Value Added Analysis and Marketing Strategy of Powder Robusta (Coffeacanephora) with different scale of business in Pagaralam City, South Sumatra Province

Fitri lestari¹, Elisa Wiladayana², Lifianthi²

¹(Student of the Master Program in Agribussiness, Faculty of Agriculture, University of Sriwijaya, Indonesia) 2 (Master Program in Agribussiness, Faculty of Agriculture, University of Sriwijaya, Indonesia) Corresponding Author: Fitri Lestari

Abstract: Processing the robusta coffee beans into robusta coffee powder is one of the post-harvest processes that will add value to the coffee. The aims of this study were to describe the processing of robusta coffee powder, calculate and analyze the production and the income of the robusta coffee powder industry, calculate on how much the value-added from home industry of robusta coffee powder, to know and to formulate the marketing strategies the Robusta coffee powder processing industry with different business scale in Pagaralam City.

This research was conducted in November 2018 until January 2019 and using the census method to determine sample members. The sample members consisted of 18 people, with a portion of 7 people processing small scale businesses and 11 people processing micro-scale businesses. The type of data used in this study were primary data obtained from interviews, and secondary data obtained from relevant agencies. The collected data was analyzed by equations of the income and analysis the value-added with Hayami method.

The results showed that the average processor robustacoffe powder income for one month. The average income obtained from processing small scale robusta coffee powder was 168,323,816,01 IDR per month with value-added of 50.59 percent. The average income obtained by micro-scale robusta coffee powder processors is 16,060,755.59 IDR per month, with added value of 45.39 percent. The best marketing strategy for processing robusta coffee powder with different business scales is a 4P marketing strategy compiled with SWOT analysis.

Keywords: Processing industry, Robusta coffee, Revenue, Value Added, Marketing Strategy.

Date of Submission: 09-05-2019 Date of acceptance: 25-05-2019

I. Introduction

Agribusiness is one sector that is becoming a major source of wisdom for the people of Indonesia. Most of the elements of society in Indonesia involved in the implementation of agribusiness and the system. Sjarkowi and Sufri (2004) states that agribusiness is all efforts related to agricultural production activities, namely agricultural input utilization or exploitation of production itself and also concession management of agricultural products. Indonesia has two kinds of seed is already global coffee is coffee arabica and robusta coffee. South Sumatra Province is the largest robusta coffee producer in Indonesia. In most areas with geographical location in the highlands of South Sumatra Robusta coffee cultivation as its main commodity.3,770 tons in 2017, with an area of 8384 hectares(Directorate General of Plantation, 2017).

As one of the coffee producer with production Pagaralam high enough potential to be one of the areas that make the process of value-added coffee making efforts to develop the agricultural product processing industry (agro-industry) can be realized. Pagaralamrobusta coffee agro-industry can also be a typical product of South Sumatra as local knowledge is a mainstay. Robusta coffee powder processing in the City Pagaralam divided into 2 groups, namely business scale processing of robusta coffee powder with a small scale and robusta coffee powder processing with scale micro-enterprises. Require analysis of value added and marketing strategy analysis of robusta coffee powder with a different scale of business in the City of Pagaralam.

II. Materials And Methods

Time and place

The research was conducted in the District of North Pagaralam, and the District of South Pagaralama, Pagaralam, South Sumatra. Electoral districts are both due to the amount of coffee powder processing industry in Pagaralam dominated the two districts are located in the District 7-processing South Pagaralam and 11 processors in the District of North Pagaralam. The choice of location have been intentionally (purposive) with consideration of coffee is one of the major agricultural commodity that became main source of livelihood

DOI: 10.9790/2380-1205016774 www.iosrjournals.org 67 | Page

Pagaralam. In addition, robusta coffee processing industry in Pagaralam potential to be developed in order to increase the income of farmers, communities, and governments. This research was conducted in November 2018 until January 2019

Research Method

The method used in this study is a survey method. Survey method is a research method that takes a sample (sample) part of the population using questionnaires as a means of collecting primary data and interviews with respondents in the District of North Pagaralam, and the District of South Pagaralam, Pagaralam, South Sumatra. This method was chosen because the researchers aim to conduct thorough observations in order to get the facts of the existing situation and also to find the actual information from the area under investigation

Determining Location Method

The sampling method used in this research is the method by taking all the population census businesses robusta coffee powder processing industries in the District of North Pagaralam, and the District of South Pagaralam Pagaralam, South Sumatra. Business operators robusta coffee powder processing industries in the District of North Pagaralam are as many as 11 processors and processing of robusta coffee powder in the District South Pagaralam is as much as 7 Processing. Sample business operators are businesses that have a minimum of 0.36 tons per year and perform processing on an ongoing basis or routine.

