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MARKETING CONDITIONS AND SOCIO-ECONOMIC CONDITIONS OF RICE FARMERS IN SAJAU HILIR VILLAGE

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Abstract

This study investigates the marketing patterns and socio-economic conditions of rice farmers in Sajau Hilir Village, Tanjung Palas Timur District, Bulungan Regency, by conducting field observations and structured interviews with 47 respondents using economic and food security survey instruments, revealing that the majority of farmers are male (95.74%) with more than 20 years of farming experience, dominated by elementary-level education (38.30%), managing primarily privately-owned land (70.21%), producing on average 1001–3000 kg of rice per season, selling at IDR 14,000/kg mostly through middlemen (93.62%), and earning a collective gross income exceeding IDR 2 billion, highlighting the urgent need for institutional strengthening, market access improvements, and infrastructure support to enhance productivity, independence, and equitable rice agribusiness systems in rural areas.

INTRODUCTION

Sajau Hilir Village is located in Tanjung Palas Timur District, Bulungan Regency in North Kalimantan Province. This village has an area of approximately 4,914 hectares and administratively consists of 10 RT/RW. Based on the latest data, Sajau Hilir Village has a population of 2,668 people with the majority of the population working as farmers (BPS desa sajau, 2025). Socially and culturally, the village population is dominated by Muslims, amounting to 97.6%, while the remaining 2.4% are Christians (BPS desa sajau,

2025). The life of the rural community remains based on the principle of mutual cooperation and is based on agriculture, which is one of the important pillars in ensuring food security and the local economy.

Sajau Hilir Village is renowned for its rice cultivation, serving as one of the agricultural centers in Bulungan Regency. Approximately 3,000 hectares (61.05%) of the village's total area is used for agriculture and plantation purposes (Bahasyim et al., 2024). The primary commodities produced by local farmers include rice, a superior product with a productive rice field area of 200 hectares; bananas, a widely cultivated horticultural commodity; and oil palm, whose production is increasing with the development of plantation companies in the area. Furthermore, the growing fisheries sector is a pillar of rural economic diversification.

The majority of the population in Sajau Hilir Village relies on agriculture for their livelihood. Data shows that 96.46% of households work in the agricultural sector (BPS desa sajau, 2025). However, agricultural productivity is still influenced by various factors, including weather conditions, the availability of irrigation infrastructure, and pest attacks. In this village, rice productivity ranges from 3 to 7 tons per hectare. However, crop yields are uncertain due to pest attacks, which cause annual fluctuations in productivity. The local government has attempted to increase agricultural productivity through various programs, such as building farm roads to facilitate access to agricultural land and constructing irrigation channels sourced from rivers to reduce dependence on rainwater. These steps are expected to improve crop yields and the welfare of local farmers.

Sajau Hilir Village is a newly formed village that has been managed by the local government since 1991. Along with the change of leadership, various development efforts have been carried out, including village administrative recognition to clarify the legal status and governance of the region, development of village infrastructure such as village roads, bridges, and other public facilities, as well as the entry of a palm oil company, which has also encouraged economic growth and transmigration of residents to this village. Under the current leadership, Sajau Hilir Village continues to strive to become an independent and prosperous village, with programs that focus on improving the quality of human resources (HR) and the development of leading sectors such as agriculture, plantations, and fisheries (BPS desa sajau, 2025).

The majority of Sajau Hilir Village's residents are farmers who depend on the agricultural sector for their livelihood. The community's social system remains strongly influenced by the culture of mutual cooperation, particularly in agricultural activities and traditional celebrations. Furthermore, the presence of a palm oil company in the village has encouraged transmigration from various regions, creating a more diverse social dynamic.

