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Research Article

PROFIT FROM CHICKEN LIVESTOCK AGRIBUSINESS (THE TYPE OF LAYERS THAT WERE CULTIVATED AS BROILER)

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Abstract: Chicken livestock business, especially roosters laying type (which was cultivated as broiler) was one of the businesses that carried out by farmers or entrepreneurs in Kawangkoan District, Minahasa Regency, North Sulawesi, Indonesia. This chicken business has good prospects in the future, considering that the growing demand for chicken meat in line with increasing income and population as well as knowledge about fulfilling nutrition for families. The chicken business had not been developed with an agribusiness concept. The concept of agribusiness was a concept that refers to overall activities from upstream to downstream which consists of 5 subsystems namely agro-input, agro-production, agro-industry, agro-commerce and agro-services subsystems. The aim of this study was to know the extent to which the agribusiness system was implemented by the chicken farmer. The research method was a survey method with a case study approach. The study was located in Mr. Reky companies in Kayuuwi Village by purposive sampling with the consideration that the village had a rooster company the laying type which was cultivated as broiler. The analytical method used was descriptive and profit analysis. The results showed that the production process of rooster business, laying type, was carried out 4-5 periods each year. The profit obtained during the study for 4 periods per year was IDR 21.390.000,00. Based on the results of the study it can be concluded that the laying type of rooster agribusiness was feasible to develop in terms of the Cost Ratio value was greater than one.

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INTRODUCTION

Agribusiness was one of the sectors in carrying out economic activities based on agricultural business or other supporting fields, such as animal husbandry. Activities in the agribusiness sector include one or all of the production chain, product processing and marketing. Animal husbandry as one of the agricultural subsectors plays a role in meeting the nutritional needs of the community for protein, because it is a source of protein. Livestock development was an important aspect of agricultural development, especially during the economic and monetary crises. One of the leading livestock commodities was poultry. Poultry commodities have very promising market prospects (Wulyono and Daroini. 2013). This is because the community can accept the characteristics of poultry products, the price was relatively cheap with easy access.

The role of chicken farming has been widely recognized by researchers in improving the nutritional status and income of small farmers. The increase in population causes an increase in demand for chicken meat products. Broiler production was expected to support the consumption needs of livestock products. Several studies have shown that broiler production will continue to increase along with increasing consumption of chicken meat.

The broiler farming business was well known and played a very important role in contributing to income for farmers (Murti et al., 2015; Istikomah et al., 2018). On the one hand, the broiler farming business was experiencing various challenges and problems. The challenges and obstacles include weak maintenance management as an internal factor of the farmer. There were various external challenges including fluctuations in product prices, fluctuations in the prices of production facilities, uncertain selling times and low operating margins. In addition, the production facilities used were highly dependent on imports and increasingly fierce global competition (Hidayati, 2017). Various attempts have been made to increase the production of chicken meat. Improvement in management and maintenance patterns was a demand in meeting thecommunity's increasing demand for chicken meat. On the other hand, increased production of broiler chickens was expected to increase breeders' income, encourage food diversification, and improve the nutritional quality of the community (Sani et al., 2014). The increasing demand for broiler chickens was currently in line with the increasing population growth. Increasing welfare and the level of public awareness of fulfilling nutrition, especially animal protein, has also contributed to increasing demand for livestock products (Rino, 2018) including chicken meat.

One of the potential poultry was the rooster (laying type) which was developed as a source of meat. Chicken livestock plays a role as a source of food and income for people in North Sulawesi. Demand for and consumption of local chicken increased along with the increasing population and income. In addition, restaurant demand for chicken products in the form of meat tends to increase every year. This condition can be seen from the emergence of restaurants for chicken products in North Sulawesi, which has been responded by an increase in consumers. The advantage was the distinctive taste of the meat (Yuwono and Prasetyo, 2013), which was liked by the general public.

