



Rice Marketing Channels

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Abstract

Puudongi Village is one of the villages which is a rice production center in Tanggetada District, Kolaka Regency. The marketing problems faced by farmers in marketing their rice yields are due to the lack of information about the price level of rice in the market. So that the price of rice at the farm level is easily manipulated by marketers. This study aims to determine the rice marketing channel in Puudongi village, Polinggona sub-district, to find out the size of the price share received by farmers (farmer share) from rice marketing activities in Puudongi village, Polinggona sub-district, to find out how much the rice marketing margin is in Puudongi village, Polinggona sub-district and to determine the efficiency of rice marketing channels in the village of Puudongi, Polinggona District. Based on the results of marketing channel research, there are two marketing channels. For farmer share (the share of prices received by farmers) shows that marketing channel II with farmer's share (FS) is 95.2%, marketing channel I is with farmer's share (FS) 88.3%. Paddy marketing margin in channel I is IDR 500/kg while channel II is IDR 200/kg.

Keywords: Marketing channels, farmer share, marketing margins, lowland rice

A. Introduction

Agricultural development is currently expected to become a reliable sector that can produce more quickly in order to increase people's incomes, open new job opportunities, and support a good trade system. Good or bad trading system can determine the high or low income of farmers. Trading system is an important component for farmer farming which is expected to be able to allocate trading system costs as efficiently as possible so as to obtain greater profits (Sumodiningrat, 2000). The agricultural sector is the most important sector for the Indonesian economy that must be developed. In developing the agricultural sector what needs to be done is empowering the people's economy through an agribusiness approach that will create advanced, efficient and resilient agriculture, the development of the agricultural sector which is carried out includes various sub-sectors, one of which is the plantation sub-sector (Nyoto, 2016).

The agricultural sector, especially food agriculture (rice commodity), is a sector that is very strategic and has the potential to be used as a leading sector in Indonesia's economic development in the future. The reason is that, apart from being a staple food, rice is also a source of income for the majority of Indonesia's population, both as producer farmers and as farm labourers. As a very important sector, the rice commodity is still facing various problems, especially those related to the welfare of producing farmers. One of them is the problem of rice commodity marketing, namely the low selling price at the producer farmer level. Based on data from the (Kolaka, 2021), it shows that the potential for developing rice plants is quite effective considering the availability

of land is still available. Lowland paddy is a commodity that has very promising prospects (Kartomo et al., 2022). Rice is a plant that plays an important role in the country's economy, especially as a material to meet the basic needs of the community and as a source of income for farmers (Nurmanaf, 2003 *in* (Juliatmaja et al., 2021).

Market concentration deals with the number of buyers and sellers and their relative size distribution in a market. Market participants consisted of producers, collectors, large traders, and retailer (Saediman et al., 2021). The supply chain system in the rice agro-industry is: raw material supply flows (wheat) and product distribution flows (rice). Raw stream suppliers of raw materials (grain) are dominated by grain collectors, with a market share of 60% of the total volume annual purchase. Meanwhile, wholesalers dominate product distribution (rice) and have a 65% share of the total annual sales volume (Purbaningsih et al., 2023).

Puudongi Village is one of the rice production centers in Tanggetada District, Kolaka Regency. Increasing the production of paddy rice plants can provide new hope for improving the community's economy, but the increase in the amount of production and the selling price (price) of lowland rice production is quite low, and until now there are still problems and obstacles encountered by lowland rice farmers, namely marketing issues. The marketing problems faced by farmers in marketing their rice yields are caused by the lack of information about rice price levels in the market. So that rice prices at the farm level are easily manipulated by marketers.

These phenomena regarding the marketing system at the farmer level, indicate the need for good knowledge regarding the marketing channels of paddy rice produced by farmers. According to Suryani (2013), changes aimed at improving marketing also mean improving or increasing marketing efficiency. Efficient marketing means creating conditions where satisfaction is obtained for all parties, namely producers, traders and consumers. This study aims to determine the rice marketing channel, to determine the share of the price received by farmers (Farmer share) from rice marketing activities, and to find out how big the rice marketing margin.

B. Methodology

Population and Research Sample

The population in this study were all lowland rice farmers and marketers in Puudongi and Kolaka villages, totaling 109 farmers and 2 marketers. The samples taken were 52 farmers and 2 marketers.

