

ABSTRACT

FINANCIAL FEASIBILITY ANALYSIS OF DAIRY CATTLE BUSINESS FARMING IN PURWOASRI VILLAGE OF NORTH METRO DISTRICT IN METRO

By

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The aimed of this research was to: (1) analyze the financial feasibility of dairy cattle business farming and (2) analyze sensitivities of financial feasibility of dairy cattle business farming.

Research was done in Purwoasri village of North Metro district in Metro. Location was done purposively considering the village was the central production of fresh milk and the only village in Metro that cultivate dairy cattle business. Data used was primary data and secondary data. Sample took by census method with total sample as many as 8 respondents. Data collect was done on December 2011 up to January 2012. Analyses for financial feasibility, were NPV, *Net B/C*, *Gross B/C*, IRR, *Payback Period*, breakeven point, and sensitivities.

Research result showed that dairy cattle BUSINESS farming in Purwoasri village of North Metro district in Metro has NPV 662,204,387.31, *Net B/C* 5.80, *Gross B/C* 1.97, IRR 50 % and Pp 3.39. The increase of production and price influenced the value of NPV, *Net B/C*, *Gross B/C*, IRR and *Payback Period*, but dairy cattle business farming is still feasible to be ran.

Keyword: dairy cattle, feasibility, financial feasibility, sensitivities, centre.

Explanation:

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