

**VALUE CHAIN ANALYSIS AND MARKETING STRATEGY  
FOR PROCESSED CHILIES LOCAL PRODUCTS  
AMBULU DISTRICT, JEMBER REGENCY**  
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**ABSTRACT**

Large red chili (*Capsicum annuum* L.) is one of the leading vegetable commodities which has a strategic role in the structure of national economic development. Jember recorded a harvest of 6,083 tons with a harvest area of 549 Ha. The increasing market demand is not accompanied by sufficient production, resulting in fluctuating red chili prices. The Larasati Women's Farmers Group (KWT) in Andongsari took the initiative to process large red chilies to increase added value and also extend shelf life by drying them. The business of processing chilies into dried chilies is still considered less promising, so KWT Larasati is trying to diversify its processed chili products into various processed chili products. This research was conducted to analyze the chili business value chain using the Hayami method and to increase sales according to sales targets. Based on data used for one month of production, the tuna variant of simbok chili sauce has the highest added value compared to shredded chili, this is due to the higher frequency of sales of simbok chili sauce. so it has a high resale value. Based on the results of the QSPM analysis of the SWOT components (*Strengths, Weakness, Opportunities and Threats*), it was found that the strength factor had the highest score, namely 12.07. This factor is important because utilizing business strengths creatively and innovatively is very important so that businesses can survive amidst intense competition.

*Keywords:* Red chili, value chain, Hayami, SWOT, QSPM