SUMMARY

SEKAR WULAN PRASETYANINGTYAS. Sustainability Strategy for Organic Horticultural Business in Indonesia. Supervised by M. SYAMSUL MAARIF, SOBIR, and AJI HERMAWAN.

With the attention of environmental health and the increasing number of middle class people, there is a shift in the trend towards consumption of healthy food, in this case organic products, and specifically, organic horticultural products. Organic farming and organic food industry may be a great potential for Indonesia's economic development in the current era. However, one of the main challenges in Indonesian organic agriculture is the inability to develop sustainable organic farming business strategies.

This study has four objectives, namely: (1) mapping the stakeholders involved in organic agriculture in Indonesia; (2) analyzing strategies that have been applied in the horticulture organic farming business in Indonesia; (3) formulating key factors in making sustainability strategies for horticultural organic agriculture in Indonesia; and (4) developing strategies for sustainable horticultural organic farming in Indonesia.

Using the framework of the soft system methodology, this study shows that there are many stakeholders in organic agriculture in Indonesia but there is no harmonious and sustainable cooperative relationship. Among these stakeholders, there are four main actors who play a role in making the sustainability strategy of organic agriculture in Indonesia, namely (1) agricultural owners, (2) foundations, (3) Indonesian Organic Alliances, (4) Ministry of Agriculture through Competent Authority of Organic Farming. Among the four actors, agricultural owners become key actors who can connect all stakeholders so that a network of stakeholders in organic agriculture is formed.

In making a sustainability strategy for organic agriculture in Indonesia, there are several key factors that must be possessed, which are obtained through analysis of interpretive structure modeling, namely: (1) competent human resources, (2) capital, and (3) market. This study also reveals the success indicator of the sustainability strategy implementation of organic agriculture in Indonesia, namely: (1) the increase in farmers' income, (2) the guarantee of fair commodity prices, (3) the expansion of organic markets, and (4) the maintenance of air quality, water and land.

The sustainability strategy offered in this study is divided into four major areas, namely the production strategy, marketing strategy, human resources strategy, and operational strategy. The results of weighting through the analytical hierarchy process show four main strategies that can be carried out by organic farming business owners to achieve sustainability, namely: (1) innovation of high value-added products that the market responds to, (2) certification by the National or Foreign Organic Certification Institute and the Indonesian Organic Community Assurance Certification Model (PAMOR) as an alternative guarantor, (3) routine training and mentoring for the involved human resources, (4) opening new service lines that are service-oriented to support an increase in the market for organic agricultural products, such as organic agrotourism.
Keywords: analytical hierarchy process, interpretive structure modeling, organic farming, soft system methodology, stakeholder analysis sustainability strategies.