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Feasibility Analysis Of Mr. Salani's Palm Sugar Business In Pelalo Village Sindang Kelingi Subdistrict Rejang Lebong Regency

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Total Cost, Revenue, Income, R/C Ratio, B/C Ratio, Bep Price And Bep Production.

ABSTRACT

This study aims to determine the total costs, revenue, income, and assess the feasibility of Mr. Salani's palm sugar business. The study is located in Pelalo Village, Sindang Kelingi District, Rejang Lebong Regency. The analysis methods used to assess the business feasibility include Total Cost Analysis, Revenue, Income, R/C Ratio, B/C Ratio, Price BEP, and Production BEP. The results show that the total cost incurred by Mr. Salani in producing palm sugar in August 2024 was Rp 1,690,275.00. The revenue from palm sugar production was Rp 3,978,000.00, with a net income of Rp 2,287,725.00. The R/C Ratio is 2.35 > 1, B/C Ratio is 1.35 > 1, Price BEP is Rp 7,648.00, and Production BEP is 4.2 kg. Therefore, it can be concluded that Mr. Salani's palm sugar business in Pelalo Village, Sindang Kelingi District, Rejang Lebong Regency is feasible to operate.

INTRODUCTION

Business is one of the development priorities in every country. This is due to the large contribution of business to the country, especially in the economic and social fields. In addition to increasing the country's economic growth, entrepreneurship plays a very important role in expanding employment, providing economic services widely to the community, and can play a role in the process of equitable distribution and increasing people's income, encouraging economic growth and playing a role in realizing national stability. (Zahra, 2022). Business is a real sector that is purely managed individually and lives in the midst of society which has become an inseparable part in supporting the economic life of the Indonesian people. Therefore, it is time for businesses to be better managed and receive serious attention from the government, both through guidance and coaching for business management, ease of capital, and regulations that can build businesses so that they can coexist well with other economic sectors. (Noor, 2018) Indonesia is an agrarian country where the majority of the population works in the agricultural sector. This can be seen from the large number of workers who are absorbed in the agricultural business sector. In addition, the condition of Indonesia's soil which is very fertile with good nutrient content is one of the good factors supporting the development of agriculture in Indonesia. Indonesia as an agrarian country has very abundant agricultural products. The

existing potential can be a source of income for the people of Indonesia. Many Indonesians make the agricultural sector a source of livelihood. In addition, the agricultural sector can provide raw materials for production for the industrial sector and generate foreign exchange that can be used for development. (Tagor 2017) The development of agricultural products that have potential in the market is one of the expected solutions to overcome the impact of the global economic crisis. Moreover, agricultural opportunities in Indonesia are still very large. In addition to being supported by a very large amount of land, soil fertility also supports the development of agriculture that is still traditional towards modern agriculture. With mountain slopes and rivers, tropical regions in Indonesia are suitable for plantation areas. One of the agricultural commodities in Indonesia that has high economic value is the palm plant. Palm is a plant that grows naturally on the slopes of mountains. Palm sugar in this case is obtained from the process of tapping palm sap which is then reduced in moisture content until it becomes solid. (Basuki, 2023). Palm or enau (Arrenga pinnata Merr) is one of the plants that has high economic value potential and can thrive in tropical regions such as Indonesia. Palm plants can grow in all kinds of soil conditions, whether loamy, calcareous or sandy soil. Palm trees have high economic potential because almost all of their parts can provide financial benefits. The fruit can be made into kolangkaling which is loved by Indonesian people in general. The leaves can be used as handicraft materials and can also be used as roofs, while the roots can be used as medicinal materials. From the stems, palm oil and skewers can be obtained that have economic value. In addition, the stems of young age can be taken from sago, while in old age they can be used as furniture materials. However, of all palm products, palm sap that comes from male flower sleeves as an ingredient for palm sugar production is the most economically valuable.

