

# Lama Pemeliharaan untuk Mencapai Bobot Badan Siap Pasar Ayam Broiler melalui Penambahan Tepung Kencur (*Kaempferia galanga L*)

(Ginger (*Kaempferia galanga L*) Supplementation to Shorten Broiler Production Period)

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## Abstract

Consumers increasingly prefer to buy broiler weighted approximately one kg. In this study broiler chicks were feed with commercial diet, which composed from corn, soybean, fishmeal, rice bran, dicalcium phosphate, vitamins minerals mixture (premix) and palm oil. The diet contained approximately 20.33 % of crude protein and 3100 Kcal/kg of metabolizable energy. The ginger meal was mixed into the diet according to the treatments i.e P<sub>1</sub> (0 %), P<sub>2</sub> (0.02%), P<sub>3</sub> (0.04 %), P<sub>4</sub> (0.08 %) and P<sub>5</sub> (0.16 %). The results showed that the total feed intake of P<sub>5</sub> (1,808.4 g) and P<sub>2</sub> (1,846.5 g) was significantly (P<0.05) less than those of P<sub>1</sub> (1,966.5 g). Birds of P<sub>5</sub> achieved one kg body weight within 26 days, P<sub>2</sub> (27 days) and P<sub>3</sub> (27 days) was significantly (P<0.05) less than those compared with birds of P<sub>4</sub> (29 hari) and P<sub>1</sub> (30 hari). The feed conversion of P<sub>5</sub> (1.81) was also better than (P<0.05) that of P<sub>1</sub> (1.97), while the Income over Feed and Chick Cost was Rp 1,658.78 (P<sub>5</sub>); Rp 1,568.06 (P<sub>2</sub>); Rp 1,426.54 (P<sub>3</sub>); Rp 1,280.45 (P<sub>1</sub>) and Rp 1,195.95 (P<sub>4</sub>).

**Key Words :** *Kaempferia galanga L*, Broiler

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## Pendahuluan

Sesuai dengan kebutuhan pasar dan minat masyarakat, akhir-akhir ini, semakin banyak dipasarkan ayam pedaging yang berbobot sekitar satu kg. Hal ini mungkin dimaksudkan untuk menekan semakin mahalnya harga daging setiap kg-nya. North (1984) menyatakan bahwa broiler adalah ayam yang digunakan untuk memenuhi kebutuhan daging manusia yang biasa dipasarkan pada umur 6 – 8 minggu, tanpa memperdulikan permintaan pasar dengan bobot sekitar 4 pound (1,80 kg). Sesuai dengan pertimbangan tersebut diharapkan broiler sudah dijual pada umur lima atau enam minggu dengan bobot antara 1,30 sampai 1,40 kg, walaupun laju pertumbuhan broiler tersebut belum mencapai maksimal. Faktor daya beli dan kesadaran masyarakat untuk mengurangi konsumsi lemak, maka ayam broiler berumur 4 – 5 minggu dengan bobot badan sekitar

satu kilogram lebih diminati konsumen karena masih rendah kandungan lemaknya.

Disadari bahwa usaha peternakan tidak akan terlepas dari tahap pemilihan bibit, manajemen pemeliharaan, perkandangan dan vaksin. Juga disadari bahwa kesehatan hewan merupakan bagian integral dari usaha peningkatan produksi ternak. Produktifitas dan reproduksifitas hanya dapat dicapai secara optimal jika ternak dipelihara dalam keadaan sehat sehingga pertambahan bobot badan akan menjadi optimal dengan mortalitas yang minimal.

Upaya peningkatan kemampuan produksi ayam pedaging untuk dapat memenuhi kebutuhan dan kemampuan berbagai tingkatan masyarakat yang beragam. Maka dilakukanlah upaya meminimalkan kekecewaan masyarakat dengan memaksimalkan produksi ayam. Berbagai usaha dan daya telah banyak dilakukan selama ini melalui pemberian suplemen rempah-rempah berupa tepung kunyit, tepung lempuyang, tepung

bawang putih dan lainnya, namun kali ini dicobakan dengan penambahan tepung kencur (*Kaempferia galanga L*) kedalam ransum broiler.

Kencur digunakan untuk penyedap makanan, serta banyak digunakan dalam ramuan obat tradisional. Kusumaningati (1994) mengemukakan bahwa kencur berkhasiat sebagai penimbul rasa hangat, penghilang rasa sakit dan juga penambah nafsu makan. Hampir seluruh bagian tanaman kencur menurut Subroto (1987) mengandung minyak atsiri, dimana komponen terbesar dari minyak atsiri adalah etil-p-metoksi sinamat ( $C_{12}H_{14}O_3$ ). Sedangkan komponen etil-p-metoksi sinamat ( $C_{12}H_{14}O_3$ ) tersebut menjadi identitas utama rimbang kencur (Pranomo, 1994).

Penelitian ini dilakukan untuk mengetahui sejauhmana penggunaan tepung kencur (*Kaempferia galanga L*) dapat dimanfaatkan untuk memacu pertumbuhan bobot badan ayam, khususnya ayam broiler sehingga dapat dipasarkan dengan bobot badan sekitar 1 kg.

