



Income Analysis of Smallholder Beef Cattle Farming in South Konawe District, Southeast Sulawesi

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ABSTRACT

Beef cattle farming plays a meaningful role in supporting rural livelihoods in Indonesia, particularly as a side activity for smallholder households. This study explores the income generated from small-scale beef cattle farming in Lambusa Village, Konda Subdistrict, Konawe Selatan District, Southeast Sulawesi. Data were collected in 2023 from 35 farmers selected using purposive sampling and Slovin's formula. The analysis focuses on the financial performance of these enterprises, including costs, revenues, and net income. Findings show that farmers earn an average net income of IDR 13,966,900 per year from cattle, based on average revenues of IDR 24,857,143 and production costs of IDR 10,890,243. Feed is the largest expense, making up 95% of total costs, while income mainly comes from cattle sales. Despite its small scale, cattle farming remains profitable, with a revenue-to-cost ratio of about 2.3. For most households, cattle are not the main source of income, but rather a complement to crop farming or small trading. To help farmers gain more from their cattle business, we recommend steps such as better feeding practices, improved herd management, access to reliable markets, and stronger institutional support. These efforts could help shift beef cattle farming from a supporting role to a more central source of income.

INTRODUCTION

In Indonesia, smallholder farmers often rely on a mix of income sources to sustain their livelihoods. Many rural households combine crop farming with livestock activities, especially beef cattle raising, as part of a diversified strategy to reduce risk and improve financial stability (Agus & Widi, 2018; Saediman, Tanggapili, et al., 2019). Nationally, more than 90% of beef cattle production comes from small-scale farming systems, with around 6.5 million smallholder households raising cattle. In contrast, commercial feedlots account for less than 10% of total production (Dahlanuddin et al., 2019; Hilmiati et al., 2024; Moss et al., 2016). These smallholders usually keep only a few head of cattle using simple, low-cost practices.

For many rural families, cattle serve more than just an income-generating asset. They are often seen as “living savings,” which is a buffer against unexpected expenses, a source of manure for crops, and a store of wealth that can be liquidated when needed (Abazinab et al., 2025; Moll et al., 2007; Zenda, 2025). Rather than focusing on maximizing output, farmers prioritize ease of care and flexibility, treating cattle as part of the household's broader economic safety net (Saediman, Tanggapili, et al., 2019; Widi, 2004).

In Southeast Sulawesi, livestock has become increasingly important in the rural economy (Saediman, 2015). Konawe Selatan District ranks among the province's top cattle-producing areas, with 64,021 head recorded in 2021. Within this district, Konda Subdistrict had the second-largest cattle population, with 5,902 head. Lambusa Village, located in Konda, stood out with 687 cattle owned by 159 farming households, making it the highest in the subdistrict. The village's economy is mainly based on agriculture, especially rice and horticulture, but cattle raising remains a common and valued practice.

Initial field observations suggest that most farmers in Lambusa raise cattle as a sideline to crop farming. Their approach is largely extensive and low-cost: feed typically consists of agricultural by-products like tofu waste (*ampas tahu*) and naturally available grasses. Farmers invest minimally in infrastructure, often using basic sheds or existing spaces near their homes, and only occasionally purchase veterinary supplies. Instead of fattening cattle for rapid turnover, most prefer breeding systems that fit better with their labor availability and land access. Cattle are often viewed as a form of household savings. In this regard, animals are sold when urgent needs arise or to fund agricultural inputs (Ainsworth, 2017; Saediman, Tanggapili, et al., 2019).

Although beef cattle farming is generally a secondary activity in Lambusa, it plays a significant role in enhancing income security and supporting the rural economy. What remains less clear is how profitable these cattle enterprises are under current management practices. This study addresses that gap by analyzing the income generated from smallholder beef cattle farming in Lambusa Village. By examining farm-level costs, revenues, and net returns, this study aimed to assess the financial performance of this livelihood activity and identify opportunities to improve its contribution to rural household income.

