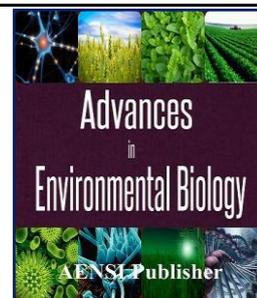




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Competitiveness level Fattening Beef Cattle in Polewali Mandar, West Sulawesi Province

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ABSTRACT

This study aimed to determine the level of competitiveness of fattening beef cattle in Polewali Mandar, West Sulawesi Province. The study was conducted in July 2014 until September 2015 in Polewali Mandar Regency, Province West Sulawesi. Data derived from primary data research describing the research variables, namely the level of profits businesses beef cattle breeders-people in Polewali Mandar regency and secondary data from relevant agencies. The analytical method used was the method of Policy Analysis Matrix (PAM). Results of the research effort beef cattle in Polewali Mandar has a competitive advantage but do not have a comparative advantage thus need government policies that fattening beef cattle can provide benefits for farmers

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INTRODUCTION

Livestock as one of the agricultural sub-sector is an integral part of the success of the agricultural sector in Indonesia. The vision of agricultural development is a cultured livestock industry by industrial base, productivity and sustainable. Agriculture future is faced with fundamental change because of the change in the global economy, biological technology development, various international agreements, product demand, product packaging and environmental sustainability. Concretely, Indonesian livestock will be competing with other countries livestock not only seize the international market Indonesia [9]. The main problems of livestock sub-sector are the current inability to provide optimally the livestock product such as meat, eggs and milk and to fulfill the nutritional needs of the community of animal protein. This is probably due to the increasing productivity of livestock which is unable to keep pace with high public demand for livestock products. In addition, construction of livestock subsector should be implemented in stages and planned to improve the welfare of society. This is done through increased livestock production to increase the farmer's income. It is necessary to encourage the farmers to be able to compete in local, regional and international [12,4].

Beef cattle are a breed of cattle that have high sales value among cattle other livestock. In general, people in need of these animals for consumption, because of the high protein content. The rate of population growth continues to increase demand availability of meat also increased, therefore the beef cattle business with fattening system is one of the businesses that have high economic value. Currently fattening beef cattle are usually dominated by large and small farmers. There are also some individual farmers in some rural areas in Indonesia. Still very rare individual in the big cities who allocate their investment in this business because they consider this business lay and provides a great advantage, when in fact the business is not very difficult and gives a sizable profit [5,8].

Lodging in Polewali Mandar done in groups, where the management of the business activities carried out by the group itself to be supervised and managed by the group management, ranging from feeding, maintenance and processing of livestock waste. The pattern of results in the division of fattening beef cattle is the pattern of 70%: 30% where 70% of the net profit is the right of livestock farmers as managers and 30% would be the right group as the owner capital. Therefore need to know the level of competitiveness of fattening cattle in Polewali Mandar Regency, West Sulawesi Province.

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Research Methods:

The study was conducted in July 2014 until September 2015 in Polewali Mandar Regency, West Sulawesi Province. Data derived from primary data research describing the research variables, namely the level of profits businesses beef cattle breeders-people in Polewali Mandar regency and secondary data from relevant agencies. The analytical method used is the method of Policy Analysis Matrix (PAM).

RESULTS AND DISCUSSION*Competitiveness and levels of Government Policy:*

Efficiency and competitiveness of commodity beef cattle produced by ranchers people in Polewali Mandar with a group of breeders of beef cattle in the traffic lane south of East Java Province were analyzed through financial benefits, economic benefits, analysis of competitive and comparative advantage by using Matrix Analysis of Policies (Policy Analysis Matrix). PAM matrix is based on data on revenues and production costs are divided into two parts, namely the price of the private and social price. Each charge peroduksi in private and foreign economic divided into inputs (tradable), domestic (non-tradable), and taxes.