## Metode Penelitian

Penelitian dilakukan di Balai Penelitian Ternak berlokasi di Jalan Pajajaran Bogor selama lima minggu. Penelitian menggunakan 75 ekor broiler berumur sehari yang dibeli dari suatu perusahaan pembibitan terkemuka dengan tidak membedakan jenis kelamin. Kandang dibagi atas 15 ruangan, dimana setiap ruangan dimasukkan lima ekor ayam yang diberi perlengkapan pakan dan alat pemanas listrik.

Perlakuan yang diberikan berupa pemberian tepung kencur (*Kaempferia galanga L*) sebanyak lima level yang dicampurkan pada konsentrat komersial yang dibeli di Pasar Bogor.

Pakan yang diberikan mengandung bahan tepung jagung, dedak halus, bungkil kedele, tepung ikan, tepung kapur, premix dan minyak goreng sehingga

mengandung protein sekitar 20,33% dan energi metabolisme sekitar 3100 kkal/kg pakan.

Tepung kencur (*Kaempferia galanga L*) dicampur merata langsung pada masing-masing ransum perlakuan untuk keperluan pakan mingguan yang diberikan setelah ayam berumur satu minggu. Kandungan komponen kimia kencur yang diharapkan merangsang pertumbuhan berupa minyak atsiri 1,91% .

Susunan percobaan dikemas menjadi lima perlakuan yang meliputi :

- P<sub>1</sub> Ransum kontrol dengan penambahan tepung kencur 0% (kontrol)
- P<sub>2</sub> Ransum kontrol dengan penambahan tepung kencur 0,02%
- P<sub>3</sub> Ransum kontrol dengan penambahan tepung kencur 0,04%
- P<sub>4</sub> Ransum kontrol dengan penambahan tepung kencur 0,08%
- P<sub>5</sub> Ransum kontrol dengan penambahan tepung kencur 0,16%

Untuk mencegah penyakit dilakukan vaksinasi ND (La sota) pada umur tiga hari dan vaksin Gumboro pada umur satu minggu.

Rancangan yang digunakan adalah Rancangan Acak Lengkap (RAL) dengan lima perlakuan dan tiga ulangan. Peubah yang diamati berupa pertumbuhan bobot badan, konsumsi ransum, konversi ransum, mortalitas dan *Income Over Feed and Chick Cost*. Kemudian semua data yang diperoleh dianalisis dengan analisis ragam, jika hasilnya berbeda nyata ( $P < 0,05$ ) dilanjutkan dengan uji jarak Dsuncan, petunjuk Steel dan Torrie (1984).

## Hasil dan Pembahasan

Data peubah yang diamati untuk mencapai pertumbuhan bobot badan sebesar satu kg, dipaparkan pada Tabel 2.

Tabel 1. Komposisi kimia kencur kering

Kriteria	Jumlah
Air	10,00
Abu	7,61
Lemak	6,42
Karbohidrat	51,21
Serat kasar	6,25
Nitrogen	1,41
Minyak atsiri	1,93

Sumber : Subroto (1987).

Tabel 2. Konsumsi pakan, konversi pakan, mortalitas dan IOFCC sampai broiler mencapai pertambahan bobot badan satu kg.

Kriteria	Perlakuan				
	Kontrol	2	3	4	5
Konsumsi (gram)	1.966,50 <sup>a</sup>	1.846,0 <sup>0b</sup>	1.905,50 <sup>ab</sup>	2.001,40 <sup>ab</sup>	1.808,40 <sup>b</sup>
Konversi ransum	1,97 <sup>a</sup>	1,85 <sup>b</sup>	1,91 <sup>ab</sup>	2,00 <sup>ab</sup>	1,81 <sup>b</sup>
Lama (hari)	30 <sup>a</sup>	27 <sup>b</sup>	27 <sup>b</sup>	29 <sup>a</sup>	26 <sup>b</sup>
Mortalitas (%)	6,67	0	6,67	0	0
IOFCC perekor (Rp)	1280,45	1568,06	1426,54	1195,95	1658,78

IOFCC adalah *Income Over Feed dan Chick Cost*

<sup>a,b</sup> Superskip yang berbeda pada baris yang sama menunjukkan ada perbedaan pada  $P < 0,05$ .

Tabel 2 terlihat bahwa konsumsi pakan untuk mencapai pertambahan bobot badan sebanyak satu kg, P<sub>1</sub> memberikan perbedaan nyata ( $P < 0,05$ ) terhadap P<sub>2</sub> dan P<sub>5</sub> sedangkan P<sub>1</sub> tidak berbeda nyata ( $P > 0,05$ ) dengan P<sub>3</sub> dan P<sub>4</sub> serta P<sub>2</sub> tidak berbeda nyata ( $P > 0,05$ ) dengan P<sub>3</sub> dan P<sub>4</sub>. Juga terlihat konsumsi yang terbanyak pada perlakuan P<sub>4</sub> yang diikuti oleh P<sub>1</sub>, P<sub>3</sub>, P<sub>2</sub> dan P<sub>5</sub>. Dari jumlah konsumsi pakan yang dibutuhkan untuk memperoleh pertambahan bobot badan satu kg, terlihat adanya peranan penambahan tepung kencur dimana dengan adanya bahan tepung kencur sejumlah 0,16% (P<sub>5</sub>) setara dengan 2.893 gram, terjadi suatu rangsangan terhadap pertambahan bobot badan yang cepat dibandingkan dengan penambahan tepung kencur pada perlakuan lainnya. Melalui penambahan tepung kencur sejumlah 0,08% (P<sub>4</sub>) setara dengan 1.801 gram, diperlukan sebanyak 2001,4 gram pakan (tertinggi) untuk memperoleh pertambahan

