

## Business Networking As A Determining Factor For The Success of Millennial Farmers' Business Performance; A Perspective To Ensure Agricultural Sustainability In Indonesia

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Indonesia has a serious problem ensuring its agricultural system's sustainability because the millennial generation is less interested in participating as farmers. Mapping the causes of the success of millennial farmers is important information in building agricultural systems in Indonesia. This study aims to determine the factors that drive the success of millennial farmers' business performance in managing their business in Central Java province. Data was collected from 135 millennial farmers in Central Java province using a cluster random sampling technique. Analytical techniques to assess the successful performance of millennial farmers' businesses use structural equation modeling (SEM) with a Partial Least Square (PLS) approach. The results showed that the business performance of millennial farmers in Central Java province was influenced by their ability to build business networks. The ability to create knowledge and the ability to innovate do not affect the performance of the business. This research also provides information that the ability to build a business network also affects the creation of knowledge and innovation of millennial farmers. Knowledge creation affects the innovation power of millennial farmers. Thus, recommendations that can be given so that agricultural development can be sustainable and attract the millennial generation's interest in doing business in the agricultural sector must facilitate millennial farmers in building their business networks. This conclusion is still valid for millennial farmers in Central Java province, so if it is to be made a national-level policy, it is necessary to conduct research with a wider scope, which represents the millennial farmer population from all over Indonesia.

**Keywords:** Business network, millennial farmer, PLS-SEM, business performance, Indonesia.

### INTRODUCTION

The Indonesian Population Census in 2020 provides information that the millennial category population in Indonesia is 25.87% (69,901,000 people) of the total population of 270.2 million people (Haryanto *et al.*, 2022). On the other hand, the number of agricultural sector workers in Indonesia is the same as in several other countries, which continues to decrease from year to year (Taufiqurrohman and Jayanti, 2022; Borda *et al.*, 2023; Zagata and Sutherland, 2015). The decline in the number of workers in the agricultural sector is caused by the absence of sustainability of workers who are interested in becoming farmers (Borda *et al.*, 2023). The perception of working in the dirty and unattractive agricultural sector causes the younger generation to be uninterested in working in the agricultural sector (Taufiqurrohman and Jayanti, 2022; Nugroho *et al.*, 2018).

This phenomenon is very dangerous for the sustainability of Indonesian agriculture in the future (Taufiqurrohman and Jayanti, 2022). If this is feared to happen, then the nickname of the Indonesian nation as an agricultural country remains a story. This phenomenon is in line with the continued increase in the number of imports of various agricultural products (especially horticultural products and processed products) entering Indonesia (Simarmata, 2019; Siregar *et al.*, 2020). The main problem and concern for the future of agriculture in Indonesia is the low interest of the younger generation who want to work as farmers. This is in accordance with the conclusion of the research, which states that agriculture in Indonesia is currently synonymous with older-generation agriculture; agricultural sector actors are dominated by old farmers (Taufiqurrohman and Jayanti, 2022). The character of agriculture with old farmers relies on conventional technology (labor-intensive), which has a low level of innovation (Nugroho *et al.*, 2018). The slow adoption of

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information technology and low innovation lead to low productivity and competitiveness of agricultural products (Aydogan *et al.*, 2022).

To overcome the problem of farmer regeneration, the Indonesian government made a policy in the form of Regulation of the Minister of Agriculture number 07/Permentan/OT.140/1/2013 concerning Guidelines for the Development of the Young Generation of Agriculture (Peraturan Menteri Pertanian, 2013). This ministerial regulation emphasizes efforts to make millennials interested in working in the agricultural sector. The program facilitates young farmers' entrepreneurial spirit and provides management training, comparative studies, and the need for a network. In securing the sustainability of agricultural development, the Ministry of Agriculture also created the Youth Entrepreneur and Employment Support Services (YESS) program, a cooperation program between the Ministry of Agriculture (Kemenan) and the International Fund for Agricultural Development (IFAD).

