

Implementation of the One Village One Product (OVOP) Program on Virgin Coconut Oil (VCO) Small and Medium Enterprises in Nagrak Village, Buahdua District, Sumedang Regency

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Abstract

The OVOP program aims to develop the potential of local natural resources into regional superior products. One of the natural resources identified as having potential in Nagrak Village is coconut which is processed into Virgin Coconut Oil (VCO). Virgin coconut oil (VCO) is a processed product from coconut that is clear, tasteless, and has a distinctive coconut odor. To find out the researchers used descriptive qualitative research methods. In this study researchers collected data using observation, interviews and documentation techniques. The implementation of the OVOP program involves community participation, collaboration with business development assistance institutions such as BUMDes and Bank BJB, as well as evaluation and monitoring. The obstacles faced by VCO SMEs include marketing problems because many people in Nagrak Village do not know and product packaging. The solution provided for this problem is socialization in the form of product launching attended by the village community, as well as packaging branding. With this program, it is hoped that VCO SMEs can become more widely known and provide economic value, especially in Nagrak Village.

Keywords: OVOP, Coconut, VCO

INTRODUCTION

Ministry Industry proactively helps the growth of the small and medium industry (IKM) sector in various regions in Indonesia by implementing the *One Village One Product* (OVOP) development approach. Program OVOP is a way to develop potential in a region to produce unique and regional global class products by utilizing local resources. (Ministry of Industry of the Republic of Indonesia, 2023)

OVOP itself was originally founded by Prof. Morihiko Hiramatsu, Governor of Oita Prefecture, Japan, in 1979. This movement aims to revitalize the regional economy. Based on the Regulation of the Minister of Industry Number 78/M-IND/PER/9/2007 on Increasing the Effectiveness of Small and Medium Industry Development through the One Village One Product (OVOP— *One Village One Product*) Approach in Centers, the Ministry of Industry has implemented OVOP since 2007. The target of the OVOP program is to encourage small and medium industries (IKM) in smaller IKM centers. (Ministry of Industry of the Republic of Indonesia)

To increase its contribution to national economic growth, the Ministry of Industry (Kemenperin) is concentrating on fostering, strengthening, and empowering small and medium industries (IKM). This is because IKM

has proven to be successful in becoming one of the pillars of the national economy amidst various challenges posed by the global crisis. (Ministry of Industry of the Republic of Indonesia, 2022)

Referring to data from the Ministry of Industry, the current population of SMEs is 4.19 million business units or dominates up to 99.7% of the total industrial business units in Indonesia. In addition, SMEs have absorbed a workforce of 12.67 million people or contributed 65.52% of the total industrial workforce. SMEs also contributed 21.44% of the total industrial output value. However, the development of small and medium enterprises (SMEs) in Indonesia faces many challenges. At least five common challenges faced by SMEs are financing, availability of technology, raw materials, human resources, and markets [4]. Even so, SMEs are the largest contributors to Indonesia's GDP. GDP is basically the amount of added value generated by all state business units, or the amount of value of final goods and services produced by all economic units, especially in rural areas.

According to [5] Sumedang is the 12th largest coconut producing area in West Java Province with 1,776.41 tons, so that village communities can utilize the potential of this coconut to create new jobs that can help the

village economy, especially by increasing community income [6]. Coconut has many benefits because in addition to being used in the food and non-food industries, it is also consumed at home. In addition to being used as cooking oil, coconut can be used to produce several other processed products. These include grated coconut, fresh coconut milk, coconut shell charcoal, coconut sugar, and pure coconut oil, also known as Virgin Coconut Oil (VCO).

Virgin Coconut Oil (VCO) is a processed product from coconut meat that is clear, tasteless, and has a distinctive coconut odor. It has a high content of medium and short chain saturated fatty acids, around 92%, which increases the human body's resistance to disease and accelerates the healing process. In the processing of various products, VCO can be used in three groups: food, medicine, and cosmetics. VCO can be made through fermentation, fishing, enzymatic, and centrifugation. Centrifugation is done by cutting the fat-protein bonds in coconut milk with centrifugal force. Because the specific gravity of oil and water is different, after the centrifugation process the oil and water will separate by themselves. Compared to VCO produced through heating or fermentation, VCO produced through centrifugation produces a high yield because the separation occurs naturally without the help of heating or a fermenter. [7]

