

THE IMPACT OF INCREASING PRICE OF IMPORTED SOYBEAN TO WORDS THE INCOME OF TOFU ENTREPRENEURS OF JATIROTO, WONOGIRI DISTRICT

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Abstract

This study aims to explain how much local soybean production is, to explain how much soybeans are needed for tofu entrepreneurs in Mojopuro Village, Jatiroto District, Wonogiri Regency, and to explain how much the price increase is felt by tofu entrepreneurs in Mojopuro Village, Jatiroto District, Wonogiri Regency. The problem in this study is the increase in soybean prices which has an impact on the income of tofu entrepreneurs where their income has decreased since the increase in the staple of their tofu production, namely imported soybeans. The method used in this study is qualitative with a case study design. Meanwhile, data collection techniques use interview and documentation techniques. To test the validity of the data used in this study, namely triangulation techniques. In this study, the results of the study obtained that the large number of local soybean production is still insufficient for the needs of tofu entrepreneurs, especially in Mojopuro Village, Jatiroto District, Wonogiri Regency, because local soybean production in that place is still relatively low. The need for soybeans is also different because the production process itself is also different every day according to market needs or market demand. The increase in soybean prices is indeed very worried by entrepreneurs knowing that if there continues to be an increase, inevitably they will continue to look for strategies so that production costs are covered, but the profits they get will be smaller if the increase in imported soybeans continues to occur in Indonesia.

Keywords: Entrepreneurs, Business Income, Soybean Price

1. Introduction

Indonesia is a country that adheres to an open economic system so it relies heavily on international trade activities. International Trading is an activity to trade various outputs in the form of goods and services produced by a country to be able to be sold abroad and bring in goods and services from abroad to be then imported into the country with the aim of meeting domestic needs (Kukuh Yudiono et al., 2020).

Global trade is an important aspect in the economy of any country. The purpose of global trade is to improve the welfare of the people in a country. Relations that affect each other between countries and each other can be created due to the existence of domestic and foreign economies, one of which is in the form of exchange of goods and services between countries. The absence of restrictions on trade regions in the world can expand market share to other countries (Kukuh Yudiono et al., 2020)

Soybean production is one of the fastest growing industries in the world with an increase of 200 million tons of global consumption since the seventies. The success of soybeans lies in its wide range of applications: it can be used in food products (for example tofu, soy sauce), as an edible vegetable oil, biofuels and above all its flour can be used as a source of protein in livestock (Boerema et al., 2016).

Domestic soybean demand is increasing every year due to increased consumption (BPS, 2019). However, the increase in soybean consumption was not offset by production. Based on 2018 data, the soybean harvest area in Indonesia reached 582 thousand ha with a production of 811 thousand tons (Pangan dan Pertanian Organisasi, 2019). Domestic soybean production is only able to meet 47.7% of domestic needs. According to Andyanie (2016), narrower planting areas and less optimal land use have led to a decline in Indonesia's soybean production (Malik & Nainggolan, 2020).

The government has implemented various types of policies to increase soybean production. However, the amount of domestic soybean production is still unable to meet the needs of domestic soybean consumption. The imbalance between soybean production and consumption every year causes Indonesia to import soybeans. Imported soybeans will be detrimental to the welfare of local farmers. People will choose imported soybeans over local soybeans because the price of imported soybeans is lower than local soybeans (Malik & Nainggolan, 2020).

The Central Statistics Agency (BPS) noted that Indonesia's soybean imports throughout the first semester of 2020 reached 1.27 million tons or worth 510.2 million US dollars or around Rp 7.24 trillion (exchange rate of Rp 14,200). A total of 1.14 million tons of which came from the United States (US) on average Indonesian soybean imports reached 2 million-2.5 million tons per year. Of the total import volume, about 70 percent of it is allocated for tempeh production, 25 percent for tofu production, and the rest for other products. Meanwhile, the average demand for soybeans in Indonesia reaches 2.8 million tons per year. Indonesia actually experienced soybean self-sufficiency in 1992. At that time, domestic soybean production reached 1.8 million tons. Meanwhile, currently soybean production has shrunk drastically to stay below 800,000 tons per year with a national need of 2.5 million tons, the most to be absorbed by the tofu and tempeh industry. In the financial memorandum for fiscal year 2021, the government targets soybean production of 420,000 tons by 2021. This year, production is estimated to be around 320,000 tons or lower than 2019 production which reached 420,000 tons (Idris, 2021).

