



Efficiency of Capital Use and Financial Performance in Pak Yon's Coffee Agroindustry: A Case Study in Jember Regency

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ABSTRACT

This study analyzes the efficiency of capital use in Pak Yon Coffee Agroindustry Jember, using quantitative descriptive methods. Three evaluation tools are used, namely the R/C Ratio (Revenue/Cost), B/C Ratio (Benefit/Cost), and Break-Even Point (BEP) Analysis. The results of the study show an R/C value of 1.33, which indicates that every Rp1 of cost produces Rp1.33 of income, indicating efficiency and profitability. However, the B/C value of only 0.07 reflects that the net benefit of the investment is still small. The BEP analysis shows that the break-even point is achieved at sales of 10,731 units or revenue of Rp106,296,000. These data illustrate that the business is in a stable financial position but requires increased efficiency to maximize profits. The broader implication of this study suggests that for the coffee agroindustry to thrive sustainably, businesses must focus on improving capital utilization and optimizing their operational strategies to enhance profitability. Development strategies include product diversification, optimization of technology use, and distribution expansion. This study provides practical recommendations to improve the sustainability and competitiveness of the coffee agroindustry business in a dynamic market.



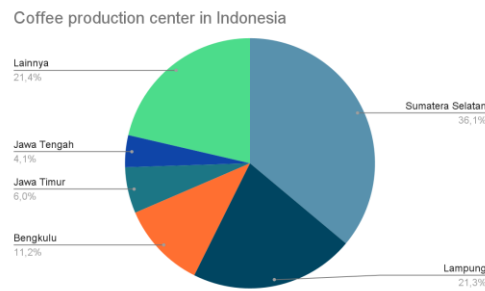
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INTRODUCTION

According to FAOSTAT (2022), Indonesia is one of the largest coffee bean exporting countries in the world, ranking fourth after Brazil, Colombia, and Vietnam with a production value of 794,762 tons. Indonesia was previously the second largest coffee producer in the world in 1999, but Vietnam and Colombia managed to shift Indonesia's position because their coffee productivity increased by a large amount (Ibnu & Rosanti, 2022). This decline in Indonesia's global ranking has been linked to the dominance of smallholder plantations, which account for 95.36% of national coffee production, while the state (PBN) and private sector (PBS) contribute only 2.67% and 1.97%, respectively (Ministry of Agriculture, 2022). Indonesia's national coffee production consists of several types of coffee, one of which is robusta coffee. According to Rulinawaty et al. (2023), Robusta coffee is a type of coffee that grows in lowlands at an altitude of 400-800 meters above sea level. Indonesia has a robusta coffee production center spread across several regions as described in the following image.

Figure 1. Coffee Production Center in Indonesia

Based on Figure 1, East Java Province ranks fourth as a center for robusta coffee production with a share value of 5.95%. The areas in East Java Province that dominate robusta coffee production consist of Malang, Lumajang, Jember, Situbondo, and Banyuwangi. The high production in these five cities is due to the land conditions that are suitable for the growth of robusta coffee plants. One of the areas that is a center for coffee production in Indonesia is Jember Regency. Coffee production in Jember over the past five years has fluctuated as presented in the following table.

**Table 1. Production Data of Coffee**

Tahun	Produksi (Ton)
2019	417,59
2020	236,90
2021	9.089,10
2022	4.193,53
2023	4.477,11

Source: BPS-Statistic of Jember

Based on coffee production data obtained from Jember Regency in Figures from 2019-2023, it shows that coffee production in 2020 decreased by 180.69 tons from 417.59 tons to 236.90 tons. This is due to climate change which affects the growth and development of coffee plants (Sarvina et al., 2020). Another factor that contributed to the decline in coffee production was the Covid-19 pandemic, which peaked in 2020 (Andriani et al., 2022). The decline in coffee production in Jember Regency has an impact on the income and financial condition of business actors, one of which is Pak Yon's Coffee Agroindustry.

Based on the research from Hardita & Arisena (2023), the Pak Yon coffee agro-industry is a business engaged in processing harvested coffee beans into ground coffee products. The Pak Yon coffee agro-industry was pioneered in 2018 and is managed under the auspices of Mas Mede. The Pak Yon coffee agro-industry is located in the Baban area, Silo Sanen District, Jember Regency. The main activity of the Pak Yon agro-industry is processing harvested robusta coffee beans to fulfill orders from cafes in Jember and also customers. In addition, the Pak Yon coffee agro-industry also has a cafe called Café Wijaya by Pak Yon which is located at Jalan Mangga V No. 7, Cangkring, Patrang District, Jember Regency.

