menggunakan metode penelitian kualitatif dengan fokus utama yaitu menganalisis tata kelola modal usaha petani bawang merah yang menggunakan media tanam sawah tadah hujan. Teknik pengumpulan data yang digunakan dalam penelitian ini adalah dengan menggunakan observasi, wawancara, dan dokumentasi dengan menggunakan triangulasi teknik untuk memastikan validitas data yang diperoleh. Teori rencana strategis bertahan merupakan hasil dan kebaruan dalam penelitian ini. Teori rencana strategis bertahan adalah tata kelola modal usaha dimana segala tindakan yang dilakukan oleh petani bawang merah dengan menggunakan media tanam sawah tadah hujan berusaha dengan segala cara untuk dapat memperoleh bibit bawang sebagai modal awal.

Kata kunci: Sawah Tadah Hujan, Petani Bawang Merah, Rencana Strategis Bertahan, Tata Kelola Modal Usaha

INTRODUCTION

Business capital is the basis of all fulfillment of the needs for business activity (Purwanti, 2012; Inayah et al., 2014). Business capital plays an important role in improving the quality and quantity of the results of the business being run. Also, the capital adequacy ratio has a positive and significant effect on return on assets (Santoso, 2020). Business capital
readiness is a classic problem in today's business world. Management of business capital needs to be seriously handled in order to business activities can survive and continue to develop. Good governance of business capital is needed in business activities to provide benefits for business actors. Managed business capital has the potential to continue to grow and develop. This potential must be comprehensively understood by business actors. The potential for business capital to increase and develop can be described by business actors toward planning a business strategy through establishing a business vision and mission, setting business objectives, and selecting a business strategy to be implemented. Business strategy planning provides an initial description of the business capital management effort with clear directions and objectives.

Business capital governance requires the ability of business actors to identify strengths and weaknesses in the internal side of the business being carried out as well as to identify opportunities and challenges in the business environment. Strengths and weaknesses that can be identified by business actors in managing business capital are related to the human resource capacity of the business actor, the availability of capital, and the marketing strategies used. The strength possessed by business actors needs to be maximized to face intense business competition. The weaknesses of business actors need to be anticipated through basic improvements to support the achievement of business goals effectively and efficiently. Meanwhile, the opportunities and challenges that must be identified by business actors in managing business capital are related to competitors, consumer needs, economic conditions, government regulations, and socio-political conditions. The opportunities that arise from the business environment need to be optimized properly by business actors to increase sales of production products (Sari et al., 2017). Meanwhile, the existing challenges provide an idea for business actors to take preventive attitudes towards things that business actors need to avoid so that business activities can run well to achieve business goals.

This business capital management is also essential to be implemented in the agricultural business sector since the agricultural business sector has a high risk of losing business capital. The challenges faced by farmers in managing their agricultural business capital are related to unpredictable weather, increasing pests, and low production selling prices (Kamaludin, 2018). This also happens to shallot farmers using rainfed rice-growing media. These challenges are increasing with the planting period of shallots which is only carried out in the rainy season, the labor wages are getting more costly and the availability of labor is decreasing. These challenges make the business capital managed by shallot farmers using rainfed rice-growing media potentially experience losses. It will be affected on reducing business capital in certain conditions such as crop failure, the use of rainfed lowland planting media of shallot farmers will lose all their business capital.

Based on preliminary research conducted by researchers through preliminary observations and interviews with several rainfed rice planting media shallot farmers in Bulakamba District, Brebes Regency, it can be seen that in the dry season, the majority of shallot farmers use their business capital to meet their daily needs. It makes shallot farmers who use rainfed rice-growing media in a condition of lack of business capital when the rainy season arrives. It can also be seen that some farmers do not have business capital when the
planting season comes, which means that shallot farmers who use rainfed rice-growing media cannot carry out their agricultural business activities. This phenomenon is the background of the problems that will be examined in this research. Several empirical researches suggest that the management of smallholder business capital is still low. However, shallot (Allium cepa var aggregatum) is one of the most important vegetables consumed in Indonesia (Herlina et al., 2019). Hutabarat (2013), states that the problem of agricultural commodity prices, which are often unstable, is very detrimental to farmers because the prices of production materials such as fertilizers and agriculture drugs tend to increase. From the marketing and capital aspects, farmers also often experience adverse events, even farmers have to be trapped into a marketing and capital system that benefits one party (in this case the middlemen). Sudiatmaka and Utami (2016), suggest that there is no balance between maintenance costs (purchasing seeds, purchasing fertilizers, irrigation, cleaning weeds from plants and so on which support agricultural activities) if calculated with the price of the harvest is not comparable even farmers tend to lose because they do not return on investment.

