

Development Strategy of Women's Non-farm Entrepreneurs Group (Small Household and Handicraft Industries) in North Luwu Regency, South Sulawesi

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Abstract

This study examined the development strategy of women's non-farm entrepreneurs (small home industries and handicrafts) in North Luwu Regency, South Sulawesi. A purposive sampling technique was used to select 58 members of the Women Farmers Group as a representation of 20 percent of all members of the women's farmer group in the North Luwu Regency. Primary data were collected through scheduled interviews and presented using percentages and SWOT analysis. SWOT analysis with IFAS and EFAS analysis, structured questionnaires to obtain data on their socioeconomic profile, problem opportunities, and needs related to non-farm development. The results showed that North Luwu Regency is a promising location for the development of non-farm businesses, as evidenced by the potential commodity yields in this region. However, there are some barriers to institutionalizing the empowerment of women farmer groups. As a result of this study's analysis, several development strategies such as (1) capacity building of human resources in agricultural product management (2) development of government and stakeholder policies for farming community empowerment (3) increasing community group accessibility and cooperation with financial institutions (4) developing local market areas and outside the local area (5)

strengthening farmer institutions as economic business units (6) Strengthening Community Capacity for Non-Farm Business Development Through Group Empowerment Activities (7) Developing Agricultural Product Processing Industries. (8) Building partnerships with financial institutions to gain access to capital (9) Developing Non-Farm Businesses as profitable and attractive businesses (10) Increasing accessibility and utilization of production technology and information technology in Non-Farm enterprises management (11) Increased collaboration/cooperation among non-farm business groups (Production – Marketing) (12) human resource capacity development strategy and farmer institutional strengthening in non-farm business development efforts. (13) establishing partnerships between economic institutions and farmers' institutions for the development of non-farm businesses beginning in production and marketing (14) Development of a greater quantity and higher quality of superior products for agricultural processing.

Keywords: *Institutional, Women Farmers group/Women Entrepreneurs, Non-Farm.*

1. Introduction

Agriculture plays an important role in human life because it provides food, livestock feed, and bioenergy. The agricultural sector can also supply raw materials to industry and generate foreign currency through non-oil exports (Afifah & Ilyas, 2021). Agriculture plays a critical role in supporting the national economy, particularly in achieving food security, increasing competitiveness, absorbing labor, and reducing poverty. The provision of food needs for the community is a major and difficult task, as Indonesia's population is expected to reach 322 million by 2050, making it the world's fifth largest after China, India, Nigeria, and America (Ministry of Agriculture, 2020). This population growth certainly has an impact on the increasing demand for agricultural products because the large population is directly related to the food supply. On the other hand, the area of agricultural land is decreasing because the need for non-agricultural land also continues to increase along with the increase in population (Khairati & Syahni, 2016).

One of the major challenges of agricultural development is how the achieved economic growth can solve various problems at the farmer level, such as the very small scale of

land ownership (under 0.1 hectares), farmers' ignorance of final consumer demand, and the flow of information on prices and services that is erratic (asymmetric information) and unequal positions in the production process chain, which causes farmers' position to only have a position as price-takers where price determinants are usually collectors or traders at a more significant level (Lokollo, 2012). As a result, increasing agricultural commodity production and improving agricultural product competitiveness are aimed at increasing the agricultural sector's Gross Domestic Product (GDP), with farmers benefiting from an increase in farmer welfare. This is in accordance with Law Number 19 of 2013 Concerning Farmers' Protection and Empowerment, namely empowering farmers to increase productivity, efficiency, and competitiveness. The principle and application of farmer protection and empowerment are carried out to increase farmers' efficiency and profits, namely socio-economic engineering such as corporate farming, cooperative farming, or the field school approach, to accelerate farmer transformation for the welfare of farmers as a whole (Suryana, 2014).

