SUMMARY

YASSER REDIN FIRDAUS. Strengthening Strategy of Small Scale Rice Mills in Indramayu Regency. Supervised by ROKHANI HASBULLAH and SETIADI DJOHAR.

The number and capacity of rice mills currently exceeding the amount of grain production causes the struggle for raw materials so that rice mills are difficult to produce at full capacity. Rice milling businesses in Indramayu Regency are dominated by small rice milling businesses (PPK) with low quality and yield. This study aimed at analyzing the internal and external factors of PPK businesses as well as formulating alternative strategies and determining priority strategies of efforts to strengthen PPK businesses.

Sampling is done by using a non-probability sampling method with a purposive sampling technique. Respondents were selected from the internal milling business of a number of 20 PPK businesses and three large rice milling businesses (PPB) as well as external PPK businesses namely the Head of Procurement Section of the Indramayu Bulog Regional Sub-Division and the Bogor Agricultural University teaching staff of milling and rice experts. The preparation of the PPK strengthening business strategy was carried out using the strategy formulation techniques integrated into the three-stage decision making framework, namely the input stage, the matching stage and the decision stage. The input stage uses the EFE and IFE matrices while the matching stage uses the IE and SWOT (strength, weakness, opportunity, and threat) matrices. At the decision stage to prioritize PPK business strengthening strategies using the QSP matrix.

The EFE matrix showed the availability of raw materials (rice) from farmers as the main opportunity and increasingly modern machinery technology as the biggest threat. The IFE matrix showed the proximity to raw material sources and markets is a major strength and lagging technology and the simplest machine configuration is the biggest weakness. Based on the IE matrix, PPK businesses are in quadrant IV and the SWOT matrix produced seven alternative strategies consisting of (1) Intermediate PPK business partners to invest in mechanical drying machines; (2) Add skilled workers; (3) The government helps access market price information; (4) Building partnerships with PPB; (5) Revitalization of tools and machinery; (6) Looking for sources of capital through investors; and (7) The government fosters existing and regulating milling businesses for new milling businesses. At the decision stage, using the QSP matrix produced a strategic priority that must be made by the PPK business, namely to build partnerships with the PPB business.

Keywords: partnerships, strengthening strategy businesses, rice milling businesses