

# The Evaluation of Cooperative's Role in Soybean Supply Chain: A Case Study on Tofu and Tempeh Cooperatives in Indonesia

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**Abstract.** This study aimed to analyze and evaluate the extent of relationship between the soybean demand in a region and the number of cooperatives in the area, as well as the extent of relationship between the number of cooperative members (tofu and tempeh producers) and the number of cooperatives in the area. This study uses a quantitative approach based on primary data, later processed using Pearson correlation method. The results of data processing show that there is no significant relationship between the number of cooperatives and the number of producers. Furthermore, there is also no significant relationship between the number of cooperatives and existing soybean demands. This indicates the low role of cooperatives in the national soybean supply chain at the present. Therefore, there are two policy options that can be made. First, a radical policy, i.e. to leave out PRIMKOPTI in soybean supply chain at all. Second, the still mainstream policy, i.e. to still involve PRIMKOPTI, thus in order to make long-term programs in soybean business administration run well, PRIMKOPTI should be institutionally empowered and strengthened to achieve its business resilience.

**Keywords:** cooperative, soybean, supply chain

**Abstrak.** Penelitian ini bertujuan untuk menganalisis dan mengevaluasi sejauh mana hubungan antara kebutuhan kedelai dalam suatu daerah terhadap jumlah koperasi di daerah tersebut, serta sejauh mana hubungan antara jumlah anggota (pengrajin tahu tempe) terhadap jumlah koperasi di suatu daerah. Penelitian ini menggunakan pendekatan kuantitatif berdasarkan data primer yang kemudian diolah menggunakan metode korelasi Pearson. Atas hasil pengolahan data, didapatkan bahwa tidak ada hubungan yang signifikan antara jumlah koperasi dan jumlah pengrajin. Di sisi lain, juga ditemukan bahwa tidak ada hubungan signifikan antara jumlah koperasi dengan kebutuhan kedelai yang ada. Hal ini menunjukkan rendahnya peran koperasi dalam rantai suplai kedelai nasional saat ini. Oleh karena itu, ada 2 (dua) pilihan kebijakan yang dapat dilakukan. Pertama, kebijakan yang sifatnya radikal, yaitu tidak melibatkan PRIM KOPTI dalam rantai suplai kedelai. Kedua, kebijakan yang masih mainstream, yaitu agar program jangka panjang dalam tata niaga kedelai dapat berjalan baik dengan tetap melibatkan PRIM KOPTI, maka harus dilakukan pemberdayaan dan penguatan kelembagaan dan mewujudkan resiliensi bisnis PRIM KOPTI.

**Kata kunci:** kerjasama, kedelai, rantai supply

## INTRODUCTION

Food security is the ability of households to provide food for all members of the household in terms of quantity, quality, safety, equity and sustainability. Beans ranks five of the nine food groups consumed. One type of beans commodity that deserves attention is soy. Soybean is considered as an important agricultural commodity in Indonesia, due to the high import dependency on soybean commodity. The implication is that the government often focuses on short-term solution than pays attention to the overall supply in the long term. Soybean is one of the primary agricultural products, exempt from VAT; duties on soybean imports are then adjusted from previously 0% to 5%. As a result, the fiscal incentive policy adds to the volatility of prices of this commodity.

The demand for soybeans in Indonesia is progressively increasing, which is inversely proportional to its availability. This suggests that soybean is a vegetable food that is widely needed and prospective. Of the total soybean supplies in Indonesia both imported and domestic, 70% is used to make tofu and tempeh, while the remaining 30% to meet other food needs.

One type of cooperative that houses producers and/or SMEs producing tofu tempeh is PRIMKOPTI (Indonesian Primary Cooperative of Tofu Tempe). Based on Law No. 17 of 2012 on Cooperatives, there are the so-called primary cooperatives whose members are person per person, and the so-called secondary cooperatives whose members are primary cooperatives. For tempeh producers, the cooperative is primary cooperatives, formerly called KOPTI and currently referred to as PRIMKOPTI. Meanwhile, the secondary cooperative was formerly called Inkopti. Currently the secondary cooperative is called Gakoptindo at national level and at the provincial level, Puskopti.

