Comparative Analysis of the Financial Performance of State-Owned Enterprises in the Agricultural Sector with the Eight Best Companies in the World

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Abstract. The agricultural sector is important in supporting a country's food security. Several companies, either under the auspices of the private sector or the government, participate in maintaining food security. In Indonesia, SOEs in the agricultural sector have a strategic role in supporting national development. Regarding funding, companies can be assisted by the government or through alternative investments through the capital market. This study aims to compare the financial performance of agricultural SOEs in Indonesia with the eight best agricultural companies in the world during the period 2018-2022. This study uses the Wilcoxon Signed-Rank Test. Financial data is obtained from the website of each company, namely the SOE (State-Owned Enterprises) in the agricultural sector and the eight best agricultural companies in the world. The results showed that the ratios owned by each company changed due to internal and external factors. The ratios that have significant differences are liquidity (CR), activity (ITO, RTO), and profitability (ROE). In addition, there are liquidity (QR), activity (TATO), and profitability (ROA) ratios that have significant differences. These findings provide insights for stakeholders to understand the dynamics of the agricultural sector's financial performance and a strategic basis for making future investment decisions.

Keywords: Agricultural Sector, Capital Market, Financial Ratio, State-Owned Enterprises.

1 INTRODUCTION

The emphasis on transparency and accountability Agricultural production in Indonesia currently needs to ensure adequate food security. Indonesia ranks 10th in Asia and the Pacific in terms of food security. Key indicators that remain under threat include access to food and issues related to climate change and adaptation. Essential commodities that support the livelihoods of the Indonesian population, such as rice, soybeans, corn, and wheat, continue to rely on imports. Specifically, Indonesia still depends on imports from Pakistan, India, and Thailand for rice. According to a report by CNBC Indonesia, in 2022, Indonesia imported 429 thousand tonnes of rice, with this figure expected to rise to 3.06 million tonnes in 2023. Additionally, Indonesian soybean commodities still

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require import activities from countries like the United States, Canada, and Argentina (CNBC, 2023).

In an attempt to protect the assets that underpin people's lives and maintain economic growth, several agricultural companies have joined forces with State-Owned Enterprises (SOEs). In addition, this also refers to Law Number 19 Year 2003, in which SOEs are required to contribute revenue to the state. Some SOEs in agriculture are PT Perkebunan Nusantara, PT Perikanan Indonesia, PT Rajawali Nusindo, PT Sang Hyang Seri, and PT Pertani. Over time, the Indonesian government merged the company PT Pertani and PT Sang Hyang Sari. The merger started in 2021 (Idris, 2023). Currently, based on company data, only a few companies publish their data. These companies include PT Rajawali Nusantara Indonesia and PT Perkebunan Nusantara.

Another effort made by the government to maintain agriculture is to create a government agency in the executive branch, the Ministry of Agriculture. In addition, there is the House of Representatives (DPR) Commission IV, one of which oversees the discussion of Indonesian agriculture. One of the efforts of the Ministry of Agriculture is to travel abroad to gain insight into good things that can be applied in Indonesia. However, the DPR Commission IV still questions the effectiveness of the work program. This is because the output produced is still not understandable by the DPR Commission IV (DPR GO, 2021).

On the other hand, several agricultural sector companies already have financial stability. These companies have a geographical location that is similar to Indonesia's, especially in terms of agriculture. The company has healthy financial figures based on data on profits earned, cash flow, dividends distributed to investors, and so on. Some of these companies are Archer Daniels Midland, Bayer, Bunge, Scotts Miracle-Gro, Corteva.Inc, Nutrien, FMC Corp and Tyson Food (Bowman, 2023).

This study identifies a significant research gap in the comparative financial performance analysis of Indonesian agricultural State-Owned Enterprises (SOEs) and top global agricultural companies. While Indonesia's agricultural sector faces challenges like climate change, import dependency, and questions around government initiative effectiveness, current literature needs more detailed financial comparisons. This research aims to fill this gap by using non-parametric tests to analyze financial ratios from 2018-2022, providing insights into the financial stability, adaptability, and transparency of Indonesian agricultural SOEs relative to global leaders and offering valuable information for policy makers and stakeholders to enhance food security and agricultural sustainability in Indonesia.

