ABSTRACT

ZURAIDA FATMA. ANALYSIS OF PRODUCTION FUNCTION AND EFFICIENCY OF THE SMALLHOLDER COFFEES IN ACEH TENGAH (YUSMAN SYAUKAT as Chairman, SRI HARTOYO as Members of Advisory Committee).

Aceh Tengah Regency is the main coffee-producing areas in Province of Nanggroe Aceh Darussalam. This study aims: (1) to identify contributing factors to the production of smallholder coffee, (2) to analyze the condition of the economic scale of the smallholder coffee, and (3) to analyze the economic efficiency of smallholder coffee in Central Aceh Regency. The study used survey method. Farm sample determined by simple random sampling technique.

Data were analyzed by using production function Cobb-Douglas type. Study results showed significant factor affecting the coffee production at 10% significance level are the amount of labour, land area and coffee tree’s age. The more labour is used, the more productive land area and the older the tree’s age, the higher coffee production. The coffee production in the sloping land higher than in flat land.

Coffee farming in Central Aceh Regency is on increasing return to scale condition or in increasing production condition. Adding the proportion factor of production in coffee farming will produce the greater profit proportionally. Efficiency analysis showed the technical efficiency of all production factors efficiently, and the amount of labour still can be improved to increase the coffee production economically.

Key Words : coffee, production function, scale condition and efficiency