ABSTRACT

Pesantren-X, located in Cirebon Regency, is facing the issue of high food expenditure, particularly for rice. With the increasing price of rice and rising demand, the pesantren has begun to consider establishing its own rice milling business as a solution to reduce dependence on external suppliers and lower food expenses. In addition, the pesantren currently sells rice under its own brand through a store it owns. By owning a rice mill, production costs are expected to be lower. This study aims to design and analyze the feasibility of a rice milling business at Pesantren-X. Based on the research findings, for external rice sales, the target market for this business is the population of Cirebon Regency and Cirebon City, with an estimated increase in demand in line with population growth. The technical aspects of the rice milling business include the need for machinery, equipment, and a workforce consisting of two workers. Financially, the business requires a total investment of IDR 514,971,017 for equipment, buildings, and working capital, all of which is funded by private capital. The feasibility analysis of the rice milling business, using NPV, IRR, and PBP methods, indicates that the business is viable under current conditions, with an NPV of IDR 115,497,399, an IRR of 18%, and a Payback Period of 4.62 years.

Keywords: Rice, Rice Milling, Business Feasibility, Pesantren, Food Costs