

# Feasibility Study of Na-Oogst Tobacco in Jember District

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**ABSTRACT:** Na-Oogst tobacco or also called Besuki Na-Oogst tobacco is a type of cigar tobacco that is grown in the dry season and harvested at the beginning of the rainy season where the export market share is very promising at a high enough price. Jember is the center of this type of tobacco. This study aims to determine the level of profit and feasibility of Tobacco Na Oogst farm business in Jember Regency. This study used Multistage Cluster Sampling, with the number of respondents are 120 people. The results showed that Tobacco Na Oogst farm business per hectare requires a total cost of Rp27,042,469 and resulted in a total revenue of Rp168,633,671. Thus, Tobacco Na Oogst farm business per hectare is able to produce a net profit of Rp141,591,202. The R/C Ratio of Tobacco Na Oogst farm business is 6.24 (R/C ratio> 1). This means that every Rp1,000 the costs incurred for Tobacco Na Oogst farm business able to provide revenue of Rp6,240. Therefore, Tobacco Na Oogst farm business is feasible.

Keywords: Feasibility Study, Farm Business, Tobacco, Revenue

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#### INTRODUCTION

The ten largest tobacco producing countries in the world are China, Brazil, India, USA, Zimbabwe, Indonesia, Zambia, Pakistan, Argentina, and Tanzania (FAOSTAT, 2021). Indonesia is in sixth position, where based on data from the Central Statistics Agency (BPS) noted that the total tobacco production in Indonesia reached 236.9 thousand tons in 2021. This value decreased 9.37% from the previous year which was 261.4 thousand tons. Jember Regency is one of the main centers of tobacco plantations in East Java (BPS, 2022).

Jember Regency has a climate, land, water, and human resources that are very supportive for the development of tobacco plants. Tobacco plants that have adapted in Jember Regency and are already popular are Na Oogst Tobacco and VoorOogst Tobacco. Specifically, Na Oogst Tobacco, is wellknown in international trade because it has a distinctive aroma and taste when compared to other regions or countries, so this type of Tobacco is a superior product of Jember Regency as well as a superior product of Indonesia. According to Pratama, et al (2018), the main variety of tobacco that can be grown in Jember Regency is Besuki Na-Oogst Tobacco. Besuki Na-Oogst tobacco provides high profits when compared to other commodities.

Actually, the tobacco-producing centers in Jember Regency are divided into 3 planting areas, namely North Jember, Central Jember, and South Jember. North and Central Jember, namely the Districts of Arjasa, Pakusari, Jelbuk, Kalisat, Mayang, and Sumberjambe, are centersfor the production ofVoorOogst Tobacco. Meanwhile, South Jember, namely Ambulu, Wuluhan, Tempurejo, and Puger Districts, is the center for Na Oogst Tobacco production. This is because Na Oogst Tobacco and VoorOogst Tobacco require unequal climate and land conditions, if climate and land conditions do not meet the requirements to grow, the tobacco leaves produced are of poor quality (Widarti, 2006).

As a business like any other business, farming aims to get the maximum profit. Farmers will compare the results that are expected to be received at harvest time (receipt) with the costs (sacrifice) that must be incurred. The results obtained by farmers at harvest are called production (production multiplied by price is called revenue), while the costs incurred are called production costs. Before carrying out his farming activities, a farmer must have prepared the farming he wants to cultivate. Which one of the various alternatives is more profitable? Farmers will make calculations in their agricultural business, so that the calculation that is more profitable will be chosen.

The research entitled "Feasibility Study of Na Oogst Tobacco in Jember District" aims to determine the amount of Total Cost, Total Revenue, Total Profit, and Feasibility of Tobacco Farming. This more in-depth research on tobacco farming will be useful for farmers to understand more precisely the farming that they have been involved in for many years, because based on the results of preliminary observations they only make financial calculations that are not written and are approximate, so the results are less accurate. In addition, this research is also useful for the Department of Food Crops, Horticulture, and Plantation of Jember Regency in determining tobacco policies, in order to improve the standard of living of tobacco farmers.

### METHODOLOGY

#### Place and time of research

This research was conducted in Ambulu District and Wuluhan District, Jember Regency, East Java Province (East Java) from May to July 2018. The two districts were chosen because the main centers of Na Oosgt Tobacco are in Wuluhan District and Ambulu District (Purnama Sari, 2014; BPS Jember, 2022).

#### Data source

Data is a collection of information. This information can be classified into two, namely primary data and secondary data (Cooper and Emory, 2008). The data sources used in this study are primary data and secondary data.

- 1. Primary data is data or information obtained from the first source/respondent (Sarwono, 2017). In this study, primary data were obtained from Na Oogst Tobacco farmers using a questionnaire.
- 2. Secondary data is data published or used by organizations that are not the processor (Sulisyanto, 2010). Or, secondary data is data that has been collected by other parties (Kuncoro, 2003). In this study, secondary data were obtained from FAOSTAT and the Central Statistics Agency (BPS) of Jember Regency.

#### Method of collecting data

Data collection methods are techniques or methods that researchers can use to collect data (Riduwan, 2014). There are several methods of data collection, namely Questionnaire, Interview, Observation, Test, Documentation (Arikunto, 2003). Coupled with Literature Review or Literature Review (Nazir, 2013). The data collection methods used in this study were: observation, interviews, questionnaires, and literature study.

