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## AGRO COMMERCIAL COOPERATIVE EFFORTS (KAN) JABUNG SHARIA IN IMPROVING THE WELFARE OF DAIRY COW FARM MEMBERS

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### ABSTRACT

The purpose of this study is to find out the efforts and roles by the KAN Jabung Agro-Commerce Cooperative, Kab. Malang, East Java in enhancing its members' welfare, especially those who work as dairy farmers. This research is field research using direct interviews with managers and dairy farmers about how to conduct training so that their financial earning grows, a descriptive qualitative is utilised to interpret data. The results of research on economic and political concepts are summarized from various social values, including training programs for raising dairy cows, financial management training, routine counseling, providing financing with low margins, financing for buying cows, repairing stables. With this program, the KAN Jabung Syariah Agro-Commerce Cooperative is committed with members to enhance the welfare of members even though there are many factors that support and inhibit the program.

**Keywords:** Agro-commerce Cooperatives, Training, Improving Welfare

### INTRODUCTION

Along with the development of the world community and the era of economic globalization, Indonesia is currently experiencing quite rapid development. Indonesia is a developing country where the majority of the population lives in rural areas, so if national development aims to improve human welfare, then rural areas must be prioritized. Regional economic development is seen as far behind urban economic development, giving rise to the impression that rural communities are left behind or poor (Prasetyo, 2019). Cooperatives that function as commercial entities comprised by individuals or collaborative legal bodies based on their activities based on mutually beneficial principles are the cornerstones of the person's economic development. Cooperative goals are generally recognized at all levels of society. Although there are different definitions of cooperatives, they are usually understood as different types of businesses.

In Indonesia, cooperatives are defined under Law Number 25 of 1992 Concerning Cooperatives as businesses consisting of people or cooperative legal bodies based on what they do based on principles of cooperation, and also people's economic initiatives based on the idea of kinship. Cooperative is a form of cooperation in the economic field. This collaboration is held by people who have the same type of needs in their lives. These people work together for their daily needs, which they need. To achieve this goal, cooperation is needed that will continue, therefore an association is formed as a form of cooperation (Anoraga, 2007).

Cooperative institutions are business entities that protect the interests of the poor and weak, so that the words cooperative and the people cannot be separated. Cooperative and People are two closely related keys which can require that the historical background and theory of cooperatives are always associated with efforts to advancing the welfare of the poor and weak (Mutis, 2014).

Business activities in the livestock sector are part of agriculture produce food. Food produced from livestock is known as a producer of animal nutrition with high nutritional value for the community. The livestock sector seeks and improves the farmer's economy through the operational application of certain techniques that can advance agriculture in

Indonesia. This can be seen from the development of the livestock sub-sector which is part of the government's program in order to increase the development of the national agricultural sector in a broad sense. The most prominent livestock sub-sector is dairy farming.

Indonesian livestock play a significant role in society by providing the country's residents with the animal protein they require. The livestock industry is one of the most alluring business opportunities right now since it offers criminals a promising source of revenue. Livestock cultivated by farmers can also provide various benefits to meet food needs and can produce fertilizers that are useful for businesses in agriculture. Increased public awareness of the need for animal protein has led to an increase in demand for cow's milk, this is a very good prospect for dairy farmers. One of the appropriate institutions to accommodate a populist economic system like this is in the form of cooperatives. Cooperatives are included in one of the economic developments. Cooperatives contain the meaning of cooperation. The form of cooperation contains economic and social aspects and is a cooperation to help each other especially oneself together which is based on a sense of kinship (Sudarsono, 2004)

A type of business entity that contributes to the growth of the Indonesian economy is a cooperative founded on the kinship principle. In accordance with Article 33 paragraph 1 of the 1945 Constitution, the joint venture economy of Indonesia is built on the kinship principle. Dairy Cattle Breeders Cooperative (KPSP) is a cooperative that oversees dairy farmers in order to improve their function to build and develop the capacity of its members so that they become empowered dairy farmers. According to Yusmichad Yusdja and Rosmiaji Sayuti, the Saapi Dairy Farmers Cooperative (KPSP) is a company produced fresh milk, which the dairy sector later recognised as a raw resource for refined milk and other products made from milk.