Palm sugar comes from sap processing that comes from the bunches of male flowers of the enau tree (palm) which will grow from the top segment continuously to the bottom segment. Meanwhile, the female flowers that produce kolang-kaling fruits only grow on the uppermost segments. The productive age of palm as a sap producer can reach more than 10 years. The palm sugar processing business in the future has good prospects, but it must be supported by the existence of raw materials and adequate land to support the palm sugar production process activities. Capital is used to buy various investment tools to start a business, then labor to make it easier in a job. Business feasibility will certainly encourage the company/entrepreneur to plan about the development of the business in order to get maximum profit from the business that has been undertaken. Business activities can start from starting a business, building cooperation or even by buying other people's businesses. However, what needs to be considered is where the direction of the business will be taken. Therefore, a development is needed in expanding and maintaining the business so that it can run well. (Romadania, 2023)In order for the business goals to be achieved as desired, whatever the goal, whether profit, social or a combination of both profit and social, should be preceded by a feasibility if you want to make an investment. The purpose is to assess whether the business is feasible or not feasible to run or in the sense of providing a benefit or not. Pak Salani's Palm Brown Sugar business is located in Pelalo Village, Sindang Kelingi District, Rejang Lebong Regency, Bengkulu Province is a business that needs to be assessed for its business feasibility because the business needs to develop supported by a strategic location and good marketing to increase income to support business development. The business of Mr. Salani of Pelalo Village, Sindang Kelingi District, Rejang Lebong Regency has been producing palm brown sugar since 2018. So far, the costs that must be incurred include the cost of raw materials and production equipment. Feasibility analysis includes R/C Ratio (Return Cost Ratio), B/C Ratio (Benefit Cost Ratio) and BEP (Price, Production, Revenue) analysis carried out on the existing palm brown sugar business, to get an overview of the amount of costs that have been incurred and the income generated in producing palm brown sugar Based on the above background, the author is interested in conducting research with the title Business Feasibility Analysis on Palm Brown Sugar Business Pak Salani Pelalo Village, Sindang Kelingi District, Rejang Lebong Regency.

LITERATURE REVIEW

A business feasibility study is a research and assessment of whether or not a project can be carried out successfully (profitable). Assessing an assessment, must first assess the investment to be used, then put it in a written report. The report on the results of this feasibility study can be used as a guideline/tool to find out the extent to which investment activities have been carried out.

Feasibility studies can be measured based on financial and non-financial aspects. The financial aspect can be assessed from the analysis of investment criteria, because it is very necessary to see the development of the business in the future, while the non-financial aspect is carried out to measure the existence of the business from a social and environmental perspective (Sa'id, 2020). According to Soekartawi (2002), a business feasibility analysis is an activity to evaluate whether a business or project is feasible or not. This analysis aims to minimize risk and maximize potential profits before a business is run. Soekartawi emphasized that business feasibility analysis is important to ensure that the resources owned, such as labor, capital, and raw materials, are used efficiently and effectively.

According to Qamariah (2021) Business feasibility analysis is a study of a business plan that not only analyzes whether it is feasible or not feasible for a business to be built, but also when it is operated routinely in order to achieve maximum profits for an unspecified time. How much profit is obtained and whether or not it is feasible from the developed farming is carried out through the calculation of farming analysis. Through the analysis of farming, it will also be known how many components of the cost, income, and profit of a commodity are developed.

According to Kasmir and Jakfar (2012), a business feasibility study is an activity that studies in depth about a business or business to be run, in order to determine whether or not the business is feasible to run.

METHODS

The type of research used in this study is using a quantitative descriptive method. Quantitative descriptive is a statistical method used to analyze data by describing or describing the data that has been collected as it is. Quantitative descriptive data is generally collected through observation, interviews and documentation. This research aims to get an overview of the cost that has been incurred and the income generated in producing Palm Brown Sugar Pak Salani Pelalo Village.

Therefore, through the financial aspect using Total Cost Analysis (TC), Revenue Analysis (TR), Revenue Analysis (I), R/C Ratio Feasibility Analysis, B/C Ratio Feasibility Analysis, Price BEP Analysis and Production BEP.