Many small tofu industries are affected by the increase in soybean prices, especially tofu entrepreneurs or tofu industries in Mojopuro village, Jatiroto District, Wonogiri Regency. With the increase in soybean prices, it has caused tofu entrepreneurs in Mojopuro Village, Jatiroto District, to be unsettling, because indeed most of the people of Mojopuro Village make tofu business as their livelihood to meet the needs of life. From the description above, it is explained that with the increase in imported soybeans, the income of tofu entrepreneurs who use imported soybeans will decrease than usual, so this will be unsettling for tofu entrepreneurs, especially entrepreneurs in Mojopuro Village, Jatiroto District, Wonogiri Regency, Wonogiri Regency. With the increase in the price of soybeans, of course, it will also have an impact on tofu sales, because consumers will feel that the tofu is more expensive than usual and later consumers will choose a substitute for this vegetable protein source with other foods.

With something like this, researchers can write the formulation of the problem as follows: 1) how much is the local soybean production, 2) how much is the need for imported soybeans for tofu entrepreneurs in Jatiroto District, Wonogiri Regency, 3) how much is the increase in the price of imported soybeans felt by tofu entrepreneurs in Jatiroto District, Wonogiri Regency. So, with the formulation of this problem, researchers have objectives in this study, namely 1) to explain how much local soybean production is, 2) to find out how much the need for imported soybeans is for tofu entrepreneurs in Jatiroto District, Wonogiri Regency, 3) to find out how much the level of increase in the price of imported soybeans in Jatiroto District, Wonogiri Regency.

Entrepreneurs are people who have the ability to see and assess business opportunities; gather the resources needed to take advantage of them and take appropriate action to ensure success. Entrepreneurs are oriented towards action, and highly motivated who take risks in pursuit of their goals. An entrepreneur must have characteristics that must be possessed so that the business opportunities carried out to achieve success are as follows. These characteristics include the following:

- 1) Be committed to work and have a sense of responsibility.
- 2) Dare to face risks, an entrepreneur must dare to take risks. The more risks it faces, the greater the possibility of making a profit.
- 3) Looking for opportunities, entrepreneurs must always look for opportunities not only opportunities that already exist but must also be able to create opportunities.
- 4) High creativity and innovation, an entrepreneur must have a high creative spirit so that new ideas always appear in developing his business.
- 5) Innovating, in addition to creating opportunities entrepreneurs must also be able to innovate with self-thought ideas that are different from something that was before (Hani & Rokhmani, 2018).

Everyone can become an entrepreneur as long as there is a will and ability, including students. Students as agents of change should make changes by creating jobs instead of being job seekers (Ulfatun et al., 2012).

Income is the amount of money a person gets from the results of his efforts and performance. Basically, income is the result of a person's sacrifice of material forms to meet the needs of his life, by investing existing sources of income, one can choose various types of investments in general such as stocks, bonds, deposits, gold, land, and various other types of investments (Sari, 2019). Hilgert et al (2003) in Arianti (2018) state that personal income is the total annual gross income of an individual derived from wages, business companies and various investments. Income is personal income before tax. Income is measured based on income from all sources. The largest components of total income are wages and salaries. In addition, there are many other categories of income, including rental income, government subsidy payments, interest income and dividend income. Income is a good

indicator of future consumer demand even if it is not perfect. According to Mahdzan et al (2013) the higher a person's income, the person will try to gain an understanding of how to utilize finances in a better way through financial knowledge (Arianti, 2020).

According to Basu S. (2010:147) "Price is the amount of money (plus some products if possible) needed to obtain a combination of goods and services". According to Bilson Simamora (2011:479) "Price is an amount of money charged for a product or service" (Arianto & Pamulang, 2020).

