THE INTERNATIONAL JOURNAL OF HUMANITIES & SOCIAL STUDIES

Farmers' Perception of Corporate Farming Institution in Paddy Farming in Ogan Komering ILIR Regency of South Sumatera Province

Nisma Aprini
Instructor/IIIA, University of Sriwijaya, Indonesia
Sriati
Faculty, Department of Agriculture, Sriwijaya University, Indonesia
Najib Asmani
Faculty, Department of Agriculture, Sriwijaya University, Indonesia
dan Maryadi
Faculty, Department of Agriculture, Sriwijaya University, Indonesia

Abstract:
This study explains about paddy farmer's perception of the institutional corporations (corporate farming) for the development of paddy farming in Ogan Komering Ilir regency, South Sumatra province. The aim of this paper is to determine the perception of paddy farmers of farmer institutions with the corporate system (corporate farming). The condition of up and down of paddy farming ecosystem can still be developed to increase the welfare of farmers, that is if the farmers' perception was used as an input for the arrangement of farmer institutional development program. This goal achievement would be even more effective if the institutional system of paddy farming was transformed into institutional corporations (corporate farming). To know the perception of paddy farmers of corporate farming institution, it was measured by the score percentage comparison given by all the respondents with a maximum score obtained from all items of the questionnaire. Mathematically, it can be expressed as follows: Farmers' perception = (total score obtained: maximum score) x 100%. The calculations showed that, in general, the perception of farmers on corporate farming system institutional categorized as fair or good, this showed that the implementation of a corporate farming institution can be implemented in OganKomering Ilir regency. To encourage the institutional success of the corporate farming system, it is necessary to collaborate with government, private sector and farmers.

Keywords: *Paddy farming, institutional, corporate farming, farmers' perception*

1. Introduction

1.1. Background

Agricultural sector plays an important role in national development. Lately, some social problems in agricultural development have become a factor in determining the success of technology adoption for farmers. Among the social problems that exist, the institution is one of the factors that needs to be observed to determine the institutional which needs to be prioritized regarding the improvement in farming, especially paddy farming. In line with the improvement in paddy production as the positive impact of the application of technology and other inputs, various problems appear relating to the process of production, postharvest (drying, sorting, etc.), storage, transportation, and marketing. By far, the process of production and commodity crop handling has emphasized more on the ability and skills of individuals. The process involves institutional, either in the form of institutional organization or norm institutions and arrangements, which generally still focuses on the process of collecting and marketing in a certain scale. For most areas, the role of the institutional existence of agriculture and farmers are not noticeable yet. Whereas the institutional function of agriculture is very diverse such as being a driver, a collector, a dealer in production, a generator of interests and attitudes, and others. Two institutional elements that play roles are the institutional organization and institutional norms.

Many factors have been blamed as the reasons why institutions established by the government or private do not develop, even unable to survive. Generally, they cannot perform the duties and functions and just spend development funds. The most highlighted factors are the poor quality of the manager resource, the lack of a sense of belonging and responsibility of the board and members, the lack of control of capital (having no board operational costs), the board is incompetent or dishonest, and many other factors blamed for unsuccessful development institution, especially in the agricultural sector.

South Sumatra as one of the national food barn has the potential to increase paddy productivity, especially in the tidal fields. A way to increase paddy productivity is by improving the institutional role of farmers, by revitalizing of existed institutions (local institutions)

with a system of corporate farming in a paddy farming tidal ecosystem. For this reason, it requires belief in the prospects and sustainability to the farmers, considering many limitations of farmers that could potentially become an obstacle in Corporate Farming (CF) as a program developed by the Department of Agriculture and the application of the concept of cooperative agricultural enterprises was tested on food commodities and plantations with different patterns of partnership (NAJIATI, 2004). Furthermore, it is said that the system is basically meant to build professional enterprise cooperatively so that it has access to various economic facilities.

The application of the institution's corporate farming system creates an appropriate partnership, a consistent pattern of institutional with the conditions of farmers and regional conditions of each region as well as supporting factors following existing constraints are important factors to be studied previously, in order to obtain an appropriate institutional model in their applications. This study aims at investigating the perception of farmers of the institutional corporate farming system in Ogan Komering Ilir, South Sumatra province.

1.2. Research Problem

Based on the problems above, it can be formulated that this research intended to know the perception of farmers toward corporate farming institution in Ogan Komering Ilir of South Sumatra province.

1.3. Research Objective

The purpose of this study is to determine the perception of farmers toward corporate farming institutional in Ogan Komering Ilir of South Sumatra province.

