

ABSTRACT

This study was conducted in Kota Pari Village, Pantai Cermin Subdistrict. The research aims to analyze production risk and income risk in lowland rice farming of the Permai Farmer Group in Kota Pari Village, Pantai Cermin Subdistrict, Serdang Bedagai Regency. The background of this study is that approximately 70% of the population of Kota Pari Village, Pantai Cermin Subdistrict, depends on the agricultural sector as their main livelihood. In this village, there are six active farmer groups. Among these groups, the Permai Farmer Group is the one most frequently exposed to extreme environmental conditions and high levels of uncertainty, which significantly affect the success of their farming activities. Variations in rice production within the Permai Farmer Group are closely related to various sources of production and income risks. This study involved 23 lowland rice farmers who are members of the Permai Farmer Group. The research employed a quantitative approach using analysis of revenue, income, risk analysis through the coefficient of variation (CV), and lower limit analysis. The results show that the average income of lowland rice farmers in the Permai Farmer Group was IDR 5,907,290 per hectare per production cycle. The production risk analysis indicates that the average rice yield was 1.45739 tons per hectare, suggesting relatively low productivity. The coefficient of variation for production was 0.5447 (54.47%), which falls into the high-risk category. The lower limit (L) of production was -0.1304 tons. This negative value does not imply total crop failure but reflects a high level of production variability. Regarding income risk, the coefficient of variation was 0.707 (72.67%), indicating a high level of income risk. The lower limit of income (L) was IDR -2,446,301, suggesting that under the worst conditions, farmers' income could potentially be negative.

Keywords: Revenue, Income, Risk, Production, Coefficient of Variation, Lower Limit, Lowland Rice, Permai Farmer Group.