

# ECONOMIC STRATEGIES OF PALM OIL FARMERS DURING THE REPLANTING PERIOD IN NAGARI SIPANGKUR, DHARMASRAYA REGENCY

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## ABSTRACT

*Replanting is an essential step in maintaining palm oil productivity due to aging plants. However, this process causes a drastic decrease in farmers' income, up to 65% during the 3-5 years waiting period for harvest. This study aims to assess the socio- economic impacts and economic of farmers during the palm oil replanting period in Nagari Sipangkur, Tumpang District, Dharmasraya Regency. This research uses a qualitative approach with a descriptive type. Data collection techniques were carried out through observation, in-depth interviews with 12 informants selected by purposive sampling, and document studies. Data were analyzed using the Miles and Huberman approach of data collection, data reduction, data presentation, and conclusion drawing. James S. Coleman's rational choice theoretical framework was used to analyze farmers' strategic choices in meeting their needs. The results showed that farmers chose three main strategies to fulfill their needs during the replanting period. These strategies are occupational strategies by shifting the main job, maximizing asset potential and making efficiency. These strategies reflect farmers' adaptation and resilience in facing economic challenges during replanting. Therefore, this study concludes that in the implementation of replanting, it is very important to build farmers' rationality in maximizing the assets they have to get around economic challenges.*

**Keywords:** *Economic Strategy, Palm oil Farmers, Replanting; Rational Choice.*

## INTRODUCTION

Palm oil (*Elaeis guineensis* Jacq) has played an important role in Indonesia's plantation sector since the last few decades. The main function of palm oil as a raw material for cooking oil, an export commodity, and able to open up employment opportunities has placed palm oil not only as a plantation crop, but also contributes greatly to the economy and welfare of the community (Nora & Mual, 2018). As part of the agricultural subsector, palm oil plantations have high economic value and an important role in the national plantation sector so that they are able to develop into extensive plantations in the territory of Indonesia (Sarman et al., 2021). In West Sumatra, palm oil plantations have been developed since the 1980s. Based on data from the Ministry of Agriculture, West Sumatra is one of the 10 provinces in Indonesia that has the largest palm oil potential. The area of palm oil plantations in West Sumatra reached 444,10 hectares in 2023. About 57.16% (253,898 Ha) of them are smallholder plantations. West Pasaman Regency occupies the top position as the largest palm oil plantation area, with 126 934 hectares, followed by Pesisir Selatan with 42 184 hectares, and finally Dharmasraya with 32 947 hectares (Badan Pusat Statistik Provinsi Sumatera, 2023).

In Dharmasraya District, palm oil has been

cultivated since the 1980s in conjunction with the transmigration program and palm oil development in Dharmasraya, which was initially started by large companies, has experienced rapid development since the 1990s. Since the 1990s the community has been cultivating palm oil independently on their land. Currently, the community's palm oil plants have entered the final stage of the production cycle (Putra et al., 2022). To maintain and increase palm oil production, replanting is required, which is the process of replanting oil palms that are 20 to 25 years old (Megawati et al., 2023). The Dharmasraya District Government, through the Agriculture Office, has implemented a replanting program since 2018. Until 2024, the plantation area that has been replanted reaches 6,898 hectares. This government replanting program is implemented by allocating a grant of Rp 30,000,000.00/Ha which is intended to carry out dismantling activities, nurseries, planting, and the use of pesticides and fertilizers twice within a period of one year (Dinas Pertanian Kabupaten Dharmasraya, 2018).

Although palm oil replanting is needed to increase palm oil productivity (Perta, 2024). replanting also has an impact on the social and economic aspects of farmers. Research conducted by Novra et al, (Ardi Novra, Fatati, 2021) shows that replanting has a significant effect on the

livelihood of farmers. In addition, Prabowo (Eko Prabowo, 2020) shows that replanting causes the loss of farmers' main source of income. Some farmers are even forced to borrow from official financial institutions such as banks or non-official institutions such as middlemen to fulfill their daily needs. As a result, they have to carry an unavoidable debt burden (Parulian, 2020)

Thus, as the age of palm oil plants increases, their productivity decreases significantly. Plants that have entered the age of more than 25 years require rejuvenation through replanting programs as an effort to maintain and increase production yields in a sustainable manner (Megawati et al., 2023). Although the replanting program is an important solution in maintaining the productivity of aging palm oil plantations, replanting brings great challenges for farmers. The loss of main income during the waiting period for productivity to return (on average 3-5 years) becomes an economic crisis for farmer households. For this reason, this article aims to describe the impact of replanting on the socio-economic conditions of farmers in Nagari Sipangkur, Dharmasraya Regency and the economic strategies that farmers implement during the replanting period to fulfill their economic needs. The urgency of this paper lies in the need to explore the socio-economic dynamics faced by palm oil farmers during the replanting period, as well as the economic strategies they use to maintain the economic resilience of their households.

