Perception Of Farmers In Langa Leso Village Towards Subsidies

Christina Jeane Tandirerung¹, Chalarce Totanan²*, Yuldi Mile³, Marsuddin⁴, Natalia Paranöan⁵

Faculty of Economics & Business, Universitas Kristen Indonesia Paulus Makassar
Indonesia¹,³
Department of Accounting, Tadulako University Manado, Indonesia²,³,⁴

Abstract-This study aims to find farmers perceptions and assess awareness towards the subsidies provided by the government. Increasing the amount of rice consumption in Indonesia causes the need for rice increase. This has a negative impact on the amount of domestic rice supply that cannot be denied. One of the government's efforts to increase the level of rice consumption is a varied pattern of food consumption. The development of subsidy policies for farmers from the government considers various community patterns in obtaining the subsidies. These make a differences in farmers' perceptions about subsidies that are in accordance with their farming needs. The method in this research is phenomenology with purposive sampling technique to determine informants. The site of the research was Langaleso Village, Dolo Subdistrict, Sigi Regency. The results showed that subsidies affect farmer’s behavior. When subsidies are given, the head of the family will use as many names as possible to obtain a large amount of fertilizer (urea). If the subsidy is removed, the informant says that it doesn't matter as long as the price of grain is raised

Keywords: Perception, farmers, subsidies, Behavior Change.

Introduction

Food demand increases with increasing population. The consumption pattern of the Indonesian population which is based on rice is a burden for the government, because it increases the demand for rice. Increased population, improved economic growth encourages increased food consumption, this has an impact on increasing the use of fertilizer (Foresight, 2011; FAO, 2011). Agricultural intensification has been seen as one of the choices in the country's development agenda (Samriddhi, 2011; Dahal et al, 2009). Boserup (1965) argues that increasing population means pressure is also increasing how to meet food supply through diversification. Starting from the use of machine technology, and fertilizer, how to grow from traditional agricultural practices to intensive farming systems.

Provision of subsidized is one way of the government to increase production capacity. Subsidies by the government as an effective solution to help farmers increase production capacity. Subsidy has become a policy to farmers by helping with processing costs. Research results on subsidies and credit programs increased use of fertilizers in Asia (Gulati & Sharma, 1995; Murgai et al, 2001) and other parts of the world (Matsumoto & Yamano, 2011). This study wants to examine the perception of subsidies, especially on of farmers in Langaleso. In addition, this study also wants to assess farmer’s awareness of subsidy policies and examine their perceptions about their impact

The background of this study when of uncontrolled rice price increases in the November 2014-April 2015. These facts make it important to giving attention to rice farmers. In addition, the decline in agricultural land, the shift of farmers to crops, and a prolonged drought especially in 2018-2019, became a problem of not fulfilling the rice self-sufficiency program.
Inability to produce is actually not the main cause of rice being expensive. The problem is also the traditional farmers in treating their agriculture not as work but only to fulfill their life. Farmers also have the problem of not able to accurately describe each activity that will occur at each stage of production in order to know the resources absorbed in their agricultural activities. Because their is considered not a business, them are not yet oriented towards maximum production. This view causes farmers not to be oriented to the calculation of the costs they have incurred.

Farmers only calculate the cost of production (COP) using traditional methods that charge the costs incurred not compared to the volume (unit) of the product produced. Confusion is also due to changes in fertilizer policy in an effort to guarantee supply and to accelerate the growth of food production through intensive use of chemical fertilizers. There is always a concern that the supply of chemical fertilizers has not met in accordance with the planting period of farmers.

The success of the agricultural economy must continue to be supported by the current price competition. To win the competition, price is the main element, including quality. Selling prices are influenced primarily by COP (Mulyadi, 2014; Campton, 1996). If the production costs are low, the selling price will be low and vice versa. Especially if it is associated with the implementation of the Asian free market. The current increase in production costs in the business sector causes competitive advantage to be low, especially rice commodity. This causes the alternative to import rice into a lucrative offer because of the significant price difference compared to products from outside, such as from Thailand.

COP is an important element of the performance of a business including agriculture. COGS (Cost of Good Sold) has a close relationship with indicators of the success of a business, for example: sales profits, increased productivity, improving quality, and improving financial conditions. COGS basically shows the cost of products (goods and services) produced in an accounting period. This means that COGS is part of the base price. Mulyadi (2014) said that COP is the sacrifice of economic resources measured in units of money that have (possibly) occurred to earn income. It was explained that production costs in relation to processing raw materials into finished goods.

