INCOME DISTRIBUTION AND POVERTY LEVEL OF ARABICA COFFEE FARMER IN TANJUNG BERINGIN VILLAGE, SUMBUL SUB-DISTRICT, DAIRI DISTRICT

THESIS

BY :

ABDUL HALIM LUBIS
070304017
AGRIBISNIS

AGRIBUSINESS STUDIES PROGRAM
AGRICULTURAL FACULTY
NORTH SUMATERA UNIVERSITY
MEDAN
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Submitted To Agribusiness Studies Program, Agricultural Faculty of
North Sumatera University To Fulfill One of Requirements
To Obtain The Bachelor Degree of Agriculture

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AGRICULTURAL FACULTY
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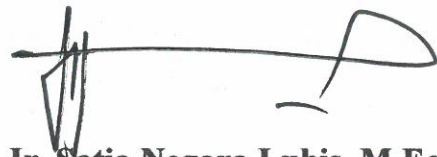|		
THESIS TITLE	:	INCOME DISTRIBUTION AND POVERTY LEVEL OF ARABICA COFFEE FARMER IN TANJUNG BERINGIN VILLAGE, SUMBUL SUB–DISTRICT, DAIRI DISTRICT
NAME	:	ABDUL HALIM LUBIS
NIM	:	070304017
STUDIES PROGRAM	:	AGRIBUSINESS

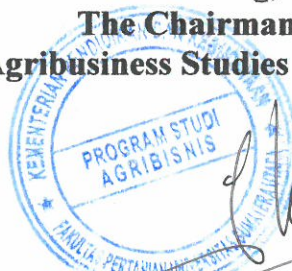**Approved By,**
Supervisor Commissions

Chairman

(**Dr. Ir. Salmiah, M.S**)
NIP. 19570217 198603 2 001

Commissioner

(**Dr. Ir. Satia Negara Lubis, M.Ec**)
NIP. 19630204 199703 1 001

Knowing,
The Chairman of
Agribusiness Studies Program

(**Dr. Ir. Salmiah, M.S**)
NIP. 19570217 198603 2 001

Date of Graduation : August 30th, 2012

ENDORSEMENT SHEET

Abdul Halim Lubis, NIM. 070304017, With The Thesis Title INCOME DISTRIBUTION AND POVERTY LEVEL OF ARABICA COFFEE FARMER IN TANJUNG BERINGIN VILLAGE, SUMBUL SUB–DISTRICT, DAIRI DISTRICT. It Has Been Maintained in Front of The Thesis Examiner Commissions in Agribusiness Studies Program, Agricultural Faculty of North Sumatera Unversity and Accepted as One of Requirements To Obtain The Bachelor Degree of Agriculture.

On The Date of : August 30th, 2012

Thesis Examiner Commissions :

1. **Chairman**   : **Dr. Ir. Salmiah, M.S**
    NIP. 19570217 198603 2 001   ....

2. **Commisioners : Dr. Ir. Satia Negara Lubis, M.Ec**
    NIP. 19630204 199703 1 001   ....

    Dr. Ir. Tavi Supriana, M.S
    NIP. 19641102 198903 2 001   ....

    Ir. H. Hasman Hasyim, M.Si
    NIP. 19541111 198103 1 001   ....

Endorsed :
Agribusiness Studies Program
Agricultural Faculty
North Sumatera University
The Chairman,

(Dr. Ir. Salmiah, M.S)
NIP. 19570217 198603 2 001

ABSTRACT

ABDUL HALIM LUBIS : Income Distribution and Poverty Level of Arabica Coffee Farmer in Tanjung Beringin Village, Sumbul Sub–District, Dairi District, supervised by Dr. Ir. Salmiah, MS. and Dr. Ir. Satia Negara Lubis, M.Ec.

The production of North Sumatera Arabica coffee is famous in export market and only 2% that consumed in domestic. At least, the export of North Sumatera Arabica coffee supports 15% of national coffee export. If viewed from the point of selling price, the price of Arabica coffee is higher than the price of Robusta coffee so that the Arabica coffee has a significant potential in increasing the farmers' income. The high price of Arabica coffee will affect the inequality level and also the poverty level of Arabica coffee farmers in a producer area of Arabica coffee. This study aims to determine the diversity of income source of Arabica coffee farmers also the income contribution from Arabica coffee farming to total income of farmers, inequality level of income distribution of Arabica coffee farmers, the proportion of Arabica coffee farmers poor in the study area. Tanjung Beringin Village selected as the study area was determined by Two Stage Cluster Sampling method. The sampling was conducted by Simple Random Sampling method. The data analysis methods are income analysis, indicators of inequality level based on *Gini* ratio (were fitted with *Lorenz* curve) and World Bank criteria, and the indicators of poverty level by Sajogyo (1988) and CBS (2010).

The results showed that income sources of Arabica coffee farmers outside Arabica coffee farming are quite varied where income from Arabica coffee farming contributed greatest to total income of farmers, i.e. 65,68%. Inequality level of Arabica coffee farmers based on *Gini* ratio is in the medium category with the value of *Gini* ratio is 0,36. While based on the World Bank criteria is in the lower category. Furthermore, the proportion of Arabica coffee farmers poor by Sajogyo (1988) as much as 21,43%, while based on CBS (2010) as much as 16,67%.

Keywords : Arabica Coffee, Income Analysis, *Gini* Ratio, *Lorenz* Curve, World Bank Criteria, Poverty Level.