2. Method

The type of research used in this study is qualitative research, according to (Harsono, 2016: 29) qualitative research, which is a process of research and understanding based on a methodology that investigates a social phenomenon and human problems, where researchers make a complex picture, examine words, detailed reports from the respondents' views, and conduct studies on natural situations (Hastuti et al., 2019). This study used a case study design. This research was conducted in January 2022 in Jatiroto Kabupaten Wonogiri District. The object of this study was the impact of the increase in the price of imported soybeans in Jatiroto District, Wonogiri Regency. Meanwhile, the subject of this study was a tofu entrepreneur who was affected by the increase in the price of imported soybeans in Jatiroto District, Wonogiri Regency. The techniques used for data collection are interviews and documentation. To test the validity of the data used in this study, namely triangulation techniques. Triangulation technique can be done by checking the data at the same source, but with a different technique (Mekarisce, 2020).

3. Results and Discussion

In obtaining this research data, researchers conducted interviews with tofu entrepreneurs in Mojopuro Village, Jatiroto District, Wonogiri Regency, who were affected by the increase in soybean prices. From the results of the interview, the speakers said that they experienced the impact of the increase in the price of imported soybeans with the profits they got smaller than usual. Can be seen from chart 1.

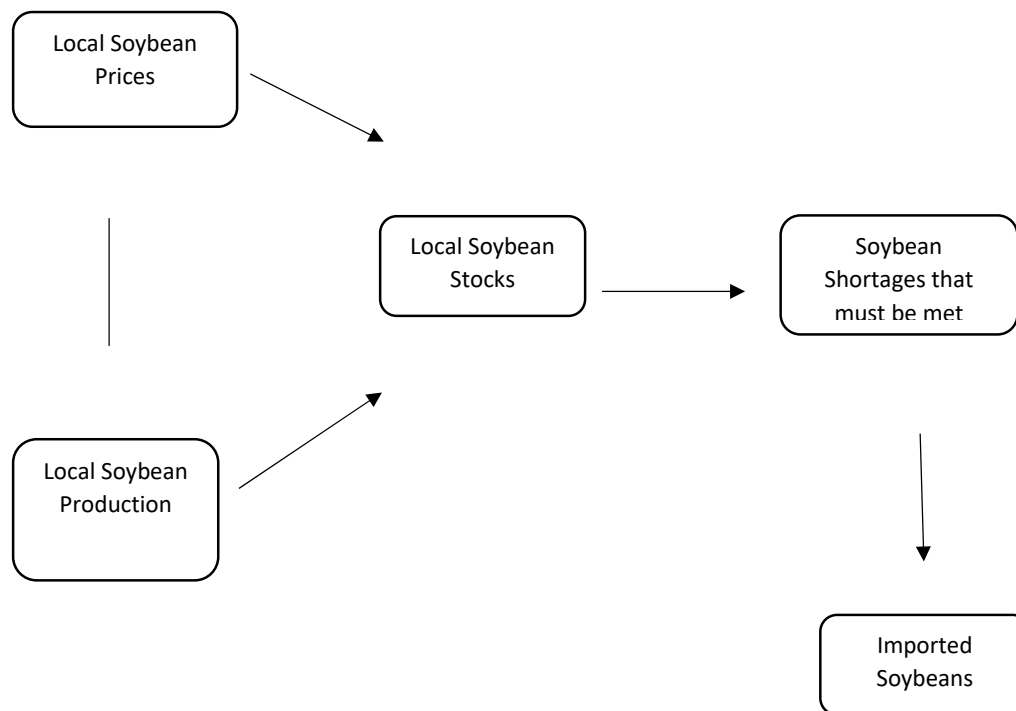


Chart 1. Soybean Fulfillment Flow

From chart 1, it is explained that tofu entrepreneurs in Mojopuro Village, Jatiroto District, Wonogiri Regency, they do use imported soybeans as raw materials from the tofu making process. The reason they use imported soybeans is not only about the price of local soybeans which is indeed cheaper if they buy from farmers directly, but in local soybean production is also less so that if tofu entrepreneurs only rely on local soybeans, the tofu making process will also be hampered by the limited local soybean stocks which are not so much. Indeed, Indonesian farmers' land is large, but farmers' interest in growing soybeans is low, because the price of soybeans is cheaper than peanuts so that farmers are more interested in peanuts than soybeans. Tofu entrepreneurs usually use local soybeans to mix with imported soybeans so that the quality of the tofu produced is also better. The quality of tofu can be seen from the quality of soybeans used in the tofu making process itself. Not a few entrepreneurs know to buy soybeans that have been for a long time so that the quality of the soybeans themselves is not good and as a result the tofu produced also has poor quality in terms of color, thickness, and texture of tofu.

