THE EFFECT OF SELLING PRICE AND PRODUCTION COSTS ON CORN FARMERS INCOME IN SEMANDING, KAWEDUSAN VILLAGE, PONGGOK SUB-DISTRICT

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ABSTRACT
The purpose of the research is to find out whether there is an influence between selling prices and production costs to the income earned by corn farmers in Semanding Village, Ponggok Sub-District, Blitar Regency. This research is field research and used quantitative methods. The population and sample used are corn farmers in Semanding, Kawedusan Village, Ponggok Sub-District, Blitar Regency as 17 people. Data collection techniques in this research used a questionnaire, and literature study. The data analysis techniques used are descriptive respondents, validity, reliability, classic assumption tests, multiple linear regression tests, coefficient determination tests (R2), correlation tests, and hypothesis testing. The final results showed the selling price partially had a positive and significant effect on income, the production cost had a partially positive and significant effect on income, and the selling price and production costs simultaneously had a positive and significant effect on the income received by corn farmers in Semanding, Ponggok Sub-District, Blitar.

Key Words: Selling price, Production cost, and Income

1. INTRODUCTION

Agriculture is one of the jobs that is permanent and still survive when the economic situation in a country is declining, it is very helpful to increase the economy of Indonesian people, especially for rural communities. The agricultural sector has a very important role in developing economy in Indonesia. There are various kinds of agricultural products produced by farmers in Indonesia, one of them is corn. Corn has the Latin name *Zea Mays. L* is a commodity which is used as food that quite attractive to Indonesian people. Corn plants have a relatively short planting period to around 80 days to 3 months, besides corn plants are seasonal plants that can only grow well during the dry season. Until now, the population in Indonesia who uses corn as a staple food is around 18 million people. East Java Province is one of the provinces which produces a lot of corn from agricultural products.

In 1 (one) corn around (100 gr) there are several nutritional contents in it, namely fiber, folate, thiamine, phosphorus, vitamin C, and magnesium which are very necessary for the body. However, the efficacy obtained by consuming 1 (one) corn is not comparable with various obstacles when producing corn among the farmers; this is very worrying related to the welfare of corn farmers in Semanding Village. The unstable selling price of corn can affect the income from the production of corn farmers in Semanding Village, and it will also affect the income earned by corn farmers. Thus, the use of production costs must be considered during the production process to determine the efficiency or lack of production costs incurred in order to obtain the desired profit.

The selling price is the price set by the seller of the goods or services sold, so it can get profits from the buying and selling activities (Wahyudi & Endah, 2019: 80). Determining the selling price is very important for the seller, it will determine the profit or income that will be received by the seller. If the seller determines a high selling price, then

the buyer / consumer move to another seller who offers a lower price. It will cause the seller loose the consumers and get an expected profit. Conversely, if the seller determines a low selling price, it causing losses because the production costs incurred cannot be covered with a maximum (Kurniasari, et al, 2018: 74). There are 3 selling price methods, namely selling prices by the market, determining selling prices by the government, and selling prices set by the company (Sudaryono, 2015: 232).

Costs are load or sacrifice that have been incurred and measured by applicable money units that have or will occur to achieve the desired goal (Bustami and Nurlela, 2006: 4). Other experts interpret costs in the broad mean and narrow mean. Cost in the broadest mean that is the load or sacrifice that has been issued and measured in units of money that have or will occur to achieve the desired goal. While the cost in the narrow mean is the load or sacrifice that has been incurred and used to obtain wealth (Mulyadi, 2005: 9). Costs can also be interpreted as a sacrifice incurred and expressed in units of money whether or not it has occurred and used to expedite the production process in accordance with the desired goals. While the understanding of production costs is the costs incurred for the production process to completion. These production costs include raw material costs, direct labor costs, and factory overhead costs (Sutrisno, 2001: 3).

Production costs in agricultural sector include the costs of seeds, fertilizer, maintenance, pesticides, labor, land rent, and post-harvest costs. Costs incurred during the production process are very influential on the level of income of corn farmers, because if the production costs incurred by farmers are greater than the income received, then the farmers will suffer losses. Therefore, corn farmers must be able to minimize costs incurred during the production process, in order to get the maximum benefit.

2. RESEARCH METHOD

The research method is a method used by researchers to obtain data which will be processed, described, and proven so that it can be understood to solve and anticipate a problem (Sugiyono, 2014: 6). The research method used in this thesis is quantitative research methods. Quantitative research methods are research methods used by a researcher by collecting and processing data that will be presented in the form of values or numbers rather than words or stories. Quantitative research can be called a type of research that reveals facts in the form of precise and clear measurements.

The population and sample in this research are 17 corn farmers in Semanding Village, Ponggok Sub-District, Blitar Regency. The sampling based on the Slovin formula, if the population is less than 100 people, the sample used is 100%. In this research, the variables used are selling prices and production costs as the independent variable, and income as the dependent variable. Data collection techniques used in this study is using a questionnaire and literature study. While the data analysis techniques used in this study are the classic assumption test, multiple linear regression test, correlation test, determination test, and hypothesis testing.