Associated with significant soybean demand in Indonesia, PRIMKOPTI should have had significant role in this business. To guarantee business continuity and security of vegetable protein supply, a good system and business management are required. One of them is a model of business resilience in PRIMKOPTI.

In order to build and foster cooperatives, the government has made great efforts to encourage the development of the cooperative movement, but in reality the growth of cooperatives is notably slow especially in

comparison with the state-owned enterprises, banks, and private companies.

PRIMKOPTI, playing a role in the distribution of soybean to its members, encounters problems and difficulties in providing the service, particularly after the government issued a policy on November 1, 1997, regarding the elimination of soybean imports by Bulog. The policy came into effect in January 1998. For long PRIMKOPTI had always received soybean quota from Bulog to be distributed to its members every month. Another obstacle is the high tax imposed on soybean imports into Indonesia. Based on the Ministry of Finance Regulation No. 13 of 2011 soybean is a commodity that is subject to duties on imported goods by five per cent, effective since January 1, 2012. However, the government is now removing the soybean import duties because of the tempeh crisis in Indonesia.

Other conditions that complicate PRIMKOPTI in providing services are the number of frauds committed by some unscrupulous officials of PRIMKOPTI, and the number of mentally weak members. On the other hand, the competition is increasingly fierce and the pressure from new business entrants/private sectors is greater, especially from distributing companies, agents, and soybean importer. This is due to the truly prospective and interesting business outlook, while the policy setting on this business sector is not yet available, particularly since Bulog is no longer the controller of soybean prices. Surely this issue is a challenge for PRIMKOPTI, because in fact the private sector has a stronger capital, better network, human resources and funding.

Various obstacles and problems experienced by PRIMKOPTI, when juxtaposed with the government's plan to include PUSKOPTI and GAKOPTI into the soybean supply chain, need to be analyzed and evaluated. The analysis and evaluation is directed to study the extent of relationship between soybean demands in a region and the number of cooperatives in the area, as well as the extent of relationship between the number of cooperative members (i.e. tofu and tempeh producers) to the number of cooperatives in the area. From the results of analysis, it can be seen how far the cooperatives play their role in the soybean supply chain.

According to Hanel (1989, in Manzilatusifa, 2009), there are two groups in defining cooperatives, namely essentialist and nominalist groups. The first group defines cooperative as an organization registered as a cooperative according to cooperative law in various countries (legal-based definition). The cooperative law in each country may use different criteria to formulate the definition of a cooperative, later used as a legal basis to register an organization as a cooperative. Meanwhile, according to the later groups, cooperative is based on modern scientific economic method so that the principle of identity arises in cooperative, i.e. members are the owners as well as customers. So cooperative is associated with individual groups intending to achieve common goals or concrete objectives through their economic activities, implemented jointly for shared use.

Sisk (1988) affirms that the fundamental features of the cooperative model is the derivation of implications for resource allocation and organization efficiency in

which all members share equally the revenue/net income, usually in the form of dividends (not paid by wage). Each member of the cooperative will receive the highest income if the average production income is maximum. No members will earn more if he works harder. This cooperative model will not achieve efficiency. Therefore, the current cooperative organizations in fact avoid the equal shares, in this case in contrast to the classical cooperative model.

Ruxiang (2012) states that cooperative is an organization derived from the need of economic alliances of the underprivileged. This is the inevitable result of market-economy development. With the increasingly competitive and gradually varied needs, there are many cooperative organizational structures in practice. Each has different characteristics. Some may emphasize assistance to each other, like traditional cooperative, while others may pay attention to the type of returns, like a new generation of Canadian cooperative.

