RESEARCH PAPER

Process Design and Feasibility Study of Food-Grade Salt Production from Crude Solar Salt in Madura, Indonesia

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ABSTRACT

The production of food-grade salt from crude solar salt has been rigorously evaluated through a comprehensive techno-economic analysis. This study aimed to investigate a salt factory to assess its technical and economic aspects, identify precise parameters for enhancing the quality of food-grade salt, and develop a cost-effective and novel method for processing high-quality food-grade salt. The factory's primary processes include grinding, washing, draining, drying, and fortification, supported by equipment such as brine management systems, conveyors, sieves, and packaging machinery. The proposed salt plant, designed for a daily output of three tons over 15 years, requires 30 months for construction and a 4-month startup period. The total capital investment is USD 1,921,000, with USD 310,000 allocated for technology and equipment. Economic indicators, including a Net Present Value (NPV) of USD 7,862,000, an Internal Rate of Return (IRR) of 46.48%, a payback period of 1.56 years, and a Return on Investment (ROI) of 64.28%, demonstrate its feasibility. Furthermore, this research provides a detailed production process and layout of the plant, which is crucial for all stakeholders. Moreover, it emphasizes the critical need for designing an effective organizational structure and addressing identified safety issues to maximize efficiency and safety in food-grade salt factories. Therefore, establishing a salt plant in Indonesia supports food-grade salt production, stabilizes solar salt prices, and enhances the welfare of traditional salt farmers. Ultimately, the results of this study offer valuable insights for all stakeholders regarding the feasibility of establishing a food-grade salt production plant in Indonesia.

KEYWORDS: Food-grade salt; Crude solar salt; Salt processing; Salt plant; Techno-economic analysis*.*

1. **Introduction**

Salt has become a vital commodity in various global economic and industrial sectors [1]. Over the years, the demand for salt has steadily increased, primarily due to its applications in industry, human consumption, and pharmaceuticals [2]. In 2022, the Indonesian Ministry of Industry reported that out of the

country's total salt demand of 4.5 million tons, only 800 thousand tons were allocated for household consumption [3]. Over the past several years, Indonesia has experienced a rising trend in salt imports, with the volume increasing from 2.5 million tons in 2017 to 2.75 million tons in 2022 [4], amounting to a total value of USD 124.4 million. One of the main drivers of this increased

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demand for salt is the rapid population growth [5]. As the population expands, the need for salt as a primary food ingredient and a fundamental element in various industries has significantly increased [6].

Table salt, also known as food-grade salt, used as a flavor enhancer in various foods, contributes positively to the agricultural and food sectors [7]. Additionally, salt plays a crucial role in the industrial sector, including the chemical and pharmaceutical industries [8]. It frequently serves as a primary raw material for producing a wide range of products in manufacturing processes. In the pharmaceutical sector, salt is vital in manufacturing medicines and various medical products [9]. Several vital stages are involved in the processing of food-grade salt [10], which require careful investigation. For instance, an essential step is fortifying salt with iodine or other beneficial nutrients to ensure it provides these vital elements crucial for human health [11]. These stages significantly impact both the quality and quantity of the salt produced.

To meet the demands for high-quality and costeffective food-grade salt, a comprehensive understanding of salt production techniques and the proper selection of processing methods are required. To study the production process of foodgrade salt, we employed SuperPro Designer software to develop and simulate system performance. This powerful tool aids research by identifying optimal performance in both technical and economic terms. Numerous studies have utilized SuperPro Designer to develop and simulate industrial production processes before presenting the findings to government and industry stakeholders to initiate projects, as explained below.

This study [12] utilized SuperPro Designer software to simulate and evaluate the technoeconomic performance of a metal recovery process, focusing on molybdenum, vanadium, nickel, and alumina from discarded hydroprocessing catalysts. The simulation included layout design, optimized reaction conditions with Ethylenediaminetetraacetic acid (EDTA) as the leaching agent, and economic assessments, such as total investment costs, unit production costs, internal rate of return, net present value, and project payback time. The findings indicated that using EDTA for metal recovery is economically viable. The process generated minimal waste and emissions while efficiently recovering valuable solvents. These results support the economic feasibility of recycling spent hydroprocessing catalysts and provide insights for industrial-scale valorization, aiding stakeholders and decision-makers in investment and policy decisions.

