



# INCOME ANALYSIS AND CONSTRAINTS OF BROILER CHICKEN BUSINESS IN DEWANTARA DISTRICT, ACEH UTARA REGENCY (CASE STUDY IN UD. KARYA CIPTA)

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#### Abstract

Livestock business is part of the development of the agricultural sector which has strategic values, among others in providing food needs. The purpose of this study were to determine the constraints of broiler business in Gampong Ulee Reuleung, Dewantara Sub-district, Aceh Utara District. The research methods used are quantitative and qualitative descriptive analysis. The results showed that the gross income and the net income obtained by UD.Cipta Karya broiler chicken business are Rp 43,290,000,- and Rp.2.263,362,91,- in production process. The R/C ratio of 1.05 and the B/C ratio of 0.05. Therefore it can be concluded that the broiler chicken business UD. Cipta Karya is feasible and profitable. Generally that the constraints faced by UD Karya Cipta broiler chicken business are seeds, capital, labor and climate.

#### Keywords: broiler chicken business, income, constraints.

# **1. INTRODUCTION**

Livestock business is part of the development of the agricultural sector that has strategic value, among others, in meeting the increasing food needs due to the increasing population, increasing the average income of the population, and creating jobs. This is also in line with the revitalization policy of agriculture, fisheries and forestry that has been planned by the government. The large potential of natural resources, allows the development of the livestock sub-sector to become a new source of growth for the Indonesian economy. Livestock is one of the five sub-sectors of agriculture. Livestock is an activity to raise livestock to be cultivated and benefit from these activities (Rasyaf, 2002).

The livestock sub-sector is divided into large livestock, namely cattle (dairy/beef), buffalo and horses as well as small livestock consisting of goats, sheep, and pigs as well as poultry (chickens, ducks and quails). One source of animal protein that has high nutritional value is meat. Meat is ranked as one of the most widely consumed sources of animal protein by the public, because of its delicious taste and high nutritional content. The most familiar source of meat and very often consumed by most Indonesian people is chicken, one of which is broiler chicken which has been popular in Indonesia since the 1980s. Broilers are also known as broilers.

The reason why many breeders or producers raise broiler chickens is because they consider the broiler business to have more value than other poultry, including market demand for meat is very good, maintenance is relatively short and not too difficult, and fast capital turnover. This is what underlies the number of breeders or producers entering and developing broiler farming businesses with many producers engaged in broiler farming causing intense competition among producers. The increasingly fierce competition between fellow breeders and fellow broiler chicken entrepreneurs in supplying market demand, requires every broiler chicken producer to be good at reading the situation or environmental conditions that are happening.

Gampong Ulee Reuleung, Dewantara District, North Aceh Regency is one of the broiler chicken farms by running an independent business that started from 2008 until now. The size of the

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profits obtained by the company is influenced by the amount of costs incurred. The level of profit earned by UD. Karya Cipta is from the amount of income that has been reduced by the amount of expenses incurred, namely the cost of seeds, feed, medicines, from the remaining income, UD. Cipta Karya has to pay for the building of the stables, labor, electricity costs, and so on. This study aims to analyze income and find out the constraints obtained by UD's business. Cipta Karya, Dewantara District, North Aceh Regency.

# 2. RESEARCH METHODS

The location of this research was conducted in UD. Karya Cipta, Gampong Ulee Reuleung, Dewantara District, North Aceh Regency. Determination of the location of this study was done intentionally at UD. This copyright is the only broiler production site in Ulee Reuleung Village that runs its own business.

The data used in this study are primary data and secondary data. Primary data is data obtained by conducting direct observations in the field and the results of interviews using questionnaires to the owners of farmers in UD. The work of Cipta Gampong Ulee Reuleung, Dewantara District, North Aceh Regency. Secondary data is data obtained from relevant literatures, such as the Central Statistics Agency, books, internet, research journals, and other literature related to this research.

