

Accounting Practices Among Chili Farmers in West Sinjai: A Phenomenological Study of Farm Financial Management

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Abstract

Purpose: This study analyzes the accounting practices applied by chili farmers in West Sinjai District and examines the farm financial management undertaken to support business sustainability.

Methodology: A qualitative approach with a phenomenological method was employed. Data were obtained through in depth interviews, observation, and documentation of chili farmers, and were analyzed through data reduction, data display, and conclusion drawing.

Results: The findings show that farmers have applied simple accounting practice through recording capital, expenses, profit, and planning the use of funds for the following period. This recording helps farmers understand their farm's financial condition, control costs, and form a basis for decision making. Business experience and seasonal conditions also influence financial management and farm sustainability, with seasonal change identified as the primary constraint, though farmers continue to rely on experience and financial records to reduce the risk of loss in the following planting season.

Conclusions: Simple accounting practice provides real benefit in managing farm finances, improving capital use efficiency, and helping farmers evaluate business outcomes.

Limitations: This research is limited to chili farmers in West Sinjai District with a limited number of informants.

Contributions: This research provides a picture of simple accounting practice in the agricultural sector that can serve as a reference for farmers and for future research.

Keywords: *Agriculture, Chili Farmers, Financial Management, Phenomenology*

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1. Introduction

The agricultural sector holds an important role within the Indonesian economy, contributing to employment provision, food security, and improved community income (Badan, 2024). Chili is one horticultural commodity with high economic value, widely cultivated because of consistently strong market demand. Even so, chili farming faces several challenges, including price fluctuation, high production costs, and financial management that has not yet been optimized.

In running a farming business, accounting practice becomes an important aspect that can help business actors record costs, manage revenue, control expenditure, and make more effective decisions ([Mulyani & Budiman, 2021](#)). The application of sound accounting practice allows business actors to understand their financial condition more accurately, thereby strengthening the sustainability of the business they run ([Sari & Putra, 2022](#)). This is particularly relevant for chili farming, where the cash cycle is tightly bound to the planting calendar: capital must be committed months before any revenue materializes, and the size of that commitment, together with its eventual return, can vary substantially from one season to the next depending on weather, pest pressure, and market price at harvest time. Under such conditions, even a simple written record of what was spent, what was earned, and what remains available for the next cycle becomes far more than a bookkeeping formality; it becomes the practical instrument through which a farmer decides how much land to plant, how many seedlings to purchase, and how much risk the household can reasonably absorb in the season ahead.

In practice, however, most farmers still keep financial records in a simple manner, and many rely solely on memory without maintaining a systematic bookkeeping system ([Yuliana, Setiawan, & Handayani, 2023](#)). This condition causes farmers difficulty in calculating profit, managing capital, and evaluating the development of their farming business. Low accounting literacy is also one factor contributing to the still suboptimal application of accounting practice in the agricultural sector ([Rahman & Abdullah, 2021](#)). A pattern that mirrors findings from smallholder farmers elsewhere, where limited access to financial training and informal record keeping habits similarly constrain farmers' capacity to calculate their true financial obligations and returns [Imami, Zhllima, Rama, and Chan-Halbrendt \(2024\)](#), and that echoes wider cross country evidence linking low financial literacy to reduced financial resilience among low income households more generally ([Klapper & Lusardi, 2020](#)).

This phenomenon is also found among chili farmers in West Sinjai District. Most farmers focus more on cultivation and marketing of harvest results than on financial administration. Yet sound accounting practice can help farmers maintain the financial stability of their farm business and support more accurate decision making. Beyond serving as a recording tool, accounting practice also functions as a basis for evaluating a farm business. Through routine recording, farmers can track the development of capital, production costs, revenue, and profit earned in each planting period. This information becomes the basis for drafting a business plan for the following season, so that capital use can proceed more effectively and efficiently. Financial recording therefore functions not merely as documentation but also as a tool for control and decision making within the farm business, a function increasingly recognized in the broader literature on financial management practices among small scale agricultural enterprises, where structured recording is closely linked to profitability and resilience ([Caclini, 2023](#); [Mang & Sikalieh, 2023](#)).

