

Business Profit Analysis of Rejected Laying Hen Traders

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Abstract

This research aimed to know the business profit analysis of rejected laying hen traders. This research was conducted at the Palakka Central Market located in Bone Regency. The type of research conducted in this research is quantitative. The type of data used in this study is quantitative data, which is data in the form of numbers. Quantitative data includes data on the number of sales, operating costs, and income of rejected laying hens. The population, namely the number of sellers of rejected laying hens amounted to 8 people. The data obtained from the interviews of respondents in the field were processed and tabulated, and then the data were analyzed. Based on the research, it can be concluded that the profit of the highest rejected layer (layer) traders was IDR. 3,454,075 and the least profit was amounting to IDR. 2,594,563 in one month. This profit itself was influenced by the costs incurred by the merchant and the amount sold to the buyer.

Keywords: Profit, rejected laying hen, traders.

INTRODUCTION

Poultry is one of the livestock that can be used as a source of animal protein because the livestock can produce food quickly and the price is relatively cheap compared to beef or other large livestock meat. One of the poultry that is popular among the public, namely laying hens, commonly known as *layers*, is one of the poultry that is kept for eggs [1]. The laying hens farming business is a promising business for farmers because this business has good prospects for development. This can be seen from data from the [2] regarding the increase in the population of laying hens in South Sulawesi in the last three years from 2018 to 2020, which were 7,859,015, 10,615,596, and 11,312,422, respectively. Laying hens have a growth period of the starter phase, grower phase, and layer phase. Layer-stage laying hens are adult chickens that undergo a period of laying eggs, producing. The production period for laying hens is 80-90 weeks. Production will increase when chickens are 22 weeks old and reach their peak at 28-30 weeks, then egg production decreases slowly to 55% after 82 weeks or enters the reject period [3]. After rejection, the chickens are used as chicken pieces with lower meat quality than broiler chickens. The high laying hens population can meet the need for chicken meat in Indonesia. Rejected laying hens can be used as broilers and are a source of additional income for farmers [4]. Regarding the price of rejected laying hens in early April 2022, they were sold at the cost of Rp. 40,000 per head. The price of rejected laying hens sold by traders is usually not all the same, although some offer the same price. Dismissed chicken meat has a quality that is known to be tough and has a lot of fat content. If viewed from the aspect of health, rejected chicken has less nutritional content when compared to other chickens. Rejected laying hens are often equated with broilers but rejected laying hens have low meat quality. It can be said that the quality of the meat is tough and contains a lot of fat. With such quality, consumers should assume not to buy rejected laying hens, but many people are still interested in consuming them. Most people prefer discarded laying hens to broilers because broiler chickens are not recognized as healthy chicken meat because they are kept for

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only a month, while local chickens are a month old if they are not suitable for consumption and there are also many assumptions that rapid growth is due to hormone injections and the use of drugs which will later cause health problems for consumers [5].

Old or less productive discarded laying hens are tougher than broiler chickens. Efforts have been made to make the rejected layer of chicken meat more tender and aim to diversify other livestock products, including beef jerky, shredded meatballs, and so on. One of the big potentials is the availability of rejected chickens from layers of lower quality. Therefore, processing techniques are needed to increase the usability of rejected laying hens so that they are preferred by consumers, increasingly demanding a variety of processed products. Rejected layer chicken meat has the potential to become a processed meat product because it has a nutrient content not much different from that of broiler chicken and has a high fat content [4]. Each trader sells a different number of rejected chickens. Traders with a large number of rejected chickens allow the revenue they receive to be even greater. However, a large number of rejected chickens causes the costs also incurred to be greater, so a study is needed to determine the level of profitability obtained by traders. Profitability is the ability of traders to earn profits in relation to sales. Palakka central market is the central market in Bone district, which was formerly in the center of Watampone City but was moved to Palakka area due to fires and city control. This market has an area of 12 ha. This market is a trading center in Bone Regency. This market facilitates trade, allows the distribution and allocation of resources within the community, and allows all items to be traded at prices that the Regional Revenue Service of Bone Regency has limited. To carry out buying and selling activities, this market is equipped with market facilities such as shop houses, shops, kiosks, loads, courtyards and parking lots [6]. This is the background for conducting research on *Analysis of Business Profits for Layers (Layer) Afkir at the Palakka Central Market, Bone Regency*.