RESULTS

Total cost

The depreciation costs on the tools used in the processing of Pak Salani's palm brown sugar are:

1. Wok

   Purchase price : Rp 500.000,00

   Economic age : 48 months (4 years)

   $$\text{Depreciation expense} = \frac{\text{Purchase Price - Residual Value}}{\text{Economical Life}}$$

   $$= \frac{\text{IDR 500,000.00 – 0}}{\text{48 months}}$$

   = IDR 10,416.00 /month

2. Nira Aren Mixer
   Purchase price : Rp 30.000,00
   Economic lifespan : 12 months (1 year)
   Depreciation expense = Purchase price- Residual value / Economical Life
   = IDR 30,000.00 – 0 / 12 months
   = IDR 2,500.00 /month

3. Sieve
   Purchase price : Rp 40.000,00
   Economic lifespan : 12 months (1 year)
   Depreciation expense = Purchase price- Residual value / Economical Life
   = IDR 40,000.00 – 0 / 12 months
   = IDR 3,333.00 /month

4. 10-liter jerry cans (10 pieces)
   Purchase price : IDR 11,000,00 X 10 = IDR 110,000,00
   Economic lifespan : 12 months (1 year)
   Depreciation expense = Purchase price- Residual value / Economical Life
   = IDR 110,000.00 – 0 / 12 months
   = IDR 9,116.00 /month

5. 25 liter jerry cans (2 pieces)
   Purchase price : Rp 45,000,00 X 2 = Rp 90,000,00
   Economic lifespan : 12 months (1 year)
   Depreciation expense = Purchase price- Residual value / Economical Life
   = IDR 90,000.00 – 0 / 12 months
   = IDR 7,500.00 /month
6. Axe
   Purchase price : Rp 80.000,00
   Economic age : 36 months (3 years)
   Depreciation expense = Purchase price- Residual value / Economical Life
   = IDR 80,000.00 – 0 / 36 months
   = IDR 2,222.00 /month
7. Machete
   Purchase price : Rp 80.000,00
   Economic age : 36 months (3 years)
   Depreciation expense = Purchase price- Residual value / Economical Life
   = IDR 80,000.00 – 0 / 36 months
   = IDR 2,222.00 /month

8. Bucket
   Purchase price : Rp 70.000,00
   Economic lifespan : 12 months (1 year)
   Depreciation expense = Purchase price- Residual value / Economical Life
   = IDR 70,000.00 – 0 / 12 months
   = IDR 5,833.00 /month

9. Sharpening stone
   Purchase price : Rp 25.000,00
   Economic lifespan : 12 months (1 year)
   Depreciation expense = Purchase price- Residual value / Economical Life
   = IDR 25,000.00 – 0 / 12 months
   = IDR 2,083.00 /month

Tabel 1 Fixed Fess

No	Fixed Fees	Monthly Depreciation Expense (Rp)
1	Wajan	10.416
2	Nira Aren Mixer	2.500
3	Sieve	3.333
4	Jerigen 10 Liter	9.166
5	Jerigen 25 Liter	7.500
6	Lid	2.222
7	Parang	2.222
8	Man	5.833
9	Sharpening Stone	2.083
Total Fixed Costs		**IDR 45,275**

The table above shows that the use of fixed costs consists of equipment depreciation costs in the August period. The largest percentage of the fixed-cost component in the palm sugar processing business is the cost of purchasing a pan.

Tabel 2 Variable Cost

No	Variable Costs	Price (Rp)
1	Raw Materials	1.105.000
2	Karung	15.000
3	Plastic	25.000
4	Transportation	100.000
5	Firewood	350.000
6	Kerosene	40.000
7	Match	10.000
Total Variable Costs		**1.645.000**

The cost of raw materials used in the process of making palm sugar is the cost of palm sap. Palm sap water is calculated at Rp 1,000/liter. In the processing process to make 1 kg of palm sugar, it requires 5 liters of palm sap water. In 1 day, Mr. Salani's palm trunks produce about 30 liters of palm sap water. So in 1 month Mr. Salani produces 1,105 liters of palm tartar. 1,105 liters X 1000/liter = IDR 1,105,000.00

So based on the fixed costs and variable costs above, the total cost incurred in the palm sugar business of Mr. Salani Pelalo Village during August 2024 can be seen in the following table:

Tabel 3 Variable Total Cost

No	Description	Total
1	Fixed Fees	45.275
2	Variable Costs	1.645.000
TOTAL COST		**1.690.275**

Based on the table above, it can be seen that the total cost incurred by Mr. Salani in producing palm sugar in August 2024 is IDR 1,690,275.00

Acceptance

Revenue is the multiplication between the production of palm sugar produced and the selling price marketed at that time. The amount of revenue obtained is influenced by the size of palm sugar production and the applicable selling price. The following is the amount of production and receipt of Mr. Salani's palm sugar business:

Tabel 4 Acceptance

It	Description	Sum
1	Production	221 kg
2	Price/Kg	18,000/Kg
Total Admissions		**3.978.000**

Based on the table above, the palm sugar production obtained by artisans during August is around 221 Kg, where the price applicable at the time of the study is Rp18,000.00 /Kg, then the receipt from the palm sugar processing results in August is Rp. 3,978,000.00

Income

Revenue is the difference between the total revenue and the total costs incurred in palm sugar processing. The amount of palm sugar income of Mr. Salani can be seen in the table below:

Tabel 5 Income

It	Description	Sum
1	Acceptance	3.978.000
2	Total Cost	1.690.275
Total Revenue		**2.287.725**

In the table above, it can be seen that in Pak Salani's palm sugar processing business in August 2024, the total revenue obtained by palm sugar artisans is Rp 3,978,000.00 and the total costs incurred by palm sugar artisans are Rp 1,690,275.00, so the income earned by Pak Salani from palm sugar processing in August is Rp 2,287,725.00.

R/C Ratio

The balance analysis between total revenue and total cost is a feasibility test on a type of business. R/C Ratio is an analysis used to find out whether the business is feasible or not, then it can be used to calculate by comparing total revenue with total costs. The R/C ratio also provides an overview of the level of productivity and efficiency of a business. Thus, if the R/C value is > 1, the effort carried out is feasible, on the other hand, if the R/C value is < 1, the business carried

out is not feasible. The calculation of the results of the analysis of revenue on cost (R/C) can be seen in the following table:

Tabel 6 R/C Ratio

No	Description	Amount (Rp)
1	Acceptance	3.978.000
2	Total Cost	1.690.275
R/C Ratio		**2,35**

From the results of data processing on Pak Salani's palm sugar processing business in August, it shows that the R/C Ratio value obtained from Pak Salani's palm sugar business is 2.35. Where the R/C is greater than 1 (2.35 > 1) means that the business is economically feasible to pursue. This figure shows that for every Rp.1 of the cost incurred, the gross income obtained is Rp 2.35. Because the goal is to earn income that can be used to meet daily life.

B/C Ratio

The analysis of the comparison between profit and total cost is a feasibility test on a type of business. The criterion used in this analysis is that if the B/C value is > 1, the business is said to be profitable and feasible to run, because the amount of income is greater than the costs incurred, and vice versa. Based on the calculation of the results of the analysis of the revenue for the cost of Pak Salani's palm brown sugar, it can be seen in the following table:

Tabel 7 B/C Ratio

No	Description	Amount (Rp)
1	Income	2.287.725
2	Total Cost	1.690.275
B/C Ratio		**1,35**

B/C Ratio is the value of the comparison between the profit and the total cost. The profit obtained in processing Pak Salani's palm sugar in August was Rp 2,287,725.00 and the total cost was Rp 1,690,275.00, so based on the division between revenue and total cost, the B/C Ratio in Pak Salani's palm sugar production in August was Rp 1.35.

Based on the description above, it can be concluded that this palm sugar business is profitable and feasible. This can be seen from the comparison of total income with total production costs greater than 1, which has a comparison figure of 1.35 or (1.35 > 1). This figure shows that for every Rp.1 of expenses incurred, a net income of Rp.1.35 is obtained. Based on the B/C ratio criteria, namely if the B/C is > 1, then the business is worth trying.

BEP Pricing And Production BEP

Break Even Point (BEP) analysis is an economic analysis to determine the break-even point or return of capital from a business. In determining this Break Even Point analysis in a business, it can be seen from the production volume and the number of receipts or sales results obtained by craftsmen. The calculation of BEP in this case there are 2, namely BEP Price and Production BEP, for more details can be seen in the following calculation:

BEP Pricing

The BEP of production prices is obtained by using calculations by comparing total costs and production, which are as follows:

$$\text{BEP Price} = \frac{Total\ biaya}{produksi}$$

$$\text{BEP Price} = \frac{1.690.275}{221\ Kg} = 7{,}648$$

The results of the study show that the BEP of the production price of Pak Salani's palm brown sugar is Rp 7,648 where the price of palm sugar is greater than the BEP Price (Rp.18,000 > Rp 7,648), so the palm sugar business is declared feasible to be pursued. The break-even value of the BEP price means that Mr. Salani's palm sugar business did not experience profits and losses at the time of the selling price of palm sugar of Rp 7,648