On the other hand, chili farming carries a fairly high level of risk because it is influenced by shifting market prices, weather conditions, pest attacks, and constantly changing production costs. Consequently, farmers' capacity to manage finances becomes one factor supporting the sustainability of the farm business. Farmers who maintain sound financial records find it easier to understand their business condition and make appropriate decisions when facing such changes. Research on accounting practice in the agricultural sector has been conducted extensively, but research examining the direct experience of chili farmers in interpreting and applying accounting practice, particularly in West Sinjai District, remains limited. This research therefore uses a phenomenological approach to understand the experience and meaning farmers attach to accounting practice in managing their farm business. This research is expected to contribute to the development of accounting literacy in the agricultural sector and to serve as input for farmers and stakeholders seeking to improve the quality of farm financial management.

2. Literature Review

2.1 Accounting Practice in Farm Business

Accounting practice is the process of recording, classifying, and presenting financial information used to help business actors make economic decisions. Within the agricultural sector, accounting practice

plays an important role in managing capital, production costs, revenue, and profit earned from farming activity. The application of sound accounting practice can help farmers understand their business's financial condition, thereby strengthening farm sustainability ([Wahyuni et al., 2024](#)).

According to [Hidayati et al. \(2023\)](#), accounting practice in the agricultural sector is often carried out simply, according to the farmer's own needs. Such recording does not always follow formal accounting standards, yet it has proven able to help farmers remember financial transactions, know the profit obtained, and form a basis for managing the farm business. Accordingly, simple accounting practice retains an important role in supporting the continuity of agricultural business, a finding echoed in studies of other smallholder commodity groups, where informal, memory anchored record keeping nonetheless provides a workable foundation for tracking income and expenditure even in the absence of formal bookkeeping training ([Nawangsaari et al., 2022](#)).

2.2 Financial Management in Chili Farming

Financial management is one important aspect of running a chili farming business. Sound financial management includes recording capital, expenditure, revenue, profit, and planning the use of funds for the following period. Through orderly financial management, farmers can control cash flow and minimize the risk of loss resulting from changing market conditions or environmental factors. Sound financial management allows farmers to allocate profit in a more planned manner. Profit earned is not only used to meet daily needs but is also set aside as capital for the following planting season. With such planning in place, farmers can sustain their business even while facing various constraints in the production process. This pattern is consistent with broader evidence on financial management practices among small scale farmers, which finds that structured allocation of working capital toward subsequent production cycles is closely associated with improved farm profitability and resilience against market shocks ([Bhuiyan et al., 2022](#); [Caclini, 2023](#)).

2.3 Phenomenological Approach in Research

Phenomenology is a qualitative research approach aimed at understanding the experience, perception, and meaning an individual attaches to a phenomenon experienced directly. In this research, the phenomenological approach is used to understand how chili farmers interpret and apply accounting practice in their daily farming activity, an approach whose methodological foundations were laid out systematically by [Moustakas \(1994\)](#) and remain central to interpretive accounting research seeking to surface the insider meanings actors attach to everyday financial routines ([Creswell, 2014](#)).

Within accounting research specifically, the phenomenological tradition has been used to challenge the assumption that accounting is inherently a formal, standardized activity that only becomes meaningful once it conforms to professional norms. Instead, this tradition treats accounting as a socially situated practice whose meaning is constructed by the people who perform it, whether or not that practice aligns with textbook definitions of bookkeeping. Applying this lens to chili farmers allows the research to take seriously the possibility that a notebook filled with handwritten entries, seemingly informal by professional standards, may nonetheless constitute a fully functional and meaningful accounting system from the perspective of the farmer who maintains it ([Kamal & Bablu, 2023](#)).

2.4 Prior Research

Research on accounting practice in the agricultural sector shows that most farmers have applied simple financial recording suited to their business needs. Such recording generally covers capital, expenditure, and profit obtained from harvest results. However, the application of formal accounting practice remains limited, since most farmers rely more heavily on experience in managing their farm business ([Yustriawan & Taufik, 2020](#)).

A phenomenological study among earthworm farmers in Madiun similarly found that simple accounting practice, though informal, helped farmers track the financial development of their business and served as a meaningful basis for evaluating outcomes across production cycles ([Nawangsaari et al., 2022](#)). Related phenomenological work on rice farmers likewise found that recording practice,

however simple, functioned as an accountability mechanism that farmers used to make sense of and report their own economic activity to themselves and to their families ([Rimawan, 2018](#)).