LITERATURE REVIEW

Smallholder beef cattle farming is widely recognized as a key component of mixed-farming systems across Indonesia and Southeast Asia. Most small-scale farmers raise only a few head of cattle alongside crop production, using family labor and locally available inputs. According to Agus & Widi (2018), smallholder farmers in Java usually keep 2–4 cattle in stall-fed systems, relying heavily on crop residues for feed. In contrast, farmers in Eastern Indonesia often have slightly larger herds and use more extensive grazing systems. For many rural families, cattle provide not only income, but also important non-monetary benefits such as manure, labor support (draught power), and a “living savings” function – offering insurance against crop failure and sudden expenses (Agus & Widi, 2018; Bawono et al., 2020; Hilmiati et al., 2024).

Although cattle are not always the main livelihood source, they can still significantly supplement household income, especially through the sale of calves or mature animals. When managed properly, small-scale cattle farming can be profitable at the per-animal level because of the relatively high price of beef in Indonesia, which continues to face a national supply shortage. However, the extent of cattle’s contribution to household income varies widely depending on herd size, feeding strategy, level of care, and the presence of other income-generating activities (Amam et al., 2023; Dahlanuddin et al., 2019; Hilmiati et al., 2024; Waldron et al., 2015).

From a farm management perspective, income from a livestock enterprise is calculated by subtracting production costs from total revenues. In cattle farming, revenues typically include proceeds from livestock sales and any increase in herd value, while costs consist of both fixed expenses (e.g., infrastructure) and variable expenses (e.g., feed, labor, medicine) (Diwyanto et al., 2002). A common way to evaluate profitability is the Revenue-to-Cost (R/C) ratio. An R/C ratio greater than 1 indicates that the enterprise is profitable; equal to 1 means break-even; and below 1 indicates a loss (Saediman, 2015; Saediman, Mustika, et al., 2019; Saediman, Astuti, et al., 2021). To assess how important cattle farming is in a household’s economy, researchers also measure its income contribution as a percentage of total household income. In this regard, if an activity contributes more than 50% of total income, it is considered a primary source; if less than 50%, it is a secondary one (Asryani et al., 2025; Badan Pusat Statistik, 2024; Juniardy et al., 2024; Saediman, Merlina, et al., 2021).

Empirical studies from various regions in Indonesia reflect a wide range of income contributions from beef cattle. For example, Sitinjak et al. (2021) studied wetland rice farmers in Simalungun, North Sumatra, and found that cattle contributed an average net income of IDR 13.3 million per year or about 57% of household income. This made cattle a major livelihood source in that area. Kurniati et al. (2019), examining an integrated rice-cattle system in Bengkulu, reported that beef cattle accounted for 71.6% of household income. The success was attributed to a strong integration of resources such as feeding cattle with rice straw and fertilizing crops with manure, which improved both crop and livestock productivity.

Even though some studies focus on dairy rather than beef, the lessons still apply. Afrizzal et al. (2020) showed that dairy cattle farming in Semarang produced monthly profits of IDR 3.46 million, contributing 74% of household income. When livestock is treated as a core business, rather than a sideline, its income potential becomes much more significant.

Other studies report lower contributions. In North Minahasa, Olii et al. (2013) found that cattle were mainly treated as a complementary income source in mixed-farming systems, with a modest financial role. Similarly, Pabia (2017) observed in Kwandang, Gorontalo Utara, that cattle farming generated an average net income of only IDR 3.08 million annually, which is just 13.4% of household income. This was due to traditional management methods and infrequent sales, with cattle seen more as a safety net than a business. In South Sulawesi, Juniardy et al. (2024) found that cattle contributed 36% of household income in Enrekang. Farmers there balanced their income between crops, cattle, and non-farm work. Although the income from cattle was substantial, it still fell below the 50% threshold, and thus was categorized as a secondary source. Taken together, these studies highlight a broad spectrum that in some cases, cattle are central to household income, while in others, they play a minor role. The differences are often explained by herd size, production system (intensive vs. extensive), access to markets, and how well the livestock activity is integrated into broader farming practices (Majekodunmi et al., 2017; Nontu et al., 2025).

