

Research Article

## Obstacles to Regional Government in Distributing Superior Oil Palm Seedlings in Bungo Regency

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**Abstract:** The oil palm plantation sector is one of the most significant agribusiness contributors to Indonesia's national economy, including in Bungo Regency, Jambi Province. Despite its strong potential, the income of oil palm farmers in this region remains suboptimal. Several challenges hinder productivity, such as the use of low-quality seedlings, inadequate cultivation practices, and land conversion from previous crops such as rubber or secondary forest (tanah sesap). This study aims to explore an effective model for improving the use of superior oil palm seeds and supporting local government programs to enhance farmers' income levels. The research utilizes primary data, secondary data, and other relevant information collected during the 2019–2024 period. The data were analyzed using descriptive analysis and a qualitative approach to gain a comprehensive understanding of field conditions, cultivation systems, and key issues faced by farmers. The findings indicate that the adoption of superior seedlings, supported by structured cultivation planning, technical training, and local government interventions, has strong potential to significantly improve productivity and increase farmers' income. This study is expected to serve as a reference for developing sustainable oil palm plantation programs in Bungo Regency.

**Keywords:** Farmers; Income; Oil Palm; Productivity; Superior Seedlings.

### 1. Introduction

Palm oil is a leading export commodity that makes a significant contribution to the national economy. Palm oil plantations are growing rapidly in various regions of Indonesia due to their high productivity and strong economic appeal to the community (Rachmarwi, 2018). Global demand for palm oil continues to rise, making Indonesia one of the world's largest producers and exporters. This makes the palm oil plantation sector a major source of income for farmers and a source of foreign exchange for the country.

As an agribusiness commodity, palm oil has significant potential to drive regional economic growth through job creation, increased added value, and strengthening the supply chain (Munashiroh & Santoso, 2021). However, palm oil productivity is heavily influenced by the quality of the seeds used, cultivation techniques, and the socioeconomic conditions of farmers. Superior seeds are a key factor in increasing crop yields, the quality of fresh fruit bunches, and sustainably increasing farmer incomes (Sidauruk & Pujianto, 2017).

Despite this, some farmers still use low-quality seeds due to limited access to information, low literacy in modern agriculture, and suboptimal government seed distribution programs. This phenomenon aligns with the challenges of transforming agriculture from traditional to more productive, modern, commercial farming (Yudiarini, 2011; Muhammad Baidowi & Hasan, 2024).

In the context of Bungo Regency, Jambi Province, oil palm plantations are a crucial sector for the regional economy. However, initial observations at the Bungo Regency Food Crops and Horticulture Office found that the number of mature plants, production levels, and productivity of oil palm remain low. This low productivity indicates a gap between the potential of the oil palm agribusiness and the realization of farmer incomes on the ground. This is reinforced by literature stating that agricultural intensification needs to be supported by technology, superior seeds, and appropriate land management systems (Yami & Van Asten, 2017; Yaqoob et al., 2023).

Through a program to distribute superior oil palm seeds, the local government

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seeks to increase the productivity of smallholder plantations, divert farmers from less profitable crops such as rubber, and improve farmer welfare by increasing income. However, the effectiveness of this program requires further investigation. Therefore, this study was conducted to analyze the comparison of farmer incomes before and after the use of superior oil palm seeds, while also identifying factors influencing the program's success.

This research is expected to provide scientific contributions to the development of regional agribusiness policies and support efforts to develop sustainable oil palm plantations based on improving farmer welfare.

## 2. Method

This research is literature-based, and falls into the category of library research. This research, in which data is collected from various sources, including books, but also documentation, magazines, journals, and newspapers, is also used. The focus of library research is to discover various theories, laws, propositions, principles, opinions, ideas, and other sources that can be used to analyze and solve the problem being studied.

### Types of research

The approach implemented in this qualitative research is descriptive analysis. Qualitative research is defined as a type of research that aims to comprehensively explain the progress and meaning of a phenomenon that correlates with experiences explored or analyzed from various sources, such as behavior, motivation, activities, and observations.