Another study [13] also utilized SuperPro Designer software to conduct comparable simulations, examining the economic aspects of an herbal ice cream product derived from longevity spinach. The formulation includes longevity spinach (5%), skim milk (69.75%), flavor extract (0.6%), sugar (3.25%), salt (1%), lecithin (20%), and food coloring (0.4%). The plant can produce 57,734 jars per day, each priced at Rp 5,066. The initial investment is Rp 10,305,160,564, with an annual revenue of Rp 77,216,401,229 and an internal rate of return (IRR) of 46%. The net present value (NPV) is Rp 21,819,500,900, and the payback period is 2.24 years. The product's performance is sensitive to the selling price and raw material costs. From the literature, it is evident that simulation can offer a detailed overview before actual implementation in developing an industry. This approach helps prevent losses during implementation by identifying potential mistakes and optimizing plant design, equipment, and technical parameters. Consequently, this enhances the economic perspective and overall feasibility of the project. This can be explained that the simulation and economic analysis are highly effective methods extensively applied across diverse disciplines to comprehend and forecast complex systems and their behaviors. Combining these approaches offers significant benefits, including valuable insights and improved decision-making processes. A notable advantage of this integration is its ability to assess the competitive impacts of mergers [14].

To review the food-grade salt production process, it is essential to understand the primary stages involved. The process begins with transforming crude salt into fine salt, typically through size reduction. One study [15] investigated the grinding process in detail, comparing wet and dry grinding methods. This process usually utilizes a disc mill or hammer mill to reduce the salt's size. The choice of material for the equipment is crucial for durability, with stainless steel often used due to its rust-preventing properties. However, dry grinding can still induce rust even with stainless steel, necessitating the introduction of the wet grinding method. Despite its advantages, the wet method has drawbacks, such as higher quantity reduction due to salt dissolution in brine water. Following grinding, the next step involves thoroughly washing the salt to remove impurities and contaminants. This involves draining to remove excess water, followed by drying to

eliminate any remaining moisture, resulting in dried salt. This method enhances the salt's shelf life and overall quality, making it crucial to understand the relevant parameters. According to the literature [16], reducing the water content in salt requires two types of equipment: draining and drying equipment. Draining typically utilizes a centrifugal hydroextractor, which effectively reduces high water content, while drying commonly employs rotary, fixed, or fluidized bed dryers. These dryers reduce the salt's water content to the lowest levels, with fixed or fluidized bed dryers being particularly effective in producing high-quality salt [17]. Proper salt processing requires not only appropriate equipment but also carefully selected parameters [18]. Accurate processes, equipment, and parameters provide stakeholders with a clear investment overview, ensuring the salt industry can achieve feasible results [19].

However, for the literature, there is currently a lack of research investigating salt factories to analyze their technical and economic aspects and determine precise parameters for improving the quality of food-grade salt. This research is crucial for providing new insights to fill this knowledge gap and for proposing practical implementation strategies to the government and industry to develop high-quality, cost-effective salt. Therefore, in this paper, we proposed a detailed design for a food-grade salt production plant with an estimated capacity of 3 tons of crude solar salt per hour. This design was created using SuperPro Designer 9.5 to develop and simulate the industrial production processes. The evaluation encompasses the production line and technical parameters necessary for producing food-grade salt from crude solar salt. Furthermore, the study also analyzed the economic aspects, including production costs, investments, and engineering benefits. The objective of this study is to develop a cost-effective method for processing highquality food-grade salt and to evaluate it in terms of technical and economic factors. Ultimately, the study provides a comprehensive overview of how to establish a high-quality, cost-effective foodgrade salt processing industry. It contributes to practical knowledge and offers guidelines for all stakeholders before real implementation.

The remaining part of this paper is structured as follows: Section 2 explains the experimental procedures, simulation, process description, and economic analysis. The results and discussion are presented in Section 3, detailing the mass and energy balance of food-grade salt from crude solar salt, as well as the capital and production cost analysis, cash flow, and profitability. Finally, Section 4 provides the conclusion of the study and offers recommendations to all stakeholders.

2. Experimental Procedures 2.1. Simulation and process description

In this study, a proposed plant for food-grade salt production, with an estimated capacity of 3 tons per hour of crude solar salt, was designed. The primary source of this crude solar salt was obtained from local traditional saltworks around Madura Island, East Java Province, Indonesia. This acquisition served two purposes: firstly, to support local traditional salt farmers by purchasing their salt products, and secondly, to minimize transportation costs. The plant was designed to be located in Pamekasan Regency, with an expected productive lifespan of 15 years, including a developmental phase of 30 months and a startup period of 4 months. The production line was planned to operate on a daily schedule of eight hours, six days a week, to achieve optimal operation. The maintenance schedule for equipment included bi-weekly maintenance sessions. Evaluations of mass and energy balance were simulated using SuperPro Designer 9.5 to ensure optimal process conditions. Furthermore, profitability analysis was conducted using Microsoft Excel 2019. To provide a reference for technical feasibility, the process design in this study was developed based on a previous literature review study.

