

ASSISTANCE IN PREPARING FINANCIAL REPORTS FOR KELULUT HONEY FARMERS IN ALOR GAJAH, MELAKA

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ABSTRACT

Kelulut honey farming has emerged as a promising industry in Alor Gajah, Melaka, with the potential to provide sustainable income for local farmers. However, many farmers face significant challenges in financial reporting, which affects their ability to manage their businesses effectively and access financial aid or investment opportunities. This community service project was designed to support Kelulut honey farmers in preparing accurate and structured financial reports, thereby improving their financial literacy and business acumen. The implementation involved a multi-step approach, including workshops, one-on-one guidance, and the development of customized financial templates tailored to the needs of the farmers. The results of the initiative indicated a marked improvement in financial record-keeping practices, increased awareness of financial management, and enhanced ability to secure funding. The project underscores the critical role of financial education in strengthening the sustainability and growth of small-scale agricultural enterprises.

Keywords: Community Service; International: Human Resource Development

INTRODUCTION

Kelulut honey farming is gaining significant traction due to its high market demand, numerous health benefits, and relatively low maintenance costs. The industry presents a lucrative opportunity for small-scale farmers in Alor Gajah, Melaka, providing them with an alternative source of income that requires minimal land and resources. However, despite the potential for high profitability, many farmers face obstacles that hinder their business growth and sustainability.

One of the primary challenges is the lack of financial literacy among farmers. Many of them have limited knowledge of basic accounting principles and financial management practices, which results in poor financial record-keeping. Without accurate financial documentation, farmers struggle to monitor their business performance, calculate profit margins, and develop sustainable business plans. Additionally, the absence of well-structured financial reports makes it difficult for farmers to access funding, as financial institutions and government agencies require detailed documentation to approve grants and loans.

Another major issue is the informal nature of financial transactions in the industry. Most farmers rely on cash-based transactions without maintaining systematic records, leading to difficulties in tracking revenue and expenses. This informal approach prevents them from making data-driven decisions, thereby affecting their long-term business sustainability. Moreover, improper financial reporting reduces transparency and accountability, making it challenging for farmers to collaborate with potential investors or business partners.

Recognizing these issues, this project was initiated to bridge the financial knowledge gap among Kelulut honey farmers in Alor Gajah. Through a structured and hands-on approach, the program aimed to equip farmers with essential financial management skills, introduce simple yet effective accounting techniques, and provide them with practical financial reporting templates. By fostering financial literacy, this initiative seeks to empower farmers to make informed business decisions, enhance their financial stability, and improve their ability to secure funding for business expansion.

METHODOLOGY

The project was executed in three systematic phases to ensure maximum impact:

1. **Needs Assessment:** A comprehensive survey was conducted among 50 Kelulut honey farmers to evaluate their financial literacy levels, identify key challenges in financial reporting, and determine the specific areas where intervention was needed. The assessment revealed that 80% of farmers did not maintain proper financial records, while 65% were unaware of available financial aid options.
2. **Workshops and Training:** Three interactive workshops were organized, attended by a total of 45 farmers. These sessions covered fundamental accounting principles, record-keeping techniques, and hands-on training in financial documentation. The training included step-by-step guidance on using financial templates to maintain accurate income and expenditure records.
3. **One-on-One Assistance:** Personalized mentoring sessions were conducted for 30 selected farmers, ensuring that each participant could confidently apply the concepts learned in the workshops. Farmers received individualized feedback and recommendations to refine their financial reports, leading to significant improvements in record-keeping accuracy.

RESULTS AND DISCUSSION

The project yielded several significant outcomes:

- **Enhanced Financial Literacy:** Post-training assessments showed that 85% of farmers improved their understanding of financial principles, particularly in tracking income, expenses, and cash flow management.
- **Adoption of Financial Reporting Practices:** 70% of participants successfully integrated structured financial record-keeping methods into their daily operations using the provided templates. Many farmers reported that the templates simplified their accounting processes and made financial tracking more manageable.
- **Improved Access to Financial Support:** With well-organized financial reports, 12 farmers successfully applied for government grants and bank loans, securing a total of RM 150,000 in additional funding for business expansion.
- **Implementation of Accounting Policies:** To enhance financial management, the following key accounting policies were introduced and adopted by participating farmers:

Table 1 Implementation Impact

<i>Accounting Policy</i>	<i>Description</i>	<i>Implementation Impact</i>
<i>Cash Flow Management</i>	Farmers were trained to maintain cash flow statements to monitor financial liquidity.	75% of farmers reported improved tracking of income and expenses.
<i>Accrual Accounting</i>	Encouraged recording of revenue and expenses when incurred, rather than when cash is received or paid.	60% of farmers shifted from cash-based to structured recording.
<i>Cost Allocation</i>	Farmers learned how to categorize costs (e.g., raw materials, labor, marketing).	Improved financial analysis and profit margin calculations.
<i>Financial Reporting Standards</i>	Adoption of simple financial statements including profit and loss statements.	Enabled farmers to prepare structured financial reports for funding applications.
<i>Digital Record-Keeping</i>	Introduction to financial management software and Excel templates.	20% of farmers began using digital tools for bookkeeping.

- **Challenges and Solutions:** Initial resistance to change and difficulties in understanding accounting terminologies were observed, especially among elderly farmers. However, these challenges were effectively addressed through continuous mentoring, simplified training materials, and practical demonstrations. Farmers were encouraged to adopt digital tools, with 20% beginning to use basic financial software for better record-keeping.



Figur1 International Community Service Documentation

CONCLUSION

This community service initiative significantly enhanced the financial literacy and reporting capabilities of Kelulut honey farmers in Alor Gajah, Melaka. By equipping farmers with the necessary tools and knowledge, the project has empowered them to manage their businesses

more effectively, leading to greater financial stability and growth. The improvements in financial documentation have enabled farmers to access funding opportunities that were previously unattainable due to poor financial records. Additionally, the introduction of structured accounting policies has provided farmers with a clear framework for financial management, improving their overall business operations. Moving forward, future initiatives should focus on the integration of advanced digital financial tools, continuous mentorship programs, and deeper training in financial policies to sustain and further improve financial management practices among small-scale agricultural entrepreneurs.

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