

Marketing Analysis of Potato in Batu City

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ABSTRACT

Sumberbrantas village is one of the areas located in the highlands which is one of the potential for potato commodity development. The high potential of the region is also supported by the willingness of farmers to cultivate potatoes. The purpose of this study was to determine the marketing channel for potato commodities and the efficiency level of marketing institutions for potato commodities in Sumberbrantas Village, Bumiaji District, Batu City. This study uses the Cluster Random Sampling method. In this study only covers the city of Malang and Batu city. The samples that will be used as respondents in the study are 30 potato farmers, 2 collectors, and 4 retailers. Data analysis used descriptive analysis, marketing margin analysis and Farmer's Share analysis. The results of this study are farmers - collectors - retailers - consumers. The marketing margin value for each potato in this marketing channel is IDR 3,500. The share value or profit share is 90.76% and the cost share is 9.2% so it can be concluded that this marketing channel is logical because the profit share value obtained is greater than the cost share in the marketing channel. The average selling price received by farmers is 9,500/kg, the value of PS or the percentage of farmers' profits is 73.07% of the price at the consumer level, which is Rp. 13,000/kg.

Keywords: Marketing Channels, Marketing Margin, Potato

INTRODUCTION

In Indonesia, horticultural commodities play an important role in meeting food needs, increasing exports, increasing farmer incomes and fulfilling household nutrition (Center for Agricultural Data and Information Systems, 2017). One of the horticultural crops that meet food needs is potatoes (*Solanum tuberosum* L.). In addition to rice, potatoes are also a source of carbohydrates that are widely consumed by the public (Anggraeni and Baladina, 2017).

According to data from the Central Statistics

Agency (2020), potato production in 2020 decreased by 2.42% compared to 2019. Potato production in 2019 was 1.31 million tons and in 2020 it was 1.28 million tons. Based on this data, it is also known that Java Island is the largest potato producing area so that it can be categorized as the largest potato supplier area in Indonesia.

East Java is one of the potato producing regions in Indonesia. The main potato production center in East Java is located in a mountainous area. The natural conditions in the mountainous

regions correspond to the conditions of potato cultivation, so many farmers in the region grow potatoes. a fairly high place. The right place for potato plants to grow is in highlands or mountainous areas with an altitude of 1000-3000 m above sea level. The ideal climatic state for potato plants is low (cold) temperatures with an average daily temperature between 15-20°C. Suitable air humidity ranges from 80-90%, moderately sunlight (moderate) and rainfall between 200-300 mm/month or an average of 1000 mm during growth (Suryana, 2013).

Sumberbrantas Village is one of the areas with potential for the development of potato commodities. The high potential of the region is also supported by the willingness of farmers to cultivate potatoes because farmers are the most decisive party in potato production activities. From the background description above, the problem can be formulated as follows: How is the flow of the flow of pemasaran komoditi potatoes in Sumberbrantas Village, Bumiaji District, Batu

City? , What is the level of efficiency of potato commodity marketing institutions in Sumberbrantas Village, Bumiaji District, Batu City?

A process of marketing agricultural products that starts from farmers to marketing institutions (retailers) must go through various processes carried out by marketing agencies called value chains. The step to find out marketing in Sumber Brantas Village is carried out by following the flow of potatoes from farmers to marketing institutions (retailers). The distribution process through local and out-of-town markets involves marketing agencies such as middlemen, village-level collecting merchants, out-of-town collecting merchants, wholesalers and retailers. Marketing agencies involved in the marketing process play a role in distributing potatoes from farmers to consumers which will later form a marketing channel and in it there is also an activity called a value chain.

MATERIALS AND METHODS

The research was conducted in Sumberbrantas Village, Bumiaji District, Batu City, East Java. The study will be conducted in May 2022. With a population of potato farmers of approximately 304 farmers, the consideration of taking the location is because almost all farmers in Sumberbrantas Village grow potatoes.

To find out the marketing channel is analyzed by descriptive analysis, namely by tracing the potato marketing channel from the producer level to the consumer level.