This program is intended for millennials, especially in rural areas (Kan *et al.*, 2021), to develop the village economy through agricultural entrepreneurship and increase job opportunities. From several studies, information was obtained that through capital assistance, training, and mentoring carried out by the Ministry of Agriculture, the income of millennial farmers has increased significantly (Sudirwo Sudirwo *et al.*, 2023). This result brings better prospects in attracting the younger generation to work as farmers (Borda *et al.*, 2023) and improves the community who work as farmers (Kirnadi *et al.*, 2022).

The policy of attracting millennials to become farmers has strategic significance because the number of young people will dominate Indonesia's demographic structure (labour structure) in the next few years (Arditia *et al.*, 2021). The purpose of the Ministry of Agriculture of the Republic of Indonesia to come up with the term millennial farmer is to maintain the sustainability of Indonesia's agricultural system and accelerate the adoption of information technology in agriculture. The basis for involving the younger generation is because, the younger generation (millennial farmers) have the character: (1) proficient in digital technology (digital farmer), (2) on-farm activities must be supported by technology-innovation, (3) processing of products (agro-industry) is based on digital technology and (4) efficient marketing by utilizing information/digital technology (Arie, 2021; Haryanto *et al.*, 2022; Arvianti *et al.*, 2022).

The agricultural system in Indonesia has gradually entered smart agriculture, mainly run by millennial farmers. With smart agriculture implemented, the implementation of the agricultural system shifts towards efficient, productive, effective, and competitive agriculture (Knierim *et al.*, 2019). The Indonesian government also gave appreciation to successful millennial farmers by awarding them as millennial farmer ambassadors. The task of millennial farmer

ambassadors is to convey success in farming to the younger generation who are reluctant to become farmers. The main character of millennial farmers lies in mastering information technology in their daily activities (including business activities). Based on Harisudin's research (Harisudin *et al.*, 2023), it is known that millennial farmers in Central Java province have utilized information technology in running their agricultural businesses, which are very diverse in their use. The use of information technology by millennial farmers in Central Java province includes communication tools among millennial farmers, coordination, finding raw materials, knowing the market, and marketing agricultural products to be used as a means of increasing the capacity of millennial farmers (Harisudin *et al.*, 2023; Kusnandar *et al.*, 2023).

The use of information technology has been identical to millennial farmers (Arvianti *et al.*, 2019; Borda *et al.*, 2023), the superiority of innovation is the cause of victory in competition (Yuan *et al.*, 2023; Borda *et al.*, 2023). and entrepreneurial character is conceptualized as the ability to create and utilize networks (Yuan *et al.*, 2023; Bernardino *et al.*, 2023) are factors that are believed to be very influential in the success of millennial farmers. For this reason, this study wants to find out how much the factors of network-building ability, knowledge creation, and the ability to innovate influence the success of millennial farmer businesses in Central Java Province. Knowing the determining factors of the success of millennial farmers in running their agricultural business will be very useful information for the millennial generation to work as millennial farmers, as well as very useful data for the Government of Indonesia in ensuring the sustainability of Indonesian agriculture.

## MATERIALS AND METHODS

**Basic methods of research:** This research is comparative causal research with a quantitative approach. The location of the study was determined purposively, namely Central Java Province, considering that this province has several millennial farmers, as many as 975,600 people, or 33.7 percent of all farmers in Central Java, a potential that can be utilized in ensuring provincial food security. Sampling using purposive sampling is done with the criteria of millennial farmers aged 19-39 years who have agri-food, horticulture, animal husbandry, and plantation businesses and have been in business for at least 2 years. The number of samples using the variable ratio: sample is 1:15 (Joseph *et al.*, 2018). The number of variables in this study is nine, so the number of samples used as a source of information is 135 millennial farmers. Data collection is carried out by survey techniques, sample determination is determined by cluster random sampling techniques, using structured questionnaires as a tool. Data collection was conducted through direct interviews with selected millennial farmers. The questionnaire is first



tested for validity and reliability. Convergent validity is satisfied if the construct has an AVE with a threshold of at least 0.5 (Joseph *et al.*, 2010).

