Analysis Of The Welfare Level of Farmer Households Oil Palm Farmers In Pemayung Sub-District Batanghari District

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ABSTRACT

The level of welfare can be measured by the amount of consumption for household expenditure. This study aims to: 1) determine the level of income and household expenditure of smallholder oil palm farmers, 2) analyze the level of household welfare of smallholder oil palm farmers. The research was conducted in Pemayung District, Batanghari Regency, Jambi Province. The overall research time was conducted for one calendar month. The research objects include: income, household expenditure and welfare level. The research variables consisted of 1) household income sourced from oil palm farm income, non-oil palm farm income and outside farming, 2) welfare level of BPS 2022 indicators (population, health and nutrition, education, employment, consumption levels and patterns, housing and environment, poverty and other social). Respondents were taken purposively in each village with a total of 41 households. Data were analyzed by classifying welfare levels based on eight indicators. The results showed that 1) The average income of respondent households in the study area averaged Rp.3,281,951/month while household non-food expenditure amounted to Rp1,402,003/month and average food expenditure amounted to Rp1,231,250/month, 2) The average welfare level of oil palm farmers in Pemayung Subdistrict is in the category of moderate welfare level, namely as many as 16 farmers or 39.02%.

Keywords: oil palm farmer, households, welfare level, Statistics Indonesia indicators

INTRODUCTION

Jambi Province is an area that has poverty issues. Data shows that Jambi Province had economic growth in 2022 reaching 5.13 percent, but in 2023 the economic growth of Jambi Province was minus 0.27 percent, which had an impact on poverty (BPS, 2023). Within three years the number of poor people in Jambi fluctuated from 2020-2022. In 2020, it reached 7.58 percent (277,800 people), then in 2021 it increased to 8.09 percent (293,860 people) and in 2022 there was a decrease of 7.62 percent (279,370 people) (BPS, 2022). The largest percentage of poor people in Jambi Province by Regency / City is found in three districts, namely East Tanjung Jabung, West Tanjung Jabung and Batanghari, while the smallest percentage is found in Sungai Penuh City.

The portrait of poverty is related to welfare and the level of food security. Welfare levels can be measured by the amount of consumption for household expenditure. In the five-year period, the percentage of food consumption expenditure per capita per month in Kabupaten Batanghari increased significantly, peaking in 2022 at 56.45 percent (Rp597,598.00-). Meanwhile, non-food consumption continued to decline, amounting to 43.55 percent (Rp460,975.00). When viewed for food expenditure in Batanghari Regency over the past 5 years is greater than 50 percent, where this value is higher than non-food consumption so that in other words it can be concluded that the level of community welfare in Batanghari is still quite low, because expenditure on food is still greater than 50 percent of total household consumption expenditure.

This condition can also illustrate the fairly low income level of farmers, where when food consumption expenditure is less than 50 percent, the income level will be higher. Because the higher the level of expenditure on one's food needs, the lower the level of welfare (Jannah et al., 2021).

Pemayung District is one of the sub-districts in Batanghari Regency where people work in the plantation sector, with a total of 4,071 farmers. For rural areas, choosing farming in the plantation sector is one way to solve the problem of poverty. The amount of oil palm production will certainly affect the price of oil palm, where later the price of oil

palm can have an impact on the welfare of farmer households. The agricultural sector is a very strategic factor, one of the economic bases of the people in rural areas, controls the lives of most of the population, absorbs more than half of the total workforce and is a safety valve in the Indonesian economic crisis Isbah et al.

The purpose of this study was to determine the level of income and expenditure of households of smallholder oil palm farmers and analyze the level of household welfare of smallholder oil palm farmers in Pemayung District, Batanghari Regency.

RESEARCH METHOD

This research was conducted in Pemayung Sub-district, Batanghari Regency. With two selected villages, namely Selat Village and Jembatan Emas Village. The research data was sourced from primary and secondary data. Primary data was obtained directly from selected respondents, while secondary data was obtained from relevant agencies and institutions in addition to research reports, journals and magazines that contain food security and welfare, while the research variable is the welfare variable with the approach of eight welfare indicators according to the Central Bureau of Statistics 2022. To obtain more in-depth data, data collection was continued with the interview method (Indepth Interview) on 41 respondent households taken successively by Simple Random sampling. To answer the first objective, household income is the income obtained from farming activities plus income derived from off-farm activities Datau et al. (2012).

