

ABSTRACT

According to data from the Central Bureau of Statistics (BPS) of Cirebon Regency in 2016, the food industry is the most absorbing sub-sector of labor, both small and home industries. Meanwhile, according to data from the Department of Industry and Trade of Cirebon Regency, emping melinjo is the leading commodity of Cirebon Regency. One of the food industry in Cirebon Regency that can be developed and has potential is SME Emping Melinjo. In addition to having potential in increasing the selling value and employment, the emping melinjo food industry requires development in order to provide detailed detail of market size, segmentation and market share. Given, the problems and limitations of resources, whether related to capital resources, experts and equipment resources owned emping melinjo entrepreneurs in the Village Tuk Kecamatan Kedawung Cirebon regency is still very limited.

This study aims to determine what factors are inhibiting the development of emping melinjo business in Tuk Village. Technique data collection using questionnaires given to 52 respondents. This study uses descriptive analysis method to find out the general description of the data obtained and factor analysis to look for factors inhibiting product development with Principal Component Analysis (PCA) model to find many number of factors formed. The results of this study indicate that the four inhibiting factors are reduced to two factors that inhibit the development of emping melinjo business products, namely: Science Development Factors consisting of relatively high cost and development price, the limitations of supporting technology, limited human resources and entrepreneurial creativity are factors which is significant because it has very high eigenvalues and variations; Customer Demand Factor consisting of customer's requirement hardship and limited development cost is a less significant factor because it has the lowest eigenvalues and variation.

Keywords: *Barriers, Product Development, Food Industry, SMEs.*