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Strategy and Prospects of Cashew (*Anacardium occidentale. L*) Development in Jember-Indonesia

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ABSTRACT

The higher growth of world cashew consumption is an opportunity for Indonesia and East Java province to increase cashew production. Cashew production on a national scale reached 95,000 tons per year. East Java province contributed about 11% of national cashew production. Jember is famous as a center for cashew producer and has great potential in development of agribusiness/agro-industry cashew in East Java province. However, there are problems that hamper the success of cashew farming. This study purpose is to formulate a strategy and analyze the development prospects of cashew at Jember-Indonesia. The analysis technique used is the matrix of Internal Factor Evaluation (IFE), matrix of External Factor Evaluation (EFE), matrix of Relative Competitive Position, matrix of Internal and External (IE), and SWOT matrix. The results showed that internal factors as major strength in farming are cashew cultivation techniques, while the main weakness is the production and marketing. External factors with largest opportunity in cashew farming are the land suitability and government policies, while the greatest threat is climate risks and uncertainties. The strategy recommended of cashew development in Jember is a growth-oriented strategy through horizontal integration (concentration through horizontal integration). The strategic priorities are (1) improving the farming techniques with productive land appropriate quality seeds and adequate capital to increase the quality of cashew product and more competitive price in market; and (2) more consistent to maintain the product quality to increase consumer confidence.

INTRODUCTION

Cashew (*Anacardium occidentale. L*) is one leading commodity of plantation crops to become government priorities for economic and agriculture development in future. Cashew has a significant contribution to Indonesian economy as foreign exchange, income source of farmers, producers of raw materials for food industry, job creation and regional development.

Consumption growth of world cashew consumer, particularly countries in North America, European Union, China, Middle East, India and Australia is one opportunity for Indonesia to increase the cashew production. Indonesia is the world's fifth biggest cashew producer after India, Nigeria, Brazil, and Tanzania. Production of Indonesia raw cashews (unprocessed cashew, cashews in-shell) each year reach 95 thousand tons and only 20% (about 19 thousand tons) are distributed for domestic consumption (domestic market), while other 80% (76 thousand tons) are exported to various countries (CS SMEs Business 2009 - <http://bisnisukm.com/indonesia-pengekspor-mete-terbesar.html>, accessed at January 21, 2016).

Indonesia raw cashew products are very demanded by world market because the quality has been proven. Indonesia is the largest exporter of raw cashew to India, Vietnam, and Brazil. These countries process the

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cashew to become cashew nut and other products (CS SMEs Business 2009 - <http://bisnisukm.com/indonesia-pengekspor-mete-terbesar.html>, Accessed at January 21, 2016).

Exports of raw cashew has good prospective from a business standpoint based on some reasons. First, quality of Indonesia raw cashew is better than Africa and having highest price range (about USD 775 per metric ton). Second, cashew harvest season in Indonesia does not coincide with harvest season of major cashew producer in the world (cashew harvesting season in Vietnam, India and Africa is February to April). It makes raw cashew from Indonesia has high competitiveness. Third, Indonesia geography relative close to Vietnam and India. It decrease the transport costs to make total final sale price is relatively low, which is only about 7%, lower than the nuts from West Africa (Nigeria) at transport costs could reach 40%) (<https://epurwanto.wordpress.com/perdagangan-mete-kesejahteraan-petani-dan-pelestarian-lingkungan-2/>, accessed at January 21, 2016).

Raw cashew production at national scale is about 95,000 tons per year. East Java province contributed about 11% of national cashew production (din, S. 2013 - <http://yayasanjambumete.blogspot.co.id/2013/02/jatim-genjot-produksi-mete.html>, accessed at January 19, 2016). This creates opportunities for East Java Province to become the center of cashew in Indonesia. East Java province has great potential in development of cashew agribusiness/agro-industry.

The development area for cashew in East Java during 2010-2014 has increased, from 48,284 ha in 2010 to become 48,626 ha in 2014 with an average growth rate of 1.78% per year. The cashew development production in East Java during 2010-2014 also increased, from 10,500 tons in 2010 to become 12,849 tons in 2014 with an average growth rate 1.88% per year (Plantation Agency of East Java 2015 - <http://disbun.jatimprov.go.id/arealtanaman.php> - updated at June 10, 2015, accessed at 09 February 2016).

