

## SUMMARY

**JOHAN FAHRIZAL. 0810442024 – 44. Analysis on Income and Factors Influencing the Decision Making of Farmer in Organic Rice Plant Farming Work (Case Study on Desa Sumbergepoh, Kecamatan Lawang, Kabupaten Malang). Under guidance of Dr. Ir. Abdul Wahib Muhaimin, MS and Silvana Maulidah, SP. MP.**

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Food is basic need for every human being. One of basic food is rice. Rice is an important commodity in Indonesia since most of the Indonesian people consume rice as their daily basic food. The desire of village people for having healthy life style and their awareness on environment by using organic and high nutrient food making them able to cultivate the environment well as in Desa Sumbergepoh. Sumbergepoh is one village that applies organic rice plant farming in Malang Regency. Yet, there still farmers that carry out non-organic rice plant farming work, which in cultivating both is generally having not too different treatment as in common rice plant farming work. The difference is on the using of basic material, organic or non-organic. Therefore, the farmers come to faced on one decision making, to cultivate organic rice plant or non-organic rice plant, which mainly to increase their income on farming work.

The factors that influence the farmers in the decision making are age of the farmers, landmass, education, farming experience, experience on organic rice plant farming work, the number of labour force in farmer house hold, the number of farmer family charge, the availability of farming labour in the village, the availability of fertilizer in the village, and the expectation of revenue. All the factors will give input for the farmers in making the right choice of cultivation, whether to cultivate organic rice plant or non-organic rice plant as the farming work.

Analysis on income and factors that influence the farmers in decision making of organic rice plant farming work in research area is aimed to be consideration matters for the farmers to choose which farming work they want to do, organic rice plant or non-organic rice plant in increasing their income from farming work. The research objectives are (1) to analysis the cost, revenue, and income from organic rice plant farming work and non-organic rice plant farming work; (2) to analysis the factors that influence the farmers in decision making of organic rice plant farming work.

The research is conducted purposively in Desa Sumbergepoh, Kecamatan Lawang, Kabupaten Malang, Jawa Timur. The reserach is applied the method of simple random sampling, with the number of samples taken is 23 organic rice plant farmers and 23 non-organic rice plant farmers. Data obtained from the research are primary data and secondary data. This research is conducted by using analysis method of descriptive data and quantitative data, that are farming work income analysis and regression logit analysis.

Based on the analysis of farming work income found that income from non-organic rice plant farming work is higher than income from organic rice plant farming work. This statement comes out with the basis of cost calculation as follow:

the cost of organic rice plant farming work per hectare per cultivating season is Rp. 6,721,970 with the revenue is Rp. 17,273,478, and the income obtained is Rp. 10,551,508. Meanwhile, for the cost of non-organic rice plant farming work per hectare per cultivating season is Rp. 5,750,155 with the revenue is Rp. 10,706,087, and the income obtained is Rp. 4,955,932.

There are ten variables that tested on regression logit model, they are age of the farmer ( $X_1$ ), landmass ( $X_2$ ), education of the farmer ( $X_3$ ), farming experience ( $X_4$ ), experience on organic rice plant farming work ( $X_5$ ), the number of labour force in farmer house hold ( $X_6$ ), the number of farmer family charge ( $X_7$ ), the availability of farming labour in the village ( $X_8$ ), the availability of fertilizer in the village ( $X_9$ ), and the expectation of revenue ( $X_{10}$ ) as the *dummy* variables in farmer decision making ( $Y$ ). From the result of regression logit can be obtained equation as follow:

$$L_i = L_n \left( \frac{p}{1-p} \right) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \beta_{10} X_{10} + U$$

From the result of regression logit can be concluded that six variables out of those ten variables give significant influence, such as are age of the farmer ( $X_1$ ), education of the farmer ( $X_3$ ), farming experience ( $X_4$ ), experience on organic rice plant farming work ( $X_5$ ), the availability of fertilizer in the village ( $X_9$ ), and the expectation of revenue ( $X_{10}$ ). From the six variables, the most influencing dominantly is variable of experience on organic rice plant farming work ( $X_5$ ) and variable of the availability of fertilizer in the village ( $X_9$ ), which share same value, that is -3,38.

Suggestion for the research: (1) Income from organic rice plant farming work which calculated based on price prospect and the number availability of chemical fertilizer that is getting limited give chance for the farmers to devolve upon organic rice plant farming work. Therefore, giving farming elucidation needs to be increased so that the farmers knowledge on organic rice plant cultivation will increase. Thereby, organic rice plant farmers will be able to increase their income. (2) As a whole, the accuracy of this model to predict is 84.8%, which means that this model is fairly good, although variables of risk and opportunity needs to be added, in order to clarify all the forthcoming risk and opportunity as the choice to be organic rice plant farmer.