Income is obtained by calculating the difference between the total revenue received from business results and the production costs incurred in one year. From the results of these calculations, the average income of farmer households in one year is obtained (Puspitasari, 2019). The calculation of household income of oil palm farmers can be written as follows:

$$I_{household} = I_1 + I_2 + I_3$$

Description:

$I_{household}$ = Household income per month

I_1 = Oil palm farm income

I_2 = Non-oil palm farm income

I_3 = Off-farm income

Meanwhile, household expenditure is divided into two, namely expenditure to meet food needs and non-food needs. Food needs are the needs for food merchandise consisting of rice, non-rice (instant food, sweet potatoes, corn, wheat, and so on), side dishes, fruits and vegetables, and drinks (such as coffee, milk, sugar, or tea), snacks, cooking oil, kitchen spices, cigarettes, and others. Non-food needs are needs other than food which include transportation, clothing, schooling, welfare, electricity, water and telephone, fuel, showers. cleaning, beauty care products, remodeling the house, social exercise, expenses, entertainment, entertainment and other commitments (Sutrisma et al., 2022).

To answer the second objective, the level of welfare of farmers, the theory that can be used as a measure is the theory of welfare according to the Central Bureau of Statistics (2022), which analyzes 8 indicators of welfare levels including population, health and nutrition, education, employment, consumption levels and patterns, housing and environment, poverty and other social. The criteria for the welfare of oil palm farmer households according to BPS (2022) can be seen in Appendix 3 with the criteria for each classification as follows:
   a.   Low Welfare Level: Score value 52-87
   b.   Medium Welfare Level: Score Value 88-122
   c.   High Welfare Level: Score Value 123-156

RESULTS AND DISCUSSION
Household Income of Smallholder Oil Palm Farmers

The income earned is used to meet household consumption needs according to the level of income earned. Changes in income directly affect changes in family food consumption. Increased income will increase consumption with good quality and quantity and vice versa (Keynes, 1936 ; Madanijah, 2004). The average income of respondent households in the study area amounted to Rp.3,281,951/month with the source of family income coming from oil palm farming, non-oil palm farming, and outside farming. To see the distribution of family income in the research area, it can be seen in the following Table:

Table 1 Distribution of Household Income Sources in the Study Area in 2024

Source of Income	Average Income (IDR/month)	Average Income (IDR/year)
Oil Palm Farming	1.603.707	19.244.488
Non-oil palm farming	953.571	11.442.857
Outside of Farming	1.302.381	15.628.571
Total Household Income	**3.281.951**	**46.315.916**

According to BPS (2022), income can be divided into 4 income groups, it can be seen that the household income of oil palm farmers is mostly income of Rp. 1,603,707 / month. As for the average household income in the study area of Rp.3,281,951 / month, when compared to the UMP Jambi Province Rp. 2,943,000 oil palm farmer household income is already at a high income level.

Household expenditure of smallholder oil palm farmers

Based on table 2, it can be seen that the consumption expenditure of oil palm smallholder households in Pemayung Subdistrict is the largest non-food consumption expenditure of Rp. 57,482,141 with an average of Rp1,402,003/month (appendix 11). While the amount of household food consumption expenditure amounted to Rp50,481,250 with an average of Rp1,231,250/month (appendix 12). The percentage of total household consumption expenditure of oil palm farmers in Pemayung Subdistrict, Batanghari District for food consumption is 45.25%, while the percentage of non-food consumption is 54.65%. Based on this, it indicates that at the level of household consumption of oil palm farmers in Pemayung Sub-district, the expenditure on non-food consumption tends to be greater than food expenditure.

Table 2: Household Consumption Level of Oil Palm Farmers in Pemayung Subdistrict, Batanghari Regency

Type of Expenditure	Total Expenditure	Average	Percentage (%)
Food Consumption	50.481.250	1.231.250	46.75
Non-food Consumption	57.482.141	1.402.003	53.24
Total	**107.963.391**	**2.633.253**	**100.00**

Based on the explanation of Fajar, et al. (2016) household expenditure can be a measure of income, the prosperity of household life is characterized by the greater expenditure on non-food consumption. Thus, the situation of oil palm farmer households in Pemayung Subdistrict, Batanghari Regency, is included in the prosperous household group because non-food consumption expenditures are greater than food consumption expenditures.