Academically, the previous research on replanting has been extensively conducted by scholars. Some of them discuss the implementation of replanting by focusing on the implementation strategies used by farmers (Fauzan, 2023), government assistance (Ramayanti, 2022), replanting costs (Murtadha, 2024), and the rejuvenation models used by farmers (Ramayanti, 2022). Other studies discuss the strategies employed by farmers in facing economic challenges after replanting. Some of them discuss farmers' readiness to face rejuvenation (Ramayanti, 2022), farmers' household income patterns after replanting (Gevinda et al., 2022), the lives of farm workers after replanting (Armada, 2025), resilience (Pebriansyah, 2024), adaptation strategies (Faujjah & Yesi, 2025), and comparisons of farmers' household welfare before and after replanting (Wibowo & Iskandar, 2021). Among the existing studies, those focusing on strategies for meeting needs during replanting are quite limited. In fact, many studies show that farmers face economic challenges after replanting. Therefore, this study is important in filling this research gap.

## **THEORETICAL FRAMEWORK**

This paper uses James S. Coleman rational choice. Rational choice theory, like other microscopic sociological theories, centers on actors as one of the key elements. In rational choice theory, an actor is assumed to have an intention or purpose (intentional) in every action, so that there is no action that has no purpose. In addition, actors are also assumed to always have a framework of preferences (choices) that are relatively fixed or stable as a basis for making choices. Thus, individuals are seen as very rational, able to do their best to satisfy their desires (Haryanto, 2012).

James S. Coleman focuses on individuals because of interventions to create social change. So that micro-level phenomena other than those that are individual in nature can be the target of analytical attention. For this reason, Coleman states that it is important to understand the concept of rational actors derived from economics, which sees actors choosing actions that can maximize their utility or wants and needs. There are two elements in Coleman's theory, namely actors and resources. Resources can be interpreted as all the potential available both in the surrounding environment and personally owned. These resources are divided into two main categories. First, natural resources which include the wealth and potential provided by nature, second, human resources which include the potential contained in each individual (Ritzer, 2012). Meanwhile, actors are individuals who have goals as well as have a choice that is worth the basis used to make choices, namely using in-depth considerations based on their awareness. In addition, actors also have power as an effort to determine the choices and actions that they want. Meanwhile, resources refer to everything that can be controlled by actors, these resources are also aspects that can be managed by actors in an effort to achieve the desired goals (Ritzer, 2012).

In general, rational choice theory argues that human action is based on certain goals and objectives where actors calculate benefits, costs in choosing an action and at the same time maximize the use of resources to achieve certain choices (Damsar, 2009). In the implementation of replanting, the actors in question are farmers (individuals) who act based on considerations of resource availability.

## **RESEARCH METHOD**

This research uses a qualitative approach with a descriptive type by collecting and analyzing data in the form of words (oral and written) and human actions without trying to calculate quantitative data in the form of numbers (Afrizal,

2014). The research was conducted in Nagari Sipangkur, Tiumang District, Dharmasraya Regency for approximately 3 weeks at the end of April and early May 2025. Nagari Sipangkur is one of the areas implementing the palm oil replanting program with a fairly large land coverage and has a significant impact on the lives of local farmers.

Data collection was conducted through three main techniques, namely in-depth interviews, direct observation, and document study. In-depth interviews were conducted with 12 informants selected by purposive sampling. They consisted of farmer group leaders, and palm oil farmers who participated in the replanting program. The interview process was conducted directly through dialog with the informants. All conversations were recorded using a voice recorder. In addition to conducting interviews with informants, researchers also observed the physical condition of the plantation land, farmers' economic activities, and social relations in their environment. The main object of observation is the daily economic activities carried out by palm oil farmers to fulfill their needs. Data from written documents, in the form of photographs, reports, journal articles, and other scientific writings, complemented the research data in writing this article.