The household Virgin Coconut Oil (VCO) industry is growing, but its quality is still poor in the market. This is due to several things, such as marketing problems, free fatty acid content, water content, easy to degrade, and improper packaging processes. Then for coconuts, it has not been used properly until now [8]. People are not aware of the fact that coconuts can be processed into pure oil which is very useful and valuable. Additional problems such as limited employment opportunities, especially in the formal sector, are related to this. The majority of the population in rural areas depends on agricultural production, and when agricultural production does not reach optimal levels, there are few employment opportunities. Rural areas are often more vulnerable to climate change and commodity price fluctuations because their economies depend on the agricultural sector. The economic progress of people in rural areas can be

hampered by lack of access to education and skills training. Proper skills training can increase employment and productivity levels. [9]

In the Thematic KKN Mutual Cooperation to Build Villages (PTMGRMD) program, the KKN team that goes directly to the village makes real efforts to describe the conditions and challenges of poverty in the village. Reducing poverty rates, preventing stunting, and increasing village competitiveness are some of the main challenges faced by the village. Promoting One Village One Product is one of the real actions [10] The concept of one village one product is basically a continuous process and must consider the unique characteristics and needs of each village. Programs and policies that are in accordance with local conditions and the active participation of the local community will help achieve the goals (OVOP pocket book).

By using this OVOP approach, the Ministry of Industry's strategy to develop SMEs and MSMEs is carried out through collaboration between the central government, local governments, the private sector, and local communities. Utilize local knowledge, labor, and other resources that have unique regional characteristics to improve product quality and appearance, as well as to promote and market products at the national and international levels. The OVOP concept can serve as a momentum for rural revitalization by focusing on one superior regional product with a labor-intensive approach. This is one step towards clustering small and medium industries (SMEs) which aims to promote superior regional products so that they can develop and enter a wider market. [11]

Villages play an important role in determining policies that will be used to develop the village economy and manage its natural resources. The ability to manage these natural resources is greatly influenced by how the community and village officials participate in village government operations. The more activities and innovations carried out by the village government will make them more able to utilize the natural resources they have to generate economic value that can improve the welfare of its citizens and produce advanced and independent villages. [11]

Nagrak Village is one of the villages in Buahdua District, Sumedang Regency, West Java Province. It is precisely located at the foot of Mount Tampomas, part of which is an agricultural area. The area of Nagrak Village is recorded as 489,864 Ha consisting of 3 hamlets, namely: Cigalagah Hamlet, Nagrak Hamlet, and Tanjakan Hamlet. Nagrak Village is a lowland area with an average height of 700 meters above sea level. The potential natural resources of Nagrak Village are rice, coconut, banana, and others. The population of Nagrak Village is 2,221 people. Consisting of 1,127 men and 1,094 women with a total of 856 family heads. And Nagrak Village is one of the locations for the Integrated Real Work Lecture collaboration between the Sumedang Regional Government and LLDIKTI-4 West Java and Banten.

IKM VCO "LOENYOE" is an IKM (Small and Medium Industry) that processes coconuts and focuses on VCO processing. The membership structure of this IKM VCO did not previously exist, but this IKM empowers village communities, especially mothers whose houses are closest to the IKM production site to help with the stages of making VCO, namely grating coconut. Initially, coconut grating was done manually using a wooden grater, but now it is no longer done considering that this grating stage takes a long time and the potential for VCO is very large, so this IKM VCO business actor replaces manual grating using a grater machine. However, the actual obstacle of this IKM VCO is the marketing and packaging of the product, there are still many villagers who do not know about this IKM VCO, and for packaging they still use bottles that are not certain to guarantee the durability and quality of VCO. therefore, improvements are needed so that marketing is much wider and packaging changes become attractive.