2 LITERATURE REVIEW

2.1 Financial Report

Financial reports are everything that contains information about the finances of a company or other organization that can provide an overview of how the financial performance of the organization or company is (Fahmi, 2011). Financial reports can also be mentioned as a summary of financial data that is systematically compiled to show the

company's performance to various parties who need information (Keown, et al 2021). Financial reports are formed of course with certain intentions. Financial reports are expected to be able to give an overview of the company's prospects and how the health of the company itself (Fraser & Ormiston, 2018). The use of company financial statement analysis will see how the company is performing from certain periods (Fachira & Saleh, 2022).

2.2 Financial Ratio

Financial ratios are instruments made based on comparisons, which are useful for describing the company's financial weaknesses and shortcomings (Keown, 2021). In addition, financial ratios can also be interpreted as a form of interpretation of the company's finances through which the company can see and monitor how the company's finances (Gitman & Zutter, 2020).

a. Liquidity Ratio
   - Current Ratio (CR)

$$CR = \frac{\text{Total Liquid Asset}}{\text{Total Current Debt}} \quad (1)$$

   - Quick Ratio (QR)

$$QR = \frac{\text{Total Liquidity Asset} - \text{Inventory}}{\text{Total Current Debt}} \quad (2)$$

b. Activity Ratio
   - Inventory Turnover (ITO)

$$ITO = \frac{\text{Cost Of The Good Sold}}{\text{Inventory}}$$

   - Receivable Turnover (RTO)

$$\text{RTO} = \frac{\text{Sales}}{\text{Average Account Receivable}} \quad (4)$$

   - TATO (Total Asset Turnover)

$$\text{TATO} = \frac{\text{Sales}}{\text{Total Asset}}$$

c. Solvency Ratio
   - DAR (Debt to Asset Ratio)

$$\text{DAR} = \frac{\text{Total Liabilities}}{\text{Total Asset}}$$

   - DER (Debt to Equity Ratio)

$$\text{DER} = \frac{\text{Total Liabilities}}{\text{Total Equity}}$$

d. Profitability Ratio
- ROA (Return on Asset)

$$\text{ROA} = \frac{\text{Net Sales}}{\text{Total Asset}}$$

- ROE (Return on Equity)

$$\text{ROA} = \frac{\text{Net Sales}}{\text{Total Equity}}$$

2.3 Previous Research

Previous research that became the reference for the author is research that analyzes financial performance but uses financial ratios as a form of decision-making regarding the description of the state of a company's financial performance. The initial researchers who used these ratios were Liu et al. (2013), who discussed the financial performance of Japanese and Chinese companies. Apart from these three ratios, some studies add other ratio variables, namely, adding activity ratios. Researches that use these ratios include Latuconsina and Rizal (2018) discussing how the mining sector of Chinese and Indonesian BUMNs, Kurniasari and Rahadian (2019) discussing the comparison of financial performance owned by Indonesian SOE Banks, Mohanty (2020) discussing the comparison of the financial performance of the pharmaceutical sector in India, Ismail et al. (2021) discusses the comparison of financial performance in the conventional banking sector and the evolution of finance in Islam, Majeed and Zainab (2021) conducted research by comparing the performance of Islamic banks with conventional banks, Gazi et al. (2022) discussed the financial comparison of traditional banking and Islamic banking in Bangladesh, Suji and Saleh (2022) conducted research on the comparison of financial ratios in the tourism sector during the pandemic and after the pandemic, Safitri and Istanti (2022) conducted research by discussing how financial performance occurred in textile companies before and during the pandemic and the latest research, namely Kavanagh and Hampson (2023) examined the financial performance of commercial banks after and before the merger and acquisition situation in Nepal.