The Dairy Cattle Breeders Cooperative (KPSP) was formed based on the need for services to the community such as savings and loan businesses, agricultural facilities, animal husbandry and others. The Dairy Cattle Breeders Cooperative (KPSP) is expected to become a hub for rural industrial operations that are supported and promoted holistically as an integral component of the country's growth.

The research conducted by the author takes the object of research on Agro-Commerce Cooperatives, where the existence of cooperatives influences the economy of the surrounding community. The potential of Agro-Commerce Cooperatives as an effort to empower the community's economy also has enormous potential in improving the national economy. Microfinance conditions can be an important factor in an efficient depository, financing and insurance business. The Agro-Commerce Cooperative KAN Jabung Syariah is also one of the cooperatives that is still actively standing in Malang Regency.

The existence of the Agro Commerce Cooperative KAN Jabung Syariah can be proven by the production effect that can be felt both by the surrounding community and for the Agro Commerce Cooperative KAN Jabung Syariah itself. KAN Jabung is one of the cooperatives engaged in services among several cooperatives in Indonesia, especially in the field of financial services through the provision of savings and loans, dairy, agriculture and supermarket services for its members. This institution should use various economic resources at its disposal to achieve its goals what you want to achieve. This will directly intersect with the power that the cooperative will have.

The KAN Jabung Syariah Agro Niaga Cooperative focuses on the production of cow's fresh milk and animal feed. With the increasing number of members each year, the cow population and fresh milk production are increasing. KAN Jabung seeks to increase fresh milk production so that members' income also increases. This is to make members feel the benefits of joining the cooperative.

Cooperatives have the goal of advancement of members' personal well-being as well as the welfare of society at large, as well as their involvement in establishing a national economic order in order to develop a modern, just, and wealthy society based on Pancasila and the 1945 Constitution. Therefore, it is anticipated that the presence of cooperatives in this country will be able to enhance member welfare, society at large, and the development of a national economic order.

The role of the East Java Jabung KAN Sharia Agroniaga Cooperative in Jabung Village is very helpful and plays an active role in efforts to improve the economy of the dairy farming community. Because the dairy farming community really needs the East Java Agroniaga Sharia Jabung KAN Cooperative as a means to develop socially nuanced economic activities. The potential of Agro-Commerce Cooperatives as an effort to empower the community's economy also has enormous potential in improving the national economy. Microfinance conditions can be a critical factor in the business of efficient storage, financing and insurance facilities. Jabung Agro-Commerce Cooperative (KAN) is also one of the cooperatives that is still actively established in Malang Regency.

The existence of KAN can be proven by the influence of production which can be felt both by the surrounding community and for KAN itself. KAN Jabung is one of the cooperatives engaged in services among a number of cooperatives in Indonesia, especially in providing financial services through the provision of savings and loans, milk, agriculture and self-service services for its members. As befits, this institution uses various economic resources at its disposal in order to achieve the initial purposes. This will be in direct contact with the power that will be owned by the cooperative.

Jabung KAN focuses on the management of fresh cow's milk and animal feed. With the number of members increasing every year, the cow population and fresh milk production are increasing. KAN Jabung seeks to increase fresh milk production so that the increase in the number of members' income also increases. This is so that members feel the benefits of participating in cooperatives.

Efforts to maximize the increase in the welfare of members of dairy farmers can provide support or guarantees for increasing the overall economic potential of members. The form or efforts of cooperatives in increasing the welfare of members of dairy farmers are shown by the cooperation between breeders and cooperative managers, one of which is in efforts to manage livestock by farmers. This study is focus to find out the efforts and roles carried out by the Jabung KAN Agro-Commerce Cooperative, Kab. Poor. East Java in enhancing the welfare of their members, especially those who work as dairy farmers. This study aims to find out the efforts and roles carried out by the Jabung KAN Agro-Commerce Cooperative, Kab. Poor. East Java as well as supporting and inhibiting factors in enhancing the welfare of their members, especially those working as dairy farmers.