As part of the goal of agricultural development, which is to improve the welfare of farmers and

the community, the farming system should be oriented toward increasing production and household income, resulting in an efficient farming system; thus, agricultural development must be approached with a business approach (agribusiness approach). As a driving force for agricultural development, agribusiness is expected to play an essential role in regional development activities, including equitable development, economic growth, and national stability, so agricultural industry or agroindustry development and agribusiness marketing must be more focused on rural areas (Rahim & Hastuti, 2005). The agribusiness approach integrates the problems of input facilities (upstream sector), processing and marketing (downstream industry), and farming development (downstream sector) (on-farm). The three sub-sectors are the core of the agribusiness system; efficiency can be achieved by employing the principle of economies of scale in the application of rapidly developing agricultural technology and efforts to create a more efficient agribusiness system. Furthermore, the current focus of agricultural development in Indonesia is on the agribusiness system, which includes farmer institutions and will determine the success of agricultural development. The existence of farmer institutions will make it easier for the government and stakeholders to facilitate and reinforce farmers (Anantanyu, 2011).

An institution for women entrepreneurs is a farmer group (spoken) that includes a group of female entrepreneurs in the processing and marketing subsystem of processed agricultural products. Through farmer groups, including women farmer groups and women entrepreneurs off-farm (household and handicraft industries), the government guides farmer groups, including women farmer groups and women entrepreneurs of processed agricultural products, in collaboration with all

stakeholders, so that farmers can organize themselves in efforts to implement an agribusiness system, particularly in the processing and marketing subsystem of processed agricultural products. One of the roles of women in developing agricultural development is to play a role in creating programs that lead to women's empowerment, which serves as a forum for participation formed due to the existence of the same type of farming they do, the proximity of where they live, and the existence of shared perceptions and, a solid motivation to improve the economy (Sharif, 2018).

Women farmer groups are self-help organizations formed from, by, and for the community to increase food reserves and promote institutional roles. A group that grows out of the community's initiative, willingness, and awareness to actively participate in developing and empowering its natural and human resources to increase income and food sources (Rochayanti & Triwardani, 2017). Institutional development of women's farmer groups and women entrepreneurs' groups of processed agricultural products (home industries and handicrafts) aimed at improving communication between groups of women farmers/women processed entrepreneurs and marketing of agricultural products as actors and the government as regulators and coaches should be prioritized, given that agricultural development does not have to be done alone. The role of local government in community empowerment is divided into four parts, namely: 1) Regulators who prepare directions to balance development implementation 2) Dynamisator, namely the government's mobilization of multi-stakeholder participation, 3) Facilitators, namely the creation of conducive conditions for development implementation, 4) Catalyst, namely the government's position as an agent that

accelerates the development of regional potential (Firdaus, 2020). Implementing agricultural development, including the development of processing and marketing of processed agricultural products, is the government and the community's responsibility to increase the added value of farm products. At this time, the government and the community must collaborate more intensively, synergistically, and transparently by their respective responsibilities and abilities. The community is the primary actor in national development, while the government prioritizes service, support, facilities, and advocacy (Hermanto & Subowo, 2006).

Women are active in all agribusiness subsystems in South Sulawesi, particularly in rural areas, ranging from input subsystems (providers of production facilities such as seeds, fertilizers, pesticides, and so on) to production subsystems, processing subsystems, and marketing subsystems. Women's participation in Indonesia, particularly in villages, is generally highest in agriculture and industry (including manufacturing). However, women's participation declines as the economy shifts away from agriculture and toward other sectors (Cameron et al., 2020). This is also consistent with the findings of research by Bulkis et al. (2014) and (2015), which show that women's involvement in agribusiness activities is concentrated in the processing and marketing of agricultural processed products.

Based on these problems, the central questions in this study are:

1. What are the potentials, problems, and needs based on the R-O-N of a group of female farmers/processed entrepreneurs and agricultural product marketing? (non-farm level)

2. How to design institutional strengthening of women farmer groups/processed entrepreneurs and agricultural product marketing to empower women farmers in developing and building economic businesses at the farm level/section

2. Methodology

This study was carried out in North Luwu Regency. The decision to locate in South Sulawesi was based on the fact that this district has enormous agricultural potential, both food farming and plantations, as well as great potential to be processed into industrial raw materials, including home industries. The agricultural and plantation sectors contributed Rp. 6,159.67 billion Rupiah (current prices) or 47.21% of Kab. North Luwu's total GRDP in 2018. (BPS, 2022). The study's informants and samples included women farmers, administrators of farmer groups and women entrepreneurs groups, marketing actors, and other stakeholders (Agriculture Office, Plantation Service, Industry Service, etc.).