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The Sajau Hilir Village community is dominated by Muslims at 97.6%, while the remaining 2.4% are Christians. The culture of mutual cooperation remains very strong in the community's social life, reflected in agricultural activities and other community activities. The population of Sajau Hilir Village is recorded at 2,668 people, with the majority working in the agricultural sector. Data from the Central Statistics Agency of Sajau Hilir Village in 2025 shows that 96.46% of heads of families depend on farming for their livelihood, whether in the food crops, horticulture, or oil palm plantation sectors.

Agricultural productivity is highly dependent on weather factors, the availability of irrigation facilities, and attacks by plant pests. The village government's efforts to increase agricultural output are carried out through the construction of farm roads, improvements to irrigation systems, and farmer empowerment programs based on increasing land productivity.

Farmer groups and farmer group associations (Gapoktan) serve as collective platforms that support farmer activities, from providing production facilities to increasing capacity through training. In Jeneponto Regency, the Gapoktan "Maju Bersama" (Maju Bersama Farmer Group) serves as an example of an institution that actively distributes agricultural needs such as seeds and fertilizers while organizing training activities for its members. The success of this program is reflected in the achievement of an institutional evaluation score of 81%, which indicates that the existence of Gapoktan has a real impact on improving farmers' production and management capabilities (Nilasari & Muhamad, 2020). At the local level, the presence of agricultural extension workers (PPL) is an important part of the Gapoktan institutional structure. The active involvement of extension workers in assisting with administrative activities, planting planning, and technical training has an impact on increasing group productivity and efficiency (Muhajid et al., 2019).

Land ownership status significantly influences farmers' income levels. Conversely, external capital assistance does not always show a significant impact on improving welfare. These findings emphasize that ownership of productive assets such as land is a key pillar of the farming household economy. (Ikhsan et al., 2016).

The high cost of production is a major factor influencing farmers' profitability. The cost-to-revenue (R/C) ratio was recorded at 2.90 , meaning that every rupiah spent generates nearly three rupiah in return. This figure reflects that rice farming remains economically viable (Setia et al., 2024). Comparisons between organic and non-organic rice cultivation systems also reveal differences in costs and revenues. A study conducted in Pringsewu Regency revealed that production costs under organic systems are higher. This is influenced by the selling price of organic rice, which tends to be higher on the market despite slightly lower yields (Nurhidayati et al., 2021).

Rice farmers in rural areas often face difficulties marketing their crops. This obstacle stems not only from geographical distance, but also from limited distribution facilities, weak bargaining power, and dependence on middlemen. In many cases, farmers have no choice but to sell their unhusked rice immediately after harvest to regular buyers, even if the price offered is below market value. This phenomenon creates unfair marketing practices and undermines farmers' position as primary producers.(Yuniarti et al., 2018) stated that limited access to price information and market networks makes it difficult for farmers to determine profitable marketing times and strategies.

The situation becomes even more complex when rice prices at the producer level fluctuate significantly. Drastic price changes between planting and harvesting periods are often unpredictable. In an agricultural system still dependent on climate and seasons, price uncertainty creates unique pressures. When production is high, prices plummet because the supply is abundant and cannot match market absorption. (Nugrahapsari & Hutagaol, 2021)This situation makes farmers the most vulnerable to losses in the food supply chain. When production costs continue to rise while selling prices are unstable, the scope for profit becomes increasingly limited. The absence of price buffers at the village level forces farmers to endure these uncertain conditions.

METHOD STUDY

This research was conducted using a quantitative descriptive survey method conducted directly in the field through observation, in-depth interviews, and filling out official socio-economic and food security forms provided by the Faculty of Agriculture, University of Kaltara, with the implementation of activities for 30 working days from February 1 to March 7, 2025 in Sajau Hilir Village, Tanjung Palas Timur District, Bulungan Regency, North Kalimantan Province, involving 47 rice farmer respondents who were selected purposively based on their active involvement in rice paddy cultivation activities, where data collection techniques included extracting information on farmer identity, gender, age, education level, marital status, number of family dependents, farming experience, land ownership, profit sharing system, rice production per season, selling price, marketing channels, fixed costs such as agricultural tools, and variable costs such as seeds, fertilizers, pesticides, labor, and transportation and milling costs, which were then analyzed descriptively to describe the real socio-economic conditions of farmers and the agribusiness pattern of rice paddy marketing in the research area as a whole.