Jember district is horse hooves area, located in Eastern region of East Java Province. Jember since 2012 until now was known as the cashew production centers in Eastern region of East Java province and has great potential in development of cashew agribusiness/agro-industry. Jember has 280 ha productive land for cashew cultivation with an average production of 160 tons per year (Statistic Central Bureau of East Java Province 2015 - <http://regionalinvestment.bkpm.go.id/newsipid/commodityarea.php?ia=3509&ic=83> - updated June 10, 2015) (accessed on 09 February 2016)

Cashew farming in Jember has provided livelihood and employment opportunities for majority of farmers, both as a sideline and primary business. The response of farmers to cashews plant started and cashew nuts farming can provide significant income for farmers, along with higher demand for exports and maintenance of cashew crop is relatively easy. However, there are various problems at farm level to hinder the successful cultivation of cashew.

Interpreting the official data from the Statistic Central Bureau of East Java Province (2015) - <http://regionalinvestment.bkpm.go.id/newsipid/commodityarea.php?ia=3509&ic=83> that cashew area in Jember for 2008 -2014 period was increase. However, cashew production per year at same time has not shown significant improvement (cashew production in 2008 to 2014 period tends to fluctuate).

Several other issues are also found, such as cashew farmers sell green cashews that not processed (cashews kernels) and unclear of marketing network. Farmers and/or cashew traders in Jember difficult to penetrate existing marketing network in other areas because the parties involved in marketing network and where the activity takes place does not known. This study purpose is to formulate a strategy and analyze the development prospects of Jember Cashew - Indonesia.

LITERATURE REVIEW

Management Strategies:

The views on importance of management strategies are only developed in private sector. Almost all of management strategy activities in that century were focused on private organizations (Bryson 1995: 5). Management strategy usage in public sector organizations had just started in early 1980s (Quinn 1980; Brucker in Bryson 1995: 7). Meanwhile, Keban (1995: 8) argues that application of strategic management as a strategic planning has not become a tradition for bureaucracy. Meanwhile, in order to provide better services to public in future, tradition of strategic planning for bureaucracy will be especially useful in promoting ways of thinking, a strategy on what main mission of bureaucracy to be achieved, long-term and short-term goal, plans strategies and operational-plan, particularly programs and projects. The relevance of management strategy for bureaucracy would have found the momentum at this time given the nature of interconnectedness within bureaucracy also more prominent over time.

Management strategies applied in business or enterprise can also be applied to achieve the goals set. Development of strategy management concept was significant. These are marked by various definitions of experts. Olsen and Eadie (1982: 4) defines management strategy as a disciplined attempt for making decisions and important actions to shape and guide how to become an organization (or other entity), what is done by organization (or other entity), and why the organization (or entities more) does something. The management strategy is to plan a direction for company (Freeman 1995: 52). According to Bryson and Einsweiler in Bryson

(1995: 4), management strategy is a set of concepts, procedures, and tools, and in part specific nature for public sector planning practice at local level. The management strategy emphasizes the observation and evaluation of opportunities and threats of environment by looking at strengths and weaknesses of company (Hunger et al 2003: 4).

David, F.R. (2009: 5) suggests that management strategies can be called strategic planning; it is the art and science in formulating, implementing and evaluating the cross-functional decisions to enable an organization to achieve objectives. Management strategy focuses on efforts to integrate management, marketing, finance or accounting, production or operations, research and development, and computer information systems to achieve organizational success. Wheelen and Hunger (2012: 53) expressed the same opinion, that management strategy is a set of managerial decisions and actions of long-term decision making in company. This includes the analysis of environmental (external and internal), strategy formulation, strategy implementation, and evaluation and control.

The management strategy combines the patterns of thinking strategies with management functions as planning, implementation, control and evaluation. Management strategy is an attempt to develop managerial strength of company to exploit the business opportunities arise in order to achieve company goals that have been set in accordance with a predetermined mission. This definition also implies that companies reduce their weaknesses, and trying to adapt to business environment. The objective of management strategy or planning strategy is to analyze and utilize any available resources to create new opportunities to become effective strategies for companies or organizations to create the competitive advantage, achievement of corporate goals and effective implementation of corporate policies.