## **LITERATURE REVIEW**

### **Definition of Cooperative**

The term "cooperative" comes from the word Cooperation (in English). The English word "cooperation," which literally translates to "cooperation" or "cooperation to achieve common goals for mutual interests and benefits," is where the word "cooperative" originates. Cooperatives are associations or economic organizations made up of individuals or groups that permit members to join and leave at any time in accordance with applicable laws while operating a business as a unit to improve the physical well-being of its members. (Feryanto, 2011) Cooperatives are indeed a forum for uniting people who are poor and economically weak, to jointly improve their lot and improve their standard of living (Pradja, 2012)

Law No. 25 of 1992 Chapter III Article five functions, roles, and cooperative principles (Rohmat, 2016) are as follows: (1) Unrestricted and voluntary membership; (2) Management is transparently conducted; (3) The division of the residual operational

results (SHU); (4) Offering restricted compensation for capital; (5) Free from others interest or independence; (6) Education; (7) Cooperative collaboration (Zulhartati, 2010)

### **The Role of Cooperatives in Improving Community Welfare**

Role is someone who becomes a part or who holds the main leadership (in the occurrence of a thing or event). Additionally, a dynamic component of rank (status) is the duty. A person is acting out a role if they fulfil their duties and rights in accordance with their position. Considering the aforementioned viewpoint, it can be deduced that paranan is a person who plays a significant role in altering the social order of a society through a process.

The term cooperative is a group of people who are weak and work to constantly put others before themselves in order for them to remain enabled to fulfil their commitments as participants and receive benefits according to how much they use the organization.

Cooperatives of producers want to help its members' businesses grow by boosting potential revenues. Cooperatives are the pillars of the Indonesian economy compared to other economic pillars, and as such they ought to be granted a larger range of movement as required by the constitution under article 33 of the 1945 Constitution. If a cooperative can increase member wellbeing, it is deemed effective or successful. Since they generate additional value through their operations, cooperatives can benefit their members. If members choose to be active in their cooperative, they can benefit more. Having more people participating means more benefits for everyone. A cooperative's performance must be strong in order for it to offer extra value to its members. In this situation, the cooperative's capacity to benefit its members increases in direct proportion to its performance. Since wealth may be used to measure how well off a person or community is, the cooperative's objective of improving people's well-being is achieved by increasing member income.

Actual earnings can be in the form of commodities or what members can afford, as well as nominal income (money). The active role of members in a cooperative can be formulated as the active and comprehensive involvement of members in decision making, determination, policies, directions and business steps, supervising the running of the cooperative business, participation in business capital, in the utilization of business and in enjoying business and results.

Community rise of standard of living is the main goal in development. The authorities constantly make achieving welfare a goal in every policy it does. One of the central government policies that is expected to provide opportunities for local communities to achieve shared prosperity is regional autonomy. Through decentralization, the regions are given the freedom to build and initiate their own regional development and bring prosperity closer to the people.

### **Welfare Improvement Measures**

Various definitions of welfare have been put forward by previous researchers. In general, the process of welfare encompasses multiple adjustments to the fundamental elements of human existence that do not result in better social, economic, or lifestyle situations. The degree of prosperity can be thought of as an overall measure of personal satisfaction. This fundamental comprehension results in complicated comprehension.

The initial one is the extent of the welfare-related substance, and the second is how the intensity of the substance can be summed up. A person's level satisfaction that comes from using his or her income is referred to as welfare. However, the degree of welfare itself is a relative concept because it depends on how contentedly that wealth is consumed. For those who are already rich, welfare is the standard.