1. How Much Is Local Soybean Production

The trend of Indonesian soybean imports does show an increase every year. In 2018, total soybean imports reached 2.38 million tons or 4.4% of the total imports of the previous year which reached 2.27%. In addition, low domestic soybean production has not met the need for domestic soybeans. Data from the Central Statistics Agency (BPS, 2018) reported that the total domestic soybean production was only 982,598 tons, while the national soybean needs reached 3.36 tons. This led to a deficit of 2.38 million tons which the government had to meet through import activities (Indrawan, 2021).

From the description above, it can be concluded that indeed to meet the needs of local or national soybeans must be met through the import route, because if it is not met with the import route, entrepreneurs who use soybeans as the main ingredient for their products, one of which is that tofu entrepreneurs that they will be worried if the raw materials they use are only limited in availability. So indeed, entrepreneurs know that they rely heavily on imported soybeans as their raw material. Moreover, the tofu entrepreneurs in Mojopuro Village, Jatiroto District, Wonogiri Regency are very dependent on imported soybeans and even they do not use local soybeans, as for local soybeans, the price is quite high and the quality is not like imported soybeans. Local soybeans are also difficult to obtain so that tofu entrepreneurs that in Mojopuro Village, Jatiroto District, Wonogiri Regency, they do prefer imported soybeans in addition to price and quality, but for imported soybean stocks, they will continue to be available and easy to find. With the continuous increase in the price of imported soybeans, even tofu entrepreneurs, especially in Mojopuro Village, Jatiroto District, Wonogiri Regency, where indeed most of them work as tofu entrepreneurs and employees know very uneasy if this will continue to happen while local or national soybeans are unlikely to meet their soybean needs in the process of making tofu. They are hopeful of a reduction in the price of imported soybeans or getting local soybeans that are more affordable to keep their business going as before, and they are worried that soybean prices will increase again and soybean production will decline not enough for their soybean needs.

2. The Need for Imported Soybeans for Tofu Entrepreneurs

The government projects domestic soybean production to be only 200,315 tons. Meanwhile, domestic soybean demand is estimated to reach 2,983,511 tons this year. That means, domestic soybean production this year is estimated to be only about 6.8 percent of national needs (Mantalean, 2022).

From the results of interviews with the five speakers, they produced a large number of different soybeans for each production, of course. For details of the needs of imported soybeans, tofu entrepreneurs in Mojopuro Village, Jatiroto District, Wonogiri Regency as follows:

Table 1. Soybean Needs for Tofu Entrepreneurs in Mojopuro Village, Jatiroto District, Wonogiri Regency

Tofu Entrepreneurs	The Amount of Soybeans Needed Per Day	The Price You Get
Sri Mulyani	200 kg	Rp 11.900
Anis	70 kg	Rp 11.800
Tarni	60 kg	Rp 12.000
Kasih	50 kg	Rp 12.000
Kadiyem	35 kg	Rp 12.000

From the table above, it is explained that indeed every tofu entrepreneur that what is in Mojopuro Village, Jatiroto District, Wonogiri Regency, for the needs of imported soybeans every day is indeed different. This is due to the marketing of different tofu and different consumers, so that in the abundance of

production also differs. The price of imported soybeans they get is different but for Mrs. Tarni, Mbah Kadiyem, and Mbah Kasih, it is the same because they take soybeans in the same place. In this need for soybeans, it is not every day that they need as much soybeans, because consumers tofu will sell more than usual and vice versa. Marketing is unpredictable because the ups and downs of the market are natural. It has been explained above that indeed the need for local soybeans does not meet so it is forced to be met by imported soybeans. With the continuous increase in soybean prices like this, tofu entrepreneurs that they cannot stock soybeans in large quantities, so they stock soybeans for the next 5 days, this is because unstable soybean prices cause tofu entrepreneurs that they are afraid to stock soybeans. Tofu entrepreneurs that they are afraid to stock up on soybeans because if they already have a large stock of soybeans, the price of soybeans will fall, then they will lose out in selling tofu later.