The case of Lambusa Village contributes to this discussion by offering a close look at a community where beef cattle are widely kept but mostly under traditional, low-input systems. By comparing Lambusa with other regions, we can better understand how management choices and local conditions affect the income role of beef cattle, and how these smallholder enterprises might be strengthened to improve rural livelihoods.

METHODOLOGY

This research was conducted in Lambusa Village, located in Konda Subdistrict, Konawe Selatan District, Southeast Sulawesi, Indonesia. The village was selected purposively because it had the highest number of beef cattle in the subdistrict (687 head recorded in 2021) and many households actively involved in cattle farming. It represents a typical example of mixed crop–livestock systems in the region, where farmers cultivate rice and vegetables alongside raising Bali cattle using extensive, low-input methods. Fieldwork took place from May to July 2023 and included interviews and direct observations.

The study targeted all 159 cattle-farming households in the village. Using the Slovin formula with a 15% margin of error, a sample size of 35 farmers was determined. These respondents were then selected purposively to ensure they were actively raising beef cattle and willing to participate. The sample included farmers with varying herd sizes and management styles to reflect the diversity of cattle farming practices in the village.

Primary data were collected through structured interviews using a detailed questionnaire. The questionnaire covered the following areas: (i) household and farmer characteristics, (ii) cattle herd size and structure, (iii)

production practices (feeding, breeding, housing, etc.), (iv) costs related to cattle farming (both cash and in-kind), and (v) revenue from cattle (sales and herd growth).

Cost data referred to the 2022–2023 farming year. They included all direct expenses such as feed, medicine, and veterinary services, as well as estimates of depreciation for cattle sheds and equipment. Family labor was not assigned a monetary value. Revenue data included the number and price of cattle sold during the year and the net change in herd value. Data on other household income sources were also collected to calculate the contribution of cattle to total household income. Secondary data such as livestock population figures were gathered from local government reports to provide broader context.

The analysis followed a descriptive financial approach. Annual net income from cattle farming was calculated for each farmer using the following formula:

$$\text{Net Income} = \text{Total Revenue} - \text{Total Cost}$$

Where:

- Total Revenue includes all income from cattle sales and the value of herd increases (such as calves born or weight gains), with no significant income from by-products like manure or bull services.
- Total Cost includes both variable costs (feed, medicine, etc.) and fixed costs (annual depreciation of buildings and equipment).

After calculating net income per farmer, the average income across all respondents was computed to obtain a representative figure. The Revenue–Cost (R/C) ratio was also calculated for each respondent and on average: $R/C \text{ Ratio} = \text{Total Revenue} / \text{Total Cost}$. An R/C ratio greater than 1 indicates that the cattle farming operation is profitable. This financial analysis forms the basis for assessing the income performance of smallholder beef cattle enterprises in the village.

RESULTS AND DISCUSSION

Farmer Characteristics and Cattle Management

The cattle farmers surveyed in the study village exhibit typical traits of smallholder households involved in mixed farming systems. The average age of respondents was in the mid-40s, and most had considerable experience in cattle rearing. Over half (51.4%) had been raising cattle for more than 10 years, and another 40% had between 5 and 10 years of experience. This suggests that cattle keeping is not a recent practice, but rather a long-standing livelihood strategy in the community.

Formal education among farmers was relatively low, with many respondents having only completed primary or junior secondary school. This limited educational background may affect farmers' ability or willingness to adopt new technologies, particularly those involving record-keeping, feeding practices, or health monitoring. Households typically consisted of four to five members, and labor for cattle care was provided almost entirely by the family. None of the respondents reported hiring permanent or casual labor for cattle-related tasks.