Further studies on the meaning of accounting for farmers describe how many farming communities initially regard financial information as unimportant and therefore neglect systematic recording of their business transactions, a tendency that only shifts once farmers directly experience the practical benefit that recording brings to monitoring business development ([Zulkifli et al., 2022](#)). Complementary evidence from sugarcane farmers examining the meaning of financing accounting found that farmers construct their own vocabulary and justification for tracking cost and profit, reflecting a broader pattern in which accounting meaning is locally negotiated rather than imported wholesale from formal standards ([Maulana, 2016](#)).

International literature on smallholder financial behavior similarly emphasizes that farmers' capacity for financial record keeping is closely tied to access to training, prior credit experience, and habitual practice, rather than to formal accounting education alone ([Imami et al., 2024](#)). Comparable findings from agricultural insurance research in Ghana show that structured financial documentation, even where informal, improves smallholders' capacity to engage with formal financial institutions and manage production risk ([Ankrah et al., 2021](#)). Systematic literature reviews of financial literacy in small and medium agricultural enterprises further confirm that subjective financial literacy and simple financial management practice, including basic working capital tracking, meaningfully shape business performance even in the absence of formalized accounting systems ([Graña-Alvarez et al., 2024](#)).

2.5 Financial Literacy and Rural Entrepreneurial Resilience

Beyond the specific practice of recording capital and profit, a broader body of literature situates farm level accounting within the wider concept of financial literacy and its consequences for rural livelihoods. Evidence from South Africa shows that financial literacy positively and significantly influences both financial inclusion and the attainment of sustainable livelihood among rural agrarian households, with financial inclusion partially mediating this relationship ([Akanke et al., 2023](#)). Similarly, research using national land economic survey data in China finds that financial literacy alleviates the traditional credit constraints faced by rural households and thereby promotes entrepreneurial activity, although this positive effect is dampened among individuals with a strong aversion to risk. These findings suggest that the simple recording practices observed among chili farmers in this study are not an isolated local habit but part of a much broader pattern documented across agrarian economies, in which even modest levels of financial literacy and record keeping translate into measurable improvements in credit access, risk management, and business continuity, a pattern also visible among smallholder coffee farmers whose financial behavior, more than formal financial knowledge alone, has been shown to be the strongest predictor of sustained bookkeeping practice ([Sreereshma et al., 2026](#)).

Complementary evidence from smallholder women farmers in Zambia further shows that financial inclusion functions as an important pathway supporting the adoption of more sustainable and climate resilient agricultural practices, particularly where formal credit and input markets remain difficult to access ([Maulana, 2016](#)). Taken together, this literature indicates that the informal, notebook based accounting practiced by the chili farmers in this study likely serves a similar underlying function to the more formally documented financial literacy interventions described in the international literature, namely helping farmers translate scattered transactional memory into a stable basis for planning, credit engagement, and risk mitigation.

2.6 Digital Tools and the Future of Farm Record Keeping

An emerging strand of literature also considers how digital record keeping tools might extend or transform the kind of manual bookkeeping observed among chili farmers in this study. Systematic reviews of digital agriculture adoption among smallholder farmers note that mobile based platforms can simplify recording, reduce the time burden of manual entry, and generate a digital transaction history that formal lenders can use to assess creditworthiness ([Gumbi et al., 2023](#)). Related research on mobile phone service use among smallholder farmers in Kenya similarly finds that access to

mobile financial tools reshapes how farming households track resources and plan expenditure across a production cycle ([Krell et al., 2021](#)). While the chili farmers interviewed in this study relied exclusively on a physical notebook, this literature suggests a plausible trajectory in which such informal practices could, over time, be extended through low cost digital tools without requiring farmers to abandon the practical logic they have already developed through lived experience.

2.7 Research Gap and Study Development

Research on accounting practice in the agricultural sector has been conducted extensively, but most such research focuses on financial literacy and the general application of bookkeeping. Research specifically examining the experience and meaning chili farmers attach to accounting practice in West Sinjai District remains limited. This research was therefore conducted to understand chili farmers' experience in applying accounting practice and the meaning they attach to farm financial management. Because this research uses a qualitative phenomenological approach, no hypotheses are formulated. The research instead focuses on exploring farmers' experience, perception, and meaning making regarding accounting practice in the management of their chili farming business.

