

ANALYSIS OF CLOVE LEAF OIL REFINING BUSINESS INCOME IN SIBALUTON VILLAGE, BASIDONDO DISTRICT

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Abstract

This study aims to find out how much Clove Leaf Oil Distillation Business Income in Sibaluton Village, Basidondo District (Case Study of Hasril Clove Leaf Oil Distillation). This study uses a qualitative research design. The data source is in the form of primary data, namely data obtained from the results of interviews and documentation related to this research. The data analysis methods used are qualitative and quantitative descriptive, namely production cost analysis, revenue analysis, income analysis, and cost revenue analysis (R/C Ratio). Based on the results of research and discussion, it shows that the total cost incurred by the Clove Leaf Oil Refining Business in Sibaluton Village, Basidondo District (Case Study of Hasril Clove Leaf Oil Refining) in running its business during 2023 is Rp. 155,532,000 and revenue is Rp. 211,200,000. This shows that the revenue of the clove leaf oil refining business for 1 year is Rp. 55,668,000 and the feasibility of the clove leaf oil refining business is the receipt of the R/C Ratio cost of 1.35. So, this shows that more than one means that the Clove Leaf Oil Distillation Business in Sibaluton Village, Basidondo District (Case Study of Hasril Clove Leaf Oil Distillation) is worth trying.

Keywords: *Findings; Clove Leaf Oil Revenue; Clove Leaf Oil; Clove Leaves.*

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INTRODUCTION

Indonesia is an agrarian country with very abundant natural resources that are able to support the country's economy. Therefore, our country cannot be separated from the agricultural sector which is the producer of most of the Indonesian population. The agricultural sector plays a strategic role in economic development, both national and regional. Even in the era of globalization, the agricultural sector has proven its strong rebuttal power to support the national economy, so it is expected to play a role in overcoming the economic crisis (Husodo, 2004, in Umikulsum, 2013).

Agriculture is one of the largest natural resources owned by Indonesia and is the basis for the growth of other sectors. The agricultural sector plays an important role in national development, this is because the agricultural sector contributes significantly to GDP and also provides 50% of jobs for rural communities. In addition, the agricultural sector is central to the provision of food (Soekartawi, 2006).

Income is income in the form of money over a certain period. Income can be interpreted as all income that causes an increase in a person's ability, both used for consumption and savings, where the income is used for life needs and to achieve satisfaction. If farmers' income is getting bigger, the welfare of farmers will also increase so that the welfare of farmers will be better, they need to get a larger income. In carrying out farming activities, farmers hope to increase their income so that their daily needs can be met (Jhingan, 2014).

Income in the agricultural production sector is included in a sustainable finance model that in addition to aiming to increase economic value, it also considers environmental sustainability aspects, including the sustainability of agricultural products (Yanto E, et al, 2022)

Sibaluton Village is one of the villages in Basidondo District. This village is located on a mountain slope with a dry climate with even rainfall so it is suitable for planting clove plantations. The majority of residents in Sibaluton Village work as clove farmers and other crops such as corn, rice, and others. However, the community's largest income still comes from clove plantations considering that every part of the clove tree has a selling value. Clove leaves, which also have a selling value, are used by farmers to add to their economy in meeting their daily needs.

Before there was a clove leaf oil refining business, the people of Sibaluton Village, the majority of whom were clove farmers, relied on their income from the harvest which took place once a year, the long clove harvest period required farmers to think in order to meet their daily needs. At first, clove leaves that have fallen are only garbage and are usually burned by clove farmers, so that so far clove leaves have only been thrown away, but lately the clove leaves that have fallen are sought and collected by residents because the clove leaves have become a very valuable item so they are no longer considered garbage. However, since the existence of the refining business, the community uses the leaves to sell to the owner of the distillery, the clove leaves are priced at Rp. 2,000 per kilo, while the price of processed oil products is around Rp. 160 thousand per kilo.