Before the questionnaire was submitted to respondents, validity and reliability tests were carried out for 30 millennial farmers. A research instrument is considered valid if the value of the Average Variance Extracted (AVE) construct is greater than or equal to 0.5 (Huang *et al.*, 2013). Reliability measurements were performed using composite reliability indicators (CR) with a minimum threshold of 0.7 (Joe *et al.*, 2020). Based on the test results, AVE was found to be above 0.5 and CR more than 0.7, indicating that this research instrument is reliable and valid to be used as a research instrument.

**Data Analysis Methods:** The analysis method in this study uses the partial least squares structural equation modeling (PLS-SEM) technique with SmartPLS 3 software. PLS-SEM was chosen for two reasons (Joe *et al.*, 2020b). First, knowing the main construct of the object under study. Secondly, knowing complex structural models with many interrelated indicators. Before using PLS-SEM, three tests were first carried out, namely: 1) Evaluation of external models which include reliability tests and construct validity tests. 2) Evaluation of Structural Models to estimate the values of coefficient of determination ( $R^2$ ) and predictive relevance ( $Q^2$ ). 3) Hypothesis testing to estimate path coefficients that assess the strength of the relationship between the independent latent variable and the latent dependent variable.

**Evaluation of external (outer models):** Models Measurement models are evaluated with convergent validity, discriminant validity, and reliability (Huang *et al.*, 2013). Data is valid if the loading factor value is  $> 0.60$  and the AVE value is  $> 0.50$ . If the value of the cross-loading indicator on the variable is higher than that of other variables, the variable used is valid. If the reliability value of the composite is  $> 0.60$  and the Cronbach alpha value is  $> 0.70$ , then the data used are reliable (Akter *et al.*, 2011; Munir and Beh, 2019).

**Evaluation of structural models (inner models):** The structural model is evaluated by looking at the values of the coefficient of determination ( $R^2$ ) and predictive relevance ( $Q^2$ ). The R-square value is used to assess the effect of the independent latent variable on the latent dependent variable. The criterion for the value ( $R^2$ ) is  $> 0.67$ , which indicates that the model is good,  $> 0.33$  medium, and  $> 0.19$  weak. The next structural model evaluation is to measure how well the model produces observational values and also estimates its parameters using values ( $Q^2$ ); if ( $Q^2$ )  $> 0$ , then the model has predictive relevance, but if  $< 0$ , then the model has no predictive relevance (Mandhani *et al.*, 2020).

**Hypothesis testing:** Hypothesis testing on Partial Least Square (PLS) was performed using bootstrapping (Ellitan, 2022; Ihsaniyati *et al.*, 2022). This study used a significant level of 5%, a t-statistic value of 1.96, and a p-value smaller than 0.05. If t-statistics  $\geq$  t-tables and p-values  $\leq$  alpha ( $\alpha$ ),

then  $H_a$  is accepted;  $H_0$  is rejected. The hypotheses in this study are as follows:

- H1: The ability to build networks has a positive effect on the ability to innovate
- H2: The ability to build networks positively affects the ability to create new knowledge
- H3: The ability to create knowledge has a positive effect on the ability to innovate
- H4: The ability to create knowledge has a positive effect on business performance
- H5: The ability to innovate has a positive effect on business performance
- H6: The ability to build networks has a positive effect on business performance

## RESULTS

### Outer model evaluation

**Reliability test:** The reliability of an instrument in the outer model can be seen from Composite Reliability and Cronbach's Alpha. Composite reliability and Cronbach's Alpha are statistical techniques used to measure the consistency of instruments - free from bias (Sekaran and Bougie, 2016). A variable is said to be reliable when it has a composite reliability value above 0.6 and Cronbach's alpha above 0.7. The results of composite reliability tests and Cronbach alpha output in this study are as follows:

**Table 1. Composite value reliability and Cronbach's Alpha.**

Variable	Cronbach Alpha	Composite Reliability	Information
Network capability	0,869	0,905	Reliable
Knowledge creation	0,771	0,853	Reliable
Innovation	0,842	0,904	Reliable
Business performance	0,828	0,886	Reliable

