

## Conference Paper

# Young Farmers and Digitalization: From Price Taker to Price Maker

Kadhung Prayoga<sup>1,2</sup>, Subejo<sup>3</sup>, and Alia Bihrajihant Raya<sup>3</sup>

<sup>1</sup>Extension and Development Communication, Graduate School Program, Universitas Gadjah Mada, Yogyakarta, Indonesia

<sup>2</sup>Agribusiness, Agriculture Department, Faculty of Animal and Agricultural Science, Diponegoro University, Indonesia

<sup>3</sup>Department of Agricultural Socio-economics, Faculty of Agriculture, Universitas Gadjah Mada, Yogyakarta, Indonesia

## Abstract

Information technology has developed rapidly, particularly in the area of social media. Almost all groups in society now use social media in their day to day activities, and one group that has been greatly impacted is young farmers. Before this era, farmers had difficulty accessing information. This study aims to find out what benefits are obtained and obstacles encountered by the use of social media in farming activities by the young farmers. This paper is descriptive explorative by using a qualitative approach. The data collection technique itself uses in-depth interviews, observations, literature studies, and documentation. The research location was in Bulukerto Village, Bumiaji Sub-District, Batu City which was carried out from November to December, 2017. The informants were chosen because they already used new media to support their farming activities. The result is the use of social media in the agricultural sector is widely used by young farmers in order to increase revenue and to seek information. Even so, there are still a number of problems faced by young farmers when utilizing social media, namely those interested in buying and selling online for agricultural products are not as high as other products and about the trust. The advice that can be given is farmers must post photos of products on Instagram with good pictures and caption. They also can tag others to reshare and spread the product information.

**Keywords:** social media, young farmers, revenue, information

Corresponding Author:

Kadhung Prayoga

kadhungprayoga@gmail.com

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## 1. Introduction

In the last few decades, information technology has developed very rapidly. According to Wahana et. al. (2014), the importance of the development of information technology has given birth to social media which is now a medium of public interest in all parts of the world. Social media makes it easy for everyone to connect at one time. Not only that, various activities and community activities have now been influenced by the existence of social media. In line with this, Triyaningsih (2011) also explained that information technology has changed the perspective and way of working in all fields.

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The presence of information technology can help solve the problem of farmers because according to Andriaty and Endang (2012), problems experienced by farmers is not only limited to the issue of funding, but also related to access to information. The benefit of information technology can be more evenly distributed not only to the elite, but the benefits of penetration of information technology can also be felt by ordinary people who are marginalized, such as farmers. If in the past farmers were always considered as the least aware of civilization, now farmers have become familiar with technology. Farmers are now using the internet for various activities, such as product promotion, product sales, and information retrieval. Social media is important for farmers, especially young farmers, because according to Kertajaya (2013) an entrepreneur (in this case is a young farmer) who cannot promote his product through the internet will lose money and will have to return to the conventional sales system.

In marketing activities through social media, it is very possible for young farmers to interact with consumers, so that they can know the product specifications desired by consumers. Farmers with social media are expected to no longer be passive participants in the buying and selling process, but also to be proactive and active in marketing their own products. The principle of social media according to Adelaar (2000) is that social media can be an interactive media, easily operationalized, cheap in operation and the exchange of messages between universally related parties can occur. For this reason, this study comes with the aim to find out whether young farmers have used social media to improve their performance, what benefits are obtained and obstacles encountered with the use of social media in farming activities.

## 2. Research Method

This paper was descriptive explorative by using a qualitative approach. The data collection technique itself used in-depth interviews, observations, literature studies, and documentation. The research location was in Bulukerto Village, Bumiaji Sub-District, Batu City which was carried out from November to December, 2017. The location was chosen because of the young farmers here already used new media to support their farm activities. Even the village youth here preferred to be farmers than other jobs.

The informants' determination in this research were using the nonprobability sampling technic. The informants were obtained through snowball sampling, where the samples in this research were the rural youth who chose farming as their profession with the criteria ages between 16-35 years old. Informants needed to have land, rent, or work as a farm laborer. The informants were found by two sources using interview techniques, the

first was from the authorized person in the village and the second from the influencing rural youths.

The data analysis process started with validity and reliability tests. This stage was done by triangulating the data obtained. The triangulation used was source triangulation and method triangulation. The data which was processed then was analyzed using 3 activities of data analysis, those are data reduction, a data display, and a conclusion drawing verification.

### 3. Result and Discussion

The rampant use of social media in the agricultural sector is due to the transition of the business sector from conventional to the e-agribusiness system. This new system has an impact on the selection of media used for promotion and the selling of products. If initially the agricultural sector players took advantage of conventional media, these days they use new media (Agustina, 2015). Social media is a medium that has become very helpful for the daily life of farmers, particularly in areas such as increasing revenue. According to Prayoga (2017) farmers who can compete must be adaptive to changing times, one way to do this is by utilizing social media.