RESEARCH METHOD

This research was conducted in Bone Regency in April 2022 at the Palakka Central Market located in Bone Regency. This location was determined intentionally because there are several sellers of rejected laying hens and it is one of the market centers in Bone Regency. The type of research conducted in this research is quantitative. The type of data used in this study is quantitative data, which is data in the form of numbers or numbers. Quantitative data includes data on the number of sales, operating costs, and income of rejected laying hens at the Palakka Central Market, Bone Regency. The data source used in this study is primary data, namely data obtained directly from the source without going through an intermediary. Primary data is data sourced from direct interviews with farmers, including data on the number of sales, business costs, and business income of rejected layer chicken traders at the Central Market of Bone Regency and secondary data, namely data obtained by studying literature and literature related to objects and research problems.

The data collection methods used in this study are:

1. Field studies directly observe the situation and business conditions of rejected laying hens in Bone Regency. Interviews using questionnaires, namely collecting data face to face with traders and distributing several sheets of paper containing questions that must be answered by traders of rejected laying hens at the Central Market of Bone Regency.
2. A literature study is an effort made by researchers to obtain various information related to the level of satisfaction by digging various information sourced from scientific books, research reports, scientific essays, theses and dissertations and other written and electronic media sources.

The population, namely the number of sellers of rejected laying hens at the Palakka Central market in Bone Regency, amounted to 8 people who were designated as the research population. According to [7], the sample is part of the number and characteristics possessed by the population. It can be concluded that the sample is part of the population that is considered representative of the population because it has the same characteristics or characteristics. The technique used in this research is using the saturated sample technique. The notion of saturated sampling is a sampling technique for all population members. This is done when the population is relatively small, less than 30, or the researcher wants to make generalizations with minimal errors. The data obtained from the interviews of respondents in the field were processed and tabulated, then analyzed—the general equation of profit [8].

$$K = Pt - Bt$$

Description:

K = Profit (*income or net revenue*)

Pt = Total revenue (*total revenue*)

Bt = Total cost (*total cost*) = (fixed cost + variable cost)

RESULTS AND DISCUSSION

Fixed Costs

Fixed costs (fixed costs) are incurred by laying hens whose use does not run out in one production period. The size of the production costs is not influenced by the amount of products produced by laying hens, but these costs must be incurred [9] for what is included in the fixed costs in laying hens of rejected breeds are knife depreciation, machine depreciation, retribution costs (cleanliness and security) and transportation. Fixed costs can be seen in Table 1.

Table 1. Fixed Cost of Rejected Laying Chicken Trader Business at the Palakka Central Market, Bone Regency (IDR/month)

No	Name	Depreciation				Retribution	Total
		Knife	Machine	Stove	Pot		
1	Majid	2.625	97.500	3.475	2.325	120.000	225.925
2	Agus	3.417	80.625	2.237	1.800	120.000	208.079
3	Muhammad	2.775	82.500	1.812	1.875	120.000	208.962
4	Bagas	2.625	86.250	3.312	2.250	120.000	214.437
5	Iwan	3.150	86.250	3.937	2.250	120.000	215.587
6	Nurdin	3.417	82.500	1.737	1.950	120.000	209.604
7	Pande	2.625	86.250	1.875	1.875	120.000	212.625
8	Abdul	2.400	97.500	3.187	1.950	120.000	225.037

Source: Primary Data that has been processed, 2022.

Based on Table 1, the depreciation value of Nurdin's knife has the highest value, IDR 3,417 and for the lowest, Abdul's knife is IDR 2,400, while for the depreciation value on the hair removal machine, the highest value is Majid and Abdul, with a value of IDR 97,500 and for the lowest depreciation value for IDR 80,625. On the stove, the highest cost was incurred by Iwan, who used a Rinnai brand one-eye stove with a depreciation of IDR 3,937, and for the pan, the most increased cost was incurred by Majid, who used a Javanese branded pan with a size of 28 cm with a depreciation of IDR 2,325. The cause of this difference in value is that the price of purchased equipment is different. The higher the price, the higher the depreciation value and vice versa. The depreciation value will also be low if the item is purchased at a low price. This is in accordance with the opinion of [5], which states that in relation to allocating costs to maximize income, entrepreneurs or traders always try to manage their business as well as possible so that their livestock business is efficient. The efficiency of a chicken trader's business is influenced by equipment, the more efficient the value spent on equipment, the more profitable it will be.