- 1. Observation. This research uses Field Research with survey research methods as primary data collection and Library Research as secondary data.
- 2. Interview. Interview technique is used to find out the problem in more depth. Interviews were conducted with Field Agricultural Extension Officers (PPL), Village Heads, and respondent farmers to obtain relevant information regarding the activities of Na Oogst Tobacco Farming.
- 3. Questionnaire. Questionnaires were conducted to obtain information about the activities of Na Oogst Tobacco farming. This technique is suitable for use when the number of respondents is large, can read well, and can reveal confidential matters.
- 4. Literature Studies. In this study a literature study was conducted to obtain relevant research and theoretical foundations to support the concepts used in this research.

#### Sampling Method

This research was conducted using Multi Stage Cluster Sampling. Sampling is done through certain stages. So a population can be divided into first-order clusters, then these first-order clusters can also be divided into second-order clusters and second-order clusters can still be divided into further-level clusters. This is called Multi Stage Cluster Sampling (Mantra and Kasto in Singarimbun and Efendi (2011).

The steps in the Multi Stage Cluster Sampling of this research are:

- 1. Determination of the sample area at the district level is done by purposive sampling method, where the selection of the sample area is determined based on the consideration of whether the area is a Na-Oogst Tobacco center area or not. The main centers of Na Oosgt Tobacco in Jember are in Wuluhan and Ambulu sub-districts (Purnama Sari, 2014, BPS, 2021). Based on the above, this research is focused on Wuluhan and Ambulu sub-districts.
- 2. Determination of the sample area at the sub-district level is also carried out using the purposive sampling method, where the selection of the sample area is determined based on the consideration of whether the area is a Na-Oogst Tobacco center area or not. From Wuluhan and Ambulu sub-districts, four villages were determined. The details are as follows:
  - a. Ambulu, 4 Villages: Sumberejo, Sabrang, Andongsari, & Pontang.
  - b. Wuluhan, 4 Villages: Kesilir, Tanjungrejo, Ampel, & Tamansari.
- 3. Sampling at the farm level using snowball sampling. Snowball sampling is a technique for determining a sample that is initially small in number, then enlarges. It's like a rolling snowball that grows bigger over time. In determining the sample, first one or two people are selected, then from these two people are asked to choose their friends to be used as samples. And so on, so that the number of samples increases (Sugiyono, 2012). From each village 15 farmers were selected as respondents. So that from these two sub-districts 120 respondents were collected from Na Oogst Tobacco Farming.

## Data analysis method

This research was analyzed quantitatively by using Farming Analysis, namely Cost, Revenue, Income Analysis and Analysis of Return/Cost Ratio (R/C Ratio).

## Total Cost

To find out how much the total cost incurred by the Na Oogst Tobacco farmer, it is necessary to calculate all the costs incurred for each input, from planting to post-harvest.

Cost in a broad sense is the sacrifice of economic resources measured in units of money that has occurred or is likely to occur for certain purposes (Mulyadi, 2014). In a narrow sense, cost is an economic source to obtain the cost of goods. While costs in the perspective of producers or suppliers are all the burdens that must be borne by producers to produce a production. To find out the total costs incurred can be mathematically calculated using the formula (Firdaus, 2017):

TC = TFC + TVC Where: TC = Total Cost (Total Cost) TVC = Total Variable Cost (Total Variable Cost) TFC = Total Fixed Cost (Total Fixed Cost)

#### **Total Revenue**

To find out how much revenue is obtained from Na Oogst Tobacco farming, first it is necessary to analyze the total revenue from Na Oogst Tobacco farming.

Total revenue from a company (producer) is the product of the price per unit of product with the number of products sold (Soekartawi, 2006; Suratiyah, 2015). So, the total revenue is obtained by the formula:

TR = P X Q Where : TR = Total Revenue (Total revenue) Q = Total Quantity (Number of Products) P = Price Product

## Net profit

Profit or net profit is the difference between total revenue and total cost (Soekartawi, 2006). Thus, the net income received by Na Oogst Tobacco farmers is obtained by the formula:

 $\pi = TR - TC$ Where :

п = Net Return

TR = Total Revenue

TC = Total Cost

## R/C Ratio

Income is not only measured by absolute value but also its efficiency is analyzed. One measure of efficiency is revenue for every rupiah spent (revenuecost ratio or R/C ratio). So the analysis of the R/C ratio can be used to test the profitability of a branch of farming (Soeharjo and Patong, 1973). R/C ratio is business efficiency, which is a measure of the comparison between Total Revenue (R) and Total Cost (TC). Efficient (profitable) business if the R/C value > 1 (Soekartawi, et al, 2011; Suratiyah, 2015).

## CONCLUSION

From the results of research and discussion, conclusions can be drawn as follows:

- 1. Tobacco farming Na Oogst per hectare requires a total cost of Rp. 27,042,469 and generates revenue of Rp. 168,633,671.
- 2. Tobacco farming Na Oogst per hectare is able to generate a net profit of 141,591,202, -.

3. The R/C Ratio of Na Oogst Tobacco Farming is 6.24 (R/C ratio >1) so that the farming is feasible to cultivate.

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