bobot badan satu kg, ini jelas memperlihatkan jumlah pemberian tepung kencur mempengaruhi pertambahan bobot badan. Dengan penambahan tepung kencur 0,16% (P<sub>5</sub>) setara dengan 2.893 gram memperlihatkan konsumsi pakan 1.808,40 (terendah) untuk mencapai bobot badan satu kg,

Anggorodi (1985) mengemukakan bahwa tingkat energi yang terkandung dalam ransum dapat menentukan banyaknya ransum yang dikonsumsi ayam pedaging. Ransum ayam pedaging yang diberikan dalam ransum yang berenergi tinggi akan mengakibatkan konsumsinya berkurang. Namun pada penelitian ini tingkat kandungan energi dalam ransumnya sama sehingga pemberian bahan tepung kencurlah yang mempengaruhi perbedaan konsumsi pakan. Pada P<sub>3</sub> dan P<sub>4</sub> jumlah pemberian tepung kencur mengakibatkan terjadinya peningkatan konsumsi ransum namun sebaliknya terjadi penurunan konsumsi pada P<sub>2</sub> dan P<sub>5</sub>.

Pemberian tepung kencur dari yang paling rendah (P<sub>2</sub>) mengurangi konsumsi. Pada P<sub>3</sub> dan P<sub>4</sub> terjadi peningkatan konsumsi sedangkan pada P<sub>5</sub> kembali terjadi penurunan konsumsi. Hal ini memperlihatkan bahwa rangsangan tepung kencur mempunyai batas toleransi terhadap konsumsi pakan. Diduga pula bahwa keseimbangan akan zat-zat makanan dan kandungan mineral menjadi penyebab terjadinya penurunan atau kenaikan konsumsi ransum.

Tabel 2 terlihat pula bahwa konversi pakan untuk mencapai pertambahan bobot badan sebanyak satu kg, P<sub>1</sub> memberikan perbedaan nyata (P<0,05) terhadap P<sub>2</sub> dan P<sub>5</sub>. Akan tetapi kontrol (P<sub>1</sub>) tidak berbeda nyata (P>0,05) dengan P<sub>3</sub> dan P<sub>4</sub> serta P<sub>2</sub> tidak berbeda nyata (P>0,05) dengan P<sub>3</sub> dan P<sub>4</sub>.

Dengan demikian P<sub>5</sub> merupakan perlakuan yang memberikan efek paling cepat dan efisien dalam upaya memperoleh pertambahan bobot badan satu kg. Mengetahui nilai konversi maka dapat diperkirakan keuntungan yang dapat dicapai dengan membandingkan harga pakan, harga ayam, dan biaya-biaya lainnya. Rata-rata konversi yang terendah diperoleh ternak pada perlakuan P<sub>5</sub> sebesar 1,81, yang diikuti oleh P<sub>2</sub>, P<sub>3</sub>, P<sub>1</sub> dan konversi tertinggi pada P<sub>4</sub> senilai 2,00.

Nilai konsumsi dan nilai konversi semakin jelas diperlihatkan kemampuan penggunaan pakan pada P<sub>5</sub> untuk mencapai pertambahan bobot badan satu kg dicapai dalam kurun waktu 26 hari. Selanjutnya pencapaian pertambahan bobot badan satu kg dicapai selama 27 hari pada P<sub>2</sub> dan P<sub>3</sub>. Perbedaan waktu yang satu hari akan berpengaruh bagi perolehan keuntungan sebab penggunaan pakan akan berkurang, hal ini akan sangat terasa jika perusahaan memelihara dalam jumlah yang relatif besar. Lama pencapaian pertambahan bobot badan satu kg paling lambat dicapai oleh perlakuan kontrol yakni selama 30 hari, yang hampir sama dengan P<sub>4</sub> dalam jangka waktu 29 hari.

Selama penelitian terjadi kematian pada perlakuan kontrol dan pada P<sub>3</sub>, masing-masing satu ekor sedangkan pada perlakuan lain tidak terjadi kematian ternak.

*Income Over Feed and Chick Cost (IOFCC)*. Umumnya para peternak dapat memperkirakan seberapa jauh IOFCC akan diperoleh berdasarkan harga bibit, konsumsi ransum, produksi dan penerimaan hasil produksi. Dari penelitian ini nilai IOFCC, tertinggi terdapat pada P<sub>5</sub> (Rp.1.658,78), oleh karena konsumsi pakannya (yang paling rendah diantara semua perlakuan 1.808,40 gram/ekor.hari. Sebaliknya nilai IOFCC yang paling rendah diperoleh dari P<sub>4</sub> sebesar (Rp. 1.658,78,-).