### Source data

The data sources used as research material are secondary data, obtained through library research, which collected from material reading which relate with study journals, work scientific, website, namely data obtained from publications of government services or agencies, including publications from the Central Statistics Agency (BPS) of Jambi Province, the Department of Crops, Horticulture and Plantations of Bungo Regency.

### Tool analysis

The data analysis method implemented in this study is to answer the research objective, namely the obstacles faced by local governments in distributing superior seeds to oil palm farmers.

The most popular model for situational analysis is the SWOT analysis. According to Sinagian, the strategic factors in a SWOT analysis are divided into:

#### 1. Factors in the form of strength

The strength factors possessed by a company, including its business units, include, among other things, specific competition within the organization that results in the business unit having a comparative advantage in the market. This is said because the business unit has a source of skills, flagship products, and so on, which makes it stronger than its competitors in satisfying the market needs that have been and are planned to be served by the company. the business unit concerned.

#### 2. Weakness factors

What is meant by weakness is limitations or deficiencies in terms of resources, skills and abilities which are serious obstacles to the organization's satisfactory performance.

#### 3. Opportunity factors

The simple definition of opportunity is that opportunity is a variety of environmental situations that are advantageous for a business unit.

#### 4. Threat factors

The definition of threat is the opposite of the definition of opportunity, namely environmental factors that are not beneficial to a business unit. If the threat is not addressed, it will become a danger for the business unit concerned, both now and in the future.

By using research methods with analytical methods This SWOT wants to show that company performance can be determined by a combination of internal and external factors, both factors must be considered in the SWOT analysis. How to

make a SWOT analysis research shows that company performance can be determined by a combination of internal and external factors. Both factors must be considered in the SWOT analysis. SWOT is an abbreviation for the internal environment of strengths and weaknesses and the external environment of opportunities and threats faced in the business world. The SWOT analysis compares external factors of opportunities and threats with internal factors of strengths and weaknesses.

technique has several model stages as follows:

1. EFAS/ External Factors Analysis Strategy/ External Strategy Factor Matrix
  - a. Arrange several opportunity and threat factors in the first column
  - b. Assign weight to each factor in the second column, starting from 1.0 (very important) to 0.0 (not important).
  - c. Calculate the rating in the third column for the opportunity factor by assigning a scale from 4 (high probability) to 1 (low probability). Rate the threat factor on a scale from 1 (high threat) to 4 (low threat).
  - d. Multiply the weights in the second column and the ratings in the third column to obtain the weighting factors in the fourth column.
  - e. Add the second column (the weighted result must not exceed a total score of 1.0) and the fourth column to obtain the total weighted score.
2. IFAS/ Internal Factors Analysis Strategy/ Internal Strategy Factor Matrix
  - a. Arrange several strengths and weaknesses in the first column
  - b. Assign weight to each factor in the second column, starting from 1.0 (very important) to 0.0 (not important).
  - c. Calculate the rating in the third column for the strengths factor by assigning a scale from 4 (major strength) to 1 (minor strength). Rate the weaknesses factor on a scale from 1 (major weakness) to 4 (minor weakness).
  - d. Multiply the weights in the second column and the ratings in the third column to obtain the weighting factors in the fourth column.
  - e. Add the second column (the weighted result must not exceed a total score of 1.0) and the fourth column to obtain the total weighted score.

### 3. Results And Discussion

A SWOT analysis is the systematic identification of various factors to formulate a company's strategy. This analysis is based on logic that maximizes strengths and opportunities while simultaneously minimizing weaknesses and threats. The data collected in this thesis is primary data, consisting of community data and various personnel involved in the business development strategy of oil palm farmers, using a questionnaire. To understand the current challenges and further analyze the strategies of oil palm farmers to increase productivity, the author will present the data we obtained regarding the organizational environment, both internal and external. Identifying the internal environment includes strengths and weaknesses.

