

CHAPTER I INTRODUCTION

I.1 Research Background

Indonesian awareness to consume fresh fruits and vegetables begin increase. It can seen from survey of Tropical Horticulture Study Center IPB related consumption level of fruit and vegetables in 2013 to 2014. Vegetable consumption level with number 40.35 kg/capita/year into 49.45 kg/capita/year and consumption level of fruit with number 34.55 kg/capita/year into 41.93 kg/capita/year. Consumption level of fruits and vegetables predict continue to grow 12-15% as rising of income and health awareness (www.health.detik.com, the news portal, accessed 23 June 2015).

Because of public awareness to consume fruit and fresh vegetables begin increase, trend to consume fruit and vegetables products that safe and good quality begin to interest of the public. The community begins to realize that give high chemical fertilizers or pesticides in agricultural production have negative impact for human health and environment (Manahutu, 2005). Beside of pesticides, impurities that frequently in agricultural products also have harmful impact to body. The impurities consisting of microbial impurities due to low level of hygiene and sanitation conditions, chemical impurities due to environment that contaminated industrial waste, and physical impurities due to foreign objects on agricultural products (OKKP-D Java Province, 2014). The society feel confuse because many fresh products which turned out to contain pesticide or impurities hazardous chemical substances. In fact, get enough food, nutritious, and safe are right of every human being (FAO/WHO International Conference on Nutrition: World Declaration on Nutrition, 1992).

Indonesia government finally gives protection to consumers with implement certification as guarantee for quality and food safety. This refers to UU Number 18 in 2012 about Food, Regulation of Agriculture Minister Number 20 in 2010 about Food Quality Assurance of Agriculture, and Regulation of Agriculture Minister Number 51 in 2008 about Terms and Procedures to Registries Fresh

Food. Besides that, accordance with Regulation of Agriculture Minister Number 48 in 2009 about Fresh Fruit and Vegetable GAP, Prime Certification is one of agricultural label for fruit and vegetables as guarantee of food safety. Therefore, government created foundation that handle food safety of fresh produce farm in Indonesia namely OKKP-P and OKKP-D to give Prime Certification (OKKP-D Java Province, 2014).

Through Policy Centre for Standardization and Accreditation of Agriculture Ministry, government also shares the Prime Certification into three parts, namely P-1, P-2, and P-3. The first is P-1 that has definition as assessment ranking given to entrepreneur or farmer who produces fresh product that safe for consume, good quality, and safe for environment. The second part is P-2 that has definition as assessment ranking given to entrepreneur or farmer who produces fresh product that safe for consume and good quality. The last is P-3 that has definition as assessment ranking given to entrepreneur or farmer who produces fresh product that safe for consume (OKKP-D Java Province, 2014). From three categories before, entrepreneur or farmer should be able to get minimum level P-3 as guarantee that product is safe for consume through check, control, and surveillance.

One of fresh products suppliers in Bandung Regency is ABO FARM SME. The SME was built in 2008 and set economic empowerment of rural communities to apply pesticide application wisely in order to accept in modern and exports market. ABO FARM SME produce various vegetables that green bean as main products. ABO FARM SME makes three classifications for green bean product quality i.e. KW-1, KW-2, and KW-3. KW-1 is good quality green bean that has color and length appropriate with export standards. ABO FARM SME sells KW-1 green bean to PT Alamanda. KW-2 is good quality product also, but not for export because green bean color and length not in standard. ABO FARM SME sells KW-2 green bean to traditional markets such as Caringin and Bogor market. KW-3 is not good quality product because has bad physical and color. ABO FARM SME sells KW-3 green bean to breeders.

Though derived from the same seed type, but result of green bean product is different. This is because the differences on existing processes handling in field from cultivation process until post harvest handling. Therefore, make ABO FARM SME classify the products into three types. Even so, ABO FARM SME focuses to supply green bean to PT. Alamanda. This is evident in 2012 to 2013 that ABO FARM SMES were able to become supplier to PT. Alamanda to require order of other countries such as Korea, Dubai, and Singapore (Interview with the owner of ABO FARM SME, Mr. Dadang, 2013).