BEP Production

BEP is a situation where production in a company has no profit and no loss, break-even between the costs incurred by the company and the income received. BEP Production volume can be obtained by using calculations by comparing fixed costs with the selling price minus variable costs per unit, which are as follows:

$$\text{Production BEP} = \frac{Biaya\ tetap}{harga - biaya\ variabel\ perunit}$$

$$\text{Production BEP} = \frac{45.275}{18.000 - 7.443} = \frac{45.275}{10.557} = 4.2\ \text{Kg}$$

The results of the study show that the break-even point of Pak Salani's palm brown sugar production in August is 4.2 Kg, where the production is greater than the BEP Production Volume (221 Kg > 4.2 Kg), so the palm sugar business is worth pursuing.

DISCUSSION

1. The fixed cost used by Mr. Salani in processing palm sugar for the production period in August 2024 is the depreciation cost of equipment of IDR 45,275.00 and variable costs of IDR 1,645,000.00, so the total cost needed by Mr. Salani for the palm sugar processing process for the production period in August 2024 is IDR 1,690,275.00
2. Revenue from the processing of Pak Salani's palm brown sugar in August 2024 is IDR 3,978,000.00
3. Net income / profit from Pak Salani's palm sugar business for the production period of August 2024 is IDR 2,287,725.00
4. The value of the R/C Ratio of Mr. Salani's palm sugar business is 2.35 (2.35 > 1)
5. The B/C Ratio value of Pak Salani's palm sugar business is 1.35 (1.35 > 1), so based on the above indicators, it can be concluded that Pak Salani's palm sugar processing business in Pelalo Village is feasible to run.
6. Financially, BEP is seen from price and production, the BEP price is Rp.18,000 > the BEP price is Rp. 7,648 while the production of Pak Salani's palm brown sugar business in August 2024 is 221 Kg > the BEP Production Volume is 4.2 Kg. So based on the indicators above, it can be concluded that Pak Salani's palm sugar processing business in Pelalo Village is feasible to run

CONCLUSION

Based on the description of the results of the research on Mr. Salani's palm sugar business, the following conclusions can be obtained:

1. The fixed cost used by Mr. Salani in processing palm sugar for the production period in August 2024 is the depreciation cost of equipment of IDR 45,275.00 and variable costs of IDR

1,645,000.00, so the total cost needed by Mr. Salani for the palm sugar processing process for the production period in August 2024 is IDR 1,690,275.00
2. Revenue from processing Pak Salani's palm brown sugar in August 2024 is IDR 3,978,000.00
3. Net income / profit from Pak Salani's palm sugar business for the production period of August 2024 is IDR 2,287,725.00
4. The R/C Ratio value of Mr. Salani's palm sugar business is 2.35 (2.35 > 1)
5. The B/C Ratio value of Pak Salani's palm sugar business is 1.35 (1.35 > 1), so based on the above indicators, it can be concluded that Pak Salani's palm sugar processing business in Pelalo Village is feasible to run.
6. Financially, BEP is seen from price and production, BEP price is Rp.18,000 selling price > BEP price is Rp. 7,648 while the production of Pak Salani's palm sugar business in August 2024 is 221 Kg > BEP Production Volume is 4.2 Kg. So based on the indicators above, it can be concluded that Pak Salani's palm sugar processing business in Pelalo Village is feasible to run.

SUGGESTION

Suggestions that can be given for the progress of the business for the household scale of Pak Salani Palm Brown Sugar processing in Pelalo Village include the following:

1. It is hoped that Mr. Salani's Palm Brown Sugar Business can use better tools for the processing process so that it can produce more in producing palm sugar. Since the palm tree for tapping is old and produces little palm sap, it would be good to plant a new palm tree so that it can produce more sap water.
2. This business should be developed again by understanding the marketing aspect. Palm sugar marketing through digital platforms and social media can include marketing methods, both traditional (such as local markets) and modern (social media, e-commerce), so that Pak Salani's palm sugar can be known by the wider community, can be marketed online and can even be exported abroad.
3. You should use your own brand so that people know more about the characteristics of Pak Salani Palm Brown Sugar, Pelalo Village, Sindang Kelingi District, Rejang Lebong Regency.

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