Data Collection Method

The data used in this research is the primary data and secondary data. The primary data obtained through interviews and a questionnaire by the perpetrators of robusta coffee powder processing business. Secondary data used in the form of literature obtained from the district office Pagaralam north, the district office Pagaralam South, central agencies statistical Pagaralam, agency statistics center of South Sumatra, department of Industry, trade, cooperatives, SMEs, and market management Pagaralam, as well as websites and sites related. The required data include data on the number of industries, production capacity, production cost structure in the industry and household income, robusta coffee powder processing as well as other important data.

Data Processing Method

The data obtained from the field presented in tabulation and continued with mathematical calculations and descriptively explained in the discussion. The amount of added value for the processing obtained from the reduction in raw material costs plus other inputs to the value of the product. The first objective of this study was to determine the processing of dried coffee beans into the coffee powder is ready for consumption which will be described descriptively.

To answer the second objective is to determine the amount of income derived from the processing of coffee powder on domestic industrial processing of robusta coffee powder in the District of North Pagaralam, and the District of South PagaralamPagaralam on a different scale enterprises. For the first thing to do is calculate revenue using microeconomic theory with the formulation income analysis at Husin and Lifianthi (1995), by calculating the following components:

```
Total costs (BT)
BT = BTT + BVT
Information:
BT = Cost Total
BTT = Total Fixed Costs
BVT = Variable Costs Total
        Total Receipts (TR)
PNT = Y.Hy
Where:
PNT
        = Total reception (IDR)
Y
        = The number of products produced (Kg)
        = Output selling price (IDR/kg)
Hy
        Revenues / Profits
Pd = PNT - BT
Where:
Pd
        = Income or profit (IDR)
```

= Total costs

PNT BT = Total reception (IDR)

The third objective is to calculate the added value that can be created from processing robusta coffee powder with different business scales in the District of North Pagaralam and Pagaralam Selatan District, Pagaralam City, which will be answered by using the value-added analysis of the Hayami method. Measurement of the value added is done to determine how much value added that is able to be created due to processing dried coffee beans into the coffee powder is ready for consumption. This calculation is based on the main ingredient unit is one kilogram of dried coffee beans.

Value added is the remuneration received by labor and processing advantages. To test the hypothesis that the processing of raw materials added value raised by Hayami et al., (1987). Based on such understanding, changes in the value of the raw material which has undergone processing treatment of great value can be estimated. The added value can also mean the addition of the value of a commodity for their input in the form of niali functional usefulness, strategy ketefisienan place and time. We also mentioned that the dependent variable in the added value that the conversion factor, the coefficient of labor, the value of the product and the value of other inputs.

Table No. 1: Framework Analysis of the Value Added Method Hayami

No.	Variables (Output, Input, Price)	Value
1.	Output / Product Total (Kg / Production Process)	(1)
2.	Input Raw Materials (Kg / Production Process)	(2)
3.	Labor input (SEAT / Production Process)	(3)
4.	Convention factor (Kg Output / Kg Raw Materials)	(4) = (1) / (2)
5.	Coefficient of Labor (HOK / Kg Raw Materials)	(5) = (3) / (2)
6.	Average Product Price (IDR / Kg)	(6)
7.	Average Wage Workers (IDR / HOK)	(7)
	Revenues And Profits	
8.	Input Raw Materials Price (IDR / Kg)	(8)
9.	Other Input donation (IDR / Kg)	(9)
10	Output value (IDR / Kg)	(10) = (4) X (6)
11.	a. Added Value (IDR / Kg)	(11a) = (10) - (8) - (9)
	b. Added Value Ratio (%)	$(11b) = (11a) / (10) \times 100\%$
12.	a. Direct Labor Income (IDR / Kg)	$(12a) = (5) \times (7)$
	b. Part of Labor (%)	$(12b) = (12a) / (11a) \times 100\%$
13.	a. Profit (IDR / Kg)	(13a) = (11a) - (12a)
	b. Profitability (%)	$(13b) = (13a) / (11a) \times 100\%$
	Reply Services For Production Factor	
14	The margin (IDR/ Kg)	(14) = (10- (8)
	a. Direct Labor income (%)	$(14a) = (12a) / (14) \times 100\%$
	b. Other Input Contribution (%)	$(14b) = (9) / (14) \times 100\%$
	c. Advantages Own Company (%)	$(14c) = (13a) / (14) \times 100\%$

