ABSTRACT

RIMTA TERRA ROSA BR PINEM. The Study of The Development and The Role of Horticulture Agribusiness On Regional Economy in Karo Regency, North Sumatra Province. Under direction of SETIA HADI and BABA BARUS.

Agribusiness is a system consist of up stream, on farm, downstream, and supporting subsystem. The better linkages between agribusiness systems, the greater role of agribusiness system in the regional economy. These linkages result in rotation of added value, thus providing a multiplier effect on the regional economy. The purpose of the study are (1) to describe the development of the agribusiness sub-system of horticulture, (2) to evaluate the condition and completeness of the settlements systems and agribusiness system (3) to evaluate the structure of supply chain in horticulture agribusiness system, and (4) to analyze the role of horticulture agribusiness system in regional economy of Karo Regency. Horticulture sector has a stronger linkage with up-stream sectors than down-stream sector. Horticulture sector has significant Direct Backward Linkage with manufacturing Industry. Although the contribution to the formation of GDP and total output are not significant, but the sector has good role in a multiplier effect. Horticulture processing industry and its supporting infrastructure were not available in Simpang Empat, Tiga Panah and Barus Jahe. The post harvest infrastructure are still limited. The small scale farmers and farmers enterprises did not have power to access them. The lock of post-harvest infrastructure has implied to the low bargaining position of farmers in trade. The technique used in this study were including description of the agribusiness system, infrastructure analysis (scalogram), margin supply chain analysis, and input-output analysis. Up-stream and on farm agribusiness subsystems were developed than down-stream subsystem. The development of the up-stream subsystem was identified based on the acces of farmers to obtain the primary inputs of agricultural production. Downstream subsystem have not been developed yet. This was reinforced by the lowest of margin trade which was obtained by farmer, than any other elements in trade.

Keywords: Agribusiness, Horticulture, Input-Output, Regional Economy.