Jurnal Kepariwisataan | P-ISSN 1412-5498 | E-ISSN 2581-1053
Vol. 23 No. 1 – March 2024
DOI: 10.52352/jpar.v23i1.1384
Publisher: P3M Bali Tourism Polytechnic
Available online: https://ejournal.ppb.ac.id/index.php/jpar

STUDY ON EXCHANGE RATES OF INDONESIAN FARMERS FROM THE PERSPECTIVE OF SUSTAINABLE DEVELOPMENT GOALS

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Received: February, 2024	Revised: February, 2024	Accepted: March, 2024

Abstract

The agriculture sector is critical to the achievement of the first and second Sustainable Development Goals (SDGs). Studying the Farmer Exchange Rate provides insight into the impact of this exchange rate and its influencing elements from the standpoint of the SDGs. One of the issues is the necessity for farmers to gain greater expertise. The purpose of this research is to examine the relationship between the Indonesian Farmer Exchange Rate and the SDGs. A literature review was used in this study, using secondary data gathered from papers and journals containing talks on Farmer Exchange Rates and SDGs that were curated and identified as many as 40 selected research titles. Data analysis was carried out in stages that included data gathering, data reduction, presentation, and conclusion drafting. Data was gathered from the Published or Perish application utilizing Google Scholar literature sources. According to the study's findings, the Farmer Exchange Rate corresponds with poverty, a key target of the SDGs. Because the Farmer Exchange Rate is a measure of farmer welfare, which is tied to poverty, the factors that influence it also affect the SDGs. Lower poverty rates are connected with higher farmer welfare.

Keywords: *farmers' exchange rates, farmers' welfare, poverty, Sustainable Development Goals*

1. INTRODUCTION

The Sustainable Development Goals (SDGs) are a set of 17 to 169 targets designed to track global progress toward achieving long-term, sustainable, and equitable development (UN, 2017). The agricultural sector has considerably contributed to the first and second Sustainable Development Goals (SDGs) achievements. Agriculture is essential to human survival. Agriculture, forestry, and fisheries will contribute 13.28 percent to the Indonesian GDP in 2021, according to BPS (Central Statistics Agency) data (BPS, 2022). Villagers in rural areas should be able to live in prosperity and success because the country has a reasonably wide territory with decent agricultural land. However, this has not been the case because most rural residents, particularly farmers and farm workers, still need to improve (Warto, 2015). Poverty in Indonesia remains a major issue since, according to BPS data from 2022, the number of poor people is still fairly big (26.16 million people),

with the majority living in rural regions (BPS, 2022). Poverty and welfare are inextricably linked. A poor population indicates a lack of prosperity (Yacoub & Mutiaradina, 2020). With agricultural development oriented toward improving the welfare of development actors, namely farmers, the Agricultural Exchange Rate, which includes Agricultural Commodity Exchange Rates and Farmer Exchange Rates, is one measuring tool to see the dynamics of the level of welfare (Ilham, 2015). Farmer exchange rates (FER) are a proxy for farmer well-being. FER is the percentage ratio or comparison between the price index received by farmers (It) and the price index paid by farmers (Ib) (BPS, 2019). The higher the Farmer's Exchange Rate, the greater farmers' purchasing power toward certain consumer goods, implying that they are substantially more rich (Ilham, 2015).

Previous studies (Zainudin & Keumala, 2018; Aulia et al., 2021; Fajri et al., 2016; Faridah & Syechalad et al., 2016; Kurniawan, 2019; Mazwan & Masyhuri, 2018; Permana, 2021; Pratiwi, 2021; Yesi & Sugiarti, 2021) discusses the factors that influence FER on the welfare of farmers and poverty in several regions, including Aceh, Pekanbaru, Eastern Indonesia, East Java, South Sumatra. The well-being of the farming community requires care and is regarded as strategic. The availability of measurement devices capable of describing the degree of farmer welfare is seen to be critical in tracing the primary elements that can improve farmer welfare. One of the current indicators, FER, is thought to have benefits but has not been able to fully describe the development of farmer welfare in line with the dynamics of development (Rachmat, 2013). However, this past research has yet to discuss it from the angle of Sustainable Development Goals. This study will analyze the influence of FER and what factors influence the perspective of Sustainable Development Goals in Indonesia from a different angle.