Agro-industrial activities cannot run without financial accounting, one of which is the efficiency of capital use. Simply put, capital is a person's ownership of an asset. Capital is used as a starting point in starting a business. Capital in the financial context refers to the resources sacrificed to gain profit. Capital can be in the form of cash, securities, and goods (movable or immovable) used in the production process. Calculation of capital use efficiency can be done using three methods, namely R/C Ratio, B/C Ratio, and Break Event Point (BEP) with the aim of knowing whether the capital used in production is efficient or otherwise.

The analysis of capital efficiency calculations conducted by the author is based on previous research from Oka et al. (2021) entitled Feasibility Analysis of Ground Coffee Agroindustry in Nogosari Village, Rambipuji District, Jember Regency. The results of the study by Oka et al. (2021) showed that the agro-industry of ground coffee processing in Nogosari Village, the business feasibility analysis obtained results, namely NPV 278,603,269.8; Net B/C 2.44; Gross B/C 1.32; IRR 59.61; PR 2.44; PP 2 Years 5 Months 26 Days which shows that the business is feasible to run. The other research from Juliantri & Pratama (2024) findings indicate that the Casim Coffee business is financially viable, with an NPV of Rp366,069,410, an IRR of 26.79%, a B/C value of 2.03, and a payback period of 2 years and 2 months. Both studies analyze the financial feasibility of the coffee agroindustry through the calculation of R/C Ratio, B/C Ratio, Profitability Ratio, Internal Rate of Return, Payback Period, and Net Present Value. In this case, the author is interested in conducting an

analysis of capital efficiency calculations by going into the field in order to explore data and present the results through this paper.

RESEARCH METHODS

This study uses a quantitative descriptive method to analyze the efficiency of capital use in the Pak Yon Coffee Agroindustry in Jember (Satriadi et al., 2023). Quantitative methods were selected for their ability to provide measurable and objective data, which are crucial in evaluating the financial efficiency of agro-industries. The use of numerical data allows for a clear comparison of costs, benefits, and production efficiency, which is difficult to achieve with qualitative methods alone. These methods provide specific metrics that can guide strategic decision-making and operational adjustments in a business context. The evaluation of financial efficiency is carried out through three specific methods: R/C Ratio (Revenue/Cost), B/C Ratio (Benefit/Cost), and Break-Even Point (BEP) analysis. These methods are common techniques used in financial assessment of agro-industry. The R/C ratio is used to measure the comparison between total revenue and total cost; an R/C value of more than 1 indicates a profitable business and is worth continuing. The B/C ratio assesses the comparison between benefits and costs; a B/C value of more than 1 indicates that benefits exceed costs, so that the investment is considered profitable MDPI. BEP analysis is used to determine the minimum level of production or sales that must be achieved so that total revenue is equal to total costs, so that there is no loss or profit. The population in this study includes financial data and operational records of the Pak Yon Coffee Agroindustry, with samples consisting of fixed costs, variable costs, and income recorded during operations.

Data collection was conducted through interviews, observations, and documentation to gather comprehensive and detailed information regarding the financial and operational aspects of the Pak Yon Coffee Agroindustry. The interviews were conducted with key stakeholders, including the business owner, employees, and local suppliers, to provide qualitative insights into the production processes, decision-making in cost allocation, and strategies for revenue generation. These interviews also revealed the challenges faced in maintaining operational efficiency and adapting to market demands (Creswell, 2016). Observations were carried out directly at the production site to gain a deeper understanding of daily operations, including the workflow in processing coffee beans, the functionality and maintenance of machinery, the allocation of human resources, and the overall production environment. This method ensured a practical evaluation of the efficiency of equipment usage and resource management. Documentation, on the other hand, played a crucial role in collecting quantitative data, including fixed costs such as machinery procurement, facility maintenance, and rent, as well as variable costs like raw materials, labor wages, packaging, and utilities. Revenue data from coffee sales were meticulously compiled from business transaction records to provide an accurate financial overview of the agroindustry (Anggito & Setiawan, 2018).