2. Methodology

2.1. Description of Corporate Farming

Corporate farming is a strategic move to compete in the modern and global market nowadays. This is also a place to combine the strengths of individual farmers to create a group that has the same vision to succeed mutually. It is because the farming group or corporate farming is a business of by and for farmers. By bringing together the effort and the power, a synergy for productivity is formed in a stable manner in order to fulfill the needs of the market, both in terms of quantity, quality, and sustainability.

According to Asmani (2013), the corporation is a consolidation of farming activities carried out by the farmers by applying management principles as a company owned by the farmers in increasing the effectiveness, efficiency, and sustainability. Corporate farming incorporates farmer capital that is managed by planning, organizing, encouraging and supervising so that the productivity and the welfare of farmers can increase and the income gets higher. Essentially, the concept of corporate farming is a collaborative effort through a system of management, by way of combining a small farming into a large-scale enterprise which meets the economic scale for being more efficient, having good productivity and homogenous product, as well as getting a high quality of the production. Those are some prerequisites to improve the competitiveness, added value, and the quality of the products.

2.2. Research Site

The research site was done purposively in Ogan Komering Ilir since it is one of the central production of paddy in South Sumatera.

2.3. Collecting Data

The primary data were collected by interviewing the respondents following a questionnaire guide. The collected data were a primary data (from the farmers), secondary data was from some relevant studies, and recording data that has been collected by the competent parties such as BPS (Central Bureau of Statistics), Department of Agriculture, and the relevant agencies. So, there were 184 samples in this study.

2.4. Analyzing Data

To answer the research objectives about the perception of farmers toward institutional corporate farming descriptively, non-parametric analysis was employed by using a scale. Farmers' perceptions were measured by the ratio percentage of scores given to all respondents with a maximum score obtained from all items in the questionnaire. Precisely, it can stated as follows:

Farmers' perception = (total score obtained: maximum score) x 100%

3. Findings and Discussion

3.1. The Characteristics of Respondents

The respondents in this study were 47 years old and 7 months averagely. Most of them were between 41 to 56 years old (61%). The experience of the respondents in Ogan Komering Ilir regency in managing paddy farm has been normally for 21 years and 7 months. The number of farmers who have experienced in managing paddy farm mostly 17 to 28 years old (70% out of the number). The education level of respondents was relatively homogeneous. It can be shown that most respondents have their education for 6 years (graduated from elementary school), as many as 129 people (70.1%). The level of education is one of the important factors in the development of institutions and corporate farming system. This relates to the adoption and skills in managing their farming (Redjeki, 2006).

All respondents in this study havebeen married. Majorly, they had 1 to 4 children with an average of 3 children. The numbers of family members who assisted in paddy farming activities were among 1 to 4 people. Their wives and their children were over the age of 20. Generally, they helped them in managing the farm. When the labor requirements of farming activities increase, the manpower needs of the workforce are fulfilled by the people outside of the family

3.2. Farmers' Perception of Corporate Farming Institution in Ogan Komering Ilir regency

Respondents' perception of corporate farming in Ogan Komering Ilir was measured by a scale of attitude. It provided some questions to the farmers. The perception was measured by using a scale of 1 to 3 on five aspects. Relative advantage, level of appropriateness, level of complexity could be tried out and observed. To see the perception of farmers toward institutional corporate farming, it can be shown in the table below.

No	Sub Variable and Indicator	The Frequency of Respondents' Answers			Max score	Obtained Score	Average	
		Low (1)	Fair (2)	High (3)				%
1	Relative Advantage:							
	1) Economic advantage	0	59	125	552	493	2,67	89,3
	2) Technical advantage	35	56	96	552	426	2,31	77,1
Total		**35**	**115**	**221**	**1104**	**1319**	**2,49**	**83,2**
2	Compatibility	.						
	1) Social Culture Environment	50	78	36	552	312	1,7	56,5
	2) Habitual	45	72	67	552	390	2,1	70,2
	3) Institution	33	101	50	552	385	2,0	69,3
Total		**138**	**246**	**148**	**1104**	**1103**	**1,93**	**66,1**
3	Complexity							
	1) Land Consolidation	55	98	41	552	374	2,03	67,7
	2) Infrastructures	101	81	0	552	263	1,44	47,6
	3) Implementation	37	105	42	552	373	2,02	67,5
Total		**193**	**284**	**83**	**1104**	**1010**	**1,83**	**60,9**
4	Triability	24	103	57	552	390	2.1	70,65
5	Observability							
	1) Production		97	87	552	455	2,47	82,4
	2) Quality	25	89	70	552	413	2,24	74,8
	3) Income	20	77	87	552	437	2,37	79,1
Total		**45**	**263**	**244**	**1104**	**1305**	**2,36**	**78,6**
Total							**21,14**	**71,92**