The data that has been collected is analyzed using the data analysis stage from Miles and Huberman (Miles & Huberman, 2007) which includes four stages: data collection, data reduction, data presentation, and conclusion drawing. Data collection is done by collecting data from various sources such as observation, interviews and document studies. Data reduction was done by sorting and organizing interview and observation findings into appropriate themes. Data presentation was done in the form of descriptive narratives to facilitate the drawing of meaning. Finally, conclusions were drawn based on the patterns that emerged from the analysis to answer the research focus on strategies to meet farmers' needs during the replanting period.

## RESULTS AND DISCUSSION

### Palm Oil Farmers in Nagari Sipangkur

Nagari Sipangkur is located in Tiumang District with an area of around 2,252.50 km<sup>2</sup>, most of which is used for plantation land, especially oil palm. The geographical conditions and soil fertility in this area are very supportive of the development of large and intensive palm oil plantations. Nagari Sipangkur includes seven jorongs including Jorong Sipangkur 1, Jorong Sipangkur 2, Jorong Lagan Jaya 1, Jorong Lagan Jaya 2, Jorong Sumber Mulya, Jorong Mekar Mulya and Jorong Jaya Mulya. This Nagari can be reached in about an

hour's drive from the center of Dharmasraya Regency, or about 6 hours from Padang City (Provincial Capital). Along the way to Nagari Sipangkur, visitors will be presented with a typical rural landscape with rows of palm oil plantations dominating the left and right sides of the road. This condition reflects the large economic dependence of the community on palm oil commodities.

Nagari Sipangkur is one of the transmigration areas that began to be occupied by the first group of transmigrants from Java Island in early 1989. When they first arrived, the land received by the transmigrants was still in the form of unopened wilderness. Therefore, they had to clear the land independently using simple tools such as hoes, earth forks, sickles, machetes and so on. The land clearing process is carried out in mutual cooperation between residents as a form of strong social solidarity. The government also provided basic training on palm oil cultivation, but not all farmers were able to adapt immediately. This is because most of them were previously more accustomed to growing rice and secondary crops, not crops such as oil palm. In the 1990s, the government supported the program by providing each household with 2 hectares of land for a plantation and 0.5 hectares for a yard. As a form of support, the government also provided palm oil seedlings for farmers. At that time, palm oil was just beginning to be introduced as a superior commodity because it had high economic value and was suitable for the soil conditions in the region.

Today, palm oil is the main pillar of the local agricultural sector and the source of livelihood for the majority of residents in Nagari Sipangkur. Of the total 3,426 population, 766 people work as palm oil farmers. The majority of the population are transmigrants from Java Island who began settling since 1989. They are known as tenacious and compact farmers in managing agricultural land, which has gradually shifted from food crops and rubber to oil palm. The development of palm oil plantations in Nagari Sipangkur began to grow rapidly since the 1990s, along with the increasing price of palm oil in the market. During this period, many farmers converted their land into palm oil plantations independently.

As for land ownership in Nagari Sipangkur, it is private or included in the category of community plantations, because they have received and managed the land themselves since the beginning of their arrival as transmigrants to the land of Sumatra. Over time, land ownership has evolved. Initially, each family was given 2.5 hectares of land, but now many farmers have

succeeded in expanding their land ownership. Based on field data, the land area owned by farmers currently varies from 2 hectares to 5 hectares. This development reflects the ability of some farmers to accumulate assets in the long term. In terms of age, the majority of smallholders are in the age range of 30 to 60 years old. This age range indicates that they belong to the productive age group that is still actively working. They consist of the first generation of transmigrants and their children who are now continuing the family plantation business.