Historically, main benefit of management strategy is to assist organizations to formulate better strategies by using a systematic approach, logical and rational to choice strategies. In addition to main benefits, management strategies have financial and nonfinancial benefits. Financial benefits are organizations with strategic management concept usage are more profitable and successful than other organizations. Companies with high performance seem to make decisions in a context of complete information with good anticipation of consequences of short-term and long-term. Non-financial benefits of management strategy are to awareness of external threats, a better understanding of competitor's strategy, increasing the employee productivity, reducing the resistance to change, a better understanding of relationship between performance and reward (Hokiman 2015 - <http://dokumen.tips/documents/karakteristik-manajemen-strategi.html>, July 9, 2015, accessed at March 8, 2016).

Bryson (1995: 66-68) suggests four basic approaches to identify strategic issues below.

1. Direct Approach, it includes the straight path to review mandate, mission and SWOTs to identify the strategic issues. The direct approach can work in a pluralistic world, partisan, politicized, and relatively fragmented of most public organizations, as long as there is a dominant coalition that strong and interesting to make it work.
2. Indirect approach, it is similar with direct approach and usually done in conjunction with direct approach, but without special team set.
3. Goals approach, it is more in line with theory of conventional approach, which stipulates that organization must create goals and objectives for themselves, and then develop a strategy to achieve it. This approach can work if there are extensive and in-depth agreements about the goals and objectives of organization, and if the goals and objectives are detail and specific to guide the strategy development.
4. Vision of success, organizations develops a best or ideal image of himself in future as a very successful organization to fulfill its mission. This approach is more likely to work in nonprofit organizations rather than public sector organizations.

The process of strategic management or strategic planning by Bryson and Roering (1987: 10) includes eight steps, as shown in Figure 1 below.

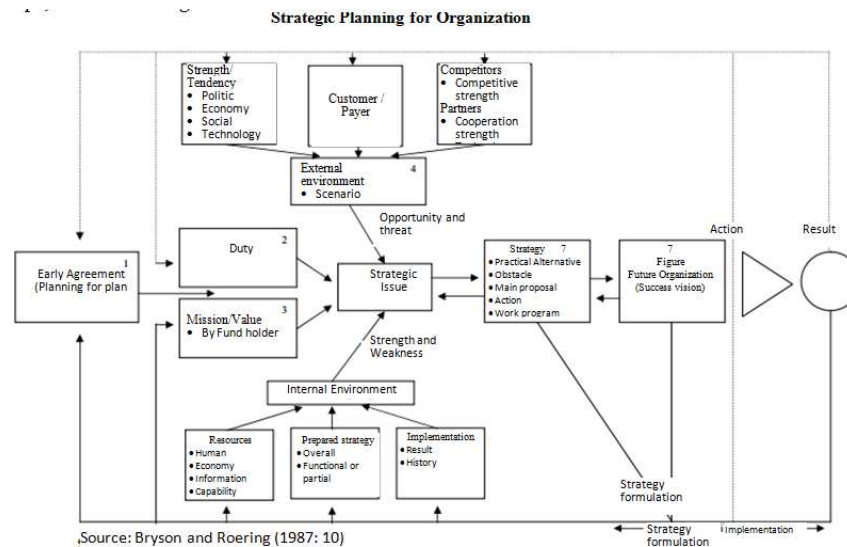


Fig. 1: Strategic Planning for Organizational
Source: Bryson and Roering (1987: 10)

Strategy planning models of Bryson and Roering (1987: 10) shows the relationship between the components of strategy management process as described in each of stages below.

1. Initiating and agree on a strategic planning process. The objectives of first this step is to negotiate a deal with important decision makers or opinion leaders internally (and possibly externally) of whole effort of planning strategies and paramount planning steps.

2. Identifying the organization's mandate. Formal and informal mandate placed on organization is a necessity for the organization.

3. Clarifying the mission and values of organization. Mission is closely related to its mandate and social justification for its existence.

4. Assessing the external environment: opportunities and threats. Exploring the surroundings outside the organization to identify opportunities and threats faced by organization.

5. Assessing internal environment: strengths and weaknesses. Recognizing the power and internal weaknesses makes organizations can monitor resources (inputs), strategy (process), and performance (outputs).

6. Identifying the strategic issues facing by the organization. Strategy issues include conflicts in one kind or another. Conflicts may involve goals (what), the way (how), philosophy (why), place (where), time (when), and groups that may be disadvantaged or advantaged by different ways to solve the issue (whom).

7. Formulating strategies to manage issues. Strategy is defined as a pattern of objectives, policies, programs, actions, decisions, or the allocation of resources that define how, what and why an organization should do.

