



Development Strategies for Chopped Tobacco Agribusiness in the Anjang Kencono 13 Farmer Group in Klaten Regency

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Abstract. This study aims to determine the condition of internal and external factors, and the priority of the chopped tobacco agribusiness development strategies. This research applies descriptive and analytical method. The research location determined purposively. Key informants in this study were determined using the snowball sampling technique. A total of 15 key informants were from the Anjang Kencono farmer group, government, consumers, competitors, and the Indonesian Tobacco Farmers Association. The internal and external factor evaluation, grand strategy matrix, strengths-weaknesses-opportunities-threats, and quantitative strategic planning matrix were used to analyze the research data. The main strength of this agribusiness is the high acceptance of chopped tobacco products in the market, while the main weakness is the low bargaining power of the farmer group. The main opportunity is the high level of consumer confidence, while the main threat is government regulations that are not in favor of farmer groups. Based on the grand strategy matrix, the chopped tobacco business is strong competitive position. Based on these factors, the alternative strategies developed are building partnerships, utilizing information technology, collectively distributing chopped tobacco to increase bargaining power, and utilizing social media to expand market. The strategic priority for the chopped tobacco agribusiness is to build partnerships.

Keywords: Partnerships · Chopped Tobacco · Information Technology

1 Introduction

Indonesia is a country with highly diverse agricultural products. One of the agricultural products in Indonesia is tobacco. The contribution of the plantation sector, including tobacco plants, to agricultural exports from January to November 2020 reached 90.9% [1]. Furthermore, tobacco is one of the commodities that contribute to the country's economy, in terms of the amount of foreign exchange and excise [2]. The largest contributor to customs and excise tax is the tobacco product excise (TPE) fund [3]. In addition, tobacco is one of the plantation crops produced in the territory of Indonesia besides

tea, oil palm, and sugar cane. Moreover, the number of workers in the tobacco sector in Indonesia, particularly tobacco farmers, is currently around 689,360 people, with a total area of 221 thousand hectares planted with tobacco spreading across 15 provinces [4].

Initially, tobacco was widely planted in Kedu, Situbondo, Kediri, and Semarang areas [5]. However, tobacco plants are extensively cultivated in various regions, such as Klaten Regency. One of the tobacco's types which grown and planted in Klaten is chopped tobacco. Most of the area in Klaten Regency is fertile land, with a good water discharge and a climate suitable for the growth of several plantation crops [5]. The previous study claimed that the chopped tobacco is a superior product in Klaten because this type of tobacco has high economic value and growing the tobacco has become the culture of the local residents [6]. The government issued the regulation governing the protection of tobacco products, namely Presidential Regulation of the Republic of Indonesia Number 109 of 2012 to support tobacco as a worthy commodity to be planted [7].

The trend of chopped tobacco planting area in Klaten Regency is volatile. In 2020, the planted area decreased by 9.4%, compared to the planted area in 2019, whereas the trend, from 2016 to 2019, is increased [8]. One of the factors which contribute the decrease in the planting area is the farmers that have limited equity to continue planting the tobacco. They have lost several times in the previous planting seasons. This is in line with the finding of the previous research that farmers do not grow the chopped tobacco because they run out of equity, extreme weather, and loss profit [9].

The condition of the chopped tobacco business in Klaten is uncertain, which analyzed by the decreasing planted area and production yields, extreme weather, and the excise tax on tobacco products that continues to increase can create a serious threat to the business. On the other hand, the development of chopped tobacco agribusiness in the regency needs to continue, as supported by the previous study that the tobacco products industry has a vital role in the economy in Indonesia [10]. Furthermore, because the tobacco has diverse benefits, the tobacco plants require a good and a proper business development [11]. The development of the chopped tobacco business is inseparable from the role of chopped tobacco farmer group. Based on the data, it found that Manisrenggo is the sub-district with the largest area, total production, and number of chopped tobacco farmers in Klaten Regency [8]. This is supported by the previous research, which has concluded that Manisrenggo is the largest producer of chopped tobacco in Klaten [12].