### **Replanting in Nagari Sipangkur**

The palm oil *replanting* program in Nagari Sipangkur is part of a national policy to increase the productivity of unproductive smallholder palm oil land. This process is important in order to maintain the sustainability of production and increase the productivity of palm oil plantations. The replanting program in Nagari Sipangkur began in 2023, facilitated by the Agriculture Office and the Palm Oil Plantation Fund Management Agency (BPD PKS). This program aims for palm oil plants over 25 years old that have decreased yields. The stages of replanting implementation begin with socialization, land clearing, cutting down old trees, and planting certified superior seedlings. This program is run collectively by farmer groups and is carried out in stages, the first stage in 2023, and the second stage in 2025. One of the first steps to get replanting program assistance is initiated by farmer groups through an official application to the Agriculture Office, accompanied by a Nagari Wali Decree and proof of being registered in the Agricultural Extension Management Information System (Simluhtan), with a minimum requirement of 50 hectares of land in the name of the group.

The number of farmers participating in the palm oil *replanting* program in Nagari Sipangkur until 2025 is 134 people. They are distributed into two stages of replanting implementation. The first phase (2023) consists of 69 farmers with a total replanted land area of 137.185 hectares. The second phase (2025) consists of 65 farmers with a total replanted land area of 110,068 hectares. This data reflects the high participation of farmers in palm oil replanting, which is an important part of the production sustainability strategy in the region.

One of the key success factors of this

program is the financial support from the Palm Oil Plantation Fund Management Agency (BPD PKS). In the first phase, each farmer received IDR 30,000,000 per family head or per plantation. This amount increased to Rp60,000,000 in the second phase. The financial assistance is used to support replanting operations, such as the purchase of seeds, fertilizers, and initial maintenance of palm oil plants. Although the assistance is technical in nature and does not cover living needs during the replanting period, the presence of BPD PKS provides financial relief for smallholders in the face of a complex and time-consuming replanting process.

### **Impact of Replanting on Farmers' Socio-Economic Conditions**

The implementation of the replanting program in Nagari Sipangkur had a significant impact on farmers' socio-economic conditions, especially in the initial phase. Although the program aims to increase productivity in the long term, the waiting period of 3 to 4 years for oil palms to return to production causes farmers' income to decline dramatically. Some of the impacts of replanting implementation on the social and economic conditions of farmers are:

#### **Decreased Income**

The *replanting* program directly impacts farmers' income. Of the 69 farmers who participated in the 2023 replanting program (total land area 137,185 hectares), most experienced a decline in income. Farmers lost their main source of income because the replanted core land was their main source of income. Because of replanting, they automatically lost their main source of income. Since replanting, they have only relied on garden produce from the remaining yard land that was not included in the replanting program. The yield from this land is very limited, so it is not enough to cover household needs. Before replanting, the average income of farmers was between IDR 6,800,000 -IDR 7,800,000 per month for a land area of +2 hectares. After replanting, the income dropped dramatically to around IDR 1,500,000 - IDR 2,500,000 per month. In fact, some of them earn only IDR 700,000. The details of farmers' income and sources of income during the replanting period in Nagari Sipangkur can be seen in Table 1.

**Table 1. Palm Oil Farmers Income Before And After Replanting**

No	Name of Farmer	Income Before Replanting	Income After Replanting	Total Land Area	Remaining Land Area
1	HR	IDR. 6,000,000	IDR. 2,000,000	2.5 Ha	0.5 Ha
2	SY	IDR. 7,000,000	IDR. 2,500,000	3 Ha	1 Ha
3	TM	IDR. 7,000,000	IDR. 2,500,000	3 Ha	1 Ha
4	TR	IDR. 6,000,000	IDR. 2,000,000	2.5 Ha	0.5 Ha
5	EK	IDR. 5,000,000	IDR. 1.000.000- IDR. 1.500.000	2.5 Ha	0.5 Ha
6	MB	IDR. 6,500,000	IDR. 2,500,000	3 Ha	1 Ha
7	AI	IDR. 6,000,000	IDR. 2,000,000	2.5 Ha	0.5 Ha
8	AD	IDR. 6,000,000	IDR. 2,000,000	2.5 Ha	0.5 Ha
9	SR	IDR. 6,000,000	IDR. 2,000,000	2.5 Ha	0.5 Ha
10	SL	IDR. 5,500,000	IDR. 2,000,000	2.5 Ha	0.5 Ha
11	SH	IDR. 3,000,000	IDR. 700,000	2.5 Ha	0.5 Ha

Source: *Primary data, 2025*

The majority of replanting farmers rely on yields from the remaining yard land which is relatively the same ( $\pm 0.5$ -1 ha). Farmers' income from the remaining land also varies. This difference is caused by the number of productive trees, the age of the plants, and the change in land function to become a residence or family building. In addition, the condition of the remaining palm trees is generally old and not optimal, resulting in low fruit production. The transition period during replanting not only results in a reduction in income, but also causes farmers' income to become uncertain. This has an impact on the economic instability of their families. This condition encourages them to look for alternative sources of income. This shows that the replanting program, although aimed at long-term sustainability, requires farmers to have strategies to survive during the waiting period.