8. Creating an effective organizational vision for future. The final step of management strategy process is to develop a description on how the organization should success to implement the strategy and reach the full potential

David, F.R. (2009: 6) suggests the strategic planning has three important stages that cannot be missed by company when the company makes a strategy plan. They are formulation, implementation/deployment and evaluation strategies.

1. Strategy formulation is the initial stage where the company set the vision and mission associated with in-depth analysis of internal and external factors and company's long-term goal setting is used as a reference to create alternative business strategies in accordance with company conditions.

2. Strategy implementation is a step where the strategy has been through rigorous identification the related factors of external and internal environment as well as the adjustment of company's goals adopted or implemented in intensive policies where each functional divisions and companies collaborate and work in accordance with their tasks and policies.

3. Strategy evaluation is the final stage after the strategy applied in practice to assess its effectiveness on expectations and achievement of corporate goals. Assessment is done by measuring the factors or indicators of success achieved and evaluate the performance of formulation and implementation of strategies in future in order better and more effective.

These stages have the details of key activities that will clarify the company's strategic planning process, as shown comprehensively in strategy management model at Figure 2 below.

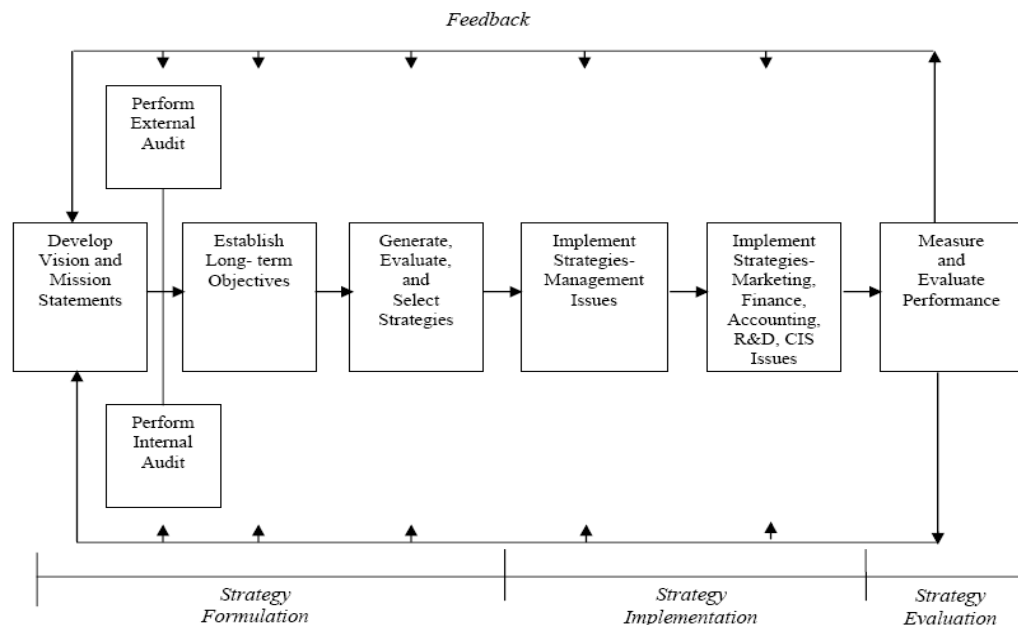


Fig. 2: Comprehensive Strategic Management Model

Source: David, F.R (2009: 21)

Model of David, F.R. (2009: 21) shows the relationship between the components of a detailed strategy management process that can be widely accepted. It can be explained in each of stages below.

1. Setting the Vision and Mission, it is a goal-setting and long-term objective (vision) and determining what steps need to be taken to reinforce and clarify the priority functions of each management company to employees, top management, and functional company to synergize and collaborate to achieve the vision set.

2. External and Internal Environmental Analysis, the analysis is conducted by company with in-depth understanding of condition/situation of internal and external company by identifying clearly the factors of strength-weakness of internal as well as opportunities-threats that arise from the external environment. This analysis examines the influences that will arise from these factors against targets or objectives of company and company may consider appropriate policy strategies used.

3. Long-Term Goals, it is the achievement for more than one year. At this stage, company creates synergy, explains the priority, focusing coordination and provides a foundation for activities of planning, organizing, motivating, and controlling. The company also builds the forecasting, specific forecasting of systematic quantitative, such as the estimation of sales, profitability, performance improvement, and others for purpose and vision with clear indicator, measurement and reasonable.