Figure 1 presents a detailed process flow encompassing five primary stages: grinding, washing, draining, drying, and fortification. The secondary processes include transferring, represented by belt and screw conveyors, sieving, represented by a vibrating screen; and packaging, represented by a filler. The grinding process reduces the size of crude solar salt to its smallest particle size. At this stage, the washing procedure is crucial to remove impurities effectively. The washing process uses saturated brine water to eliminate soluble and insoluble impurities in the crude solar salt. Removing soluble impurities enhances the purity of sodium chloride while eliminating insoluble impurities like mud, plastic, and sand improves the salt's physical quality. The draining process reduces the water content of the salt after washing, preparing it for the subsequent drying stage. The drying process aims to reduce the water content to the lowest level, meeting Indonesian national standards for food-grade salt. Finally, the fortification process adds potassium iodate $(KIO₃)$ to provide the necessary iodine content in the salt.

Fig. 1. Block flow diagram of production of food-grade salt from crude solar salt.

In this study, the simulation of the production line and technical parameters for producing food-grade salt from crude solar salt using SuperPro Designer 9.5 is explained as follows. The process begins by transferring the crude solar salt from storage using a conveyor belt with a 5-ton/h capacity. It is then placed into a hopper for temporary storage. Next,

the crude solar salt is moved to a grinder, where it undergoes size reduction using hammer mill equipment. The expected output size is approximately 0.3 mm, with a processing capacity of 3 tons/h. The grinding process is designed to produce a uniformly sized salt product that meets quality standards, with negligible losses assumed

in the transferring and grinding stages. Following grinding, the salt is washed using saturated brine water with a salinity level of approximately 20-25 degrees Baumé in the washing equipment. The washing process is conducted twice to maximize impurity removal. The estimated amount of saturated brine water used in a single washing process is 9,000 L/h. The use of saturated brine water aims to limit the loss of salt content due to dissolution. Therefore, in this simulation, washing losses are assumed to be negligible.

The washing process is expected to increase the sodium chloride content in the salt from 88% to 94%. Additionally, it enhances the physical characteristics of the salt, leading to improved whiteness and purity. The brine management system addresses water management issues and promotes environmentally friendly processes by handling the saturated brine water. This system is designed to deliver clean, saturated brine water to the washing system through multiple filtration steps before recycling it for use in the washing process. All waste generated from the brine management system is collected and stored in the waste treatment plant. After washing, the moist salt is moved to the draining phase to remove any remaining water through centrifugation. During this process, the salt is estimated to have an 11% water content on a wet basis. The draining process is more effective in reducing higher water content in materials that the drying process cannot efficiently manage.

The drying process was conducted using a rotary dryer to reduce the water content to its lowest possible level. The salt's water content was estimated to be approximately 1% to 3%, meeting the minimum percentage requirement specified by Indonesian standards for food-grade salt. The drying temperature was maintained at 100 to 110°C to maximize water evaporation without compromising the quality of the salt. Before entering the fortification process, the salt is cooled to an estimated temperature of 25°C using an ambient air blower. Lower salt temperature is advantageous for the fortification process with KIO3, as higher temperatures can lead to the evaporation of $KIO₃$, resulting in lower iodine content.

The fortification process is carried out in a 100L mixing tank, where iodine in $KIO₃$ is added to the salt to achieve a final concentration of 45 ppm. Iodine is added using a dosing pump with a flow rate capacity of 5 to 8 L/min. The product then passes through a vibrating screen to ensure uniform salt particle size. Afterward, it is moved to salt storage before being packed. The packaging process involves using a machine capable of handling 40 packs per minute, with each pack weighing 250 g. These packs are made of polyethylene plastic and weigh 5 g each.

The process simulation used SuperPro Designer V9.5 to generate mass balance, energy balance, and an economic report. SuperPro Designer V9.5 was utilized to calculate specifications for several preliminary plant research designs [20-22]. Equipment prices were obtained through a local manufacturing vendor, and raw material prices were sourced from local salt warehouses and vendor companies. The price for packed salt was set at IDR 1,200 to match the market price. The USD to IDR conversion rate used in this study is IDR 15,610.95 per USD 1 (as of October 5, 2023). The flow diagram design in the SuperPro Designer V9.5 interface and the detailed parameters of the equipment technology are presented in Figure 2 and Table 1, respectively.