Marketing Margin Analysis

The calculation of marketing margin analysis is carried out to determine the difference in unit prices at the producer or consumer level that occurs in the marketing chain (Sudiyono, 2002). Mathematically it can be formulated as follows :

For the following formulas used in

calculating marketing margin are as follows:

In this measurement are as follows :

$$M = Pr - Pf$$

Description

M : Margin Marketing

Pr : Price at middleman level

Pf : Prices at the farmer level

To calculate the total marketing cost the formula:

$$TBP = BP1 + BP2 + \dots + BPn$$

Description

TBP : Total marketing costs of marketing institutions

BP : Agency marketing costs

Analisis Farmer's Share

This analysis is used to compare the price received by producers or farmers with the price paid by the end consumer commonly referred to as Farmer's Share (Limbong and Sitorus 1987). Farmer's Share is negatively related to marketing margins, so the share that producers or farmers will get is lower. Mathematically, Farmer's Share can be formulated as follows:

$$FS = Pf/Pr \times 100\%$$

Description

Fs = Farmer's Share

Pf = Prices at the farmer level

Pr = Price at the consumer level

By the following criteria:

RESULTS AND DISCUSSION

Potato Marketing Channel Chain

Basically, between potato growers and marketers depend on each other. Marketing channels are interdependent organizations that are covered in the process of making a product or service available for use or consumption (Kolter and Keller, 2007). Based on the results of the study, it shows that the marketing channels in Sumberbrantas Village, District Bumiaji, Batu City through three marketing channels, namely:

Farmers – Collecting Merchants – Retailers – consumers.

Channel I: through village collecting merchants, then directly marketed to retailers, then directly marketed to consumers. Based on the potato marketing channel chart of Summberbrantas Village, through several channels, namely in marketing channel I, farmers sell their potatoes to collecting merchants then from collecting merchants sold to retailers to subsequently sold to markets or consumers. Sales are carried out by farmers directly by means of collecting traders to the homes of producers or farmers.

Farmers – Retailers – consumers.

$FS \geq 50\%$: efficient $FS \leq 50\%$: no efficient
(Dahl and Hammond, 1997)

The efficiency of potato marketing according to Soekartawi (2002), the efficient value of marketing channels can be quantified as follows :

$$TBP = BP1 + BP2 + \dots + BPn$$

Description

Eps = Marketing Efficiency (%)

TB = Total marketing costs

(Rp/kg)

According to Soekartawi (2002) :

$Eps \geq 50\%$ = inefficient

$Eps \leq 50\%$ = efficient

Channel II : In marketing channel II, farmers sell their potatoes to retailers, then from retailers resell them by being marketed directly to markets or consumers.

Farmers – Consumers

Channel III : In marketing channel II, farmers sell their potatoes to retailers, then from retailers resell them by being marketed Langsung to markets or consumers.

Margin Marketing

In this discussion, the margin of marketing through from the level of village collecting merchants to consumers will be outlined at each of the marketing channels.

Based on the table above, it is known that the highest marketing margin is obtained by retailers in the marketing channel I I. In this channel, retailers buy potatoes from farmers, namely at a price of Rp. 10.00 / kg then resell them at a price of Rp. 12,000 / kg. this is because the retailer merchant on the marketing channel I I directly market its potatoes outside the region, therefore the selling price is higher. While the lowest marketing margin is obtained by collecting merchants on the

marketing channel I. In this marketing channel, the collecting merchant buys potatoes from the owner, which is IDR 9.500/kg is then resold at a price of Rp 10,500/Kg. This is because the retailer on channel I only markets his potatoes in small quantities.

Eefficiencies

The advantage of marketing institutions is the repayment of services received by each marketing institution that participates in large marketing ranging from the level of potato sales business owners to the consumer level.

Institutional Advantages and Marketing

No.	Marketing Institutes	Price (Rp/kg)	Share (%)		DM (%)	
			Ski	Sbi	Ski	Sbi
1.	Farmer					
	Selling Price	9.500	73,07			
2.	Collecting Traders					
	Purchase Price	9.500				
	Transportation costs	200,00		1,53		5,71
	Labor costs	250,00		1,92		7,14
	Selling Price	10.500				
	Margin Marketing	1.000				
	Advantage	550	4,23		15,7	
3.	Reseller					
	Purchase Price	10.500				
	Transportation costs	300,00		1,92		7,14
	Labor costs	250,00		1,53		5,71
	Depreciation Charges	200,00				
	Selling Price	12.000				
	Margin Marketing	1.500				
	Advantage	750	14,50		50	
4	Costumer					
	Purchase Price	13.000				
	Total		91,76	9,2	65,7	34,27
Total Margin		2.500				
Total Marketing Costs		1.200				
Total Profit		1.300				

The total margin on marketing channel I is IDR 975.00, where marketing costs and marketing profits are obtained from the sale of potatoes. The marketing profit received by collecting merchants and retailers is 325.00 with a marketing fee of RP 975.00.

