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How to Improve Processed Food Product Competition on Democracy Basic in Asean Community Era

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Abstract

The current problem of local products in Indonesia is in the framework of tight competition facing against the high quality overseas products. Population of 241 million, Indonesia has become a target for trading due to the high consumption. ASEAN community era, one of ASEAN community pillar is ASEAN economic community pillar. It brings an impact of economic sector and societies. The aims of this research were: (1) the ability of processed food industry in facing competition, (2) the ability of processed food industry in providing the products with the high quality, (3) the small industry's role to carry on supporting economic growth. The research was an explanatory research applying qualitative method in 2015. The respondents were 25 processed food businessmen in Magelang Regency. The results showed that processed food product in the research area had an ability to make a competition. The product availability was of high quality. The increased economic development through macro, small and middle business could absorb manpower and created full employments. With regard to that matter, cooperation programs among universities, local government and local societies should be forged. It is suggested that companion programs from universities should be conducted regularly.

Keyword: competition, processed food product

1. INTRODUCTION

The China-ASEAN Free Trade Agreement (CAFTA) era is approaching, if this event not respond quickly by Indonesian businessman this will make imported products flooding our domestic market, including imported food products. According to Prihatningtyas, (2015) some of the risks are: 1) threatening Indonesia economic, 2) making our local resources unable to compete with imported products, 3) rising up our consumptive way of life among our society and 4) increasing our unemployment rate. These problems will need better management of processed food industry sectors with household processed food industry in particular, because household industries have significant role in developing regional economic growth.

It also make consumer feel easier to choose many available processed food. These days, products competition are really getting tight which make many business maker no longer give attention to the applied regulation. The ability to supply market with high quality products force household industry maker who produce processed food use dangerous substances as additional ingredients without any hesitation when processing many traditional culinary products. The government is emphasizing on regulation, assistance, and surveillance to reach and maintain equal positioning between business doers and their consumers. According to government regulation no.8 in the year 1999, Indonesia government tends to give more attention to consumers and has not giving serious attention about rights and obligations of business doers.

2. REVIEW OF RELATED THEORIES

The government regulation no.18 2012 states that " Food (Pangan) is all substances come from biological sources, product of agriculture, plantation, forestry, fishery, animal husbandry, and waterworks whether processed (*dilolah*) or unprocessed (*tidak dilolah*). Food production that states in Article 1 Section 6 says "...food production is activity or process of resulting, preparing, processing, making, preserving, repackaging, and changing these 'food' forms. While Article 1 Section 5 states "...food safety is the condition and necessary efforts to prevent food from unsafe

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chemical, biological, and other substances that can disturb, damage, or threaten human health with no potential conflict of religion, faith, and society culture to make it safe for consumption.

Indonesia has extraordinary culinary heritage with its richness variety and taste from all parts of regions. Every region has its own culinary delights from traditional to many modern experimental and modified culinary that bring good competitiveness. Moreover, some areas have more than one cuisine to offer. Indonesia traditional culinary is every kind of processed food that produce in certain regions, starting from full course dishes to snack meal with enough nutrients that usually consume by those people in that area. While traditional food is culinary delight that inherited from our older generations or ancestors. Many tribes and lots of natural diversities make Indonesia posses enormous traditional culinary heritage that come in many distinctive cookings. These food diversities appear from varieties of food stuff/raw materials, way of processing, and ways in presenting these cookings. Traditional culinary are potential enough as media to bring food diversification in to reality in order to enhance Indonesia's competitiveness ability.

In effort to elevate the role of microbusiness industry as supporter of Indonesia's economic growth, management divisions from all producers attempt to produce qualified product which meet customers expectation but in low cost, make simultaneously reparation in their production process which has purpose to increase product's quality and time efficiency. The availability of the raw ingredient are easy to find in respondents location because most of these ingredients planted in commodity that develop specific to be superior ingredients in the region/area where traditional processed food being manufactured. This product is really potential to be develop in the purpose of society empowerment, either economic or food independency because of its characteristics is something that easy to get, easy to make, and easy to consume for fulfill food demand in the society. The trends or habit in utilize/make use any local potency should be socialize to educate society for lessening the tendency of consumptive way of life and change it into productive way of life.

Limitation of traditional processed food industry are as follow: first, education lackness in managing their businesses in professional methods. For instance, good packaging is one of the key to increase *plus point* for the product. In reality, many traditional processed food have a problem in their packaging. Second, there are many prospective traditional processed food industries are running only in household capacity. They are having flaws in narrow knowledge of good business management. Third, limited access for those business doer to financial organizations, or unable to meet the requirements set by those financial organizations, which resulted in limited capital to run the business, and in the end, many of these traditional food businesses unable to flourish. Finally, there are infrastructure matters, environment, economic and also social impact.