2. LITERATUR REVIEW

2.1 Farmers Exchange Rates

Farmers' Exchange Value is a proxy indicator of farmers' welfare. Farmers' Exchange Rate is the percentage ratio or comparison between the price index received by farmers (It) and the price index paid by farmers (Ib) (BPS, 2019). FTT is calculated on the assumption that farmers, as economic actors who are both producers and consumers, produce agricultural products that are then sold. Farmers are consumers who purchase goods and services for their daily requirements while incurring production costs in the process of producing commodities or agricultural products (BPS, 2022). Farmers' exchange power or purchasing power for things purchased or paid for by farmers, particularly products and consumer goods, as well as agricultural inputs, is described by FER. The higher the farmer's exchange rate, the greater the farmers' purchasing power for these consumer goods, implying that they are substantially more prosperous (Ilham, 2015). The Price Index Received by Farmers (It) shows the price developments of agricultural commodities/products sold by farmers on a regular basis. We may monitor changes in the prices of goods and services used by farmers in rural regions, as well as the prices of goods and services required to produce agricultural commodities/products, using the Index of Prices Paid by Farmers (Ib) (BPS, 2023).

FER>100: The Price Index Paid by Farmers exceeds the Price Index Received by Farmers. Farmers benefit from increased trade when the average price level they receive rises faster than the average price level paid.

FER=100: When the price levels of commodities sold by farmers and the prices of goods purchased by farmers are the same in general. Agricultural prices are generally equal to the prices of commodities sold by farmers and the prices of items purchased by farmers.

FER100: The Price Index Paid by Farmers is less than the Price Index Received by Farmers. Farmers suffer a trade drop when the prices they pay rise faster than the prices they receive (BPS, 2023).

2.2 Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a set of 17 to 169 targets designed to track global progress toward achieving long-term, sustainable, and equitable development (UN, 2017). The Sustainable Development Goals (SDGs) are a bold update to the Millennium Development Goals (MDGs). *Ending poverty is the "main" aim of the 17 SDGs agreed upon in the Outcome Document Transforming Our World: The 2030 Agenda For Sustainable Development* (Fikry et al., 2017).

The SDGs, ratified by 193 nations in September 2015, strive to balance economic, social, and environmental sustainability while emphasizing inclusivity, shared prosperity, and shared responsibility (Scheyvens et al., 2021). "End poverty in all its forms everywhere" is the first of the 17 SDGs. The core and sustainable agenda that underpins several other development goals such as infrastructure, tourism, food, energy, and others must be the theme of development. 2017; Fikry et al. The 2030 SDG program's ultimate goal is to achieve three noble goals: eradicating poverty, attaining equality, and combating climate change (Panuluh & Fitri, 2016). The agricultural sector has considerably contributed to the first and second Sustainable Development Goals (SDGs) achievements. The agricultural sector is critical to human survival. Agriculture, forestry, and fisheries will contribute 13.28 percent to the Indonesian GDP in 2021, according to BPS (Central Statistics Agency) data (BPS, 2022). Several variables influence poverty in Indonesia, particularly rural poverty, which is linked to farmer welfare indices (Habibullah, 2020). With agricultural development oriented toward improving the welfare of development actors, namely farmers, the Agricultural Exchange Rate, which includes Agricultural Commodity Exchange Rates and Farmer Exchange Rates, is one measuring tool to see the dynamics of the level of welfare (Ilham, 2015).