Nataamijaya *et al* (2000) melaporkan bahwa broiler yang mendapat makanan tambahan tepung kunyit dan tepung lempuyang rata-rata IOFCCnya sampai umur lima minggu sebesar Rp.2.361,- kelihatan lebih tinggi dibandingkan dengan hasil penelitian ini Rp.1.658,78,-. Hal ini disebabkan pada penelitian ini IOFCCnya dibatasi sampai pertambahan bobot badan satu kg, namun apabila ditelusuri hasil IOFCC pada penelitian ini lebih baik dimana IOFCC diperoleh menjadi Rp.2.532,50,-.

## Kesimpulan

Penelitian ini dapat ditarik kesimpulan broiler yang mendapat ransum tambahan tepung kencur sebanyak 0,16% untuk mencapai pertambahan bobot badan satu kg akan mengkonsumsi ransum 1.808,4 gram, konversi ransum sebesar 1,81, *Income Over Feed and Chick Cost (IOFCC)* sebesar Rp.1.658,78,- dan dapat dicapai dalam jangka waktu 26 hari.

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# Technical Efficiency and Return to Scale of Dairy Farm in Sleman, Yogyakarta

(Efisiensi Teknis dan Skala Pengembalian Usahatani Sapi Perah di Kabupaten Sleman, Yogyakarta)

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## Abstrak

Usahatani sapi perah di Indonesia secara ekonomi mempunyai prospek yang bagus, karena produksinya belum mencukupi permintaan susu dalam negeri. Hal ini disebabkan usahatani tersebut masih berskala kecil dengan menggunakan teknologi yang masih tradisional, akibatnya tingkat produktivitasnya masih rendah. Kajian ini mengestimasi efisiensi teknis dan skala pengembalian, guna menemukan cara untuk meningkatkan produksi susu segar. Kajian ini mengambil tempat di Sleman, Jogjakarta tempat usahatani sapi perah yang potensial berada. Efisiensi teknis diestimasi menggunakan produksi frontier stokastik, dan skala pengembalian diestimasi menggunakan teknologi produksi Cobb-Douglas. Hasil kajian ini menunjukkan bahwa produktivitas usahatani sapi perah secara signifikan dipengaruhi oleh variasi efisiensi teknis, dengan rata-rata 0,69. Oleh karena itu, masih ada kemungkinan untuk meningkatkan produktivitas usahatani sapi perah melalui peningkatan efisiensi teknis. Hal ini dapat dilakukan dengan meningkatkan jumlah sapi perah, atau skala usahatani. Pilihan ini sejalan dengan kondisi produksi susu segar yang menunjukkan skala pengembalian yang konstan. Jadi, meningkatkan skala usahatani adalah pilihan yang bijaksana karena pilihan tersebut tidak hanya meningkatkan tingkat produksi susu segar, tetapi juga meningkatkan produktivitas usahatani sapi perah.

**Kata Kunci :** Usahatani sapi perah, efisiensi teknis, skala usahatani.

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## Introduction

Dairy farm is economically promising since there are abundances of family labours and supports provided by the government in terms of technology, infrastructure, management and policies (Sunandar 2001). It is supported by Syamsu and Ahmad (2003) who stated that cattle's feeding is available enough and the level of utilisation is still under carrying capacity. As predicted by Janvry et al. (2002) that demand for meat in the developing countries is to increase as a consequence of population growth and rising incomes. Indonesia, domestic demand for milk, on average, is 851,300 litres a day, but only 61 per cent of that can be met by domestic production,

and the rest is supplied by imported milk (Ditjennak 2000). As a consequence, livestock sub-sector including dairy farm has a good prospect of agribusiness. Another factor indicating that dairy farm is a profitable business is that household's income obtained from dairy farm is higher than that from rice or secondary food crop farming, and the dairy farm has a comparative advantage (Sunandar 2001).

One of the potential animal husbandries that need a particular attention is dairy farm. One of the reasons is that most of dairy farms are operated in small-scale with limited capital and traditional/conventional technology (Djoni 2003). As a consequence, the performance of the dairy production has not been in optimal operation. As studied by Djoni (2003) for instance, dairy farms

in District of Tasikmalaya, West Java, were inefficient in terms of resource allocation. It was hypothesized that the other small-scale dairy farms in the other regions were still under the best performance. This study therefore was carried out to measure whether the dairy productions show high economic performance. The economic performance of dairy production is broken down into technical efficiency and return of scale. Those indicators are important to study because of the following reasons. Firstly, technical efficiency will provide information on how to increase productivity using the same level of resources. Furthermore, Belbase and Grabowski (1985) and Shapiro (1983) argue that efforts to improve efficiency may be more cost effective than introducing new technologies as a means of increasing agricultural productivity, if farm operators have not used existing technology efficiently. Secondly, returns to scale will provide information of whether expansion of scale of dairy production done by multiplying capital and variable inputs will have economic impact. Returns to scale also imply economies of scale because of duality in production theory (Jehle and Reny 2001; Pindyck and Rubinfeld 1998). The outcome of this study is expected to be able to provide significant contributions for improving dairy farm's performance.