Data Analysis Techniques

The data analysis technique used in this study is adapted to the research problem, namely as follows (Sunarto & Kartika, 2017):(Sunarto & Kartika, Ekasari, 2017)

1. Marketing Channels. The process of identifying marketing channels used a descriptive analysis method to analyze the marketing patterns of rice farmers.
2. Farmer Share (Share of Price Received by Farmers). The process of identifying the percentage share of the price received by patchouli farmers from rice marketing activities is calculated using the formula proposed by Nurland (1986) as follows:

$$Fs = \frac{H_j}{H_e} \times 100 \%$$

3. Marketing Margins. The process of identifying the amount of marketing margin used the formula proposed by Nurland (1986) as follows:

$$M = HE - HP$$

C. Findings and Discussion

Marketing Channels

In marketing, until now there are still some discussions about the marketing patterns used are still quite long from farmers to consumers, increasing marketing costs incurred, marketing large margins, the benefits of each marketing institution (Paridy et al., 2020). The marketing

channel is a process that connects the distribution of a product or goods from the producer to the consumer. The marketing channel referred to in this study is the path through which rice is marketed from farmers to refineries/companies. Based on the results of the study, it was shown that the marketing channel for rice in Puudongi Village, Polinggona District, Kolaka Regency involved two marketing agencies before arriving at the factory/company, namely farmers, sub-district collectors (PPKec), district collectors (PPKab). The rice marketing channel in Puudongi Village, Polinggona District, Kolaka Regency can be seen in Figure 1.

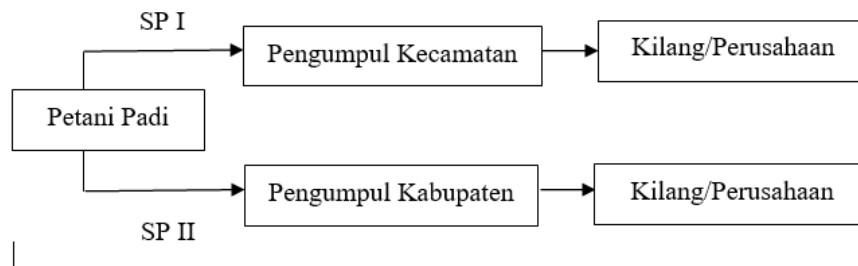


Figure 1. Rice Marketing Channels in Puudongi Village, Polinggona District Kolaka District

Description : SP I = Marketing Channel I

SP II = Marketing Channel II

Farmer Share and Marketing Margin

Efficiency analysis is an important indicator in assessing the success of marketing production, analysis of marketing channel efficiency can be shown by the large share of the price paid by traders to the hands of producers. The greater the percentage of the price received by the producing farmers, the more efficient the marketing process is. Conversely, if the percentage of price received by producers is less than 50%, it means that marketing is not efficient. In accordance with the analysis model that has been described, the share of the price received by farmers (farmer's share) and marketing margins and rice prices can be seen in Table 1.

Tabel 1. Farmer's Share and Marketing Margin on Two Marketing Channels Based on Rice Prices in 2022

No	Description	Marketing Channel I (PP Kec)	Marketing Channel II (PP Kab)
1	Purchase price (Rp/Kg)	3.800	4.000
2	Selling price (Rp/Kg)	4.300	4.200
3	Marketing Margin (Rp)	500	200
4	Farmer's Share (%)	88.3	95.2

Sumber : Data Primer Diolah, Tahun 2022

Table 1 shows that marketing channel II with a farmer's share (FS) of 95.2%, marketing channel I with a farmer's share (FS) of 88.3%. The efficiency of the marketing channel is seen from the value of marketing efficiency and the short length of the marketing channel, the longer the marketing channel, the greater the difference between the price paid by consumers and the price received by producers, so that the marketing channel is not efficient. The results of this analysis are in accordance with (Azzaino, 1982) that in general the share (price share) received by farmers will be less if the number of intermediary traders increases. Meanwhile, the marketing margin for rice in each channel has a difference in price, this is because each marketing agency has a different selling price. The marketing margin for rice in channel I is IDR 500/Kg while in channel II it is IDR 200/kg.

D. Conclusion

Based on the results of the analysis and discussion in this study, the following conclusions can be drawn:

1. The marketing channel for rice in Puudongi Village, Polinggona District, Kolaka Regency is through two marketing channels, namely, Marketing Channel I (Farmers → PP Kecamatan → Refinery/Company) and Marketing Channel II (Farmers → PP Kabupaten → Refinery/Company).
2. For farmer share (part of the price received by farmers) shows that marketing channel II with farmer's share (FS) is 95.2%, marketing channel I is with farmer's share (FS) 88.3%. the share of the price received by farmers, seen from the value of marketing efficiency and the short length of the marketing channel, the longer the marketing channel, the greater the difference between the price paid by consumers and the price received by producers, so that the marketing channel is not efficient.
3. Rice marketing margins in Puudongi Village, Polinggona District, each channel has a different price level, this is because each marketing agency has a different selling price. Paddy marketing margin in channel I is 500 rupiah per kilogram while channel II is 200 rupiah per kilogram.

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