

Cocoa Agroindustry Development Strategy: A Case Study of Processing Industry at CV. Putra Mataram in Polewali Mandar

Mudasfar¹, Andi Nuddin², Sahabuddin Toaha³

^{1,2,3}Department of Agribusiness, Faculty of Agriculture, Universitas Muhammadiyah Parepare, Parepare, Indonesia

*Corresponding author's e-mail: mudasfardahsan17@gmail.com

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ABSTRACT

This research examines the Formulation of Strategic Steps for Cocoa Agroindustry Development at CV. Putra Mataram Processing Industry in Polewali Mandar, using SWOT analysis and IE Matrix. Through a qualitative approach with participatory observation, in-depth interviews, documentation, and triangulation, this research aims to formulate effective and sustainable strategies. The SWOT analysis identified the company's main strengths in product quality and relationships with local farmers, as well as weaknesses in production capacity and dependence on the domestic market. Significant opportunities were identified in the growth of the national cocoa processing industry and government policy support, while major threats include price fluctuations and competition from local producers. The IE Matrix analysis places the company in a Hold and Maintain position, directing towards market penetration and product development strategies. Based on these findings, the research recommends development strategies including increasing production capacity, diversification of high value-added products, strengthening farmer partnerships, implementing sustainable production practices, and market expansion through sustainability certification.

Keywords:

Cocoa Agroindustry, Polewali Mandar, Development Strategy

1. Introduction

Cocoa is one of Indonesia's leading plantation commodities with high economic value and promising market prospects [1]. Polewali Mandar Regency, as one of the cocoa production centers in West Sulawesi, has great potential for developing cocoa-based agroindustry. The development of cocoa agroindustry can provide significant added value to the regional economy and farmers' welfare [2].

West Sulawesi, particularly Polewali Mandar, is one of the important cocoa production centers in Indonesia. In 2021, the cocoa plantation area in Polewali Mandar Regency reached 41,623 hectares with a production of 36,481 tons [3]. This large production potential makes Polewali Mandar Regency a strategic area for developing sustainable cocoa agroindustry..

CV. Putra Mataram, as one of the cocoa agroindustry players in Polewali Mandar, is in a strategic position to implement sustainable practices. The application of the Triple Bottom Line (TBL) concept, which encompasses economic, social, and environmental aspects, becomes important in this context [4]. Development strategies that consider these three aspects can enhance the company's competitiveness while contributing to regional sustainable development [5].

This research aims to formulate strategic steps for cocoa agroindustry development at CV. Putra Mataram in Polewali Mandar. Through identification of specific opportunities and challenges faced by the company, as well as formulation of strategies that align with local conditions and global cocoa industry trends [6], the



results of this research are expected to benefit not only CV. Putra Mataram but also serve as a reference for cocoa agroindustry development in Indonesia.

2. Methods

2.1. Research Site

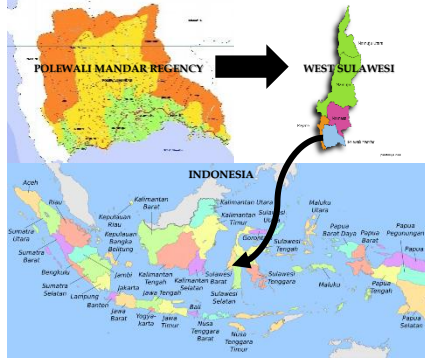


Figure 1. Location of the study

kilometers, this regency has diverse topography from lowlands to highlands (0-1,500 meters above sea level), a coastline of 89.07 kilometers, and consists of 16 districts. This diverse geographical condition and strategic location strongly support the development of agriculture and plantation sectors, particularly cocoa as the region's leading commodity, and provide good access for agricultural trade and distribution.

This research was conducted to formulate strategic steps for cocoa agroindustry development in Polewali Mandar Regency, West Sulawesi. Polewali Mandar Regency was established as the research location as shown on the map (Figure 1). The research was conducted in Polewali Mandar Regency, West Sulawesi, which borders Mamasa Regency (north), Pinrang Regency (east), Makassar Strait (south), and Majene Regency (west). With an area of 2,022.30 square

2.2. Data Collection

This research employs several integrated data analysis methods to process and interpret the collected data [7]. The selection of analysis methods was conducted systematically to provide comprehensive understanding of cocoa agroindustry development strategies in Polewali Mandar, taking into account the complexity and specific characteristics of the cocoa processing industry [8].