The scale of production is modest. Most farmers (94.3%) kept between two and ten animals, with an average of 4–5 head per household. Only two respondents (5.7%) had more than ten head. No farmer in the sample practiced cattle keeping as a full-time, stand-alone occupation. Instead, cattle were integrated into broader livelihood portfolios that included rice farming, horticulture, and small-scale trade. As a result, most households sold only one or two animals per year, which naturally limits the annual revenue that can be generated from cattle.

In terms of management, most farmers relied on an extensive grazing system. As shown in Table 1, 85.7% (30 out of 35) allowed their cattle to graze freely on communal or fallow land during the day. Cattle were typically housed in simple pens or fenced yards at night. Only 14.3% (5 farmers) practiced a semi-intensive system that combined some stall feeding with grazing. No respondents practiced full confinement or feedlot systems. The preference for extensive systems is largely economic: it minimizes feed and housing costs and makes use of locally available resources.

However, while low-cost, this system can reduce growth rates and delay market readiness due to limited nutritional intake. Feed is largely sourced from natural grass, crop residues, and agro-industrial by-products. One of the most important supplements used in Lambusa is *ampas tahu*, which is soybean residue from tofu production. Nearly all respondents reported feeding this material to their cattle, especially during dry months when grass availability declines. *Ampas tahu* is locally available, low-cost, and provides additional protein that supports animal health and growth. Some farmers also used rice bran or other crop residues when available.

Labor requirements under the extensive system are also modest. Farmers or their family members usually take turns supervising the cattle as they graze. This arrangement allows them to tend to other responsibilities such as fieldwork or market trading while keeping cattle as a side activity. As a result, labor costs are not directly monetized. Net income calculations do not include a value for labor, which could otherwise reduce the reported profitability. Still, farmers generally see cattle keeping as a valuable use of time that does not interfere significantly with other work. As one respondent noted, “We raise cows so that if we suddenly need money for school fees or a hospital bill, we can sell a cow.”

This perception reinforces earlier findings by Agus & Widi (2018) and Saediman, Tanggapili, et al. (2019), who observed that smallholder cattle are often maintained as “living savings accounts.” Beyond the economics, cattle provide a form of financial security and social insurance, making them a resilient asset even in low-input systems.

Cost Structure of Beef Cattle Farming

The cost structure of beef cattle farming in Lambusa reflects the village’s low-input, small-scale approach to livestock production. On average, cattle farmers spent IDR 10,890,243 per year on cattle-related costs. As summarized in Table 1, the vast majority of this spending (94.4%) was on variable costs, particularly feed.

Feed costs averaged IDR 10,285,714 annually (around USD 685), making it by far the largest component of production expenses. Even though most farmers used an extensive grazing system, they still routinely provided low-cost supplemental feeds such as *ampas tahu* (tofu waste), rice bran, and salt or mineral blocks. These supplements are usually sourced locally at minimal cost and are used daily to improve cattle condition, especially during the dry season when natural grasses become scarce. Although grazing itself is free, this supplemental feeding practice results in meaningful out-of-pocket feed costs over the year.

Veterinary and medical expenses were relatively minor, averaging IDR 240,000 per year. This includes basic treatments such as deworming and occasional vitamin supplements. Vaccination services are often provided free of charge by government veterinary officers, which reduces farmers' direct spending on animal health. No notable costs were reported for breeding, as farmers typically rely on natural mating with local bulls through mutual arrangements rather than paid services or artificial insemination.

Fixed costs were very low, comprising only about 3% of total costs. Housing depreciation averaged IDR 260,000 per year, and depreciation on basic equipment (such as ropes, buckets, or feeding tools) was estimated at IDR 104,529 per farmer. These values reflect the informal, low-capital nature of infrastructure used by most farmers. Many built their cattle pens years ago from inexpensive materials such as bamboo or scrap wood, and most used their own land for cattle keeping, incurring no rental charges.