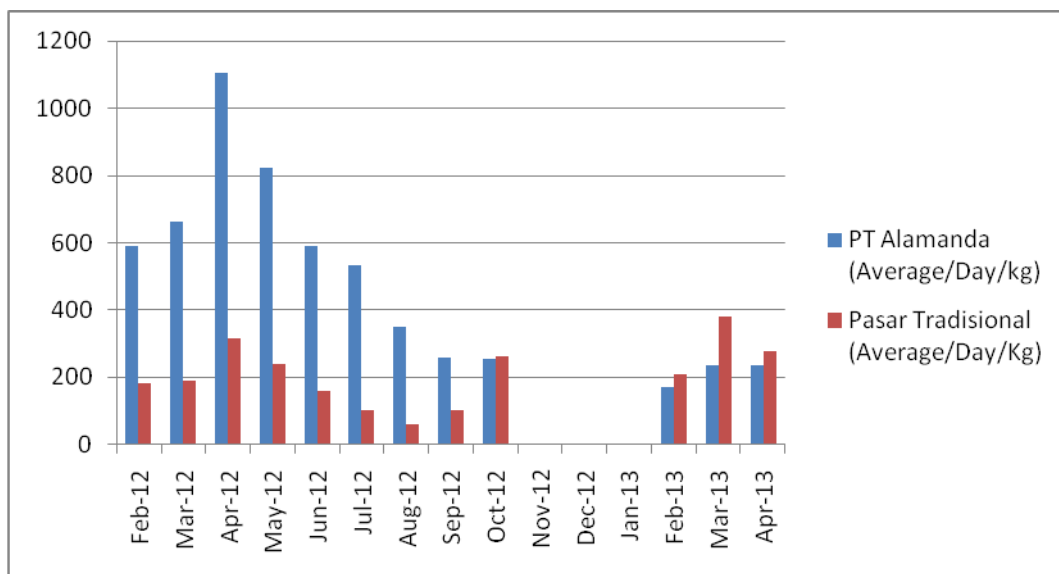


Figure I.1 Green bean Sales Data in ABO FARM SME

(Source: ABO FARM SME Vegetable Sales Data ABO FARM)

From Figure I.1 green bean produced by ABO FARM SME was sold to PT Alamanda and traditional markets. Green bean that sold to PT Alamanda is already good and minimum number of standards set by PT Alamanda i.e. supply green bean for minimum of 400 kg/day. However, on May to July 2012, number of produce green bean began decline. On August to October 2013, number of produce green bean generated decline and could not require minimum limits that established by PT. Alamanda. Finally to keep the order, ABO FARM SME bought green bean from other farmers with good quality to support the minimum order to PT. Alamanda. The number of produce green bean generated decline until 2013. On May 2013, ABO FARM SME stopped become supplier to PT.

Alamanda because of green bean limitations and must improve the existing system in internal SME.

Meanwhile, the number of KW-2 green bean that sold to traditional market was quite high on April 2012 and ABO FARM produced green bean with number more than 300 kg/day. Sales declined on some months, but number was relatively stable and required market demand. Highest product sale of green bean occurred on March 2013 with number 380 kg/day. Furthermore, on May 2013 until now SME had only sold green bean products to traditional markets and repaired the existing system to fulfill the requirement of Prima Certification (Direct Interviews with ABO FARM owner, Mr. Dadang, 2014).

Table I.1 Problem and Hope of ABO FARM Owner

(Source: Depth-Interview with owner of ABO FARM SME, Mr. Dadang)

No	Problems in ABO FARM SME	Expectancy from ABO FARM Owner
1	Difficult to inform the quality of green bean to consumer because ABO FARM SME not have certification	With Prime 3 Certification, then can give information about product quality to consumers and enter modern market.
2	There is no procedure from land preparation until post harvest handling.	Get procedure from to control the quality of product
3	The owner not knows information and requirement to get Prime 3 Certification	Know information and requirement procedures so that make easy to get Prime 3 Certification

From Table I.1 ABO FARM SME want to enter modern markets to expand the market share the products. In 2012 to 2013, the SME had supplied to PT Alamanda as export distributor of fresh produce. However, ABO FARM SME not has Prime 3 Certification as one of guarantee that products are safe for consume.