Some of the researchers described in the previous paragraph used various tests to obtain the desired results. Liu et al. (2013), Latuconsina and Rizal (2018), and Safitri and Istanti (2022), Diva and Suji (2022) used the Wilcoxon Signed Rank Test. Kurniasari and Rahadian (2019) used the profit sensitivity analysis method. Majeed and Zainab (2021), Ismail et al. (2021), Gazi et al. (2022), and Kovanagh and Hompson (2023) used the T-Test. The purpose of choosing the test is to see the comparison after and before the data is compared.

Based on the results of research by Liu et al. (2013) found a significant difference between the ratios owned by Japan and China, Latuconsina and Rizal (2018) there are differences in several financial ratios of Chinese and Indonesian mining, Kurniasari and Rahadian (2019) found that BRI Bank always has above average performance, Mohanty (2019) in pharmaceutical companies has a high level of liquidity, Ismail et al. (2021) found significant differences between conventional banks and Islamic banks in

the ratios studied. In addition, in the research of Gazi et al. (2022), there are several ratios that have significant differences based on the ratios studied in traditional and Islamic banking in Bangladesh. Suji and Saleh (2022) found significant differences in asset turnover ratios and ROI, Safitri and Istanti (2022) provide results, namely CR and QR ratios do not show significant differences between the two periods but ROA, NPM, DAR, and TATO ratios show significant differences, Kavanagh and Hampson (2023) found that there were not all significant differences in the financial ratios studied, namely in commercial banks in Nepal before and after mergers and acquisitions.

Based on the literature review mentioned in the previous paragraphs, figure 1 presents the framework and hypotheses that can be provided are:

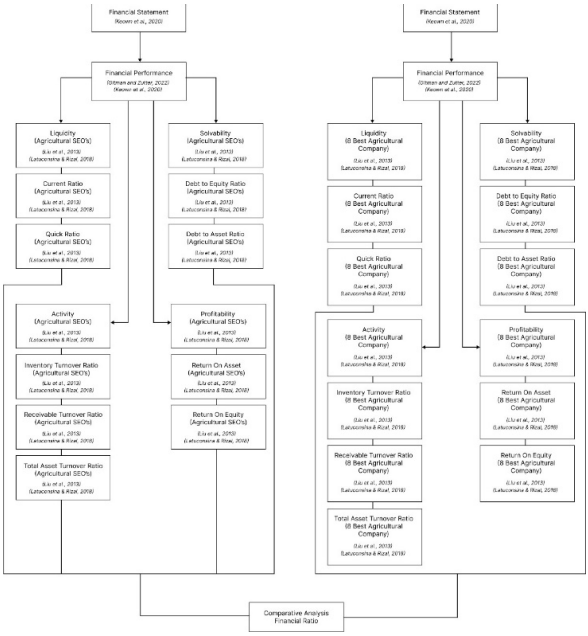

Figure 1. Framework

Hypothesis (H_1): There are differences in financial performance between state-owned companies in the agricultural sector in Indonesia and the eight best agricultural companies in the world for the 2018-2022 period.

3 RESEARCH METHODOLOGY

3.1 Type of Research

Research with quantitative methods is a type of research measuring the relationship between variables that can be measured based on research support instruments.

Supporting instruments here can connect and measure procedures statistically so that the analysis results will be in the form of numbers (Cresswell, 2021). The type of research in this study is comparative research. Comparative research aims to find differences or relationships between several groups that are the object of research. Researchers only compare data through this research without changing existing data (Indrawati, 2015). The descriptive method compares the financial performance of agricultural SOEs analyzed in the study with the eight best companies in the world.

The data collected in this study are data from several periods and several company objects, so they are classified as panel data (Cresswell, 2021). Panel data is a combination of cross-section and time series. In this study, the cross-section data in question is research taken from several company objects. Then, the time series referred to in this study is research data taken from various years.