The following analytical methods were used: (I) content analysis method to analyze the potential, problems, and needs in the development of Non-Farm activities; and (ii) content analysis method to explore the potential, concerns, and conditions in the development of Non-Farm businesses (Food Processing, Small Home Industries, Crafts, etc.). Content analysis was used to obtain valid inferences that can then be re-examined in light of the context. The process of selecting, comparing, combining, and sorting various meanings will be carried out in this analysis until the relevant ones are found (Krippendorff, 2018). A SWOT analysis with IFAS and EFAS analysis is used to develop strategies/designs for institutional strengthening women's groups and women's groups of non-farm entrepreneurs. The SWOT analysis describes

the case analysis process and the formulation of the selected recommendation formulation strategy. SWOT analysis systematically identifies various factors to formulate the chosen strategy. This analysis is based on the logic that maximizes Strengths and Opportunities while minimizing Weaknesses and Threats. (2012) (Marleni et al.)

3. Results and Discussion

3.1. Potential of Agricultural Products for Non-Farm Business Development

Garden farming and lowland rice farming have been the dominant agricultural businesses in North Luwu Regency thus far. Various efforts are being made to develop this commodity in North Luwu Regency and a series of activities with non-farm businesses.

Table 1. Types of Potential Commodities for Non-Farm Business Development

Types of commodity	Numbers	Percentage
Rice	2	1.49
Cocoa	31	22.96
Durian	13	9.62
Corn	19	14.07
Chilli	16	11.85
Vegetables	23	17.03

According to Table 1, cocoa has the highest percentage potential to be developed into non-farm businesses based on direct interviews with farmer group members. This is consistent with the dominant agricultural business taking place in North Luwu Regency, which is cocoa farming at a rate of 22.96%. As is well known, cocoa (*Theobroma cacao* L.) is a commercial crop with enormous economic value worldwide and the primary raw material used in the production of chocolate products (Gudi et al.,

2015). Beginning with the processing of cocoa beans into flour or cocoa powder, a cocoa commodity processing business can be established. Furthermore, liquid cocoa beans can be in the form of cocoa oil or cocoa paste. Cocoa beans that have been processed can be used as raw materials in the production of cakes, such as butter. Cocoa powder can be used to make a variety of foods, and cocoa leaves can be used as organic fertilizer.

The next potential commodity, with a percentage of 17.03%, is vegetables, with the type of business being spinach chips, kale crackers, cakes, and cookies made from vegetables. Members of the Poktan in North Luwu Regency, in addition to processing vegetables into ready-to-eat food, see vegetables as a potential commodity and have established an industrial business in the form of packaged vegetables. This is possible because Poktan and KWT members have demonstration plots specifically for vegetables, which can then be processed into non-farm businesses. Aside from rice and vegetables, corn (14.07%), chili (11.85%), and durian (9.62%) have non-farm business potential. Other commodities with high development potential include a. bananas for food processing; and b. sago for food processing and stalls. c. Sweet Oranges: food processing into cakes and beverages d. Palm Oil: palm oil industry. Commodities that can be used as non-farm activities in North Luwu Regency, such as bananas, sago, and sweet oranges, are quite easy to obtain and process, especially for home industries and stalls. As a result, Poktan members can work together with other group members or family members to complete the processing.

The Luwu Regency is divided into four sub-districts and nine villages, with two villages conducting non-farm businesses, namely Arusu Village and Bakka Village. The majority of

non-farm business in North Luwu Regency is home industry business in the form of organic fertilizer production. Following that, there will be food processing, stalls, and other businesses. Raw materials for the type of business being carried out in the type of food processing business, industry, and stalls are sourced from their own agricultural products as well as purchased.

Non-farm business is an economic activity in rural areas. These non-farm activities include a wide range of activities that may differ from one activity to the next, from one country to other countries, and from one geographical zone to the other. This is determined by local assets (potential), site characteristics, existing infrastructure, resources, and other factors. Non-farm activities are diverse and are classified as primary, secondary, and tertiary.

Secondary sectors include timber, food, textiles, metal products, tobacco, construction, and renovation; and tertiary non-agricultural activities include education, personal services, public administration, land transportation, small-scale retail trade, medical services, hotels and restaurants (Artemyan, 2015)

The marketing target of non-farm businesses currently focuses on the surrounding community, members of farmer groups, and local farmers. The non-farm businesses' targets are still very limited. Members of the North Luwu Regency Poktan can form partnerships with other parties to increase marketing targets in order to develop non-farm businesses. However, the existence of non-farm businesses run by housewives contributes financially to family life.