3. RESEARCH METHODS

This study employs a qualitative approach, as well as a review of the literature on past studies. Manzilati (2017) defines study literature as the process of obtaining, reading, and assessing literature such as books, journals, or research articles relating to the topic to be discussed by researchers. Secondary data was obtained by searching articles on the Google Scholar portal, ScienceDirect, Academic Journals, Journal of Agricultural and Agribusiness Economics (JEPA), Journal of Development Economics (JIEP), the Central Bureau of Statistics, and the Publish or Perish (PoP) application. This study drew on 40 references from six international and 34 national periodicals. The search employs articles published between 2012 and 2022 that

contain keywords such as "Sustainable Development Goals," "Agricultural Sector," "Farmers Exchange Rates," "Farmers Community," "Poverty," "No Poverty," and "Farmers Welfare," which were chosen based on the journal content's relevance to the research topic. Through data collection, reduction, presentation, and conclusion, the data analysis process employs content analysis tools. The findings demonstrate the connection between FER and Indonesia's SDGs.

4. RESULTS AND DISCUSSION

4.1 Result

In the previous ten years, article data relating to Farmers' Exchange Rates and Sustainable Development Goals resulted in at least 35 papers in Google Scholar and five in the Publish or Perish (PoP) database. The entire amount of data chosen is at least 40 articles about Farmer Exchange Rates and Sustainable Development Goals.

Table 1: Selected Articles from Google Scholar and Publish or Perish

No	Research Title	Research result
1	Indicators of Farmer Welfare through Farmer Exchange Rates (FER) and Sharia Financing as a Solution	The resulting FER figure represents the community's or farmers' purchasing power. It can be used to calculate farmer welfare based on the purchasing power of non-agricultural goods prices. An increase in FTT enhances farmers' purchasing power, but it does not increase farmers' welfare level in nominal terms. The higher the FER, the more prosperous a farmer's life is, which has a positive impact on economic growth.
2	Analysis of Welfare Levels of Lowland Rice Farmers in North Aceh District	FTT can be used to assess the level of welfare among rice producers. The greater the FER value, the more prosperous the life of a rice farmer.
3	Analysis of Factors Affecting Poverty in the Agricultural Sector in Western Indonesia	The Farmer's Exchange Rate (FER) reflects the purchasing power of output. According to the GRDP (Gross Regional Domestic Product) data for 2016-2020, Farmer Exchange Rates have a negative and considerable impact on poverty in Western Indonesia.
4	Analysis of the Influence of Village Funds, Farmer Exchange Rates, and Farmer Wages on	Farmers' exchange rates have a negative and considerable impact on rural poverty in Eastern Indonesia from 2015 to 2019. This

No	Research Title	Research result
	Rural Poverty in Eastern Indonesia in 2015-2019	problem arose because the farmers' exchange rate is an indicator that might indicate the well-being of farmers in 92 communities. According to this study, farmers' exchange rates diminish the proportion of poor people living in rural areas.
5	Factors Affecting Farmer Exchange Rates (FER) in Indonesia	If Indonesia's food GDP is high, the Farmer Exchange Rate will rise. Implementing agricultural development strives to improve the welfare of the community, particularly farmers.
6	The Influence of Farmers' Welfare on Poverty in Rural Areas	Farmers' well-being has a substantial impact on rural poverty rates. Farmers' welfare is important in decreasing rural poverty, yet it is inefficient. Increasing farmer welfare will be helpful in eliminating rural poverty if it is accompanied by a fair distribution of revenue.
7	Effect of Farmers' Exchange Rate, Inflation, and Open Unemployment Rate on the Poverty Line in South Sumatra	When the data was processed, it was discovered that the three indicators had an impact on the poverty line at the intermediate level. In comparison, the Farmer's Exchange Rate was the most important of the three measures.
8	Analysis of the Effect of the Human Development Index (IPM), Farmer Exchange Rate (FER), and Labor Wage Index on Poverty in East Java 2010-2019	The Farmer's Exchange Rate has a negative and significant impact on poverty, with every increase in the Farmer's Exchange Rate resulting in a reduction in poverty.
9	Analysis of the Effect of Open Unemployment, Provincial Minimum Wage, Farmer Exchange Rates, Purchasing Power and Human Development	Farmers' Terms of Trade have a negative and minor impact on poverty in Central and North Sulawesi since the average FER is less than 100.