4. Creating, Assessing and Selecting Strategies. Armed with vision and mission, as well as the analysis results of environmental factors of internal-external, companies formulate alternative strategies in according to capability and state of company followed by an assessment and evaluation of critical use customization long term objective to be the realization of strategy to give best results for company and the strategy is exactly have to be realized.

5. Implementation of Long-Term Management Strategy, it is the efforts to achieve the company's goal as a continuous process that requires a specific phasing. At this stage, company gradually realizes the long-term goals by setting standards of achievement and policy strategies to every level of organization. The Company confirms and determines the primary goal in specific quantitative value with exposure and implementation of strategies used by top management, divisions and functional.

6. Implementation Strategies in Functional Policy, it is a step in which the embodiment of strategy implementation is outlined in small steps with a shorter time period to apply functionally and more operational and lead the various functional areas within company to clarify the relationship of main strategies with identification details. This implementation will associates all functional areas of company such as finance, human resources, production and operations, research and development, information systems, as well as the marketing field that becomes a guide in conducting various activities to become consistent with their core strategy.

7. Assessment and Performance Evaluation. When a strategy that will or have implemented shows the changes that inconsistent with the existing plans, causing incorrect assumptions and other matters that are not controllable, then the plan needs to be revised to performance evaluation. Three assessment activities that most basic for strategy are re-internal factors which form the basis of external strategy, performance measurement,

and taking corrective actions. Control through periodic evaluations and assessments are intended for programs, policies and strategies applied as it should be consistent with company's expectations and without any deviation.

SWOT Analysis:

SWOT Analysis was initiated by Albert Humphrey at 1960-1970an decade. SWOT analysis came from research at Stanford Research Institute 1960-1970. SWOT background came from the need to find out why a business plan could fail. The research is funded by Fortune 500 to find out what can be done to this failure. The Research Team is Marion Doshier, Dr. Otis Benepe, Albert Humphrey, Robert Stewart and Birger Lie. SWOT Analysis is an acronym of first letters, namely Strengths, Weaknesses, Opportunities and Threats.

SWOT analysis is a useful instrument to make strategy analysis. SWOT analysis can be considered as an analysis method with the most basic function is to get information from the analysis of situation and separation of internal (strengths and weaknesses) and external (opportunities and threats).

SWOT analysis is the overall evaluation of strengths, weaknesses, opportunities and threats of the company. Companies must analyze the company's strength and identify the weaknesses. In addition, company also analyzed the market and marketing environment to seek attractive opportunities and identify threats. The goal is to match the strength of company with opportunities in environment in addition to reducing the weaknesses and minimize threats Dating (Kotler and Armstrong 2008: 50). SWOT analysis is used to assess the strengths and weaknesses of company resources and external opportunities and threats faced (Jogiyanto 2005: 46).

David, F.R. (2009: 8) argues that all organizations have strengths and weaknesses in functional areas of business. There is company strong or weak in all business areas. Strengths/weaknesses of internal, coupled with opportunities/threats of external and a clear mission statement can become basis for goal setting and strategy. Goals and strategies are set with intention to utilize the internal strengths and overcome weaknesses.

David, F.R. (2009: 17-18) suggests an explanation of SWOT below. First, Strengths is the resources, skills, or other advantages relating to company's competitors and market needs that can be served by companies that are expected to be served. Strength is a special competition which gives the company a competitive advantage in marketplace. Second, weakness is limitations or deficiencies in resources, skills, and capabilities that effectively inhibit the performance of company. These limitations may include facilities, financial resources, management capabilities and marketing skills that are the source of company weaknesses. Third, opportunities are important benefit situation in an enterprise environment. Important trends are one source of opportunities, such as the change in technology and growing relationship between the company and buyer or supplier is a picture of opportunities for company. Fourth, threats are critical of unfavorable situation in corporate environment. The threat is a major nuisance for current or desired position of company. The existence of government regulations that are new or revised can be a threat to company's success.