Table 2. Income Range from conducted Non-Farm Businesses

No	Non-Farm Businessees Types	Income Range
1	Stall (Rice stall, groceries, vegetables)	Rp1.000.000,- to Rp1.500.000,-
2	Home industries (organic fertilizer manufacturing)	Rp1.000.000,- to Rp3.000.000,-

Non-farm businesses that are carried out for the type of stall business earn around Rp. 1,000,000 to Rp. 1,500,000 per month, while industrial businesses earn around Rp. 1,000,000 to Rp. 3,000,000 per month. Non-farm business income earned by farmer households is highest in the home industry, namely the manufacture of organic fertilizer, and then stalls. When the potential is fully developed, income may rise. According to Sembiring (2015), farming households engage in a variety of non-farm activities. These various types of work were chosen because they are quite promising for the community's economy and do not require a large amount of capital; additionally, some types of work use

natural raw materials. Non-farm businesses, in this case, can be used as an alternative by members of the North Luwu Regency Poktan to increase their income by utilizing the village's potential.

Following the identification of non-farm businesses' potential, condition, target market, and income in North Luwu Regency. This demonstrates the importance of mapping in order for the region to have a database that can be used as a priority scale when developing agricultural business development programs. This is consistent with Ahaliki's (2016) opinion that analysis and mapping of the agricultural sector's superior potential is critical, because

knowing the superior potential in the agricultural sector allows for the prediction of agricultural land distribution and crop yields in each sub-district, as well as recommendations for the appropriate use of agricultural land. If developed as a non-farm business, the potential in North Luwu Regency and various commodities is very promising. Based on these commodities, the businesses that Poktan members can develop are classified into several types, as shown in Table 3.

Table 3. Potentially developed Non-Farm businesses types

Developing business types	Business description
Food Processing	1. Durian Processing
	- Durian crackers
	- Durian dampo
	- dodol
	- Durian jam
	2. Banana Processing
	- Banana chips
	3. Vegetables Processing
	- Spinach chips
	- Water spinach crackers
	4. Rice processing
	- Gembung cake
	- Cucur cake
	- Rice flour
	5. Cocoa
	- Cocoa powder
Home industries	- Household waste compost processing
	- Mat production
	- Hat production
Stall	- Vegetables
	- Groceries
	- Ready-to-eat food
	- Toko tani
Other businesses	- Grounded corn processing
	- Selling wallet nests
	- Organic plants business

Table 3 illustrates that non-farm business development in North Luwu Regency has a high potential to be developed, begin with the

processing of agricultural products such as durian, banana, rice, and vegetables. Similarly to the domestic industry, the residue/waste of various commodities can be used to manufacture organic fertilizers, stalls, and other businesses. As a result, commodities produced in North Luwu Regency have added value. According to Santoso (2007), agricultural potential can be linked with non-farm businesses using an approach that emphasizes that the basic strategy in rural economic development is to develop a commercial agricultural sector (market orientation) and have links to other sectors. This approach will not only encourage rural economic growth, but will also stimulate non-farm activity growth. According to Norton et al. (2014), farmers should be able to increase productivity in both on-farm and non-farm activities. This is done to keep farmers out of poverty. As a result, farmers, or Poktan members in this case, should be able to see the opportunities that exist based on the resources they have in the countryside, such as superior commodities and available human resources. Non-farm activities must also be able to be analyzed in order for them to run smoothly in the future.

3.2. Non-farm development issues

Non-farm business development undoubtedly faces a number of challenges that Poktan (farmer Group) members must address. Various difficulties encountered by farmer groups/women farmer groups in opening and/or developing non-farm economic businesses, both in terms of human resources and physical resources (technology), as well as financial resources (capital) and marketing.