The method used is a quantitative and descriptive qualitative analysis method. Quantitative analysis used to calculate gross income (revenue) used the formula (Arsyad, 2000):

# $\mathbf{TR} = \mathbf{P} \mathbf{x} \mathbf{Q}$

Information : TR = Total Revenue P = Selling Price Q = Total Product

To calculate net income (profit) use the formula:

$$= TR - TC$$

Information : = Profit (Total Profit) TR = Total Revenue (Total Revenue) TC = Production Cost (Total Cost)

To find out the level of income use the following formula:

$$\mathbf{R/C} = \frac{\text{Total Pendapatan Kotor (Rp)}}{\text{Total Biaya (Rp)}}$$

With the following decision criteria:

1. If the R/C > 1, the business is feasible.

2. If R/C = 1 business return on investment

3. If the R/C < 1, the business is not feasible.

B/C ratio is a measure of the comparison between profits and total costs. Mathematically it can be formulated as follows:

$$B/C = \frac{\text{Total Pendapatan Bersih}(Rp)}{1}$$

Total Biaya (Rp)

With the following decision criteria:

1. If B/C > 0 the business is profitable.

2. If B/C = 0 return on investment

3. If B/C < 0 the business is not profitable.





# **3. RESULTS AND DISCUSSION**

Table 1The cost of equipment used at UD. Copyright works

No	Name Equipment	Unit	Amount (units)	Price Unit (Rp)	Total cost (Rp)	Age econo	shrinkage /	shrinkag e/
						mical	year	month
1.	Places to eat	Unit	120	30,000	3,600,000	5	720,000	60,000
2	Drinking places	Unit	120	100,000	12,000,00 0	5	2,400,000	200,000
3.	Water hose	Unit	2	280,000	560,000	5	50,000	4.166
4.	Water pump machine	Unit	4	450,000	1,800,000	5	360,000	30,000
5.	Fan	Unit	14	500,000	7,000,000	5	1,400,000	116,666.6 6
6.	Light bulb	Unit	60	45,000	2,700,000	1	2,700,000	225,000
7.	Well		4	2,000,000	8,000,000	15	533,333.3 3	44,444.44
8.	Land lease	Н	2	5,000,000	5,000,000	10	500,000	41,666.66
9.	Pushcart	Unit	3	500,000	1,500,000	5	300,000	25,000
10.	Electrical installation	Unit	33	25,600	844,800	15	56,320	4,693.33
	Total number				43,204,80 0		9,019,653. 33	751,637.0 9

Source: Primary data processed, 2018

Table 2Building Cost								
No	Description	Unit	Jlh	Unit price (Rp)	Total cost (Rp)	Age economical	shrinkage / year	shrinkage / Month
1.	Cage	Unit	7	27,000,00 0	189,000,0 00	15	12,600,00 0	1.050.000
	Total number				189,000,0 00		12,600,00 0	1.050.000

Source: Primary data processed, 2018

Table 3Labor Wages UD. Copyright works						
No	Information	Amount labor	Wages (Rp)	Total number (Rp)		
1.	Maintenance and	4	1,300,000	5,200,000		

Harvesting Source: Primary data processed, 2018

Table 4Details of variable costs in UD. Karya Cipta's business

No	Description	Vol	Unit	Unit price (Rp)	Total cost (Rp)
A.	Raw material				
1.	DOC Seeds	1,300	Tail	7,000	9,100,000
2.	Feed	60	Sak	350,000	21,000,000
3.	Nopstress	22	Wrap	5,000	110,000
4.	Trimixin 480	23	Wrap	5,000	115,000
				The amount of	30,325,000

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				costs	
B.	Other Fees				
ŀ.	tarpaulin	7	Roll	100,000	700,000
5.	Electricity	1	Month	1,000,000	1,000,000
6.	Chicken delivery fee	1	Production	800,000	800,000
<i>.</i>	Cage Care	1	Month	1,200,000	1,200,000
				The amount of	3,700,000
				costs	
				Amount	34,025,000

Source: Primary data processed, 2018

Table 5 Details of Usage Total Production Cost of broiler chicken business per production

No.	Output Type	Amount
(1)	(2)	(3)
1.	Fixed cost	7,001,637.09
2.	Variable Cost	
	a. Raw material	30,325,000
	b. Miscellaneous expense	3,700,000
	Total	41,026,637.09
Source <sup>.</sup>	Primary Data (Processed) 2018	

Source: Primary Data (Processed), 2018

Based on table 1 shows that the largest broiler production costs incurred is the cost of raw materials, namely Rp.30,325,000,- While the lowest cost incurred is for other costs of Rp.3,700,000, - so that the total production costs incurred by broiler chicken farms UD. Copyright is Rp. 41,026,637.09,- production.