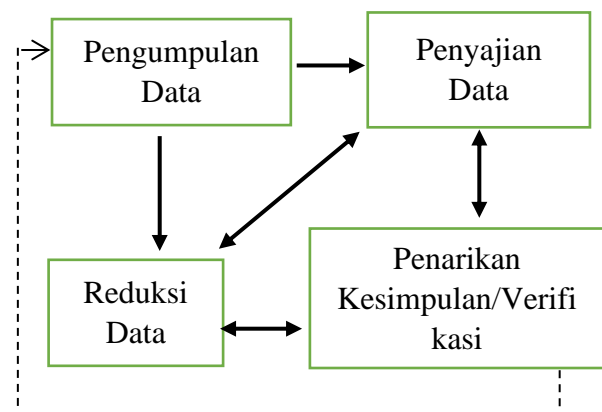
Based on the background above, the researcher will conduct research with the title **"Implementation of the One Village One Product Program". (OVOP) on SME Virgin Coconut Oil (VCO) Products in Nagrak Village, Buahdua District, Sumedang Regency"**.

IMPLEMENTATION METHOD

This research was conducted in Nagrak Village, Buahdua District, Sumedang Regency, West Java. The research was conducted from February 2024 to June 2024. This research method uses a qualitative method. According to (Sugiyono, 2023:9) the qualitative method is a method used to research natural objects with triangulation as a data collection technique (observation, interviews and documentation).

The analysis used in the study is the Miles and Huberman Model (1984), which states that the qualitative data analysis process is carried out interactively and continuously until the data becomes saturated (Sugiyono, 2023:132). Activities carried out for data analysis such as :

1. Data Collection
 Researchers collect data by observing and following activities carried out , interviewing Respondent related and request data that has been created by
2. Data Reduction
 Researchers sorted data that could be formed into tables and that could be narrated .
3. Data Display
 Researcher presenting data using text that is narrative plus charts and tables .
4. Conclusion
 The conclusion in this study is used to see the stunting reduction program that has been implemented . done has been optimized



RESULTS AND DISCUSSION

One of the Community Service Programs through cooperation carried out by the Sumedang Regional Government with LLDIKTI 4 West Java and Banten through universities, namely, students of Pertiwi University and Widyatama

University located in Nagrak Village is One Village One Product. Geographically, Nagrak Village is dominated by Agriculture. After conducting identification according to the pocket book, 5 sources were found including 1 tourist site, namely the Batu Sangiang site, food/drinks, namely banana sale, nutmeg drinks, Knitting and Kolor Convections and 1 oil. One of the unique natural resources that has the potential to become a superior product is Pure Coconut Oil (VCO). Because OVOP is an idea that a region decides to develop a unique product that will provide added value to the product and then generate sufficient income for the people of the region.

IKM VCO "LOENYOE" is a small and medium industry that focuses on coconut processing and VCO processing. IKM VCO "LOENYOE" is located in Nagrak Village, Buahdua District, Sumedang Regency. IKM was first initiated by Mr. Jejen Jaenudin in 2023 and the one who disseminated IKM VCO was Mr. Caca Airukerta. The reason for the initiation was because the natural resources in the form of coconuts, namely old coconuts in Sumedang, precisely in Nagrak Village, were abundant and it would be a shame if they were left alone without processing them and did not produce anything useful. For reasons such as those explained, this IKM VCO exists. "LOENYOE" is the brand name for VCO which means slippery. For business licensing, this IKM VCO has obtained an Indonesian halal label with ID 32110017180210424 and P-IRT with No. 1-202405020914230958240. So the product can be guaranteed because it has a business license. IKM VCO "LOENYOE" only has one product but there are two sizes, namely 100 ml and 250 ml.

The production process is done manually/simple as follows: coconut selection and peeling, coconut grating, coconut milk filtering and separation, sedimentation and filtering, then packaging. after seeing the simple production process of VCO "LOENYOE".

Interview with a villager named Mrs. Lilis who regularly consumes VCO. She got to know VCO during the PKK organization gathering and immediately bought VCO because she knew about the benefits of VCO. Previously, she had complaints such as constipation, easy to