The cost of retribution that the merchant must pay is as much as Rp 4,000/day, which is IDR 2,000 for cleaning and IDR Two thousand for security and if you add up in a matter of months, you get IDR 120,000/month for each trader.

Variable Costs

Variable costs fluctuate following sales activities, variable costs will also increase if sales are higher. On the other hand, if sales decrease, variable costs such as electricity, plastic bags, and others will also decrease. This is in accordance with the opinion of [10], which states that variable costs are costs that vary according to changes in volume.

Table 2. Variable Cost of Rejected Laying Hen Trader Business at Palakka Central Market, Bone Regency (IDR/month)

No	Name	Variable Cost					Amount	
		Electric	Plastic	Gas	Chicken	Feed		Transport
1	Majid	103.000	67.000	66.000	24.000.000	150.000	800.000	25.186.000
2	Aug	53.000	36.000	44.000	20.000.000	100.000	1.000.000	21.233.000
3	Muhammad	76.000	52.000	44.000	22.000.000	150.000	1.200.000	23.522.000
4	Bagas	76.000	55.000	45.000	21.200.000	100.000	1.200.000	22.686.000
5	Iwan	103.000	58.000	46.000	19.600.000	100.000	800.000	20.707.000
6	Nurdin	53.000	52.000	45.000	22.000.000	150.000	800.000	23.100.000
7	Pande	76.000	35.000	67.000	22.800.000	150.000	1.000.000	24.128.000
8	Abdul	53.000	36.000	47.000	20.400.000	100.000	800.000	21.436.000

Source: Primary Data that has been processed, 2022.

Based on Table 2, the variable costs incurred by each trader are different for electricity. The largest costs incurred by Majid and Iwan are IDR 103,000 and for the lowest, namely Agus, Nurdin and Abdul, IDR 50,000 each. In electricity, each trader has their electricity using tokens. For plastic, the highest cost was incurred by Majid of IDR 67,000 and Pande incurred the lowest cost for plastic of IDR 35,000 on plastic.

In gas cylinders, the use of traders varies. Some use two and three gas cylinders and the price purchased also varies from IDR 22,000 to IDR 25,000. On the feed, the traders spend around IDR 100,000 to IDR One hundred fifty thousand. Feed costs are affected by the number of chickens that are owned. In the chicken expenditure, the cost incurred for a dozen chickens is IDR 400,000, while Mr Majid is the person who takes the most chickens, namely by spending as much as IDR 24,000,000 and Mr Iwan spends the least amount of IDR 19,600,000.

Transportation costs are incurred when traders want to do chicken picking in Sidrap. The costs incurred by traders for transportation are very diverse starting from IDR 800,000 – IDR 1,200,000 for two retrieval periods in one month. The largest transportation cost depends on the amount of production carried out one way if using a private car is spent around IDR 400,000 and when using a rental car a fee of IDR 600,000 is incurred for one way. Of the costs incurred, Majid has the largest expenditure of IDR 25,120,000 and Nurdin spend the least amount of IDR 20,661,000. This difference in expenses is due to the difference in production. This is in accordance with the opinion of [9], which states that variable costs are costs whose size depends on the production scale.

Total Costs

Total costs are costs incurred by traders starting from production, fixed, and variable costs. This is in accordance with the opinion of [5], which states that the total cost is the total amount of costs incurred to carry out sales activities in one period. The total costs can be seen in Table 3.