Source: Hayami et al. Agricultural Marketing and Processing In Up Land.

To answer the fourth goal, namely the marketing strategy, the development of processing of Robusta coffee (Coffeacanephora) on different scales in the City of Pagaralam is used 4P marketing mix strategy analysis, namely product, price, place and promotion.

This 4P refining strategy will be presented descriptively, and for data retrieval it will use a questionnaire instrument for processing robusta coffee powder industry. Then it will be analyzed first with a SWOT analysis. The SWOT analysis provides a description of the combination of strengths, weaknesses, opportunities, and threats in formulating alternative strategies that are mutually supportive to develop the robusta coffee processing home industry in the city of fence. Table 2. a SWOT analysis model used in the analysis of the value added of various processed Robusta coffee powder in, Pagaralam City

Table No. 2: SWOT Analysis Model

internal	Strengths (S)	Weakness (W)	
	Determine the factors of internal	Determine the factors of internal	
external	strength	weakness	
Opportunities (O)	SO strategy	WO strategy	
Determine factors external	Create a strategy that uses the power	Create a strategy that minimizes	
opportunities	to take advantage of opportunities	weaknesses to exploit opportunities	
Threats (T)	ST strategy	WT strategy	
Determine the factors of external	Create a strategy to address the threat	Create strategies that minimize	
threat	to use force	weaknesses and avoid threats	

Information:

1. SO strategy

This strategy is made to exploit all the power that farmers conducting domestic industry processing Robusta coffee (*Coffea canephora*) based domestic industry in Pagaralam to seize and exploit existing business opportunities optimally.

2. ST strategy

This strategy is a strategy that uses the processing power of conducting domestic industry processing Robusta coffee (*Coffea canephora*) based domestic industry in Pagaralam in overcoming business threats.

3. WO strategy

This strategy is based on the utilization of existing business opportunities by minimizing the weakness of domestic industry robusta coffee powder processing itself.

4. WT strategy

This strategy is based on activities that seek to minimize weaknesses that would occur in the domestic industry, as well as avoid the threat in order to avoid losses more severe than expected.

III. Result

The process of production of robusta coffee powder

The series of technical activities processing robusta coffee beans into robusta coffee powder on a small scale and micro scale is the same, namely the first fermented dry robusta coffee beans and ordinary dry robuta coffee that has been cleaned, roasted in a roasting machine until blackish brown or adjusted to the desired maturity level, then the roasted coffee beans are ground in 3 milling machines so that the coffee powder obtained is really smooth, then the finely ground coffee powder is packaged into a package and weighed.

Robusta Coffee Powder Processing revenue in Pagaralam

The results showed that the average processor robustacoffe powder income for one month. The average income obtained from processing small scale robusta coffee powder was 168,323,816,01 IDR per month with The average income obtained by micro-scale robusta coffee powder processors is 16,060,755.59 IDR per month.

Value Added Robusta coffee powder in Pagaralam

The added value derived from Robusta coffee powder processing scale is 50.59 percent of small businesses are included in the ratio of high added value, while robusta coffee powder processing with scale micro businesses generated value-added products was 45.39 percent is included in the ratio of value added high.