Household Welfare of Oil Palm Farmers

Welfare is the ultimate goal of a country's development. Income is one of the benchmarks of welfare. The higher the level of income, the higher the level of household welfare, but along with the increase in the number of household members, the income generated is not able to meet the needs of household members. Based on the results of the analysis of welfare levels based on welfare indicators according to BPS (2022), the results of research from 41 samples who are oil palm farmers in Jembatan Emas Village and Selat Village, Pemayung District, Batanghari Regency are at a moderate level of welfare dominated by 2 indicators, namely consumption levels and patterns, as well as housing and the environment.

Table 3. Distribution of Respondents by Welfare Level Component in the Research Area 2024

No.	Indicator	Level	Frequency (Farmer)	Percentage %
A.	Population	High	23	56,09
		Medium	17	41,46
		Low	1	2,43
B.	Health and Nutrition	High	19	46,34
		Medium	12	29,26
		Low	10	24,39
C.	Education	High	23	56,09
		Medium	10	24,39
		Low	8	19,51
D.	Employmennt	High	11	26,82
		Medium	10	24,39
		Low	20	48,78
E.	Consumption Levels and Pattterns	High	14	34,14
		Medium	18	43,90
		Low	9	21,95
F.	Housing and Environment	High	16	39,02
		Medium	17	41,46
		Low	8	19,51
G.	Poverty	High	3	7,31
		Medium	14	34,14
		Low	24	58,53
H.	Other Social	High	0	0,00
		Medium	14	34,14
		Low	27	65,85

The high and low level of welfare of oil palm farmers is influenced by several factors, namely the level of income, the high and low level of welfare of oil palm farmers is influenced by several factors, namely population, health and nutrition, education, employment, consumption levels and patterns, housing and environment, poverty and other social (BPS, 2023).

Table 4. Grouping of Farmers Based on BPS Welfare Level 2024

Welfare Level	Score Value	Total Farmers	
		KK	Percentage (%)
High	123-156	12	29,27
Medium	88-122	16	39,02
Low	52-87	13	31,71
Total		41	100

The welfare level of the oil palm farming community in Pemayung Subdistrict, Batanghari Regency is still classified as moderate. This is based on the fulfillment of welfare indicators including population (the number of productive-aged family members and the average number of household members of 3 people), health and nutrition (the average household member in the research area is in good health and the condition of nutritional intake is quite fulfilled). Consumption levels and patterns are assessed from the amount of expenditure for consumption in one month where the average amount of expenditure in the research area is in moderate/good condition, namely for non-food consumption expenditure of Rp.57,482,141 with an average of Rp1,402,003/month while the amount of household food consumption expenditure is for food consumption of Rp.50,481,250 with an average of Rp1,231,250/month. In line with Engel's law (1821-1896), it is stated that the level of welfare improves if spending on buying food decreases

while spending on non-food increases Maxwel, S, et al., (2000). While the pattern of rice consumption is 2 times a day which is classified as sufficient or moderate) and housing and the environment (the average household has a type of zinc top, type of cement floor, and clean and untidy environmental conditions). This is in line with the results of research conducted by Mariana, (2023) in Muara Sabak District, East Tanjung Jabung Regency, which states that oil palm farmers in the area based on BPS criteria (2018) include farmers who are already prosperous with the category of moderate welfare level.

CONCLUSION

Household income in the study area averaged Rp.3,281,951/month, when compared to the UMP Jambi Province Rp. 2,943,000 oil palm farmer household income is already at a high income level. The largest consumption expenditure of oil palm farmer households in Pemayung Subdistrict is non-food consumption expenditure, which averages Rp1,402,003/month. Meanwhile, the average household food consumption expenditure amounted to Rp1,231,250/month.

The level of household welfare of oil palm farmers in Pemayung Subdistrict is not in accordance with the temporary conjecture and obtained based on the results of the study showed that the average level of welfare of oil palm farmers in Pemayung Subdistrict, Batanghari Regency is in the category of moderate welfare level, namely as many as 16 households or 39.02%.

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DISCLOSURE

The authors report no conflicts of interest in this work. The study was conducted independently and was not influenced by any financial, professional, or personal relationships with individuals, institutions, or organizations that could potentially introduce bias or be perceived as a conflict of interest. All data collection, analysis, and interpretation were performed with complete objectivity and transparency to ensure the credibility and reliability of the research findings. The authors confirm that no external funding or resources were received that might have impacted the outcomes or conclusions presented in this study. Additionally, there was no involvement from third parties in the design, execution, or dissemination of the research.

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