3. Increase In the Price of Imported Soybeans

Since 2020 the price of soybeans has increased significantly, even tofu entrepreneurs that they are very worried about this situation. The diagram that shows the development of imported soybean prices felt by tofu entrepreneurs in Mojopuro Village, Jatiroto District, Wonogiri Regency, is as follows:

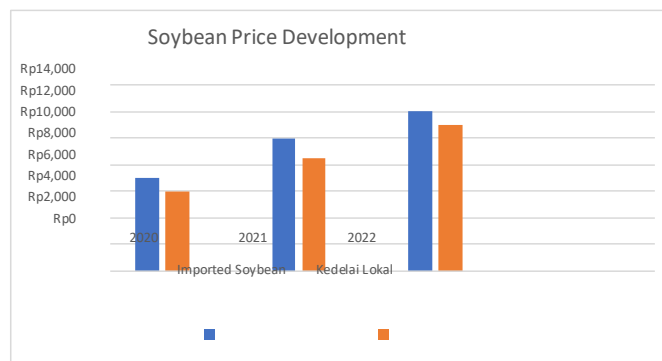


Figure 2. Soybean Price Development in Mojopuro Village, Jatiroto District, Wonogiri Regency

It can be seen in the picture above that every year imported soybeans and local soybeans increase even almost 90%. This makes entrepreneurs know that in Mojopuro Village, Jatiroto District, Wonogiri Regency, they are worried if there is another increase later. The price of soybeans affects the price of tofu in the market, because entrepreneurs are of course also looking for profits in every tofu sale. With the increase in soybean prices, tofu entrepreneurs must have a strategy that aims to maintain quality and maintain their business. One of the strategies carried out by tofu entrepreneurs is to reduce the size of tofu and reduce raw materials, namely soybeans so that later the tofu produced will be thinner than before. Another strategy is to raise the price of tofu so that they still get a profit even if it is not as usual. At the beginning of the increase in soybean prices, tempeh and tofu entrepreneurs went on strike because the price of soybeans had increased significantly, but this was not done by tofu entrepreneurs in Mojopuro Village, Jatiroto District, Wonogiri Regency because they made this tofu business their livelihood and to meet their living needs. A selling strike is not a solution for them, they have their own strategy to deal with the increase in soybean prices so that they can still make ends meet. With the increase in soybean prices, of course, it will affect tofu sales, consumers have a reason why they prefer to buy other vegetable protein sources instead of tofu, namely with the strategy of tofu entrepreneurs who increase the price of tofu is one of the fewer consumers or buyers.

Discussion

From what has been explained that local soybean products are not sufficient for soybean needs in Indonesia so that to make up for the shortage of local soybeans Indonesia must rely on imported soybeans to cover the shortage of local soybeans in Indonesia. This can have a bad impact on Indonesian entrepreneurs who need soybeans as a raw material for products. One of the bad impacts of this is the decrease in the income of tofu entrepreneurs which is different from usual, not only that if the price of soybeans rises then the tofu entrepreneurs have a strategy to

maintain their income, one of which is by increasing the price of tofu so that the tofu they sell in the market will be less because consumers or buyers will choose vegetable protein source foods with others that are cheaper. In addition to increasing the price of the product Some entrepreneurs know also shrink the size of tofu which is indeed different from usual, because to increase the price of tofu there are Some entrepreneurs know that they do not have the heart to bear the buyer. This is the same as the research from (Endah Pratiwi, 2016) in the study entitled *The Impact of Soybean Price Increase on the Business Feasibility of the Tofu and Tempeh Industry in Pekanbaru City* which explained that in Pekanbaru City, tofu and tempeh entrepreneurs also increase prices and shrink the size of their products to get the same profit from before. In his research, he mentioned that profits from tofu entrepreneurs in Pekanbaru City decreased by 38.88%. But in contrast to this study, research (Endah Pratiwi, 2016) stated that with the increase in soybean prices, production costs also increased by 14.99%, while this study for production costs did not increase because entrepreneurs knew they also thought about the benefits they get if they increase production costs such as employee salaries.