There are three elements that form the COP, namely: 1) Raw Materials, 2) Labor, remuneration provided to labor. 3) Overhead costs are costs that cannot be directly charged to production. The benefit of COP Information is to know the profit (loss) periodically of a business activity. The benefits of determining COGS are as follows: Determine Selling Prices of Products, Monitor Realization of Production Costs, Calculate Periodic Income

**Research Method**

This research site was conducted on farmers and village officials in Langa Leso. The focus of the subsidy is the price on the fertilizer received. Surveys and interviews are used to obtain data. Subsidies for farmers are only given for main fertilizer or urea, while subsidies for seeds are only given a maximum of two hectares of rice fields for each farmer. To analyze data use the phenomenology perspective. Descriptive results are presented based on noema, noesis, and intersubjective.

Phenomenology aims to know from the standpoint of people who experience it directly (Kusworo, 2009: 35; Creswell, (2010: 20). Totanan (2012, 2014, 2015, 2017) explains phenomenology is not intended to test the theory. Creswell said the process of phenomenology research putting aside his personal experiences in order to understand the experiences of the participant. This method connected with phenomenological subsidies appropriately used, this is related to the understanding that subsidies are hyper realities that occur in the perspective of consciousness making it a habitus.

The provision of subsidies is an act as part of the structure in government. Farmers become part of the community who feel entitled to receive subsidies. Community members tend to act the same as those around them, however the actions of individuals with the same
pattern will result in understanding that may be different including subsidies. In practice, researchers enter the world of interpretation of research objects.
The purpose of using phenomenology in this research is to look at social reality in applying policy values that create meaning and sustainability of subsidized agriculture among rice farmers who interact with each other. The unit of analysis is based on the concept of Husserl's phenomenology, namely: 1) Intentionality, 2) Noema and Noesis, 3) Intuition, and 4) Intersubjective. But in this study only intentional, noema and noesis are the focus of the discussion, as shown in Figure 1 below:

**Figure 1: Analysis Units of Phenomenology Research**
Source: Adaptation from Kuswarno (2009:46).

Deliberation is always related to consciousness which is an internal process in humans that is related to a particular object. This is the consequence that an object can produce a variety of new objects based on the perception of each individual. If intentionally producing subsidized objects can be hypothesized that farmers have an awareness of "subsidies".

Noema in this research is subsidies that are materially visible. The noesis is the values that underlie behavior in receiving subsidies which are then interpreted. Noema and Noesis as the unit of analysis in this case are associated with the human mind and senses. Noesisis the basic material of the human mind and spirit which is the ideal side of the object and not the actual state of the object (Totanan, 2014; 2015). Noesis that has been brought into the research will make the noesis description subjective, because of there is giving meaning to it when we perceive, remember, judge, feel, and think. Noema is permanent and has accurate evidence, therefore noema is the form and criteria as the object appears to our five senses.

The analysis in this study is not to find the wrong and right opinions from the informants, but rather to seek awareness of the informants in interpreting subsidies in agriculture. As a result, researchers are expected to obtain noesis and the meaning and implications of controlling subsidies that run naturally, without coercion, legal pressure, and time limits. Informants in this study showed in table 1 below:
The informants were selected by criteria: representing the element of the farmer as the agent of the agricultural subsidy and representing the element of the village who understood the flow of the subsidy. The intensive observation and interview techniques as in qualitative research was carried out in this study. The aim is to uncover the orientation of the subject and the world of his life (Kuswarno 2009: 48). The data obtained becomes the material for researcher’s interpretations in interpreting the informants’ thoughts and actions that form a state structure. Analysis in phenomenology is individual (Creswell, 1998; Moustakas,2007; Cooper, 1989; Kuswarno, 2009).
Table 1. Informants

<table>
<thead>
<tr>
<th>No</th>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mare’</td>
<td>Farmers, 43 years. Live in an agricultural environment.</td>
</tr>
<tr>
<td>2</td>
<td>MA</td>
<td>Farmer's wife, 38 years. Preferably there is a subsidy because it is an indication of the government's concern for farmers.</td>
</tr>
<tr>
<td>3</td>
<td>NR</td>
<td>The village apparatus is related to village activities.</td>
</tr>
</tbody>
</table>

Results and Discussion

This research is interesting to observe, the researchers tried to get comprehensive information on the policy of fertilizer subsidies in the village of Langaleso. The lack of a theoretical basis and framework for conducting this research is a particular obstacle and has to do with the discussion. Especially the theories that support the regulation of fertilizer subsidies. Fertilizer subsidy as part of increasing agricultural productivity aims to increase the purchasing power of underprivileged farmers in order to be able to purchase production facilities in sufficient quantities to increase or maintain productivity and income from farming.