This research has objective to obtain a theoretical concept related to a strategic plan for business capital management for shallot farmers using rainfed lowland planting media. The research conducted by researchers provides a new perspective of the strategic plan for the use of business capital financing for shallot farmers. Previous research has not shown a strategic plan for the use of business capital financing for shallot farmers, it is only shows that business financing for shallot farmers comes from microfinance institutions, since microfinance institutions provide convenience both in terms of administration and tolerance of debt repayment when they fail to harvest (Rahayu, 2015), the Group Business Capital Strengthening program through the empowerment of shallot farmers (Samiah & Aini, 2020).

METHOD

This research used qualitative research methods. Qualitative research is research that aimed to analyze the phenomena experienced by research subjects and are presented in the form of words and language (Moleong, 2016). The research was conducted in 1 year, started in 2020 located in Bulakamba District, Brebes Regency. The focus of research in this research was to analyze the management of capital shallot farmers using rainfed rice planting media in Bulakamba District, Brebes Regency.

Data collection techniques in this research consisting of observation, interviews, and documentation. The data obtained are covering primary and secondary data. Primary data were obtained from observations and interviews, while secondary data were obtained from the documentation. The researcher used triangulation to validate the data, which means using different data collection to get data from the same data source (Sugiyono, 2010). Purposive sampling is used in determining the informants of this research. Purposive sampling is a technique in determining the research sample through a consideration so that the data obtained are representative (Sugiyono, 2010). This research involved 25 shallot farmers who used rainfed rice-growing media. In this research, the informants had at least 5 years of experience in running shallot farming activities using rainfed rice planting media.
The data analysis techniques used in this research are data collection, data reduction, data display, and conclusion drawing/verification (Miles et al., 2014).

FINDING AND DISCUSSION

The results in this research are the concept of the theory of business capital management of shallot farmers using rainfed rice planting media in the form of a survival strategic plan theory. Business capital management is based on a strategic survival plan, covering the management of business capital where all actions taken by shallot farmers using rainfed rice planting media try all possible ways to obtain shallot seeds as initial capital. Obtaining these seeds can be done by setting aside the harvest to make seeds independently, debt from banks and cooperatives that are used to buy shallot seeds, or asking other shallot farmers, relatives, or neighbors to prepare onion seeds with a profit-sharing scheme when harvesting.

Management of business capital for Shallot farmers’ using rainfed rice planting media

The management of business capital run by shallot farmers using rainfed rice planting media is carried out simply. This is related to the competencies possessed by shallot farmers, the majority of whom are educated at the basic education level (Gerhana & Malia, 2017; Nugraha et al., 2018; Susilowati & Suryanto, 2018). Shallot farmers using rainfed rice planting media do not yet have an understanding of good business capital management. This is reflected in the lack of business capital when the rainy / planting season arrives. The results of production/harvest obtained by shallot farmers tend to be used for consumptive things. For example, to meet daily needs when the dry season arrives, buy motorized vehicles, and build or renovate houses. This has an impact on the readiness of shallot farmers to meet their needs when facing the planting season. These needs are related to nurseries, land cultivation, and labor.

The management of business capital for shallot farmers by using rainfed lowland planting media is broadly divided into two main parts; initial capital in the form of shallot seeds and additional capital in the form of debt. The main mindset possessed by shallot farmers is how to prepare seeds for planting shallots in the next growing season. Shallot farmers only focus on seed preparation, this is due to the assumption of shallot farmers that the costs required for land cultivation, labor costs, and maintenance costs can be obtained through loans either through banks which are institutions that promote economic growth (Priyono et al., 2019), cooperatives, or pawnshops with seasonal schemes. This seasonal scheme means that the principal loan will be repaid when the shallot farmers have earned income from the harvest. Shallot farmers only deposit running bank interest every month.

The management of business capital that has not been maximal influences the quality of the business being carried out to gain profits to achieve an increase in the economic standard of life of shallot farmers. The uncertainty of the weather and the selling price will make it more difficult for shallot farmers in carrying out their agricultural business activities. Shallot farmers depend on income from the sale of their harvest (Lawalata et al., 2017; Parinsi, 2017). The income from the sale of this crop has the potential to not be reused to
increase the amount of capital prepared for the next planting season, this is because most of the income obtained from the sale of the harvest is used to pay off loans at banks, cooperatives, and pawnshops. The remainder of the loan repayment is used to meet the daily needs of shallot farmers and prepare to purchase onion seeds for the future planting period. Based on this, the position of the onion farmers' business capital is back to normal where the shallot seeds become the initial capital.