#### **Social Relationships**

In the processing of palm oil plantations, palm oil farmers do not only rely on their own labor in processing their plantations, but also involve farm laborers. The relationship between farmers and laborers is reciprocal, reflecting cooperation and solidarity. Farm laborers are agricultural workers without their own land who work in other people's gardens with a wage system (Raharjo, 2014). In Nagari Sipangkur, there are around 215 farm laborers. They generally come from the surrounding area. Before the replanting program, farm laborers worked routinely in farmers' palm oil plantations with the main

activities being harvesting and transporting the harvested fruit. Working relationships were close due to the frequency of meetings and social closeness. However, after the replanting program, the activity in the plantation decreased drastically and the laborers' work also decreased.

Some farmers invited laborers to work on intercropping land. However, the work pattern is not the same as in the plantation, where laborers are paid on a daily basis. In this scheme, laborers are paid by the harvest, where the harvest is divided according to the agreement. This pattern helps both parties continue to have an income during the transition period.

*"...The relationship is still good, even though they no longer work in the plantation, we still ask for help..."*  
(Interview SY, May 04, 2025).

This condition reflects the process of social adaptation in responding to the economic changes that occurred due to replanting. Farmers and farm laborers did not immediately break their work relations, but made adjustments in the form and pattern of work. If previously the relationship was bound by a wage system and routine activities, now the relationship has changed to joint work based more on solidarity and mutual assistance. This change in relationship shows that replanting not only has an impact on the farmers' economy directly but also affects the structure of social relations in the agricultural environment. The relationship between farmers and farm laborers

during the replanting period has shifted from a formal working relationship to a flexible social interaction based on common needs. Social solidarity remains the main force in maintaining the survival of agrarian communities in the midst of change.

### **Social Participation**

Participation is about taking part in an activity or participation or participation. According to Pidarta in Dwiningrum (2011: 50), participation is the involvement of a person or several people in activities. Mental and emotional and physical involvement in using all the abilities it has in the activities carried out and supporting the achievement of goals and responsibility for all involvement (Hutagalung, 2022).

Palm oil replanting in Nagari Sipangkur caused a significant decrease in farmers' participation in social activities such as arisan, parties, and community meetings and others. In general, before the replanting program took place, farmers usually had regular working hours, namely from morning to evening or from 08.00 to 15.00 WIB in their own plantations. Often, the work in the palm oil plantation is not much and can be completed quickly, so farmers only work half of the time from 08:00 to 13:00 WIB. Thus, smallholders have plenty of free time to participate in social activities. During the replanting period, smallholders' time allocation becomes more congested, making it difficult for them to engage regularly in social activities.

In addition to time constraints, the decline in income also impacts their economic ability to participate in social activities that require material contributions. As a result, social participation becomes a secondary priority and is only undertaken when sufficient time and financial resources are available. The decline in income encourages them to prioritize their time and energy on activities that are economically productive. As a result, participation in social activities such as arisan or community events has decreased.

*"...kyok biyen iseh akeh maelu arisan-arisan saiki luweh reduced sek, opo meneh biyeh nek jagongan akeh rono rene saiki tak pilih seng tak kenal-kenal cedak ae..." (Interview MB, May 02, 2025)*

*"...like in the past there were still a lot of arisan participants, now it is more reduced, used to come to many celebrations here and there, now only those who are known to be close are chosen..." (Interview MB, May 02, 2025)*

Although social relations are maintained, the frequency of interaction between residents is lower than before replanting. Nevertheless, some farmers still participate in social activities that are

considered important. This means that they do not completely stop and withdraw from social activities, but are more selective and adjust them to the economic conditions they are facing. The replanting period encourages people to focus more on meeting economic needs, so social activities are no longer a top priority, but rather situational.

