ABSTRACT

ANALYSIS PRODUCTION’S EFFICIENCY AND INCOME OF TOBACCO FARMING IN EASTLAMPUNGREGENCY

By

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This study aims to analyze the following aspects of tobacco farming in East Lampung: (1) partnership (2) production’s efficiency (3) factors that influence technical efficiency of tobacco farming, and (4) farmer’s income.

The research is located in East Lampung Regency by selecting purposively two subdistricts as center of tobacco production namely Batanghari Nuban and Purbolinggo. From each of subdistricts one village is chosen, village with the most tobacco’s farmers, Tegal Gondo Village and Sukaraja Nuban Village. Sixty respondents of tobacco farmers were taken with simple random sampling. First purpose is answered by using qualitative descriptive analysis, the second purpose using frontier production function, the third purpose using multiple linear regression analysis and the fourth purpose is answered by using income analysis.

The results showed that: (1) tobacco farming in East Lampung Regency was implemented in partnership with PT Export Leaf Indonesia as a core-plasma partnership, (2) tobacco farming in East Lampung Regency is technically not efficient with average technical efficiency of tobacco farming in East Lampung Regency is 73.85% and the most of farmers in the range of 80-90% technical efficiency, (3) The factors that significantly influence in technical efficiency of tobacco farming in East Lampung Regency were farming experience, formal education, counseling frequency, and spacing of tobacco planting, (4) tobacco farming in East Lampung Regency is profitable because it has R/C value of 1.85 with income Rp 21,046,199.79.

Keywords: Production’s efficiency, Frontier, Income, Tobacco farming