Health, economic circumstances, joy, and the standard of life can all be used to quantify welfare. If the community is well-off, it indicates that the community is experiencing

prosperity. This welfare is realised so that these citizens may live correctly, are able to prosper themselves, and so they are able to carry out their social tasks in a suitable manner.

A country can be said to be prosperous when its economic development runs smoothly. Prosperous in the sense of fulfilling clothing, food, housing, the people are already self-sufficient, so that true economic development is realized. To achieve this target, the government seeks to implement a series of policies and programs. However, the obstacles faced were quite large so that several targets were not achieved as expected. Agricultural development as a whole includes the development of farms which act as providers of animal protein, providers of industrial raw materials, absorption of labor and investment, as well as improving the standard of living of rural communities through increased output and income. By looking at this potential role, animal husbandry must be used optimally to improve people's welfare.

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The role of livestock can be increased through development by taking advantage of the opportunities and resources of each region. Meanwhile, several countries in Asia report that the livestock sector has an important role in the economic development of the people of a region and plays a major role in the lives of farmers. Furthermore, this sector can provide a very significant contribution significantly in increasing people's income by utilizing several products from livestock such as electricity, fertilizers, animal products such as meat, eggs, milk and some poultry products which all make a major contribution. on social welfare and income.

In order to address individual basic social, economic, educational, and health requirements for the benefit of society, there are systems in place called social welfare. In the United Nations, social welfare is an organized helping people or communities meet their fundamental requirements and increase wellbeing in line with the goals of the family and society is the goal of this activity. Additionally, community welfare is a state that reflects the state of people's lives as evident from their standard of living.

According to economists, a person's level of happiness is a good indicator of their wealth (or income streams) and purchasing power. Based on this perspective, the term "welfare" has a limited meaning because welfare is only understood to be the opposite of poverty when income is exclusively viewed as a measure of economic achievement. Social welfare is referred to as community welfare. "Social Welfare is a condition of fulfilling the material, spiritual, and social needs of citizens so that they can live properly, be able to develop themselves, and be able to carry out their social functions," states Article 1 Paragraph 1 of Law Number 11 of 2009 Concerning Social Welfare. There are various signs that welfare for individuals is getting better, including: (1) There is a quality improvement in family health; (2) Quantitatively rise in wealth or income; (3) There is financial investment made by family.

In Indonesia, the satisfaction of fundamental human needs is frequently considered as a goal or prerequisite for social welfare, i.e., a prosperous life. Another idea holds that there are both monetary and non-monetary ways to assess welfare. Take, for instance, the unequal distribution of money, which is based on disparities in population earnings levels. Then there is the issue of vulnerability, which is a state in which a person's future financial situation is affected by opportunities or the physical state of a region. This is a very significant issue because it is fundamentally structural, has socioeconomic

consequences, and will be very challenging to resolve. In order to achieve prosperity, individual behaviour in terms of investment, patterns of production, coping mechanisms, and perspectives will need to alter. In essence, welfare refers to three concepts: (1) Living conditions or a state of well-being, i.e., the satisfaction of one's bodily, spiritual, and social demands; (2) Organizations, places, or activities that include social welfare organizations and different humanitarian professions that provide social services and social welfare initiatives; (3) Activities, that is, a deliberate attempt to promote wellbeing.

Even though there is no definite substantive limitation regarding welfare. Food, education, and health are all included in welfare, which is also frequently extended to other forms of social insurance including work possibilities, protection for the elderly, freedom from poverty, etc. Age, number of dependents, income, family consumption or expenditure, living circumstances, housing facilities, health of family members, ease of receiving health services, and ease of enrolling children in school are the 10 factors used to measure the level of welfare, and accessibility to facilities.