The collected data were analyzed using three established financial evaluation methods. First, R/C Ratio analysis was used to calculate the ratio of total revenue to total costs, offering insights into the financial efficiency of the agroindustry by indicating whether the business generates sufficient revenue relative to its operational costs (Sudianto, 2023). Second, B/C Ratio analysis compared the net benefits to the costs incurred, helping to assess the feasibility and profitability of strategic investments, such as adopting advanced roasting machines. This analysis highlighted the return on investment and the added value brought by technological upgrades. Lastly, BEP analysis determined the critical production volume and sales revenue required for the business to break even, providing a clear benchmark for achieving operational sustainability. By identifying the point where total costs equaled total revenue, this analysis ensured that the agroindustry could maintain its financial stability without incurring losses, even in challenging market conditions. Together, these methods provided a holistic evaluation of the financial and operational efficiency of the Pak Yon Coffee Agroindustry.

The research was conducted using several operational definitions including R/C ratio (Revenue/Cost ratio), B/C ratio (Benefit/Cost ratio), Break-Even Point (BEP), fixed cost, variable

cost, and revenue. R/C Ratio is defined as the comparison between total revenue and total cost incurred in agro-industry operations. In this study, R/C Ratio is calculated to assess the efficiency of capital use in Pak Yon Coffee Agro-industry. R/C Ratio value > 1 indicates a profitable business, R/C Ratio = 1 means break-even, and R/C Ratio < 1 indicates a loss. B/C Ratio is the ratio between net benefits obtained and total costs incurred. In this context, B/C Ratio is used to analyze the extent to which the net benefits generated by the agro-industry are greater than the costs invested. B/C Ratio value > 0 indicates net benefits, while negative values indicate losses. BEP is the point at which total revenue is equal to total costs, so that the business does not experience profit or loss.

BEP is calculated in two forms: BEP unit (minimum number of units that must be sold to break even) and BEP price (minimum total revenue that must be achieved). In this study, BEP determines the volume of production and revenue required for Pak Yon Coffee Agroindustry to break even. Fixed costs are costs that do not change even if the volume of production or sales changes. Examples include the cost of roasting machines, hullers, and scales. Variable costs are costs that change according to production volume, such as the cost of raw materials (coffee beans), packaging, and fuel. Revenue in this study refers to the total revenue obtained from the sale of Pak Yon Coffee Agroindustry coffee products during a certain period.

RESULTS AND DISCUSSION

To provide a clearer picture of the cost and income structure of Pak Yon Coffee agro-industry, the following table details the fixed and variable cost components that will be required in the production process. Fixed costs include investments in production equipment, while variable costs include the costs of raw materials, labor, and product packaging. By understanding these cost components, we can more easily evaluate the cost efficiency and potential profits generated by this coffee agro-industry. The following is a breakdown of the cost components incurred by Pak Yon Coffee agro-industry in Jember Regency. The table below will show the fixed costs that include investment in production equipment such as Huller, Pulper, Para-Para, Roasting Machine, and scales, as well as variable costs that include coffee bean raw materials, gas, electricity, fuel, labor, and product packaging. The total costs incurred and income earned can be seen in the following table:

Table 2: Cost and Revenue Components of Pak Yon’s Coffee Agroindustry, Jember Regency

No.	Component	Qty	Unit	Unit Price (Rp)	Total Price (Rp)
Fixed Cost (FC)					
1	Huller and Pulper Machine	1	Unit	15.000.000	15.000.000
2	Para-Para	1	Unit	2.300.000	2.300.000
3	Roasting Machine	1	Unit	35.000.000	35.000.000
4	Scales	1	Unit	848.000	848.000
Total Fixed Price					53.148.000
1	Coffee beans	60	Kg/month	44.000	2.640.000
2	Gas	5	3 Kg	20.000	100.000
3	Electricity	1	Token	250.000	250.000
4	Fuel	5	Liter	6.800	34.000
5	Permanent Labor	2	Month	1.500.000	3.000.000
6	Packaging (1 kg)	40	Pcs	4.000	160.000
7	Packaging (500 gr)	40	Pcs	3.000	120.000
Total Variable Cost					6.304.000
Total Cost (TC)					59.452.000
Total Revenue		40 (1 kg)	Pcs		79.100.000
		40 (500 gr)	Pcs		-
Profit (Income)					19.648.000

Source : Data Processed

Based on the data in the table 1, Pak Yon Coffee agro-industry in Jember Regency incurs fixed costs of Rp 53.148.000. This cost includes the procurement of production equipment such as Huller and Pulper machines, Para-Para, Roasting machines, and scales, which are important investments to support the production process. In addition, there are variable costs of Rp 6.304.000 per month, which include the need for coffee bean raw materials, gas, electricity, fuel, labor, and product packaging in 1 kg and 500 gram sizes. With a total overall cost of Rp 59.452.000, this agroindustry is able to generate revenue of Rp 79.100.000 from the sale of its products. This resulted in a profit of Rp 19.648.000, indicating that the business is doing well. The potential for business development can still be increased, especially by maximizing sales and recording revenue from 500 gram packaging products.

