ANALYSIS OF THE ADDED VALUE OF "LUWAK COFFEE" (STUDY IN THE VILLAGE OF KAYUMAS, DISTRICT ARJASA, SITUBONDO)

Gema Iftitah Anugerah Yekti[1], Yasmini Suryaningsih[2]

INDONESIA

ABSTRACT

The purpose of this research was to analyze the added value of "luwak coffee" in Kayumas village, District Arjasa, Situbondo. Methods of data collection used were in-depth interviews with 13 farmers who produce "luwak coffee". Data were analyzed using analysis of value-added Hayami method to determine the added value and the ratio of value-added. The added value is positive if the ratio of added value> 50%, and negative when the added value of <50%. The results showed that the production of 1 kg of arabica coffee into 0.263 kg of "Luwak coffee" HS of creating added value of Rp 10.625. The ratio of added value shows a positive value of 62.31% is included in the high added value.

Keywords: value added, luwak coffee, arabica coffee, agricultural country

INTRODUCTION

Indonesia is an agricultural country that largely populated livelihood in the agricultural sector. This is supported by the climate and soil conditions in accordance with the agricultural sector. However, so far the development of agriculture Indonesia has yet to reach optimum progress. Indonesian farmers so that on average they have not reached their welfare. Many factors cause Indosenesia yet prosperous farmers, among others, the quality of agricultural human resources is still low and the lack of access to information and technology received by farmers. As a result, until recently assumed farmers farming operation only for subsistence only.

LITERATURE REVIEW
Agro Industry

The government has sought various ways in order to improve the welfare of farmers, one through agro-industries. The concept of agro-industries are used for the purpose of generating profit values by means of the processing of agricultural products (Soekartawi, 2000). With the agro-industry, is expected to provide added value to the raw materials of agricultural products whose value is relatively low.

Situbondo is a center of well-known coffee producer in Indonesia, especially in East Java, namely Arabica coffee Kayumas. Known as Kayumas Arabica coffee because coffee production is centered in the village of Kayumas, District Arjasa.

Table 1.   Development of Arabica Coffee Production Kayumas Village, District Arjasa

No	Year	Total Area (Ha)	Production (Ton)	Productivity (Kg / Ha / Year)
1	2010	1.014	675.120	1.305
2	2011	1.014	1.116.120	2.220
3	2012	1.058	1.184.400	1.800
4	2013	1.084	1.487.400	1.864

Source: Department of Agriculture Situbondo, 2014

The table above shows the expansion of the area of land to plant coffee from 2010-2013. The expansion of land area a positive impact on coffee production also increased, and productivity is also improved. It shows that the potential Kayumas arabica coffee agro-industry developed as promising for the welfare of farmers.

Coffee Product
Arabica coffee plantations Kayumas the coffee plantations are managed for generations by the people of the village Kayumas by maintaining the organic farming system. Thus, the product Kayumas Arabica coffee is organic coffee products that can compete with other coffee products. However, by far the majority of coffee farmers in the village Kayumas still sell their harvest of coffee in the form without being processed first. The lack of information about the cause of their agro-industrial coffee harvest directly to market directly to middlemen. It certainly will affect the selling price of coffee that will result in their incomes are relatively low. In fact, there are many ways to get more value than just sell crops in the raw state, one of which is the "luwak coffee" agro-industry.
Agroindustri "luwak coffee" is coffee processing business is quite promising, with the selling price as well as high demand. Raw materials were adequate, the number of consumers is high, and manufacturers are still limited to make "luwak coffee" agro-industry has a great opportunity to be developed in the village Kayumas, District Arjasa.
Based on the above, the purpose of the study is to analyze the added value of the production process "luwak cofee" in Kayumas Village, District Arjasa, Situbondo.

RESEARCH METHODS
The study was conducted in the village of Kayumas, District Arjasa, Situbondo. The choice of location research done intentionally (purposive method) with consideration Kayumas Village is a center of coffee production in Situbondo. in addition, in the village of Kayumas there are a number of coffee farmers who produce "luwak coffee" .
Determination of the respondents to the census technique which means that a sampling technique when all members of the population used as a sample, because the population is relatively small, less than 30 people (Sugiyono, 2007). The population of farmers producing "luwak coffee" amounted to 13 farmers, so entirely sampled.
Primary data were obtained by direct interviews with indepth interview method, to obtain in-depth information from respondents. Meanwhile, secondary data obtained from the Department of Agriculture and the Office of Kayumas village.
The data obtained were analyzed with Hayami method to determine the added value. Calculation procedure Hayami value-added method as follows.