### **Economic Strategies During the Replanting Period**

#### **Occupational Strategy**

The main job is the activity that takes up the most time or provides the largest income (Citra et al., 2020). Before the replanting period began, palm oil farming was the main job for most farmers in Nagari Sipangkur. Every day they work in the plantation to care for and harvest oil palms, which are the main source of family income. However, the replanting program, which required the cutting down of old palm trees, caused the loss of the main source of income. Without harvesting, farmers no longer have a steady income, so their position as palm oil farmers is temporarily replaced. This condition poses a challenge in meeting household economic needs.

As part of their economic strategy, farmers chose to temporarily leave the palm oil plantation and switch to other occupations. Some of them work as farm laborers, construction workers, even pamsimas workers and odd jobs in the surrounding area. These jobs were chosen by male farmers.

*"I join building projects as a handyman, and if there are none, I go to the fields as a laborer..." (Interview SY, May 04, 2025).*

Meanwhile, female farmers have switched to working as latvorers in the fields, such as picking up palm fruits. In addition, some of them also choose to trade at the market or open small stalls to fulfill their daily needs. This is the first step to ensure that there is still income even though the plantation is not yet productive. Thus, switching the main job during the replanting period is a rational decision that is carefully considered to maintain the family economy, not merely out of compulsion.

#### **Asset Strategy**

Asset strategies are livelihood assets that seek to realize livelihood achievements through strategies to process and utilize a number of available assets (Izzati et al., 2021). In general, livelihood assets are divided into two main forms, namely tangible assets and intangible assets. Tangible assets are assets that are physical in nature and can be seen or touched, assets that have a relatively stable value and are used in daily life over a long period of time, such as land, houses, equipment, savings and others. Meanwhile, intangible assets are assets that do not have a

physical form but still have economic value and benefits in the long term, such as technology, skills, social networks, and community trust (Novia & Rahayu, 2024).

To get around the economic challenges during replanting, palm oil smallholders have maximized the function of the assets they have. They do this fully to ensure their economic needs are met during replanting. Some of the strategies that they do and can be categorized as asset strategies are:

### **Intercropping Strategy**

Intercropping is an attempt to plant several types of crops on the same land and time, arranged in rows. Planting in this way can be done on two or more types of plants that have the same age (Rohayati & Abubakar, 2024). In an effort to maximize the yield of the agricultural land owned, palm oil farmers carry out an intercropping system on the land that is being rejuvenated. They plant crops such as chili, peanuts, vegetables, and others. This strategy not only aims to fulfill household consumption needs (food), but also provides significant additional income.

With intercropping, farmers can optimally utilize temporarily unproductive land without having to wait for palm oil yields, which take years, so that the results can be used immediately to meet daily needs. If the harvest is abundant, some of it can also be sold to the local market or sarong stalls as an additional source of income for farming households.

*"...on the other hand, I can actually utilize the replanted land as intercropping to grow various kinds of vegetables that are quite easy to grow..." (Interview SR, May 02, 2025)*

Palm oil farmers utilize the replanted land by planting intercropping crops on the sidelines of the former palm oil trees that have been cut down. This activity is mostly done in the early stages of land clearing, which shows that farmers are trying to find other economic opportunities to reduce the financial burden during the replanting transition period. Thus, this strategy shows the ability of farmers to maximize land resources as productive assets.

### **Livestock Farming**

In addition to maximizing land with intercropping systems, palm oil farmers also maximize other assets in the form of livestock. This strategy is one way to meet the needs of life when income from palm oil plantations is not available. Farmers raise livestock such as cattle and native chickens because they are considered quite effective. In addition to generating additional income, livestock is also considered a form of savings in the form of living assets that can be sold

at any time when they need money. With this strategy, farmers try to survive and adjust to the uncertain economic conditions during the replanting transition period.

Not only raising livestock independently, some palm oil farmers also join livestock groups in the village. Farmer groups are not only a forum for cooperation, but also serve as a source of financial assistance through an internal loan system. By becoming a member of the group, farmers can borrow for the development of their livestock business.

*"...I joined the 'So Mulya' cattle group, helping to take care of the group's cattle, we can also borrow money when we need it, and the cow dung can be used for palm fertilizer" (Interview SR, 02 May 2025).*

In the group, farmers also process cow dung into fertilizer. The processed fertilizer from cow dung is used as organic fertilizer for palm oil plants, which also reduces dependence on chemical fertilizers. This shows that the livestock strategy not only provides additional income, but also supports the sustainability of their farming practices.