No.	Description	Unit	Total kg
(1)	(2)	(3)	(4)
1.	Broiler Chicken Production	Kg	2,340
2.	Selling price	Rp/Kg	18,500
	Production Value		43,290,000

Table 6 Broiler Chicken Business Acceptance	Э
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Table 2 shows that the production of broiler chickens produced is 2,340 kg per production, with a selling price of Rp. 18.500/kg, then the total revenue is Rp. 43,290,000,- per production.

Profit (
$$\pi$$
) = TR - TG

= Rp. 43,290,000 - Rp. 41,026,637.09 = Rp. 2,263,362.91,-

The net income received by the broiler farming business is Rp. 2,263,362,91,- per production obtained from the reduction between gross income and the total production cost of broiler chickens.

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R/C = \frac{\text{Total Pendapatan Kotor } (Rp)}{R}
            Total Biaya (Rp)
  Rp.43.290.000
 Rp.41.026.637,09
= Rp. 1.05
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The value of the R/C ratio of 1.05 means that every Rp. 1.00 of expenses incurred in an initial business activity gives an income of 1.05 times the costs that have been incurred.



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 $B/C = \frac{\text{Total Pendapatan Bersih (Rp)}}{\text{Total Biaya (Rp)}}$  $= \frac{\text{Rp.2.263.362,91}}{\text{Rp.41.026.637,09}}$ = Rp. 0.05

The B/C Ratio value obtained is 0.05, this indicates that the B/C value is greater than zero (0) then the broiler farming business is profitable.

# **3.1 Broiler Chicken Business Constraints**

Constraints of each of the broiler chicken farming business can be seen as follows:

#### 3.1.1 DOC (Day Old Chicken) Seeds

Seedlings determine the level of income received at UD. Karya Cipta, if the quality of the seeds is superior, it is likely that the income received will be high. Superior quality seeds are also very difficult to obtain by breeders, if superior quality is obtained, at the time of harvesting they will also get good results. The price of superior manifold seeds is around Rp. 7,000/head. If the usual type of DOC seeds ranges from Rp. 5,000 / head.

#### 3.1.2 Capital

Problems in capital is a problem that is currently faced by entrepreneurs. Capital is a very important factor in the business, especially the UD broiler business. Copyright works. One of the obstacles to managing this business is the lack of available capital because the capital starts from joint capital, namely family capital.

In running its business UD. Karya Cipta uses personal fees, because there are no formal financial institutions such as banks, cooperatives and others who intend to lend business capital because they are considered UD. Cipta Karya is not able to provide benefits to the lender.

# 3.1.3 Labor

Constraints faced by UD. Cipta Karya, namely the lack of labor in broiler chicken maintenance activities. Labor is not easy to find, because not all workers are able to handle the process of maintenance to harvesting. UD. Karya Cipta has 4 workers who are paid Rp. 1,000/head.

#### 3.1.4 Weather

Weather is a very influential component from the beginning of maintenance to harvesting in the process of success of broiler chickens. Changes in weather cause broiler chickens to be susceptible to disease and cause death in the broiler chicken.

#### **5. CONCLUSION**

Based on the results of the study, it can be concluded that:

Gross income earned by UD. Copyrights amounting to Rp.43,290,000, - per production. The net income received is Rp. 2,263,362,91, - per production. The value of the R/C ratio is 1.05. And the value of the B/C ratio is 0.05. Therefore, it can be concluded that the broiler chicken farm UD. Copyright works are feasible and profitable. Constraints faced by broiler chicken business UD. Cipta Karya generally includes seeds, capital, labor and weather.

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