The total margin in marketing channel II is IDR 750.00, where marketing costs and marketing profits are obtained from the sale of potatoes. The marketing profit received by the retailer merchant is 375.00 with a marketing fee of 750.00.

The total margin in marketing channel III is

IDR 0, - where in this marketing channel consumers purchase potatoes directly from farmers and not through collecting merchants or retailers.

The total value of marketing margin for each potato and marketing channels I, II, and III is IDR 3,500. The share value or profit share is 91.76% and the cost share is 9.2% so it can be concluded that this marketing channel is logical because the profit share value obtained is greater than the cost share on the marketing channel. The average selling price received by farmers is 9,500/kg. The PS value or percentage of farmers' profits is 73.07% of the price at the consumer level,

which is Rp. 13,000 / kg.

In marketing efficiency, farmer's share is also an indicator that can measure how much share is received by potato growers. The more efficient the value of the farmer's share, the more efficient the marketing channel that is run. Can be calculated on the 1st marketing channel: Price at farmers = Rp. 9,500 Price at collecting merchants = Rp. 10,500. It is known that the results of calculating the value of the 1st marketing channel are obtained through the calculation of the PF value (Price at the farmer level) divided by FR (Price at the level of collecting merchants) multiplied by 100%, then a value or efficiency level of 90.47% can be obtained or can be presented $>50\%$ = Efficient. There is a 2nd marketing channel: Price at farmers = Rp. 9,500 Price at retailers = Rp. 12,000. It is known that the results of calculating the value of the 2nd marketing channel are obtained through the calculation of the PF value (Price at the farmer level) divided by FR (Price at the level of collecting merchants) multiplied by 100%, then a value or level of efficiency of 79% can be obtained or can be presented $>50\%$ = Efficient.

on the 3rd marketing channel The price at the farmer = Rp. 9,500 Price in consumers = Rp. 9,500. It is known that the results of calculating the value of the 3rd marketing channel are obtained through the calculation of the PF value (Price at the farmer level) divided by FR (Price at the level of collecting merchants) multiplied by 100%, then a value or level of efficiency of 100% can be obtained or can be presented $>50\%$ = Efficient.

CONCLUSION

Through the results and discussions analyzed from research in the field, it can be concluded that there is a marketing channel for potato commissions in Sumberbrantas village in distributing potatoes using only two intermediary traders, namely collecting merchants and retailers. The marketing margin value for each potato on this

In this study, farmer's share was calculated as a whole because there were only three channels. In accordance with the provisions if the value of the farmer's share $\geq 50\%$ then the marketing channel activities are said to be Efficient, on the 1st channel in can be with a value of 90.47%. Saluran to 2nd in can be a value of 79%. Channel 3 in can be rated at 100%. states that the percentage received by farmers (producers) from the selling price determined from the calculation of farmer's share, so that the activities of marketing channels in Sumberbrantas village are declared efficient.

In determining the efficiency of marketing channels, it can be done by using marketing efficiency analysis, namely calculating marketing margins and costs incurred.

This is in accordance with the opinion of Soekartawi (2002), who said that if the marketing efficiency value is less than 50% then the marketing channel can be said to be efficient, and if it is more than 50% then the marketing channel is inefficient.

In accordance with the opinion of Sudiyono (2001) in simple terms this concept of efficiency is approached with the ratio of output-output, a process: Constant fixed output achieved with fewer inputs, Output increases while fewer inputs, Outputs and inputs both increase, but the rate of increase in output is faster than that of inputs.

The output and input are the same as the decrease, but the decrease in output is slower than the input

marketing channel is IDR 3,500. The share value or profit share is 90.76% and the cost share is 9.2% so it can be concluded that this marketing channel is efficient, because the profit share value obtained is greater than the cost share on the marketing channel

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