Anjang Kencono 13 farmer group is one of the chopped tobacco farmer groups in Manisrenggo which active in terms of intensity and frequency of meetings, training, and counseling activities. The Anjang Kencono 13 farmer group has experienced issues, including crop failure, extreme weather, and the low bargaining position of farmers in determining the selling price of tobacco. Therefore, the farmer group requires an effective strategy for developing the chopped tobacco agribusiness. This is strengthened by the previous study about the development of tobacco agribusiness is required to meet the needs of the cigarette industry and diversify tobacco products [13].

This study is important because tobacco is an agricultural product that gives the highest contribution to state income compared to other agricultural commodities. Improvement of the chopped tobacco agribusiness subsystem in this farmer group is highly necessary to increase farmers' income. This research aims to formulate a prioritized

effective strategy for the development of chopped tobacco agribusiness in the Anjang Kencono 13 farmer group. Previous research [2, 13, 42, 48, 49] has not focused on strategy development that can be applied to tobacco-specific farmer groups, therefore this research has novelty in terms of research subjects using special chopped tobacco farmer groups.

2 Materials and Methods

This study applies the descriptive basic research method with a qualitative approach. Descriptive research aims are to describe phenomena, both natural and man-made phenomena, which exist in the research location [14]. The research location was determined with a purposive technique. The Anjang Kencono 13 farmer group was selected since the farmer group is one of the farmer groups, which focuses on chopped tobacco in Klaten that is actively operating, in the aspects of intensity and frequency of meetings, training, and counseling activities, as well as planting the chopped tobacco up to this time. Furthermore, this farmer group is currently producing chopped tobacco.

The key informants were 15 respondents, including the chairman, the management team, and the members of the Anjang Kencono 13 farmer group, farmer group competitors, consumers, the Klaten Food and Agriculture Security Service officers, field extension officers of Manisrenggo, Klaten, and administrators of APTI in Klaten. The data sources for both primary and secondary data were selected using the snowball sampling technique [15]. Interviews, observation, and recording techniques as well as data triangulation were applied to gather the research data [16]. Moreover, interviews used to collect the data because the researchers intended to identify more thoroughly the phenomena in the field through key informants. The observation technique was carried out to obtain a clearer overview of the actual situation in the field. Meanwhile, the recording technique was performed with documents, and both source and technique triangulations were further employed to complete the data collection.

The data were examined with several types of analyses, which include: the internal and external factor analysis using the IFE and EFE matrices; business position analysis using the grand strategy matrices; alternative strategy analysis using the SWOT matrices; and the strategic priority analysis using the QSPM. The first stage of data analysis determined both the key internal and external factors of the Anjang Kencono 13 farmer group. The next stage was analyzing the key internal and external factors using the IFE and EFE matrices. Every key factor in the first stage was assessed, given weights and ratings in the IFE and EFE matrices by the key informants. The weights and ratings in the matrices show the importance and strength of the influences of each factor on the development of chopped tobacco agribusiness in the Anjang Kencono 13 farmer group. The discovered weights score and ratings then calculated to produce scores, which will added to obtain the total scores. The total scores then entered into the next stage to determine the business position of the Anjang Kencono 13 farmer group with the grand strategy matrices. The grand strategy analysis was obtained from the difference in the total score of the IFE matrices used as the axis at X and the difference in the total score of the EFE matrices used as the axis at Y. The relation between the X and Y axis points, in the grand strategy matrices, shows the business position of the farmer group.

