



Editorial

Dear Readers,

Research is never ending. This phrase is acceptable and it is absolutely right. Our colleagues at ICASEPS are currently busy to finalize their respective research to meet deadline in December. With high expectation of research quality amid the immediate effective of new regulation on budget-saving initiative since August 2007, researchers are demanded to use their creativity to produce highly acceptability of their research. For researchers, difficult situation is always part of the experiences and is usually taken to logically improve their research quality.

As elaborated in this issue, financial report is one of the most important aspect in developing rural farm and industry. Research on micro finance system is, therefore, necessary to find out sufficient information to formulate policy recommendation. Appropriate policy instruments are needed to help eradicate people from structural poverty in rural area.

In this number, we bring you more information about socioeconomic issues. Among the important information are the summary of previously conducted studies, the seminar excerpt on poverty alleviation, and the progress of research collaboration on HPAI.

Lastly, after one full month of fasting, Ied celebration is finally come true. On the occasion of this celebration, we would like to express our congratulation for those who celebrate it "Selamat Idul Fitri, 1 Syawal 1428 H". Please accept our sincerity "Mohon maaf lahir dan bathin" apology from the deepest heart of us.

Thank you,

The Editor

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Research Findings

ANALYSIS OF LIVESTOCK SUPPLY CHAIN PARTNERSHIP

Introduction

This research was conducted to response the weakness of (coordination, synergy and electivity of agribusiness policy in livestock commodity), the lack of understanding in characteristics and the performances of conventional and modern market as well as the limited information on the performance of supply chain institutions (farmers-suppliers-markets) dedicated to improve the welfare of traditional farmers. The existence of modern market is expected to increase the production and the farmers' welfare. Small-scale farmers are only having accessibility to conventional market and at the same time, conventional market is also under intervention and distortion from suppliers which are dominated by large-scale farming system. There are three main livestock commodities studied in this issue, namely beef cattle, broiler, and layer. Due to structural problem, large-scale farming of these three commodities has a better access to modern market. Meanwhile, modern market has a special market segment, such as potential consumers with higher income so that they can afford a higher price.



Methodology

Research was conducted in three provinces, namely West Java for layer, Bali for broiler, and East Java for beef cattle. The respondents were classified into four main categories: (1) Farmers; (2) Supply chain agents; (3) Main actors in conventional and modern markets; and (4) Related institutions in central and provincial levels as well as key informant at farmer's level with total respondents of 196.

The objectives of this research are: (1) To analyze the performance of economic policy in livestock; (2) To study the characteristics of conventional and modern markets of livestock product; (3) To examine the performance of institutional partnership of supply chain (farmers – supplier – conventional and modern markets) in livestock commodity; and (4) To analyze the performance of marketing and livestock development.

The approaches used were (1) analysis on the trend of production, needs/consumption and trade related to economic policy in livestock had done; (2) a descriptive analysis had been done on the dynamics of volume, variation and price of product as well as the problem faced and alternatives solution. Analysis on the livestock policy includes the planning, implementation and impact had also been done; (3) were achieved through descriptive analysis on the relationship pattern of the related institutions, whether functionally they have positive, neutral, or negative relationship and institutionally they obtained fair benefit as well as to know if there is an alternative institutions to be introduced; and (4) analyzing the marketing margin of all market actors and existing livestock farming profile as well as its prospect for development.

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