Traditional cooperatives pay more attention to cooperation among farmers. The new generation cooperatives largely adopt corporate management based on stock, i.e. paying more attention to economic benefits. Each cooperative organization has its own rationality and considerations. Vulnerable groups such as farmers, who may have a frail economic foundation and limited personal abilities, will adopt the traditional cooperative as their organization. Meanwhile, individuals with higher economic power, who pursue more profit, is more likely to adopt a new generation cooperative.

In Indonesia, the type of cooperative is based on shared business activities and/or economic interests of its members (Cooperatives Law No.17 of 2012). The basis for determining the type of cooperative is common activities, interests and economic needs of its members. According to the Law, the kinds of cooperative consist of consumer cooperatives, producer cooperatives, services cooperative, and credit unions.

Indonesian Primary Cooperative of Tofu Tempeh (PRIM KOPTI) is one of the producer cooperative types, with the foundation of similar interests, namely the joint purchase of soybean as raw material. Its main business is distributing soybeans; its members are the producers of tempeh and tofu (Department of Cooperatives, 1993). PRIM KOPTI is a co-operative whose members are tempeh and tofu producers; it is established to overcome the technical weaknesses of traditional production, and to strengthen the bargaining position in the procurement of raw materials and capital. In principle, the idea of merging the tempeh and tofu producers involves three interests, namely: 1) the interests of producers, 2) the interests of society and 3) the interests of the government.

In Indonesia, in the definition of Law No. 17 of 2012, cooperative is a legal entity established by person per person or Cooperative legal entity, with the separation of the wealth of its members as the capital to run the business, which meets the shared aspirations and needs in the economic, social, and cultural sectors in accordance with the cooperative values and principles. According to the Law, Cooperative aims to improve the welfare of members in particular and society in general, as well as an integral part of the democratic and fair national economic order.

Tofu and tempeh producers have characteristics among others: a small industry and Households industry with individual business form, the technology used is relatively simple, using their own capital, with family labors. The scale of small industrial and Households enterprises by the criteria of Central Bureau of Statistics (BPS) is a business unit that has a workforce of between 1 to 19 people and self-owned capital (Wulandari and Syamtyas, 1998).

Nevertheless, Sukidjo (2008) states that cooperatives in Indonesia have different characteristics with cooperatives in other countries. Indonesian cooperatives function not only as a business entity such as a firm, or limited liability company, but it is also an agent of development for poverty reduction, improvement of community welfare, and dissemination of cooperative soul and spirit, to be developed in private and state companies. However, the low quality of cooperatives human resources, the existence of cases of frauds, as well as the less optimal supervisory role lead the cooperative life and performance getting worse, hence make the society trauma and have a negative perception of cooperative.

Similar to Indonesia, Ruxiang (2012) asserts that Chinese cooperatives lie in between; although different from the traditional cooperative and make some changes, the cooperatives emphasize on social benefits, while the economic benefits are secondary considerations. In China, most of the farmers are still weak, but in practice, it often happens that some of the rich and influential families or individuals or organizations dominate the cooperative management mechanism thereby undermining the democratic order in the cooperative.

Sukidjo (2008) also mentions that to rebuild the image of cooperatives, the government needs to socialize the substance and noble values of cooperatives to all citizens, especially to young generation, to develop an entrepreneurial spirit and the spirit of the cooperative; build a network with other economic actors. The government is also required to spare a strong political will to develop cooperatives, the courage to act decisively against unhealthy cooperatives or to dissolve organizations masquerading as cooperatives. In order to maintain the existence of cooperatives, the cooperative management and members always have to understand and implement the cooperative identity; cooperative formation must be on the basis of members' awareness (bottom-up); business activities must be flexible and synergistic with the needs of members; administrators must be honest and work hard; it must be oriented to service its members and capable to create a lower transaction costs for its members, compared to the costs with other organizations.