The result of the business position analysis of the grand strategy matrix will be used as a reference to determine the next stage of analysis with the SWOT matrices. The SWOT matrices produced several alternative strategies, such as S-O (strengths-opportunities), W-O (weakness-opportunities), S-T (strengths-threats), and W-T (weakness-threats) strategies, which will be used in further data analysis with the QSPM. This is the final stage of analysis to determine strategic priority among the various alternative strategy options generated at the previous stage. The result of the analysis with the QSPM was determined from the total attractiveness score showing the relative attractiveness of each key factor and related individual strategy [17]. The strategy with the highest total attractive score (TAS) concluded as the priority strategy that will be applied to the Anjang Kencono 13 farmer group.

3 Result and Discussion

3.1 General Condition of the Anjang Kencono 13 Farmer Group

Anjang Kencono 13 farmer group is a farmer group focusing on chopped tobacco cultivation. This farmer group has started developing the chopped tobacco business since more than 15 years ago. However, the group was officially inaugurated in 2014. It has 23 members, who are farmers cultivating chopped tobacco. It was established based on the members' similarities in vision, missions, and goals to build a joint institutional forum in Solodiran Village, Manisrenggo Sub-district.

The meaning of Anjang Kencono itself is the type of tobacco which describes prosperity for farmers, while 13 represents the number of the neighborhood unit (RT 13). The Anjang Kencono 13 farmer group has been legally registered with an establishment decree issued by the Klaten's Regency. The farmer group plants tobacco for 90 days after planting or three days after seeding. The frequency of planting is once a year and the frequency of harvesting the yield is five to seven times of leaf picking in a year. The average total production of dry chopped tobacco reaches 50 tons and the average land area cultivated by farmers is 1.21 hectares.

3.2 Analysis of the Internal Factors of the Anjang Kencono 13 Farmer Group

Internal factors are the factors that exist in the farmer group that are directly related to the development of chopped tobacco agribusiness. The results of the analysis of internal factors, which include the key strengths and weaknesses, such as the management, marketing, production and operation, finance, and human resource are presented in Table 1.

The first strength factor is the high acceptance of chopped tobacco products in the market, which indicates the strength of the farmer group with the bargaining power and competitive advantage of farmer group in the chopped tobacco market. This statement is supported by previous researcher that to achieve a sustainable competitive advantage, business must have products that are acceptable to the market [18]. The second strength factor is the various choices of marketing channels. It is proved by the statement from researcher that each marketing channel offers different price options and sales services

Table 1. The Key Factors of Strengths and Weaknesses of the Anjang Kencono 13 Farmer Group

Internal Factor	Strength	Weakness
Management		1. Less effective management function
Marketing	1. High acceptance of chopped tobacco products in the market 2. Various choices of marketing channels	1. Low bargaining position
Production and operation	1. The tobacco's qualified varieties	1. Unstable product quality
Finance		1. Limited equity 2. Poor bookkeeping system
Human resource	1. Mastery of chopped tobacco technology 2. Experience in tobacco cultivation	1. Less active participate of several human resources

Source: Primary Data Analysis, 2022

to maximize the market share [19]. The availability of tobacco varieties' quality becomes the third strength. It is because, the selection of tobacco varieties can affect the competitiveness of these varieties in the market [20]. Mastery of chopped tobacco production technology is the fourth strength factor. The mastery of chopped tobacco technology, during both cultivation and post-harvest, will help farmers to produce quality tobacco that meet market demand. Besides, the farmers' adequate command of agricultural technology makes them able to survive in world economics' competition [21]. The next strength factor is the experience in tobacco cultivation because it determines the business success, likewise the experience in cultivating is one of the factors contributing to the success in farming [22].