The external environment includes opportunities and threats by oil palm farmers. Data obtained regarding business development strategies in increasing the productivity of fresh fruit bunches (FFB) are presented. Direct interviews were conducted with parties related to this research. The purpose of distributing this questionnaire is to obtain various details regarding internal factors consisting of the strengths and weaknesses of the organization and external factors including opportunities and threats to the organization. The answers to the questionnaire are then summarized with the following details:

The following recapitulation of internal factors is the result of a recapitulation of the internal factors of oil palm farmers, namely internal strength factors consisting of strengths (Strength) and weaknesses (Weakness).

1. Strength is an internal condition that supports an organization to achieve the desired objectives. It has:
  - 1) The soil and weather conditions are supportive for the development of oil palm plants. The humidity level for oil palm plants is very suitable because it is not too hot and not too cold, so it is very suitable for oil palm plants.

- 2) Owned land The land owned by oil palm farmers is their own, so the results obtained by farmers are not divided in two.
- 3) Have transportation facilities. Transportation is used to facilitate farmers' activities.

2. Weaknesses (weaknesses) These are the shortcomings or weaknesses of the development strategies implemented by oil palm farmers. The weaknesses of the development implemented by oil palm farmers include:

- 1) Lack of public knowledge about oil palm cultivation. This lack of public understanding of oil palm cultivation is due to low education, which will impact productivity and the production of fresh fruit bunches (FFB).
- 2) Not yet using fertilizer and superior seeds. This is a weakness and a key strategy for developing oil palm farmers' businesses. Seeds and fertilizer are the starting point for determining the future growth and development of oil palms. Superior seeds are the foundation for achieving high productivity.
- 3) Lack of capital. Capital is the most important link in developing a business, as it allows farmers to purchase quality fertilizer and seeds.

**Table 1.** Internal Environmental Factors (Strengths).

<b>Code</b>	<b>Description</b>
S1	Soil and weather conditions are favorable for oil palm cultivation.
S2	Owned land
<b>Code</b>	
<b>Internal Environmental Strength Factors</b>	
S1	Soil and climatic conditions support the development of oil palm plantations
S2	Privately owned land

*Source: Interview.***Table 2.** Internal Environmental Factors (Weaknesses).

<b>Code</b>	<b>Internal Environmental Weakness Factors</b>
W1	Limited capital
W2	Lack of community knowledge regarding oil palm cultivation
W3	Not yet using high-quality fertilizers and superior seedlings

The following are the results of a recapitulation of external factors in the development of oil palm farmers' businesses, namely external factors consisting of opportunities and threats faced by oil palm farmers.

1. Opportunities are external conditions that support an organization in achieving its objectives, consisting of:
  - a. There is support from central, provincial and district government policies to increase palm oil productivity.
  - b. Demand for CPO is high.
  - c. Technology that continues to develop
2. Threats are external conditions that hinder a business from achieving its objectives. They consist of:
  - a. Fresh Fruit Bunch Theft Palm oil theft still occurs frequently.
  - b. Price fluctuations \ Palm oil prices are sometimes unstable.
  - c. There is a pest attack

**Table 3.** External Environmental Factors (Opportunities).

<b>Code</b>	<b>External Environmental Opportunity Factors</b>
O1	Government policy support at the central, provincial, and district levels to increase oil palm production and productivity
O2	High demand for crude palm oil (CPO)
O3	Continuously developing technology

*Source: interview results.*

**Table 4.** External Environmental Factors (Threats).

Code	External Environmental Threat Factors
T1	Price fluctuations due to the global recession affecting fresh fruit bunch (FFB) prices
T2	Theft of fresh fruit bunches (FFB)
T3	Pest attacks

#### 4. Conclusion

Internal factors influencing the business strategies of oil palm farmers in Bungo Regency include strengths in the form of soil and weather conditions that support oil palm cultivation, private land ownership, and easy transportation. Weaknesses include a lack of capital and a lack of public knowledge about oil palm cultivation. Strategies implemented by farmers in developing their oil palm businesses include improving the quality of oil palm fruit, selecting natural conditions, expanding land, conducting training, using technology, and pricing oil palm.

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