From the analysis matrix PAM can be obtained information on the efficiency and competitiveness of the beef cattle business and can see the impact of government policy on the development of the beef cattle business. Results of the analysis matrix PAM beef cattle can be seen in Table 4:

Table 4: Policy Analysis Matrix Cattle Enterprises in Polewali Mandar

Component	Output	COSTS		
		Input Tradable	domestic factors	Advantages
Privat	55,000,000	48,200,000	3,193,000	3,607,000
Social	80,000,000	95,300,000	4,568,000	-19,868,000
Divergences	-25,000,000	-47,100,000	-1,375,000	23,475,000

Table 4 shows the income and expenses (tradable inputs and domestic factors) of these two types of businesses each having the highest value of profits earned in the beef cattle business Polewali Mandar. With the private profits of Rp. 3.607 million, - and the value Private Benefit-Cost Ratio (PBCR) of 1.07. The value of private profits and positive PBCR means beef cattle breeding business in Polewali Mandar deserves to be developed because the revenue that the breeder is greater than the costs incurred livestock business.

Social benefits worth minus (- Rp. 19,868,000) showed that cattle fattening business in Polewali Mandar does not have a comparative advantage, so it requires a series of government policies to improve the comparative value of commodity beef in Polewali Mandar be a strategy of agribusiness development in the concept of the industrialization of agriculture directed at the development of agribusiness as a whole system that is based on the principles of efficiency and sustainability. This is as expressed by Simatupang in Novianti (2003), who argued that in order to improve the competitiveness of agricultural products can be done with the strategy of agribusiness development in the concept of the industrialization of agriculture which is geared towards the development of agribusiness as a whole system that is based on the principles of efficiency and sustainable development, where farm consolidation is realized through vertical coordination so that the end product can be guaranteed and adapted to the preferences of the final consumer. Comparative advantage is dynamic. That is, a country that has a comparative advantage in certain sectors are potentially to be able to maintain and compete with other countries. Changing comparative advantage due to factors that influence it.

Advantage Analysis (Profitability):

Private Profitability (PP) worth 3,607,000, where the $PP > 0$ means the system memproleh commodities at the expense of normal profit that has implications that it is capable of competing commodities / expansion. It is as described by Monke and Pearson [3], private profit is an indicator of the competitiveness of commodity systems based on technology, the value of output, input costs and the transfer of existing policies. If private profits greater than or equal to zero indicates that the private exploitation of a viable commodity to be forwarded. Vice versa, if the value is less than zero then it is not qualified to deal with the commodity because it can cause harm.

Furthermore Social Provitability (SP) worth -19,868,000, this means that the condition is no effect due to the divergence of both government policy and market distortions cow fattening in Polewali Mandar will suffer a loss so it is not worth continuing. It is as described by Monke and Pearson [3] that, social profit is an indicator of competitiveness or efficiency of farming systems on condition there is no effect due to the divergence of both government policy and market distortions. If the value of the social benefit more than or equal to zero indicates that the economic exploitation of a commodity can be resumed. Vice versa, if the value is less than zero then it is not qualified to deal with the commodity because it can cause harm.

PP value is greater than the value of the SP indicates that the government's policy with respect to fattening beef cattle in Polewali Mandar advantageous because beef cattle farmer receives a greater advantage than the profit that should be accepted when there is no such policy.

Comparative advantages or economic efficiency

Private Value Cost Ratio (PCR) is 0,47 in which $PCR < 1$. This means that to get the value-added output of one unit in private in Polewali Mandar, required additional domestic factor costs less than one unit is equal to 0,47. The smaller the value PCR obtained, the greater the level of competitive advantage possessed. Based on the PCR value, by using inputs such as cattle, beef cattle fattening systems in Polewali Mandar can be said to be efficient financially and have a competitive advantage.

Comparative advantage is one indicator to assess whether the fattening beef cattle in Polewali Mandar competitive and able to survive without government intervention. Comparative advantage can be seen from social benefits (SP) and the Domestic Resource Cost Ratio (Domestic Resource Cost Ratio / DRCR). Social gains for beef cattle show value minus compared to his private advantage. This means fattening beef cattle in Polewali Mandar will be beneficial when the intervention of the government of the inputs used and outputs produced. The DRCR on fattening beef cattle in Polewali Mandar is -0.30 which the $DRC < 1$. This indicates that in order to carry out fattening calves become cows ready to sell, farmers issued a domestic resource costs by 30 percent to the cost of imports needed. In other words, fattening beef cattle is less efficient economically and do not have a comparative advantage. DRC value < 1 indicates that no policy or government intervention, fattening beef cattle will suffer losses.