The first weakness factor is the less effective management function, as indicated by a broad scope of institutional function, affects the benefits of the farmer group for the farmers and the business operation. The management factor of chopped tobacco farmer, such as financial management, have the power to influence the business' running [23]. Moreover, the tobacco price, which is determined by the buyers, leads to a low bargaining position and high dependence on buyers. This condition becomes the second internal weakness of the farmer group. It concluded that farmer group is established to strengthen the bargaining position of farmers in the agricultural product market [24]. To this point, the price of chopped tobacco is determined by the buyers or graders as the representatives of cigarette factories. The third weakness factor is the unstable product quality. The final products of chopped tobacco have different levels of quality even though the chopped tobacco coming from the same variety. One-time harvest, from planting to drying stages, produces tobacco with various qualities, such as grades D, E, F, and G. However, in some cases, the farmer group may produce tobacco that belongs to grade B, which mean has lower quality than grade D, E, F or G. This condition causes difficulties

Table 2. The Key Factors of Opportunities and Threats of the Anjang Kencono 13 Farmer Group

External Factor	Opportunity	Threat
Economy		1. Covid-19 pandemic that contributes to high production costs and obstacles in marketing
Social culture	1. The large number of smokers in Indonesia 2. Absence of tobacco substitute products as raw materials for making cigarettes	1. Decreased planting area and amount of tobacco production in the last planting season
Technology	1. The development of technology and information	
Consumer	1. Regular consumers 2. High level of consumer's confidence	
Government		1. The increase policies of tobacco product's excise that disadvantage the farmers 2. The lack of partiality in Government regulations to farmer group

Source: Primary Data Analysis, 2022

to the farmer group to enter tobacco market. Buyers will check the tobacco quality and the mixed quality will lead to the rejection of tobacco from entering the market. The next weakness factors are the limited equity and poor accounting system. The lack of equity is one of the obstacles with significant impact on farmers, particularly their powerlessness in determining the product selling price [25]. The last weakness factor is the low participation of some members in the farmer group operation. Less active members can inhibit the farmer group activities. In addition, to dynamically develop, farmer group requires administrators' and members' active support in implementing work plants or activities in the farmer group [26].

3.3 Analysis of the External Factors of the Anjang Kencono 13 Farmer Group

External factors are the conditions outside the farmer group that can affect the development of the business' run. The results of the analysis of the external factors, including the key opportunities and threats, such as the economic, socio-cultural, technological, consumer, competitor, and government factors, are presented in Table 2.

The external factors, that become the first and second opportunities, are the large number of smokers in Indonesia, and the absence of tobacco substitute products as raw materials for making cigarettes. The data from the resources revealed that in the last 10 years (2011–2021), there was a significant increase in the number of adult smokers, reaching 8.8 million people, from 60.3 million in 2011 to 69.1 million smokers

in 2016 [27]. The increasing number of smokers becomes an opportunity for farmer group because the demand for chopped tobacco continues to increase. The third opportunity factor is the development of technology and information. The advantage of this opportunity must be taken because information technology helps facilitate farmer group in accessing the market and information on chopped tobacco. The results of previous study shown that dissemination of agricultural information technology will be more appropriate and efficient if directly applied by farmer groups [28]. Further, the regular consumers and a high level of consumer confidence are the fourth and fifth opportunity factors. Consumers' high level of confidence in tobacco products from this farmer group has a positive effect on the business. Therefore, if one party trusts the other party, or both parties trust each other, this condition will build a positive behavior and good intention [29].

Several external threats affect the operation of the chopped tobacco business at the Anjang Kencono 13 farmer group. The first threat is the Covid-19 pandemic. Based on data from the resources, for the last five years, since 2017, the Gross Regional Domestic Product (GRDP), as one of the economic indicators, of Klaten Regency has decreased in the agriculture, forestry, and fishery sectors [30]. The decrease in the GRDP is due to the fact that the chopped tobacco business, which is one of the agricultural sub-sectors, also experiences decreases and obstacles in the cultivation and marketing activities. The second threat is the decreased planting area and the amount of tobacco production in the last planting season. The area planted and the amount of tobacco production in the previous year become a reference for farmers to cultivate tobacco in the next planting period. The decrease area for planting chopped tobacco decreased by 9%. In 2020, the chopped tobacco planting area in Klaten was 1,590 hectares, while in 2021, the area decreased into 1,435 hectares [8]. The next threat factor is related to policies and regulations. The Tobacco Products Excise (TPE) policies encourage an increase in the excise of tobacco products and this condition detriments the farmers. The policies that are not supporting farmer groups' needs becomes a significant threat. The data recorded that as of February 1, 2021, the official TPE rose 12.5%. TPE that continues to rise has more tendency to cause cigarette factories to reduce the production costs, which then lower the prices in the field. TPE should be more supporting the farmers, and the government should keep motivating farmers to produce tobacco and supply it to the cigarette industry [3]. Chopped tobacco products from other regions, such as East Java, are a threat in the chopped tobacco market competition. This factor will become a serious threat if the farmer group do not have a pioneer in the chopped tobacco business, because pioneering is a condition where the organization is able to create a barrier for competitors to enter the same market segment [31].