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| Items | Capacity (tons/h) | Power (kW) | Size (mm) | |
|----------------------------|----------------------|-------------------|-----------------------|--|
| Main Equipment | | | | |
| Belt conveyor | \pm 5 tons/hours | 1.48 kW | 6900 x 600 x 2450 | |
| Hopper Storage | \pm 5 tons/hours | 2.22 kW | 1200 x 1200 x 1500 | |
| Belt conveyor | \pm 5 tons/hours | 1.48 kW | 600 x 830 x 5000 | |
| Hammer mill | \pm 3 tons/hours | 7.4 kW | 1480 x 980 x 1850 | |
| Washing 1 | \pm 3 tons/hours | 2.22 kW | 3900 x 1200 x 1690 | |
| Washing 2 | \pm 3 tons/hours | 2.22 kW | 3750 x 1220 x 2510 | |
| Centrifuge | \pm 4 tons/hours | 22.5 kW | 24600 x 12860 x 10300 | |
| Screw centrifuge | \pm 6 tons/hours | 1.48 kW | 3400 x 600 x 1700 | |
| Screw input dryer | \pm 6 tons/hours | 1.48 kW | 4400 x 600 x 1800 | |
| Rotary dryer | \pm 3 tons/hours | 2.22 kW | 8900 x 950 x 1680 | |
| Dryer heating stove | | 0.74 kW | | |
| Screw assembly + cooling | \pm 5 tons/hours | 1.48 kW | 3400 x 280 x 450 | |
| Dry salt screw $+$ cooling | \pm 6 tons/hours | 1.48 kW | 4400 x 280 x 450 | |
| Gyro sieve | \pm 3 tons/hours | | | |
| Disk mill | \pm 3 tons/hours | 7.5 kW | 1480 x 980 x 1850 | |
| Elevator grader | \pm 3 tons/hours | 1.48 kW | 600 x 830 x 5000 | |
| Elevator silo | \pm 3 tons/hours | 1.48 kW | 600 x 830 x 5000 | |
| Silo storage | ± 2.5 ton | | | |
| Screw silo salt | \pm 3 tons/hours | 1.48 kW | 3400 x 280 x 450 | |
| $KIO3$ tank | \pm 0.1 ton | 0.06 kW | | |
| Packing machine | \pm 25-40 pack/min | 0.75 kW | | |
| Digital scales | \pm Max 0.2 ton | 0.006 kW | 420 x 500 x 1080 | |
| Supporting Equipment | | | | |
| Primer water pump | | 0.75 kW | | |
| Brine water pump | $± 6$ tons | 0.75 kW | | |
| Resevoir tank | \pm 0.2 ton | | | |

Tab. 1. The detailed parameters for each equipment in the salt plant

2.2. Economic analysis 2.2.1.Estimation of capital cost

Capital costs are one-time expenses associated with project development, encompassing expenditures for construction, land clearing, mechanical and electrical equipment, installation, and acquiring assets such as land. The projected total area for the salt plant is approximately 5,100 m². Detailed insight into the plant layout and the specific allocation of this area are presented in Figure 3. This project aims to establish a collaboration with the government to improve traditional salt farmers' welfare. Consequently, the expense associated with land acquisition was excluded from this calculation, as the government will supply it. The primary capital cost is allocated to the construction of the salt plant, which includes civil, mechanical, and electrical work, equipment technology development, equipment site installation, and other contingency costs. Local contractors and supplier companies provided all quotations for the project's development.

Fig. 3. The two-dimensional (2D) layout of the salt plant.

2.2.2.Estimation of production cost

Production costs refer to the total expenses incurred throughout the entire process of manufacturing a product, including the costs related to its distribution to the market. These costs encompass expenses for raw materials, payroll, administration, facilities, consumables, and utilities. Crude solar salt is purchased from a local traditional saltworks, with the price covering both the purchase and delivery to the project location. Payroll expenses are determined by the minimum wage regulations in the local area, while administration costs include expenses related to

office and business operations. Facilities costs cover electricity, water, gas, maintenance, repairs, insurance, and taxes. Additionally, laboratory, consumables, and utilities costs are associated with maintaining optimal business operations.