Source: Primary Data Analysis, 2023

Based on Table 1, it is known that each variable has a composite reliability value and a Cronbach's alpha value above 0.7. This explains that all variables in this study are said to be reliable, and all variables can provide answers consistently and stably so that they can be continued to the next study (Mandhani *et al.*, 2020; Tandon *et al.*, 2020). Testing the research model using the Structural Equation Model method with an analysis tool, namely, PLS (Partial Least Square), because it is a powerful variant-based SEM model, not based on many assumptions, PLS was chosen because it can handle relatively small sample sizes and reflective and formative indicators (Ko *et al.*, 2005; Ghozali, 2014).

**Discriminant validity:** Validity is meant "to measure what should be measured." Said valid means that the instrument



can be used to measure what you want to measure (Sugiyono, 2012). Validity testing is performed to determine how precisely a model/measuring instrument performs its measurement function (Rachmawati, 2020). The validity of the discriminant can be good if the cross-loading test shows higher indicator values for each construct than the other constructs (Walter et al., 2017). The discriminant validity of the measurement model is assessed based on the correlation between the component score and the construct score calculated with PLS. Individual reflexive measures are said to be high if the loading factor is > 0.70 for the construct to be measured. The results of the value of the loading factor in this study are presented in Table 2 below.

**Table 2. Discriminant validity test results.**

	Network capability	Knowledge creation	Innovation	Business performance
NC 1	0,782	0,289	0,335	0,279
NC 2	0,801	0,384	0,313	0,17
NC 3	0,839	0,259	0,349	0,349
NC 4	0,750	0,227	0,512	0,282
NC 5	0,773	0,357	0,403	0,309
KC 1	0,089	0,629	0,371	-0,071
KC 2	0,387	0,786	0,335	0,215
KC 3	0,355	0,782	0,381	0,312
KC 5	0,177	0,681	0,320	0,118
I 3	0,449	0,385	0,836	0,325
I 4	0,326	0,331	0,776	0,135
I 5	0,388	0,430	0,802	0,260
BP 2	0,351	0,209	0,240	0,910
BP 3	0,324	0,217	0,319	0,872
BP 4	0,388	0,226	0,285	0,909
BP 5	0,260	0,187	0,218	0,726

Source: Results of analysis processed with Smart PLS 3.0, 2018

Based on Table 2, it is known that there are 6 indicators that do not meet the assessment criteria of the validity test because they are less than 0.7. The indicators issued are KC 4, I 1, I 2, and BP 1. Table 2 also explains that the correlation of the NC construct with its indicators is higher than that of other constructs. It also applies to the construction of KC, I, and BP with their respective indicators. This shows that each indicator in the research variable has a greater cross-loading value when compared to the cross-loading value of other variable indicators. Therefore, it can be concluded that the indicators used in the study have met the requirements of good discriminant validity in the preparation of each variable. The next validity test is to use the parameter of the average variance extracted (AVE) value of each latent variable. The discriminant validity of the measurement model is said to be reflexive if the AVE value is greater than 0.5 (Westaby et al., 2010). Table 4 shows the value of AVE in this study.