Strategy preparation refers to analysis results of external and internal environment that as the basis to choose the right strategy (Hill and Jones, 2009: 7). The strategy success will depend on ability and accuracy of data analysis of condition of internal and external environment. SWOT analysis will produce four strategies as follows. SO (Strengths-Opportunities) strategy uses internal strength to take advantage of external opportunities. WO (Weaknesses-Opportunities) strategy takes advantage of external opportunities in ways that minimize internal weaknesses. ST (Strengths-Threats) strategy uses internal strength to cope with external threats. WT (Weaknesses-Threats) is a defensive strategy aimed to reduce internal weaknesses and avoid external threats.

RESEARCH METHODS

The research location is determined purposively in Jember with consideration that Jember district is the center of cashew producer and has great potential in development of cashew agribusiness/agro-industry in East Java Province. However, at farmer's level still there are various problems that hamper the success of farming, both associated with production and productivity and marketing.

This is a survey research type. This research uses case study as well as a combination of exploratory, descriptive and explanatory research. Exploratory research was conducted to obtain in-depth information related to cashew farming, cashew development strategy formulation recommendation in Jember as well as prospects for its development in future through the study of theoretical and empirical before followed by a descriptive study.

Primary data are collected by direct interviews with informants or experts in their field and observe the existing documents. The questions list had been developed previously by systematic and guided by a questionnaire that valid and reliable. The secondary data sources are from information or data owned by related agencies as well as literature books, journals or various forms of publications as listed in Bibliography.

The sampling technique used is non-probability method, purposive sampling. Determination of individual respondents or interviewees deliberately selected and determined by consideration of knowledge, skills and experience of respondents in areas studied. Respondents are selected from an element of policy makers, farmers as representative, wholesalers, distributors, suppliers, and local community leaders.

The analysis steps of experimental data used to formulate development strategies Jember Cashew and analyze the prospects of its development are follows. First is matrix Internal Factor Evaluation (IFE), it is used to analyze the internal factors of strengths and weaknesses, and then weighted. Second is matrix External Factor Evaluation (EFE) to analyze the external factors on opportunities and threats, and then be weighted. Third is Relative Competitive Position matrix, it is based on calculation result IFE and EFE value. Fourth is Internal and External (IE) matrix to determine the position of a business based on analysis of total score of internal and external factors. Fifth is SWOT matrix to determine an alternative strategy, namely S-O, W-O, S-T and W-T. Prioritization of alternative strategies chosen is based on business position in according to Internal and External (IE) matrix.

RESULTS AND DISCUSSION

Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE):

SWOT analysis is a useful instrument to analyze strategy. SWOT analysis usage is based on logic to maximize the strengths and opportunities, but at same time to minimize the weaknesses and threats. Research results have identified each factor of strengths, weaknesses, opportunities, and threats of Jember Cashew. Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) of Jember Cashew sequentially are shown in Tables 1 and 2 below.

Table 1: Internal Factor Evaluation (IFE) of Jember Cashew

No.	Internal Factors	Weight	Rating	Value
Strengths				
1	Cultivation technique	0.19	4	0.76
2	Product quality	0.14	3	0.42
3	Seed quality	0.14	3	0.42
4	Price	0.14	3	0.42
5	Capital	0.09	2	0.18
Total (1)		0.70	15	2.20
Weaknesses				
1	Production	0.15	2	0.30
2	Marketing	0.15	2	0.30
Total (2)		0.30	4	0.60
Grand Total (1) + (2)		1.00		2.80

Table 2: External Factor Evaluation (EFE) of Jember Cashew

No.	External factors	Weight	Rating	Value
Opportunities				
1	Land suitability	0.19	4	0.76
2	Government policy	0.19	4	0.76
3	Group support	0.14	3	0.42
4	Consumers trust	0.05	1	0.05
5	Transportation tools	0.14	3	0.42
Total (1)		0.71	15	2.41
Threats				
1	Risk and climate uncertainty	0.21	3	0.63
2	Market competition	0.07	1	0.07
Total (2)		0.28	4	0.70
Grand Total (1) + (2)		0.99		3.11

Table 1 shows that internal factor as the strength of Jember cashew farming at highest ranking (rank 4) and highest weight (0.19 or 19%) is a cultivation technique. These results indicate that cultivation techniques are internal factors that become the main power or considered the most important in cashew farming. Internal factors as the weaknesses of Jember cashew farming at the highest ranking (rank 2) and highest weight (0.15 or 15%) is a production and marketing. These results indicate that production and marketing is an internal factor that a major weakness and should be a top priority to be addressed in cashew farming.

