

Case Study of Inflation and Income of Corn Farmers in Medan Krio Village

Bakhtiar Efendi

Universitas Pembangunan Panca Budi
Email: bakhtiarefendi@dosen.pancabudi.ac.id

Daud Arifin

Universitas Pembangunan Panca Budi
Email: daudarifin@gmail.com

Alexander Zebua

Universitas Pembangunan Panca Budi
Email: alexanderzebua333@gmail.com

Corresponding author: bakhtiarefendi@dosen.pancabudi.ac.id

Abstract. *This case study analysis is to examine the relationship between inflation and the income of corn farmers in Medan Krio village over a period of time. The method used is a descriptive analysis based on a case study study between monetary variables inflation and macroeconomic variables of corn farmer income. The results of descriptive analysis based on theoretical studies and previous research show that inflation has an influence on income so that inflation variables affect the income of corn farmers in the research location, namely Medan Krio village. It is of special concern for the government to continue to support the sustainability of the production process of corn farmers in villages, especially focusing on Medan Krio village as a research location.*

Keywords: *Corn, Farmers, Income, Inflation*

INTRODUCTION

Indonesia as an agricultural country has fertile land as a resource to be able to increase crop production in activities to meet economic needs. One type of crop produced in Indonesia is corn. Corn as a commodity that supports the fulfillment of the economic needs of the people in the country, as like yellow corn.

Efforts to make yellow corn plants a new economic source are through the development of areas that meet the scale of economic business with an agribusiness system approach. The contribution of the agricultural sector in preparing human resources begins with meeting the needs of foods rich in carbohydrate and vitamin A sources, to observe the content and chemical composition, corn in addition to being a

source of calories is also a source of nutrients to obtain the nutritional balance of the population.

The corn production which will then be sold to the community to meet daily needs can be a source of income for the corn farmers themselves. The purpose of this case study study is to see how the monetary variable of inflation and macroeconomic variables of income of corn farmers in Medan Krio village.

LITERATURE REVIEW

Inflation

Inflation is defined as a general and continuous increase in prices. An increase in the price of one or two goods cannot be called inflation unless the increase extends (or results in an increase in prices) to other goods. The opposite of inflation is called deflation. The result of general inflation is a decrease in people's purchasing power because in real terms the level of income also decreases. So suppose the amount of inflation in the year concerned increases by 5%, while income is fixed, then it means that in real terms income has decreased by 5% which as a result will relatively reduce market purchasing power by 5% (Putong, 2013). The inflation rate is calculated based on index figures collected from several kinds of goods traded in the market with each price level. Based on the price data, a number is compiled in the index.

The index figures collected taking into account all goods purchased by consumers at their respective prices are referred to as the consumer price index. Based on the consumer price index, it can be calculated how much the rate of increase in prices in general in a certain period (Kristiani & Rahayu, 2018).

Income

According to Mubyarto, income is the result of farming, namely gross results with production valued with money, then reduced by production and marketing costs so that net farm income is obtained. Meanwhile, according to Mosher, income in agriculture is production expressed in the form of money after deducting costs during agricultural activities (Wanda, 2015).

RESEARCH METHOD(S)

The method used is a descriptive analysis based on a case study study between monetary variables inflation and macroeconomic variables of corn farmer income. The data used are primary data sourced from the field through observation, interviews, and secondary data available on the www.bps.go.id website. The location of the study was Medan Krio village, Deli Serdang Regency, North Sumatra Province.

FINDINGS AND DUSCUSSION

Income analysis of a farming system aims to determine the benefits obtained in farming which is measured based on the magnitude of the R/C-ratio and B/C-ratio is a comparison between the value of production (revenue) and the total cost of farming used. Cash receipts obtained from the sale of all planting season production, while total production costs are all costs used to purchase production facilities and labor costs each growing season. The analysis of farm income carried out in the study is yellow corn farming. The income level of farmers is measured based on the receipts received from the sale of yellow corn with all costs incurred in the growing season.

Generally, inflation is the tendency to increase the price of goods and services in general that lasts continuously. If the price of goods and services in the country increases, then inflation increases. The increase in the price of goods and services causes a decrease in the value of money. Thus, inflation can also be interpreted as a decrease in the value of money against the value of goods and services in general.

North Sumatra inflation is still classified as low inflation (below 2 digits) except in 2013 with a cap of 10.18%. Inflation has a positive impact and a negative impact, where if inflation is mild it will have a positive effect on the economy, meaning that it can increase people's income which will further affect people's interest and purchasing power (Ningsih & Andiny, 2018).

Conversely, in times of severe inflation i.e. in times of uncontrolled inflation (hyperinflation) the state of the economy becomes chaotic and the economy feels sluggish, people are not eager to save, invest and produce because prices increase rapidly, the recipients of fixed income.

Thus, the relationship between inflation variables has a positive effect on the income of corn farmers in Medan Krio Village. Because if there is an increase in the selling price of corn farmers' crop production, income will also increase.