Table 2. Added Value Calculation Method Framework Hayami

Variable	Value
I. Input and Output Prices	
1. Output (kg)	(1)
2. Input (kg)	(2)
3. Workers (HOK)	(3)
4. Conversion Factor	(4) = (1)/(2)
5. Coefficient of Labor (HOK / kg)	(5) = (3)/(2)
6. Output Price (Rp)	(6)
7. Salary of Workers (Rp / HOK)	(7)
II. Reception and Advantages	
8. Raw Material Price (RP / kg)	(8)
9. Donations other inputs (RP / kg)	(9)
10. Output Value (RP / kg)	(10) = (4)x(6)
11. a. Added Value (RP / kg)	(11a) = (10) – (9) – (8)
b. Ratio of value added (%)	(11b) = ((11a)/(10)x100%)
12. a. Labor income (RP / kg)	(12a) = (5)x(7)
b. The share of employment (%)	(12b) = ((12a)/(11a)x100%)
13. a. Profit (RP / kg)	(13a) = (11a) – (12a)
b. section profits	(13b) = ((13a)/(11a)x100%)
III. Reply Owners Services Production Factor	
14. Margin (Rp / kg)	(14) = (10) – (8)
a. Labor income (%)	(14a) = ((12a)/(14)x100%)
b. Donations other input (%)	(14b) = ((9)/(14)x100%)
c. Advantages employers (%)	(14c) = ((13a)/(14)x100%)

Source: Hayami, at all (1989) in Baroh (2007)

If the ratio of added value> 50%, the added value is high (positive), if <50%, the added value is low (negative) (Hayami, 1989 in Baroh, 2007).

FINDING AND DISCUSSION
Added value of the processing " Luwak Coffee". Production of **"luwak coffee" Rakyat** in the village Kayumas lasted for eight years and began in 2008. In the first year, there is only one farmer who produces " luwak coffee", after entering the fourth year began to rise as much as 8 until now reached 13 people.

"Luwak coffee" in the village Kayumas, sold in the form of **"Luwak coffee" HS** at a price higher than the arabica coffee HS. The calculation of value-added analysis "luwak coffee" HS in Table 3 below.

Table 3. Calculation of the Value Added "luwak coffee"

Variable	Value
I. Input and Output Prices	
1. Output (kg)	8
2. Input (kg)	30,38
3. Workers (HOK)	0,26
4. Conversion Factor	0,263
5. Coefficient of Labor (HOK / kg)	0,0085
6. Output Price (Rp)	65.000
7. Salary of Workers (Rp / HOK)	20.000
II. Reception and Advantages	
8. Raw Material Price (RP / kg)	6.000
9. Donations other inputs (RP / kg)	442,58
10. Output Value (RP / kg)	17.095
11. a. Added Value (RP / kg)	10.625,42
b. Ratio of value added (%)	62,31
12. a. Labor income (RP / kg)	170
b. The share of employment (%)	2,72
13. a. Profit (RP / kg)	10.482,42
b. section profits	99,57
III. Reply Owners Services Production Factor	
14. Margin (Rp / kg)	11.095
a. Labor income (%)	1,53
b. Donations other input (%)	3,99
c. Advantages employers (%)	94,48

Source: Data processed, 2015

Based on the above table it is known that the average amount of output produced is equal to 8 kg of HS "luwak coffee" arabica coffee as much as 30.38 kg. Thus, a conversion factor obtained is 0.263. The conversion value shows that every 1 kg of Arabica coffee processing will generate 0.263 kg of "luwak coffee" HS.

The added value obtained from processing 1 kg of "luwak coffee" arabica coffee into HS is RP 10652.42 / 0.263 kg. It means the acceptance of farmers every production of 1 kg of "luwak coffee" arabica be 0.263 kg is IDR 10652.42. Meanwhile, the ratio of the added value was 62.31%. This means, in the processing of coffee arabica "luwak coffee" menjaddi HS provides an added value of 62.31% of the product value. According to Hayami (1989) in Baroh (2007) if the ratio of added value> 50%, the added value is high (positive). The results of the above analysis showed a positive added value resulting from the processing of

arabica "luwak coffee" Kayumas be at 62.31%. By cultivating Arabica coffee into "luwak coffee" will increase farmers' income from the sale of 1 kg of Arabica coffee HS for Rp 6,000 to Rp 17 095 (0,263xRp 65,000) when processed into "luwak coffee" HS. It proves that the "luwak coffee" agro-industry can provide added value to increase the income of farmers. The results of analysis of value added also menunjukka margins from raw material becomes "luwak coffee" arabica coffee HS distributed to labor income, the contribution of other inputs, and benefit farmers. Each processing 1 kg of coffee arabica "luwak coffee" HS Kayumas be obtained by a margin of RP 11 095, which is distributed to workers by 1.53%, 3.99% contribution of other inputs, and the profitability of 94.48%.

CONCLUSIONS AND RECOMMENDATIONS
Conclusion
The conclusion that can be drawn from research on "Analysis of Added Value in the Village Kayumas Kopi Luwak" is the production of 1 kg of Arabica coffee into 0.263 kg of "luwak coffee" HS creating added value of Rp 10.625. The ratio of added value amounted to 62.31%, which was included in the high added value (positive).

Recommendations
Based on the research results, it is expected that farmers can switch cultivate arabica coffee in the form of "luwak coffee" to increase its income. Moreover, formation of farmer groups is needed as a framework for agricultural development that leads to the agro-industry, so that the "luwak coffee" products still have high bargaining power despite all the farmers in the village Kayumas producing "luwak coffee".

REFERENCES

Baroh, I. 2007. Analisis Nilai Tambah dan Distribusi Keripik Nangka di Lumajang. LP UMM. Malang

Soekartawi. 2000. Pengantar Agroindustri. Raja Grafindo Persada. Jakarta

Sugiyono. 2007. Statistika untuk Penelitian. Alfabet. Bandung