This condition will be inversely proportional if shallot farmers using rainfed rice planting media experience crop failure. It means not only do shallot farmers suffer losses but also their inability to pay off loans that are used as additional capital. These conditions have an impact on agricultural business activities which will become more difficult. The business capital of shallot farmers is at zero. Restarting their agricultural business, the shallot farmers must return to make loans to banks, cooperatives, and pawnshops with new uses. Regarding to this, the amount of debt of shallot farmers is increasing. The shallot farming business carried out by shallot farmers using rainfed rice cultivation media in order to pay off debts, has no longer oriented to increase profits to achieve a more viable standard of economic life. In this correlation, the successful use of money as capital is determined by its perspective and management (Sina, 2013). The management of business capital for shallot farmers using rainfed rice planting media can be seen in the following chart.

![Diagram of Shallot Farmers' Business Capital Management](image)

Figure 1. The Chart of Shallot Farmers' Business Capital Management

It should be understood that with the existing conditions, shallot farmers using rainfed rice planting media need a basic philosophy in carrying out their agricultural business activities. The basic philosophy outlined in this business vision determines the business mission that will be carried out by shallot farmers. The direction and goals will be clearly illustrated by understanding the mission of the business being carried out (Dewi, 2014). The concept of a strategic plan needs to be drawn up so that business activities can be carried out by the expectations of shallot farmers, business activities generate a profit. Actions to implement a business strategy can focus on the achievement of the goals of business activities through the stated business mission. This needs to be understood by shallot
farmers as a guideline to carry out effective and efficient business activities to have an impact on improving the economic standard of living of shallot farmers.

The strategic plan for managing the business capital of Shallot farmers’ using rainfed rice planting media

The strategic plan has an impact on the creation of an understanding toward shallot farmers using rainfed rice planting media through the direction and objectives of business activities and creates optimism for the success of the business to be achieved. The strategic plan is a mitigation action against the possibility of failure of the business being carried out. Shallot farmers must be able to think ahead. In this case, the mindset of being able to think ahead does not require special competence. Shallot farmers simply relate their experience to current conditions related to weather, seed purchase price, product selling price, and labor wages. Through synchronization between experience and current factual data that can be identified simply by shallot farmers, shallot farmers can formulate strategic actions to be carried out in the context of the success of their running agricultural business. A well-prepared strategic plan will have an impact on the readiness of shallot farmers by using rainfed rice planting media in optimizing business activities to be carried out to achieve business goals; gaining a profit.

Shallot farmers using rainfed rice planting media can develop a strategic plan by starting to establish a business mission. This business mission is essential as a guideline to guide business activities to be carried out by the expected direction and goals (Suryadi, 2012). Through the business mission, the distribution of business capital can be more efficient in terms of meeting the funding needs for the purchase of shallot seeds, land cultivation, maintenance costs, and labor wages. The business mission set out in the strategic plan on venture capital management must be identified based on internal factors from the point of view of shallot farmers using rainfed lowland planting media. The identification of these internal factors includes the strengths and weaknesses of shallot farmers related to the business capital they have. The strength, covering the initial capital and additional own capital, the ability of shallot farmers in managing business capital, and the commitment of shallot farmers in using the income from the sale of products for the sake of business sustainability. In the other side, the weaknesses are in the identification of internal factors include initial capital and additional capital from loans, the number of debt obligations that must be settled in the previous period, as well as the use of sales proceeds to meet non-productive needs such as home renovation, motor vehicles purchasing, and household furniture purchasing.

Goal setting is based on the mission to be achieved (Setiwati & Bakhtiar, 2016). Regarding to this, the identification of internal and external factors needs to be formulated in order to business activities remain focused on achieving goals. This goal setting is essential for shallot farmers to link their desires to be achieved with the abilities they have. Therefore, in setting the goal, shallot farmers must be realistic about the existing conditions. The objectives of this business activity are done in order to obtain profits to increase the amount of capital and improve the economic life standard of shallot farmers. This goal can be
formulated if the business capital of the shallot farmers is owned by themselves, meaning that the shallot farmers do not have business debt obligations that must be settled. However, shallot farmers do not have the opportunity to be able to improve their economic standard of living if the purpose of business activities is to obtain profits aimed at paying off debts in the previous period, meaning here that shallot farmers carry out business activities focused on efforts to reduce debt obligations. That must be resolved.