Marketing Strategy Robusta coffee powder which terpat for Robusta Coffee Powder Processing in Pagaralam

Marketing strategy for robusta coffee powder processing with a different scale of business is 4P marketing strategy combined with SWOT analysis, namely:

- a) *product*,To maintain product quality, maintaining the authenticity of the product as well as the use of appropriate technology will make product demand continues to increase, and maintain consumer confidence terhada coffee powder products.
- b) *Price*,To maintain price stability in accordance with the product market segments each processor will make consumers do not switch to other manufacturers. In addition, the use of appropriate technology to reduce the production cost of robusta coffee powder processing.
- c) *Place*, The selection of the right business is also very memepengaruhi marketing process. The price is quite reasonable according to market segments, processors should be used to find a strategic place to market their products, in addition to the promotion maximal able to overcome the problem of lack of strategic businesses, because if consumers have been comfortable with the resulting product then the consumer will go to the manufacturer once any place of business less strategic.
- d) **Promosion**, with the development of technology, the promotion of products can be done better, for example by using social media.

IV. Discussion

Robusta Coffee Powder Processing

The processing of robusta coffee beans into robusta coffee powder ready for consumption must go through four processes, namely sorting of dried robusta coffee beans. The process of sorting robusta coffee beans is done by processing robusta coffee powder on a small scale business. This is done to get coffee beans that are in accordance with the variety of products produced. There are 3 types of coffee products produced by 5 processors of robusta coffee powder with a small scale business in Pagaralam City, namely male coffee, premium coffee and also raw coffee, as stated in the previous discussion that in 1 Kilogram of dry robusta coffee beans there will be 0, 25 Kilograms of types of male robusta coffee beans, 0.50 Kilograms of primary robusta coffee beans and 0.25 Kilograms of original coffee beans. For processing micro-scale robusta coffee powder, it does not process the sort of robusta coffee beans because robusta coffee beans are dried and have been cleaned and will be roasted immediately without the sorting process. The next processing process is roasting robusta coffee beans.

Roasting process is done in a period of 1 to 1.5 hours at a temperature of 150 to 200 °C with a load of 10 to 300 Kilograms of robusta coffee beans. When roasting process carried the weight of the beans will be reduced due to loss of moisture present in robusta coffee beans. On 1 Kilogram of dry robusta coffee beans are roasted then weighed down to 70 ounces, or weighing 0.7 kilograms. This means there are 0.3 ounces of coffee lost weight due to the water content contained in seeds is reduced. In this roasting process, robusta coffee beans should not be overcooked, or burnt because it will greatly affect the aroma and quality of Robusta coffee powder. When coffee is less mature at the time of roasting, it will cause difficulties robusta coffee processing into powder in the next process, namely milling.

Robusta coffee bean grinding process is a process of robusta coffee powder processing is done after the process of roasting coffee beans. Robusta coffee beans that have been roasted and cooled for approximately 4 hours milled into a powder using a coffee powder pengiling machine after the process of robusta coffee powder pegilingan then ready to be packed and marketed. In one grinding process robusta coffee beans are ground for 10 to 50 Kilograms. For robusta coffee powder fineness level itself depending on the desired product processing according to customer demand.

After the milling process robusta coffee powder is cooled again for 2 hours. This is done so that when packaged coffee powder did not undergo evaporation. If there is evaporation in the packaging it will make coffee powder damp and musty, so it can not last long. When powdered coffee was cold then robusta coffee powder packaged ready for robusta coffee powder packing is done by inserting a robusta coffee powder into appropriate packaging size while weighed. The plastic used to package this Robusta coffee powder of different sizes, ranging in size from 0.1 Kilograms, 0.2 Kilograms to 0.25 Kilograms, 0.5 Kilograms, up to 1 Kilogram.

Robusta Coffee Powder Processing revenue in Pagaralam

One of the processing industry in the city Pagaralam is robusta coffee powder processing industries. Coffee processing industry spread over five districts in the city Pagaralam. Robusta coffee powder processing most in two sub-districts of North and Sub-district Pagaralam South Pagaralam with the number of processors as many as 18 processors robusta coffee powder. There are variations in income between both robusta coffee processing, all tailored to the variation of the amount of coffee in production, the total cost of production, sales price, and acceptance.