2.2.3.Estimation of economic and profitability

The economic analysis of this plant involves a two-step process. Firstly, the capital cost is determined by applying the purchase cost factor on default settings while excluding unlisted equipment. Subsequently, the production cost is assessed using SuperPro Designer V9.5 with necessary adjustments. This approach allows for a comprehensive evaluation of the facility's economic profitability. Calculating income and cash flow is essential when analyzing profitability. Income is computed as the revenue from salt product sales, taking into account all production costs, taxes, and depreciation. Cash flow is determined by subtracting all expenses from income. A cash flow analysis was conducted using SuperPro, considering the project's lifetime without financing options for investment. The project lifetime is 15 years, with a construction period of 30 months and a startup period of 4 months. Based on the calculated cash flow, the plant's profitability can be analyzed by calculating the NPV, IRR, payback period, and return on investment (ROI) [23]. NPV illustrates the disparity between the present value of incoming cash flows and the present value of outgoing cash flows over a specified time frame [24]. As NPV is the outcome of calculations, it also determines the current worth of future payments, considering the appropriate discount rate. Projects with a positive NPV are generally judged feasible, while those with a negative NPV are discouraged. The IRR serves as a financial metric employed in assessing the potential profitability of investments [25]. IRR represents the discount rate that, in a discounted cash flow analysis, results in the NPV of all cash flows being precisely zero. The payback period refers to the time required to recover the initial cash investment [26]. ROI is a primary ratio that

calculates the net profit of an investment divided by its cost [27].

3. Result and Discussion

3.1. Mass and energy balance of foodgrade salt from crude solar salt

By following several processes, including grinding, washing, draining, drying, and fortification, crude solar salt can be purified, ultimately resulting in the successful production of food-grade salt. Table 2 provides an overall mass balance in kg/year for producing food-grade salt from crude solar salt. This simulation demonstrated that crude solar salt can be efficiently and feasibly purified into food-grade salt. The purification process is estimated to result in a maximum loss of 10%, primarily occurring during the removal of soluble and insoluble impurities in the crude solar salt during the washing process. This process results in the production of high-quality food-grade salt. The washing process requires 2,595 L/day of brine water and is expected to generate approximately 50 kg of waste daily. This waste, known as salt slag, contains significant quantities of magnesium and calcium minerals, rendering it a valuable resource for these elements. These minerals can be utilized as sources of magnesium and calcium for dietary supplements in shrimp aquaculture feed [28]. Consequently, this could provide additional income for the industry.

Tab. 2. Overall mass balance in kg/year.

Following the washing process, the draining stage is critical in eliminating excess water from the salt. This method reduces the salt's water content by more than 25%, yielding saline water. The brine water can be reused in subsequent washing procedures, improving overall brine water management efficiency. Additionally, the brine can serve as a feed for traditional solar salt

production using the evaporation method proposed in [29]. This synergy between industry and traditional solar salt production benefits solar salt farmers and mitigates the harmful impact of brine waste on marine life. Consequently, this approach supports Sustainable Development Goal 14, which focuses on preserving aquatic life [30]. During the drying process, a constant flow of hot

air is fed into the rotary dryer to remove the remaining water content, ensuring that the salt meets food-grade quality standards. The drying stage is a crucial step in producing high-quality food-grade salt, requiring proper equipment and parameters. Another study found that the most efficient method for producing high-quality dried salt involves combining drying, grinding, and separating into a single stage [31]. This method can significantly reduce costs while maintaining high quality. However, the solar salt input must meet certain requirements, such as having a water content of less than 10% [32]. The dried salt then proceeds to the fortification process, where 1.1

kg/day of $KIO₃$ is added to achieve a minimum $KIO₃$ level of 45 ppm. These successive processes produce a food-grade salt with a minimum sodium chloride content of 95% and a KIO₃ level of at least 45 ppm. The detailed mass and energy balance for each stream, generated using SuperPro software, are presented in Tables 3a - 3d. Ultimately, the integrated process of grinding, washing, draining, drying, and fortifying crude solar salt efficiently converts it into high-quality food-grade salt, achieving minimal impurity loss while generating valuable waste products that support sustainability and provide economic benefits to the industry.

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Tab. 3c. The mass and energy balances for each stream (Continued).

Tab. 3d. The mass and energy balance for each stream (Continued).