3.2 Variable

A variable is a form of an attribute or anything that has been determined by the researcher at the beginning with the intention of obtaining further information or objectives. Through this determination, in the future the researcher can draw conclusions related to the research objectives. Variables have characteristics or descriptions such as properties, objects or others that function as differentiators between variables used to research (Sugiyono, 2020).

Variable operation is a step whereas a writer is required to make a decrease related to the variables that will be used in researching. Variable reduction is carried out to find out what data is used in conducting research (Indrawati, 2015). In this study, because the variable to be studied is financial performance, the operational variables used are financial ratios.

3.3 Population and Sample

A population represents a collection of individuals or environments interested in a specific goal. Special characteristics are built so that research has limitations in conducting research (Cresswell, 2021). In the current research, what can be categorized as a population are the financial reports held by state-owned agricultural sector companies and the best agricultural companies in the world.

Researchers used the purposive sampling technique, which selects the most representative sample of the problem or phenomenon being discussed (Indrawati, 2015). This technique helps determine samples to answer the problem and provide related information. Researchers set several criteria or questions to select appropriate samples. For agricultural state-owned companies, the requirements are state-owned companies with an annual report from 2018-2022, and the best companies are those included in the investment in agriculture news, as shown by Tables 1 and 2.

Table 1. SOE Sample Characteristics

No	Sample Characteristics	Size
1	SOE in the Agricultural Sector	5
2	SOE in the agricultural sector is inconsistent in issuing annual reports	(1)
3	SOE in the Agricultural Sector that are merging	(2)
	Total Sample	**2**

Table 2. World Best Agricultural

No	Sample Characteristics	Size
1	Agriculture Companies in the World	153.600
2	World's Best Agricultural Companies that are Not in the "Investing in Agriculture" News	(153.592)
	Total Sample	**8**

3.4 Data Analysis Technique

The following steps can be used in the analysis: First, data from the annual reports of agricultural SOEs and the eight best agricultural companies in the world for the 2018-2022 period can be collected. Second, calculate and analyze financial ratios such as liquidity, activity, solvency, and profitability ratios based on the annual reports. Third, conduct a normality test as the first step in using statistical tools. If all tested data are normally distributed, then it can be continued using parametric statistical tests (T-Test). However, if there is data that is not normally distributed, then the analysis continues using the Wilcoxon Signed Rank Test. Fourth, after the normality test, the data will be tested further. If all data is normally distributed, it will be tested using the Paired T-Test; otherwise, the Wilcoxon Signed Rank Test will be used. Fifth, it is the responsibility of the researchers to conduct hypothesis testing, making conclusions based on the results of the data that has been tested.

Paired T-Test Wilcoxon Signed Rank Test

$$t = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{\frac{s_1^2}{n_1} + \frac{s_2^2}{n_2}}}$$

Wilcoxon Signed Rank Test

$$z = \frac{W - \frac{n[n+1]}{4}}{\sqrt{\frac{n[n+1](2n+1)}{24}}}$$

4 RESULT/FINDINGS

According to Keown et al. (2021), financial ratios can be divided into several main categories: liquidity, activity, leverage, and profitability. Liquidity ratios, such as the current ratio (CR) and quick ratio (QR), measure a company's ability to meet short-term obligations with its current assets. Activity ratios, such as inventory turnover (ITO), receivables turnover (RTO), and total asset turnover (TATO), measure how effective a company is at managing inventory, collecting receivables, and utilizing total assets to generate sales. Leverage ratios, such as debt to asset ratio (DAR) and debt to equity ratio (DER), measure the proportion of debt to total assets and the proportion of debt to equity. Profitability ratios, such as return on assets (ROA), and return on equity (ROE), measure a company's efficiency in generating profits from its revenues, assets, and equity.

After calculating the ratios that will be compared between agricultural state-owned companies and the eight best companies in the world in 2018-2022, the research will continue by carrying out a normality test related to these data. The normality test (Table 3) is needed so that the significance level of the data can be seen and categorized based on the significance level of the data. If the significance level is >0.05, then the data is said to be normal, but vice versa. If <0.05, then the data is not normally distributed.