*"...Biyen gore nek telu, saiki wes tambah siji dadai papat. rawat e ra angel gor ngaret golek suket nek ora ya dicolne mburi omah" (Interview TM, April 29, 2025).*

*"...At the beginning there were only three heads, now there are four. It is not difficult to take care of them, they just look for grass, otherwise they just let them go" (Interview TM, April 29, 2025).*

Farmers choose livestock farming because they have the resources to support it, such as the availability of livestock, vacant land around the house, yards that are overgrown with grass as animal feed, cages that are already available, and previous experience in raising livestock. In the perspective of James S. Coleman's rational choice theory, this decision is a rational action of social actors who utilize existing resources to achieve goals, namely meeting household needs during the replanting period. Farmers consciously convert their assets into alternative strategies to maintain their family's economic welfare amidst the limitations caused by the decline in income from palm oil plantations.

### **Utilizing of Savings**

Savings are part of household income that is not consumed in a certain period (Sugiyanto & Romadhina, 2020). Savings from the harvest before replanting are the mainstay of some farmers to survive the first 1-2 years of the replanting period. Savings are part of the income set aside for future needs or emergencies. During the replanting period, most palm oil farmers in Nagari Sipangkur

used the savings collected when the harvest was still stable to meet family needs. These savings are in the form of cash or gold that is kept as an economic reserve. This strategy helps them survive when the main income from the palm oil plantation temporarily stops. In addition to meeting daily needs, savings are also used for important needs such as school and health fees.

The way palm oil farmers save is not only in the form of cash savings in the bank, but more dominantly through gold. Saving by storing gold is considered more profitable than saving at the bank. Farmers realize that the price of gold relatively always rises along with economic development. Meanwhile, saving money in the bank, the value of the money they save is relatively reduced along with the decline in the value of money. In addition, gold was chosen because it is considered safer as a long-term savings and is not easily tempted to be used if it is not urgent. This condition helps maintain financial stability amidst income uncertainty. Thus, the use of savings reflects a long-term rational decision that has been calculated beforehand.

*"Seko biyen istri pancen sengajo tukuni emas kanggo disimpen. Dianggep tabungan jangka panjang ae..." (Interview AD, May 10, 2025).*

*"...my wife deliberately bought gold to keep since married me. We consider it long-term savings..." (Interview AD, May 10, 2025).*

#### **Family Members Involving**

The strategy of fulfilling needs by utilizing family members to help meet the needs of family life. This strategy can help the informant's household economy. The replanting period is not only the responsibility of farmers, but also involves their adult children, even those who are married. This involvement aims to maintain the stability of the family economy so that it can continue to run well, even though it is facing limited income from the main sector. However, in addition to children who play a role in meeting family needs, there are also other family members who help in meeting needs, for example, assisted by their wives and even relatives.

*"...my wife also helps the family, Ta. She sells food or vegetables from the intercropped fields, usually promoted on whatsApps or facebook, to make it easier now..." (Interview AI, May 04, 2025)*

This fact shows that in facing difficult times due to replanting, the collective role of the family becomes the main strategy in meeting life's needs. a concrete form of rational action as described in Coleman's theory. They utilize existing resources wisely and make real decisions for the sake of collective survival. They see that by

working together and helping each other, they can maintain family life even in a mediocre situation.

#### **Borrowing**

A loan is a commitment to return a certain amount of funds within a predetermined time (Sugiyanto & Romadhina, 2020). When savings are insufficient, some farmers choose the option of borrowing, either to financial institutions such as cooperatives, or neighbors. Facing a decline in income during the replanting period, some farmers rely on loans as an alternative to financing daily needs. This ability reflects the existence of social capital and trust relationships, as intangible assets that play an important role in economic survival strategies.

Borrowing is one of the most common strategies to fulfill the needs of palm oil farmers in Nagari Sipangkur during the replanting period. This strategy is supported by the strong culture of gotong royong and social capital formed from family relationships and involvement in community social life. Borrowing from relatives, neighbors, or institutions such as PNM is considered normal and socially acceptable. These loans are generally used to fulfill basic needs and will be paid back when farmers start earning income. Thus, debt acts as a strategic temporary solution in maintaining family survival amidst economic pressures.