Table 4. Projections and Types of Problems by Farmers in the Development of Non-Farm Businesses Based on Agricultural Production

Issues	Problem description	Numbers	Respondent
		N	%
Capital	Lack of capital and no business partners	36	62.06
Raw material	Law material shortage	23	39.65
Marketing	Lack of access to marketing and less strategic marketing location	25	43.10
Technology	Lack of processing technology and Poktan members are technologically stuttering	22	37.93
Human resourcece	There is a lack of HR skills, Poktan members' knowledge is still limited, and enthusiasm for starting a business is low.	20	34.48

According to Table 4, the majority of the types of problems encountered by 58 respondents from Poktan members of North Luwu Regency were capital-related. This was stated by 62.06% of respondents. Following that are issues related to marketing (43.10%), raw materials (39.65%), technology (37.93%), and human resources (34.48%).

The most common issue raised by farmer groups seeking to engage in non-farm activities is a lack of business capital, specifically money. According to Swastika et al. (2007), one of the policies that can be implemented to integrate rural development is to simplify investment procedures, business permits, and tax breaks for investors who will invest or invest in agro-industry in rural areas. According to research (Rahman, 2013), the local government can improve infrastructure, particularly communication networks, and establish an official investor forum to attract investors. If these steps are taken, members of the North

Luwu Regency Poktan will find it easier to obtain capital and find business partners for non-farm ventures.

This is consistent with Asfaw's (2017) research, which found that the main barriers to developing non-farm businesses in farmer households are a lack of access to adequate capital, poor infrastructure, and a lack of training. The regression model results showed that several factors influence smallholder participation in non-farm activities.

3.3. Non-farm development requirement

The development of non-farm businesses is inextricably linked to the needs of farmer group members in terms of increasing capital, business management training, training and technology development, and product marketing. According to Asfaw's (2017) research findings, strengthening agricultural extension services, providing microfinance, entrepreneurship training, development skills,

and infrastructure development will increase the participation of smallholders in non-farm activities. To achieve this, policymakers and

other stakeholders must integrate the rural agricultural economy with a non-farm livelihood strategy.

Table 5. Projections and Types of Needs by Farmers in the Development of Non-Farm Businesses Based on Agriculture

No	Types of Necessity	Necessity description	Number of respondent	
			n	%
1	Additional capital	Capital and business partners	39	67.24
2	Business management	Entrepreneurship, product marketing and development training	31	53.44
3	Technology training	Vegetable processing equipment, Cocoa bean processing equipment, Chip making technology, comparative studies and capacity building training	22	37.93
4	Marketing	Market place, Price guarantee and market information	28	48.27

Sixty-four percent of the 58 respondents in this study who were members of the Women Farmers Group of North Luwu Regency needed business financing and product marketing assistance if they were to launch a non-farm business in their area. 53.44% say they require business management training, while 37.93% say they need specialized training. This is consistent with the findings of Januhari and Purwantara's (2018) research, which states that research on internet media training has been conducted on local KWT administrators, increasing knowledge about information technology and increasing the motivation of local people to be more enthusiastic about using social media, which affects online marketing, professional, effective to increase the income.

The requirement for non-farm business development, particularly more venture money and partners. Furthermore, company management training is tailored to the business that will be conducted, such as basic marketing

system understanding and entrepreneurship training. According to the outcomes of empowerment initiatives carried out by Kartinah et al. (2022), local women farmer groups have been able to provide more excellent skills, knowledge, and insights about products, prices, distribution routes, and how to promote good products.. Poktan members require fundamental training and technology development, such as visiting locations of business that have developed or doing comparative research. Furthermore, the development of processing technology as a means of production in non-farm industries is required. It is also vital to stress the need for market information, pricing assurances, and marketing locations, so Poktan members are no longer frightened to launch a non-farm business. Cooperation from all parties involved is essential for effectively implementing non-farm activities in rural regions. Poktan members who carry out activities must be

enthusiastic and willing. On the other hand, government assistance from the village to the main level is a significant motivator in meeting the demands of Poktan members. According to Sugiri et al. (2015), the non-farm sector can increase people's welfare in rural areas. Still, it sometimes needs encouragement in the form of local government policies, one of which is the preparation of spatial planning. This relates to the needs of North Luwu Regency Poktan members in terms of marketing locations, which is one of the essential aspects of supporting non-farm activities. According to Yadi (2018), many policies that might be regarded as a solution to this problem are the auction market's institutional approach, Agribusiness Sub Terminal (STA), and Agribusiness Terminal (TA).