Subsidies at the producer level will automatically have an impact on selling prices that are subsidized to be cheaper so that they are affordable and in accordance with the people's purchasing power. This means that subsidies for consumers of agricultural products will ease the burden of living while at the same time meeting the minimum basic food needs in order to strengthen the food security of the poor.

In general, subsidies in agriculture are provided in the form of subsidies for the price of production facilities and subsidies for agricultural products, for example rice for the poor. Theoretically, the impact of subsidies can be explained as follows:

a. Impact of subsidies on the price of agricultural facilities and inputs

   The impact of subsidies on the price of fertilizer on agricultural production can be explained that if the demand for fertilizer is not subsidized, the price of fertilizer will be high. This can have an impact on the number of requests. Low demand will indicate that much agricultural production, especially rice, will decrease its productivity due to reduced use of fertilizer. Conversely, if fertilizer is subsidized, fertilizer prices will be cheaper and that means demand will be high following the law of supply and demand. High demand will have implications for the use and also the level of productivity of rice. High agricultural productivity will increase supply. If so the price will decrease and this will have an impact on the stability of the selling price to the public. It will also have an impact on falling prices because of the high supply available.

b. The impact of subsidies on rising prices for agricultural products. If subsidy input can encourage farmers to be more efficient and use available resources by substituting technology use or using superior seeds, production can be achieved higher. If a large subsidy means that the price of fertilizer paid by farmers is very cheap. The level of agricultural production is also subject to the law of diminishing marginal return, that excessive use of fertilizers will cause excess minerals which will affect the disruption of plant growth so that it will reduce production.

3.1 Farmers' Perceptions About Subsidies

3.1.1 Noema

Fertilizer policy in Indonesia is influenced politically. Policies look good but sometimes make it difficult for potential sectors such as agriculture. The fertilizer subsidy policy has been implemented by the government since 1971. The policy is based on the important position of fertilizer as an important input in agriculture and receives special attention from the government. The subsidy is given directly through the mechanism of selling prices of fertilizers, especially in the business activities of rice plants. The goal is that prices
circulating on the market do not burden farmers so that farmers can still produce (Kariyasa, 2004). The government regularly adjusts the Highest Retail Price.

Farmers are the people who are directly involved in the use of fertilizers. Farmers who can buy who are members of farmer groups. Because of this requirement, there are procedures that must be fulfilled to purchase subsidized fertilizer. In addition to these requirements, the fertilizer distribution period also affects the perception of rice farmers. Moreover, farmers are always overshadowed by the scarcity of subsidized fertilizer.

According to farmers, the path to obtaining complicated fertilizers is an obstacle for farmers to obtain subsidized fertilizer. This is more difficult when coupled with the arrival or availability of fertilizer when the planting season has passed or even when it has entered the harvest period. In the end, this subsidized fertilizer becomes ineffective and wasteful, especially for farmers who do not have any other plantation land besides rice fields.

3.1.2 Intersubjective

The subsidy package is a government program to increase agricultural productivity to pursue self-sufficiency in rice. This is an intersubjective of this research. This will be a challenge for the government. This study analyzes the development of this policy, and provides insights and feedback from farmers who are potential beneficiaries of policy changes. The intersubjective found in this study are as follows:

a. Although there have been improvements in the fertilizer subsidy scheme up to the current subsidy policy, the distribution process to farmers is still not considered good by farmers.

b. Farmers are often slow to realize changes in policy regarding fertilizer, especially when the agricultural instructor is not as active as before in the field.

c. Farmers still think fertilizer subsidies provide relief in financing the farming process for farmers.

d. Bulog department is an extension of the government in accommodating grain production is considered less socialized and has not played a role in picking up the ball from farmers. So that the yield of rice farmers is absorbed more by the private sector.

Conclusion and Suggestion

4.1 Conclusion

Although the policy of prioritizing fertilizer as the main driver of increasing agricultural yields, the benefits of higher yields are not in line with expectations. Policy development related to the distribution and use of fertilizers has always been an obstacle in the field. Need to think about other policies that can directly benefit farmers to increase the spirit of higher production because it will directly have an impact on improving their welfare.

4.2 Suggestion

Farmer access to quality fertilizer that is efficient and quality must be ensured fast and timely according to the planting period which may be different in the territory of Indonesia. Because a large amount of fertilizer also comes from the private sector and imports so that the involvement of the private sector and traders can support to increase participation in fertilizer distribution.

Acknowledgment

The author would like to state appreciations to the Universitas Kristen Indonesia Paulus (UKI-Paulus) in Makassar, Indonesia for supporting to publish this article.
References