Flowrates (kg/h)

 \overline{a}

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| Polyethylene | 0.00 | $0.00\,$ | 0.00 | $0.00\,$ | 0.00 | 0.00 | 0.00 | 60.43 | 60.43 |
|-----------------|------|----------|----------|----------|----------|-------|----------|--------|-----------|
| Pottasium Iodat | 0.14 | 0.14 | 0.14 | 0.00 | 0.14 | 0.00 | 0.14 | 0.00 | 0.14 |
| Sodium Chloride | 0.00 | 3.021.38 | 3.021.38 | 30.21 | 2.991.16 | 30.21 | 3.021.38 | 0.00 | 3,021.38 |
| TOTAL (kg/h) | 0.14 | 3.021.51 | 3.021.51 | 30.21 | 2.991.30 | 30.21 | 3.021.51 | 60.43 | 3,081.94 |
| TOTAL (L/h) | 0.04 | 1.564.03 | 1.564.03 | 15.64 | 1.548.39 | 15.64 | .564.03 | 163.81 | 55.211.67 |

3.2. Capital cost analysis

Capital investment in technology and equipment is vital for developing a salt plant. Selecting the appropriate technology is crucial to transform purified crude solar salt into food-grade salt. Failure to select suitable technology may lead to the manufacture of salt that fails to meet the requirements set by Indonesia. Table 4 presents the detailed capital costs for the equipment and technology used in the salt plant. The most expensive technology is the centrifuge, accounting for 16.2% of the total technology and equipment cost. This technology cannot be developed domestically and relies on imported technology

from overseas. It is essential to consider future research and development efforts for domestic centrifuge production. Following this, the rotary dryer represents 5.6% of the total technology and equipment cost. This technology has the capability for local development, boasting a 100% domestic component level. However, implementing this technology results in slightly higher costs due to its complexity and the need for precise development. The complexity of this technology arises from the precise design of the heating and cooling processes and the timing considerations. Additionally, the use of stainless steel 316 as a critical material for this technology increases expenses.

Finally, the washing process requires careful consideration. All components within the washing process, including the equipment for brine water management and instrumentation, collectively account for nearly 10% of the total technology and equipment cost. The washing process plays a vital role in enhancing salt quality without significantly reducing salt quantity during the washing stage. The reduction in salt quantity is mainly due to inaccuracies in providing the correct brine water salinity. In the salt washing process, higher brine water salinity reduces the capability to remove impurities but also minimizes salt loss.

Conversely, lower brine water salinity allows for better impurity removal but leads to higher salt loss. Therefore, effective management of brine water in salt washing is essential. The complete breakdown of the capital cost calculation can be seen in Table 5. In addition to the cost of technology and equipment, a significant portion of the capital investment is allocated to the construction and installation of the salt plant. Due to the hygroscopic properties of salt, precise

engineering and design of the building are essential. Specific processing areas necessitate particular consideration in their design. For instance, the washing processing area should seamlessly integrate with the brine water management systems. Inappropriate design of the washing processing area can lead to increased costs for the salt washing process, thereby raising overall capital and production expenses.

Furthermore, the design of the drying process area must be carefully considered, as it can produce fine salt particles. These fine particles tend to adhere to the walls and roof of the factory, leading to corrosion of the metal structures and equipment. Therefore, the drying process area should be isolated from other processing areas to minimize this risk. Additionally, the storage area for foodgrade salt products should be located far from other processing areas and maintained under optimal environmental conditions, including temperature and humidity. This precaution helps to avoid any deterioration in the salt product's quality.

| Component | Cost (USD) |
|--------------------------------|------------|
| 1. Technology & equipment cost | 310,000 |
| 2. Installation | 152,000 |
| 3. Process piping | 108,000 |
| 4. Instrumentation | 124,000 |
| 5. Insulation | 9,000 |
| 6. Electrical | 31,000 |
| 7. Buildings | 139,000 |
| 8. Yard improvement | 46,000 |
| 9. Auxiliary facilities | 124,000 |
| 10. Engineering | 261,000 |
| 11. Construction | 365,000 |
| 12. Contractor's fee | 84,000 |
| 13. Contingency | 167,000 |
| Total | 1,921,000 |

Tab. 5. The complete breakdown of the capital cost calculation.

3.3. Production cost analysis

Raw materials account for a significant portion of the production cost, exceeding 50% of the expenses. This overview emphasizes the importance of selecting high-quality crude solar salt. Failure to select high-quality crude solar salt might result in a decline in the final product's quality, raising production expenses. Based on the results of this study, it is recommended that the government adopt a consistent operational method at the saltworks level. This process would serve as a reference for traditional salt producers in

Indonesia to produce high-quality crude solar salt [33]. Moreover, it is essential to emphasize the necessity of a facility that ensures the appropriate cleaning and draining of crude solar salt before its transit to the salt plant or storage in the salt warehouse [34]. The cleaning and draining process accounts for more than 40% of the production expenses for food-grade salt, mostly due to the need for diverse energy sources and extended operational durations. Additionally, the substantial water usage during operations contributes to the elevated facility expenses. The detailed production

costs and their respective percentages are presented in Table 6.