Table 2 also shows that external factors to become opportunities of Jember cashew farming with highest ranking (rank 4) and highest weight (0.19 or 19%) is the land suitability and government policies. These results indicate that land suitability and government policies are the external factors that represent the largest opportunity in cashew farming. This is consistent with recent government policy to put the international market (exports) as a priority in marketing strategies implementation of Jember Cashew. External factors that pose threats to Jember Cashew at highest ranking (rank 3) and highest weight (0.21 or 21%) are the risks and climate uncertainties. These results indicate that risks and climate uncertainties are the external factors as the biggest threat and a top priority to be anticipated in cashew farming.

Matrix of Relative Competitive Position:

The calculation results of internal and external factors for Jember cashew farming can be compiled into a matrix of relative competitive position. Diagram of relative competitive position matrix of Jember cashew farming Jember is shown in Figure 3 below.

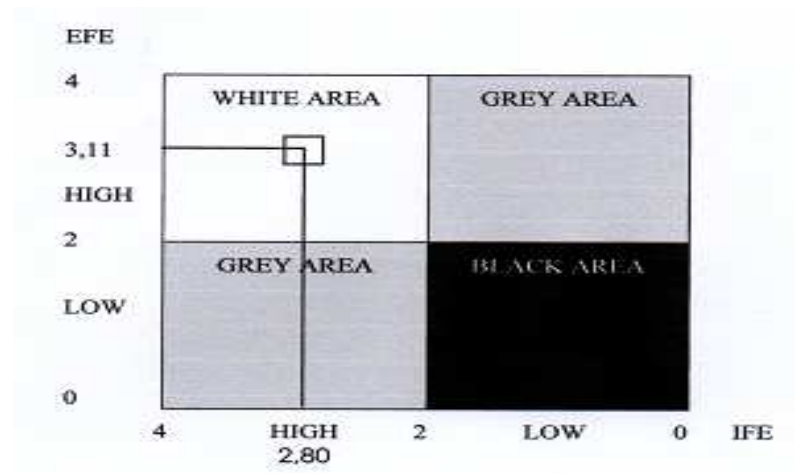


Fig. 3: Diagram of Relative Competitive Position Matrix of Jember Cashew Farming

Figure 3 shows that cultivation of Jember Cashew in position of White Area (Strong - Chance) with value of internal (IFE) and external (EFE) factors respectively 2.80 and 3.11. White areas are the most favorable position for cultivation of Jember Cashew because this condition has many great strengths and opportunities that can be exploited to develop farming. The strategy needs to be done in these circumstances is to support the policy of aggressive growth, or growth-oriented strategy. It means closely related to steps and strategies taken up to growth and cashew farming development, namely:

1. The concentration strategy, activities for quality improvement of cashew product.
2. Expansion strategy/market development, finding new markets for cashew products today.
3. The product diversification strategy, it is done by developing new products to fulfill the new markets needs. This means that cashew in-shell is no longer sold, but it is sold after processed to become cashews kernels) and/or derivative products to increase the added value and cashew sales value.

Matrix of Internal External (IE):

Matrix of Internal and External (IE) is used to determine the position of a business based on total score analysis of internal and external factors. Diagram of internal and external matrix for Jember cashew farming is shown in Figure 4 below.

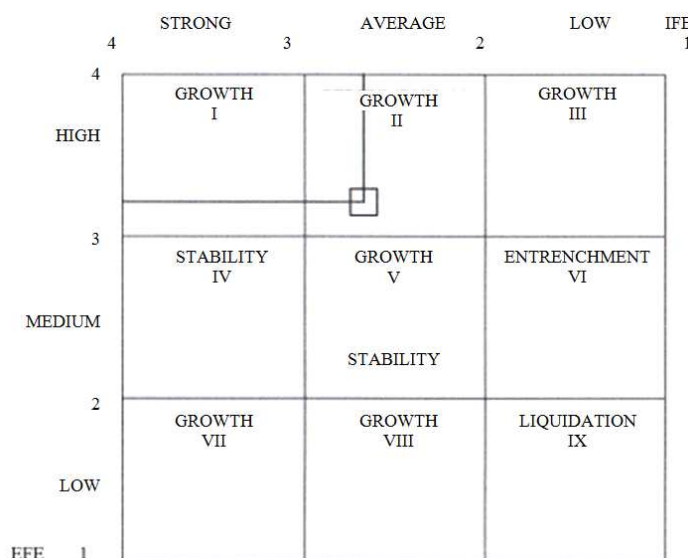


Fig. 4: Internal External (IE) Matrix of Jember Cashew Farming

Figure 4 shows that cashew cultivation in Jember is within Growth II area. A growth strategy can be achieved through horizontal integration (concentration through horizontal integration). Horizontal integration is

referred as an activity to develop cashew cultivation to build a business in location or another area or increase the types of products. Horizontal integration can also be done by expanding or developing the markets, improve production facilities and technology through acquisitions or joint ventures with other companies in same industry, as well as take advantage of economies of scale advantages, both in production and marketing.