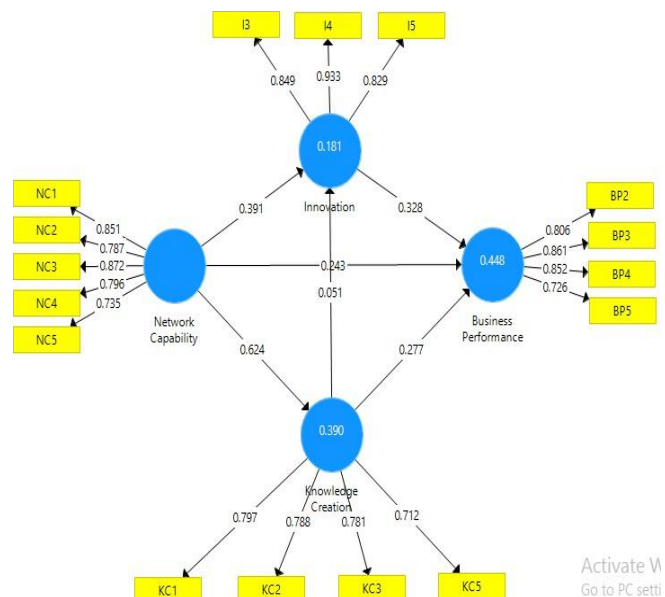
**Table 3. AVE values.**

Variable	AVE	Information
Network Capability	0,655	Valid
Knowledge Creation	0,593	Valid
Innovation	0,760	Valid
Business Performance	0,661	Valid

Source: Primary Data Analysis 2023

Based on Table 3, it is known that all variables in this study are said to be valid because they have an Average Variance Extracted (AVE) value greater than 0.5 (Joseph et al., 2014; Westaby et al., 2010; Westaby, 2005). This shows that all variables are able to explain the diversity of all indicators (Hair et al., 2014; Westaby et al., 2010; Westaby, 2005; Akter et al., 2011).

**Inner model evaluation (structural model):**



**Figure 1. Research model.**

The structural model is evaluated using the R-square for the construct of the latent dependent variable. Changes in R-square values can be used to assess the effect of a particular independent latent variable on the dependent latent variable. The value of the coefficient of determination is between 0 and 1. The coefficient of determination value is divided into three categories, namely 0.67, 0.33, and 0.19, indicating strong, moderate, and weak models (Tandon et al., 2020; Akter et al., 2011).

Table 4 illustrates the R-square values in this study. The relationship between latent variables can also be evaluated by looking at the Q-square value. Q-square aims to measure how well the observation values are produced by the model and also the estimation of its parameters (Ghozali, 2014). All Q-squared values > 0, so it can be concluded that the model has



a value of predictive relevance (Tandon *et al.*, 2020; Spielhofer *et al.*, 2021).

**Table 4. R2 and Q2 values.**

Variable	R2	Q2	Information
Knowledge Creation	0,149	0,068	Weak; has predictive relevance
Innovation	0,338	0,185	Moderate; has predictive relevance
Business Performance	0,174	0,117	Weak; has predictive relevance

Source: Primary Data Analysis 2023

The  $R^2$  value indicates that the ability of the independent latent variable to predict the latent dependent variable is weak because the  $R^2$  value is below 0.5. In Table 4 it can also be seen that based on the value of  $Q^2$  shows that the latent variable in the study has weak predictive relevance also because  $Q^2 > 0$  (Nurritzky *et al.*, 2023; Spielhofer *et al.*, 2021; Harisudin *et al.*, 2023). However, when looking at the value of the r square, which means low-moderate, this is an input for researchers to find substitutes for other variables as predictor variables that can affect the business performance of millennial farmers.

**Hypothesis testing (Bootstrapping):** The criterion used in hypothesis testing is that at a significant level of 5% the p-value is smaller equal to 0.05. If the p-value is less than equal to alpha ( $\alpha$ ), then the proposed research hypothesis is declared accepted. Meanwhile, the proposed research hypothesis is rejected if the p-value is more than equal to alpha ( $\alpha$ ).

Structural models describing the linkages between constructs are known based on their path coefficients, which assess their significance levels (T-statistic and p-value) by the procedure (Moslehpour *et al.*, 2022; Coutu *et al.*, 2022). The structure of the model is tested using a significance level of 5%, that is, a p-value smaller than 0.05. The proposed research hypothesis is declared acceptable if the p-value is less than or equal to alpha ( $\alpha$ ). Meanwhile, if the p-value is greater than alpha ( $\alpha$ ), then the proposed research hypothesis is rejected. The results of hypothesis testing by bootstrapping procedure are

presented in Table 5. The effect of the variables of knowledge creation and innovation in improving the business performance of millennial farmers is likely to occur because there are variables between the two variables. This is an input for researchers to add intermediate variables in future research.