Therefore, based on the description of the Background above, the author is interested in conducting a research with the title "Analysis of Clove Leaf Oil Refining Business Income in Sibaluton Village, Basidondo District (Case Study of Hasril Clove Leaf Oil Distillation)." Based on the main idea that has been explained in the background above, the problem can be formulated is how much is the Revenue of

Clove Leaf Oil Distillation Business in Sibaluton Village, Basidondo District (Case Study of Hasril Clove Leaf Oil Distillation) ?

METHODOLOGY

The type of research used is qualitative descriptive. This study provides an accurate description and explanation of the state or condition of the Clove Leaf Oil Refining Business Income in Sibaluton Village, Basidondo District (Case Study of Hasril Clove Leaf Oil Refining). I conducted this research by means of observation and direct questions and answers to the parties concerned, then continued by completing the data calculation in accordance with the analysis method of this research.

Production Cost Analysis

Production cost analysis is the sum of two cost components, namely total fixed cost and total variable cost with the formula : $TR = TFC + TVC$

Information:

TC (Total Cost): Total Business Cost (Rp)

TFC (Total Fixed cost): Total Fixed Cost (Rp)

TVC (Total Variable Cost) : Total variable cost (Rp)

Acceptance Analysis

Receipt is the product of the number of products produced (Kilograms) and the price of products per kilogram can be determined by the formula $TR = Q.P$
Description:

TR: Total Revenue/ revenue (Rp/Month)

Q : Number of Products Per Month (Kg)

P : Price (Rp)

Revenue Analysis

Revenue is the difference between receipts and all expenses. Profit or profit is the income received by a person from the sale of goods and service products minus the costs incurred in financing goods and service products.

Management Income is the income from the subtraction of total output from total inputs. Net income is the revenue that has been deducted from all production costs, namely by the formula $\pi = TR - TC$ Description:

π : Business Income

TR : Total Revenue/ Business Revenue

TC : Total cost (variable costs and fixed costs)

Revenue Analysis for Costs (R/C Ratio)

According to Rahim and Hastuti (2018), the analysis of revenue for costs (R/C Ratio) is a comparison between revenue and costs. This analysis is used to see the comparison of total receipts and total business costs with the results criteria:

1. $R/C < 1$ means that production is not running immediately.
2. $R/C = 1$ means that the effort carried out reaches the break-even point.
3. $R/C > 1$ means that it is feasible to run.

Systematically the R/C Ratio can be formulated as follows:

$$R/C \text{ Ratio} = \frac{\text{Total Sales Revenue}}{\text{Total Cost}}$$

RESULTS AND DISCUSSION

Analysis of Production Costs of Clove Leaf Oil Refining Business

Fixed Fees

Fixed costs are costs that are paid or incurred by producers or business owners that do not affect the size of the production produced. Fixed costs incurred by the clove leaf oil refining business consist of tax costs and equipment depreciation costs, fixed costs are costs incurred in the production process that are not exhausted in one production process such as equipment depreciation costs. For more details, please see the following table:

Tabel Biaya Tetap Usaha Penyulingan Minyak Daun Cengkeh (Clove Leaf Oil) di Desa Sibaluton Kecamatan Basidondo Selama Tahun 2023

No	Tool Name	Age Economical	Number (units)	Unit Price (Rp)	Value (Rp)	Depreciation (Rp/Year)
1	Stem (Kettle)	2 Years	1	60.000.000	60.000.000	30.000.000
2	Alkon	2 Years	1	2.500.000	2.500.000	1.250.000
3	Man	1 Year	3	20.000	60.000	60.000
4	Jerry	1 Year	4	20.000	80.000	80.000
5	Oil Filter	2 Years	1	550.000	550.000	275.000
6	Karung	1 Year	60	3.000	180.000	180.000
7	Oil Funnel	1 Year	2	12.500	25.000	25.000
Sum						31.870.000
No	Fixed Cost Component				Value (Rp)	
1	Shrinkage Tool		31.870.000			
2	Building and Land Tax		120.000			
3	Listrik		600.000			
Total Fixed Costs					32.590.000	

Source: Data processed, 2024

Fixed costs are costs incurred on a fixed basis for the *clove leaf oil* refining business in Sibaluton Village for a certain period of time. So based on table 4.1, it shows that the total fixed cost incurred by the clove leaf oil refining business in 1 year is Rp. 32,590,000.

