

ABSTRACT

Oil palm (*Elaeis guineensis*) is the main vegetable oil producing plant which has higher productivity than other vegetable oil producing plants. Palm oil produces two types of crude oil, namely Crude Palm Oil (CPO) and Crude Kernel Oil (PKO). From these two types of crude oil, many high-value derivative products will be produced. Indonesia is the largest producer of palm oil products, the amount of Indonesian palm oil production is estimated at 46.98 million tonnes in 2023. Riau Province is the region with the largest producer of palm oil in Indonesia with production reaching 9.58 million tonnes in 2023. With increasing demand palm oil derivative products, the development of the palm oil industry will continue to develop every year. This will have a positive impact on business actors engaged in palm oil plantations, one of whom is Mr. E. Saragi. Currently, Mr. E. Saragi has his own 9 hectares of oil palm land in Riau Province. The land owner plans to add new plantation land to increase income from oil palm plantations. Land owners invest to open new oil palm plantations. Based on the business feasibility analysis that has been carried out, it shows that the feasibility of opening an oil palm plantation is feasible by referring to the NPV value of IDR 1,721,017,563, IRR value of 28.8%, PBP of 6.11 years, and R/C value of 1.25. The results of this design also carried out a sensitivity analysis on variables such as increasing direct costs and labor costs. The results of the sensitivity analysis show that an increase in direct costs of 488.74% will have an impact on business feasibility and an increase in labor costs will be sensitive if the increase is 449.90%.

Keywords: *Feasibility Analysis, Market Aspects, Aspects, Technical, Financial Aspects, Sensitivity Analysis.*