3.4. Cash flow and profitability

The cash flow analysis for food-grade salt production over a 15-year operational period is detailed in Table 7. Sales revenue is primarily generated from salt product sales, amounting to an annual total of USD 2,413,000. Notably, the salt plant is expected to experience negative cash flow during the initial three years due to a 30-month development phase and a 4-month startup period. However, positive cash flow is anticipated in the subsequent years. It is critical to highlight that the salt plant can potentially enhance its cash flow and generate supplementary income by efficiently utilizing waste salt slag and implementing effective saline water management [35]. Consequently, these practices contribute to achieving sustainability. A profitability analysis was conducted to assess the economic viability of the salt plant, with results presented in Table 8. The analysis indicates positive economic

indicators, making the project feasible. The annual revenue generated totals USD 2,413,342, with a net profit income of USD 1,388,000. In addition, the salt plant provides a substantial gross margin exceeding 60%, as depicted in Table 8. Other economic parameters also show positive outcomes, including an NPV of USD 7,862,000, an IRR of 46.48%, and a relatively short payback period of 1.56 years. Ultimately, these results can be achieved by implementing the strategies proposed in this study [36]. These include incorporating vertical competition to enhance supply chain efficiency, maintaining product freshness to ensure customer satisfaction, and introducing initiatives such as return policies, discounts, and credit periods to incentivize retailers. These measures collectively optimize operational performance and market responsiveness, thereby ensuring the projected economic outcomes.

| Year | Capital Investment | Sales Revenues | Operating Cost | Gross Profit | Depreciation | Taxable Income | Taxes | Net Profit | Net Cash Flow |
|------|-----------------------|-------------------|-------------------|------------------|------------------|-------------------|--------------|----------------------|------------------|
| 1 | -576 | Ω | θ | $\boldsymbol{0}$ | θ | θ | Ω | θ | -576 |
| 2 | -768 | Ω | Ω | 0 | θ | $\mathbf{0}$ | θ | θ | -768 |
| 3 | -719 | 402 | 457 | -55 | 182 | $\mathbf{0}$ | θ | 128 | -591 |
| 4 | Ω | 2,413 | 868 | 1,546 | 182 | 1,546 | 340 | 1,388 | 1,388 |
| 5 | θ | 2,413 | 868 | 1,546 | 182 | 1,546 | 340 | 1,388 | 1,388 |
| 6 | θ | 2,413 | 868 | 1,546 | 182 | 1,546 | 340 | 1,388 | 1,388 |
| | $\overline{0}$ | 2,413 | 868 | 1,546 | 182 | 1,546 | 340 | 1,388 | 1,388 |
| 8 | θ | 2,413 | 868 | 1,546 | 182 | 1,546 | 340 | 1,388 | 1,388 |
| 9 | θ | 2,413 | 868 | 1,546 | 182 | 1,546 | 340 | 1,388 | 1,388 |
| 10 | $\overline{0}$ | 2,413 | 868 | 1,546 | 182 | 1,546 | 340 | 1,388 | 1,388 |
| 11 | Ω | 2,413 | 868 | 1,546 | 182 | 1,546 | 340 | 1,388 | 1,388 |
| 12 | $\overline{0}$ | 2,413 | 868 | 1,546 | 182 | 1,546 | 340 | 1,388 | 1,388 |
| 13 | $\overline{0}$ | 2,413 | 685 | 1,728 | $\boldsymbol{0}$ | 1,728 | 380 | 1,348 | 1,348 |
| 14 | Ω | 2,413 | 685 | 1,728 | $\mathbf{0}$ | 1,728 | 380 | 1,348 | 1,348 |
| 15 | 239 | 2,413 | 685 | 1,728 | $\boldsymbol{0}$ | 1,728 | 380 | 1,348 | 1,587 |

Tab. 7. Cashflow analysis of food-grade salt over 15 years of operation (in thousands USD).