3.4. Non-Farm activity development strategy

Non-farm activity development, in this case, food processing, small home industries,

handicrafts, and stalls, necessitates a development strategy. Based on the study's findings, an internal and external environmental analysis was conducted using FGD methods and questionnaires distributed to farmer group administrators, farmer group members, and extension workers in North Luwu Regency.

3.5. Internal Environmental Factors

The internal environment consists of the farmer groups and their members' strengths and weaknesses. Based on the internal factor identification results, an assessment of the weight, rating, and score of each identified factor is performed on the strength component (S) and the weakness component (W). Table 6 displays the weights, rates, and scores of internal factors for developing non-farm economic business activities (food processing, small household industries, handicrafts, and stalls).

Table 6. Identification of Internal Factors for Non-Farm Development in North Luwu Regency

Internal factor	Weight	Rates	Score
Strengths – S			
S1. Available labor	0,035	4,000	0,142
S2. Relatively High Willingness to Try	0,035	4,000	0,141
S3. Primary Job as a Farmer	0,035	2,450	0,087
S2. Relatively High Willingness to Try	0,029	2,513	0,073
S5. There is no prohibition on women working for a living.	0,020	2,488	0,051
S5. There is no prohibition on women working for a living.	0,028	2,475	0,070
S7. There are many agricultural products from paddy fields, gardens, fields, and yards, both in quantity and variety.	0,027	2,438	0,066
S8. Agricultural produce is available alternately throughout the year (by season)	0,026	2,263	0,059
S9. Raw Materials for the Development of the Processing Industry	0,026	2,338	0,061
S10. Available financial institution	0,034	4,000	0,134
S10, processing technology is relatively available.	0,028	2,588	0,072

S11: Access to sea, air, and land transportation.	0,018	2,575	0,046
S11 passed by the Trans Sulawesi road and becomes a route for goods and services from South Sulawesi provinces.	0,034	4,000	0,136
S12 There are a large number of farmer groups.	0,023	2,038	0,046
S.13. There are a large number of Rural Economic Enterprises	0,025	2,238	0,056
S14. There are a large number of village institutional structure	0,034	2,188	0,074
S.15. There is an AD/ART for Farmer group.	0,029	2,175	0,063
	0,486		1,375
Weaknesses – W			
W1. Inadequate business skills and job opportunities	0,021	2,325	0,048
W2. Relatively low business management ability	0,022	2,113	0,046
W3. Very few efforts outside the farm	0,024	2,075	0,049
W4. Lack of group business cooperation	0,027	2,400	0,064
W5. A scarcity of suitable jobs for female employees.	0,027	2,188	0,058
W6. Lack of entrepreneurial innovation	0,025	2,175	0,055
W7. Agricultural yield/production is not long-lasting	0,021	2,300	0,048
W8. Only a small percentage of agricultural products are converted into secondary products	0,023	2,375	0,054
W9. The majority of agricultural products are sold in their raw state (sold directly without processing).	0,018	2,225	0,041
W10. Farmers are willing to accept low prices	0,019	2,275	0,043
W.11 lack of knowledge and product ideas for raw materials processing	0,020	2,438	0,048
W12. The majority of farmers lack working capital	0,020	2,413	0,047
W13 inability to gain access to financial institutions.	0,020	2,375	0,046
W14. Technology mastery is relatively simple	0,023	2,238	0,051
W15.inability to use transportation infrastructure to develop new rural areas	0,024	2,238	0,053
W16.unable to expand a new business and become a supplier in the surrounding area	0,021	1,938	0,041

W17. unable to expand a new business and become a supplier in the surrounding area	0,027	2,125	0,057
W18. Farmer groups do not yet exist and have not grown as an economic enterprise.	0,020	2,113	0,043
W.19. P4s (agricultural training center and independent village) does not exist.	0,019	2,088	0,040
W20. Bumdes has not played a role in promoting economic/community development.	0,027	2,025	0,055
W21. Agricultural cooperatives have yet to mature and play an important role in driving the rural economy.	0,024	1,975	0,048
W22. Not yet fully operational, cooperation in institutional functions	0,023	2,088	0,048
W23. There is little cooperation among group members (predominantly individual work).	0,020	2,088	0,043
	0,514		1,128
	1,000		2,503

According to the table above, the available workforce factor has a value of 0.142, the willingness to do business is relatively high with a value of 0.141, and the availability of financial institutions has a value of 0.134. The factor being passed by the Trans Sulawesi road and being a route. Goods and services in South Sulawesi Province have a value of 0.136. Meanwhile, with a value of 0.064, the dominant weakness strategy factor is the lack of group cooperation. The strength strategy factor is more vital than the weakness strategy factor, as evidenced by its total value of 1.375, which is greater than the total value of the weakness strategy factor of 1.128.