Table 1. Characteristics and Data Usage Requirements

Data Characteristics	Data Usage	Data Sources
Secondary data in the form of research/observation results and studies that have been documented through specific institutions	To explore internal and external factors affecting cocoa agroindustry development	Previous research results and documentation from various relevant institutions
Primary data: Sub-elements as strategic programs in cocoa agroindustry development, obtained through interviews with experts/practitioners as informants	To demonstrate strategic steps that can be implemented to improve product quality and competitiveness of cocoa agroindustry in local and global markets	Informants are experts and practitioners from various relevant institutions

2.3. Data Analysis

This research employs several data analysis techniques to process and interpret the collected data. Descriptive analysis is used to describe the general condition of CV.

Putra Mataram through data presentation in the form of tables, graphs, and basic statistical calculations [7]. This method provides a comprehensive picture of cocoa production characteristics, human resource profiles, technological conditions, and company marketing aspects.

Furthermore, SWOT analysis is conducted to identify internal factors (strengths and weaknesses) and external factors (opportunities and threats) of the Company [9]. Data is collected through in-depth interviews, direct observation, and document analysis. The analysis results are then processed using IFAS and EFAS Matrices, where each factor is weighted and ranked to determine the company's strategic position [10].

The company's strategic position is then mapped using the IE (Internal-External) Matrix, which combines the results of internal and external factor evaluations in a nine-cell matrix [11]. These analysis results are then used to formulate development strategies through the SWOT Matrix [12], which produces four types of strategies: SO (Strengths-Opportunities), WO (Weaknesses-Opportunities), ST (Strengths-Threats), and WT (Weaknesses-Threats). This combination of analytical methods provides a strong foundation for formulating recommendations for cocoa agroindustry development strategies at CV. Putra Mataram.

3. Results and Discussion

3.1. Analysis of Internal and External Factors

Analysis of internal and external factors is a crucial step in formulating cocoa agroindustry development strategy for CV. Putra Mataram. This analysis is based on data obtained through in-depth interviews with company management, field observations, and documentation study.

3.1.1. Identification of Internal Factors (Strengths and Weaknesses)

CV. Putra Mataram has several main strengths in its operations, including consistent product quality standards to meet domestic processing industry needs, solid partnerships with local cocoa farmers in Polewali Mandar, deep understanding of cocoa characteristics and local market preferences, efficiency in production processes, and flexibility in adjusting production to market demand. However, the company also faces several significant weaknesses, such as limited production capacity that hinders fulfillment of broader market demand, high dependence on the domestic market that limits growth potential, lack of experience in export markets, limitations in new product development innovation, and challenges in accessing capital for expansion and technology improvement.

The IFAS Matrix is used to evaluate CV. Putra Mataram's key internal factors in the context of cocoa agroindustry development. This analysis helps identify and assess the company's main strengths and weaknesses.

Table 2. IFAS (Internal Factor Analysis Summary) Matrix

Key Internal Factors	Weight	Rating	Weighted Score
Strengths			
1. Good product quality	0.15	4	0.60
2. Strong relationships with local farmers	0.12	4	0.48
3. Local knowledge	0.10	3	0.30

4. Operational efficiency	0.08	3	0.24
5. Production flexibility	0.07	3	0.21
Weaknesses			
1. Limited production capacity	0.13	2	0.26
2. Dependence on local market	0.12	2	0.24
3. Lack of export experience	0.08	1	0.08
4. Limited product innovation	0.09	2	0.18
5. Limited access to capital	0.06	1	0.06
Total	1.00		2.65

The IFAS analysis results show that CV. Putra Mataram's internal position is relatively strong with a total score of 2.65 (above the average of 2.5). The company's main strengths lie in product quality (score 0.60) and strong relationships with local farmers (score 0.48), while its main weaknesses are limited production capacity (score 0.26) and dependence on the local market (score 0.24). The total strength score (1.83) being higher than weaknesses (0.82) indicates the dominance of internal strength factors. For future development, the company needs to maximize its strengths in product quality and farmer relationships, while focusing on increasing production capacity and market diversification as strategic priorities.

3.1.2. Identification of External Factors (Opportunities and Threats)

CV. Putra Mataram has several significant opportunities in its business development, including growth in the national cocoa processing industry that opens new markets, government policy support in cocoa industry downstream development, increasing domestic chocolate consumption trends, potential partnerships with downstream industries, and opportunities for diversification of cocoa derivative products such as cocoa powder and butter. However, the company also faces various threats that need to be anticipated, including cocoa price fluctuations affecting profitability, increasingly intensive competition from other local producers, climate change impacts on productivity, plant disease threats such as pod rot (*Phytophthora palmivora*), and changes in consumer preferences that can affect cocoa product demand.