RESULTS AND DISCUSSION

Field Work Practice (KKP) in Sajau Hilir Village, with the aim of obtaining an overview of the condition of lowland rice farming in the area. Data were collected through interviews with 47 farmer respondents, who provided information on farmer characteristics, production costs, marketing patterns, and farm income. The data obtained served as the basis for an analysis of the income and feasibility of lowland rice farming, which is then presented in the results and discussion sections.

Table 1 : Number of Respondents1: Age Range of Farmers2Ownership 3: Rice Production Range4: selling price of paddy5: Marketing Categories6: Income (TR) of All Farming Business Actors7: Production Costs of Rice Farming in Sajau Hilir Village8from SEQ tabel * ARABIC Rice Farming Business in Sajau Hilir Village

total cost	cost components
total revenue (TR)	Rp2,016,430,000.00
Total production cost (TC)	Rp694,070,568.18
Net income	Rp1,322,359,431.82

Net income from rice farming in Sajau Hilir Village reached approximately Rp1.32 billion, out of a total revenue of Rp2.01 billion from rice sales. This result demonstrates that selling rice provides added value compared to selling unhusked rice, despite the post-harvest processing and additional costs. This pattern also indicates farmers' efforts to increase profits through diversification of marketing channels and processing.

The marketing of rice harvests in Sajau Hilir Village remains heavily dependent on middlemen, who account for over 90 percent of respondents. This dependence indicates that farmers lack adequate alternative distribution channels, thus maintaining their bargaining position in the supply chain. This situation aligns with findings (Yuniarti et al., 2018)that emphasize that weak direct market access and minimal distribution

infrastructure are the main obstacles to improving farmer welfare.

In terms of productivity , most farmers in the study area were only able to produce between 1,001 and 3,000 kilograms of rice per planting season. This limitation is closely related to limited arable land, low utilization of modern technology, and the threat of pests. This phenomenon supports the study's findings (Nurhidayati et al., 2021)that indicate that rice farming productivity in rural areas is often hampered by the limited adoption of cultivation technology innovations.

Production costs in rice farming in the study area are dominated by variable expenses, particularly for inputs such as seeds, fertilizers, pesticides, and labor . The proportion of variable costs, which reached more than 95% of total expenses, reflects the importance of more efficient management of production inputs to increase farmer incomes. This finding aligns with studies (Setia et al., 2024)that emphasize that production cost efficiency is a key factor in determining the economic viability of rice farming.

Land ownership is a crucial factor in determining farmers' flexibility in making decisions about cultivation and marketing their produce . Farmers who manage their own land have greater flexibility in making decisions regarding cultivation and marketing patterns than those who rely on a profit-sharing system. This fact supports research findings (Ikhsan et al., 2016)that identify land ownership as a key determinant of household income stability in the agricultural sector.

Based on the overall findings, strengthening farmer group institutions and improving market access are urgent priorities to reduce dependence on middlemen , and utilizing more efficient production technologies is a priority that must be implemented immediately to support the independence of rice farmers in Sajau Hilir Village. Synergy between local governments, educational institutions, and agribusinesses is needed to build a fairer, more transparent, and more sustainable marketing ecosystem at the village level.

CONCLUSION

The research results show that rice farmers in Sajau Hilir Village still rely on middlemen as their primary marketing channel, due to limited direct market access and weak farmer group institutions. Small-scale production, dominated by variable costs, and unequal land ownership are key factors affecting farmers' income levels. To improve farmer independence and welfare, institutional strengthening, expanded market access, and the implementation of more efficient cultivation technologies are needed.

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