ABSTRACT

IDA INDRAYANI. Analysis of Production and Competitiveness of Beef Cattle Fattening in Agam District West Sumatera Province (RITA NURMALINA as a Chairman and ANNA FARIYANTI as a Member of the Advisory Committee).

The domestic beef cattle producers have supplied only 70 percent of the national need. Demand of the beef cattle has not been accompanied by an increased supply response. One of the major problems in beef cattle fattening is its low productivity that might be caused by its low efficiency of input use. On the other side low productivity also caused an increase in the number of imported beef cattle. Therefore, this study aims to analyze: (1) factors that influence the production of beef cattle fattening, (2) the level of technical efficiency of beef cattle fattening, (3) beef cattle fattening competitiveness, and (4) the impact of government’s input-output policy on the competitiveness of beef cattle fattening in Agam district. The stochastic production frontier is used to estimate production function, while Policy Analysis Matrix was employed in this study to measure level of competitive and comparative advantage and effect of government interventions on beef cattle fattening. The results showed that quantity of forage, concentrate, cattle’s age, and livestock ownership significantly influence production. The average value of the farm technical efficiency is 0.764 ranging from a minimum of 0.478 to a maximum of 0.996. Beef cattle fattening is profitable and has competitive and comparative advantage. Fattening produces profits that create positive incentives for producers and reflect an efficient use of domestic resources.

Key words: Beef Cattle Fattening, Technical Efficiency, Competitiveness, Stochastic Frontier, Policy Analysis Matrix