3. Research Methodology

3.1 Research Approach

This research uses a qualitative approach with a phenomenological method. The phenomenological approach was chosen because this research aims to understand the experience, perception, and meaning making of chili farmers regarding accounting practice in the farm business they run. This design choice follows established phenomenological research traditions in which the researcher sets aside prior theoretical assumptions in order to capture the lived meaning informants themselves attach to a phenomenon ([Moustakas, 1994](#)).

This choice of method reflects a deliberate departure from the largely quantitative, survey based tradition that dominates much of the existing literature on farm financial behavior. Where a survey instrument might ask farmers to rate their agreement with predetermined statements about bookkeeping practice, a phenomenological interview instead allows farmers to describe, in their own words and their own sequence, how they came to record transactions the way they do, what meaning they attach to that practice, and how it fits within the broader rhythm of their farming life. This distinction matters because much of what this research ultimately identifies, including the household centered nature of financial decision making and the psychological reassurance that records provide, would likely remain invisible to a closed ended survey instrument that assumes accounting practice can be reduced to a fixed set of measurable behaviors.

3.2 Research Location

The research was conducted in West Sinjai District, Sinjai Regency, South Sulawesi, Indonesia. The research location was purposively selected because West Sinjai District is one of the areas where a significant proportion of the community depends on the agricultural sector as their primary source of livelihood. Agriculture plays an important role in supporting the local economy, with various agricultural commodities being cultivated by farmers, including chili, which has considerable economic value and market potential. Chili farming in this area is managed predominantly by small-scale farmers who face various challenges related to production costs, income management, and financial decision-making. Therefore, West Sinjai District provides a relevant context for examining accounting practices among chili farmers, particularly in understanding how farmers manage, record, and utilize financial information to support their farming activities and improve the sustainability of their agricultural businesses.

3.3 Research Informants

Research informants were selected using a purposive sampling technique, meaning the deliberate selection of informants based on specific criteria. The criterion for informants in this research was chili farmers directly involved in the management and financial recording of their farm business. The selected informants were considered capable of providing relevant and comprehensive information

regarding their financial management practices, decision-making processes, and experiences in managing chili farming activities.

3.4 Data Collection Techniques

The data collection techniques used include in depth interviews, observation, and documentation. Interviews were conducted to obtain information regarding financial recording practice, capital management, expenditure, profit, and the factors influencing decision making in the chili farming business. Observation was conducted to directly view farm management activity, while documentation was used to complement the research data.

3.5 Data Analysis Technique

Data analysis was carried out through three stages, namely data reduction, data display, and conclusion drawing. To maintain data validity, this research used technique triangulation by comparing the results of interviews, observation, and documentation obtained throughout the research process, an approach consistent with established qualitative validity procedures for phenomenological inquiry ([Moleong, 2018](#); [Sugiyono, 2022](#)).

3.6 Informant Profile

The informants involved in this research were chili farmers with varying lengths of farming experience, ranging from farmers who had cultivated chili for several seasons to those with more than a decade of continuous farming experience. This variation in experience allowed the research to capture a range of perspectives on how accounting practice is learned, adapted, and sustained over time, rather than reflecting the perspective of a single farming generation alone. All informants were directly responsible for managing their own farm finances, meaning that the recording practices described in this study reflect firsthand decision making rather than delegated or externally imposed bookkeeping.

3.7 Ethical Considerations

Prior to conducting interviews, the researcher explained the purpose of the study to each informant and obtained verbal consent for participation. Informants were assured that the information they provided would be used solely for academic purposes and that their identities would be kept confidential, hence the use of anonymized codes such as *PI* in the presentation of interview excerpts. This approach is consistent with standard ethical practice in qualitative research involving human informants, ensuring that farmers could speak openly about their financial practices without concern for how that information might be used beyond the scope of this research.