*"...Taun wingi enek bojoku melu nyilih nang PNM, Ta. Kebutuhan yo akeh, makane tak kongkon nyilih ndisik. Iso kedepane dicicil alon-alon bayare" (Interview HR, May 02, 2025).*

*"...last year my wife joined a group to borrow money from PNM, Ta. There were many needs, so I told her to borrow first. In the future, the payments can be paid in installments" (Interview HR, May 02, 2025).*

Farmers' decision to take loans through the PNM program is an adaptive strategy in facing economic pressure. Despite the difficult conditions, they still seek solutions that suit their financial and social capabilities, with a repayment scheme planned in stages. Despite the burden of interest and installments, this step is still considered better than having no income at all.

*"There are many needs, so I told them to borrow first. In the future, the payments can be made in installments" (Interview TM, April 29, 2025).*

Therefore, the decision to borrow money is a rational action that utilizes the social capital and trust network owned, in accordance with Coleman's rational choice theory, where farmers consider the benefits and risks in making decisions for the economic survival of the family during the difficult replanting period.



## 1. Efficiency Strategy

Efficiency strategies are not about reducing expenditure, but rather allocating funds more productively. In simple terms, efficiency can mean the absence of waste, both on a small and large scale (Suliantoro, 2020). Farmers also make adjustments by reducing non-urgent expenses, one form of efficiency strategy carried out is by changing their lifestyle to become more frugal. Household expenditures are more strictly regulated, such as reducing the purchase of secondary goods or needs that are considered not urgent. Spending priorities are more focused on basic needs such as food, children's education, and health. In addition, utilizing the yard next to the house is an important way to support savings. The produce from this small garden is used for self-consumption, so that kitchen needs can be met without having to buy from the market. This clearly helps reduce daily expenses. In other words, farmers' efficiency strategies are not only limited to reducing expenses, but also include efforts to meet some household needs independently through the utilization of the land around the house.

Savings are made by reducing non-essential expenses and only focusing on basic needs, such as basic necessities. While other needs are only additional needs that they can fulfill if the basic needs have been met and even then if they still have excess money, because it is no longer their priority so they postpone it until financial conditions improve.

*"...For other things, like changing furniture or traveling, that's not first. Now is not the time to waste money. I save on water and electricity too"* (Interview MB, May 02, 2025).

Expenditure efficiency strategies are evident in the activities of farming households, one of which is through the utilization of yard land. Many families grow consumption vegetables such as chili, spinach, kale, tomatoes, and sweet potatoes for their daily needs. Besides being easy to grow and quick to harvest, this step helps reduce food expenditure because there is no need to buy at the market. This action reflects farmers' awareness of the limitations they face and their efforts to overcome them through the utilization of available resources. The decision is taken logically and rationally, based on consideration of the economic conditions faced.

## CONCLUSION

Facing the *replanting* period, palm oil farmers in Nagari Sipangkur apply various strategies to meet household economic needs. The results of this study show that farmers tend not to

rely on only one strategy, but rather combine several ways at once, depending on the resources they have and the conditions of their households. Three strategies have been used by farmers in facing economic challenges during replanting. They are occupation strategy, asset strategy and efficiency strategy.

The occupation strategy is done by shifting the main job from palm oil farming to other jobs. The asset strategy is carried out by maximizing the potential of the assets they have. The forms of asset strategies they do are intercropping, raising livestock, using savings, involving family members and borrowing money. Efficiency strategies are carried out by minimizing daily expenses. They do this not only by reducing unnecessary expenses, but also by utilizing land assets to grow kitchen needs. In this way, they do not have to buy, so they can reduce household expenses.

The strategic choices made by farmers in facing economic challenges during replanting indicate that these actions are conscious and directed to achieve certain goals using available resources. In this context, farmers actively evaluate their options and optimize their assets to ensure household economic sustainability during the replanting period. Based on the results of this study, it is concluded that in the implementation of replanting, it is very important to build farmers' rationality in maximizing the assets they have to deal with economic challenges. With the development of farmers' rationality, they will have many economic alternatives to face economic challenges during the *replanting* period.

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