**DISCUSSION**

**Effect of network capability to innovation:** Based on the results of the analysis in Table 5, network capacity has a positive effect on the innovation ability of millennial farmers by 0.391 with a p-value of 0.001, So the hypothesis is tried. The ability of millennial farmers to build networks will increase their knowledge (Wang and Hu, 2020). From this increase in knowledge, millennial farmers managed to know how to manage the process of innovation so that they can develop the ability to innovate (Erlyna *et al.*, 2024; Wang and Hu, 2020). Various networks have been built by millennial farmers to increase their capacity as entrepreneurs. Among the networks carried out are millennial farmers joining several organizations or associations, including the Millennial Petanui Network (JPM), the Indonesian Organic Alliance (AOI), and the Central Java Seed Breeding Association (HIPMAI). Millennial farmers believe that building networks with business partners through good communication creates long-term networks and has a positive impact in increasing their capacity as smart farmers who have the energy to carry out various innovations (Karim *et al.*, 2024; Harisudin *et al.*, 2023; Albizua *et al.*, 2021). Some of the innovations that millennial farmers have succeeded in doing are the ease of obtaining raw materials from suppliers from various regions, increasing business processes in running a business, increasing access to finding distributors in selling their products and increasing the ability to utilize digital marketing of the products produced (Chiu and Lin, 2022; Öberg, 2019; Wang and Hu, 2020). The impact of this is the increase in productivity, quality, efficiency, competitiveness, and profitability of millennial farmers (Harisudin *et al.*, 2023; Elijah *et al.*, 2018; Coutu *et al.*, 2022; Hryvkivska *et al.*, 2024).

**Effect of network capability to knowledge creation:** Based on the results of the analysis in Table 5, the ability of

**Table 5. Hypothesis test results.**

Hypothesis	r	T-statistic	P-values	Information
Network Capability → Innovation	0,391	3,264	0,001	Significant
Network Capability → Knowledge Creation	0,624	3,632	0,000	Significant
Knowledge Creation → Innovation	0,051	2,670	0,008	Significant
Knowledge Creation → Business Performance	0,277	0,480	0,631	Non-Significant
Innovation → Business Performance	0,328	1,116	0,265	Non-Significant
Network Capability → Business Performance	0,243	2,627	0,009	Significant

Source: Primary Data Analysis



millennial farmers to build networks has a positive effect on the creation of millennial farmer knowledge of 0.624 with a p-value of 0.000, So the hypothesis is overwritten. The ability of millennial farmers in Central Java Province to build networks with business partners through good communication to create long-term networks is believed by millennial farmers to improve their ability to create new knowledge (Taneo *et al.*, 2020; Nisula *et al.*, 2022; Pinheiro *et al.*, 2020) and the ability to innovate (Goyal *et al.*, 2020). This is because network building also gets business information sharing (Nisula *et al.*, 2022; Chiu and Lin, 2022). Through the network built, millennial farmers get new knowledge related to best practices from their business network partners (Riptanti *et al.*, 2022; Chiu and Lin, 2022). Through networking, millennial farmers gain new understanding that complements previous knowledge, as well as get other information related to market demands to be applied as new business processes and organizational innovations in order to gain competitive advantage and create value for customers (Goyal *et al.*, 2020; Florek-Paszkowska *et al.*, 2021). This is what millennial farmers believe as a driver as well as a guide in running better business processes to avoid failure and increase work efficiency and effectiveness (Chiu and Lin, 2022). In another sense, the creation of knowledge becomes the basis for the sustainability and subsequent development of an organization (Tajpour *et al.*, 2022). The conclusion of the ability to build networks will affect the ability of an organization to create new knowledge (Nisula *et al.*, 2022; Goyal *et al.*, 2020) which leads to the quality of innovation (Pinheiro *et al.*, 2020; Goyal *et al.*, 2020) so that increased competitiveness is obtained (Liu *et al.*, 2020).