The profit recorded from the data above amounted to Rp 19.648.000 and the total costs incurred reached Rp59.452.000, which is where Pak Yon's Coffee agroindustry showed a positive performance. However, to assess the financial viability of this business more comprehensively, further analysis needs to be done using the R/C ratio. This ratio will help to determine whether the business is actually profitable, break-even, or even make a loss. The calculation of the R/C ratio can provide a clearer picture of the efficiency and development potential of Pak Yon's Coffee business in the future.

There are three possibilities and criteria for the results obtained when calculating the R/C ratio, namely the R/C ratio value >1 where if the R/C is more than 1, it can be said that the farm is profitable, while if the R/C Ratio $=1$, then the farm is said to break even or not experience profit and loss and if the R/C Ratio <1 , then the farm is experiencing a loss (Bakhtiar, 2022). The following is the calculation of the R/C ratio in Pak. Yon's roasted coffee agroindustry:

$$\begin{aligned}
 \text{R/C Ratio} &= \frac{TR}{TC} \\
 &= \frac{Rp79.100.000}{Rp59.452.000} \\
 &= 1,33 \\
 \text{OR} &= \frac{TVC}{TR} \\
 &= \frac{Rp6.304.000}{Rp79.100.000} \\
 &= 0,07 \\
 \text{FR} &= \frac{TFC}{TR} \\
 &= \frac{Rp53.148.000}{Rp79.100.000} \\
 &= 0,67
 \end{aligned}$$

Based on the calculation results, the R/C Ratio (Revenue-Cost Ratio) value of 1.33 ($R/C > 1$) indicates that every Rp1 of cost invested in Pak Yon's Roasted Coffee Agroindustry is able to generate revenue of Rp1.33. This value is greater than 1, which means the business is profitable and efficient in the use of capital in this agroindustry. However, when compared to the B/C Ratio analysis, it is clear that there are opportunities for improvement. The relatively low B/C ratio of 0.07 suggests that, while the business is profitable, it still faces challenges in terms of maximizing the benefits of its investments. This finding is consistent with those observed in similar studies, where lower B/C ratios reflect inefficiencies in capital utilization and suggest the need for strategic investments in technology and operational improvements (Taufik et al., 2023).

On the other hand, the Fixed Ratio (FR) value of 0.67 indicates that 67% of the revenue is used to cover fixed costs, such as rent, equipment, or administrative costs. This dominant fixed cost is still quite reasonable, but further efficiency can be achieved by maximizing production capacity so

that the fixed cost per unit becomes smaller. Based on the results of this analysis, there are several recommendations to improve the financial performance of the business. First, increasing the scale of production can help reduce fixed costs per unit and improve efficiency. Second, diversification of coffee-based products can be done to increase revenue without a significant increase in fixed costs. Third, optimizing the production process is necessary to reduce variable cost wastage. Finally, more aggressive marketing strategies, such as increased promotion and market expansion, can help attract new customers and increase revenue.

Pak Yon's coffee agroindustry in its production process uses three types of machine technology, namely pulper machines, huller machines, and roasting machines. The utilization of appropriate technology can help increase productivity, efficiency, and business sustainability. To find out whether the use of technology is effective or not, an analysis is needed. The analysis used is the B/C Ratio analysis. Pak Yon's coffee agroindustry in the first year of production did not use a roasting machine, but still used a manual furnace. In the second year, Pak Yon's coffee agroindustry purchased a roasting machine to assist in processing coffee. To find out whether or not the purchase of the machine is effective, it is necessary to calculate the B/C Ratio. The following is the calculation of the B/C Ratio of Mr. Yon's coffee agroindustry.

