

Contribution of Sweet Orange Farming Income to Family Income in OKU Regency

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ABSTRACT

Oranges are fruits originating from small tree species or shrubs in the Genus Citrus of the Rue family. Oranges are fruit commodities that are quite profitable to cultivate. This research was conducted in OKU Regency. The results showed that the contribution of sweet orange farming was 96.23 percent of the total family income, which is categorized as large and serves as the primary source of household income for farmers in OKU Regency.

Keywords: Sweet Orange Farming, Income, Contribution

INTRODUCTION

Oranges are fruit commodities that are quite profitable to cultivate. Orange agribusiness, if managed earnestly, is proven to be able to improve farmer welfare, such as increasing community income and employment opportunities, as well as fostering consumption and the regional economy, which contributes to national income. Therefore, accelerating orange production and improving sales management according to market demand will have a significant impact on the survival of many people, especially those who earn a living in the orange fruit business. (Ministry of Agriculture, 2007). The position of OKU Regency in South Sumatra orange production is significant; OKU is included among the four largest orange-

producing regions in South Sumatra, competing with PALI and Musi Rawas. Although various fruit commodities are cultivated by farmers, some are relied upon by farmers and even by the Regional Government. A commodity favored by farmers means that it contributes to the family income structure and social aspects related to family food security. (Hosenetal., 2020).

Regarding the quality of orange fruit in South Sumatra, OKU is one of the regencies that produces large oranges and siam/tangerine oranges in significant quantities. Siam oranges from OKU are known to have a sweeter taste compared to other regions in South Sumatra. Research on oranges from five regencies in South Sumatra

shows that fruit quality is highly influenced by climate, soil type, and cultivation techniques. Ogan Komering Ulu (OKU) Regency shows good

potential in the horticulture sector. According to data from the OKU Agriculture Office in 2024, the production of sweet oranges is as follows:

Table 1. Production and Harvested Area of Sweet Oranges in OKU Regency, 2024

Districts	Production (Qwintals)	Harvested Area (Ha)
Lengkiti	714	4,08
Sosoh Buay Rayap	33.137	210,624
Pengandonan	13	0,15
Semidang Aji	1.100	1,1
Ulu Ogan	-	0,018
Peninjauan	14.900	24,26
Lubuk Batang	25.000	10
Baturaja Timur	836	4,772
Baturaja Barat	2.028	12,85
Sinar Peninjauan	-	-
Kedaton P Raya	400	7,07
Lubuk Raja	1.200	0,6
Muara Jaya	-	-
Quantity	79.339	179.021

Source : OKU Regency Agriculture Office, 2025

Based on Table 1, it can be observed that production in the regency is quite high, particularly in the districts of Sosoh Buay Rayap, Peninjauan, and Baturaja Barat. Supporting factors for production in OKU include a suitable climate, land availability, and support from farmer groups and government programs. Sweet orange farming is a human activity to cultivate land with the intention of obtaining orange crops without reducing the land's future capacity.

Agribusiness acquired as an organization from nature, labor, and capital aimed at production in the agricultural sector. Farming is carried out so that farmers can obtain profits continuously and commercially (Dewi, 2012). Farming activities usually involve decision-making about what, when, where, and how large the farming operation should be run. Farmers as implementers expect large-scale production to generate high income;

they use capital, labor, and production equipment as inputs to achieve expected results. Agriculture is considered effective only if it can meet the obligations to pay interest on equipment, wages for external labor, and other production facilities (Suratiah, 2015).

Farmers' income greatly affects the success of the business carried out. Analysis of sweet orange farming income is needed to describe the current state of a farming activity and describe the future state of planning or action. So it is also expected to get high profits from the farming that is being cultivated. High profits and income are always expected by farmers in agricultural production. To maximize income, orange farmers must be able to provide farming inputs efficiently.

This is consistent with research by Kristiandi and Febrina (2020), which states that sweet orange farming is financially feasible and provides a significant contribution to farmer

household income. Analysis shows that income from sweet orange farming not only covers production costs but also becomes the main source of income for farmer families in production

MATERIALS AND METHODS

This research was conducted in OKU Regency. The location was determined deliberately (*purposive*) considering it has the largest sweet orange production as the center for sweet oranges in South Sumatra Province. The method used was a survey. The survey method is a quantitative research approach using structured questions where all answers are recorded, processed, and analyzed. Primary data collection was conducted through direct interviews with respondents using a pre-prepared questionnaire (Irfansyah, 2023).