No	Research Title	Research result
	Index on Provincial Poverty in Sulawesi	
10	Analysis of Factors Affecting Farmers Exchange Rates as Indicators of Welfare of Rice Farmers in Sragen Regency	In 2015, the situation of farmers' welfare in Sragen Regency was affluent. Rice productivity, land area, grain prices, fertilizer expenses, and non-food expenditures of Farmer Households all influence rice farmer exchange rates in Sragen Regency.
11	Exchange Rates: Concept, Measurement, and Relevance As Indicators of Farmer Welfare	The availability of measurement devices capable of describing the degree of farmer welfare is seen to be critical in tracing the primary elements that can improve farmer welfare. The Farmer's Exchange Rate is one of the current indicators.
12	Poverty Based on *Sustainable Development* in East Java Province	Poverty reduction in diverse regions is an efficient means of achieving the Sustainable Development Goals.
13	Household Margin Insurance of Agricultural Sector in Indonesia using a Farmer Exchange Rate Index. Agricultural Finance Review, Forthcoming	The Farmer Exchange Rate is a measure of farmer well-being. This index describes farmers' ability to meet the requirements of life and farming in addition to their revenue.
14	Socio-economic Study on Empowering Women Farmers to Support the SDGs	Women farmers require significant assistance in order to improve their well-being and propel the economy forward.
15	The Role of Productivity in Increasing the Welfare of Rice Farmers in Indonesia	Rice productivity has an impact on the well-being of Indonesian rice farmers. One of the major problems in achieving the second aim of the Sustainable Development Goals is achieving food security.

No	Research Title	Research result
16	Factors Influencing Sugarcane Plasma Smallholder Exchange Rates at PTPN XI	The average farmer exchange rate reflects the well-being of PTPN XI plasma sugarcane farmers. However, according to the findings of this study, wellbeing is not prosperous.
17	The Role of Farmers' Exchange Rates and Commodity Exchange Rates in Efforts to Increase the Welfare of Rice Farmers in Jambi Province	An increase in the price of agricultural products is more significant than an increase in the price of items purchased. As a result, farmers' purchasing power will rise (showing an increase in farmers' welfare), as expressed in Farmer Exchange Rates.
18	Level of Welfare of Farmers in Jombang Regency: Approach to Farmer Exchange Rates	The use of FTT as a measure of farmer welfare reveals that the influence of price changes is particularly powerful when compared to the volume of items produced (consumed).
19	Determinant Analysis of Farmers' Exchange Rates for Food Crops in Indonesia	Farmers' Exchange Rates for Food Crops showed varying developments and a declining tendency from 2013 to 2016. Furthermore, beginning in 2014, the distribution of subsidized organic fertilizers dropped, accompanied by a decrease in the FERP index, resulting in a decrease in the welfare of food crop farmers.
20	Analysis of the Influence of Rice Policy on the Welfare of Farmers in Indonesia	Farmers' exchange rates (FER) are unaffected by the highest retail price of medium rice (HET Medium), the government purchasing price for harvested dry unhusked rice (HPP GKP), and the government purchasing price for milled dry unhulled rice (HPP GKG). This is an issue since the price of premium rice raises farmers' income because it is greater than the price of medium rice, so setting

No	Research Title	Research result
		the highest retail price for premium rice has an impact on boosting income, which also increases farmers' welfare.
21	*Sustainable Development Goals* and Poverty Alleviation Efforts in Pangkajene and Archipelago Districts of South Sulawesi Province	Looking at the main reason for the failure of SDGs point 1, the low level of most human resources, such as education and health, has an impact on the poverty rate.
22	Analysis of Political Communication of Buttu Pamboang Village Head in Implementing Village *Sustainable Development Goals* (SDGs) in Overcoming Poverty	The village government's strategy for achieving SDG Village connected to poverty alleviation is difficult and ongoing task. The SDGs for villages are one of the government's attempts to develop communities and alleviate poverty in villages.
23	Study of the Influence of the National Program for Special Efforts to Increase Rice Production on Rural Poverty in the Western and Eastern Regions of Indonesia	Government agricultural policies should focus on how to improve farmers' welfare rather than just increasing production. What is equally important in increasing farmer welfare is comprehensively building the ability of human resources in the community and adding value to agricultural products produced.
24	Analysis of Factors Affecting Vegetable Farmers Exchange Rates in Marpoyan Damai District, Pekanbaru City	Productivity, farmer age, seed prices, fertilizer expenses, pesticide costs, vegetable selling prices, and food and non-food expenditures all have a major impact on the Vegetable Farmer Exchange Rate in Marpoyan Damai District, Pekanbaru City.
25	Poverty Reduction during 1990-2013: Did Millennium Development Goals Adoption and State Capacity Matter?	The impact of adopting the MDGs may or may not be reflected in each country's poverty reduction policies. A country's capacity deficiency, for example, might decrease a country's ability to