A summary of the average cost breakdown is shown below:

Table 1. Average Annual Production Costs of Beef Cattle Farming per Farmer, 2023

Cost Component	Average Cost (IDR/year)	Share of Total Cost (%)
Feed (forage, tofu waste, etc.)	10,285,714	94.4%
Veterinary & Medicine	240,000	2.2%
Housing (depreciation)	260,000	2.4%
Equipment (depreciation)	104,529	1.0%
Total Cost	10,890,243	100%

Source: Survey data (2023)

This cost pattern where feed dominates expenses is consistent with findings from other Indonesian regions. Aiba et al. (2018), for instance, reported that feed made up over 70% of beef cattle production costs even in North Maluku, where cattle systems were similarly extensive. In the study village, the near-total dominance of feed costs reflects the regular use of affordable, protein-rich supplements like *ampas tahu*, which farmers value for supporting cattle health at minimal cost.

The extremely low fixed costs highlight the minimal capital investment required to engage in cattle farming. While this lowers barriers to entry and supports widespread participation, it may also limit productivity. Inadequate housing, for instance, can expose cattle to weather stress or disease, potentially affecting animal performance and income stability.

Another point worth noting is that labor, though essential, is not monetized in cost estimates. Family members typically care for the cattle during otherwise idle hours or in shifts alongside farming duties. Although not included in cost calculations, this labor has an implicit value. If family labor were fully costed, net profit estimates would likely decline. Nonetheless, given limited wage employment opportunities in the area, many farmers consider this labor “free” or of low opportunity cost.

Overall, respondent farmers operate with a low-cost model that centers on accessible feed resources and minimal infrastructure. This model is efficient within its context but may constrain productivity and scale. Understanding these cost patterns is essential for assessing profitability and identifying areas where support, such as improved feeding strategies or affordable infrastructure upgrades, could yield better outcomes.

Revenue and Income from Cattle Farming

The revenue profile of smallholder beef cattle farming in the study village shows how modest herd sizes can still generate meaningful, though limited, cash income. On average, each farmer earned IDR 24,857,143 in total annual revenue. As shown in Table 2, this income came from two primary components: (1) cash income from the sale of cattle, and (2) the increase in herd value during the year.

Cash sales accounted for the bulk of revenue – IDR 19,714,286 per year, or 79.3% of total income. Most farmers sold one or two head annually, typically mature cattle (cows or bulls) or weaned calves. This low volume reflects the small herd sizes observed in the village. The relatively high average sales value indicates that animals sold were often mature or well-grown, given prevailing local prices: IDR 8–12 million for yearling calves and up to IDR 25 million for mature animals. The strong market demand, particularly around religious holidays such as Eid al-Adha, provides opportunities for well-timed sales.

The remaining 20.7% of revenue (IDR 5,142,857) came from the increase in herd value. This reflects the net gain from calf births and weight increases of animals retained in the herd. For example, a cow that gives birth to a calf adds to the farmer’s assets even if that calf is not sold during the year. Likewise, a growing animal appreciates in value over time. On average, the herd increase was equivalent to the value of approximately one calf per farmer, consistent with typical reproduction rates (one birth every 12–18 months). While this is not cash income in the current year, it represents future earning potential and asset accumulation.

No farmers reported substantial income from non-livestock sources such as manure sales or bull rental. In Lambusa, manure is generally used on farmers’ own fields or not collected at all, and cattle are not commonly used for draught power. As such, the reported revenue figures represent the full direct financial returns from cattle.

Table 2. Average Annual Revenue from Beef Cattle Farming per Farmer, 2023

Revenue Component	Average (IDR/year)	Share of Total Revenue (%)
Sale of cattle	19,714,286	79.3%
Herd value increase	5,142,857	20.7%

Total Revenue	24,857,143	100%
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Source: Survey data (2023)

These figures suggest that most farmers are not merely accumulating cattle but are engaging in regular, planned sales, likely based on household cash needs or favorable market timing. The inclusion of herd growth in revenue calculations provides a more accurate representation of the enterprise's economic contribution.