When managed very well and professionally, cooperative is a business entity, motoring the economic growth in the country. According to NCB (2013), in the United States, in 2012 the top 100 cooperatives generated total revenues of US\$ 226.4 billion, equivalent to IDR 2,264 trillion, an increase of 5% compared to 2011. The greatest contribution was from the agricultural sector, namely US \$ 139.23 billion, equivalent to IDR 1.392.3 trillion

**RESEARCH METHODS**

This study uses a quantitative approach. Secondary data were obtained from the Ministry of Cooperatives and SMEs. The data are the compilation of the number of cooperatives in 93 districts/cities in Indonesia in 2011-2012, including the data on the number of members and the needs of soybean in the area.

The data were then processed using Pearson correlation. Pearson correlation coefficient can be used to express the number of linear relationship between two variables when the data are quantitative data (interval or ratio scaled data). The formula for Pearson correlation is as follows:

$$r = \frac{n \sum X_i Y_i - \sum X_i \sum Y_i}{\sqrt{n \sum X_i^2 - (\sum X_i)^2} \sqrt{n \sum Y_i^2 - (\sum Y_i)^2}} \dots\dots\dots(1)$$

where:

- r : correlation coefficient
  - n : the number of samples
  - X<sub>i</sub> : the i-th data in the first variable group
  - Y<sub>i</sub> : the i-th data in the second variable group
- correlation coefficients has a value range between -1 to 1

Apart from using secondary data, researchers also conducted observations and interviews to several cooperatives and groups of tempeh and tofu producers, using the principle of purposive sampling, especially in Jakarta, West Java, Central Java, East Java, and Bali.

**RESULT AND DISCUSSION**

In general, cooperatives in Indonesia show poor performances in the period of 2007-2011. Based on data from the Ministry of Cooperatives and SMEs, cooperatives in each province in Indonesia, in average only have total assets and turnovers under IDR 5 trillion (total of all cooperatives in one province). Those with a better performance is found in Central Java, DKI Jakarta and West Java, with the total assets and turnover of over IDR 10 trillion, as can be seen in Figure 1.

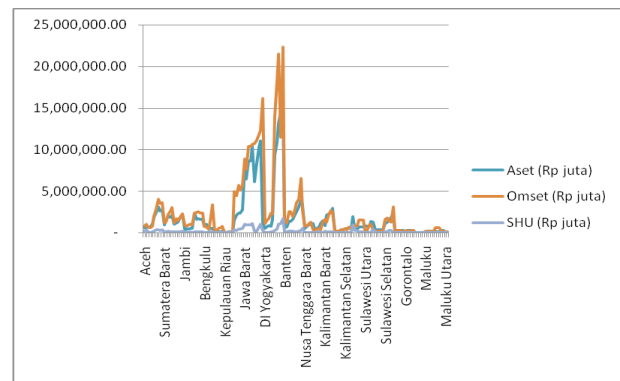


Figure 1. The Assets, Turnovers, and Dividends of Cooperatives in Indonesia by Provinces  
 Source: Ministry of Cooperatives and SMEs, Data processing (2013)

Sukidjo (2008) affirms that cooperative issues are among others: 1) inability of cooperatives to perform its promised functions; 2) The deviation of business activities, not for the interests of its members; 3) the low quality of human resources; 4) the less optimal work of supervisors; 5) dishonesty of management/administrators. Meanwhile, PRIMKOPTI is a cooperative association the only medium to gather and mobilize creativity and potentials as well as foster producers of soybean food processing, consisting of producers of tempeh, tofu, and the like. Based on data, the health conditions and financial performance of PRIMKOPTI in the last three or four years were poor and the business of PRIMKOPTI is in inertia. One major source of income is an attempt of its fixed assets rental; while the main business, the procurement and distribution of soybean, and savings & loans, run disappointingly.