No	Research Title	Research result
		implement poverty-reduction policies and establish an investment climate that encourages economic growth, diminishing hopes for poverty reduction through indirect channels.
26	Analysis of Factors Influencing Farmers Exchange Rates in the Paddy Food Crops Sub-Sector in Aceh	Farmers' exchange rates in Aceh's rice food crop sub-sector are badly impacted by inflation and fertilizer prices. Farmers' Exchange Rates for Aceh's rice food crop sub-sector, on the other hand, are favorably and considerably affected by harvested area.
27	Analysis of Paddy Land Function Transfer and its Linkage to Farmer Exchange Rates (FER) in Bantul Regency	The farmer's exchange rate and the Food Crops Subsector's FER (FERP) have a substantial impact on paddy field conversion. The reason for the low FERP is that production costs are rising while the selling price of rice or unhulled rice remains low.
28	Analysis of the Influence of Rice Imports, Inflation, and Paddy Field Area on Farmer Exchange Rates in Indonesia in 2003-2017	Imports of variable rice have a positive and large impact on farmer exchange rates.
29	The Effect of Macroeconomic Performance on Farmers' Exchange Rates	Inflation has a significant impact on farmer exchange rates. Farmers' exchange rates are responsive to inflation, with 1% inflation reducing farmers' exchange rates by 1.61%. The agricultural sector's GDP has no effect on farmer exchange rates.
30	Towards an Assessment of Adaptive Capacity of the European Agricultural Sector to Droughts	A comprehensive assessment of the impact of various methods of crop diversification on SDG 1 "No Poverty" must also be included in the program.
31	A Review on the Contribution of Crop Diversification to	Future research should concentrate on the impact of high-value crops

No	Research Title	Research result
	Sustainable Development Goal 1 "No Poverty" in Different World Regions	and agricultural technology on income, gender equality, and the vulnerability of poor farmers to climate change, rather than on farmers in general.
32	The Influence of Economic Growth and Unemployment on Poverty and Welfare of District/City Communities in Bali Province	The variable of economic growth has a negative and significant effect on the poverty of the district/city community in the Province of Bali; the variable of unemployment has a negative and significant effect on the poverty of the district/city community in the Province of Bali; and the variable of economic growth has a positive effect on people's welfare.
33	Analysis of Farmers' Welfare and Rural Poverty in Indonesia	Wages for rural farm labor exacerbate rural poverty. Farmer exchange rates have a favorable but not statistically significant impact on rural poverty.
34	Analysis of Farmer Exchange Rates (FER) as material for preparing the 2015-2019 RJMN	FTT is calculated by comparing the price index received by farmers to the price index paid by farmers. Farmers' exchange rates indicate the exchange rate/purchasing power of farmers for things purchased/paid for by farmers, including consumption and production inputs.
35	The Influence of Farmers Exchange Rates and Fiscal Policy on Poverty Alleviation in Sumatra Island (Comparative Study of Monetary Poverty and Multidimensional Poverty)	According to the findings of this study, three factors can influence the population's poverty level: Farmer Exchange Rates (FER), the implementation of APBD spending for social assistance, and the realization of APBDes.
36	Identifying Factors Influencing Production and Rice Farming Income with Approach of Path Analysis	Rice prices and output have a direct impact on rice farming income, while organic fertilizers have an indirect impact.

