MAULANI BARKAH. Agribusiness Development Strategy of White Pepper in Bangka Belitung Province. Supervised by SITI JAHROH and SETIADI DJOHAR.

One of Indonesia’s most prominent plantation subsectors is pepper (Piper nigrum L). Indonesia is the second largest producer and exporter of pepper in the world after Vietnam. Pepper is nicknamed as king of spices and it is one of the export commodities that have an important role in the economy of the country i.e. as a contributor of foreign exchange. Indonesia itself has two types of pepper cultivated i.e. black pepper type (Lampung Black Pepper) and white pepper (Muntok White Pepper). Generally, black pepper is cultivated in Lampung and white pepper in Bangka Belitung Province. Of the two types of pepper, white pepper has a higher economic value when compared with black pepper. This is because the white pepper sale value is higher than black pepper. White Pepper is a brand image that is famous for its distinctive taste, and its taste is stronger than other types. In addition to its higher selling point, Indonesian white pepper demand in the world is predicted to increase. Another advantage of white pepper is that the value of its annual exports always increases when compared with black pepper.

Bangka Belitung Province is the main producer of white pepper; therefore, it has been the center of white pepper development in Indonesia since 2015 based on the Decree of Ministry of Agriculture No. 46/KPTS/PD.120/1/2015. Although it has become the main center of white pepper development in Indonesia, in reality, white pepper agribusiness is still not well developed. The decline in the number of farmers, production and productivity as well as the pattern of traditional cultivation with the business scale of smallholder plantations become the major problems in this province despite the fact that Bangka Belitung has great potential resources for the development of white pepper. Therefore, this study aims to (1) identify the factors affecting the development of white pepper agribusiness, (2) identify the actors in the development of white pepper agribusiness, (3) identify the development of white pepper agribusiness, 4) to formulate alternative and priority strategy of agribusiness development of white pepper in Bangka Belitung Province.

This research used a descriptive qualitative approach. The data used in this study were primary and secondary data. The primary data were obtained from the results of questionnaires and in-depth interviews with the selected respondents while the secondary data were obtained from the literature study. In determining the priority of white pepper development strategy, this research used the Analytical Hierarchy Process (AHP) method by involving the experts for their opinions.

The results of AHP analysis show that factors affecting the development of white pepper agribusiness include pepper price (0.261), cultivation technology and post harvest (0.200), stakeholder relations (0.158), government policy (0.145), seed quality (0.144), and land availability (0.092). Parties or actors who play roles in the development of white pepper agribusiness based on the AHP
analysis include the Local Government (0.268), farmers associations and exporters of pepper (0.190), Litbang (0.189), Exporters (0.180), and Farmers/farmer groups (0.174). Meanwhile, the development target of the actors include increasing farmer income (0.278), improving productivity and quality of pepper (0.245), increasing export (0.215), enlarging pepper plantation area (0.130), and increasing regional income (0.129).

The alternative strategies selected in carrying out the development of white pepper agribusiness include competitiveness improvement through productivity improvement, quality, & product diversification (0.380), increase of institutional role at the levels of farmers, marketing, & government (0.172), development strategy of nursery industry (0.166), improvement of infrastructure & efficient technology application (0.165), and expansion of plantation area on suitable land (0.116). From these alternative strategies using the AHP method, the priority strategy that can be implemented is strategy to improve pepper competitiveness through the increase of productivity, quality, and product diversification.

Keywords: AHP, pepper price, muntok white pepper