Combining revenues and costs, the average net income from beef cattle farming per farmer was: Net Income = Total Revenue – Total Cost = 24,857,143 – 10,890,243 = 13,966,900 IDR/year. This equates to about USD 930 annually or IDR 1.16 million per month. This income represents the return to family labor, capital investment, and managerial effort in cattle farming.

To assess profitability, we use the Revenue–Cost (R/C) ratio: $R/C \text{ Ratio} = 24,857,143 / 10,890,243 \approx 2.28$. An R/C ratio of 2.28 indicates that for every rupiah invested in the cattle enterprise, farmers earn 2.28 rupiah in return. This is a strong indicator of profitability, particularly considering the low input costs. The net profit margin, defined as net income divided by total revenue, is around 56%, reflecting the efficiency of the system.

However, while the enterprise is profitable in percentage terms, the absolute level of income remains modest. With monthly earnings from cattle averaging IDR 1.16 million, this alone is insufficient to cover the needs of most rural households. For context, this is below the monthly minimum wage in many provinces of Indonesia. Hence, it reinforces the idea that cattle farming in the study village functions primarily as a supplementary income source rather than a main livelihood.

In sum, beef cattle farming in Lambusa is economically viable and offers good returns relative to cost, but its limited scale constrains total income. Farmers successfully balance cost control with market participation, but the financial contribution remains modest when compared to household needs.

Contribution of Cattle Farming to Household Income

To assess the role of beef cattle farming in the overall economic well-being of households, it is important to place cattle income in the context of total household earnings. Survey data show that the average total annual household income combining all income sources such as crops, non-farm work, and livestock, was IDR 39,491,962 (approximately USD 2,630). Of this, cattle farming contributed IDR 13,966,900, or around 35.4% of household income.

This level of contribution classifies cattle as a secondary income source, based on the commonly cited 50% threshold proposed by Tan (1977). While cattle provide meaningful income, the majority of earnings still come from other activities, particularly crop production (41%) and non-farm businesses (24%). Similar findings have been reported in South Sulawesi, where Juniardy et al. (2024) found beef cattle contributed approximately 36% of household income. This is virtually the same pattern observed in Lambusa.

Several factors help explain why the income share from cattle in the surveyed village remains below 50%:

- **Small Scale of Operations:** Farmers typically own 2–10 head of cattle, with most having fewer than five. While net income per animal is reasonable, the small herd size limits overall earnings. In contrast, studies that reported cattle contributing more than half of household income, such as Sitinjak et al. (2021) in Simalungun, often involved households with larger herds or more commercialized management systems.
- **Side-Line Nature of the Enterprise:** Cattle are generally treated as a supplemental activity, not a primary occupation. Most respondents identified farming or trading as their main work, with cattle care integrated into spare time. This limits the intensity and productivity of cattle operations.
- **Labor Allocation:** Labor is shared across multiple livelihood tasks, and while cattle require care, they often receive less daily attention than crops or trading. This lower labor intensity can affect breeding success, calf survival, and growth rates, indirectly constraining income from cattle.
- **Availability of Alternative Incomes:** Lambusa farmers are not solely reliant on cattle. On average, crop farming contributed around IDR 16 million per year, while non-farm income added another IDR 9.4 million. Notably, vegetable farming alone generated IDR 8.3 million annually, slightly more than rice. Some households had even higher non-farm earnings, including small businesses like tofu production or public employment. For example, one tofu business generated more than IDR 90 million per year, far exceeding cattle income.

Despite its secondary role, cattle farming remains financially and strategically important. Farmers commonly use cattle sales to cover large, occasional expenses such as school fees, health emergencies, or farming inputs. This lump-sum cash flow function complements more regular but smaller income from crop sales. As Herrianto & Eureka (2016) point out, livestock in mixed-farming systems often enhances household welfare not by being the main income source, but by providing financial flexibility and acting as a buffer in times of need.

Our findings support this view. Many respondent farmers described their cattle as a “back-up bank,” which is a form of saving they can access when necessary. The timing of cattle sales is often strategic, linked to important family events or peak market demand. Thus, even if cattle income contributes only 35% to total household income, it plays a crucial role in household financial resilience.