Government policy:

The government's policy is based on the results of the application analysis Policy Matrix (PAM) in beef cattle breeding business, namely:

1. Policies output:

The government's policy in the output can be seen from two indicators: Transfer Output (TO) and output nominal protection coefficient (Nominal Protection Coefficient Outputs / NPCO). The transfer value of output produced in fattening beef cattle in Polewali Mandar is negative, namely - Rp 25,000,000. This means the public or consumers to buy at a lower price than the price to be paid to producers. In other words, people get the incentive of farmers in Polewali Mandar with government policy.

Nominal protection coefficient value output (NPCO) is the ratio between revenue based private prices with demand based social price. The resulting NPCO value is 0,69. This means producers (farmers) receive subsidies on the output of the government, because the government raised output prices in the domestic market over the price of efficiency.

2. Policies input:

The government's policy is not only related to the output, but also policies related to the input. Penerapan policy in the form of restrictions on the volume of imports of cattle are actually government policy to protect the manufacturer, or in this case the breeder. The government's policy on production inputs can be seen from the Transfer Input (TI), Transfer Factor (TF) and the Nominal Protection Coefficient Input (Nominal Protection Coefficient on Inputs / NPCI).

The analysis shows that the value of Input Transfer (TI) generated amounted to - 47.1 million. This indicates the government subsidies to foreign input, so that farmers do not pay the full social sacrifices that should be paid. The subsidy given by the government led to profits earned in private is greater than without a policy.

Input nominal protection coefficient (NPCI) is the ratio between the cost of tradable inputs based on prices of private and tradable input costs based on social price. NPCI value obtained was 0.51, which means the government increased the price of tradable input in the domestic market above the world price (the price of inefficiency). NPCI value < 1 indicates the absence of government protection to producers of tradable inputs in the domestic market. In other words, the cost of production is higher than it actually is.

Transfer Factor (TF) is a social price difference with the private prices received by farmers beef cattle in Polewali Mandar for the payment of domestic production factors. TF value in this study is negative, namely - Rp 1,375,000. This means there is no government policy to protect domestic producers by subsidizing inputs.

3. Policies input – output:

Input-Output policy analysis is an analysis of a combination of input and output analysis. Input-output policy analysis among other things Effective Protection Coefficient (Effective Protection Coefficient / EPC), Net Transfer (NT), Gain Coefficient (Profitability Coefficient / PC), and the ratio of subsidies Producers (SRP).

Effective Protection Coefficient (EPC) is an indicator of the overall impact of the policy input and output of the system of fattening beef cattle in Polewali Mandar. EPC values illustrate the extent to which government

policy is to protect or inhibit domestic production. The value of the resulting EPC is -0.44 which shows that government policies aimed at protecting domestic production has not been effective.

The net transfer (NT) is the difference between private profits with net profit social. Net transfer value in Polewali Mandar is greater than zero, Rp 23.475 million, which means the addition of producer surplus caused by government policy which is applied to the input and output. The value also reflects that the impact of government policies on the input and output would increase the surplus of beef cattle fattening in Polewali Mandar Rp 23.475 million.

Gain Coefficient (PC) is the ratio between net profit with net profit private social. Gain coefficient is an indicator showing the impact of incentives on all output policies, policies of foreign inputs and domestic inputs (net policy transfers). PC negative value is -0.18 indicates that the policies made by the government resulted in profits received by producers in this case the breeder in Polewali Mandar be lower than without a policy.

Producers Subsidy Ratio (SRP) shows the proportion of social acceptance in the price of beef cattle fattening in Polewali Mandar that can cover the subsidies and taxes so that through the SRP could allow a comparison of the magnitude of the economic subsidy for fattening beef cattle system. SRP values obtained are 0, 29, which means that government policies are valid for this cause businesses fattening beef cattle in Polewali Mandar pay lower social costs.

Conclusion:

System fattening beef cattle in Polewali Mandar efficient financially and have a competitive edge but less efficient economically and do not have a comparative advantage that policy or government intervention is necessary carry out a policy or intervention that fattening beef cattle in Polewali Mandar not experience a loss ,

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