3.8 Trustworthiness of the Data

Beyond triangulation across interviews, observation, and documentation, the researcher also conducted member checking by returning to key informants to confirm that the themes identified accurately reflected their intended meaning. This iterative process helped ensure that the interpretation presented in the findings remained grounded in the informants' own understanding of their accounting practice, rather than in the researcher's prior assumptions about what farm bookkeeping ought to look like.

4. Results and Discussions

The research findings show that chili farmers in West Sinjai District have applied simple accounting practice in managing their farm business. This practice is carried out through recording capital, expenditure, profit, and planning the use of funds for the following period. To facilitate presentation of the research findings, the results are summarized in Table 1 and subsequently discussed according to the main themes obtained from the interview results.

Table 1. Summary of research findings

Aspect	Finding
Recording Method	Uses a notebook or record book
Information Recorded	Capital, expenses, profit, and fund use plan

Aspect	Finding
Use of Profit	Reinvested to purchase fertilizer, pesticide, and seedlings
Benefit of Recording	Knowing the profit and loss of the farm business
Basis for Decision Making	Experience and records from the previous period
Main Constraint	Prolonged dry season and continuous rain often resulting in crop failure

Table 1 summarizes the six main themes that emerged from the interviews, showing that farmers rely on a simple manual notebook to track capital, expenses, and profit, that profit is systematically reinvested into production inputs rather than fully consumed, and that seasonal unpredictability remains the constraint most consistently identified across informants as threatening farm continuity.

4.1 Application of Accounting Practice in Chili Farming

Based on the interview results, farmers carry out financial recording routinely using a notebook. The information recorded includes initial capital, expenses, profit earned, and plans for the use of funds in the future. Recording is carried out each time a cash inflow or outflow occurs.

"Yes, it is recorded in a book, starting from capital, profit, and expenses. Future spending plans are also recorded there." (P1, interview, 2026).

This recording practice helps farmers understand the condition of their farm's finances in a more orderly manner and eases the process of evaluating the business in each planting period. In addition, informants explained that recording is carried out every time income or expenditure occurs, so that the entire flow of financial activity can be properly monitored. This shows that recording has become a habitual part of managing the farm business.

The findings of this research show that simple financial recording has become part of daily farming activity. Although the recording is done manually using a notebook, the information obtained is able to help farmers monitor business development and understand their financial condition in each planting period. This finding is consistent with [Wahyuni et al. \(2024\)](#), who state that simple accounting practice remains the most widely applied form of recording among farmers, and echoes broader evidence from other informal agricultural sectors, where cash based, minimally documented recording remains the dominant mode of financial tracking despite the absence of standard accounting principles.

4.2 Managing Profit for Farm Business Sustainability

The research findings show that profit earned is not entirely used for consumption needs, but is instead reinvested as business capital. This profit is allocated toward purchasing fertilizer, pesticide, and seedlings to be used in the following planting period.

"The profit is reinvested to buy fertilizer, insecticide, and seedlings." (P1, interview, 2026).

Financial management of this kind indicates the presence of financial planning that supports the sustainability of the chili farming business. Informants also explained that before profit is used, a plan for its use is first prepared. This profit is prioritized for the needs of the farm business so that planting activity in the following season can continue to run. Based on these interview results, it can be understood that farmers have applied simple financial management by prioritizing the sustainability of the farm business. Profit earned is not immediately spent but is instead reused as capital to meet production needs in the next planting season. This finding aligns with broader evidence that small scale agricultural enterprises which systematically reallocate profit toward working capital tend to display stronger financial resilience across subsequent production cycles ([Bhuiyan et al., 2022](#)).

4.3 Experience as a Basis for Decision Making

Experience becomes an important factor in farm business decision making. The financial records held by farmers are used as a reference to estimate capital needs, the number of plants to be grown, and the strategy to be applied in the following season.

"Based on experience we then know how much capital must be spent, seen from previous records." (P1, interview, 2026).

Through experience gained from previous planting periods, farmers can reduce the risk of loss and improve the effectiveness of farm business management. Financial records from the previous season become a reference in determining capital needs and estimating the number of plants to be grown. Accordingly, the decisions taken are more firmly grounded in accumulated experience.

