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## Analysis of Rice Agribusiness Development in Jember Regency, Indonesia

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### Abstract

In Indonesia one of food plant commodities that strengthen food stability is rice. This commodity is extremely popular among Indonesian people. This relates to cultural factors and the characteristics of Indonesian societies, which continuously consume rice as food processed of rice. Rice commodities has also been dominating in Jember regency. However, the area cropped for rice in the last 4 years indicated a declining trend; it covered an area of 131.522 ha in 2003, declined from 141.880 ha in 2002. Nevertheless, rice production shows an increasing trend.

The above background initiated the author to address the following issues: **(1)** to identify socioeconomic factors dominantly affecting entrepreneurship in rice production **(2)** to find out the working mechanisms of rice distribution channel from farmers to retailers. **(3)** to find out the structure and performance market in rice commodity.

The results showed that the key factors of socio-economic aspects of rice agribusiness people in Jember are the knowledge of the commodity dealing with its process, technical ways, technology and channels of distribution, the residential area, length of time of business operation, farmers' dependence on assembling sellers and processing parties, high gaps of cost, farmers' educational level. Rice products trading in Jember is mostly dominated by farmers and, then, retailers. There are only a small number of Rice Mills and big business people; however, they have more powerful decisions on cost than those of farmers, assemblers and retailers. The structure of rice market tended to the imperfect market side. In other word we can concluded that price of rice was influenced by its supply.

**Keywords:** Agribusiness development, Jember regency , market rice