SWOT Matrix:

Alternative development strategies of Jember Cashew that can be recommended are shown in SWOT matrix in Figure 5 below.

<div style="text-align: center;">IFE</div> <div style="text-align: center;">EFE</div>	Strength (S)	Weakness (W)
	1. Cultivation technique 2. Product quality 3. Seed quality 4. Price 5. Capital	1. Production 2. Marketing
Opportunities (O)	S-O Strategy	W-O Strategy
1. Land suitability 2. Government Policy 3. Group support 4. Consumer confidence 5. Transportation tools	1. Farmers can further improve cultivation techniques with inputs of land, seeds, and adequate capital to increase product quality and more competitive price in market 2. Farmers can better maintain of consistent product quality to increase consumer confidence	1. Farmers can improve their products by utilizing the available productive land and groups support 2. Farmers can increase access to a wider market by adequate transportation and group support
Threats (T)	S-T Strategy	W-T Strategy
1. Risk and uncertainty 2. Market competition	Farmers can improve cultivation techniques to increase the product quality and competitive advantage in marketplace	1. Farmers increase the intensify by following activities organized by government 2. Farmers can improve promotion performance to make that their products better known in market

Fig. 5: SWOT Matrix of Jember Cashew Development

Figure 5 shows the results of SWOT analysis create four strategies. They are: (1) SO strategy, using internal strength to take advantage of external opportunities; (2) WO strategy, taking advantage of external opportunities to minimize internal weaknesses; (3) ST strategy, using internal strength to cope with external threats; and (4) WT strategy, defensive strategy is aimed to reduce internal weaknesses and avoid external threats. The fourth strategy is created by SWOT analysis, one is the main strategy and three others are alternative strategies.

The main strategies is chosen based on an assessment of internal (IFE) and external (EFE) factors (Tables 1 and 2), matrix of Competitive Position Relative based on calculation of IFE and EFE value (Figure 3), and matrix of Internal and External (IE) (Figure 4) to determine the position of a business based on analysis of total score of internal and external factors. The main strategy recommended developing the Jember cashew farming is SO Strategy (Strengths-Opportunities), namely:

1. Farmers can further improve cultivation techniques with appropriate input of productive land, seeds quality and adequate capital to increase cashes product quality and competitive price in market.
2. Farmers can better maintain consistent product quality to increase consumer confidence.

CONCLUSIONS AND SUGGESTIONS

Conclusion:

1. Internal factors that become the main power or most important in cashew farming are farming techniques. Internal factors as a major weakness and should be a top priority to be addressed in cashew farming is a production and marketing. External factors with largest opportunity in cashew farming are land suitability and government policies. External factors as the biggest threat and a top priority for anticipated in cashew farming are the climate risk and uncertainty.
2. Based on relative competitive position of matrix diagram, Jember cashew farming stays in position of White Area (Strong - Chance). The strategy needs to be done in these circumstances is to support the policy of aggressive growth or growth-oriented strategy.
3. Based on internal external matrix (IE), cashew farming in Jember is within Growth II area. Growth strategy can be achieved through horizontal integration (concentration through horizontal integration).
4. Based on results of SWOT analysis, recommended strategy to develop the Jember cashew farming is SO (Strengths-Opportunities) Strategy, namely: (a) improving farming techniques with appropriate input of productive land, seeds quality and adequate capital to increase cashew products and having a more competitive price in market; (b) More consistently maintain product quality to increase consumer confidence.

Suggestion:

1. Future researcher should examine the broader research and more detailed studies to obtain a more comprehensive answer regarding to policy strategy of aggressive growth (growth-oriented strategy)
2. Future researcher should make in-depth research on each alternative strategy and strategic priorities that have been recommended to give the best strategy in development of agribusiness/agro-industry of Jember Cashew.

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