No	Research Title	Research result
37	Analysis of Factors Influencing Farmers' Welfare in Denpasar City	The amount of arable land, working capital, technology, and sweet corn production all have a positive and significant impact on the well-being of Denpasar City's sweet corn producers.
38	Poverty and Welfare Concerning Agricultural Development	Special programs, such as People's Business Credit (KUR) and the PNPM Mandiri, are also available to promote farmer welfare, decrease poverty, and develop small, micro, and medium enterprises.
39	Strategy for Increasing the Exchange Rate of Paddy Rice Farmers	In the research area, the exchange rate for lowland rice growers is 91%. This result indicates that the average farmer is still in deficit (farmers' welfare level fell in one period compared to farmers' welfare level in the preceding period).
40	Analysis of Income and Welfare Levels of Paddy Rice Farming Households Based on Land Area	The results of different degrees of welfare are shown in an analysis of the level of welfare of paddy rice farming households utilizing several variables. Using economic measures, farmer households are classified as poor (not prosperous). Using economic and social measures, however, it is clear that all farmer households are prosperous.

Source: Data processed.

4.2 Discussion

Agriculture is an important component of a country's economy. The agricultural sector contributes to national growth and the creation of a sustainable economy (Agustarita & Sudirman, 2015). Agriculture is a dependable industry in an agrarian country. Farmers are required for an agricultural country to participate in and contribute to enhancing people's wellbeing (Aulia et al., 2021). It is hoped that farmers would raise their productivity in order to progress the agricultural sector, which will later become a vital factor in supporting the success of a business, particularly in the agricultural sector. As a result, farmers in Indonesia aim to employ all available resources, including land space and technology, to boost

agricultural productivity (Arimbawa & Widanta, 2017). Farmers' well-being will improve as the agricultural sector in Indonesia grows. However, based on the hurdles encountered, it is believed that they have been unable to boost income, improve farmer welfare, and alleviate rural poverty (Nurasa & Rachmat, 2016). To boost farmers' wellbeing, government agriculture programs should prioritize higher production and program benefits (Krisnawati et al., 2018). Economic progress improves people's lives. Farmers' welfare is fulfilled so that they can live adequately and develop in order to carry out their social functions appropriately (Krisna et al., 2020). The results of different degrees of welfare are shown in an analysis of the level of welfare of paddy rice farming households utilizing several variables. Using economic measures, some farmer households are classified as poor (not prosperous). However, analyzing economic and social metrics reveals that the outcomes of all farming households are prosperous (Alfrida & Noor, 2017).

Rice farmers' well-being can be measured by their ability to meet the essential necessities of their life and families, such as clothing, food, shelter, health, and education (Martina & Praza, 2018). In Indonesia, farmer welfare has an impact on rice productivity. A significant one percent increase in rice output has been shown to raise the average income of rice farmers in Indonesia by 0.35 percent at a significance level of one percent (Maizunati, 2018). The amount of land that rice farmers cultivate is also an important component in enhancing their well-being. The more land used for rice management and planting, the more rice is produced (Rohman, 2017 in Razi & Wahyuni, 2022). In addition to rice productivity and land area, the ability of production to mediate shows that expanding the area of arable land can boost farmers' welfare (Hartati et al., 2017). Farmer exchange rates are positively and significantly affected by rice imports and paddy field areas (Khoiri & Nuraini, 2022). The availability of measurement devices capable of describing the degree of farmer welfare is seen to be critical in tracing the primary elements that can improve farmer welfare. The Farmer's Exchange Rate, a commonly used indicator, is thought to have an advantage (Rachmat, 2013).

Farmer exchange rates are an indicator of farmer well-being (Ahdika et al., 2020). Farmers' Exchange Rate can be calculated by dividing the price index value received by farmers by the price index paid by farmers. As a result, FTT can be used as a technique to assess rice farmers' well-being. The greater the FER value, the more prosperous the life of a rice farmer. FER can alternatively be defined as the exchangeability of agricultural items (products) produced by farmers (Martina & Praza, 2018). The resulting FER figure represents the community's or farmers' purchasing power. As a result, it can be used to assess farmer welfare by looking at the purchase power of non-agricultural commodities prices. An increase in FER enhances farmers' purchasing power, but it does not increase the nominal level of farmer welfare (Zainuddin & Keumala, 2018).