Table 3. Normality Test

No	Ratio	Agricultural SOEs	Eight of the World's Best Agricultural Companies
1	CR	0,004	0,200
2	QR	0,079	0,189
3	ITO	0,200	0,200
4	RTO	0,140	0,200
5	TATO	0,008	0,068
6	DAR	0,023	0,200
7	DER	0,036	0,080
8	ROA	0,002	0,192
9	ROE	0,200	0,001

Based on the results of the normality test, some data are not normally distributed, namely the CR, TATO, DAR, DER, ROA ratios owned by SOE in the agricultural sector and the ROE ratio owned by the eight best agricultural companies in the world.

Table 4 shows the Wilcoxon Sign Rank Test is one of the non-parametric statistical tests. This test is used because the research will see if there is a difference between the two paired samples. Thus, the 4 following are the results of the paired sample test:

Table 4. Result of Wilcoxon Sign Ranked Test

No	Ratio	Asymp P (P-Value)	Significant or Not Significant	Z Statistics	N	Means Negative Rank	N	Means Positive Rank

1	CR	0,005	Significant	-2,803[b]	0[a]	0,00	10[b]	5,5
2	QR	0,203	Not Significant	-1,274[b]	4[a]	3,75	6[b]	6,67
3	ITO	0,050	Significant	-1,886[b]	8[a]	5,75	2[b]	4,5
4	RTO	0,005	Significant	-2,803[b]	0[a]	0,00	10[b]	5,5
5	TATO	0,507	Not Significant	-0,663[b]	5[a]	4,20	5[b]	6,8
6	DAR	0,235	Not Significant	-1,188[b]	4[a]	3,13	5[b]	6,5
7	DER	0,878	Not Significant	-0,153[b]	5[a]	5,20	5[b]	5,8
8	ROA	0,109	Not Significant	-1,601[b]	1[a]	9,00	8[b]	4,5
9	ROE	0,005	Significant	-2,805[b]	0[a]	0,00	10[b]	5,5

a. RATIO_International Agricultural Companies < RASIO_SOE in Agriculture Sector
b. RATIO_International Agricultural Companies > RASIO_SOE in Agriculture Sector
c. RATIO_International Agricultural Companies = RASIO_SOE in Agriculture Sector

A. If the Asym P value is smaller than 0.05, H_1 is accepted, indicating that there is a significant difference between the two samples, namely the financial ratios of agricultural SOEs and the eight best agricultural companies in the world.
B. If the Asymp P value is greater than 0.05 then H_1 is rejected which indicates that there is no significant difference between the two samples, namely the financial ratios of BUMN in the agricultural sector and the eight best agricultural companies in the world.

Based on the research results, there are several ratios, namely the CR, ITO, RTO, and ROE ratios which have an Asymp P value, namely the P-Value which is below 0.05, which means that there is a significant difference in these ratios. Then, the QR, TATO, DAR, DER, ROA ratios have an Asymp P value or P-Value above 0.05 so that the ratio does not have a significant difference.

The results of this study present a comparative ranking of financial performance between agricultural SOEs and the eight best agricultural companies in the world based on financial ratios for the period 2018-2022. The analysis shows that some SOEs are able to compete with the world's leading companies in terms of operational efficiency and profitability. The analysis also shows significant differences in business strategy and financial management between the companies.

5 DISCUSSION

5.1 SOEs in the Agricultural Sector

The financial performance of SOEs in the agricultural sector using management aspects. The management aspects that will be discussed are the causes of the increase and decrease in ratios. For this discussion, the agricultural SOEs PT PN III (Perkebunan Nusantara) and PT Rajawali Nusantara Indonesia will be used as one group. Based on the calculation of liquidity, activity, solvency, and profitability ratios owned by the

company has a fluctuating level. The fluctuating level is influenced by the COVID-19 pandemic. Some aspects of management, such as revenue, assets, liabilities, and several other aspects, have decreased and increased due to this influence. Another aspect is that the company made ineffective investments, resulting in an increase in the company's liabilities and a decrease in revenue. However, in 2021, financial ratios began to increase or bounce back due to the improvement of the Indonesian economy.