3.4 IFE Matrix Analysis

IFE matrix analysis was used to determine the factors' quantity as the main strengths and weaknesses of the Anjang Kencono 13 farmer group. The results of the IFE matrix analysis, presented in Table 3, are the total scores of strength factors and those of the weakness factors, which were later used as inputs to the grand strategy matrix analysis.

The total scores for strength and weakness are 3.44459 and 0.5538. This condition shows that the internal strength of the chopped tobacco business in farmer group is strong

Table 3. Results of IFE Matrix Analysis

Internal Factor		Weight	Rating	Score
Strength				
A	High acceptance of the chopped tobacco products in the market	0.3823	4	1.52921
B	Various choices of market channels	0.14942	4	0.59767
C	Quality chopped tobacco varieties	0.22662	4	0.90649
D	Mastery of chopped tobacco production technology	0.0193	4	0.07721
E	Experience in chopped tobacco cultivation	0.0835	4	0.334
Total				3.44459
Weakness				
F	Less effective management function	0.00108	3	0.00325
G	Low bargaining position	0.09768	4	0.39072
H	Unstable product quality	0.01681	4	0.06725
I	Limited capital	0.00949	4	0.03797
J	Poor bookkeeping system	0.00052	3	0.00157
K	Less active participation of several human resources	0.01326	4	0.05305
Total				0.5538
Difference between strengths and weaknesses				2.89079

Source: Primary Data Analysis, 2022

enough to overcome the internal weaknesses. A business with a total IFE score of more than 2.5 has a strong internal position [32].

The results of the IFE matrix weighting and rating shows that the main strength factor is the market acceptance of chopped tobacco products, which signifies that the farmer group can maximize the use of their major strength to strengthen their position in the chopped tobacco market. Meanwhile, the main weakness identified is their low bargaining position. It causes the delay for them to develop their business. Thus, the strategies to improve their bargaining power is highly necessary to be developed [33]. Farmers’ bargaining position is reinforced by developing an institutional model as a partnership among the farmer organization, processing industry, and several other related parties. The difference between the total strength and weakness scores of 2.89079 will be used as the X-coordinate to determine the business position in the grand strategy matrices.

Table 4. Results of EFE Matrix Analysis

External Factor		Weight	Rating	Score
Opportunity				
A	High number of smokers	0.12487	3	0.37461
B	Absence of tobacco substitute	0.03321	3	0.09964
C	Development of technology and information	0.10129	3	0.30387
D	Presence of regular customers	0.23936	3	0.71808
E	High level of consumer's confidence	0.25048	3	0.75144
Total				2.24765
Threat				
F	Covid-19 pandemic that contributes to high production costs and obstacles in marketing	0.00066	2	0.00133
G	Decreased planting area and amount of tobacco production in the last planting season	0.02932	4	0.11726
H	The increase policies of tobacco products' excise that disadvantage the farmers	0.08933	3	0.26799
I	The lack of partiality in Government regulations to farmer group	0.08511	4	0.34045
J	Tobacco from other areas with lower prices	0.04636	3	0.13909
Total				0.86612
Difference between opportunities and threats				1.38153

Source: Primary Data Analysis, 2022

3.5 EFE Matrix Analysis

EFE matrix analysis used to estimate the factors' quantity as the main opportunities and threats of the farmer group. The results of the IFE matrix analysis, detailed in Table 4, are the total scores of opportunity factors and the threats factors, which were next used as inputs to the grand strategy matrix analysis.