| Tab. 8. Profitability analysis. | | | | | | |
|---------------------------------|---------------|--|--|--|--|--|
| Component | Value | | | | | |
| Total Revenue per Year | USD 2,413,342 | | | | | |
| Net Profit per Year | USD 1,388,000 | | | | | |
| Gross Margin | 64.05% | | | | | |
| NPV (at 7.0% interest) | USD 7,862,000 | | | | | |
| Payback Period | 1.56 years | | | | | |
| ROI | 64.28% | | | | | |
| IRR (After Taxes) | 46.48% | | | | | |

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4. Managerial and Safety Strategies

For a food-grade salt plant to run effectively, it is crucial that an appropriate organizational structure is designed and that personnel and safety procedures are determined to maximize work efficiency. This entails carefully assessing needs, comparing workloads, and following industryspecific efficiency guidelines for the industry [37]. The core staff must be selected by management after extensive background checks on their qualifications and specific requirements. A Plant Manager runs the factory with support from four department heads, namely the Head of Production, Head of Marketing, Head of Human Resources, and Head of Finance, each with well-defined responsibilities and authority. All managers should report to the Plant Manager, with responsibilities that can be either routine (scheduled) or ad hoc (as required). Accountability is maintained through regular or occasional written reports (daily and monthly) or verbal reports in planned or ad hoc meetings. The factory operates 8 hours a day for 312 days a year, with the potential for extended hours using a rotating shift system with three shifts: Shift one from 07:00 to 15:00, Shift two from 15:00 to 23:00, and Shift three from 23:00 to 07:00. This system allows for flexible scheduling to meet production demands while ensuring a structured and manageable work schedule for employees.

To prevent hazards, process safety management (PSM) is essential, encompassing management principles and systems designed to identify, understand, and control hazards arising from production processes [38]. PSM focuses on five key areas: prevention, preparation, mitigation, response, and recovery from industrial disasters, particularly relevant to companies that store, produce, or use hazardous chemicals. This comprehensive approach ensures systematic risk management, enhancing workplace safety and operational integrity. Maintaining occupational health and safety in salt factories involves implementing measures to prevent the three main causes of accidents. Managing process hazards

requires considering flammable and explosive materials in the design of the physical environment and ensuring equipment compatibility with raw materials and finished products. To maintain product quality and prevent any contamination, fire stops must be installed, and drainage systems implemented for underground pipes, with proper valve arrangements and piping systems for safety. Hightemperature equipment should be insulated to prevent heat loss and accidents, avoiding worker fatigue due to temperature extremes, which affects efficiency and necessitates an adequate ventilation system inside rooms.

5. Conclusion

In conclusion, establishing a salt plant for foodgrade salt production on Madura Island can significantly enhance the welfare of traditional salt farmers in Indonesia. Ownership by a governmental or local firm would ensure stable prices and reliable purchasing agreements, contributing to regional or national salt cost stability. This study outlines the proper development of such a plant, detailing production processes and engineering layout. The washing and drying stages are crucial for maintaining salt quality and cost efficiency. The integrated processes of grinding, washing, draining, drying, and fortification transform crude solar salt into high-quality food-grade salt with minimal impurity loss. This approach generates valuable by-products like magnesium and calcium-rich salt slag, promotes efficient brine water management, and supports traditional solar salt production, enhancing sustainability, providing economic benefits, and aligning with the Sustainable Development Goals by reducing the environmental impact of brine waste and preserving aquatic life. Furthermore, this research underscores the importance of an effective organizational structure and addressing safety issues to maximize efficiency and safety in foodgrade salt factories. Economically, the profitability analysis indicates a promising payback period of 1.56 years and an NPV of USD 7,862,000, with an ROI of 64.28% and an IRR of 46.48%. Therefore, establishing a salt plant in Indonesia is not only profitable and feasible but also enhances food-grade salt production, stabilizes solar salt prices, and improves the welfare of traditional salt farmers. This study contributes to the academic field by providing a comprehensive feasibility analysis and strategic framework for sustainable salt production. Ultimately, these findings offer valuable insights for policymakers, investors, and stakeholders, highlighting the economic and social benefits of developing the salt industry in Indonesia.

Data availability

Data will be made available upon request.

CRediT authorship contribution statement

Makhfud Efendy: Writing - original draft, investigation, data collection, and data analysis. Nizar Amir: Conceptualization, methodology, and data analysis. Muhammad Yusuf Arya Ramadhan: Methodology and formal analysis. Mochamad Yusuf Efendi: Data collection and data analysis. Kritsana Namhaed: Data analysis and writing - review & editing. Mohammed Kheireddin Aroua: Supervision and writing review & editing. Misri Gozan: Supervision and writing - review $&$ editing.

Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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