a. Revenue Robusta Coffee Powder Processing Small Scale

Revenues may also mean benefits to be obtained processing small-scale coffee powder in Pagaralam. Processing revenue per day derived from the difference between the reception day and also the total cost of production that is issued per day. On average original robusta coffee powder obtained by processing each day is 125.50 Kilograms. Coffee powder processing robuta with small-scale enterprise in Pagaralam sell their products through the following methods exist that directly sell their products to consumers in their own sales stall. All processing of robusta coffee powder with a small scale already has its own marketing kiosks. In fact, 5 of them has a gift shop and café as a place of marketing their products. 2 other sellers in addition to selling in kiosks also have a network of consumers outside the city. Explanation regarding revenue and income per production of robusta coffee powder pengoloahan small-scale industry in Pagaralam can be seen in Table No. 3.

Table No. 3: Average Income Robusta Coffee Powder Processing Small Scale.

$oldsymbol{arepsilon}$				
No.	commentary	Unit	Total (per the Production Process)	Amount (per month)
1.	Total Production	Kilogram	125.50	3,765
2.	Selling price	Rupiah	97142.86	2,914,285.21
3.	Reception	Rupiah	10.355.000	310 650 000
4.	Production cost	Rupiah	4,744,206.13	142,326,183.99
5.	Income	Rupiah	5,610,793.87	168,323,816.01

b. Robusta Coffee Powder Processing revenues of Micro Scale

Revenue is the result of the difference between receipts and total cost per month or per the production process. A more detailed description of the average earnings and revenue that the processing of robustacoffee powder with a scale of micro enterprises in Pagaralam per month and the production process can be seen in Table No. 4.

Table No. 4: Average Income on Robusta Coffee Powder Processing of Micro Scale

No.	commentary	Unit	Total (per the Production Process)	Amount (per month)
1	Total Production	Kilogram	21.64	649.09
2	Selling price	Rupiah	51818.18	1,554,545.45
3	Reception	Rupiah	1,142,272.73	34,268,181.82
4	Production cost	Rupiah	606,914.21	18,207,426.43
5	Income	Rupiah	535,358.51	16,060,755.39

^{* 1} month 30 times the production process

Analysis of the Value Added Robusta coffee powder in Pagaralam

a. Robusta Coffee Powder Added Value by Small Scale in Pagaralam

Analysis of the value added method of robusta coffee powder Hayami small scale and micro-scale enterprises in Pagaralam is some cost calculations used in the processing of robusta coffee powder.

Table No. 5: Average Added Value Analysis Robusta Coffee Powder Small Scale

No.	Variables (Output, Input, Price)	notation
1.	Output / Product Total (Kg / Production Process) (1)	125.5
2.	Input Raw Materials (Kg / Production Process) (2)	179.29
3.	Labor input (SEAT / Production Process) (3)	5.0
4.	Convention factor (Kg Output / Kg Raw Materials) $(4) = (1) / (2)$	0.7
5.	Coefficient of Labor (HOK / Kg Raw Materials) $(5) = (3) / (2)$	0.06
6.	Average Product Price (IDR / Kg) (6)	97142.86
7.	Average Wage Workers (IDR / Production Process) (7)	1475.75
	Revenues And Profits	
8.	Input Raw Materials Price (IDR /Kg) (8)	26571.43
9.	Other Input donation (IDR / Kg) (9)	606.54
10	Output value (IDR / Kg) $(10) = (4) \times (6)$	68,000
11.	a. Added Value (IDR / Kg) (11a) = (10) - (8) - (9)	36297.50
	b. Added Value ratio (%) $(11b) = (11a / 10) \times 100\%$	50.95
12.	a. Labor income (IDR / Kg) $(12a) = (5) \times (7)$	127.26
	b. Part of Labor (%) $(12b) = (12a) / (11a) \times 100\%$	0.32
13.	a. Profit (IDR /Kg) $(13a) = (11a) - (12a)$	36170.24
	b. Part Profit (%) $(13b) = (13a) / (11a) \times 100\%$	50.78
	Reply Services For Production Factor	
14	The margin (IDR / Kg) $14 = 10-8$	41428.57
	a.Pendapatan Workforce (%) (14a) = (12a) / (14) x 100%	0.27
	b. Other Input donation (Capital) (%) $(14b) = (9) / (14) \times 100\%$	10478.43
	c. Profit (%) $(14c) = (13a) / (14) \times 100\%$	0.14

b. Value Added Robusta Coffee Powder Scale Micro Enterprises in Pagaralam

Analysis of the added value of robusta coffee powders which do small scale in this study starts from raw material procurement robusta coffee beans to the finished product ready for robusta coffee powder marketed.