Biaya Variabel

Biaya variabel adalah biaya yang besarnya tergantung pada jumlah produksi dan dapat berubah-ubah sewaktu-waktu sehingga tidak dapat dipastikan dan sesuai dengan keadaan pada saat aktivitas usaha penyulingan minyak daun cengkeh dalam proses produksi.

**Table of Variable Costs of Clove Leaf Oil Refining Business
in Sibaluton Village, Basidondo District During 2023**

Moon	Raw Material Cost (Rp)	Labor Cost (Rp)	Petrol		Sum
			Litre	Rp. 12.000	
1	8.125.000	1.250.000	5	60.000	9.435.000
2	11.375.000	1.750.000	7	84.000	13.209.000
3	8.125.000	1.250.000	5	60.000	9.435.000
4	4.875.000	750.000	3	36.000	5.661.000
5	11.375.000	1.750.000	7	84.000	13.209.000
6	4.900.000	1.000.000	4	48.000	5.948.000
7	8.125.000	1.250.000	5	60.000	9.435.000
8	8.125.000	1.250.000	5	60.000	9.435.000
9	11.375.000	1.750.000	7	84.000	13.259.000
10	9.750.000	1.500.000	6	72.000	11.322.000
11	8.125.000	1.250.000	5	60.000	9.435.000
12	11.375.000	1.750.000	7	84.000	13.209.000
Sum	105.650.000	16.500.000	66	792.000	122.942.000

So based on the table, it shows that the total variable cost of the clove leaf oil refining business consists of the cost of raw materials for clove leaves and firewood, labor, electricity and gasoline during 2023 of Rp. 122,942,000 which is obtained from the sum of raw material costs in one year of Rp. 105,650,000, labor costs of Rp. 16,500,000, and gasoline costs of Rp. 792,000.

Total Production Cost

The total production cost in this study is the total cost incurred in the production process of the clove leaf oil refining business obtained from the sum between fixed costs and variable costs for more details the total production cost can be seen in the following table:

**Table of Total Production Costs of Clove Leaf Oil
Refining Business in Sibaluton Village, Basidondo
District During 2023**

No	Total Cost(TC)		Jumlah
	Fixed Cost (Rp)	Variable Cost (Rp)	
1	32.590.000	122.942.000	155.532.000

Source : Primary Data in Sports 2024

The total cost is the result of the sum of the total fixed cost plus the total variable cost Based on table 4.6 above, it shows that the total production cost incurred by the clove leaf oil refining business for 1 year is Rp. 155,532,000 which is obtained from the fixed cost of Rp. 32,590,000 and the variable cost of Rp. 122,942,000. So the conclusion is that the total cost for the clove leaf oil refining business in Sibaluton village with the highest cost is variable costs, namely the cost of raw materials, the purchase of firewood, labor costs, electricity and the cost of purchasing gasoline.

Analysis of Clove Leaf Oil Refining Business Revenue

The acceptance in this study is the amount of production produced multiplied by the selling price. For more details, business receipts can be seen in the following:

Table of Receipts for Clove Leaf Oil Distillation in Sibaluton Village, Basidondo District During 2023

Moon	Production (Kg)	Clove Oil Receipt (Rp/Kg)	Amount (Rp)
1	100	160.000	16.000.000
2	140	160.000	22.400.000
3	100	160.000	16.000.000
4	60	160.000	9.600.000
5	140	160.000	22.400.000
6	80	160.000	12.800.000
7	100	160.000	16.000.000
8	100	160.000	16.000.000
9	140	160.000	22.200.000
10	120	160.000	19.200.000
11	100	160.000	16.000.000
12	140	160.000	22.400.000
Sum	1.320	-	211.200.000