The sampling method used in this study was purposive sampling. Purposive sampling is a technique of deliberately determining samples based on the consideration that the largest sweet orange farming is in OKU Regency. From this definition, the samples used were sweet orange farmers in OKU Regency. A total of 62 samples were taken with the criteria that they are sweet orange farmers who received seed assistance from the government. Data collection involved observation and direct interviews using

centers. Based on the description above, the author is interested in conducting research titled: "Contribution to Family Income in OKU Regency".

questionnaires. To address the objective regarding the contribution of sweet orange farming income, the following formula was used:

$$Kp = \frac{PUS}{PUS + PLU} \times 100\%$$

Description:

Kp = Contribution (%)
PUS = Income from sweet orange farming (Rp/process)
PLU = Income from sweet orange farming (Rp/week)

Rules of decision:

Small Contribution = (0 - 33.33%)
Medium Contribution = (34.33 - 66.66%)
Major Contributions = (67 - 99.99%)

RESULTS AND DISCUSSION

Contribution is something that is given jointly with another party for the purpose of certain or joint costs or losses. Contribution can also be interpreted as a donation or a share. The amount of contribution of a farming to the total income depends on the amount of income generated by a farming household. This income does not only come from one farm, but also from other farms (Haryansyah, 2020).

Income is one of the important indicators in economic analysis because it reflects the level of welfare and economic ability of individuals and households. According to the Central Statistics Agency (2024), household income is all income in the form of money and goods obtained from the return of production factors, own business, and

other sources in a certain period. This concept asserts that income is not only limited to wages or salaries, but also includes business profits, rent, interest, and other forms of economic revenue.

From the perspective of economic theory, income is understood as the flow of return received from the provision of factors of production, namely land, labor, capital, and entrepreneurship, which produce rent, wages, interest, and profits, respectively. This explanation is in line with the framework of income distribution analysis in the modern economy as described by Economics. Meanwhile, in the macroeconomic context, income refers to the total revenue of an economy calculated through the income approach, which is the sum of

all the cost of production factors in a period, excluding transfer payments.

In the context of this study, the income of sweet orange farming can be interpreted as the difference between the total revenue obtained by farmers from the sale of production and all costs incurred during the production process. Therefore, income analysis not only describes the amount of revenue received by farmers, but also shows the level of efficiency of farming management and the economic feasibility of the business being run. The greater the difference between revenue and production costs, the higher the level of profit

obtained, which ultimately contributes to improving the welfare of farmers' households.

Production costs are all costs that must be incurred in carrying out sweet orange farming which consists of fixed costs and variable costs. The variable costs in sweet orange farming in OKU Regency are seeds, fertilizers (urea, NPK, KCL, SP-36 and organic), pesticides. Meanwhile, the costs included in the fixed cost include the cost of depreciation of the equipment. The composition of fixed costs and variable costs in sweet orange farming results in total costs, as can be seen in Table 4.3 below.

Table 2 Average Production Cost of Sweet Orange Farming in OKU Regency, 2025

Yes	Description	Amount (IDR /ha/year)
1	Fixed Fees	
	Tool Depreciation Cost	IDR 515,604.01
	Hoe	IDR 30,666.57
	Sprayer	IDR 75,069.12
	Pruning Scissors	IDR 41,075.11
	Water Pump	IDR 214,064.90
	Scales	IDR 29,123.46
	Harvest Ladder	IDR 125,604.84
	Amount of Fixed Fees	IDR 515,604.01
2	Variable Costs	
	Seedlings	IDR 12,137,096.77
	Urea Fertilizer	IDR 392,080.65
	NPK Fertilizer	IDR 280,050.97
	KCL Fertilizer	IDR 4,854,838.71
	TSP/SP-36 Fertilizer	IDR 304,483.87
	Organic Fertilizer	IDR 3,304,129.03
	Insecticide	IDR 129,375.00
	Fungicide	IDR 408,807.97
	Herbicide	IDR 509,516.13
	Sacks	IDR 1,040,322.58
	External Workforce	IDR 1,487,096.77
	Transportation Costs	IDR 4,681,451.61
	Variable Cost Amount	IDR 29,259,313.06
	Average Amount of Production Cost	IDR 29,774,917.07

Source: Primary Data, 2025

Based on Table 2, the average total production cost of sweet orange farming in OKU Regency in 2025 is recorded at Rp 29,774,917.07 per hectare per year. The production cost structure consists of fixed costs and variable costs, each of which has different characteristics and contributions to total farming expenditure. The fixed cost is IDR 515,604.01 per hectare per year, which includes the depreciation cost of equipment

of IDR 515,604.01. Conceptually, fixed costs are a component of costs that amount relatively unchanged in the short term despite fluctuations in production levels. The large proportion of transportation costs in the fixed cost component shows that the distribution and accessibility aspects of the production site are quite decisive factors in the cost structure of sweet orange farming. This indicates that the efficiency of the transportation

system and proximity to the market have the potential to affect the amount of farmers' fixed expenses.

On the other hand, variable costs reach Rp29.774,917.07 per hectare per year, which means it dominates the total cost of production. The largest cost component in this group is transportation costs of IDR 4,681,451.61 and seed procurement of IDR 12,137,096.77, which reflect the importance of the quality of planting materials in determining production success. In addition, the cost of fertilizers, both Urea, NPK, KCL, TSP/SP-36, and organic fertilizers, also contribute significantly to the total variable costs. The high cost allocation for fertilization shows that efforts to increase productivity are highly dependent on the intensity of the use of soil nutrient inputs.