Table 3. Total Cost of Rejected Laying Hen Trader Business at Palakka Central Market, Bone Regency (IDR/month)

No	Name	Total Cost		Amount
		Fixed costs	Variable costs	
1	Majid	225,925	25,120,000	25,345,925
2	Aug	208,079	21,189,000	21,397,979
3	Muhammad	208,962	23,478,000	23,686,962
4	Bagas	214,437	22,631,000	22,845,437
5	Iwan	215,587	20,661,000	20,876,587
6	Nurdin	209,604	23,055,000	23,264,604
7	Pande	212,625	24,061,000	24,273,625
8	Abdul	225,037	21,389,000	21,614,037

Source: Primary Data that has been processed, 2022.

Based on Table 3, each trader incurs different costs, and Majid incurs the most, amounting to IDR 25,345,925, while the lowest expenditure is found in Iwan, which is IDR 20,876,587. For other traders, it costs around IDR 21,397,979 to IDR 24,273,625.

Total Revenue

Revenue is income earned from selling rejected chickens to buyers. This is in accordance with [10], which states that, therefore, revenue is the total income traders make from money for one month from selling rejected chickens to buyers. The table of receipts of rejected layer (layer) traders at the Palakka Central Market, Bone Regency, can be seen in Table 4.

Table 4. Business Revenue of Rejected Layer Chicken Traders at the Palakka Central Market, Bone Regency (IDR/month)

No	Name	Revenue		Amount
		Number of Chicken Sold	Chicken Price/tail	
1	Majid	720	40,000	28,800,000
2	Aug	600	40,000	24,000,000
3	Muhammad	660	40,000	26,400,000
4	Bagas	636	40,000	25,440,000
5	Iwan	588	40,000	23,520,000
6	Nurdin	660	40,000	26,400,000
7	Pande	684	40,000	27,360,000
8	Abdul	612	40,000	24,480,000

Source: Primary Data that has been processed, 2022.

Based on Table 4, it can be seen that the highest revenue was obtained by Mr Majid, which amounted to IDR 28,800,000 and the lowest received by Mr Iwan, which amounted to IDR 23,520,000. Revenue is influenced by the number of chickens traders successfully sell to buyers.

Profit Analysis

Profit is the income derived from the sale of chickens made and reduced by the total cost. This is in accordance with the opinion of [11] that profit is a company activity that reduces some of the costs incurred with the sales results obtained. If these costs reduce the sales results obtained, the value is positive, and then a profit or profit is obtained. The table of acceptance of rejected layer (layer) traders at the Palakka Central Market, Bone Regency, can be seen in the table below.

Table 5. Business Profits of Rejected Laying Chicken Traders at Palakka Central Market, Bone Regency (IDR/month)

No	Nama	Revenue	Total Cost	Profit
1	Majid	28.800,000	25.345.925	3.454.075
2	Agus	24.000,000	21.397.079	2.602.921
3	Muhammad	26.400,000	23.686.962	2.713.038
4	Bagas	25.440.000	22.845.437	2.594.563
5	Iwan	23.520,000	20.876.587	2.643.413
6	Nurdin	26.400,000	23.264.604	3.135.396
7	Pande	27.360.000	24.273.625	3.086.375
8	Abdul	24.480.000	21.614.037	2.865.963

Source: Primary Data that has been processed 2022.

Based on the data in Table 5, each trader has a profit that varies from around 2 to 3 million IDR, while the highest profit is obtained by Majid, which is IDR 3,454,075, and Bagas have the least profit, amounting to IDR 2,594,563. The volume of sales made influences this profit itself. This is in accordance with the opinion of [5], which states that there are several differences in the sales volume of rejected laying hens received by traders, and the difference in sales volume is the most influential factor in profits.

CONCLUSION

Based on the research that has been done, it can be concluded that the profit of the highest rejected layer (layer) traders is IDR 3,454,075, and the least profit amounted to IDR 2,594,563 in one month. This profit itself is influenced by the costs incurred by the merchant and the amount sold to the buyer.

DECLARATIONS

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Authors' Contribution

Agung Kurniawan Yusuf led and fully managed the research project and was responsible for data collection and script writing. Vidyahwati Tenrisanna contributed to data processing and interpreting field data; Veronica Sri Lestari contributed to the data processing and provision of library resources, and Ilham Rasyid contributed to the article writing process, publication process and translation process.

Conflict of interests

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The authors declared that there is no conflict of interest in this research.

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