**Effect of knowledge creation on innovation:** Based on the results of the analysis in Table 5, the ability of millennial farmers to create knowledge has a positive effect on the ability of millennial farmers to innovate by 0.051 with a p-value of 0.008, So the hypothesis is overwritten. Knowledge creation is the process of creating new knowledge or replacing and improving existing knowledge (Tajpour *et al.*, 2022). The ability of farmers to create knowledge can significantly improve their ability to carry out various new innovations; this supports the research (Goyal *et al.*, 2020; Yin and Yu, 2022; Taneo *et al.*, 2020). From the new knowledge generated, millennial farmers can ensure the sustainability of their business (Tajpour *et al.*, 2022) through the process of evaluating the performance of the products produced and making improvements/product development so as to increase competitiveness over competing products (Pinheiro *et al.*, 2020). Knowledge creation by millennial farmers results in incremental types of innovation by observing and learning from the successes of others (Xie *et al.*, 2021). The pattern of incremental innovation carried out by millennial farmers in Central Java province is the pattern of observing, imitating, and modifying, observe, imitate, and modify (OIM). This type

of innovation is the easiest innovation for budding entrepreneurs (Xie *et al.*, 2021) such as millennial farmers. This type of innovation is widely chosen by novice entrepreneurs because it is only an improvement based on existing technology and does not require technological novelty that is synonymous with investment costs (Ovuakporie *et al.*, 2021). From the creation of the resulting knowledge, millennial farmers get information related to consumer behavior that uses social media a lot in various life activities (Dwivedi *et al.*, 2021; Rahman *et al.*, 2021; Dhillon *et al.*, 2022). In response to this, millennial farmers in Central Java Province have maximized the function of information and communication technology (WhatsApp, Instagram, and Facebook) in communicating and conducting buying and selling transactions of the products produced (Olanrewaju *et al.*, 2020; Harisudin *et al.*, 2023). Thus, knowledge creation can increase competitiveness (Yin and Yu, 2022) through innovations resulting from new knowledge created by millennial farmers. Given the role of innovation as a direct product of knowledge creation, building a culture of knowledge creation is a must for every organization (Pinheiro *et al.*, 2020).

**Effect of network capability to business performance:** Based on the results of the analysis in Table 5, the ability of millennial farmers to build networks has a positive effect in improving the business performance of millennial farmers by 0.243 with a p-value of 0.009, So the hypothesis is accepted. The explanation of the ability of millennial farmers to build networks can improve their business performance is as follows: When millennial farmers build networks, they also know market information and develop business systems (Chiu and Lin, 2022; Öberg, 2019). Through the network built, millennial farmers also get accurate information about the source of raw materials, market information consisting of the level of competition, threats of competitors' products, and actionable opportunities as well as services as a strategy to achieve organizational goals (Kazungu, 2023; Cui and Xiao, 2019) and improve business performance (Kazungu, 2023). In addition, during business networking, millennial farmers also get best practices from business partners to adopt. Adopting examples of success is an effective way to improve a company's competitiveness, productivity improvement, and business performance. Business networking and business performance have a significant relationship in both the early stages and business growth of a company (Kazungu, 2023). This supports research (Kariuki and Iravo, 2015) which states that there is a significant relationship between business networks and business performance in a small-medium enterprise (SME).

**Conclusion:** The ability of millennial farmers to build business networks with partners has a positive and significant influence on their ability to create new knowledge and increase their ability to innovate. In addition, the ability of



millennial farmers to build business networks also has a positive and significant effect on improving their business performance. In addition, the ability of millennial farmers to innovate is also influenced by their ability to create new knowledge. This article illustrates that building business networks has a positive impact and a broad spectrum of various aspects that support the improvement of millennial farmer business performance. For this reason, to ensure the sustainability of the agricultural system in central Java province, the millennial generation must understand that the factor that determines the success of the agriculture business is its ability to build business networks. This research is still limited to the province of Central Java, so if it wants to be used as a national policy, it is necessary to conduct a broader study that represents the millennial farmer population from all over Indonesia

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**Conflict of interest:** The authors declare no conflict of interest.

**Informed consent:** Informed consent was obtained from all participants regarding publishing their data and photographs.

**SDGs addressed:** Zero Hunger, Decent Work and Economic Growth, Industry, Innovation, and Infrastructure.

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