External Environmental Factors

The external environment includes opportunities that can be exploited by seaweed farmers and threats that come from outside the seaweed farmer's environmental system. Based on the results of the identification of external factors, then an assessment of the weight, rating, and score of each identified element was carried out on the strength component (S) and the weakness component (W). Weight, rate, and score of external factors of Non-Farm business development.

Table 7. Identification of External Factors for Non-Farm Development in North Luwu Regency

External Factors	Weight	Rates	Score
Opportunities – O			
The number of workers in the Luwu Raya and surrounding areas	0,044	1,763	0,074
Increased workforce education in the Luwu Raya area and its surroundings	0,037	2,188	0,075

IT knowledge has spread throughout the village community, allowing it to encourage production and facilitate marketing.	0,057	2,175	0,115
Government policy for economic empowerment of communities.	0,058	3,988	0,214
Loan competition from financial institutions	0,057	3,963	0,209
The greater the ease of financial transaction facilities, the greater the mobility of goods.	0,042	2,100	0,084
The availability of institutions, both public and private, that provide technology to the community.			
Product demand has increased in both quantity and type.	0,041	2,163	0,085
The expansion of production organizations, economies, and businesses necessitates the need for business collaboration.	0,039	1,913	0,070
Market opportunities are numerous (Luwu Raya area, South Sulawesi and outside Sulawesi).	0,039	2,125	0,079
Transportation and traffic of goods and services are becoming increasingly smooth.	0,058	3,913	0,210
The number of workers in the Luwu Raya and surrounding areas	0,046	2,038	0,087
Information and communication flow very smoothly and quickly.	0,029	2,175	0,059
Streamlined business licensing	0,038	2,300	0,084
Subtotal	0,549		1,445
Threats – T			
Human resources are less interested in non-farm businesses.	0,033	2,125	0,070
The presence of workers from outside the village and the development of businesses within the village shifts the village's workforce.	0,040	2,100	0,084
IT mastery can make people more consumptive and market outside objects.	0,029	2,400	0,070
The community's inability to capitalize on this policy makes it increasingly difficult for the community to produce/do business.	0,034	2,188	0,075
Making people into debt instruments if they lack business management knowledge.	0,035	2,175	0,076
Marketing and business competition is increasing.	0,041	1,925	0,078
Because technology is improving, there is more competition in terms of production quality and price.	0,041	2,438	0,099

Development Strategy of Women's Non-farm Entrepreneurs Group (Small Household and Handicraft Industries) in North Luwu Regency, South Sulawesi

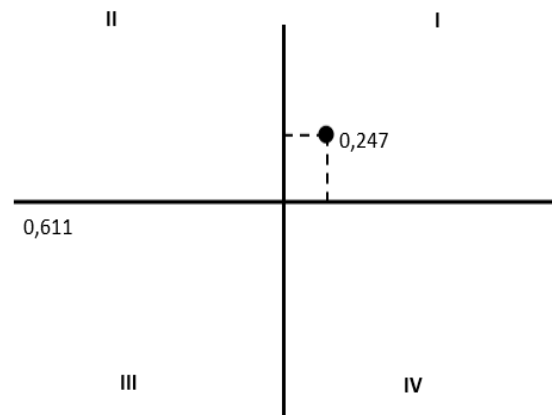
The demand cannot be met due to a lack of large-scale production capacity and inefficiency.	0,039	1,963	0,076
Increased competition if unable to cooperate in business	0,030	2,263	0,068
Competitor products that are already on the market.	0,034	2,213	0,074
Increase consumer choice and producer competition.	0,031	2,150	0,068
Licensing requirements are becoming increasingly stringent as the speed of utilizing information in business activities increases.	0,036	2,175	0,078
Competitor products that are already on the market.	0,029	1,925	0,056
Subtotal	0,451		1,922
Total	1,000		2,417

According to Table 7, the most dominant opportunity strategy factors are the IT mastery factor, which has expanded in the villages, with a value of 0.115; the government policy factor for community economic empowerment, with a value of 0.214, the competition from financial institutions offering loans, with a value of 0.209, and the market opportunity factor, which is very broad, with a value of 0.210. Meanwhile, with a value of 0.084, the most dominant threat strategy factor is the occurrence of workers outside the village and developing businesses in the village shifting workers within the village, and with a value of 0.099, the factor of increasing competition in product quality and price because technology is improving. The opportunity strategy factor is more dominant than the threat strategy factor, as evidenced by the value of 1.514, which is greater than the threat strategy factor value of 0.903.