### **Welfare in Islam**

Welfare according to Islam includes two meanings, namely as follows: (Sardar, nd) (1) Material sufficiency that is supported by the satisfaction of spiritual requirements and encompasses both individual and social needs is holistic and balanced well-being. There are both physical and mental components to the human figure. Because happiness must encompass all aspects of life and be balanced. Humans are similar in that they have both personal and societal characteristics. When humans and their social environment are in balance, they will be content; (2) Prosperity in the present and the future, because humans do not only live in the natural world, but also in the hereafter/destruction of the world (afterlife). Adequacy of material in this world is continued to obtain sufficiency in the future. In the absence of this ideal circumstance, emphasis will be placed on the prosperity of the afterlife because it is more precious and eternal than this life.

## **METHODS**

The research methodology employed in this study is descriptive qualitative. Qualitative data were obtained through direct observation, interviews, and archival documents to find out how the efforts and roles carried out by the Agro-Commerce Cooperative KAN Jabung Syariah in the welfare of its members.

The selected informants are individuals who are actively and directly involved in Jabung Syariah Agro-Commerce Cooperative (KAN) activities. In addition, the target informants are focused on the dairy cattle business unit managed by KAN Jabung Syariah. Furthermore, data analysis will be carried out inductively.

Using a triangulation procedure, the data's reliability was ensured. Triangulation in qualitative research refers to comparing and contrasting the level of confidence in data gathered using various methods and techniques. Both source triangulation and technique triangulation were employed in this investigation (Purhantara, 2010).

## **RESULTS**

### **History and Social Context in KAN Jabung Syariah**

The Jabung Agro-Commerce Cooperative (KAN Jabung) currently has around 1,300 members and is a transformation of the Jabung Village Unit Cooperative (KUD) which was established on May 27, 1979. Jabung KAN operates in four regions or areas covering North I (Tengo, Gondang, Kresek, Weak Abang), North II (Kemiri, Mount Kunci, Boro, Blandit), Central (Bendrong, Selampar, Kemantren, Bunut), and South (Twin Gading, Sidomulyo, Sukopuro).

Initially, KUD Jabung faced challenges in terms of limited human resources and unclear vision, which resulted in a limited impact on members and the community. Although there

have been several management and management changes, KUD Jabung has not been able to produce significant improvements. In fact, this situation reached its peak in 1984 when the Jabung KUD faced prolonged management problems, resulting in it being unable to fulfill its obligations to members and the bank.

In 1985, with new management, although with limited human resources, Jabung KUD began to make changes and restore the situation. One of the first steps taken was to rebuild member trust by conducting door-to-door visits on an ongoing basis direct. In addition, liabilities and credit arrears to banks are realistically restructured in accordance with the existing financial capacity. Furthermore, the people's sugarcane business unit, as the only business that can be revived, is maximally empowered. At the same time, cooperation with banks and sugar mills is the main focus, in addition to continuing to improve approaches and services to sugar cane farmers. The new management is struggling to pay off the existing liabilities arrears. With a strong commitment from officials, management, employees, sugar cane farmers, banking institutions, sugar factories, the government and members, KUD Jabung was able to rise again. This success is an important momentum to continue to make improvements and developments, so that the benefits of KUD Jabung can be felt by more members. At the end of 1989, KUD Jabung began to develop a dairy business, as well as pioneering a savings and loan business and shops. In 1998, the Jabung KUD officially changed to the Jabung Agro-Commerce Cooperative (KAN Jabung) after going through a consultation process with members and community leaders. In the next stage, KAN Jabung has again strengthened the identity of cooperatives by rearranging the application of cooperative values and principles. KAN Jabung has achieved significant growth and development, and has won an award as the Best Producer Cooperative with National Level Achievements in 2007 and 2013. As an organization that continues to learn, KAN Jabung keeps enhancing the calibre of its management and human resource capabilities. In order to raise the calibre of its management procedures and human resources, KAN Jabung has made a considerable commitment in this area. KAN Jabung collaborates with other organisations that are experts in their industries in order to succeed in this mission.