Revenue has the potential to increase because of marketing activities done by young farmers based on information technology. Conventional marketing that depends on middlemen and collectors has started to be abandoned by young farmers who have now rationally consider that if they depend on middlemen, their revenue will not increase. It is this reason that makes young farmers choose to sell their harvest directly to end users through social media in order to break the length of the channel for trading agricultural products.

With the existence of social media networks like Facebook and Instagram, marketing can be done by young farmers so their revenue can increase, as the marketing chain becomes shorter. Due to the existence of social media and the ease to sell their harvest, the young farmers in Bulukerto Village are more consistent in pursuing the agricultural sector and becoming farmers. In essence, young farmers are good at spotting opportunities because many potential buyers use social media. Triyaningsih (2011) explained that there are many buyers who gather on the internet as a public space so that sellers can sell and promote their products freely. Reinforced by Zarella (2010) who made the point that for anyone who wants to do business in the 4.0 industry era (include young farmers), if they want to win the market and market share, they must

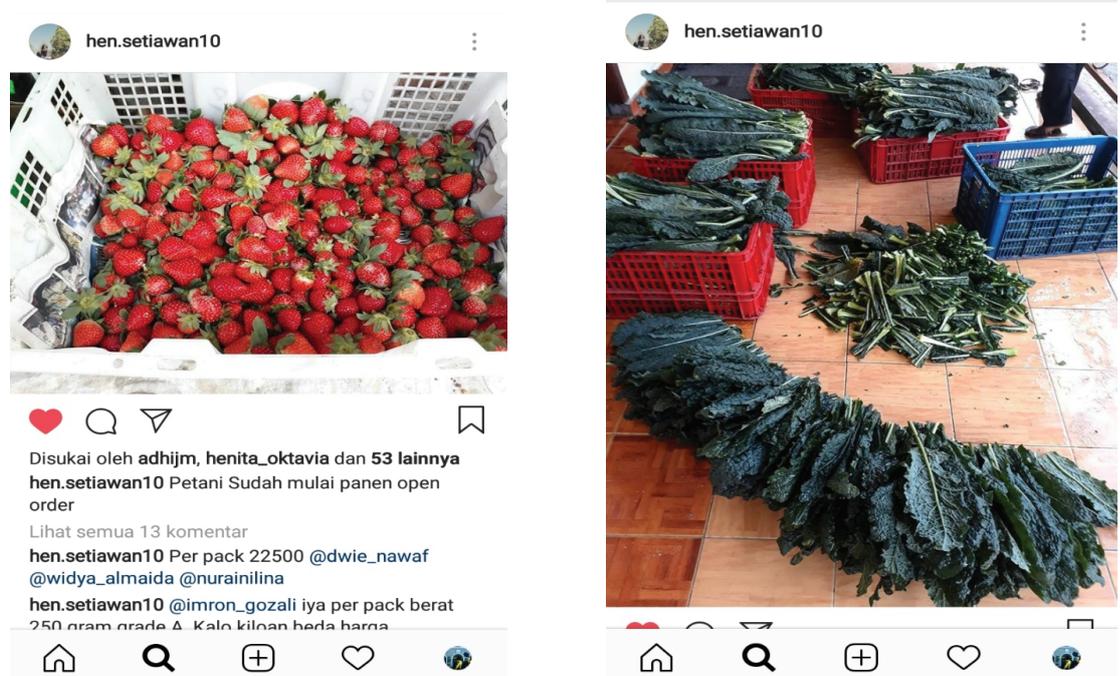
always be connected to the internet because consumers are also connected to the internet.

These results were similar to those investigated by Choiriyah (2017) who said that farmers in Bulukerto Village were free in determining who they would sell their crops to, whether middlemen, wholesalers, or traders. This condition occurs because farmers choose not to have ties with buyers, be it middlemen, wholesalers, or small traders. Farmers in Bulukerto tend to exchange price information both with fellow farmers and with traders with the aim of increasing the power of farmers in the pricing process. For entrepreneurs, according to Walmsley (2007) in Hariningsih (2013), internet based media is not only a space for two-way communication, but is also used for collecting, storing information, receiving orders and payment from consumers.

Farmers in Bulukerto have even used Instagram to sell their products, as shown in Figure 1. They chose Instagram for a number of reasons. Primarily, Instagram is seen as a favorite social media platform whose users are very active in sharing photos or experiences when buying items. Instagram users have a tendency to tell their followers about what products they buy. Consumers can also provide criticisms and suggestions via Instagram regarding the quality of the products that they buy from young farmers. This, according to the young farmers informing this paper, can be an effective marketing channel because they do not need to pay people to promote their products. Prakoso et. al. (2016) also views that the trend of Instagram users is that consumers who are satisfied with a particular product will take a photo with the product to upload to their personal account, accompanied by an interesting caption. This has the effect of generating interest from who want to try the same product.

