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# Motivation of farmers to participate in beef cattle business with profit sharing system

ST Rohani<sup>1</sup>, A R Siregar<sup>1</sup>, T G Rasyid<sup>1</sup> and M Darwis<sup>2</sup>

<sup>1</sup>Faculty of Animal Science, Hasanuddin University, Indonesia

<sup>2</sup>Center for Research and Development of Democracy, Conflict, Culture and Humanities Institute for Research and Community Service (LPPM) Hasanuddin University, Jl. Perintis Kemerdekaan Km. 10, Makassar 90245, Indonesia.

E-mail: nanirohani24@yahoo.co.id

**Abstract.** Motivation can encourage farmers to implement a profit-sharing system for beef cattle in an effort to increase their family income. The purpose of this study was to determine the motivation of farmers to conduct profit sharing system for their beef cattle business. This type of research was quantitative descriptive. The number of samples were 50 farmers from ten villages in Patimpeng district, Bone regency, which were carried out by simple random sampling. Data collection was carried out through interviews with the help of questionnaires and analyzed using descriptive statistics. This study showed that farmers have a good motivation in conducting the production profit sharing system for beef cattle business consisting of variables such as: (1) the economic demand of the family; (2) limited business capital; (3) improve social status; and (4) easier profit-sharing system implementation.

## 1. Introduction

Today's livestock business development is a very positive thing and is a new hope to improve the welfare of farmers in increasing their income. However, this must be accompanied by a good and appropriate management of livestock business from the technical and management side.

The development of beef cattle business is driven by the demand for meat which continues to increase from year to year and the emergence of the desire of most cattle farmers to sell their cows at a more reasonable price. The business development of beef cattle is also inseparable from government support efforts so that this condition can be a motivation for farmers to further develop beef cattle breeding business as an effort to fulfill demand and increase community income.

Agricultural development and the rural economy cannot be separated from the contribution of livestock sub-sector growth. Current farm conditions are often constrained by several factors, one of which is always dealing with capital problems for business development. Government assistance in supporting the development of beef cattle includes assistance and facilities, such as cattle fattening loans, beef cattle nursery loans, the implementation of contract systems through the development of beef cattle and livestock profit sharing systems.

Bone regency in Patimpeng district is one of the areas where farmers develop beef cattle business with the implementation of a profit-sharing system. The existence of farmers conducting a profit-sharing system in Patimpeng District is seen as a positive way to achieve welfare goals for farmers who carry out profit sharing systems. In general, farmers who carry out profit-sharing systems in Patimpeng district are farmers who already have experience in carrying out profit-sharing systems that range from 5–10



years. Experience in conducting a profit-sharing system spurred the motivation of farmers to continue to do the profit-sharing system.

The application of the profit-sharing system in Patimpeng district involves two parties, namely between the capital provider and the farmer. The party that provides the capital is the party that owns the cattle, but does not have enough time to raise the cow, so the owner of the capital gives the cow to the farmer to be maintained according to the agreement and agreement that was built previous. According to the farmers the agreement that was built was not carried out in writing between the farmer and the owner of the capital, but only put forward the concept of trust or kinship so that the distribution of results was sometimes less profitable for farmers. Although it was not profitable for farmers in Patimpeng district to continue to implement the profit-sharing system, farmers were motivated by various things that affected it such as self-esteem and achievements, needs, and rewards received.

Reference Rohani et al stated that the system of profit sharing is a profit-sharing concept that is very easy to understand and apply, because it does not require complicated requirements, it is also very easy to accept, because this system can be said to have deep roots the lives of local people and is very profitable between livestock owners and farmers or people who raise livestock [1].

The existence of a strong desire from the farmers to continue to implement the profit-sharing system opens opportunities for farmers to fulfill their daily needs, the necessities of life which increasingly encourage farmers to survive in the profit-sharing system. In addition to the need factor that encourages farmers to continue to do the profit-sharing system is the self-esteem and achievement factors and the rewards received also affect the motivation of farmers in conducting a profit-sharing system, this is because farmers think that in doing the profit-sharing system the implementation is quite easy, does not require big costs, and does not require achievement. Therefore, the farmers are still motivated to continue to implement the profit-sharing system because by conducting a profit-sharing system the farmers can obtain cows and income from the sharing of the profit-sharing system that has been done between farmers and capital provider. Besides that, there is a view of the people in Patimpeng district who think that farmers who have cows are seen as respectable and have high social status by the local community. Therefore, these farmers are increasingly encouraged to carry out profit-sharing systems. This research was conducted with the aim to determine the motivation of farmers to conduct a business partnership system for beef cattle.

## 2. Research method

This research was conducted in Patimpeng district, Bone regency using descriptive research type. The number of samples was 50 farmers in ten villages in Patimpeng district. The sampling technique was done in a simple random. Data collection was done through interviews with the help of questionnaires analyzed using descriptive statistics [2].

Analysis of data on motivation of farmers to make a profit-sharing system used a Likert scale using a score of 1–3 with category 1 = not good; 2 = less good; and 3 = good. Motivational variables were classed into:

$$\text{Highest score} = \text{Highest weight} \times \text{Number of respondents} \times \text{Number of questions} \\ (3) \quad \times \quad (50) \quad \times \quad (4) = 600$$

$$\text{Lowest score} = \text{Lowest weight} \times \text{Number of respondents} \times \text{Number of questions} \\ (1) \quad \times \quad (50) \quad \times \quad (4) = 200$$

$$\text{Class Range} = \frac{\text{Highest score} - \text{Lowest score}}{\text{Number of Class}} = \frac{600 - 200}{3} = 133.3$$

From these values can be made the following categories:

Good = 466.7–600  
 Less good = 333.3–466.7  
 Not good = 200–333.3

### 3. Results and discussion

The farmer motivation variables consisted of the economic demand of the family, limited business capital, improve social status, and easier profit-sharing system implementation. The description of the results of research on farmers motivation variables can be seen in table 1.