## Theoretical Framework

### Technical Efficiency

Technical efficiency is one of the components in the process of agricultural modernization (Janssen and de Londono 1994). It shifts the production function on which producers operate closer to the production frontier, which can be estimated using stochastic and deterministic approaches. In agricultural studies, the stochastic approach is more suitable than another, because it

incorporates a composed error structure with a two-sided symmetric term and a one-sided component and it also makes it possible to estimate standard errors and to generate test hypotheses (O'Neill et al. 1999). For empirical studies, Reifschneider and Stevenson (1991) and Battese and Coelli (1995) proposed a stochastic frontier model in which the inefficiency effects ( $U_i$ ) are expressed as an explicit function of a vector of farm-specific variables and a random error. The model specification can be expressed as:

$$\ln Q_i = \ln A + \sum_{k=1}^3 \beta_k \ln X_{ki} + (V_i - U_i) \dots (1)$$

where  $Q_i$  is the production of the  $i^{\text{th}}$  farm;  $X_i$  is a input quantities of the  $i^{\text{th}}$  farm;<sup>1</sup>  $\beta$  is an vector of unknown parameters. The  $V_i$  are random variables that are assumed to be *i.i.d.*  $\sim N(0, \sigma_v^2)$ , and independent of the  $U_i$  which are non-negative random variables which are assumed to account for technical inefficiency in production and are assumed to be independently distributed as truncations at zero of the  $N(\mu_i, \sigma_u^2)$  distribution; where:

$$\mu_i = Z_i \delta \dots \dots \dots (2)$$

and  $Z_i$  is a  $p \times 1$  vector of variables which may influence the efficiency of a farm; and  $\delta$  is an  $1 \times p$  vector of parameters to be estimated. Utilising the parameterisation of Battese and Corra (1977) replace  $\sigma_v^2$  and  $\sigma_u^2$  with  $\sigma^2 = \sigma_v^2 + \sigma_u^2$ , and let define

$$\gamma = \frac{\sigma_u^2}{\sigma^2} \dots \dots \dots (3)$$

The parameter  $\gamma$  which represents a total variation of actual output deviating from the frontier must lie between 0 and 1. The farm-specific technical efficiency is estimated using the

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<sup>1</sup>For example, if  $Y_i$  is the log of output and  $X_i$  contains the logs of the input quantities, then the Cobb-Douglas production function is obtained.

expectation of conditional random variable  $\varepsilon_i$  as shown by Battese and Coelli (1988). That is:

$$TE_i = \frac{E(Q_i | U_i, X_{ki})}{E(Q_i | U_i = 0, X_{ki})} = \exp\{-U_i\} \dots (4)$$

It is obvious that the technical efficiency lies between zero and unity. When technical efficiency is equal to unity, the actual output lies on the stochastic production frontier.

### Returns to Scale

Returns to scale refer to the degree by which level of production changes as a result of given change in the level of all inputs used. Salvatore (1996) stated that there are three different types of returns to scale: constant return to scale (CRS), increasing return to scale (IRS) and decreasing return to scale (DRS). Mathematically, the implication of returns to scale can be shown as follow. Let denote a production function as  $Q = f(K,L)$ . If  $K$  and  $L$  is multiplied by  $\psi$ , and then  $Q$  increases by  $\phi$  as indicated in  $\phi Q = f(\psi K, \psi L)$ . The production function exhibits CRS, IRS or DRS respectively, is dependent on whether  $\phi = \psi$ ,  $\phi > \psi$  or  $\phi < \psi$ .

To determine returns to scale of dairy production, a Cobb-Douglas model is used in this study. Soekartawi et al. (1986) stated that the Cobb-Douglas model suitable to estimate agricultural production function. The model, moreover, has several advantages compared with the other models (Soekartawi 1990). In terms of a log-linear functional form, the Cobb-Douglas model is formulated as:

$$\ln Q_i = \ln A + \sum_{k=1}^3 \beta_k \ln X_{ki} + \varepsilon \dots (5)$$

Where  $Q$  is a quantity of milk;  $A$  is total factor productivity;  $X_k$  is a vector of variable inputs consisting of  $k=1$  is cows,  $k=2$  is labour, and  $k=3$  is feeding;  $\varepsilon$  is a disturbance error

representing uncontrolled factors excluded from the model; and  $\beta_k$ ,  $k=1, 2, 3$  is coefficients to be estimated.

The condition of returns to scale will be determined by value of  $\mathfrak{R}$ , that is:

$$\mathfrak{R} = \sum_{k=1}^3 \beta_k \dots (6)$$

When  $\mathfrak{R}$  is equal to one, it means that the dairy production exhibits CRS. This implies that doubling level of capital and inputs results in double level of output. But, when  $\mathfrak{R}$  is greater (less) than one, it means that the dairy production exhibits IRS (DRS). This implies that doubling level of capital and inputs results in more (less) than double level of output. If the dairy production exhibits CRS or IRS, it will be reasonable for farm's operator to immediately multiply the levels of capital and other inputs from the existing levels. But, if the dairy production exhibits DRS, farm's operator need to consider the cost of production if they want to make larger the scale of farm.