In addition to the decline in income, the decline in buyers' interest in tofu is also felt in tofu entrepreneurs. If the tofu entrepreneur shrinks the size of tofu and increases the price of tofu, the buyer will be reluctant to consume tofu which he considers expensive. So, it can be explained that the increase in soybean prices can harm many parties, not only tofu entrepreneurs but tofu buyers also feel disadvantaged because they cannot consume tofu as usual. This research is the same as the previous research, namely (Oktaria Ningsih, 2017) *The Impact of Soybean Price Increase on the Tofu and Tempeh Industry in Pekanbaru City*. The results of the study explained that the increase in soybean prices affects the level of tofu sales to consumers, so before there is an increase in soybean prices, the production of tofu is more because buyers or consumers never get tired of this vegetable protein source food. So, after the increase in soybean prices, the tofu production process also decreased and tofu sales also decreased unlike before the increase in soybean prices as it is today. But there is a slight difference with this study, if previous research explained that there are tofu entrepreneurs who do not produce anymore because with the increase in soybean prices, business capital has also increased, so they are reluctant to continue the business. While this study does not explain that tofu entrepreneurs stopped because of limited capital because entrepreneurs chose a suitable strategy to be used in selling tofu when the price of soybeans rose significantly, they continued to produce tofu according to the price of raw materials.

Tofu entrepreneurs increase their income by utilizing tofu dregs that are processed into tempeh gembus. They use tofu dregs with the aim that the tofu dregs produced are not only for animal feed but there is their own economic value so that they can increase their income. However, not all entrepreneurs know the same who process the tofu dregs into tempeh, because the process is quite long so there are some tofu entrepreneurs whose tofu dregs are sold or for animal feed only. Not a few for those who have time to process tofu pulp into tempeh, but if the price of soybeans increases, the sales of tofu pulp also increase. Judging from the strategy of entrepreneurs, there is something that reduces raw materials, namely soybeans in making tofu, the volume of tofu dregs produced is also reduced. Such as research from (Widi Artini & Aditya Perdana Mahardika, 2017) entitled *The Impact of Soybean Price Increase on the Prokduivity of the Home Tofu Industry*. This is explained in the study that with the increase in soybean prices, the volume of tofu pulp certainly also decreases. The use of diesel fuel can also trigger an increase in the price of tofu and tofu dregs themselves, because entrepreneurs know that they also have to think about the benefits that will be received later for the production process as well. There are differences in this research and research (Widi Artini & Aditya Perdana Mahardika, 2017), in this study the resource persons used labor or employees where the wages spent were also not small for processing production. Meanwhile, the research explained that tofu entrepreneurs in Mojoagung Village use family labor, meaning that here the tofu production process itself is carried out or processed which only involves the family, not other people or employees, so the cost of production is reduced because it does not spend wages on labor or employees in the production of tofu.

4. Conclusion

Based on the results of research and discussions carried out by researchers, the balance is drawn that:

1. Tofu entrepreneurs in Mojopuro Village, Jatiroto District, Wonogiri Regency will remain dependent on imported soybeans, seeing the large number of local soybean productions that are still very lacking to meet their tofu production needs. If tofu entrepreneurs only rely on local soybean production, the demand for tofu will not be met properly. They have not been satisfied enough with local soybeans, the amount of which can be said to be insufficient.
2. The need for imported soybeans for tofu entrepreneurs in Mojopuro Village, Jatiroto District, Wonogiri Regency, does vary according to their market needs. In this need for soybeans, it is not every day that they need as much soybeans, because consumers know this is not every day, they need food sources of vegetable

protein this one there are times when tofu will sell more than usual and vice versa. Marketing is unpredictable because the ups and downs of the market are natural.

3. The increase in the price of imported soybeans felt by tofu entrepreneurs in Mojopuro Village, Jatiroto District, Wonogiri Regency, reached 90% of the previous price. They felt that the previous price was approximately Rp. 7,000 but until now it has increased to Rp. 12,000. This increase in the price of imported soybeans is considered troubling, because they must have a good strategy to maintain their current business. The increase in soybean prices has been felt by tofu entrepreneurs in Mojopuro Village, Jatiroto District, Wonogiri Regency since 2020.

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