The total scores of opportunities and threats are 2.24765 and 0.86612. This signifies that the Anjang Kencono 13 farmer group can take the advantage of opportunities to

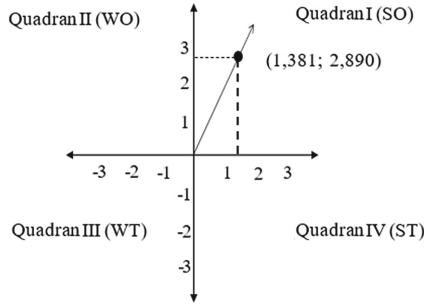


Fig. 1. Grand Strategy Matrix Result. Source: Primary Data Analysis, 2022

increase the chopped tobacco business. This is in line with the previous research that a business with a total score of more than 2.5 is considered running well and can take advantage of external opportunities to avoid threats that the company get [32]. The main opportunity factor is the high level of consumer confidence, while the major threat factor is the government regulations that are not favorable to farmer group. These conditions disclose that the farmer group can take full advantage of the opportunities for consumers' high level of confidence. The higher level of consumer confidence in an item or product, the higher the consumers buying interest [34].

The difference between the total scores of opportunities and threats of 1.38153 was used as the Y coordinate to determine the position of the business in the grand strategy matrix analysis.

3.6 Business Position Analysis

The grand strategy matrices are used to determine the position of a company or organization [35]. Moreover, the grand strategy matrix analysis is applied by calculating the scores for internal and external factors, then entering the scores into the quadrant matrices [36]. Based in the calculation results on the IFE and EFE matrices, the position in the grand strategy matrices is obtained as the following.

Figure 1 demonstrates that the chopped tobacco business development of the Anjang Kencono farmer group is positioned in Quadrant I. The strategy applied is aggressive [37]. The position in Quadrant I indicates a strong and potential business [38]. Therefore, the strategy is formulated by focusing on the strengths and opportunities. This result become a reference for further matrix analysis.

3.7 SWOT Matrix Analysis

The business position in the first quadrant of the grand strategy is used as a reference for determining several alternative strategies, centering on the strengths and opportunities. S-O (strength-opportunity) strategies combine the organizational strength factors and organizational opportunity factors in pairs, as presented in Table 5. Additionally, the process of compiling a SWOT matrix helps farmers identify the strengths and opportunities aligning with a high probability of success [39].

Table 5. Results of SWOT Analysis

			Strengths (S)
1.			High acceptance of the chopped tobacco products in the market
2.			Various choices of marketing channels
3.			Quality chopped tobacco varieties
4.			Mastery of chopped tobacco production technology
5.			Experience in chopped tobacco cultivation
			S-O Strategies
Opportunities (O)			
1.	High number of smokers	1.	Establishing subcontract type partnership with cigarette company (S1, S3, S5, O1, O2, O3, O5)
2.	Absence of tobacco substitute	2.	Optimizing the used of technology after harvesting to increase the chopped tobacco's price (S1, S2, S3, S4, S5, O3)
3.	Development of technology and information	3.	Distributing chopped tobacco collectively to increase the bargaining position of farmer group (S1, S2, S3, O3)
4.	Presence of regular consumers	4.	Utilizing the social media's benefit to create the chopped tobacco product's branding (S1, S2, S3, S4, S5, O1, O2, O3, O4, O5)
5.	High level of consumer's confidence		

Source: Primary Data Analysis, 2022

Several alternative strategies generated from the grand strategy matrices and the SWOT matrices as follows:

1) Establishing subcontract type partnership with cigarette company

Chapter I of the Law Number 9 of 1995 states that partnership is the cooperation of small enterprises with either medium or large enterprises under the guidance and development of either medium or large enterprises by taking into account the principles of mutual needs, strengthening, and benefits, and this becomes the basic principle of business development. The Anjang Kencono 13 farmer group is identified to have regular consumers. However, the consumers are not both formal and

informal permanent partners. Partnership is vital since it can strengthen the position of farmer group as a producer. This is supported by previous study that one of the efforts to maintain business continuity is through partnership with related institutions, such as the government, universities, and private sectors [40]. Moreover, partnerships have several benefits such as guarantees of quality, quantity, and continuity and reduction of the risk of loss [41].

Farmer group should partner with tobacco companies that need chopped tobacco as raw materials for their business. In addition, farmer group can sell their products to their partners and establish cooperation with universities to develop tobacco diversification.

- 2) Optimizing the used of technology after harvesting to increase the chopped tobacco's price

Utilization of the existing information technology can help farmer group developing chopped tobacco business, particularly to improve the quality of the product. Product quality is the overall characteristics of a product that can meet consumer needs as expected [35]. Farmer group can take advantage of information technology to attract more consumers to purchase chopped tobacco products. This is validated by previous research that product quality that is consistent with consumer expectation can increase the consumer satisfaction and product [42]. If the chopped tobacco's quality of the farmer group produced with particular technology is excellent, the farmer group has the opportunity to gain more profit. Admirable quality is also in line with the increase in the farmer's bargaining power as a producer. With the use of technology, farmer group, as a producer, has the access to better product prices and consumers can get affordable prices [43].

- 3) Distributing chopped tobacco's collectively to increase the bargaining position of the farmer group

The collective distribution of chopped tobacco has several objectives: reducing the dominance of collectors who individually suppress the bargaining position of farmer group in determining prices; changing the pattern of relations that are detrimental to farmer group as producer; and making more efficient distribution patterns by removing the less profitable marketing chains. Farmer group need to put this strategy into practice because the current bargaining power of farmer group is relatively low. The collective distribution of chopped tobacco is supported by the strength of farmer group with various choices of marketing channels and quality tobacco varieties. If the dominance of collectors can be reduced, farmer group has more opportunity to develop.

- 4) Utilizing the social media's benefit to create the chopped tobacco product's branding

Farmer group has the strength to choose a large number of marketing channels and this becomes a promising opportunity to improve the chopped tobacco marketing. The chopped tobacco market needs to be expanded, instead of merely relying on single regular consumer. The market expansion can be supported with social media. The development of social media today has brought significant changes in the world of marketing. Social media helps buyers to directly interact with the products they want to buy. Moreover, buyers can access information about the products being sold, enjoy the ease of getting the products, and compare them with other similar products [35]. It is identified that the farmer group only uses WhatsApp to reach the market,

and it is necessary to apply more types of social media to expand the business. The social media itself is a method which can be used to market agricultural products [44].

3.8 QSPM Analysis

The QSPM formulate the best strategy using simple calculations [45]. QSPM was the last stage of data analysis producing strategic priority selected from several alternative strategies, as presented in Table 6. The various strategies can be included in the QSPM, serving as an analytical tool in decision-making [46, 47].

The priority strategy that the farmer group sets is distributing chopped tobacco collectively to increase the bargaining position of farmer group, with the highest TAS of 5.800. This strategy is most suitable for further application at this time considering up to this days, the chopped tobacco's market is monopolistic. This strategy can be used to reduce the collector's domination since the collector can suppress the bargaining position of farmer group in determining the price of chopped tobacco in the marketplace.