Table 3. Cost Comparison of Roasting Machine and Furnace

No.	Component	Roasting Machine (Rp)	Furnace (Rp)
Fixed Cost (FC)			
1	Huller and Pulper Machine	15.000.000	15.000.000
2	Para-Para	2.300.000	2.300.000
3	Roasting Machine	35.000.000	5.000.000
4	Scales	848.000	848.000
Total Fixed Cost (FC)		53.148.000	23.148.000
Variable Cost (VC)			
1	Coffee beans	2.640.000	2.640.000
2	Gas	100.000	100.000
3	Electricity	250.000	250.000
4	Fuel	34.000	200.000
5	Permanent Labor	3.000.000	5.000.000
6	Packaging (1 kg)	160.000	160.000
7	Packaging (500 gr)	120.000	120.000
Total Variabel Cost (VC)		6.304.000	8.220.000
Total Cost (TC)		59.452.000	31.368.000
Total Revenue		79.100.000	39.600.000
Profit (Income)		19.648.000	8.232.000

$$\begin{aligned}
 \text{B/C Ratio} &= \frac{(R_2 - C_2)}{C_2} - \frac{(R_1 - C_1)}{C_1} \\
 &= \frac{(Rp79.100.000 - Rp59.452.000)}{Rp59.452.000} - \frac{(Rp39.600.000 - Rp31.368.000)}{Rp31.368.000} \\
 &= \frac{Rp19.648.000}{Rp59.452.000} - \frac{Rp8.232.000}{Rp31.368.000} \\
 &= 0,33 - 0,26 \\
 &= 0,07
 \end{aligned}$$

Based on the results of the B/C Ratio (Benefit-Cost Ratio) analysis, the value obtained of 0.07 (value >0) indicates that the new technology used in Pak Yon's Roasted Coffee Agroindustry, namely the roasting machine, produces a net benefit of 0.07 rupiah for every Rp1 of invested costs. In other words, the investment in this roasting machine provides a relatively small increase in benefits compared to the old technology using a manual furnace. This analysis shows that from a total fixed cost of Rp53.148.000 and a total variable cost of Rp6.264.000, the use of the roasting machine

generates a total revenue of Rp79.100.000 with a net profit of Rp19.648.000. Meanwhile, the old technology with total fixed costs of Rp23.148.000 and total variable costs of Rp3.000.000 only generated revenue of Rp39.600.000 with a net profit of Rp8.232.000.

The B/C Ratio calculation was conducted to compare the effectiveness of the two technologies in providing financial benefits. The old technology provides a B/C Ratio value of 0.26, which is higher than the new roasting machine, although still below the value of 1. This indicates that in terms of financial efficiency, the old technology still provides better results, albeit on a small scale (Taufik et al., 2023). However, it is important to note that B/C Ratio values below 1 for both technologies indicate that the business has not been able to generate significant net benefits compared to the costs incurred. Although the B/C Ratio value of the new roasting machine is relatively small, there are several factors to consider. First, the use of a roasting machine is likely to improve the overall quality of the product, which may open up new market opportunities or increase the selling price in the future. Second, new technologies such as roasting machines can reduce reliance on manual labor, thereby improving operational efficiency in the long run. Thirdly, roasting machines enable production on a larger scale, which can reduce fixed costs per unit if production capacity is maximized. To increase the B/C ratio and maximize the benefits of investing in this new technology, several strategic steps can be taken. One is to increase the scale of production to utilize the full capacity of the roasting machine, which will lower the fixed cost per unit. In addition, more effective marketing strategies need to be undertaken to increase revenue, such as expanding the market, creating value-added products, or improving brand image. Finally, regular operational efficiency evaluations should also be conducted to identify opportunities for cost reduction and productivity improvement.

Break Even Point (BEP) is a break-even situation, which is when the calculation of profit and loss has been carried out in a certain period, the company does not experience a loss nor does it get a profit. BEP calculations are divided into 2 calculations, namely the calculation of BEP units and the calculation of BEP prices. Based on Pak Yon's Coffee agro-industry, the calculation of BEP units and BEP prices is as follows.

$$\begin{aligned}
 \text{BEP Unit} &= \frac{TFC}{Py - AVC} \\
 &= \frac{Rp.53.148.000}{Rp.110.000 - 105.066,66} \\
 &= \frac{Rp.53.148.000}{4.933,33} \\
 &= 10.733 \text{ unit} \\
 \text{BEP Price} &= \frac{TFC}{1 - \frac{AVC}{Py}} \\
 &= \frac{Rp.53.148.000}{1 - 0,95} \\
 &= \frac{Rp.53.148.000}{0,5} \\
 &= Rp106.296.000
 \end{aligned}$$