The EFAS Matrix is used to evaluate key external factors affecting CV. Putra Mataram in the context of opportunities and threats. This analysis helps identify how the company responds to external conditions in the domestic cocoa industry.

Table 3. EFAS (External Factor Analysis Summary) Matrix

Key External Factors	Weight	Rating	Weighted Score
Opportunities			
1. Growth of national cocoa processing industry	0.15	4	0.60
2. Supportive government policies	0.12	3	0.36
3. Domestic chocolate consumption trends	0.10	3	0.30
4. Potential partnerships with downstream industries	0.08	3	0.24
5. Development of cocoa derivative products	0.07	2	0.14
Threats			
1. Cocoa price fluctuations	0.13	2	0.26
2. Competition from other local producers	0.11	2	0.22
3. Climate change	0.09	1	0.09
4. Cocoa plant diseases	0.08	2	0.16

5. Changes in consumer preferences	0.07	2	0.14
Total	1.00		2.51

The EFAS analysis of CV. Putra Mataram shows a total score of 2.51 (above the average of 2.5), indicating a fairly good response to external factors. The company's main opportunities are growth in the national cocoa processing industry (score 0.60) and government policy support (score 0.36), while the main threats are cocoa price fluctuations (score 0.26) and local producer competition (score 0.22). The total opportunity score (1.64) being higher than threats (0.87) indicates an external environment that supports growth. Strategic recommendations include maximizing utilization of industry growth and government support, strengthening partnerships with domestic processing industries, developing risk management systems to address price fluctuations, and improving efficiency and product innovation to maintain competitiveness.

3.2. IE (Internal-External) Matrix Analysis

The IE (Internal-External) Matrix analysis is a strategic tool used to determine the strategic position of CV. Putra Mataram based on comprehensive evaluation results of the company's internal and external factors [13]. This matrix integrates the results of IFAS and EFAS analyses to help formulate corporate-level strategies that align with the company's conditions and capabilities in facing cocoa industry dynamics [14].

		Total IFAS Score		
		Strong 3.0 - 4.0	Average 2.0 - 2.99	Weak 1.0 - 1.99
Total EFAS Score	High 3.0 - 4.0	I Grow and Build	II Grow and Build	III Hold and Maintain
	Medium 2.0 - 2.99	IV Grow and Build	V Hold and Maintain ▲ (2.65, 2.51)	VI Harvest or Divest
	Rendah 1.0 - 1.99	VII Hold and Maintain	VIII Harvest or Divest	IX Harvest or Divest

Figure 2. IE Matrix: ▲ indicates the position of CV. Putra Mataram (IFAS: 2.65, EFAS: 2.51)

Based on the IE (Internal-External) Matrix analysis results, the strategic position of CV. Putra Mataram is in cell V with coordinates (2.65; 2.51), where the IFAS score of 2.65 indicates an average internal position and the EFAS score of 2.51 shows a medium external position. This position places the company in the 'Hold and Maintain' quadrant, indicating that the appropriate strategies to implement are market penetration and product development.

In this strategic position, CV. Putra Mataram is advised to implement several key strategies such as maintaining and improving existing performance, conducting market penetration to strengthen position in existing markets, and developing products to increase added value. The company also needs to focus on improving operational efficiency and making selective investments. This condition indicates that CV. Putra Mataram has moderate growth potential and needs to implement careful

yet progressive strategies to maintain and improve its competitive position in the cocoa industry.

3.3. SWOT Analysis

SWOT analysis is a strategic planning method used to evaluate internal factors including Strengths and Weaknesses, as well as external factors consisting of Opportunities and Threats in a project or business [15]. In the context of sustainable cocoa agroindustry development at CV. Putra Mataram, SWOT analysis is used to identify and analyze the company's strategic position focusing on the domestic market, so that effective and sustainable development strategies can be formulated [16].