The formulation of a strategic plan is based on actions towards business capital governance that will be carried out to achieve business objectives. Shallot farmers must understand that the goal to be achieved is carried out through specific strategies so that the planted shallots can be successful and successful until the harvest period. This strategy can be in the form of maximum tillage including soil cultivation for planting media or what is commonly called “suwatan”, through deep hoeing so that the soil becomes more fertile. Hoeing is also carried out to deepen the water reservoir or so-called “solokan” so that more rainwater can be collected and the resulting soil can be used to widen or elevate the soil for planting media. Planting shallots is carried out by paying attention to the existing rainfall conditions, this is to ensure that the planting process and shallot care are easier to do. When the rainfall conditions are reduced, shallot farmers who use rainfed rice-growing media can use an alternative strategy by suctioning water from the irrigation canal using a pump or through suctioning water from the river. Related to the extraction of water from the irrigation canal, the condition of the gates must be ensured that they can function properly so that the condition of the water originating from the irrigation channel is neither excessive nor deficient to maximize the conditions of water distribution to the shallot farmers' rice fields.

The strategies that can be formulated by shallot farmers during the maintenance of shallot plants are the selection of appropriate agricultural fertilizers, the selection of agricultural drugs (pesticides) that are suitable for the age of planting shallots, and a good cycle of using agricultural drugs. The use of agricultural fertilizers is carried out by shallot farmers to stimulate the growth of shallots plants which can be done 2 times, namely when the onions are 14 days and 30 days old. The fertilizer used is in the form of ZA fertilizer which contains Nitrogen and Sulfur which function to improve soil quality and increase plant productivity. This urea fertilizer can be combined with compound fertilizers in the form of NPK fertilizer which contains Nitrogen, Phosphate, Potassium, Magnesium, and calcium. These fertilizers are subsidized by the government. This subsidy is given by the government to provide cheaper fertilizer for shallot farmers (Rahmadona et al., 2017; Khoyriyah et al., 2019). It has a positive impact on the use of business capital for shallot farmers.

In the selection of agricultural drugs, the strategy that can be used by shallot farmers is choosing agricultural drugs that are suitable for the growing age of shallots. At the age of 1 to 35 days, agricultural drugs are used to focus on the care of leeks or plant growth. When the plants are 35-55 days old, the use of agricultural drugs focuses on the enlargement of shallot bulbs. At this time, the price of agricultural drugs is costly (Yazid, 2013; Roziyanto & Nasir, 2013). It forces shallot farmers to use the most of their venture capital in meeting the need for this agricultural drug. Shallot farmers think that the use of agricultural drugs is
an absolute thing that must be done to ensure that the condition of shallot plants can be strong and resistant to pests and current uncertain weather. If the shallot farmers are in a condition of lack of business capital to fulfill their agricultural drug needs, the shallot farmers can use an alternative strategy by making agricultural drug debt at their drugstore with a commitment that when it is harvested, the agricultural drug debt will be paid off.

The cycle of agricultural drug use by shallot farmers using rainfed rice-growing media is a cycle called "four days to", meaning that the spraying period of shallot plants has a time lag of three days from the previous spraying period of agricultural drugs. This "four days to" cycle is used with the consideration that with the conditions of the shallot planting period in the beginning or the first planting period and high rainfall, there are not too many pests on shallot plants. This has an impact on the business capital of shallot farmers who are not too depressed by the need to purchase agricultural drugs. However, this condition is just the opposite during the second planting period. During the planting period of the two, shallot farmers use a cycle called "two days to", meaning that the spraying period of the shallot plants has a one-day interval from the previous spraying period of agricultural drugs. This cycle is used with the assumption that the pest condition during the second planting period is very much. Through this "two days to" agricultural drug spray cycle, the risks of crop failure are minimized. The use of the "two days to" cycle will reduce the business capital of shallot farmers due to the high intensity of agricultural drug use.

**Strategic Plan for Survival of Shallot Farmers’ Business Capital Management Using Rainfed Rice Planting Media**

The condition of the management of shallot farmers' business capital by using rainfed rice planting media is far from the expectations of good business capital management. Whereas the strategic plan in managing business capital for farmers needs to be formulated and implemented with full commitment by shallot farmers so that their business capital can become a solid foundation in carrying out agricultural business activities. Conditions that are far from expectations related to good business capital governance are influenced by several factors including the level of education of shallot farmers, the majority of whom are educated at the basic education level, the high potential for using agricultural business income to meet secondary needs such as purchasing motorbikes, television, refrigerator, household furniture, as well as refurbishing the house as well as a lack of commitment to utilizing profits from the sale of products/harvests for other productive activities that support production results by processing products to increase the selling value of production products, such as crispy fried shallots, shallots paste, or shallots oil.