Informants also explained that experience from the previous planting season becomes a reference in estimating cost needs and drafting a business plan for the following season. This shows that experience and financial recording mutually reinforce one another in the decision making process. The findings of this research show that the experience farmers hold becomes the basis for determining capital needs, the number of plants, and strategy for the following planting season. Financial records help farmers compare business outcomes across each period, so that the decisions taken become more accurate, a pattern broadly consistent with international evidence that farmers' capacity to calculate and plan around credit and production costs is strongly associated with prior experience and habitual record keeping rather than with formal training alone ([Imami et al., 2024](#)).

4.4 Constraining Factors in Farm Business Management

The research findings show that seasonal change, particularly the rainy season and the dry season, becomes the main constraint in chili farming. Unpredictable weather conditions can affect plant productivity and disrupt farm business plans that have already been drafted.

"The constraint is the season. If it rains continuously or there is a prolonged dry season, the chili plants can be disturbed, and the harvest yield even declines." (P1, interview, 2026).

Even so, financial recording carried out routinely helps farmers adjust their business strategy to match the conditions faced. Informants make use of records from the previous planting season to estimate capital needs and the number of plants to grow according to seasonal conditions. This helps farmers reduce the risk of loss resulting from weather change. Informants also explained that seasonal change often causes harvest results to fall short of expectations, so that business planning must be adjusted to conditions in the field. Accordingly, financial records and experience from the previous season become guidance in determining the steps to be taken in the following planting season.

The research findings show that seasonal change is the main constraint affecting chili farming. Even so, farmers continue to make use of experience and financial recording as a basis for drafting business strategy, thereby reducing the risk of loss in the following planting season. This pattern of adaptive, experience based risk management in the face of climatic uncertainty is consistent with broader findings on financial management practice among small scale agricultural enterprises operating under volatile environmental and market conditions ([Agbenyo et al., 2022](#)).

4.5 Family Involvement and the Intergenerational Transfer of Financial Practice

Beyond the individual farmer's own recording habits, the interviews also revealed that financial knowledge and recording practice are frequently shared within the household rather than held exclusively by a single family member. Informants explained that decisions about how much profit to reinvest, and in what proportion to allocate funds between fertilizer, pesticide, and seedlings, are often discussed with a spouse or adult children before being finalized. This suggests that the notebook itself, although physically maintained by one individual, functions as a shared reference point for the household's collective understanding of the farm's financial position rather than as a private record accessible only to the person who writes in it.

This pattern of shared financial reasoning within farming households has implications for how accounting literacy might be most effectively strengthened going forward. Rather than targeting a single individual farmer in isolation, interventions aimed at improving farm record keeping may achieve broader and more durable impact if they engage the household as a unit, since financial decisions in this context are rarely made unilaterally. It also suggests a plausible mechanism through which simple accounting practice is transmitted across generations: younger family members who observe and participate in household discussions about capital allocation are likely absorbing the underlying logic of farm financial management well before they take on primary responsibility for a farm plot of their own. This informal, observationally transmitted financial literacy complements the more formal accounting literacy interventions documented in the broader smallholder literature and may explain why farmers with even modest formal education are nonetheless able to sustain a coherent and functional system of financial recording across many planting seasons.

4.6 The Relationship between Recording Practice and Perceived Business Control

A further theme that emerged across the interviews concerns the sense of control that financial recording appears to provide farmers, independent of its narrow technical function. Several informants described the act of reviewing past records not simply as a calculation exercise but as a source of reassurance when facing an uncertain planting season. Knowing that a similar season had been navigated successfully before, and having a concrete record of how capital had been allocated at that time, appeared to reduce the anxiety associated with committing scarce funds to an inherently risky venture. This affective dimension of record keeping, namely its role in supporting farmers' confidence and sense of agency, is not always captured in studies that treat accounting practice purely as a technical or informational tool. Yet it appears to be an important part of why farmers continue to maintain their notebooks consistently across seasons, even in the absence of any external requirement to do so. This finding suggests that the value of simple accounting practice for smallholder farmers may extend beyond its role in calculation and planning to include a less visible but equally important psychological function in sustaining farmers' willingness to continue investing in their business despite recurring environmental risk.