Table No. 6: Results of Analysis of the Value Added Robusta Coffee Powder, Micro Scale Method with Havami

No.	Variables (Output, Input, Price)	notation
1.	Output / Product Total (Kg / Production Process) (1)	21.14
2.	Input Raw Materials (Kg / Production Process) (2)	30.91
3.	Labor input (SEAT / Production Process) (3)	1.64
4.	Convention factor (Kg Output / Kg Raw Materials) $(4) = (1) / (2)$	0.70
5.	Coefficient of Labor (HOK / Kg Raw Materials) $(5) = (3) / (2)$	0.06
6.	Average Product Price (IDR / kg) (6)	51818.18
7.	Average Wage Workers (IDR / Production Process) (7)	23679.65
	Revenues And Profits	
8.	Input Raw Materials Price (IDR / kg) (8)	18,000

^{* 1} month 30 times the production process

^{*} Coffee Beans yield of 30%

^{*} Coffee Beans yield of 30%

9.	Other Input donation (IDR / Kg) (9)	1705.23
10	Output value (IDR/ Kg) $(10) = (4) \times (6)$	36272.73
11.	a. Added Value (IDR / Kg) (11a) = (10) - (8) - (9)	16567.49
	b. Added Value ratio (%) $(11b) = (11a / 10) \times 100\%$	45.39
12.	a. Labor income (IDR / Kg) $(12a) = (5) \times (7)$	1470.47
	b. Part of Labor (%) $(12b) = (12a) / (11a) \times 100\%$	9.30
13.	a. Profit (IDR / Kg) (13a) = (11a) - (12a)	15097.03
	b. Part Profit (%) $(13b) = (13a) / (11a) \times 100\%$	41.29
	Reply Services For Production Factor	
14	The margin (IDR / Kg) $14 = 10-8$	18272.73
	a. Labor income (%) $(14a) = (12a) / (14) \times 100\%$	8.28
	b. Other Input donation (Capital) (%) $(14b) = (9) / (14) \times 100\%$	3854.78
	c. Profit (%) $(14c) = (13a) / (14) \times 100\%$	0.28

Marketing strategyRobusta Coffee Powder Industry in Different Scale Enterprises in Pagaralam

Marketing mix strategy is a marketing strategy that is selected researchers to be a marketing progress analysis tools robusta coffee powder processing small scale and micro-scale enterprises in the city Pagaralam.In the marketing mix there is a set of marketing tools known in the term 4P product, price, place, and promotion. Set of marketing tools must be maximized in the preparation of marketing strategy on processing of robusta coffee powder with a small-scale enterprise and processing of coffee powder with micro-scale enterprises in the city Pagaralam. Marketing strategies require alternative strategies that can overcome and be a solution to the obstacles and problems that are present in the product marketing of the industry. These strategies can be created and analyzed using SWOT analysis. This analysis will produce strategies that can be used as an alternative to improve the marketing strategy used by processing robusta coffee powder with small-scale businesses and micro-scale businesses in Pagaralam City, with the hope that researchers in the future of robusta coffee powder processing industry in Pagaralam City can compete in the local, national and international markets. Table no. 7, describes the strategy that is composed of strengths, weaknesses, opportunities, and threats using the SWOT matrix. This matrix consists of 9 boxes also called 3x3 tables and produces four possibilities that can occur, namely the SO strategy, ST strategy, WO strategy and WT strategy. after being analyzed with the SWOT strategy it will complement the 4P marketing strategy.