Table 6. Results of QSPM Analysis

Main Factor	Weight	Strategy 1		Strategy 2		Strategy 3		Strategy 4	
		AS	TAS	AS	TAS	AS	TAS	AS	TAS
Strength Factor									
The chopped tobacco's acceptance in the marketplace	0.3823	2	0.76460	1	0.38230	3	1,14690	4	1.52920
Various choices of marketing channels	0.14942	3	0.44826	2	0.29884	1	0.14942	4	0.59768
Qualified of the chopped tobacco's variety	0.22662	1	0.22662	2	0.45324	4	0.90648	3	0.67986
Masterity in the chopped tobacco's technology	0.0193	3	0.05790	4	0.07720	2	0.03860	1	0.01930
Experienced in the chopped tobacco cultivation	0.0835	4	0.33400	2	0.16700	3	0.25050	1	0.08350

(continued)

Table 6. (continued)

Main Factor	Weight	Strategy 1		Strategy 2		Strategy 3		Strategy 4	
		AS	TAS	AS	TAS	AS	TAS	AS	TAS
Weakness Factor									
Less effective of the management function	0.00108	4	0.00432	2	0.00216	3	0.00324	1	0.00108
Consumers determining the price (low bargaining of the farmer group)	0.09768	3	0.29304	1	0.09768	4	0.39072	2	0.19536
Unstable product quality	0.01681	3	0.05043	4	0.06724	2	0.03362	1	0.01681
Limited equity	0.00949	4	0.03796	2	0.01898	3	0.02847	1	0.00949
Poor accounting system	0.00052	3	0.00156	1	0.00052	4	0.00208	2	0.00104
Less active participation of several human resources	0.01326	4	0.05304	2	0.02652	3	0.03978	1	0.01326
Opportunity Factor									
High number of active smokers	0.12487	4	0.49948	1	0.12487	2	0.24974	3	0.37461
Absence of tobacco's substitution	0.03321	3	0.09963	1	0.03321	4	0.13284	2	0.06642
Technology and information's development	0.10129	1	0.10129	4	0.40516	2	0.20258	3	0.30387
Presence of regular consumer	0.23936	3	0.71808	1	0.23936	2	0.47872	4	0.95744

(continued)

Table 6. (continued)

Main Factor	Weight	Strategy 1		Strategy 2		Strategy 3		Strategy 4	
		AS	TAS	AS	TAS	AS	TAS	AS	TAS
High level of consumer's confidence	0.25048	3	0.75144	2	0.50096	4	1.00192	1	0.25048
Threaten Factor									
Covid-19 pandemic contributes to increase production cost and market activity's disturbed	0.00066	4	0.00264	1	0.00066	3	0.00198	2	0.00132
Decreased planting area and amount of tobacco production in the last planting season	0.02932	4	0.11728	2	0.05864	3	0.08796	1	0.02932
The increase policies of tobacco product's excise and disadvantage the farmers	0.08933	4	0.35732	2	0.17866	3	0.26799	1	0.08933
The lack of partiality in Government regulation to the farmer group	0.08511	3	0.25533	1	0.08511	4	0.34044	2	0.17022
Tobacco from other areas with lower prices	0.04636	4	0.18544	3	0.13908	1	0.04636	2	0.09272
Total	2.000		5.360		3.357		5.800		5.482

Source: Primary Data Analysis, 2022

4 Conclusions and Suggestion

The main strength factor for chopped tobacco agribusiness in the Anjang Kencono 13 farmer group is the high acceptance of chopped tobacco products in the market and the main weakness factor is the low bargaining position. The key opportunity factor is the high level of consumer confidence while the major threat factor is government regulations that are not in favor of farmer group. Alternative strategies for farmer group are building partnerships, utilizing information technology properly to increase product selling prices, distributing chopped tobacco collectively to achieve marketing cost efficiency and increase the bargaining position of farmer group, and utilizing social media to expand the market share of chopped tobacco products. Anjang Kencono 13 farmer group's priority strategy for developing chopped tobacco agribusiness is to establish partnerships. Therefore, farmer group can seek information about permanent partnerships with tobacco companies, study the benefits and risks arising from the partnerships, and expand relationships with consumers and existing chopped tobacco agribusiness subsystems to improve the bargaining position.

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