

Analysis of Production Cost on Income of Chocolate Farmers

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Abstract

This research aims to determine the production cost of cocoa producers in Ulunggolaka Village, Kolaka Regency to determine the income of chocolate producers in Ulunggolaka Village, Kolaka Regency. This research is quantitative. The population studied in this study consisted of two groups of farmers from Ulunggolaka village, Kolaka district, comprising 45 clove producers. In the meantime, the sample was determined using the Slovin formula, with the final result being 31 clove producers. The data analysis used is sales formula, production cost formula and revenue formula. The results of this research suggest that the average income of farmers in a year is IDR. 10,986,209 per person and this income was generated from the total income of farmers amounting to Rp. 10,986,209. 13,311,000 for each respondent. The total production cost is IDR. 2,324,791 per person with a sale price of Rp. 29,000 per kilogram. The production cost consists of variable costs of IDR 2,154,194 per person, while fixed costs are IDR 170,597 per person.

Keywords: Production costs, income, chocolate farmers

A. Introduction

The development of the agricultural plantation sub-sector is of great importance, especially in developing countries which are still striving to make sustainable and sustainable use of natural resource wealth. Furthermore, the plantation sub-sector plays an important role in national development, including increasing the wealth and well-being of the people, earning foreign exchange from the government, providing employment opportunities, and realizing added value and competitiveness, by meeting domestic consumption needs, by supplying raw materials. materials to national industry, etc. Management optimization. Use natural resources sustainably. As a commodity, plantation plants also have other names, namely useful plants and industrial plants. This note clearly shows the legitimacy that the cultivation of plantation fruits, which also includes the raw material chocolate, offers business opportunities. Cocoa is one of the main raw materials in the non-oil and gas sector in Indonesia. Cocoa cultivation in Indonesia is mainly done through small plantations in villages spread across almost all provinces from Aceh, Lampung, East Java, Bali, NTT, and Sulawesi to Papua, so the agricultural economy of the Cocoa is directly sustainable and benefits small communities in rural areas (Rozalina & Nurdila, 2018).

Natural resources are the natural environment (environment) that has value for satisfying human needs. Natural resources also include the environmental condition of the raw materials that people use to satisfy their needs and improve their well-being. Another definition states that resources are the result of human evaluation of necessary environmental elements. In this opinion, resources are divided into three groups: the total inventory, which is the sum of

environmental elements, resources or parts of the total inventory, and reserves, which are resources whose extraction is certain. Another opinion mentions land, mineral waters and forests as elements of natural resources (Hanafie, 2010).

Agriculture is a science that studies how resources (land, labour, capital and management) are distributed (Saeri, 2018). When farming, one of the farmer's goals is to obtain as high an income as possible. Farm income affects farm costs. Meanwhile, the quantity of production is always influenced by external factors and is also influenced by internal factors. To achieve maximum income, farmers must be able to control internal factors in the form of utilization of production facilities, use of appropriate technologies and more efficient use of labour.

Farmers who manage their plantation operations generally understand that the use of production facilities will impact their business's bottom line. However, for most farmers with a simple mindset and limited intellectual capacity due to low formal education, the use of production input costs seems to vary because they do not know the appropriate level of cost utilization. on these installations. Farmers will be satisfied if their production can be increased and they will always try to increase their production (Mubyarto, 1994).

Ulunggolaka subdistrict is one of the subdistricts where the average population earns their living through agriculture, such as cocoa, clove, pepper and patchouli farmers. However, the researchers will focus their research on cocoa farmers, who are part of the supporting factors that regulate people's lives so that they can increase their income. We can now see the impact of production costs on cocoa producers by the way they produce or process their crops. To produce high-quality chocolate, farmers must use existing natural resources intelligently. Implementation of its use by carrying out production activities.

The costs involved in chocolate production include factory production costs and harvesting costs. Production costs are part of the compensation received by the owners of production factors or costs borne by farmers in the production process, both in cash and non-monetary terms (Daniel, 2002). Farmers must maximize their production to avoid seeing an increase in financing for their farms.