Based on the results of observation and interviews, the existing conditions of PRIMKOPTI perceived from institutional aspects include: 1) The number of members, administrators, supervisors, and business units are stagnant, 2) The number of physical assets is declining, 3) Lack of training for members, administrators, supervisors, and employees, 4) Total capital tends to decline, yet external capital tends increase, 5) The number of frauds committed by administrators of PRIMKOPTI, 6) The number of mentally weak members, 7) The level of competition and pressure from new entrants to the business/private sector is greater, especially from companies importing soybeans, 8) PRIMKOPTI is used to get soybean ration from Bulog for its members every month, until the government issued a policy on 1 November 1997 on the abolition of the monopoly of importing soybeans by Bulog, and 9) the import tax imposed on the entry of soybeans to Indonesia is still very high. Under these conditions, it can be concluded that PRIMKOPTI still encounters serious, if not critical, problems in terms of its institutional aspects.

From the perspective of business management, the current conditions of PRIMKOPTI are among others: the culture among administrators and members of PRIMKOPTI is unproductive. Administrators and members of PRIMKOPTI often show loan-taking habits thus have problems of non-performing loans. In addition, the lack of entrepreneurial spirit in each administrators and members also indicates the poor creation of culture. Improvement and development of entrepreneurial spirit of each party is essential to create a PRIMKOPTI culture that is independent both from a financial and non-financial aspects.

Based on the data from the Ministry of Cooperatives and SMEs, the number of cooperatives in 93 districts/cities in Indonesia in 2011-2012 is obtained, including the data on the number of members and soybean demand in the area. The data is presented in Table 1.

Based on the calculation using Pearson correlation, the result is: the correlation between the number of cooperatives and the number of producers is -0.02847 meaning notably insignificant. Based on the observation, this is because many tempeh tofu producers are not members of cooperatives. Conceptually, this suggests that PRIMKOPTI is deemed not necessary by existing tofu and tempeh producers since the added value for eligible cooperative members is frequently questioned by the tofu and tempeh producers. In addition, many unhealthy cooperatives are abandoned by their members; while the cooperatives, whose health is

No	Districts/Cities	Number of cooperatives	Number of member producers	Soybean demands (in tons)
1	Pacitan	1	562	90
2	Ponorogo	4	346	267
3	Sidoarjo	3	454	1107
4	Malang	3	457	430
5	Kota Malang	1	380	450
6	Blitar	1	125	500
7	Kota Blitar	1	50	95
8	Banyuwangi	2	116	175
9	Mojokerto	2	589	435
10	Kota Mojokerto	1	82	150
11	Bondowoso	1	75	155
12	Bojonegoro	4	369	330
13	Tulungagung	2	175	50
14	Probolinggo	1	52	10
15	Kota Probolinggo	1	231	2850
16	Tuban	2	309	134
17	Ngawi	2	337	420
18	Jember	2	563	1722
19	Kediri	2	90	90
20	Kota Kediri	1	442	20
21	Pamekasan	1	30	85
22	Jombang	1	160	65
23	Sumenep	4	25	156
24	Madiun	4	368	135
25	Kota Madiun	1	100	10
26	Situbondo	4	63	147
27	Sampang	1	25	20
28	Lumajang	3	575	330
29	Magetan	1	51	50
30	Bangkalan	1	15	2
31	Pasuruan	1	20	50
32	Kota Pasuruan	1	10	50
33	Trenggalek	3	395	400
34	Gresik	1	135	100
35	Lamongan	1	85	100
36	Kota Batu	1	300	500
37	Nganjuk	3	95	275
38	Banyumas	1	1221	800
39	Sragen	1	1827	1096
40	Jepara	1		67.6
41	Wonogiri	1	299	135