5.2 Eight Best Agriculture Sector Companies in the World

This discussion will discuss the financial performance of the eight best agricultural companies in the world using management aspects. The management aspect that will be discussed is the cause of the increase and decrease in ratios. Based on the calculation of liquidity, activity, solvency, and profitability ratios owned by the company has a fluctuating level. The fluctuating level is influenced by the COVID-19 pandemic. Some aspects of management, such as income, assets, liabilities, and several other aspects, have decreased and increased due to this influence. In addition, another aspect is the ineffective investment made by the company so that the company's liabilities increase and revenue decreases. However, in 2021, several companies experienced an increase in both revenue and several other assets. Some companies experienced a decline in 2021-2022 due to poor investment and the company developing new products.

5.3 Comparison of Financial Performance

Liquidity

For the CR (Current Ratio) ratio based on the results of data processing in the table, the significance result is 0.005 <0.05. This indicates that the CR ratio accepts H1, namely, having a significant difference in comparison. These results are in line with the research of Liu et al. (2013) but not aligned with Latuconsina and Rizal (2018). When viewed based on the ranking category in the output data, it is known that the CR value owned by the eight best agricultural companies in the world has a greater value than the SOE agricultural sector. In the QR ratio (Quick Ratio), through data processing, it is shown that there is a significant result of 0.203> 0.05 so that it rejects H1. This can mean that the QR ratio does not have a significant difference. These results are not in line with the research of Liu et al. (2013) and Latuconsina and Rizal (2018). Based on the results of the ranking category output in the data processing system, it is known that the QR owned by the best agricultural companies in the world is greater than that of BUMN in the agricultural sector.

Based on the results of the discussion in the previous few paragraphs regarding the ranking, it is known that the liquidity ratio of the best agricultural companies in the world has a greater ratio level compared to BUMN agricultural sector companies. In addition, it can be seen that the best agricultural companies in the world and BUMN agricultural sector companies have differences in financial performance.

Activity

When processing data on the ITO (Inventory Turnover) ratio, it is known to produce a significant value of 0.057> 0.05. The magnitude of significance approaches the value of 0.05, and then the H1 ITO ratio is rejected so that it can be interpreted as having no difference but not significant. These results are in line with the results of Liu et al. (2013) but not with Latuconsina and Rizal (2018). Thus, when viewed based on the ranking value, the existing ranking category in ITO is that the SOEs in the agricultural sector are greater than the eight best agricultural companies in the world. Based on the test results for the RTO (Receivable Turnover Ratio) ratio, the significant value of 0.005 <0.05 means that H1 is accepted so that the RTO ratio has a significant difference. These results are in line with the results of research by Liu et al. (2013) but not aligned with Latuconsina and Rizal (2018). With the information obtained from the data processing results and the existing ranking value, it can be concluded that the RTO value in state-owned companies in the agricultural sector is smaller than the eight best agricultural companies in the world. The TATO (Total Asset Turnover) ratio of agricultural state-owned companies and the eight best agricultural companies in the world shows a significant value of 0.507> 0.05, which indicates that the TATO ratio rejects H1, so this ratio has no significant difference. These results are in line with the research results of Liu et al. (2013) and Latuconsina and Rizal (2018). With the information that has been obtained from data processing, therefore the value of the TATO ratio in state-owned companies in the agricultural sector is smaller than the eight best agricultural companies in the world.

When viewed based on the ranking of the ITO (Inventory Turnover) ratio, SOEs in the agricultural sector are greater than the eight best agricultural companies in the world. This shows that these SOEs are able to manage their inventory efficiently. However, the smaller RTO (Receivables Turnover) and TATO (Total Asset Turnover) indicate that despite good inventory management, these SOEs are less efficient in managing their receivables and overall assets compared to the world's top eight agricultural companies. This could be due to various factors, such as ineffective collection processes or sub-optimal use of assets in generating sales.