However, in reality, the income of some producers is not in balance with the production costs borne by cocoa producers, such as: Such as the costs of fertilizers, the costs of harmful poisons, the prices of which increase every year, the raw material costs and labour costs to carry outside grafting, etc. The best grafting methods to replace old chocolate plants that are no longer producing, so you can get good quality cocoa beans later. Sometimes the quality of cocoa beans is affected by weather conditions, especially during the rainy season, because cocoa beans do not dry out quickly. Usually, the weight value decreases during the process of sale to the nearest collector, which affects the income of the farmer.

Sales made do not guarantee that farmers will make a profit. Indeed, sales results must always be deducted from the costs borne by farmers to produce their products. Cost is one aspect that can impact profits. If costs are greater than revenues, the company makes a loss, but if they are less than revenues, the company makes a profit. This decline in income is also due to farmers' lack of attention to paying the costs of maintaining production (Haryana, 2017).

A. Methodology

1. Research Design

This research uses a type of quantitative research. Used to search for specific populations or samples. This type of research is quantitative, i.e. it involves determining or describing a phenomenon that occurs using data in the form of numbers as a tool to analyze the problem that one wishes to know about. Data collection techniques used to collect information include conducting interviews, observations and documentation.

2. Participants/Respondents/Population and Sample

. The population of this study consisted of 45 cocoa farmers/farmers in the Ulunggolaka village area of Kolaka district. Sampling in this study used the Slovin method, identifying 31 names of cocoa farmers as respondents.

3. Technique of Data Collection

The data collection methods are: Observation (observation) is a method of data collection carried out by researchers to observe or record an event through direct testimony. Typically, research can be conducted in the form of participation in witnessing or observing an object being studied (Ruslan, 2010). Documentation is the collection of data from documents and libraries as material for analysis and obtained in this research. This method is a method of data collection that provides important clues about the problem being studied to obtain complete and valid data and is not based on research and interviews, but rather on data directly from respondents to the means of questions and answers collected to obtain information. related to the research being investigated.

4. Technique of Data Analysis

The data analysis used in this research involves quantitative analysis using a formula, namely the application of revenue analysis to calculate revenue, total costs and revenue.

B. Findings and Discussion

1. Findings

Ulunggolaka Village is one of the seven (seven) subdistricts in Latambaga District, Kolaka Regency, Southeast Sulawesi Province, where the average citizen earns a living as a farmer, including as a cocoa producer. Geographically, Ulunggolaka village is a hilly and mountainous area with an altitude of 12,000 m above sea level, heavy rainfall of 2,000 to 3,000 mm/year, and an average air temperature of 15 to 30°C. Ulunggolaka sub-district is an agricultural area where the majority of the population earns their livelihood from agriculture, particularly in the farming and plantation sectors, while other livelihoods consist of trade in processed agricultural and plantation products.

2. Discussion

Farmers are people who engage in business activities to meet the needs of the agricultural sector. To obtain information, the identity of the farmer interviewed is one of the important elements that can facilitate the smooth running of the research process. The identities of the interviewed farmers are discussed below, including their age, education level, number of family members, experience in farming, and size of land owned by the farmer.

1. Analysis of the cost of income from cocoa farming

Agricultural income is the difference between income (TR) and all costs (TC), total agricultural income is the multiplication of production and selling price of agricultural products, while total costs are all expenses incurred on a farm (Purwanto et al., 2019).

1.1 Cost Analysis Results

a. Results Fixed costs (fixed costs)

Fixed costs are costs that always remain the same, even if the quantity of production changes. Fixed costs are costs that do not affect production and are incurred even if the production achieved is large or small, and even if production is not realized, the amount of costs does not depend on the level of production costs reached. The fixed costs involved in this study include equipment depreciation value (NPA) and land and property tax costs (PBB).

Table 1. The average value of equipment depreciation (NPA) of fixed costs for cocoa farmers in Ulunggolaka Village, Kolaka Regency.