catch a cold, then coincidentally her cholesterol levels were starting to be on the verge of being careful, her body felt sore, and the composition of fat in the stomach of elderly women was thickening. Then after consuming VCO "LOENYOE" regularly, the complaints felt decreased. This is in accordance with research [12] on Examining the Benefits of VCO (Virgin Coconut Oil) in the World that consuming VCO regularly has a positive impact on a person's health, especially in the healing process and prevention of various diseases. Although it does not have any dangerous side effects, you must pay attention to the dosage in consuming it. According to some experts, adults should consume 3.5 tablespoons (± 50 g) of VCO every day. Some experts argue that consuming VCO up to 1 g/kg of body weight is still safe if used to cure diseases. However, if used as an external medicine, simply apply it evenly to the entire body three times a day. then other complaints according to research by [13] on Virgin Coconut Oil (VCO): Manufacturing, Advantages, Marketing and Potential Utilization in Various Food Products explains that VCO increases body metabolism, maintains immunity, protects against atherosclerosis and cardiovascular disease, and functions as a therapy for Alzheimer's, cancer, obesity, and stress. The Heart Foundation of Australia says that coconut oil, both Crude Coconut Oil (CCO) and VCO, contain saturated fatty acids which are considered harmful to health, especially for newborns and adults who experience digestive problems. Over time, researchers have found scientific evidence that VCO can actually increase high-density cholesterol (HDL) or good cholesterol, reduce the absorption of free radicals, and act as an antiviral and antibacterial. Research conducted by [14] explains that VCO helps improve children's nutrition as an antioxidant, anti-inflammatory, lowers blood sugar levels and blood pressure, lowers cholesterol, and has antimicrobial properties, such as antibacterial and antifungal and antiviral, so that VCO can help cure viral diseases such as HIV. This shows that VCO is products that have Lots benefit .

The hope or suggestion conveyed by Mrs. Lilis for the VCO "LOENYOE" is to stock up on

... coconut old so as not to hinder the production process and the packaging is made as attractive as possible. One of the hopes or suggestions conveyed by Mrs. Lilis is is The constraints in VCO “LOENYOE” are , the packaging is not attractive . Apart from the packaging , the constraints faced is marketing . Marketing that is currently being done is merely word of mouth so there are not many people knowing VCO “LOENYOE”. Therefore , the researcher cooperated with BUMDes to increase income and wider marketing and Bank BJB as additional stimulus funds. The stimulus funds were used for implementation on VCO “LOENYOE” namely :

1. Development preparation business namely by making a purchase as well as handover equipment and supplies for a more efficient production process to the VCO “LOENYOE” like a machine centrifuge , mixer head, stainless steel container , and packaging bottles .



Figure 1 Submission Equipment and supplies

2. Replacing old packaging bottles with new packaging with additional stickers. This is done to make it safer , more secure VCO quality and products become more attractive .



Figure 2 Old Packaging and Packaging with New Sticker

3. Banner installation as a form of expansion marketing , installation carried out in three places, namely at the production house , at BUMDes and at the border village .



Figure 3 Installation of Banners at BUMDes

4. Stage socialization and product launch as a form of introducing VCO to product Nagrak Village's flagship product which was held at the Village office and attended by the village apparatus villages , RT and RW, UMKM actors , PKK and the community village



Figure 4 Socialization Activities

5. Selected as Top 10 Products The best OVOP displayed at the OVOP bazaar event held at the Tampomas Building Regency Sumedang and attended by the Acting Regent .



Figure 5 Handover Ceremony OVOP products

CONCLUSION

Based on the results of the research that has been done, the researcher concluded that the implementation of the OVOP Program is one way to develop superior products owned by the region. In addition, the OVOP program has the aim of advancing the industry. The OVOP program on the IKM VCO "LOENYOE" which was implemented in Nagrak Village, Buahdua

District, Sumedang Regency ran smoothly. The series of activities started from observation, interviews, cooperation with BUMDes and Bank BJB, the production process to the socialization and launching of products at the village hall which was attended by village officials, PKK mothers, business actors, RT and RW and the community as the initial introduction and marketing of the product. *Virgin Coconut oil* or pure coconut is a processed product from coconut meat without any additional chemicals and without heating which has many benefits for health or beauty.

SUGGESTION

This study examines the Implementation of the *One Village One Product Program* Qualitatively. Based on the research that has been conducted, the researcher outlines several suggestions as follows: 1. For Business Actors: It is better to determine the selling price of the product, because for now the price of VCO is only estimated , It is better to record expenses or income in a simple book , It is better to reserve coconut stock so that there is no running out of stock which results in the cessation of the production process , It is better to participate in bazaars so that it is better known and marketing is wider . 2) For the Community It is better to start consuming VCO because it has many benefits for health and beauty.

THANK-YOU NOTE

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