3. RESULT
Data Description

Questionnaires are made by researchers and distributed to 17 respondents of corn farmers in Semanding village, Ponggok Sub-District, Blitar Regency, getting the following data:

1. Characteristics of respondents based on the age is known that the number of respondents aged 50-60 years as 12 people, age 40-50 years as 2 people, ages 30-40 years as 1 person, and ages 20-30 years as 2 people with a number of respondents 17 people.
2. Characteristics of respondents based on sex are dominated by male corn farmers as 15 people, while female corn farmers as 2 people from a total of 17 respondents.
3. Characteristics of respondents based on high school education level / equivalent as 3 people, while the level of junior high school as 14 people from a total of 17 respondents.
4. Characteristics of respondents based on income is known that the income of corn farmers mostly between Rp. 4,000,000 - Rp. 6,000,000 as 16 people, and corn farmers' income more than Rp. 6,000,000, only 1 person out of a total of 17 respondents, it due to several factors, one of them is the area of land planted.
5. The characteristics of corn farmers based on the area of land planted is known that those who have land area of 150 RU are 16 people, and corn farmers who have 600 RU land area is 1 person from a total of 17 respondents.
6. Characteristics of respondents based on land ownership status can be seen that the land planted with corn by all respondents has the status of renting.
7. Characteristics of respondents based on the type of corn planted are known that all respondents planted their land with ordinary corn, none of the respondents planted their land with sweet corn.

a. Classic Assumption Test
  1. Normality Test Result

Table 1
Kolmogorov-Smirnov Normality Test Result

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		17
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	2.34283545
Most Extreme Differences	Absolute	.146
	Positive	.076
	Negative	-.146
Kolmogorov-Smirnov Z		.601
Asymp. Sig. (2-tailed)		.864

a. Test distribution is Normal.

Source : Primary Data Processing SPSS 16.0, 2020

The Kolmogorov-Smirnov test results above obtained a significant value at 0.864 or greater than 0.05. Then, it can be concluded that the residual data are normally distributed and meet the normality assumption.

2. Multicolinearity Test Resukt

Table 2
Multicolinnearity Test Result

Coefficients[a]

| Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.287	2.798		.460	.652		
Selling Price (X_1)	.552	.239	.469	2.309	.037	.519	1.926
Production Cost (X_2)	.575	.266	.440	2.164	.048	.519	1.926

a. Dependent Variable: Pendapatan (Y)

Source : Primary Data Processing SPSS 16.0, 2020

Based on the multicollinearity test results above, it can be seen that the selling price variable (X1) and the production cost variable both have a tolerance value of 0.519 and a VIF value of 1.926, it means that the tolerance value of each variable> 0.05 and the value of VIF <0, 10 On the basis of decision making it can be concluded that the value indicates the absence of multicollinearity symptoms in the regression model.

3. Heteroskedasticity Test Result (*Scatterplot's*)

Picture 1
Heteroskedasticity Test Result

Scatterplot
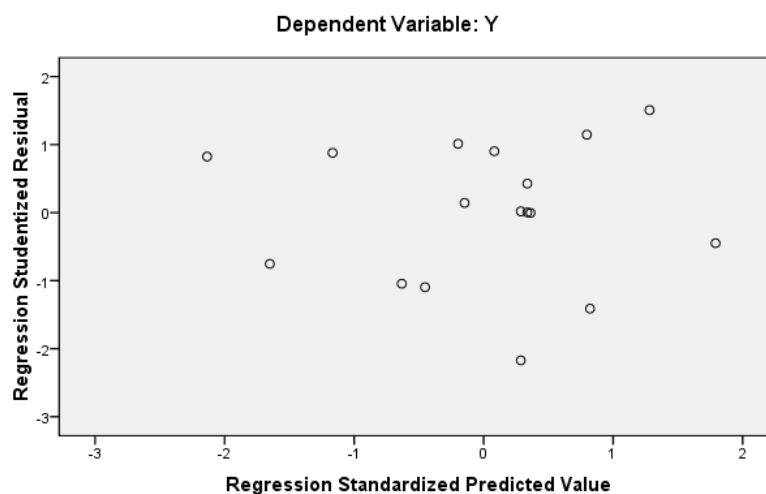
Source : Primary Data Processing SPSS 16.0, 2020

Based on the Heteroscedasticity test results above, it can be seen that the distribution of data in the image does not form a clear pattern, the data points spread above and less than 0, it do not gather, or widen and narrow, it means that there are no symptoms of heteroscedasticity.

b. Multiple Linear Regression Test Result

Table 3
Multiple Linear regression Test Result

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	1.287	2.798		.460	.652
Selling Price (X1)	.552	.239	.469	2.309	.037
Production Cost (X2)	.575	.266	.440	2.164	.048

a. Dependent Variable: Y

Source : Primary Data Processing SPSS 16.0, 2020

The results of the multiple linear regression tests above, known as the equation of the selling price variable (X1) and production costs (X2) to income (Y) as follows:

$Y = 1{,}287 + 0.552 X1 + 0.575 X2$

From the multiple linear regression equation above, getting the result:

1. The independent variable produces a constant value of 1.287, it means that the variable selling price and production costs have a positive coefficient direction on the income variable.
2. The coefficient value of the selling price variable (X1) is 0.552, it means that the higher the agreed selling price, the more income will be received by corn farmers.
3. The variable coefficient of production cost (X2) is 0.575, it means that the better the production costs incurred, the more income will be received by corn farmers.

c. Coefficient of Determination Test Results (R^2)

Table 4
Coefficient of Determination Test Results (R^2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.837[a]	.700	.657	.788

a. Predictors: (Constant), X2, X1

Source : Primary Data Processing SPSS 16.0, 2020

Based on the coefficient of determination test results (R2) above, it can be seen that the value of R2 produced by the variable selling price (X1) and production costs (X2)

to the income variable (Y) of 0.657 or close to 1, it means that the independent variable is very strong to influence the dependent variable .

d. Correlation Test Results (r)

Table 5
Correlation Test Results (r)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.837[a]	.700	.657	.788	.700	16.314	2	14	.000

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

Source : Primary Data Processing SPSS 16.0, 2020

Correlation test results between variables obtained a significance value of 0,000 or <0.05, it means that there is a correlation between variables, while to determine the level of closeness of the relationship between variables can be known at the r table value of 0.837 or the relationship between variables has a strong correlation.

e. Hypothesis Test Results
1. Partial Test (t)

Table 6
Partial Test Result
(t test)

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.287	2.798		.460	.652
Selling Price (X1)	.552	.239	.469	2.309	.037
Production Cost(X2)	.575	.266	.440	2.164	.048

a. Dependent Variable: Y

Source : Primary Data Processing SPSS 16.0, 2020

From the results of the multiple linear regression test (t test) above, it can be seen that the t-count value of the selling price variable (X1) is 2.309 and the t-count value of the production cost variable (X2) is 2.164, or the t-count of the two variables> ttable (2.145), it means that the variable selling price (X1) and production cost variable (X2) individually influence the income variable (Y).

2. Simultaneous Test (F)

Table. 7
The results of multiple linear regression test (F test)
ANOVA[b]

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	20.252	2	10.126	16.314	.000[a]
Residual	8.690	14	.621		
Total	28.941	16			

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

The results of multiple linear regression test

From the results of multiple linear regression test (F test) above, it can be seen that the value of Fcount is 16.314, or> F table (3.68) it means that the selling price variable (X1) and the production cost variable (X2) simultaneously influence the income variable (Y).

4. DISCUSSION

Based on the partial test results listed in table 4.12 above, the t value for the sale price variable (X1) obtained a value of 2.309 or greater than the value of t table (2.145) and a significance value of 0.037 or 3.7%, it means that Partial test (t test) shows that the selling price variable has a significant effect on the income variable. The results of this srudy are consistent with the research conducted by Ni Wayan Ari Santi, Iyus Akhmad Haris, I Nyoman Sujana, Indra Puji Laksana, Mia Aprilia, and Vina Rosmiyati, who stated that the selling price had a positive and significant effect on income.

From the partial test results listed in table 4.12 above, the t value of the variable production costs (X2) obtained a value of 2.164 or greater than the value of t table (2.145) and a significance value of 0.048 or 4.8%, it means that Partial test (t test) shows that the variable production costs significantly influence the income variable. The results of this study are consistent with the results of research conducted by Indra Puji Laksana, Novita Sari, Mukhlishotul Jannah, Asep Mulyana, and Nugra Hartono who stated that production costs had a positive and significant effect on income.

It is because corn production depends on the amount of fertilizer applied. If enough fertilizer is given, the quality and corn produced will get better and more. Then the income received by corn farmers in the Semanding village is also increase. However, corn farmers still have to control the costs incurred so no loss occurred

Based on the results of the simultaneous test (F test) contained in table 4.13 above, it can be seen that the variable selling price (X1) and production costs (X2) produce a calculated value of 16.314 or greater than f table (3.68) and the significance value equal to 0,000 or smaller than 0.05. So it can be seen that the selling price and production costs have a significant effect on the income received by corn farmers in Semanding Village.

In accordance with the explanation in points a and b before, that the selling price agreed by the buyer and the corn farmer affects the income of the corn farmer. Also, the costs incurred by corn farmers also affect the quality and quantity of corn produced, it will affect the price of corn and the income received by corn farmers

5. CONCLUSION

Based on the results and discussion of the research, it can be concluded that partially or simultaneously, the selling price and production costs have a positive and significant effect on the income of corn farmers in Semanding Village, Ponggok Sub-District, Blitar Regency.

6. SUGGESTION

Corn farmers in Semanding Village in Ponggok Subdistrict must be able to control the costs incurred during one time the planting period so it does not get losses, such as the provision of fertilizers, pests and labor costs.

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