Table 1: Farmers' Perception toward Institutional Corporate Farming

3.3. Farmers' Perceptions of Relative Advantages

The respondents' perception of the corporate farming institution in Ogan Komering Ilir regency was measured by using an attitude scale. There were some questions given to the farmers. Their perception was determined by the scale from 1 to 5 on two aspects, that are the economically and technically beneficial aspects.

The relative advantage of an innovation is the degree in which a new idea can be considered as a better thing than the existed ideas, and it is economically profitable. It can be divided into two kinds, namely 1) the economic benefit as a profit or income earned due to its innovation, 2) the technical benefit as an advantage of the increased yields (Roger, 1983). Based on table 3 above, it shows that the average score of respondents' perceptions of the relative gained 83.2% of the total maximum score or high category. From those values, it means that farmers thought the corporate farming institution economically gave higher benefit to them. Because of the corporate farming, there are some advantages that can be undertaken, such as (1) the seeds can be homogenous with superior varieties, (2) the fertilizer can be used as recommended, (3) the planting can be simultaneously done and is resistant to pests, (4) modern technology and the use of agricultural tools and machines are done effectively. By having these advantages, the production will increase and the expense management and maintenance can be reduced. The corporate farming institution has also been applying the management principles by bringing together farmers' capital which is managed by planning, organizing, encouraging and supervising so that productivity and the welfare of farmers can increase and get high incomes. Farming in one management would be more advantageous than individually.

3.4. Farmers' Perception of Compatibility

Compatibility is an innovation dealing with how far the degree of the innovation is considered to be consistent and in accordance with the socio-cultural values and beliefs, or the ideas introduced before by the needs of the farmers. Compatibility innovation can be divided into (1) the conformity with farmers' neighborhood; (2) the procedures of customs, cultural values or farmers' habit; and (3) the need which can be seen as a compatible desire of the farmers' condition. So, the innovation can be fast adopted by farmers if it is compatible with their needs (Hanafi, 1987).

Based on Table 1, the mean score for the compatibility of the corporate farming institution as a whole is 1.9 with a category of fair (66.1%) from the maximum score. Respondents noted that the corporate farming institution does not conflict with the norms prevailing in the community. Throughout corporate farming, society can cooperate to optimize ongoing effort. Corporate farming is a modern way of mutual cooperation where commercial farming and management efforts are socially in line with cultures. It is also compatible with the customs of society or the local farmers where farmers are used to working together.

3.5. Farmers' Perception of Complexity

Rogers (1983) explains the complexity of innovation is a difficulty perceived from the innovations to be understood or to be performed by its adopters. It can also be said as the degree to which an innovation is considered complicated to be understood and applied. Innovative complexity is distinguished by 3 aspects, namely (1) the operation of how to use the technology; (2) facilities and infrastructures, such as the availability of supported facilities in processing technology (3) the ability of the technology application by labors. The more complex an innovation, the more difficult farmers accept such innovations. Otherwise, the easier it applies, the easier the technologies are practiced so that the adoption process of innovation can get faster.

Respondents' perception of the complexity of land consolidation with the institutional system of corporate farming gets a mean score of 1.83 (60.9%) from the maximum score. They believe that institutions could be implemented, but not all farmers are willing to hand over their land management to corporate farming. They still want to manage their farming individually. In addition, the respondents' answered on the complexity in terms of facilities and infrastructure gets a low category. It mainly focuses on production facilities that are expensive and difficult to obtain. Since the area needs to have not only a transportation which can carry the goods like waterage, but it also requires irrigation. Thus, it costs expensive. Institutional farming corporate system essentially could be applied but it must be supported by adequate infrastructure.

3.6. Farmers' Perception of Triability

To know whether an innovation is easy to be applied or not, farmers can try it out (triability) with the limited resources available. The innovations that can be tried out little by little will be more applicable than those which are not, because the more easily a new technology to be practiced, the faster the process of adoption of innovations made by the farmers. Thus, the complexity of an innovation has a considerable effect on the accelerating adoption of innovation. Farmers tend to adopt the innovations if it has been tried out because innovation involves many risks.