It is also worth considering whether the contribution from cattle could be increased. In theory, scaling up herd size or improving productivity (e.g., through better feeding or breeding) could raise cattle income to above 50% in some cases. However, as also confirmed in previous studies, several constraints stand in the way, including limited land for grazing, capital limitations, and risk aversion (Saediman, Indarsyih, et al., 2021) (Asrat et al., 2018; Saediman, Indarsyih, et al., 2019; Sani et al., 2024). Most farmers are reluctant to take loans

to expand herds, preferring gradual, self-financed growth through natural reproduction.

Still, the profitability of cattle farming in the surveyed village, an R/C ratio of 2.29 and a net margin of 56%, suggests that increased scale could yield higher income. If a farmer were able to double their herd while maintaining similar management practices and access to feed, their cattle income could also double, potentially becoming the primary income source. This possibility is already seen in the few farmers who own more than 10 head of cattle; while not analyzed separately, they likely have a higher share of income from livestock than the average.

In sum, beef cattle farming contributes over a third of household income in Lambusa, placing it firmly as a secondary yet important livelihood component. It complements crop and non-farm earnings, provides flexibility in cash flow, and enhances household resilience (Asryani et al., 2025; Saediman, Rahmayana, et al., 2021). While opportunities exist to increase this share, doing so would require addressing key barriers such as land, capital, and labor constraints.

CONCLUSIONS AND RECOMMENDATIONS

Beef cattle farming in Lambusa Village, Southeast Sulawesi, provides a meaningful yet secondary source of income for smallholder households. On average, farmers earn approximately IDR 14 million per year in net income from cattle, equivalent to about 35% of their total household income. Based on widely used criteria, this constitutes a “low contribution,” indicating that beef cattle are viewed and managed as a supplementary enterprise, often alongside rice cultivation, vegetable farming, and informal non-farm work.

The financial analysis confirms that, although modest in scale, cattle farming in Lambusa is profitable. With small herds (typically 2–10 head) and a low-cost production system dominated by feed expenses, farmers achieve average annual costs of IDR 10.84 million and revenues of IDR 24.86 million. This yields a profit margin of 56% and an R/C ratio of 2.3, demonstrating economic viability at the enterprise level. However, this profitability is capped by scale, as limited herd sizes, conservative management, and reliance on free or inexpensive inputs constrain the overall contribution to household income.

Importantly, beef cattle serve more than just a financial function. For many farmers, they act as a flexible form of savings, or “living assets” that can be converted to cash when needed for school fees, medical bills, or reinvestment in farming. This aligns with findings from other Indonesian regions, where cattle contribute between 20% and 40% of household income and are maintained as part of diversified, risk-averse livelihood portfolios.

To realize the fuller potential of beef cattle as a rural income generator, the following recommendations are proposed (i) Improve Cattle Productivity, (ii) Encourage Sustainable Scaling-Up, (iii) Enhance Market Access and Price Optimization, (iv) Promote Integration with Crop Farming, (v) Capacity Building and Knowledge Sharing, and (vi) Policy and Institutional Support.

In conclusion, while beef cattle farming currently contributes 35% to household income in Lambusa Village, there is room for growth. With targeted

interventions in productivity, scale, and market engagement, and with active support from both farmers and institutions, the cattle sector could become a stronger pillar of rural income and welfare. These recommendations offer a practical roadmap for elevating the role of cattle farming in rural livelihoods, not only in Lambusa but also in similar agricultural communities across Indonesia.

FURTHER STUDY

Future studies could explore the following: (1) A detailed comparative analysis of household labor allocation and returns between cattle and other farm activities, (3) An assessment of the socio-cultural value of cattle and how that influences farmers' economic decisions, (4) Research on marketing channels and value chain for beef cattle in Konawe Selatan, and (5) A feasibility study on integrating a small-scale cattle fattening operation in Lambusa, to measure the costs and returns of intensification under local conditions.

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