## Research Methods

### Study Site and Commodities

This analysis was based on a conduct of study in 2001 in a district of Sleman, Jogjakarta Province, at which the dairy farm exists. The main product was milk, and the joint product was calf. Data on dairy farm was collected by interviewing farm's operators using the structured questionnaires. The activities related to the operations of dairy farm during a year were recorded. In the study, the number of farm's operators interviewed was 32. The definitions and measures of variables used in this study and the summary statistics are shown in Table 1 and Table 2.



Table 1. Description and measures of variables

Variable	Description
Milk	Production of milk a year (litre)
Calves	Value of calves which is sold a year (000 IDR)
Cows	Number of cows which are owned by farm's operators
Labour	Number of labours which are employed a year (man-day)
Feeding	Value of feeding a year (000 IDR)
Wealth	Area of coffee plantation which is owned by farm's operators (hectare)
Price of milk	Prevailing price of milk that is accepted by farm's operators (IDR/litre)

Source: primary data

Table 2. Summary statistics for key variables

Variable	Average	Standard Deviation	Minimum	Maximum
Milk	8201.09	3601.38	3285	16425
Calves	5314.06	3557.62	1500	19000
Cows	5.03	2.07	2	11
Labour	335.93	93.61	121.59	526.80
Feeding	2047.85	892.93	506.25	3937.50
Wealth	4,757.81	2,953.60	750	10,000
Price of milk	1117.19	56.24	1000	1200

Source: Authors' calculation

### Hypothesis

Related to the technical efficiency, it was hypothesised that variation in milk production among farm was due largely to variation in technical inefficiency, which was, to some extent, affected by scale of the farm, wealth of the farm's operator, and production of calves. The formal test for hypothesis of variation in technical efficiency was formulated as:

Null hypothesis ( $H_0$ ):  $\gamma = 0$

Alternative hypothesis ( $H_a$ ):  $\gamma > 0$

The formal test for hypothesis that technical efficiency was dependent on scale of the farm, wealth of the farm's operator, and production of calves was formulated as:

Null hypothesis ( $H_0$ ):  $\delta_0 = \delta_1 = \delta_2 = \delta_3 = 0$

Alternative hypothesis ( $H_a$ ): one of them  $\neq 0$ .

If those  $H_0$ s are rejected, variation in technical efficiency matters, and the variation are due to scale, wealth, and calf production. The stochastic production frontier and technical inefficiency effect will be simultaneously estimated using FRONTIER 4.1.

Related to returns to scale, it was hypothesised that there was a CRS production process in dairy farm. Testing for hypothesis indicating that production of milk exhibits CRS is formally formulated as:

Null hypothesis ( $H_0$ ):  $\mathfrak{R} - 1 = 0$

Alternative hypothesis ( $H_a$ ):  $\mathfrak{R} - 1 \neq 0$

where  $\mathfrak{R} = \beta_1 + \beta_2 + \beta_3$ . If  $H_0$  is rejected, the production of milk does not exhibit CRS. The Cobb-Douglas production function and testing for constant returns to scale will be estimated using STATA 8.0. Decision rule of whether the hypotheses formulated above are rejected or not is determined using critical values of statistical inferences measured at one per cent, five per cent and ten per cent of significant levels.

## Results and Discussion

Table 3 shows an estimated stochastic production frontier and a technical inefficiency model. It can be seen that the value of  $\gamma$  approaches unity, which is very high and highly significant. This means that variation in actual level of milk deviating from potential level was due mostly to difference in technical efficiency. In other words, technical efficiency matters in determining variation in producing milk among farms. Log-likelihood (LR) test which is highly significant indicates that the variables included in both frontier production and technical inefficiency

models simultaneously play significant roles in affecting production of milk.

From the estimated production frontier, the coefficients on cows and feeding are positive and significant. The interpretation of those was that one per cent increase in number of cows will cause an increase in milk production by a maximum of approximately 0.42 per cent. Likewise, one per cent increase in amount of feeding will cause the milk production increases by a maximum of about 0.23 per cent. In contrast, the number of labour has negative and significant coefficient. This means that if the number of labour is increased by one per cent, the milk production will decrease by a maximum of approximately 0.38 per cent. From the technical inefficiency effect, it could be seen that the only factor studied here which significantly affected the technical inefficiency was the number of cows. This implies that the larger scale of dairy farm is more technically efficient in producing milk. However, the number of calves and the amount of wealth had no impact on technical efficiency, meaning that farms with different those operate at the same level of technical efficiency.

Table 3. Frontier production function and technical inefficiency model

Variables	Coefficient	t-ratio
Stochastic Production Frontier		
Constant	$\beta_0$	9.15710
In Cows	$\beta_1$	0.4165
In Labour	$\beta_2$	-0.3782
In Feeding	$\beta_3$	0.2310
Technical inefficiency effect		
Constant	$\delta_0$	1.2388
Calves	$\delta_1$	-0.0003
Cows	$\delta_2$	-0.2242
Wealth	$\delta_3$	-0.3339
	$\gamma$	0.9999
	Log-likelihood	-2.0041
	LR-ratio	19.91**

Note: dependent variable stochastic frontier is ln milk; dependent variable for technical inefficiency model is  $\mu$ ; \*\*) significant at  $\alpha=0.01$ , \*) significant at  $\alpha=0.05$ , <sup>ns</sup>) not significant