**Table 1.** Motivation of farmers to participate in beef cattle business with profit-sharing system

Number	Motivation Variables of Farmers	Score	Frequency (Person)	Percentage	Weight (Score x frequency)
The economic demands of the family					
1	Good	3	32	64	96
	Less good	2	12	24	24
	Not good	1	6	12	6
Total			50	100	126
Limited business capital					
2	Good	3	36	72	108
	Less good	2	11	22	22
	Not good	1	3	6	3
Total			50	100	133
Improve social status					
3	Good	3	29	58	87
	Less good	2	13	26	26
	Not good	1	8	16	8
Total			50	100	121
Easier profit sharing system implementation					
4	Good	3	39	78	117
	Less good	2	7	14	14
	Not good	1	4	8	4
Total			50	100	135
Total Score					515

Table 1 showed the total score on the farmer motivation variables consisted of the economic demand of the family, limited business capital, improve social status, and easier profit-sharing system implementation was 515. Meaning that it was in a Good Category (466.7–600).

The results of this study indicated that the farmers motivation was in good condition in managing the beef cattle business in the profit-sharing system in Patimpeng district, Bone regency. The motivation of farmers to implement a profit-sharing system was due to the desire of farmers to implement a profit sharing system to meet the economic needs of their family, this was due to the existence of farmers who do not have a job. Meanwhile, farmers who already have jobs such as farming, think that activities such as farming cannot fulfill their family's daily needs, so they choosed to seek additional income, in this case, implementing a profit-sharing system to meet their family's economic needs. So that the demand to meet the economic needs of the family was one of the motivations for the farmers to implement a profit-sharing system. According to Agung et al, that in general farming was a series of farmers activities that manage production factors in the form of land, capital, labor, plants and livestock with the aim of obtaining maximum benefits to meet family needs [3].

There was an influence on the need for farmers who implemented a profit-sharing system because farmers think that by implementing a profit-sharing system, farmers earned income so that the farmers

were able to meet their needs. This means that the more or higher the level of farmers' needs, the more it encouraged farmers to implement a beef cattle business profit-sharing system. The need for farmers that continues to increase makes farmers motivated to continue to do the profit-sharing system in order to generate profits and meet the needs of their families. According to Maryati, that needs can motivate everyone to do work to meet their needs. The need will encourage everyone to direct themselves to work to meet their needs or respond to the pressure they experience [4].

Farmers are motivated by the need to make themselves fully functional, so as to be able to reach their full potential. The need will encourage and direct farmers to seek or avoid, direct and respond to the pressure they experience. The ability to be able to meet the needs of life which included the fulfillment of primary needs (clothing, food, shelter, education), secondary needs (motorbikes and cars) to tertiary needs (domestic recreation/tours). Each level of fulfillment of these needs can also indicate the socio-economic level of the farmer. At the level of affluent or prosperous society it can meet tertiary needs, while the middle level can meet secondary needs and the lower level society can generally only meet primary needs, sometimes not fully [4].

Every farmer has the desire to start a beef cattle business but did not have enough capital to buy female and male cows so they are interested in implementing a beef cattle profit-sharing system, so they got the benefits from bulls and cows from investors in the hope that this assistance took advantage of their abilities in managing beef cattle farms, so they got their own cows from the profit-sharing system. According to Sulham, farmers want to start a beef cattle business but did not have enough capital to buy cattle, so they were interested in implementing the profit-sharing system to get cattle from capital owners [5].

Each farmer has a certain size to respect something that was in the environment. Farmers will value something higher or lower depending on the point of view of each. If farmers value material wealth more than others, farmers who have a lot of wealth will get a position at the highest level, while farmers who didn't have much wealth will always be at a lower level of society so that it can be said that social status occurs because of something which was appreciated. Social status in social life was a reflection, this was also reinforced by environmental conditions which naturally and from generation to generation make caste differences seen from the financial and land ownership side, farming or type of business being run [6]. This factor encouraged or motivated farmers to struggle to be independent, strong, and to gain freedom and gain a certain status in the community, and can encourage individuals to excel [7]. Farmers often inspired to start their beef cattle business from seeing the successes that have been achieved by other farmers [8].

Farmers consider the ease of implementing a profit-sharing system and can be said to be very beneficial for farmers. Where the profit-sharing system was a concept of agreement based on aspects of trust between livestock owners and farmers in raising livestock. According to Sirajuddin, the profit-sharing system that applies from generation to generation increased the beef cattle population which supports food security compared to the profit-sharing system with the government pattern [9]. According to Sirajuddin et al, the profit-sharing system was usually applied to farms with a revenue sharing mechanism between farmers and capital owners, but the implementation and form of agreements may vary [10].

The availability of capital for rural communities, especially beef cattle farmers was very limited. Therefore, external financing was very helpful in running a cattle farm. Financing can include internal and external financing [11]. According to Sirajuddin et al, in a modern or traditional profit-sharing system, capital owners and cattle farmers got the same benefits. Partnership patterns were usually built between farmers and companies (investors) with several models [12].

#### **4. Conclusion**

Based on the results and discussion, it can be concluded that the motivation of the farmers to implement a profit-sharing system which consisted of the following variables: (1) the economic demands of the family; (2) limited business capital; (3) improved social status; and (4) easier profit-sharing system implementation was in good category.

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