Jabung District, which is located in Malang Regency, has adopted modern traditions and culture. The Jabung community, most of whom work in cities, are familiar with technological advances. Many residents have made it through working in the city and returning to their hometowns to build large houses and own vehicles. You can see many big and beautiful houses along this village road. Residents also actively follow the trend of the times. Some of them have achieved financial success through successful agriculture or animal husbandry. Therefore, the traditional culture of their ancestors gradually began to be forgotten because the Jabung people have lived following modern times.

#### **KAN Jabung Syariah Dairy Cow Business**

The KAN Jabung Syariah Dairy Cattle Business Unit is one of the initiatives carried out by the Jabung Agro-Commerce Cooperative (KAN) to improve the dairy farming sector within the framework of sharia principles. In an effort to enhance the welfare of their members of dairy farmers, KAN Jabung introduced a business unit that focuses on developing and empowering dairy farmers through an approach that is in accordance with Islamic economic principles. By integrating the aspects of finance, management and coaching, the KAN Jabung Syariah Dairy Business Unit aims to provide support and solutions for dairy farmers in facing challenges and optimizing their business potential. The business units under it include:

##### ***Animal Health Unit (Keswan)***

This unit was formed to improve the health of livestock in line with the productivity orientation of farmers.

***Waste Treatment Unit***

With the development of the livestock business in Jabung KAN, livestock manure will become a serious environmental and health problem if there is no proper handling. With the initial goal of keeping environment in the area of breeders or members. KAN Jabung formed a special unit to significantly handle this waste into products that have value benefits for members. Activities to make effective use of livestock manure include the processing of biogas and organic fertilizers.

***Livestock Production Facility (Sapronak)***

This unit provides the needs of members of dairy farmers, by providing concentrates in order to improve the quality of dairy cows' milk. In addition to giving concentration, this unit also supplies calf dairy products, milking baskets and milkans, cow mats, and other necessities for other animal husbandry operations.

***BMT Al-Hijrah***

To facilitate the distribution and management of members' finances, all financing is carried out by the Savings and Loans unit and activities are carried out according to Sharia. This business unit has an important role in directly supporting the core business. Funding needs for breeders for the purchase of cattle, repair of stables, and grass land as well as work consumption needs are fully served.

***KAN Trading***

The KAN Trading Unit manages three activities, namely supermarkets, building shops, and glassware shops. Through supermarkets, they provide the needs of members and the surrounding group, such as basic necessities, household appliances, furniture and electronic equipment. Their building shop provides members with building materials for home renovation and construction of stables and biogas. While their glassware shop provides a variety of household needs. Through these three activities, the KAN Jabung Syariah Dairy Cattle Business Unit seeks to fulfil the needs of members and the surrounding group in a comprehensive manner.

***Vehicle repair shop***

Vehicles are the main means of work for members of dairy farmers, therefore KAN Jabung Syariah offers services to fulfil the needs of dairy producers' members.

**DISCUSSION*****Member Welfare Improvement Development Program***

In an effort to enhance the welfare of their members, the KAN Jabung Syariah Agro-Commerce Cooperative implements a directed approach. This approach is aimed directly at members who need assistance, with programs specifically designed to address their problems and according to existing needs.

The importance of involving members of dairy farmers in this program is so that the assistance provided is effective, according to their wishes, and is able to recognize the capabilities and individual needs of each member.

In interviews with the manager of KAN Jabung Syariah, it is known that improving the welfare of members involves increasing capabilities through experience in designing, implementing, managing and being accountable for efforts to enhance themselves and their economy. A group approach is also used, as it is difficult for individuals to tackle problems independently. The programs offered aim to improve the skills of members in various aspects of activities, such as counseling, mentoring, consulting, and financial management. In training and processing dairy cows, members are involved so they can understand how to care for cows properly and obtain good milk yields maximum. These trainings have been proven successful in increasing the skills of members, improving the quality of dairy products, and increasing members' monthly income. The training provided by KAN Jabung Syariah includes:

***Counseling***

Counseling in dairy farming has an important role in providing knowledge and information to farmers to change behavior and improve livestock business. Extension materials are adapted to the needs of breeders so that they are acceptable and useful. The process of preparing the material involves the participation of breeders in providing information, analyzing problems, and exploiting their potential. Counseling provides an opportunity for breeders to participate in planning according to their needs and problems. Farmers' activeness in counseling is measured through their ability to express opinions and use modern tools in cattle care, which can be paid in installments from the cooperative. Counseling becomes an important facilitator in the understanding and development of dairy farmers. Assistance

***Assistance***

Assistance is a method that is carried out directly in the breeder's cage for a certain time to change the behavior of the farmer. For example, if a farmer experiences a problem such as a sick cow which results in a decrease in income, the cooperative will provide assistance by providing free medicines and ensuring that the cows are healthy again so they can produce quality milk. This mentoring process can last for one to two months. Assistance is also carried out to improve the quality of cattle and the scale of the breeder's business, including milking management, feed management, and procurement of quality dairy cows.

***Consultation***

The consultation program involves officers and breeders to deal directly with the problems faced by individual breeders. In this consultation, farmers can submit complaints, problems, or questions related to diseases, management, feed, and so on related to their farms. KAN Jabung Syariah provides a fast response and action to help breeders to be able to produce good quality cow's milk. In addition, in terms of financial management, the cooperative has a special program to provide understanding to farmer members about how to manage finances in their household. This program is conveyed through monthly member meetings attended by the wives of cattle breeders. With this consultancy and financial management program, it is hoped that farmer members will be able to increase their knowledge and skills in managing dairy farms and managing family finances effectively and efficiently.

***Financial Management Training***

Financial management in KAN Jabung Syariah aims to achieve a balance between the need for funds and their use. This balance is manifested in the relationship between assets and liabilities on the balance sheet, so that the company can be considered healthy in terms of liquidity, namely the ability to provide sufficient funds to finance cooperative business transactions. In training, the cooperative trains dairy farmers and their families in managing family finances. The importance of wise use of funds, both for productivity and consumption, taught so that members can maximize their financial management. Apart from that, KAN Jabung Syariah also provides various credit programs to its members, such as credit for buying cows, cow trade-in credit, stable credit, equipment credit, and subsidized biogas development credit. Low-margin credit facilities are also provided by the cooperative for members' household goods. Credit distribution is done by apply the principles of risk management to overcome the risk of late repayment or bad loans that can affect the effectiveness of the expected revenue and profit.

***Supporting and Inhibiting Factors for the Development Program for Improvement Welfare of Members of Dairy Farmers.***

The way to implement program development and improve the welfare of members of dairy farmers, KAN Jabung Syariah faces inhibiting and supporting factors that affect organizational progress and the achievement of the desired goals. In an interview with Mrs Eva Marlianti, one of the managers of KAN Jabung Syariah, it was stated that these factors cannot be ignored.

Organizations must be prepared to face obstacles that may arise in the course of the program to enhance the welfare of members of dairy farmers. To overcome this, good cooperation between members and employees is very important in achieving common goals. Awareness of the existence of inhibiting and supporting factors in enhancing the welfare of members of dairy farmers is an integral part of efforts to progress the organization. Mrs Eva Marlianti, manager of KAN Jabung Syariah, expressed the importance of working together between members and employees as a strategy for dealing with obstacles and optimizing supporting factors. Harmonious cooperation and mutual support between members and employees can increase the effectiveness of programs to improve the welfare of members of dairy farmers run by this cooperative.

Supporting factors that play a role in improving the welfare of members of dairy farmers in the KAN Jabung Syariah program can be identified as follows. First, the enthusiasm and commitment of members is an important factor affecting the quantity and quality of their work.

High morale and strong commitment will have a favourable effect on organizational performance, so that members can benefit from reduced damage and increased productivity. Member participation in counseling is also sought so that they can develop themselves as cattle breeders who are independent in meeting their needs.