After obtaining a total score of 2,503 from the IFAS matrix and a total score of 2,417 from the EFAS matrix, using the formula, determine the quadrant coordinates (X, Y) on the SWOT diagram: (Strength - Weakness) = 1.375 - 1.128

= 0.247. Coordinate Point (X) The difference in the weighted score of the internal strategy factor is 0.247, according to the IFAS matrix calculation table. This means that strength has a more significant influence than weaknesses. (Opportunity - Threat) = 1.514 - 0.903 = 0.611 Coordinate Point (Y)

Picture 1. Mapping the Value of Internal Environmental Analysis (ALI) with External Environmental Analysis (ALE) on Non-Farm development (food processing, small household industries, handicrafts, and stalls) in North Luwu Regency.



According to the value diagram, the value (0.247,0.611) is in quadrant I (positive, positive), indicating a favorable situation. These farmers have opportunities and strengths that allow them to capitalize on existing opportunities. In this situation, the strategy is to support an aggressive growth policy. The system that will be developed will make use of the strength strategy factors, specifically the available workforce, the relatively high willingness to do business, the availability of financial institutions, and the factors that the Trans Sulawesi road passes through, as well as being a trajectory for goods and services in South Sulawesi Province. Meanwhile, the opportunity strategy factor includes the factor of widespread IT mastery in the villages, the factor of government policy for community economic empowerment, the element of competition from lending institutions, and the factor of a vast market opportunity. According to Rangkuti (2015), Quadrant I is a favorable situation. Companies/institutions have opportunities and strengths that allow them to capitalize on existing opportunities.

Strategy Evaluation Overall, the strength factor is 1.375, the weakness factor is 1.128, the odds factor is 1.514, and the threat factor is 0.903. As a result, the strengths and opportunities are more valuable. The results of the weighting of the influencing factors show that internal factors (strengths and weaknesses) have a slightly more significant influence on the development of Non-Farm businesses than external factors (opportunities and threats) (food processing, small household industries, handicrafts, and stall), the internal-external factor ratio is 2,503:2,417. A higher percentage of internal factors indicates a more significant influence on Non-Farm Development (food processing, small home industries, handicrafts, and stalls). The image above depicts the External Environment (ALE/EFAS).

Based on the results of the SWOT analysis, the following Non-Farm Business Development Strategies were developed in the Luwu, North Luwu, and East Luwu Regencies:

1. Increasing human resource capacity in agricultural product management
2. Policy development by the government and stakeholders for farmer empowerment
3. Increasing community groups' accessibility and cooperation with financial institutions
4. Development of the local market area as well as outside the local market area
5. Farmers' institutional strengthening as economic business units
6. Building community capacity for non-farm business development through group empowerment activities
7. Develop the agricultural processing industry.
8. Creating access to capital partnerships with financial institutions
9. Non-farm business development as a profitable and attractive business
10. Increasing access to and use of production technology and information technology in non-farm enterprise management):
11. Collaboration development/collaboration of non-farm business groups (production – marketing)
12. Human resource capacity development strategy and farmer institutional strengthening in non-farm business development efforts
13. Partnership development of economic institutions and farmer institutions in non-farm enterprise development beginning with production and marketing

14. Increasing the quantity and quality of superior agricultural processing products.

4. Conclusion and Recommendation

North Luwu Regency's districts, sub-districts, and villages have high potential in terms of human resources, natural resources (including agricultural product resources), and non-farm business development. Human resource capacity, technological resources, financial resources (capital), and marketing are all issues in the development of non-farm businesses. Non-farm development efforts must strengthen farmer institutions and farmer groups/women farmer groups, develop agricultural product processing technology, and foster cooperation and partnerships between economic institutions and farmer institutions.

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