Chicken farming, especially laying type roosters (which are cultivated as broilers) was one of the businesses that has recently been carried out by breeders in Kawangkoan District. The prospects for this livestock business has a pretty good future, considering the demand for chicken meat continues to grow in line with increased income and population as well as knowledge about fulfilling nutrition for families. The chicken business has not been developed with an agribusiness concept. An interesting business activity studied in the livestock sub-sector was the broiler agribusiness business. The concept of agribusiness was a concept that refers to overall activities from upstream to downstream which consists of 5 subsystems namely agro-input, agro-production, agro-industry, agro-commerce and agro-services. An interesting business activity studied in the livestock subsector was the broiler agribusiness business. Livestock based agribusiness was a phenomenon that grows rapidly when the land base

becomes limited. An integrated farming system was demanded to be more rational. This condition occurs in line with the demand for efficiency and effectiveness in the use of very limited inputs in agribusiness. Agro-input in agribusiness is such as land, labor, capital and other factors of production. The problem was how far the agribusiness system was implemented by the chicken farmer. This study was aimed to analyze the advantages of chicken farming agribusiness (laying type) cultivated as broiler.

MATERIAL AND METHOD

The research method was a survey method with a case study approach. The case study research method was an in-depth study of one research object, namely a livestock company. The data source used was primary data obtained from livestock farmers. The location of the farm, namely Kayuuwi Village, Kawangkoan District, Minahasa Regency, North Sulawesi, Indonesia was determined by purposive sampling with the consideration that the village has a rooster company (laying type) which was cultivated as broiler chickens. Respondent in the study was the owner of the company, namely Mr. Reky. The analytical method used was descriptive method and profit analysis. Descriptive analysis was an in-depth study of the development of chicken farming agribusiness (laying types cultivated as broilers). Profit analysis in equation (1) and feasibility analysis use the RC ratio.

$$\Pi = TR - TC \quad (1)$$

Π = profit, TR = Total Revenue, TC = Total Cost

RESULT AND DISCUSSIONS

The results showed that the production process of rooster business (laying type) was carried out 4-5 periods each year. This chicken has been developed in Kayuuwi Village by breeders for a long time, since 2018. This chicken was a rooster produced by PT Japfa Comfeed Indonesia. Furthermore, these livestock were cultivated like broilers which were harvested at 42 days. In this case, the breeder prepares the land to build the coop, then the chicks (DOC) were obtained from PT Japfa, while the feed input was manufactured feed.

Agribusiness was a modern and large economic sector of primary agriculture that includes at least four subsystems, namely (1) agro-input subsystem, (2) farming subsystem (agro-production), (3) downstream agribusiness subsystem (agro-industry), and (4) services subsystem supporting services (agro-services) such as banking, insurance, transportation, counseling, government policies, and others (Oman et al., 2023). The rooster agribusiness system (laying strain) which consists of four subsystems is shown in Figure 1.

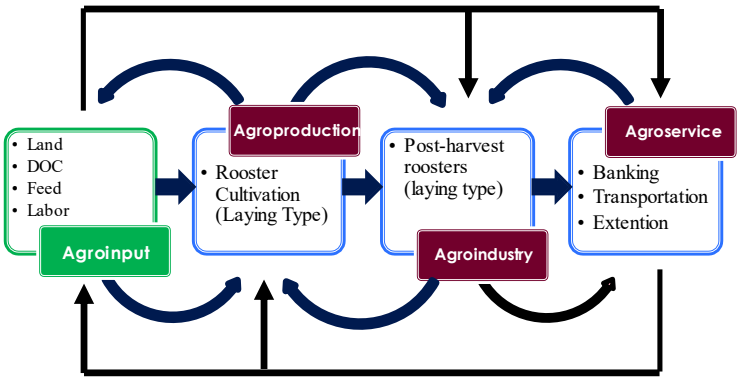

Figure 1. Agribusiness System of Roosters (Layers Type)

Figure 1 shows the interrelationships between subsystems in the rooster agribusiness (laying type). The agroinput subsystem was also known as the input supply subsystem or the

input sector. This subsystem was a sub-system that accommodates all entrepreneurs, both small, medium and large scale, who provide or supply inputs for farmers in the farming subsystem (on farm or agro production) (Arifin and Biba, 2016).

The inputs used in this study were land, cages, breeds, feed and labor. The total value of inputs used by farmers in their livestock business during one production cycle was expressed as input costs. Input costs were expenditures by rooster companies (laying type) in carrying out the production process to produce output in the form of broiler chickens. The linkage of the agroinput subsystem of rooster farming (laying type) based on the results of the study (Table 1) was shown in Figure 2.