CONCLUSION AND RECOMMENDATION

Inflation variables affect the income of farmers in Medan Krio Village. Because if there is an increase in the selling price of corn farmers' crop production, income will also increase. There needs to be intervention from the government and private sector to increase farmers' crop production. Which then directs farmers in terms of marketing the harvest obtained and how to use technology in the field of production both in quality and quantity. Farmers should form farmer groups and cooperatives that can help in obtaining capital loans, helping to market production products and exchange knowledge and information between farmers so that they can be more independent.

REFERENCES

- Aulia, S. S., Rimbodo, D. S., & Wibowo, M. G. (2021). Faktor-faktor yang Mempengaruhi Nilai Tukar Petani (NTP) di Indonesia. *Journal of Economic and Business Aseanomics*, 6(1), 44–59.
- Badan Pusat Statistik. (2021). Statistik Nilai Tukar Petani.
- BAPPEDA. (2020). Laporan Analisis Kesejahteraan Petani Dengan Penghitungan Nilai Tukar Petani Kabupaten Blora.
- BPS Deli Serdang. (2021). Kecamatan Sunggal Dalam Angka.
- Cahyono, S. A. (1998). Karakteristik Sosial Ekonomi Yang Mempengaruhi Pendapatan Ruamh Tangga Penyadap Getah Pinus di Desa Somagede, Kebumen, Jawa Tengah. *Jurnal UGM*.
- Dahniar, dkk. 2018. Analisis Tingkat Keuntungan Petani dan Pedagang Jagung Kuning (*Zea mays*) di Kecamatan Bontotiro Kabupaten Bulukumba. *Jurnal Ilmu Pertanian Univ. Al Asyariah* Vol. 3 (2) pp. 70-78.
- Haryani. (2017). Pengaruh Biaya Saran Produksi Terhadap Pandapatan Usaha Tani Semangka di Kecamatan Kabupaten Biruen. *Jurnal Ekonomi Dan Bisnis*, 17(1).
- Haslindan, & Jamaluddin, M. (2016). Pengaruh Perencanaan Dan Evaluasi Anggaran Terhadap Kinerja Organisasi Dengan Standar Biaya Sebagai Variabel Moderating Pada Pemerintahan Daerah Kabupaten Wajo. *Jurnal Ilmiah Akuntansi Peradaban*, 11(1).

The 1st Proceeding of The International Conference on Business and Economics

Vol.1, No.1 January-June 2023

e-ISSN: 2963-3370; p-ISSN: 2963-3656, Page 17-21

- Junaidi, A., & Hidayat, W. (2017). Analisis Produksi Kopi Di Desa Bocek Kecamatan Karangploso Kabupaten Malang. *Jurnal Ilmu Ekonomi Umm*, 1–14.
- Keumala, C. M., & Zainuddin, Z. (2018). Indikator Kesejahteraan Petani melalui Nilai Tukar Petani (NTP) dan Pembiayaan Syariah sebagai Solusi. *Jurnal Ekonomi Islam*.
- Lagebada, D. R., Effendy, & Sulaeman. (2017). Analisis Pendapatan Dan Kelayakan Usahatani Padi Sawah Di Desa Maranatha Kecamatan Sigi Biromaru Kabupaten Sigi. *Jurnal Agrotekbis*, 5(4), 509–517.
- Mardiasmo. (2003). *Perpajakan*. Andi Offset.
- Ningsih, D., & Andiny, P. (2018). Analisis Pengaruh Inflasi dan Pertumbuhan Ekonomi Terhadap Kemiskinan di Indonesia. *JURNAL SAMUDRA EKONOMIKA*, 2(1).
- Prathama, R., & Manurung, M. (2010). *Teori Ekonomi Mikro*. Lembaga Penerbit Fakultas Ekonomi.
- Purbarany, V. H. (2013). Analisis Pengaruh Persepsi Harga Kualitas Produk Diferensiasi Produk, Kualitas Layanan dan Promosi Terhadap Keputusan Pembeli.
- Sarina, N. (2016). Pengaruh Inflasi Terhadap Pendapatan Pedagang Beras Di Kabupaten Nagan Raya.
- Soekartawi. (2013). *Pemasaran Bank Dan Ekonomi Syariah*. Gema Insani Press.
- Sofyan, A. (2014). *Manajemen Produksi*.
- Sukirno, S. (2008). *Pengantar Teori Makro Ekonomi*. PT. Raja Grafindo Persada.
- Sukirno, S. (2016). *Mikro Ekonomi Teori Pengantar*. PT. Raja Grafindo Persada.
- Suma, M. (2015). *Pengantar Ekonomi Syariah*. Cp Pustaka Setia.
- Utoyo, L. (2013). Pengaruh Inflasi Terhadap Perekonomian di Wilayah Pedesaan. *Jurnal Akuntansi Dan Bisnis*, 3(2).
- Wanda, F. (2015). Analisis Pendapatan Usaha Tani Jeruk Islam. *Jurnal Ilmu Administrasi Bisnis*, 3(3).