One factor to enter modern market is guarantee of product. Guarantee of quality in agribusiness can seen from certificate like GAP certificate, GHP certificate, or label from BPOM and MUI. Surely it would be give value added product (www.finance.detik.com, the news portal, accessed 23 June 2015).

Prima 3 Certification makes ease for ABO FARM SME product to accepted in modern market and provide information related the product quality. Besides that, Prima 3 Certification also as one standard fulfillment that have been applied to Agriculture Department Java Province and government for the SME that produce fresh product. With the certification, government can control product quality so that products can safe for consume. The most important things to get Prime 3 Certification are documentation and procedure of SME to provide fresh products (OKKP-D Java Province, 2014).

Meanwhile, on the process in ABO FARM SME not have procedure in conducting agricultural activity from land preparation until post harvest handling. Besides that, the owner also not knows the information to fulfill the requirements of Prime 3. From that condition, important to map business processes and make procedure to ABO FARM SME so that can control all of activities start from land preparation according to standard. Procedure can expected to facilitate preparation of documents required by owner in process to fulfill Prime 3 Certification.

I.2 Problems Formulation

This research focuses on business process mapping in ABO FARM SME. Mapping process is way to understand the process effective and ensure real value will be given to consumer. The problem formulations to ABO FARM SME are:

1. How the results of fulfillment analysis criteria of GAP for Prime 3 Certification with existing conditions in ABO FARM SME?
2. How the appropriate business process mapping to fulfill criteria of Prime 3 Certification in ABO FARM SME?
3. How the appropriate design of procedures to fulfill criteria of Prime 3 Certification in ABO FARM SME?

I.3 Research Objective

Based on the problem formulation, the research objective are:

1. To know the results of fulfillment analysis criteria of GAP for Prime 3 Certification with existing conditions in ABO FARM SME.
2. To know the appropriate business process mapping to fulfill criteria of Prime 3 Certification in ABO FARM SME.
3. To know the appropriate design of procedures to fulfill criteria of Prime 3 Certification in ABO FARM SME.

I.4 Research Limitation

In order to research focused with the research objective, then research limitation of this research are:

1. This research was conducted to know the variables that influence to make Prima Certification especially Prima 3 Certification.
2. Product that focused in this research is green bean KW-1 in ABO FARM SME.
3. Processes that focused in this research are land preparation and plant protection.
4. This research was not conducted to the implementation stage.

I.5 Research Benefit

This research expected to deliver benefits for SME with the following explanation:

1. This research as reference for ABO FARM SME to fulfill the requirement of Prime 3 Certification.
2. This research provides recommendations for ABO FARM SME to fulfill Prime 3 Certification

I.6 Report Outlines

To give clear discussion in this research, the report outlines are:

Chapter I Introduction

This chapter contains research background, problem formulation, research objective, research limitation, research benefit, and report outlines.

Chapter II Literature Review

This chapter contains literature relevant to problem under research and also discussed the results of previous research. It also outlined factors that influence research material.

Chapter III Research Methodology

This chapter described conceptual method of research and research step in detail include collecting and processing data stage, analysis stage, and conclusion stage.

Chapter IV Collecting and Processing Data

This chapter contains the data from ABOFARM SME and checklist data from Agricultural Department Java Province. The analysis of the research that is conduct based on the checklist.

Chapter V Analysis

This chapter contains the business process design that have been formulated for ABOFARM SME based on the analysis performed and stages of a business process which can lead the SME to get Prime 3 Certification.

Chapter VI Conclusion and Suggestion

This chapter shows research summary, the results of research and suggestion for the next research.

