

**THE RELATIONSHIP OF PRODUCTION MANAGEMENT TO BUSINESS  
ANALYSIS OF DAIRY CATTLE ON MEMBERS  
OF MILK COOPERATION SIDOARJO**

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**ABSTRACT**

Milk consumption tends to increase along with growth on economic and income per capita of Indonesia people. Dairy cattle in Sidoarjo became one of the suppliers of fresh milk and contribute to supply the needs of the national dairy company in Pasuruan, East Java. The aims of this research were to know about: (1) production management, (2) business analysis, (3) the relationship of production management to business analysis of dairy cattle on members of milk cooperation Sidoarjo. The method applied in the research was descriptive. Questionnaire, interviews and documentation were data collection techniques. Number of respondents taken by 14 respondents were selected by purposive sampling. Production management and business analysis is latent variable, management of breeding, feeding, housing, maintenance, control of disease, BEP in unit, BEP in rupiah, B/C Ratio, R/C Ratio, Payback Periode and ROI is indicator variable. The data analyzed with Structural Equation Modeling (SEM) by Partial Least Square (PLS) program to know the relationship of production management to business analysis of dairy cattle. The result showed: (1) good production management is applied by farmer, (2) dairy cattle business was profitable and feasible was indicated by business analysis calculated with BEP in rupiah Rp. 3.802, BEP in unit 22690 liter, B/C ratio value 0,71, R/C ratio value 1,71 and PP value 2,93 and ROI value 28,67%, (3) there was a relationship of production management to business analysis. Breeding and feeding management were indicators of production management that gave the positive effect to business analysis.

**Key words** : production management, business analysis, dairy cattle on members of milk cooperation Sidoarjo