

ABSTRACT

Salt is one of the agricultural commodities that have the potential to be developed. This is indicated by the increase of national salt needs each year. Kaliori, Rembang was chosen as the location of the research because it has the salt production rate is relatively high. This research aims to identify the factors that affect the production of salt, identifying the influence of production factors on the production of salt, as well as obtain technical efficiency value estimation, pricing, and economical factors of production of the salt.

This research was conducted using the method of production efficiency analysis by Cobb-Douglas production function model with Frontier 4.1c program , Return to Scale test , and analysis of R/ C ratio . While the method of data collection was conducted by interview , observation , and documentation .

These results indicate the value of the Return to scale (RTS) is 0.83601 (Decreasing Return to Scale) that the proportion of additional factors of production have a greater value than the value of production obtained . Salt Agriculture in Kaliori in a relatively favorable as indicated by the value of R/ C ratio of 2.3642 . Based on the results of the analysis that the efficiency of salt production technical achieve an average of 0.9421 , allocative efficiency of salt production reached an average of 7.8112 , and the economic efficiency of salt production reached an average of 7.3535 . Its economic efficiency has a value greater than 1 , therefore it is concluded that the salt farm in Kaliori , Rembang not efficient , so as to achieve efficient overall need an additional input .

Keywords: Productions Factors, Salt Farming, Stochastic Frontier Analysis, Efficiency, Technical Efficiency, Allocative Efficiency, Economic Efficiency