Based on the results of the Break Even Point (BEP) calculation, Pak Yon's Coffee Agroindustry will break even when the number of products sold reaches 10.733 units. This calculation is carried out using the BEP Unit formula. The resulting contribution margin of Rp 4.933,33 indicates that each unit of product contributes Rp 4.933,33 to cover fixed costs. Thus, the BEP Unit is calculated at 10.733 units, which means that the agroindustry must sell a minimum of 10,733 units of its products to break even, where the total revenue is equal to the total costs incurred. Similarly, the BEP Price calculated is Rp 106.296.000, signifying the minimum revenue threshold needed to achieve financial equilibrium. This implies that for the agroindustry to sustain its operations, it must generate revenue of at least Rp 106.296.000, either through a combination of product volume and pricing strategies or by targeting specific market demands to meet this financial benchmark.

Achieving these break-even metrics is crucial for Pak Yon's Coffee Agroindustry as they provide a measurable target for operational success and financial sustainability. The BEP Unit and

BEP Price serve as decision-making tools, enabling the business to identify whether current production volumes and pricing strategies are sufficient to meet financial goals. Furthermore, these metrics allow the management to forecast financial performance, plan resource allocation, and design strategies for scaling up production or optimizing operational efficiencies. If sales consistently exceed the BEP thresholds, the agroindustry can reinvest its profits into enhancing production processes, expanding product lines, or reaching wider markets, thereby ensuring long-term growth and profitability. Conversely, falling below these thresholds would highlight the need for strategic adjustments to improve revenue streams or reduce costs. These insights underline the importance of regularly calculating and monitoring break-even points as part of the financial management framework for sustainable business operations.

Through the calculation results that have been done above, the Pak Yon coffee agroindustry is a potential business to be developed. Business development can be done by utilizing several strategies in developing the business, including developing product variations such as instant coffee or Ready-to-Drink (RTD) coffee to reach a wider market segment. This can increase total revenue, so that the R/C ratio is higher. The second strategy is optimizing the use of technology such as roasting machines to increase productivity and reduce variable costs. This will have an impact on reducing the BEP value, so that the agro-industry can make a profit faster. Third strategy that can used is expanding distribution networks through online platforms and collaboration with local cafes. Increasing product visibility will drive sales volume, which directly affects the R/C ratio value and accelerates the achievement of BEP. The fourth strategy is conduct periodic capital efficiency evaluations to ensure the financial sustainability of the business. This is important to identify obstacles and opportunities in real time.

CONCLUSION

The conclusion of this study indicates that the efficiency of capital use in Pak Yon Coffee Agroindustry in Jember Regency has been analyzed using the R/C Ratio, B/C Ratio, and Break-Even Point (BEP) methods. The results of the analysis show that the R/C Ratio of 1.33 indicates that this business has been running efficiently, where every Rp1 invested is able to generate revenue of Rp1.33. The B/C Ratio of 0.07 indicates that the use of new technology, such as roasting machines, provides additional benefits even though it is relatively small, so the investment is feasible to support business sustainability. In addition, the BEP calculation shows that Pak Yon Coffee Agro-Industry requires sales of 10,733 units or a minimum revenue of Rp106,296,000 to break even, which ensures that all operational costs can be covered without incurring losses.

This research is important because it provides a comprehensive picture of the financial performance of the coffee agro-industry, which can be used as a basis for strategic decision-making in business management. This analysis not only helps in identifying the level of efficiency and sustainability of the business, but also provides useful insights for other entrepreneurs in the agro-industrial sector to implement more effective and efficient capital management. As such, this study contributes to the development of a more competitive and sustainable agro-industry, particularly in the face of evolving coffee market dynamics. Therefore, the recommendations from the results of this study are expected to be a useful reference to improve competitiveness and ensure more optimal business continuity in the long run.

However, it is important to acknowledge several limitations in this study. First, the analysis primarily focuses on the financial aspects of the agro-industry, without considering broader environmental or social sustainability factors. Second, the study's scope is limited to Pak Yon's Coffee Agroindustry in Jember Regency, which may not fully represent the conditions of similar businesses in other regions or industries. As a result, generalizability of the findings could be limited. Additionally, the data used for calculating the R/C Ratio, B/C Ratio, and BEP may be subject to fluctuations in market conditions, raw material prices, and labor costs, which could influence the long-term viability of the business.

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