

The Analysis of "K" Index Amount Policy to Increase the Profits of Oil Palm Farmers and Entrepreneurs in Banjarmasin, South Kalimantan.

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ABSTRACT

Background – The amount of the K Index is determined at least 1 (one) time every month by the Governor. The value of the K Index is carried out by the Head of Service on behalf of the Governor based on the recommendation of the FFB purchase price team. The proposed calculation of the K Index of each Palm Oil Processing factory (PKS) is tabulated or calculated by the FFB purchase price determination team to obtain the average K Index applicable to a region

Purpose – This study aims to analyse the policy on the value of the K Index of palm oil used by oil palm companies and farmers to obtain information and analyse pricing that benefits farmers and oil palm entrepreneurs in Banjarmasin.

Design/Methodology/Approach – The data analysis technique calculates the K Index through Policy No. 01//Permentan/KB.120/1/2018, as for the formula used for the calculation $K(P - 1) = (HTBS (P - 1)) / ((HCPO(P - 1) \times RCPO(Akt PKS)) + (HPK(P - 1) \times RPK (Akt PKS))) \times 100\%$. The sampling method used purposive sampling, on 11 companies.

Findings – The results showed that there were differences in the K index each month depending on the selling price, processing and marketing costs of crude palm oil, as well as depreciation costs incurred. The difference in the calculation of the farmer's cost component comparing the total production cost with the production price, the Government is based on No 01//Permentan/KB.120/1/2018. Efforts are made to determine the difference of the K index if there is no win-win solution: there is guarantee of transparency from sales results, both export and local, between oil palm farmers and entrepreneurs. For documents of volume, prices and costs must be valid, so that the data is not presented unilaterally but by all parties.

Research Limitations – This research have been done only on companies that has Plantation Business License

Originality – The results showed that there were differences in the K index each month depending on the selling price, processing and marketing costs of crude palm oil, as well as depreciation costs incurred. The difference in the calculation of the farmer's cost component comparing the total production cost with the production price, the Government is based on No 01//Permentan/KB.120/1/2018.

Keywords: *K Index, Palm Oil Commodity, Price of Production, Production Cost, Oil Palm.*