Good product of traditional processed food must concern about its sanitation aspect. Definition of hygienic principle in this industry is control/management of these four factors: site/location, equipment/tools, people/employee, and its raw ingredients. These factors are controlled by six principles of sanitation hygiene for food and beverages that issued by Indonesia Department of Health in 2004 which states: 1) Food ingredients selection, 2) Food ingredients storage, 3) Food ingredients processing, 4) Food product preservation, 5) Food product transportation, and 6) Food product presentation. Food products that proven safe from microorganism is related to good maintainance of hygiene and sanitation because it is one of the solution to protect the food product from contamination Susanto (2015). Then, food presentation is the final chain from these journey. The food product must follow sanitation regulations (free from contamination, clean and well covered, also fulfill the buyer's appetite or taste).

3. METHODS

Research was held from March to October 2015. Site or location of this research was covered the entire area of Malang or commonly called as *Malang Raya* that include the city of Malang, the city of Batu and the regency of Malang. Respondents were selected by purposive sampling with data collection held by several methods; survey, interview, observation and object documentation. Singarimbun, (1990). Total respondents were 45 businessdoers which consist of household food industry owners that make food processed product for sale, and housewives that make food

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processed product for own consumption and also for sale. The gathered data taken form in primary and secondary data. Primary data collected by questionnaire prepared before, consisted of respondents general data, information from the product (its raw ingredients and how to process), hygiene level of its processing (application of good food production), and product development. Every respondent interviewed only once for one local processed food product. While secondary data taken from reports, documents that link with local processed food product and related institutions, in order to maintain sustainability of food stability (*keutuhan pangan*), tackling many nutrients problems, society empowerment and increasing *plus point* from these products for promotion and business development.

4. RESULT DISCUSSIONS

The limitation of processed food industry may be seen from internal side, which are: 1) Tools or product equipments are far too simple, where majority of production process using very simple tools which operate by hands or manually, 2) Lots of unnecessary spent in the process of production, 3) Motivation and quality of the employee are consider low, where employee often work and talk to others and lose their focus on the products and often come late in work. Besides, most employees do not have enough knowledge about strategic process, 4) Limited capital, which make these traditional industry hard to increase their food production either in its quality nor quantity. 5) There has no standard to assuring quality from traditional processed food product that resulted in less trust from our own society. Apart from that, there are also some external side that demotivate traditional processed food product/industry which are: 1) Lackness of facilities, 2) Industry competitiveness rate that tighten/fill with competitors come from outside or inside our own country.

Most of raw ingredients for food product are easy to get in the surrounding environment of respondent locations, because majority of these ingredients are planted as superior commodities around these traditional food being produced. The products are very potential to develop in the purpose of society empowerment, not only economic but also food independency because its characteristics of easy to get, easy to make, easy to consume to fulfill daily food demands inside the society. The trends or habit in utilize / make use any local potency should be socialize to educate society for lessening the tendency of consumptive way of life and change it into productive way of life.

The primary problem about food stability is narrow knowledge of energy sources, nutrients contents from food and the availability of many variety *ready to eat* products in individual level. By development of this processed food product, then in Malang Raya which has not know about product of fresh or processed food can be introduce from other region outside Malang. Traditional processed food product which has not known in Malang Regency or Malang City can be introduce from other region, according to the availability of raw ingredients topography of its local products.

There are some products which can be develop as traditional processed food products in home industry basis, with characteristics of dry products, semi dry product, and liquid drinks that processed and packed with certain labels and have long expiry date. Some of the products are Krispy salty fish, Krispy chicken, vegetables stew, fish floss, salty mustard green, carrots chips, *ruizak* sweets, and others. A good processed food product must be seen from its sanitation aspects, which include: free of pathogen, no illegal preservatives (not approved by Health Department) added, using package that safe for human health and put expiry date in that packagin Prihatinmgtyas, (2010), Futhermore, Susanto, (2015) said that a good processed food product must pass 6 requirements: pathogen free, chemical free, piracy free (trade mark and composition), having effective protection during storage time, attract consumers appetite/taste, and has a continually shipping/deliverance in long period. The future of business development of traditional processed food products are in our hands. By considering this magnificent potential as business opportunity that can be broaden from these traditional food products, then it become one of homework duties for government, microindustry, and society to escort Indonesia's Traditional Food Industry to Go International.

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5. CONCLUSION

Malang Raya has magnificent potency of diversities of processed food products. These diversities are determined by location of raw ingredients/material. It is better to conduct training and assistance about traditional processed food using advance technology processing, better quality packaging, and food safety aspects which work together simultaneously. Then, in ahead time must make partnership arrangement/cooperation with university, local government and businessmen.

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