As the marketing channels formed by young farmers in Bulukerto Village develop, more are trying to increase their bargaining position and break the culture of selling to middlemen. When selling fruit or vegetables to middlemen, farmers are paid in a non-cash system, namely for the purchase of large quantities which are paid only after the fruits or vegetables are used up. When farmers sell their crops directly to middlemen or traders, farmers only act as price takers, not price makers. The price obtained by selling through social media is also more lucrative than selling directly to middlemen, the margin can even reach as high as 50%.

Not limited to Facebook or Instagram, Whatsapp also makes it easier for young farmers to exchange information, one of the most important resources today for farmers. As stated by Fitriani (2017) everyone (including youth farmers) needs information to support their activities, so they will try to access information as quickly as possible. In line with this, Yaakop and Brown (2013) explained that the internet allows information to



**Figure 1:** Instagram as Marketing Media for Agricultural Product by Young Farmers in Bulukerto Village, Bumiaji Sub-District, Batu City.

be delivered twenty-four hours a day in a way which is easy and convenient between producers and consumers. So, with the help of social media, young farmers can get information easily and receive feedback directly from others.

Information transferred can range from farming methods, handling pests, commodities that are in demand by consumers, where seeds are purchased, to information on the latest commodity prices on the market. This way, the knowledge of young farmers also increases by itself within the community. The information obtained is not only from the rural youth in Bulukerto Village, but can also come from young farmers in other regions. Creating more friends or *channels* owned by young farmers makes information obtained about markets or the latest cultivation activities increases effective practice and useful information exponentially. This point is strengthened by Rukmiyati and Suastini (2016) who stated that with the existence of social media, the community became increasingly global, easy to reach and more mobile.

Despite the many benefits of social media, there are still some problems faced by the youth farmers when utilizing platforms, both for the marketing activities as well as searching for information. The main problem surrounds consumer culture. Those interested in buying and selling online for agricultural products is not as high as other products. The next problem is related to trust - or low levels of trust between consumers to producers who also act as sellers and vice versa. So far, farmers have

been accustomed to the process of buying and selling with a direct system or face to face. However, if they use social media it is difficult to create mutual understanding and trust between buyer and seller. There is still a sense of being deceived that appears for the young farmers. In fact according to Prastyo (2014) in Agustina (2015) social media marketing used by business people aims to change the thinking of trying to sell by making a connection.

Another problem faced by young farmers in using new media is the participation on and dependency of middlemen in cultivation processes. Young farmers are sometimes forced to sell their crops to middlemen because the middleman provides the capital to young farmers to cultivate their land. Many farmers in Bulukerto Village do not have enough money to care for the plants that are planted, so they have to borrow money from middlemen. Brokers only want to lend money on the condition that farmers have to sell their crops to middlemen.

So with the existence of information technology, farmers have been aided, yet there are still a number of challenges to overcome. From an industry which initially dependent on middlemen, now with information technology farmers can be more independent. Farmers can sell their crops directly to consumers; they can promote their products more creatively and interestingly, not as before, which was limited to the power of middlemen. The long market chain and the low selling price of agricultural products can be minimized gradually. With the presence of social media, even farmers can increase the selling price by 100 percent. This can happen because the farmers have been connected directly to the market and there is no intervention by middlemen anymore. Now, information is also open, meaning that farmers can access anything without having to depend on one side again. Thus the bargaining position of farmers becomes higher because there are no restrictions such as the lack of price information or the latest innovations on offer that they are yet to know about.

#### 4. Conclusion

The use of social media in the agricultural sector is widely used by young farmers in order to increase revenue and seek information. With the existence of social media like Facebook and Instagram, marketing activities can be done by young farmers so their revenue can increase as the marketing chain becomes shorter. Young farmers no longer depend on middlemen to sell their harvest products, so young farmers can act as price makers and win market shares from middlemen. With the existence of social media, young farmers are also free to exchange information with anyone and at any

time related to farming activities. This is in order to improve knowledge and increase relations.

Even so, there are still a number of problems faced by young farmers when utilizing social media, namely numbers of consumers interested in buying and selling online for agricultural products are not as high as for other products. The next problem is related to trust, low levels of trust from consumers to producers who also act as sellers and vice versa. Another problem faced by young farmers in using new media is the reliance on middlemen in cultivation activities. Farmers are sometimes forced to sell their crops to middlemen because they are the capital holders who can provide the initial investment for farmers to cultivate their land.

The advice given from this study is to combine conventional marketing concepts and new media. Farmers should also sell their crops directly to consumers in the market or open stalls on the roadside so they do not rely too much on sales through social media given the fluctuating interest in buying and selling online for agricultural products. Second, when posting photos of products on Instagram, they should use visually pleasing pictures and an interesting caption that includes an invitation to buy the product. Another alternative is to give away some products to their followers with the condition of reposting photos and marking some people so that more people know and are useful for maintaining existence.

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