Figure 1 shows the interrelationships of the agroinput subsystem in the business of roosters (laying type) which were raised as broilers. The biggest input costs were feed costs of 74.79%, followed by breeds 21.04%, labor 3.24%, land rent 0.54%. The cost of the cage was calculated based on the cost of depreciation, which was 0.20% and other costs consist of electricity, husks, vaccines 0.19%. Feed input was a top priority in the poultry industry (Akhirini et al., 2021). The challenges faced in the development of the poultry industry, especially when associated with the weak performance of the provision of feed raw materials. The results of the study show that the farmer land was used for building chicken coops, with construction in a traditional form using local resources, which was calculated as land rent in the area. The results of the analysis of production costs, revenues and profits can be seen in Table 1.

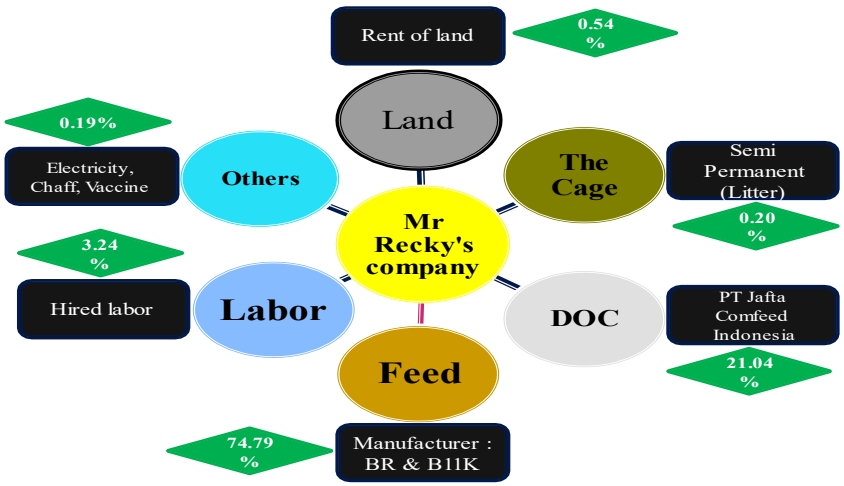

Figure 2. Agroinput Subsystem of Roosters (Layers Type)

Table 1. Cost of production, revenues and profits rooster livestock business (laying type) (per year)

No.	Description		Rp/Year	R/C ratio
1	Revenue from the sale of chickens		392,040,000.00	
2	Cost of Production			
	a. Rent of Land		2,000,000.00	
	b. Depreciation of Cage		750,000.00	
	c. DOC		78,000,000.00	
	d. Feed		277,200,000.00	
	e. Labor		12,000,000.00	
	f. Electricity+Chaff+Vaccine		700,000.00	
		Sub Total	370,650,000.00	1.06
3	Profit		21,390,000.00	

The data in Table 1 shows that the profit earned during the study for 4 periods per year was IDR 21,390,000. Based on the results of the business feasibility analysis, it shows that the RC ratio value on broiler farms was greater than one (1.06). The implication was that the rooster business (laying type) which was cultivated as broiler was feasible to be developed. Some researchers state that a higher RC ratio indicates that the business was efficient and feasible to develop (Labatar et al., 2023). Profits were achieved if the amount of revenue was greater than the expenditure, then economically the business was feasible to maintain or continue (Mi'raj and Rasyid, 2021). Although, the level of profit obtained was around 5.77% of the total production costs. This study was different from other researchers in that the income earned was 32% of the total production costs, so the percentage was higher when compared to the loan interest rate of 6% per year (Simanjuntak, 2018).

The agroindustry subsystem has not yet been developed, so it is suggested to farmers to develop the agroindustry subsystem. This needs to be done to ensure the unsold chicken. The agroindustry subsystem will provide added value for entrepreneurs. This needs to be done considering that people tend to consume products from chicken, so the demand for chicken products tends to increase.

CONCLUSION

The results showed that the agribusiness of roosters (laying type) raised as broiler was feasible to develop judging from the value of the RC ratio being greater than one. The suggestions provided need to develop agroindustry to add value added.

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