Source: Authors' estimation

Table 4. Descriptive analysis of technical efficiency

Summary statistics		Distribution	
Average	0.6895	Technical efficiency	%
Std. Dev.	0.2221	< 0.40	9
Min	0.2556	0.4-0.70	44
Max	0.9998	> 0.70	47

Source: author's calculation

Table 5. Cobb-Douglas production function

Variables	Coefficient	t-ratio
Constant	$\beta_0$	8.7187
In Cows	$\beta_1$	0.6452
In Labour	$\beta_2$	-0.5385
In Feeding	$\beta_3$	0.3084
$\beta_1 + \beta_2 + \beta_3 = 1$		$F(1, 28) = 2.20^{ns}$
R-squared = 0.3648		
$F(3, 28) = 5.36^{**}$		

Note: dependent variable: ln milk; \*\*) significant at  $\alpha = 0.01$ , \*) significant at  $\alpha = 0.05$ , <sup>ns</sup>) not significant

Source: Authors' estimation

Table 4 shows the summary statistics and distribution of technical efficiency. On average, the technical efficiency of dairy farm that produces milk is 0.69; with more than 50 per cent of dairy farms still have technical efficiency less than 0.70. Therefore, there was still considerable room for boosting productivity through improving technical efficiency with the existing technology. It could be done by increasing scale of dairy farm, or increasing the number of cows.

Table 5 shows an estimated Cobb-Douglas production function. Overall, the production function was significantly estimated, with around 36 per cent of total variation in milk production was explainable with variations in inputs. The number of cows had a significant effect on milk production, but the labour and feeding were not significant<sup>2</sup>. This indicated that the labour and

feeding were no longer constraints in the dairy farm.

This was supported by the fact that there was abundance in labour supply and availability of cattle's feeding, in particular grasses. Such conditions indicated that increasing number of cows could escalate production of milk. Related to return to scale, testing hypothesis did not reject the restriction of  $\beta_1 + \beta_2 + \beta_3 = 1$ . This means that production of milk exhibited CRS. The implication was that the dairy farm could be expanded by multiplying all capital and inputs proportionately without any loss in level of milk production. It seemed that there was synchronization between technical efficiency and returns to scale. Thus, a good action that supports

in Table 4 represents the maximum of milk production; whereas the production function in Table 5 represents the average of milk production. The difference does not really matter because in overall they are simultaneously significant based on LR-test and F-test that show statistically significant.

<sup>2</sup> These results are slightly different from the production frontier in terms of significance, but they are the same in terms of the sign. This is because the production frontier

such condition was to increase the scale of dairy farm. The action would not only increase production of milk, but also increase productivity as a result of improvement in technical efficiency. If the number of cows is increased, the technical efficiency will increase. This means that the production of milk will increase. The increase in production of milk came from two sources. Firstly, production of milk increased because of an increase in number of cows. Secondly, the production of milk increased because of an increase in technical efficiency which implies that with the same level of input use will result in higher level of milk production.

### Conclusion

From the analyses of estimated frontier production function and return to scale, the conclusions that could be drawn were as follow.

- Variation in technical efficiency was a key factor in affecting milk production, and the level of technical efficiency was, on average, 0.69, with more than fifty per cent of farms were operated at under average level of technical efficiency.
- The number of cows escalated technical efficiency. This implies that dairy farms with larger number of cows are more technically efficient.
- The dairy farms exhibited CRS.

The implication of those results is that, with state of the dairy technology, there is still considerable room for improving dairy farm productivity through increasing technical efficiency. Increasing the scale of the farm is an appropriate choice to increase productivity. The choice will have double impacts: increase in level of milk production and increase in technical efficiency leading to increase in productivity of dairy farm.

