ABSTRACT

The plantation sector, especially oil palm and rubber, is an important commodity that contributes greatly to the income of the community and the regional economy in Indonesia. However, differences in farming characteristics, such as land area, productivity, and marketing systems, are suspected to cause income and welfare disparities among farmers. The main purpose of this study is to analyze and compare the income level and welfare of oil palm and rubber farmers in Labuhan Batu Regency, West Bilah District. The research method used was a survey with a quantitative approach, collecting primary and secondary data from 42 oil palm farmers and 40 rubber farmers determined using the Slovin formula. Data analysis involves quantitative descriptive methods for cost, net income, and sample independent t-tests for comparison. The results of the study showed that the average income of oil palm farming was Rp30,414,821/Ha/year, significantly higher than rubber farming of Rp24,566,381/Ha/year, with a difference of Rp5,848,440/Ha/year. This difference is due to more stable palm oil productivity and a simpler marketing system, inversely proportional to rubber whose production is affected by weather and market price fluctuations. In terms of welfare, 88.09% of oil palm farmers are classified as prosperous, while only 70% of rubber farmers achieve this category based on BPS 2014 indicators. This shows that oil palm smallholders generally have better levels of well-being because higher and more stable incomes allow for better fulfillment of basic needs, education, and health.

Keywords: Comparative Analysis, Farmer Income, Oil Palm, Rubber, Welfare