The availability of sufficient capital is a crucial supporting factor in enhancing the welfare of members of dairy farmers. Adequate capital is a provision for cooperatives to work and struggle in achieving their goals. KAN Jabung Syariah identifies the need for access to capital, markets and business networks, managerial education and training, as well as the use of technology and information as an effort to meet the needs for capital and business development for dairy farmers. In this case, the formation of cooperatives is aimed at providing legal certainty and business development opportunities for small and micro enterprises. By strengthening cooperatives, it is expected to increase the dairy cow population and milk production.

Another supporting factor is the development of productive human resources (HR). KAN Jabung Syariah carries out mentoring, counseling, financial management, and other programs to improve the resource capabilities of cooperative members. Through HR development, members can improve their skills and productivity.

Creative and innovative abilities are also a focus, which is expected to be creating new opportunities and increasing the competitiveness of livestock products. In addition, the availability of adequate facilities, such as facilities provided to members of dairy farmers, is also a supporting factor in increasing the productivity and quality of the milk produced by dairy cows.

A healthy organization, the availability of cooperative programs to improve human resources, and the synergy between strengthening cooperatives and farmers in the dairy area also have a crucial function to play in supporting the improvement of the welfare of members of dairy farmers.

KAN Jabung Syariah also faces inhibiting factors. First, weak monitoring is an obstacle in ensuring processes and productivity are in line with the company's vision and mission. Lack of supervision can have a negative influence on company performance and create a discrepancy with the objectives that have been set. Furthermore, the existence of competitors is also an inhibiting factor that needs to be overcome. Competition with competitors requires KAN Jabung Syariah to develop new innovations in order to maintain competitive advantage.

In addition, government support that has not been maximized is an inhibiting factor in efforts to enhance the welfare of their members of dairy farmers. Even though KAN Jabung Syariah was established independently and was able to provide training and

capital to its members, The role of government in fostering cooperative activity and rules was still limited. Cooperative members feel that the government does not play a role in improving their economy. Even so, there is still assistance from the Livestock Service Office of Malang Regency in terms of importing cattle, licensing of fresh milk products, and other activities related to cooperatives. Finally, weather factors, such as frequent rains, can be an obstacle in the management of dairy cows.

This weather constraint can cause illness in cows, diarrhea, and weakness, thus inhibiting milk production. KAN Jabung Syariah carries out assistance activities to ensure the health of cows and the smooth production of milk.

### **CONCLUSION**

KAN Jabung Syariah makes strong efforts to enhance their members's welfare of dairy farmers through development and a directed approach. They carry out programs such as counseling, potential and business development, as well as consulting to increase milk productivity from dairy cows and provide basic needs for breeders and their livestock.

The cooperative also assists in the financial management of members, including a savings and loan system that helps develop dairy cattle businesses, such as providing feed, livestock equipment, and business capital.

In addition, KAN Jabung Syariah makes it easy for members of dairy farmers with a savings and loan program, which includes credit for purchasing cattle, trading in cattle, upgrading or buying cages, biogas subsidies, and other products with low margins. Cooperatives also play a significant involvement in increasing the knowledge and expertise of dairy farmers through coaching and support regarding good farming methods. Increasing the knowledge and understanding of local breeders is the main strategy for meeting the economic and social needs of members, as well as being a balancing force in a market economy.

A part from focusing on cooperative members, KAN Jabung Syariah also provides attention to cooperative institutions and institutional structures. They recognize that the participation of members as owners and customers is the main strength of the cooperative. Therefore, the development of cooperatives is not only addressed to cooperative organizations and companies, but also to members or prospective members. This aims to enhance the quality of members. After that, they are able to control cooperative management based on the interests of members. Thus, KAN Jabung Syariah applies a comprehensive approach to improving the welfare of members of dairy farmers through targeted programs and institutional development of cooperatives.

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