

ABSTRACT

This study was conducted at a salted anchovy agro-industry owned by Mr. Januar in Pusong Baru Village, Banda Sakti District, Lhokseumawe City. The purpose of this study was to determine the amount of value added generated from processing fresh anchovy into salted anchovy. The data analysis method used was the Hayami method to calculate value added per unit of input. The results showed that the total production cost of salted anchovy in one production process amounted to Rp 9,005,947.09, with total revenue of Rp 12,600,000 per production process. Therefore, the profit obtained was Rp 3,594,052.91 per production process. In terms of value added, the processing of 1 kg of fresh anchovy into salted anchovy generated a value added of Rp 10,085.13 with a ratio of 32.07%, which is categorized as a medium value added. Most of the value added was allocated as profit for the entrepreneur, while the remainder was distributed to labor and other inputs. These results indicate that the salted anchovy agro-industry has good prospects for development as a business based on local raw materials that provides economic benefits for entrepreneurs while contributing to the local community's economy.

Keywords : *agro-industry, fresh anchovy, Hayami method, salted anchovy, value added*