FTT is calculated by comparing the price index received by farmers to the price index paid by farmers. Farmers' purchasing power is described by the farmer exchange rate, which covers consumption and production inputs purchased (Bappenas & JICA, 2013; Vibriane et al., 2017). The rise in farmer exchange rates demonstrates an increase in farmer welfare, allowing farmers to cover their daily necessities. Farmers' exchange rates have an impact on lowering the proportion of poor individuals living in rural areas (Permana, 2021). According to the GRDP

(Gross Regional Domestic Product), the 2016-2020 Farmer Exchange Rates have a negative and considerable impact on poverty (Maulidina et al., 2022). Farmers' income is less than their production expenses in farming, and changes in the agricultural sector's income ratio to income in the non-agricultural sector are more typically negative than positive. As a result, this FER is related to poverty (Susanti et al., 2017).

Poverty and welfare are inextricably linked. Poor people are not prosperous (Yacoub & Mutiara, 2020). One element influencing poverty in Indonesia, particularly rural poverty, is farmer wellbeing indicators (Habibullah, 2020). Poverty in Indonesia remains a major issue since, according to BPS data from 2022, the number of poor people is still fairly big (26.16 million people), with the majority living in rural regions (BPS, 2022). The fundamental issue with the Sustainable Development Goals is poverty. Ending poverty is the "main" aim of the 17 SDGs agreed upon in the Outcome Document Transforming Our World: The 2030 Agenda For Sustainable Development (Fikry et al., 2017). It is consistent with Law No. 6 of 2014 on village autonomy, which villages anticipate to boost their economic. This law highlights that development is based on Pancasila, the Republic of Indonesia's 1945 Constitution, the Unitary State of the Republic of Indonesia, and Bhinneka Tunggal Ika. The control of the village government is totally and autonomously given over to the village, allowing the residents' independence and welfare to be realized more swiftly. So that the village's poverty level can be lowered (Sulthan et al., 2023). Poverty alleviation in many locations is an efficient strategy to meet the Sustainable Development Goals (Kyswantoro, 2017). Poverty alleviation is one of the primary goals of development, with the percentage of the population living below an acceptable standard of living serving as a metric of success, and the farmer's exchange rate influencing it (Proceedings of the First Sumatranomics, 2020).

5. CONCLUSION

The Sustainable Development Goals are a global accord to improve the global community's well-being. The agriculture sector has made a considerable contribution to the fundamental goal of the SDGs, namely poverty eradication. Poverty, however, remains a major issue in Indonesia. Several factors influence poverty, one of which is farmer wellbeing. FER can be used to assess farmer well-being. Rice production, land area, grain prices, fertilizer costs, and farmer non-food expenditures are all factors that influence FTT. Farmers' exchange rate (FER) is a measure of the exchangeability of agricultural products generated by farmers against goods and services acquired by farmer households, both in agricultural production and for farmer household consumption. These variables can reflect the level of welfare among Indonesian farmers. FTT is calculated by comparing the price index received by farmers to the price index paid by farmers. Farmers' trade suffers when the price index they receive is small. This problem reduces farmer welfare, resulting in increased poverty in Indonesia. Farmers are generally more prosperous when the FER rises, as does their purchasing power.

STATEMENT OF APPRECIATION

The author wishes to thank Allah SWT for bestowing His mercy and grace upon him in order for him to accomplish this research. The author also expresses gratitude to

the large family of the Faculty of Economics and Business at the Muhammadiyah University of Surakarta, who gave assistance from the start of the lecture session until the finish. Furthermore, the authors would like to thank Mr. Ali Zainal Abidin, the supervisor, for his patience in guiding and assisting in providing knowledge, direction, and assistance while producing this study.
We would also like to thank Ms. Endah Renaningtiasih and Mr. Muhtarom for their blessing and support of the writers, as well as for their never-ending encouragement and prayers for the success of this study. We also appreciate the prayers and support of our younger siblings, Fityan, Fathin, and Alya. We also like to thank our best friend, Syafiqa, for her prayers, support, and writing aid. Thank you to everyone who helped the writer pursue and complete his education.

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