Source : Primary Data in Sports 2024

In one production process, the distillation requires 800 kg of clove leaves and produces 20 kg of clove leaf oil packaged in one jerry can. In the production process, it is carried out on average 7 times in one month and at least around 3-4 times/month, the number of production processes is also influenced by weather factors. The average selling price for 1 kg of clove leaf oil is Rp. 160,000. So based on table 4.4 above, the total revenue obtained by the clove leaf oil refining business in Sibaluton village is Rp. 211,200,000 obtained from the sale of clove leaf oil as much as 1,320 kg of pure oil for one year. Thus, the revenue for the *clove leaf oil* refining business in Sibaluton village varies depending on the size of the clove leaf oil production in 1 month.

Analysis of Clove Leaf Oil Refining Business Income

Revenue is the profit received by a person or company from the sale of goods and services products minus the costs incurred. Operating income is the difference between receipts and all expenses incurred. The income obtained from the *clove leaf oil* refining business in Sibaluton Village, Basidondo District in 2023 can be seen in the following table:

Table of Clove Leaf Oil Refining Business Revenue in Sibaluton Village, Basidondo District During 2023

No	Pendapatan TR-TC		Jumlah (Rp)
	Penerimaan (Rp)	Total Biaya (Rp)	
1	211.200.000	155.532.000	55.668.000
Rata-Rata/Bulan			4.639.000

Sumber : Data Primer di Olah 2024

The income from the clove leaf oil *refining business* in Sibaluton village comes from the sale of oil packaged in jerry cans that are sold directly to buyers. The income of the clove leaf oil refining business is the amount of receipts minus the total costs

incurred. So based on table 4.5 above, it shows that the revenue from the clove leaf oil refining business in Sibaluton village is Rp. 211,200,000 minus the total cost of Rp. 155,532,000, then the results of the calculation of the clove leaf oil refining business income in Sibaluton village are Rp. 55,668,000 per year. So in 1 month the distillation business is Rp. 4,639,000.

Analysis of Revenue to Cost (R/C Ratio) of Clove Leaf Oil Refining Business

The analysis of revenue for costs is a comparison between the revenue and the total costs incurred from the *clove leaf oil* refining business in Sibaluton Village, Basidondo District. The R/C Ratio is the division of revenue for costs. This analysis is used to see the comparison of total revenue with total expenditure from the clove leaf oil refining business and can measure the feasibility of the business for more details can be seen in the following table:

Table of Revenue on Costs (R/C Ratio) of Clove Leaf Oil Refining Business in Sibaluton Village, Basidondo District During 2023

No	(R/C Ratio)		R/C Ratio
	Reception (Rp)	Total Cost (Rp)	
1	211.200.000	155.532.000	1.35

Source: Primary Data in Sports 2024

Based on table 4.7 above, the results of the study show that the feasibility of the clove leaf oil refining business in Siabluton village in 2023 has an R/C Ratio of 1.35 which is obtained from the division between the total revenue of the clove leaf oil refining business, which is Rp. 211,200,000 and the total cost, which is Rp. 155,532,000. This means that the clove leaf oil refining business in Sibaluton Village, Basidondo District is worth trying. This is in accordance with the opinion of Rahim and Hastuti (2018) that if the R/C Ratio is greater than 1, it is worth trying, if the R/C Ratio is equal to 1, then the revenue from production is enough to cover the costs incurred and if the R/C Ratio is less than 1, it is not worth striving.

CONCLUSION

Based on the results of research and discussion regarding the Analysis of Clove Leaf Oil Refining Business Income in Sibaluton Village, Basidondo District (Case Study of Hasril Clove Leaf Oil Refining), it can be concluded that the total income obtained by the refining business during 2023 is Rp. 55,668,000 and the feasibility of the clove leaf oil refining business is the R/C Ratio of 1.35. This shows that the R/C Ratio is more than one, which means that the clove leaf oil refining business in Sibaluton Village, Basidondo District (Case Study of Hasril Clove Leaf Oil Distillation) is worth pursuing.

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