42	Brebes	1			85	Cianjur	1	197	284
43	Tegal	1	112		86	Kab. Bandung	1	106	350
44	Kota Tegal	1	282	100	87	Kota Bogor	2		
45	Pemalang	1	501	93	88	Kuningan	1	374	6000
46	Pekalongan	1			89	Kota Palembang	1	82	49.2
47	Kota Pekalongan	1	269		90	Lampung Barat	2	308	300
48	Batang	1	338	100	91	Bandar Lampung	1	200	80
49	Semarang Barat	1			92	Sawaran	1	176	60
50	Kendal	1	250	382.5	93	Kota Denpasar	1		
51	Demak	1	121	150	Source: Ministry of Cooperatives and SMEs, data processing (2013)				
52	Semarang Barat	1			guaranteed, are appealing for tofu and tempeh producers. It is estimated that there is an imbalance number of members in one cooperative and another.				
53	Kota Salatiga	1			Meanwhile, the correlation between the number of cooperatives and the existing soybean demands is also very insignificant and tend to be negative, with a correlation coefficient of -0.01506. This is because many tempeh tofu producers do not buy soybeans from cooperatives. Many members even do not buy it from their own cooperatives. The mapped amount of soybean needs is not necessarily absorbed by cooperatives to be traded. This indicates a low role of cooperatives in the national soybean supply chain today. In addition, although cooperative is in the supply chain, its role is not necessarily optimal since many cooperatives are not financially healthy.				
54	Grobogan	1	205	350	The data samples show that many PRIMKOPTI are closed in various regions in Indonesia, whereas soybean demand is increasing. Cooperative morbidity is mainly caused by the human resources factor, particularly cooperative administrators. In terms of educational background, most of them are high school graduate or equivalent, yet they are already quite old. In addition with their unproductive attitude, many administrators less or do not support a conducive working atmosphere.				
55	Kudus	1	425	550	Based on interviews, the number of members, administrators, and supervisors, and business units in the last five years do not progress, while the number of physical assets is decreasing. Furthermore PRIMKOPTI does not conduct training for its members, administrators, supervisors, and employees. On the business side, the amount of equity capital tends to decrease but external capital tends to increase. This suggests that PRIMKOPTI does not institutionally show increasing development, instead tends to stagnate and decline. PRIMKOPTI's problems is critical, thus efforts to restore business continuity are required, especially in institutional aspects. These issues in line with what is disclosed in Sukidjo (2008). In fact it was also experienced by cooperatives in other countries, such as in China as mentioned in Ruxiang (2012).				
56	Pati	1	364	300	During this time, PRIMKOPTI has made efforts to overcome these problems, for example by doing approach to the market, financial institutions, and the government, including the Ministry of Industry, Ministry of Agriculture, Ministry of Cooperatives and Small and Medium Enterprises and the Ministry of Finance. In practice, PRIMKOPTI has also done some joint efforts with the Ministry of				
57	Blora	1	225	100					
58	Rembang	1	188	100					
59	Cilacap	1	249	200					
60	Purbalingga	1	323						
61	Temanggung	1	103	50					
62	Magelang	1	338	75					
63	Kota Magelang	1	196						
64	Kebumen	1	417	435.75					
65	Kota Surakarta	1	154						
66	Klaten	1	242	100					
67	Karanganyar	1							
68	Sukoharjo	1							
69	Boyolali	1							
70	Jakarta Selatan	1	1084	900					
71	Jakarta Timur	1	923						
72	Jakarta Utara	1	813	900					
73	Jakarta Barat	1	1417						
74	Jakarta Pusat	1	504						
75	Kota Yogyakarta	1	195	65.8					
76	Gunung Kidul	1	244	20.1					
77	Sleman	1	886	61.6					
78	Kulonprogo	1	673	47.9					
79	Bantul	1	33	51					
80	Sumedang	1	160	100					
81	Kota Tasikmalaya	1		199					
82	Indramayu	1	163	158					
83	Kota Sukabumi	1	180						
84	Garut	1	350	795					

Cooperatives and SMEs, the Ministry of Industry, Ministry of Trade and Creative Industries, and other stakeholders. Nevertheless, more concrete and well coordinated efforts are still needed.