Plant protection costs that include insecticides, fungicides, and herbicides are also part of the variable costs, which indicate the risk of

plant pest organism (OPT) attacks in cultivation activities. Meanwhile, the labor cost of IDR 1,487,096.77 per hectare per year reflects the needs of labor in maintenance, fertilization, and harvesting activities. Overall, the dominance of variable costs in the production cost structure shows that the success of sweet orange farming is greatly influenced by the efficiency of the use of production inputs. Therefore, the farming development strategy should be directed at optimizing the use of production facilities, applying more efficient cultivation techniques, and proportional cost control in order to increase profit margins and sustainability of farmers' businesses. The revenue obtained by sweet orange farmers and the average production of sweet orange farming in OKU Regency. The details can be seen in the table below:

Table 3. Average Revenue and Production from Sweet Orange Farming in OKU Regency, 2025

Yes	Description	Quantity
1	Production (kg/ha/year)	IDR 15.588,71
2	Price (Rp)	IDR 8,000.00
3	Admission (Rp/ha/year)	IDR 124.709.677.42

Based on Table 4.4, the average production of sweet orange farming in Ogan Komering Ulu Regency in 2025 will reach 15,588.71 kg per hectare per year. With an average selling price of IDR 8,000.00 per kilogram, an average revenue of IDR 124,709,677.42 per hectare per year is obtained. The revenue is the result of multiplying the total production and the selling price applicable at the farmer level during the research period.

The production rate of 15,588.71 kg/ha/year shows that sweet orange farming in the study area has a fairly good production capacity. The amount of this production is influenced by various factors, including the use of seeds, fertilization, pest and disease control, and local agroclimatic conditions. Production stability is an important factor because it directly determines the amount of income obtained by farmers. The selling price of Rp8,000.00 per kilogram also plays a significant role in determining the level of

acceptance. Price fluctuations at the farmer level will have a direct impact on the total income received, given that receipts are very sensitive to market price changes. Thus, in addition to increasing productivity, price stability is also a strategic factor in the development of sweet orange farming.

Overall, the revenue value of Rp124,709,677.42 per hectare per year shows that sweet orange farming has quite promising economic potential. However, to assess the level of profit more comprehensively, it is necessary to compare the total production costs that have been incurred, so that the amount of net income can be known.

Sweet orange farming income is the difference between the amount of revenue from sweet orange farming and the costs incurred as production costs. The amount of income received by farmers can be seen in Table 4.5 as follows:

Table 4 Average Income and Contribution of Sweet Oranges in OKU Regency, 2026.

Yes	Description	Quantity
1	Admission (Rp/ha/year)	Rs. 124.709.677.42
2	Production Cost (Rp/ha/year)	Rs. 29.774.917,07
3	Average Income of Sweet Oranges (Rp/ha/year)	Rs. 94.934.706,00
4	Average Income of other Farming (Rp/ha/year)	IDR 1,153,516.13
5	Average Income of Other Family Members (Rp/ha/year)	IDR 2,347,741.94
6	Average Total Family Income	IDR 98,436,018.41
	Mr.	Rs. 94,934,706.00
	Wife	IDR 1,003,225.81
	Children	Rs. 781.612,90
	Other (Family Member 1 house)	Rs. 91.935.45
7	Contribution (%)	96,23

Source ; Primary Data (processed),2026

Based on Table 4, the average revenue from sweet orange farming in Ogan Komering Ulu Regency in 2025 is IDR 124,709,677.42 per hectare per year, with a total production cost of IDR 29,774,917.07 per hectare per year. The difference between the revenue and the cost resulted in an average net income of Rp94,934,706.00 per hectare per year. Financially, this condition shows that sweet orange farming has a high level of profitability and is economically feasible to continue to be developed. The relatively large profit margin reflects that the income earned by farmers is able to cover all production costs as well as provide a significant surplus of income.

In addition to the main income from sweet oranges, farmers also receive additional income from other farming of IDR 1,153,516.13 per year and from other family members of IDR 2,347,741.94 per year which comes from family members at home, namely wives, children and all family members who are at home, so that the average total family income reaches IDR 98,436,018.41 per year. The contribution of sweet orange farming to the total family income reached 96.23 percent, which shows that this commodity is

the main source of livelihood and has a dominant role in the economic structure of farmers' households, in other words it has a great influence on family income.

This finding is in line with the results of Suryani's (2022) research which states that in horticultural farmer households, superior commodities are able to contribute more than 80 percent of income to total family income if managed intensively and efficiently. The study confirms that the high contribution of one commodity is positively correlated with improved farmers' welfare, especially when supported by high productivity and a controlled cost structure.

Thus, academically, it can be affirmed that sweet orange farming in OKU Regency plays a strategic role in supporting the welfare of farmers' households. However, the high level of dependence on one commodity also contains economic risks in the event of price fluctuations or a decrease in production. Therefore, development strategies that are oriented towards increasing efficiency, price stability, and income diversification are important to ensure the long-term economic sustainability of farmers.

CONCLUSION

The results of the study show that the contribution of sweet citrus farming of 96.23 percent to the total family income is relatively large

and is the main source of household income of farmers in OKU Regency.

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