No	Name	Total cost
1	Hoe	9.328
2	Like	26.642
3	Spray pests (sprayer)	62.097
4	Scissors	7.463
5	Harvesting scissors	8.551
Total		114.081

Source: primary data after processing

Table 1 shows that the cost of a hoe is Rp. 1,000,000. 9,328 The cost of the machete is IDR. The cost of pruning shears is Rp. 26,642. 7,463. The cost of pest spraying is Rp. 62,097. The cost of scissor harvesting is Rp. 8,551. The highest cost is the cost of pest spraying with a cost of Rp. 62,097. And the lowest cost of a pruner is Rp. 7,463. The total amount of fixed costs is Rp. 114,081, so we can conclude that the higher the quality of the agricultural equipment used is higher, the longer the useful life and this increases cocoa income for farmers.

Table 2. Results of recapitulation of average fixed costs and taxes incurred by cocoa farmers in Ulunggolaka Village, Kolaka Regency.

No	Description	Total Cost
1	Equipment depreciation value (NPA)	Rp. 114,081
2	Property tax	Rp. 56,516
Total		Rp. 170,597

Table 2 shows that the total value of equipment depreciation (NPA) is IDR. 114,081, while the land and construction tax (PBB) is IDR. 56,516. The total fees therefore amount to IDR 170,597. On the other hand, the larger the area used for cocoa cultivation, the more the costs of land and real estate taxes increase, in particular as well as the income of the farmer.

b. Variable Costs

Variable costs are all costs that surveyed farmers incur for purchasing fertilizers and pesticides and whose costs change. Variable costs in this research include fertilizer, pesticide, and labour costs.

Table 3. Results of recapitulation of average variable costs for cocoa farmers in Ulunggolaka Village, Kolaka Regency.

No	Description	Total cost
1	Phonska fertilizer cost	Rp. 553,548
2	Urea fertilizer costs	Rp. 571,290
4	Alia insecticide cost	Rp. 120,645
5	Gramaxone herbicide cost	Rp. 402,581
7	Labor costs	Rp. 506.129
Amount		Rp. 2,154,193

Table 3 shows that the cost of Phonska fertilizer is IDR 553,548, the cost of urea fertilizer is IDR 571,290, the cost of Alia insecticide is IDR 120,645, the cost of Gramaxone herbicide is IDR 402,581 and labour cost is IDR 506,129. The highest cost is the cost of urea fertilizer IDR 571,290 and the lowest cost is IDR 120,645 for Alia insecticide. The total amount of variable

costs is IDR. 2,154,193. The conclusion is that the higher the variable costs of maintaining cocoa plants, the lower the income of cocoa producers.

c. Chocolate Farmer Income.

Table 4. Cost and income analysis of all interviewed farmers in Ulunggolaka village, Kolaka regency.

No	Description	Amount (RP)
1	Total Pennies/Revenue (TR) = P x Q Amount/ Quantity (Q) Price/price (P)	= 459 =29.000/kg
	Total Receipts	= Rp. 13,311,000
2	Cost	
	a. Variable costs (VC)	
	• Labour	=Rp. 506.129
	• Fertilizer	= 1.124.839
	• Pesticide	= 523.226
	Total variable costs	Rp. 2,154,194
	b. Fixed costs (FC)	
	- Tax	= Rp. 56,516
	• Tool depreciation	
	- Hoe	= Rp. 9,328
	- Like	=Rp. 26.642
	- Spray pests	=Rp. 62,097
	- Pruning shears	=Rp. 7.463
	- Harvesting scissors	= <u>Rp. 8. 551+</u>
	Total fixed costs	=Rp. 170,597
3	Total cost (TC) = TVC + TFC Variable costs (VC) Fixed costs (FC)	= Rp. 2,154,194 = <u>Rp. 170,597 +</u>
	Total production costs	=Rp. 2,324,791
4	Income (Pd) = TR-TC Reception Total production costs	Rp. 13,311,000 <u>Rp. 2,324,791 -</u>
	Total income	Rp. 10,986,209/ year

C. Conclusion

Based on the research results and discussions on the influence of production costs on the income of cocoa farmers in Ulunggolaka Village, Kolaka Regency, the following conclusion can be drawn: The average income of chocolate farmers in Ulunggolaka village, Kolaka Local Government Area is approximately 10,986,209/year throughout 5 to 6 harvests; Based on the average costs incurred by chocolate producers during the production process, this is the IDR. 2,324,791.

D. References

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