### Acknowledgment

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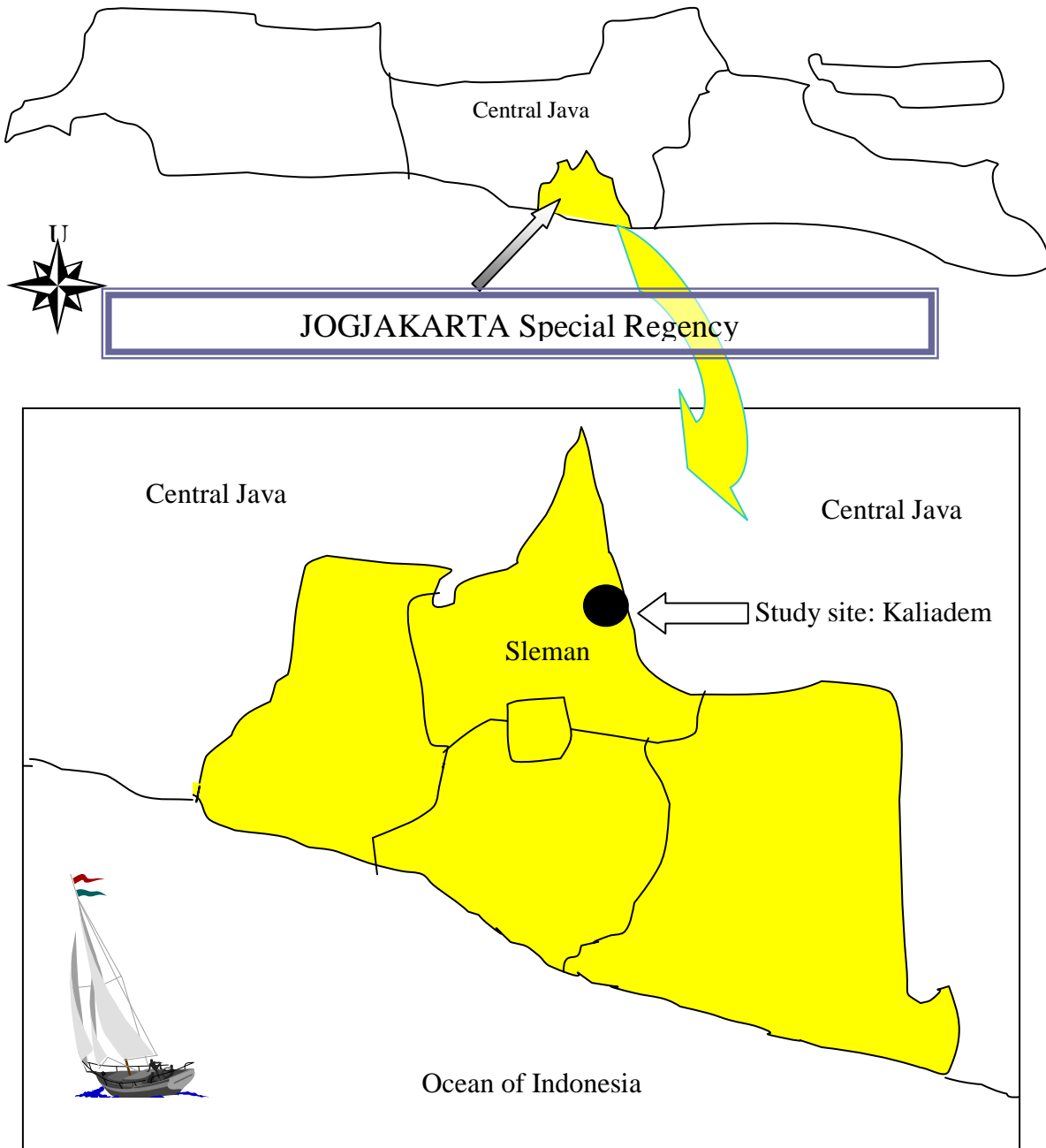
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# Appendixes

The Location of study

Java island of Indonesia



## FRONTIER Output

Output from the program FRONTIER (Version 4.1c)

the final mle estimates are :

	coefficient	standard-error	t-ratio
beta 0	0.91570993E+01	0.12108020E-01	0.75628377E+03
beta 1	0.41653750E+00	0.46208433E-03	0.90143178E+03
beta 2	-0.37819374E+00	0.22721792E-01	-0.16644539E+02
beta 3	0.23101099E+00	0.16300946E-01	0.14171631E+02
delta 0	0.12388198E+01	0.34609834E+00	0.35793868E+01
delta 1	-0.25842258E-04	0.48424655E-04	-0.53365911E+00
delta 2	-0.22415806E+00	0.70869115E-01	-0.31629866E+01
delta 3	-0.33389964E+00	0.44374227E+00	-0.75246300E+00
sigma-squared	0.32362128E+00	0.12421205E+00	0.26053935E+01
gamma	0.99999999E+00	0.20872329E-06	0.47910322E+07

log likelihood function = -0.20041629E+01

LR test of the one-sided error = 0.19909645E+02

with number of restrictions = 5

[note that this statistic has a mixed chi-square distribution]

number of iterations = 32

(maximum number of iterations set at : 100)

number of cross-sections = 32

number of time periods = 1

total number of observations = 32

thus there are: 0 obsns not in the panel

mean efficiency = 0.68948686E+00

## STATA Output

```
. do "C:\WINDOWS\TEMP\STD010000.tmp"
```

```
. reg lsusu lsapi ltk lpk
```

Source	SS	df	MS	Number of obs =	32
Model	2.27196753	3	.757322511	F( 3, 28) =	5.36
Residual	3.95624524	28	.141294473	Prob > F =	0.0048
Total	6.22821277	31	.200910089	R-squared =	0.3648
				Adj R-squared =	0.2967
				Root MSE =	.37589

lsusu	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
lsapi	.6452	.1661506	3.88	0.001	.304856 .985544
ltk	-.5384763	.8420166	-0.64	0.528	-2.263269 1.186316
lpk	.3083677	.5254555	0.59	0.562	-.7679792 1.384715
_cons	8.718679	1.459582	5.97	0.000	5.72886 11.7085

```
. hettest, rhs
```

```
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
```

```
Ho: Constant variance
```

```
Variables: lsapi ltk lpk
```

```
chi2(3) = 0.13
```

```
Prob > chi2 = 0.9882
```

```
. test lsapi+ltk+lpk=1
```

```
( 1) lsapi + ltk + lpk = 1
```

```
F(1, 28) = 2.20
```

```
Prob > F = 0.1492
```