Based on these influencing factors, the strategic plan implemented by shallot farmers using rainfed rice-growing media is in the form of a survival strategic plan. The survival strategic plan is the management of business capital where all the actions taken by shallot farmers using rainfed rice planting media try everything they can to obtain shallot seeds as initial capital. This survival strategic plan is oriented towards meeting the needs for shallot seeds which are used as initial capital. In this case, shallot farmers are expected to be committed in providing business capital for the needs of buying shallot seeds. The business
capital is aimed to buy shallot seeds which is obtained from setting aside the income earned after deducting the obligation to pay trade debts. Shallot farmers use the income from their business for their daily and primary needs (Ia et al., 2018). Moreover, the income from shallots farming is used for meeting secondary needs. However, the use of income from the sale of crops to fulfill primary and secondary needs is the remainder income from the sale after deducting the preparation for the purchase of shallot seeds for the next planting period and to pay off business debts. It cannot be applied otherwise it has an impact on the inability of shallot farmers to be able to meet the needs of purchasing shallot seeds as initial capital in shallots farming.

The existence of prepared shallot seeds is a point of enthusiasm for shallot farmers in starting a shallot farming business. Strategic actions are needed in preparing shallot seeds as initial capital for shallot farming businesses. These strategic actions can be in the form of preparing shallot seeds independently. The point here is that shallot farmers carry out their seedlings by setting aside 30% of the harvest to be dried. These dried shallots are called "askip" shallots. The “askip” shallots are stored in the shallot farmer’s house on bamboo storage shelves to get enough air circulation until the shallot seeds are ready to be planted. By conducting their nurseries, shallot farmers can make almost 40% efficiency in financing the nurseries and this will greatly help shallot farmers in managing their agricultural business capital.

In conditions of crop failure, the provision of shallot seeds is something that needs to be maximized. Strategic actions that can be taken include applying for loans through banks, cooperatives, or pawnshops to meet the funding requirements for purchasing shallot seeds using a seasonal system. With this seasonal system, shallot farmers have relief to fulfill their loan settlement obligations after the harvest period. For efficiency in meeting the needs of shallot seeds, shallot farmers can buy shallots that are still wet from other shallot farmers who have harvested them. The wet shallots are then dried independently for 14 days of insufficient sunlight. After drying, the shallots are stored in these storage racks for between 2 and 3 months. The characteristics of shallot seeds that are ready for planting are that they have had enough storage period for 50 days, are protected from pests and diseases, the shallot seeds are uniform in size, if the tubers are cut by 1/3 part, a green growth point will appear (Maftukin et al., 2015).

Other strategic actions that can be done by shallot farmers are by asking other shallot farmers, relatives, or neighbors to prepare shallot seeds with a 50-50 profit-sharing scheme. It means that the results of the sale of the harvest are divided equally; the owner of the shallot seeds will get 50% and also the land cultivator is 50%. In this scheme, the owner of shallot seeds is obliged to prepare the seeds, pay for labor to plant shallot seeds, and also carry out the first fertilization when the shallots are 14 days old. Land cultivators must take care of the shallots starting from soil processing, providing agricultural drugs as well as spraying agricultural drugs until the shallots are ready to be harvested. Meanwhile, the labor cost for harvesting shallots is divided in half between the owner of the shallot seeds and the land cultivator.
CONCLUSION

The findings in this research are those shallot farmers who use rainfed lowland planting media apply strategic management patterns to survive in managing their business capital. Business capital management is based on a strategic plan for survival, which is called by the management of business capital where all actions were done by shallot farmers using rainfed rice planting media trying all possible ways to obtain shallot seeds as initial capital. The management of business capital for shallot farmers by using rainfed lowland planting media is broadly divided into two main parts; initial capital in the form of shallot seeds and additional capital in the form of debt. This survival strategic plan is oriented towards meeting the need for shallot seeds which are used as initial capital. Shallot farmers, in this case, are quite committed to providing business capital that is aimed to buy shallot seeds, whether it comes from income from selling the harvest, making capital loans at banks, cooperatives, or pawnshops, and also collaborate with farmers another, relatives, or neighbors to provide seeds with a revenue-sharing scheme from the sale of the harvest of 50-50.

The limitation of research which is only carried out on shallot farmers who use rainfed rice-growing media in one sub-district, then further research can be carried out in a wider area, covering in a regency or national area. The results of this research provide opportunities for other researchers to provide new perspectives on the follow-up of the strategic plan for survival into a more comprehensive strategic management system.

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