Solvency

The DAR (Debt to Asset Ratio) ratio shows a significance value of 0.235>0.05, so the DAR ratio rejects H1. Thus, there is no significant difference in the comparison of DAR ratios. These results do not align with the research results of Liu et al. (2013) and Latuconsina and Rizal (2018). With some existing information, the DAR of state-owned companies in the agricultural sector is smaller than the eight best agricultural companies in the world.

The DER (Debt Equity Ratio) ratio that has been processed shows a significance value of 0.878>0.05, meaning that the DER ratio rejects H1, so the comparison of DER ratios has no significant difference. These results are different from the research results of Liu et al. (2013) and Latuconsina and Rizal (2018). Thus, it can be concluded, based on the existing data processing information, that the DER of state-owned companies in the agricultural sector is smaller than the eight best agricultural companies in the world.

Based on the information and the results of the discussion regarding the ranking mentioned in the previous paragraph, the solvency ratios in data processing, when

compared to produce output in the form of agricultural sector SOEs, have a level of solvency ratio smaller than the eight best companies in the world. Thus, the level of leverage and risk owned by the eight best companies in the world is more significant.

Profitability

Processing of ROA (Return on Asset) ratio data shows a significance value of 0.109 <0.05, so it can be concluded that the ROA ratio rejects H1. Thus, the comparison of ROA ratios has no significant difference. This result does not align with the results of research by Liu et al. (2013) and Latuconsina and Rizal (2018). Thus, the ROA ratio of agricultural SOEs is smaller than the eight best agricultural companies in the world. The ROE (Return on Equity) ratio based on the data processing results shown in the table has a significance value of 0.005> 0.05 or accepts H1. These results align with the results of Liu et al. (2013) but not the same as Latuconsina and Rizal (2018). What this data means is that the comparison of ROE ratios produces significant differences. This can be concluded based on data and information on the results of the ROE output of state-owned companies in the agricultural sector, which is smaller than the eight best agricultural companies in the world.

Building on the results of data processing and the ranking explained in the previous paragraph, it can be concluded that the top eight agricultural companies in the world outperform the best agricultural SOEs in terms of profit. This underscores the superior efficiency of assets and equity held by the top eight companies, compared to the SOEs in the agricultural sector. These findings have significant implications for the agricultural and financial sectors, highlighting the potential for improved performance and profitability in the private sector.

6 CONCLUSION AND RECOMMENDATION

The financial performance of agricultural SOEs in Indonesia, as measured by the ITO ratio, surpassed that of the eight best agricultural companies in the world in 2018-2022. This success underscores the potential for investment in these entities. Conversely, the financial performance of the eight best agricultural companies, as assessed by CR, QR, RTO, TATO, DAR, DER, ROA, and ROE, also showed a better level compared to the best agricultural companies in the world during the same period.

Based on the results of data processing of financial ratio comparisons, it is known that the ratios of CR, QR, ITO, RTO, TATO, DAR, DER, ROA and ROE use the Wilcoxon Sign Ranked Test research method. The CR, ITO, RTO, and ROE ratios have a significance below 0.05, which indicates that these ratios show a significant difference in the financial performance of BUMN in the agricultural sector compared to the eight best agricultural companies in the world. The QR, TATO, DAR, DER, and ROA ratios show significant values above 0.05, indicating that there is no significant difference in the financial performance of agricultural SOEs and the eight best agricultural companies in the world, suggesting a level playing field in these areas.

This study provides an evaluation of firm performance based on financial ratios for agricultural SOEs and the eight best agricultural companies in the world. The results recommend market diversification for SOEs to increase revenue and product diversification for global companies to increase inventory turnover. For investors, this research provides essential data for future investment decisions. Meanwhile, for the government as a stakeholder, the data and outputs of this research can be used as a basis for creating work programs or policies that support the agricultural industry in Indonesia.

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