Tabel 5. SWOT Matrix

Internal Factors	Strengths (S)	Weaknesses (W)
	S1: Good product quality S2: Strong relationships with local cocoa farmers S3: Local knowledge S4: Operational efficiency S5: Production flexibility	W1: Limited production capacity W2: Dependence on local market W3: Lack of export experience W4: Limited product innovation W5: Limited access to international markets
External Factors	SO Strategies	WO Strategies
Opportunities (O) O1: Growth of national cocoa processing industry O2: Supportive government policies O3: Domestic chocolate consumption trends O4: Potential partnerships with downstream industries O5: Development of cocoa derivative products	SO1: Increase production and cocoa bean quality to meet growing domestic processing industry demand (S1, S4, O1) SO2: Utilize local knowledge and farmer relationships to optimize government support programs (S2, S3, O2) SO3: Develop premium cocoa product lines utilizing good product quality to meet domestic consumption trends (S1, S5, O3) SO4: Optimize operational efficiency to become a trusted supplier partner for downstream industries (S4, S5, O4) SO5: Utilize production flexibility to develop high value-added cocoa derivative products (S5, O5)	WO1: Develop strategic partnerships with processing industries to increase production capacity and market access (W1, W2, O1, O4) WO2: Utilize government policies to access funding and technology support to enhance innovation (W4, W5, O2) WO3: Conduct market research and product development for diversification and innovation according to domestic consumer preferences (W2, W4, O3, O5) WO4: Build partnerships with downstream industries for technology transfer and production capacity enhancement (W1, W4, O4)

		WO5: Collaborate with research institutions to develop cocoa derivative product innovations (W4, O5)
Threats (T)	ST Strategies	WT Strategies
T1: Cocoa price fluctuations	ST1: Develop long-term contracts with processing industries to stabilize prices and leverage consistent product quality (S1, S2, T1)	WT1: Develop price risk management system and product diversification to reduce price fluctuation impacts (W2, W4, T1)
T2: Competition from other local producers	ST2: Utilize operational efficiency and product quality to maintain competitiveness (S1, S4, T2)	WT2: Enhance product differentiation through innovation and branding to distinguish from competitors (W4, T2)
T3: Climate change	ST3: Use local knowledge to develop climate change- adaptive agricultural practices (S3, T3)	WT3: Invest in sustainable agricultural technology and practices to increase climate change resilience (W4, W5, T3)
T4: Cocoa plant diseases	ST4: Leverage strong farmer relationships for effective disease control program implementation (S2, S3, T4)	WT4: Collaborate with research institutions to develop disease-resistant cocoa varieties (W4, T4)
T5: Changes in consumer preferences	ST5: Utilize production flexibility to quickly adapt to changing consumer preferences (S5, T5)	WT5: Enhance product innovation capacity to anticipate and respond to changing consumer preferences (W4, T5)

Based on the SWOT Matrix analysis in Table 5.3, the development strategy analysis for CV. Putra Mataram produced four comprehensive main strategy categories. SO strategies leverage internal strengths to capture market opportunities, including increasing production capacity by 20% within 2 years, optimizing government programs to increase productivity by 15%, developing premium products with a 25% margin increase, and developing value-added derivative products with potential revenue increase of 30%.

WO strategies are designed to overcome weaknesses by leveraging existing opportunities, including developing strategic partnerships to increase production capacity by 40% within 3 years, utilizing government support for innovation, and research collaborations targeted to produce 3-5 innovative products within 3 years. Meanwhile, ST strategies focus on using strengths to address threats, including price

risk management through long-term contracts with a 40% risk reduction target, increasing operational efficiency by 15%, and disease control programs expected to reduce losses by up to 30%.

WT strategies are designed to minimize weaknesses and avoid threats, including developing a risk management system targeted to reduce exposure to price fluctuations by 25%, implementing sustainable agricultural practices to increase resource use efficiency by 30%, developing disease-resistant varieties expected to reduce losses by up to 40%, and enhancing innovation capacity targeted to increase new product numbers by 50%. These overall strategies are expected to enhance CV. Putra Mataram's competitiveness and sustainability in the cocoa processing industry.

4. Conclusion

The analysis of internal and external factors for CV. Putra Mataram shows a relatively strong strategic position with total IFAS score of 2.65 and EFAS score of 2.51. The company has main strengths in product quality and strong relationships with local farmers, but faces weaknesses in limited production capacity and dependence on the local market. The biggest opportunity comes from the growth of the national cocoa processing industry, while the main threat is cocoa price fluctuations. Based on the IE Matrix, the company is in a Hold and Maintain position which leads to market penetration and product development strategies. The SWOT analysis results recommend strategies for increasing production capacity, developing strategic partnerships, implementing risk management systems, and developing innovative products to enhance agroindustry competitiveness.

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