Table No. 7: SWOT Analysis Matrix Robusta Coffee Powder Processing internal Strength (Strength) Weakness (Weakness) Authenticity The difficulty of getting permission from the product health office products and halal certification. quality is maintained. 2. Promotional products do not maximized. Prices products are affordable and in accordance with their respective market segments. Eksernal Opportunities (opportunities) SO strategy WO strategy Product demand is increasing. Maintaining quality With the increasing demand for the product, the and 2. The development of technology, authenticity of the product to product could be one good reason to get permission which will facilitate the processing demand continues to increase, and from the products and halal certification in product innovation. maintain consumer confidence (S1, authorities (W1, O1). With the right technology to the products that O1)2. Product price stability in accordance will be produced efficiently and simplify with the respective market segments licensing and certification of halal products of that consumers do not switch to government (O2, W2) Product demand continues to grow could be another product (S2, O1) 3. Maintain the authenticity and quality one form of promotion by word of mouth by consumers (O1, W2). of the products by the use appropriate technologies (S1, O2) With the development of technology, the Product price stability by the use of promotion of products can be done better. appropriate technology to reduce mislnya by using social media (O2, W1) production costs (S2, O2) Threats (Threats) ST strategy WT strategy 1. Processing their more innovative 1. Improving the quality and authenticity 1. Utilization of good and appropriate technology, of the product can be used as a as well as the permission of dinkes, their kosher competitors product weapon to beat the competition. (S1, certification, can help processors compete with development. 2. Less strategic business location T1) other more innovative processors. (W1, T1) 2. Maximum promotion able to overcome the several processors. The selling price is quite affordable in problem of lack strategic place of business. accordance with the segment of the market, processors should capitalize (W2, T2)on this to find a strategic place to

market their products. (S2, T2)

V. Conclusion

The hypothesis of this study is to accept H1, which is the presumption that the added value of processing robusta coffee powder with different business scales in Pagaralam City provides high added value. The added value obtained from processing small scale Robusta coffee powder is 50.59 percent, this is included in the ratio of high value added, while the processing of Robusta coffee powder with micro business scale the added value of the products produced is 45.39 percent, including the value added ratio high. The right marketing strategy for processing robusta coffee powder with different business scales is a 4P marketing strategy that is compiled with SWOT analysis.

References

- The Central Bureau of Statistics Pagaralam. 2016. Regional Statistics Pagaralam. Pagaralam. [1].
- Plantation Office. 2016 Post Harvest Sustainable Coffee. (On line).Sustainable Http://Ditjenbun.Pertanian.Go.Id/Pascapanen/Berita-[2]. 203-Kopi-.html, Accessed March 28, 2019 At the date.
- [3]. Plantation Office. 2016. Area of South Sumatra coffee. South Sumatra.
- [4]. [5]. Directorate General of Plantation. 2014. Statistics Indonesia Plantation. Jakarta
- Gregory, M. 2000. Introduction to Economics Volume 1. Erland. Jakarta
- [6]. Hayami et al. 1987. Agricultural Marketing and Processing In Up Land.
- [7]. Husin, L and Lifianthi. 1995. Agricultural Production Economics. Faculty of Agriculture, University of Sriwijaya. Indralaya. Diktat Lecture (Unpublished)
- [8]. Kotler, Philip and Armstrong, Gary. 2012. Principles of Marketing. New Jersey: Prentice Hall.
- Kotler and Keller. Marketing Management 2009 Volume 1, Issue 13. Erland. Jakarta
- [10]. Makki, F. 2001. Value-added agro-industry in soybean agribusiness system in South Kalimantan. Journal of AgroEkonomika.Volume 6. 1.
- Nujiyati, Sri And Danarti. 2004. Coffee, Raising, And penaganan Post Harvest. Governmental spreader. Jakarta [11].
- [12]. Nur, A. 2013. Analysis of the Value Added Management of Soybean Milk In Household Industrial Scale
- [13]. Rangkuti, Freddy. (2015). SWOT Analysis Techniques Dissecting the Business Case. PT. GramediaPustaka Utama, Jakarta.
- [14]. Sjarkowi, F. and M. Sufri. 2004. Agribusiness Management. Graffiti Baldal Press. Palembang.

Fitrilestari. "Value Added Analysis and Marketing Strategy of Powder Robusta (Coffeacanephora) with different scale of business in Pagaralam City, South Sumatra Province". IOSR Journal of Agriculture and Veterinary Science (IOSR-JAVS) 12.5 (2019): PP- 67-74.