The data in table 1 shows the mean score of 2.1 (70.6%) of the maximum score or infair category. The respondents considered that the application of corporate farming institution could be used by the farmers. By associating with corporate farming, farmers could jointly bear the risk of the results of group discussion. Meanwhile, if farmers do not have the courage to try individually due to the unpreparedness of farmers concerning the risks, the corporate farming can be applied stage by stage. For the first step, it is started with the provision of inputs and joint cost of capital which can be used as a learning process for farmers to engage in a corporate farming institution.

3.7. Farmers' Perception of Observability

Table 1 above shows that the average score of observability is 2.36 (78.6%) of the maximum score or in a high category. The respondents believe that institutions with corporate farming systems can be observed. Farmers' perceptions regarding the level of convenience to see the use of institutional innovation result on corporate farming and the results can easily be observed. Since in the management of corporate farming, irrigation and cultivation techniques are managed by professional, there comes an efficient management, increased productivity, production and production cost reduction.

An innovation can be observed from several things: (1) high yield production,because corporate farming is a workable technology in specifically local paddy farming (2) the quality produced by corporate farming is easy to be improved and (3) improvement in revenues by reducing the cost. Farmers' perception on institutional revitalization concerning corporate farming system is positive and has a tendency to fully support the institutional innovation.

4. Conclusion

Farmers' perception of the corporate farming institution in Ogan Komering Ilir was high in relative advantage aspect due to corporate farming. Farmers thought it is more profitable than when they do it individually because farming has been managed professionally. As well as for other aspects of high compatibility level, the fair complexity level, they can be tried out and easily be observed in a relatively quick time, through the support of adequately farmer groups. In the aspect of infrastructure, it is still lack of adequate facilities and infrastructure. In general, the perception of farmers on the institutional corporate farming systems was in the category of fair or good. This showed that the implementation of the corporate farming institution can be implemented in Ogan Komering Ilir.

5. References

i. Adiyoga, W. O. Koesumawardi, R., Suherman.,T., & Agoes. (1997). Identifikasi kelembagaan wilayah pengembangan usahatani tanaman hias. Jurnal Hortikultura, 7(2).
ii. Afrizon, I. A. (2011). persepsi dan tingkat adopsi petani terhadap penerapan System of Paddy Intensification (SRI) di desa bukit peninjauan I Kecamatan Sukaraja Kabupaten Seluma Provinsi Bengkulu. Jurnal Infomatika Pertanian, 2(2), 76-80.
iii. Asmani. N. (2013).Pengelolaan sumber daya alam lestarai melalui usaha pertanian pangan sistem korporasi (Sustainable Corporate Farming) dalam rangka REDD. Proseding Seminar Nasional. PERHEPI.
iv. Departemen Pertanian, 2007. Pedoman penumbuhan, pengembangan, dan gabungan kelompok tani, permentan No.273/Kpts.OT.160/4/2007 Tentang Pedoman Pembinaan Kelembagaan Tani
v. Dewanta, (2005). Perjanjian kemitraan dengan pola inti plasma pada peternak ayam potong/broiler di pemerintah Kabupaten Grobogan Jawa Timur. Tesis Universitas Diponogoro Semarang.
vi. Mililer. B. C. (1984). Family Research Methods. London: Sage Publication Baverly Hills.
vii. Mosher.(1970). getting agricultural moving how moder farming can provide a better life. New York, NY: Pyramid Book.
viii. Pranadji, T. (2003). Menuju transformasi kelembagaan dalam pembangunan pertanian dan pedesaaan.pusat penelitian dan pengembangan sosial ekonomi pertanian badan penelitian dan pengembangan pertanian. Departemen Pertanian.
ix. Pranadji, T. S.(1998). Kajian tehadap persepsi dan kelembagaan korporasi untuk pengembangan usaha ternak domba di pedesaan (Studi Kasus pada desa-desa di Kecamatan Jambu, Kabupaten Semarang). Jurnal Ilmu ternak dan Veteriner, 4(2).
x. Reed, E.(1979). Two approaches to cooperation in paddy production South Korea" dalam Group Farming in Asia. Editor John Wong. Singapura. Universitas Press.Kent Rigde. Singapura
xi. Rogers,E.M., &Shoemaker, F.F. (1971). Communication of innovations: A cross-cultural approach. New York, NY: The Free Press.
xii. Syahyuti. (2004). Model kelembagaan penunjang pengembangan di lahan Lebak. Makalah Workshop Nasional Lahan Lebak di Kalimantan Selatan.