Considering that tempeh and tofu is a staple food of Indonesian society, by utilizing the many number of PRIMKOPTI members, tempeh and tofu products will continue to be produced, thus soybean demands will continue to increase, as a consequence PRIMKOPTI can continue to survive as cooperatives producing tempeh and tofu in Indonesia. The thing that needs to be considered by the management of PRIMKOPTI to be continuously producing is the improvement of human resources in the management (administrators), members, and supervisors.

On the other hand, local soybean supply chain (produced by soybean farmers) in Indonesia generally lasts from farmers to collecting traders, then the collecting traders sell soybeans to local wholesalers and wholesalers from outside the region. Meanwhile soybean imports are made by wholesalers outside the area who sell soybean to PRIMKOPTI and retailers. The supply of imported soybean in Indonesia majority comes from the USA. Most tempeh tofu industries who are members of cooperatives buy soybeans at the cooperatives, while soy sauce industry buy soybean in the retailer store/kiosk (Fahma, 2007). Morey and Wangsawijaya (2010) mentions some of the existing players in the soybean supply chain, i.e. importers, distributors, agents, sub-agents, the crude market, PRIMKOPTI (including units of service), as well as large or medium scale tempeh/tofu industries. Getting closer to tempeh/tofu industry, the purchase price of soybean gets higher.

Government policy so far, in the form of intervention into the market through price and profit controls, will cause a serious loss to the social and economic efficiency (Hayami, Kawagoe, and Morooka, 1988). Therefore, another policy that needs to be considered is the investment by the government to increase crop yields. The surplus can reduce marketing costs so as to increase the production and distribution of local soybean. In addition, inter-annual price stability can be achieved by controlling soybean imports, without resorting to intervention in domestic marketing channels.

### CONCLUSION

Based on the results of data processing, it was found that there is insignificant correlation between the number of cooperatives and the number of producers. This suggests that the PRIMKOPTI is deemed not necessary by existing tofu and tempeh producers since the added value for eligible cooperative members is frequently questioned by the tofu and tempeh producers. In addition, many unhealthy cooperatives are abandoned by their members; while the cooperatives, whose health is guaranteed, are appealing for tofu and tempeh producers.

On the other hand, the analysis also finds there is no significant correlation between the number of cooperatives and the soybean demands. Many tempeh tofu producers do not buy soybeans from cooperatives. Many members even do not buy it from their own cooperatives. The mapped amount of soybean needs is not necessarily absorbed by cooperatives to be traded. This indicates a low role of cooperatives in the

national soybean supply chain today. In addition, although cooperative is in the supply chain, its role is not necessarily optimal since many cooperatives are not financially healthy.

Therefore, there are two (2) policy options that can be applied. First, the radical policy, i.e. not involving PRIMKOPTI at all in the soybean supply chain, but replace it with another cooperative, for example KUD belonging to farmer groups directly related to local soybean productions. Meanwhile, there is no need to provide imported soybeans in cooperatives.

Second, the still mainstream policy, i.e. still involving PRIMKOPTI. In order to make long-term programs in soybean business administration run well, PRIMKOPTI empowerment as an intermediary of soybean commodity and monetary traffic must be made. The trick is institutionally empowering and strengthening PRIMKOPTI and achieve its business resilience. PRIMKOPTI business resilience is truly important to apply, considering PRIMKOPTI is a cooperative whose members are producers of tempeh and tofu, notably required by Indonesian people.

Based on the research results, the managerial implications are: cooperatives must act like a company competing in capturing existing markets; the business units under cooperative management (business department, savings and loans) also have to compete like the strategic business units of a company. One of the strategies that can be selected is through differentiation strategy or a low-cost strategy, so that cooperatives are sustainably competitive. Cooperative members also need to be aware of their role as a member and contribute to the success of the cooperatives, including increasing their sense of belonging. Similarly, cooperative management (administrators) must not make the cooperative into their business or political vehicle.

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