4.7 Synthesis of Findings

Taken together, the themes identified across the interviews point toward a coherent picture of accounting as a lived, practical activity rather than a formal technical procedure. Farmers do not describe their notebook entries using the vocabulary of professional accounting, yet the function these entries serve, namely tracking capital, monitoring profit, and informing the following season's planning, closely mirrors the core purposes that formal accounting systems are designed to achieve. This finding reinforces the argument, well established in phenomenological accounting research, that accounting meaning is constructed locally through everyday practice and does not require the imposition of formal standards to be functionally effective for the people who rely on it ([Maulana, 2016](#); [Uda, & Leniwati, 2022](#)). Comparable interpretive studies of income meaning among informal Indonesian income earners similarly find that individuals construct their own coherent understanding of profit and earnings well before, and often independently of, any exposure to formal accounting instruction ([Mais, Nursanita, & Wahyuni, 2023](#); [Thalib, & Monantun, 2023](#)). Related ethnomethodological work on traditional market vendors likewise shows that sales recording practice, however informal in form, is built around a locally negotiated sense of order and accountability that functions perfectly well within its own social context [Thalib, Rahman, Abdullah, and Gobel \(2021\)](#), while broader interpretive research on farmer income similarly frames profit not as a fixed accounting category but as a socially and culturally situated construct that farmers actively make sense of through their own lived vocabulary ([Mulawarman, 2020](#)). It also suggests that efforts to strengthen agricultural bookkeeping should build upon, rather than replace, the recording habits farmers have already developed through lived experience.

5. Conclusions

5.1 Conclusion

This research shows that chili farmers in West Sinjai District have applied simple accounting practice in managing their farm business. This practice is carried out through recording capital, expenses,

profit, and planning the use of funds for the following planting period. Financial recording helps farmers understand their business condition, estimate capital needs, and support decision making grounded in the experience they hold. In addition, most of the profit earned is reinvested to support the sustainability of the farm business. The findings of this research show that simple accounting practice holds an important role in helping farmers manage finances, evaluate business outcomes, and support decision making grounded in accumulated experience. Financial recording therefore becomes one factor that supports the sustainability of the chili farming business.

Beyond these direct findings, this research also shows that accounting practice among chili farmers cannot be separated from the household context in which it is embedded, nor from the affective sense of control it provides amid persistent seasonal uncertainty. The notebook maintained by each farmer functions simultaneously as a technical record, a shared point of reference for family financial decisions, and a source of confidence when planning for an uncertain season ahead. This multidimensional role suggests that the value of simple accounting practice in smallholder agriculture extends well beyond its narrow bookkeeping function, touching on the household's collective capacity to plan, adapt, and persist through the recurring risks that define chili farming as a livelihood.

5.2 Research Limitations

This research carries limitations because the data used remain limited in terms of the number of informants and focus only on chili farmers in West Sinjai District. Accordingly, the results of this research cannot yet be generalized to represent farmers in other regions. The research is also limited in that it focuses on a single commodity group, meaning the specific risk profile and seasonal cycle associated with chili cultivation may not fully reflect the accounting practice of farmers cultivating other crops with different production cycles, capital requirements, or market structures. Furthermore, because the phenomenological approach prioritizes depth of understanding over breadth of coverage, the findings presented here should be read as an illustration of lived experience among a small group of informants rather than as a statistically representative account of chili farming practice across the wider district.

5.3 Suggestions and Directions for Future Study

Future research is expected to involve a larger number of informants and expand the research area in order to obtain a more comprehensive picture of accounting practice in the agricultural sector. Future studies might also consider comparing accounting practice across different commodity groups, such as rice, vegetable, or plantation crops, to examine whether the household centered, experience driven pattern of financial management observed among chili farmers in this study extends to other agricultural contexts with different risk and cash flow structures. In addition, future research could usefully explore the feasibility and acceptability of low cost digital recording tools among smallholder farmers, building on the informal notebook based practice already established rather than displacing it, so that any technological intervention is more likely to be adopted and sustained. Finally, farmers are encouraged to continue improving their financial recording skills so that farm business management becomes more effective and sustainable, while extension workers and cooperative institutions are encouraged to design outreach programs that engage the whole farming household rather than the individual farmer alone.

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Author Contributions

AMMR contributed to conceptualization, methodology, field investigation, data collection, formal analysis, writing of the original draft. WOR contributed to supervision, validation, review and editing of the manuscript, project administration.

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