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PRICE EFFICIENCY OF SHALLOT MARKETING IN RURAL AREA OF INDONESIA

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ABSTRACT

System for the marketing onion still controlled by intermediary traders with offers a price relatively higher. The price of onions red high in the market not always the advantage of farmers, the condition of being actually happened was the greatest advantage obtained the traders more perform the function of marketing. The purpose of this research is to analyze about pricing efficiency in transportation and processed that is for marketing commodities onion. The measurement of efficiency price can be reviewed according to function transportation costs and the cost of function processing they had spent to marketing onion. Pricing efficiency by function transportation that is the difference between the price between place marketing onion in the study areas and not larger than transportation costs issued by institutions marketing. Based on pricing efficiency, marketing onion at the research to all the marketing can said to have been efficient, it was because the proportion of profit marketing or is higher than the cost of marketing issued.

KEY WORDS

Price efficiency, transportation, function, cost.

Institutions of Shallot marketing is an organization that having role to play in channel produce Shallot to the consumer an end by performs the functions of marketing (Barakade A.J. et al, 2011 and Salazar, 2015.). An each marketing channel has different benefits different again to of the each institution marketing involved in these activities. The shorter marketing outlets will give greater advantage to producers compared with marketing outlets long (Rediansyah, 2003).

Marketing Shallot still involves several institutions marketing, as traders, the large areas, the large outside the region, and sellers. It was because farmers indirect selling commodities of Shallot directly to the consumer. This condition has the problem in Shallot marketing are still dominated technique sales is traditional and the prices must be the show standard the quality of the outcome crops. The impact of occurring namely the divisions of the price or farmers it can be said not in proportion to the cost of marketing have been issued (Marsha, 2011; Obasi I.O., Emenam O., 2014).

Now the system marketing of Shallot still controlled by intermediary traders with offers a price relatively higher, in addition transactions are in cash by intermediary traders after their crops onion weighed (Rediansyah, 2003). The ties cooperation and ease is obtained. Money cause farmers choose sell their harvest onion as the price specified directly by intermediary traders. The price of onions red high in the market not always the advantage of farmers, the condition of being actually happened was the greatest advantage obtained the traders more perform the function of marketing (Marsha, 2011).

Based on the description above, and then required analysis research on the efficiency of the price of a commodity Shallot. Marketing onion conducted by marketing institutions will determine much of the marketing based on the efficiency of the function of marketing conducted by marketing of each organization. Hence the purpose of this research is to analyze about the efficiency of a price on transportation and processing which is found in marketing commodities Shallot.

METHODS OF RESEARCH

The determination of recipient the research was done in purposive namely in Malang areas consist of Batu city, Malang city and Malang regency. The determination of respondents for marketing determined approach in non probability of sampling with the methods snow ball sampling that is following a groove marketing starting from farmers onion down to the level consumers the end. Based on the level a manufacturer or farmers will know where the flow of products and institutions what was involved in product marketing until to the consumer the end. Virtue of a groove marketing in the regions research, obtained various institutions marketing involved was two amount of intermediary traders, three amount of large trades on regional level, three amount of large traders on outside the region level, and five amount of retailer traders, so the total traders respondents there were 13 people.

The method of analysis the data used in accordance with research objectives that is efficiency marketing. To analyze marketing onion required pricing efficiency to transport and processed. The measurement of efficiency price can be reviewed according to cost of function transportation and the cost of function processing had spent to marketing onion. Pricing efficiency by function transportation that is the difference between the price between place marketing Shallot in the study areas and not larger than transportation costs issued by institutions marketing. Based on the previous research by Zalukhu (2009); Layade A.A., and Adeoye I.B (2014), for analysis pricing efficiency according to transportation costs can formulated as follows:

$$PA - PB \geq BT$$

Where: PA = Selling price in final place, PB = Selling price in starting place, BT = Transportation cost.

Price efficiency based on processing function is the price difference between Shallot and marketing agencies do not outweigh the cost function processing issued by marketers. Processing function consists of sorting and grading costs, packaging, loading and unloading. The calculation for the analysis of the efficiency of the price according to the cost of processing is as follows:

$$PA - PB \geq BP$$

Where: PA = Selling price in final place, PB = Selling price in starting place, BP = Processing cost.

RESULTS AND DISCUSSION

Shallot marketing channel of a series of institutions marketing traversed products commodities Shallot to the direction of the distribution of the product of producers to consumers. The shorter marketing outlets will give greater advantage to producers compared with marketing outlets long. The current marketing Shallot at various degrees of in the study areas it appears that there are several institutions marketing involved in an activity marketing starting from farmers, intermediary traders, large traders, and retailer trader, until with final consumers. Based on the research done there are four marketing channel in the research areas namely.

A sale is a weight that is based on weight a unit of pounds in the form of a sack of Shallot, tied up. In general Shallot sold by farmers' respondents at the condition of being is dried up for 4-6 day. Sales onion done farmers that is waiting for buyers coming to the dried up place in land and also of farmers' house.

Interdiatery traders are the marketing institutions of buy onion directly from the farmers. The process of purchasing is farmers who visited directly intermediary traders and traders who visited directly the farmer. In general intermediary traders are from local village and neighbors' village. The process of selling the purchases through transactions bargain price

between them, with reference to commodity prices onions a prevailing red at the time. Marketing institutions act as middle-men in research locations as many as two people.

Marketing Channel I

a. Intermediary Trader
 $\text{IDR } 8.500 - \text{IDR } 7.000 \times (1/1-1,02) > \text{IDR } 30$
 $\text{IDR } 8.500 - \text{IDR } 7.140 > \text{IDR } 30$
 $\text{IDR } 1.360 > \text{IDR } 30$

b. Karang Ploso Large Trader
 $\text{IDR } 10.500 - \text{IDR } 8.500 \times (1/1-1,03) > \text{IDR } 11,7$
 $\text{IDR } 10.500 - \text{IDR } 8.755 > \text{IDR } 11,7$
 $\text{IDR } 1.745 > \text{IDR } 11,7$

c. Reatailer Trader
 $\text{IDR } 12.500 - \text{IDR } 10.500 \times (1/1-1,02) > \text{IDR } 51$
 $\text{IDR } 12.500 - \text{IDR } 10.710 > \text{IDR } 51$
 $\text{IDR } 1.790 > \text{IDR } 51$

Marketing Channel II

a. Batu Large Trader
 $\text{IDR } 9.000 - \text{IDR } 7.000 \times (1/1-1,02) > \text{Rp } 8,5$
 $\text{IDR } 9.000 - \text{IDR } 7140 > \text{Rp } 8,5$
 $\text{IDR } 1.860 > \text{IDR } 8,5$

b. Retailer Trader
 $\text{IDR } 11.500 - \text{IDR } 9.000 \times (1/1-1,01) > \text{IDR } 66,7$
 $\text{IDR } 11.500 - \text{IDR } 9.090 > \text{IDR } 66,7$
 $\text{IDR } 2.410 > \text{IDR } 66,7$

Marketing Channel III

a. Intermediary Trader
 $\text{IDR } 8.500 - \text{IDR } 7.000 \times (1/1-1,01) > \text{IDR } 24$
 $\text{IDR } 8.500 - \text{IDR } 7.070 > \text{IDR } 24$
 $\text{IDR } 1.430 > \text{IDR } 24$

b. Gadang Large Trader
 $\text{IDR } 10.500 - \text{IDR } 8.500 \times (1/1-1,03) > \text{IDR } 16,7$
 $\text{IDR } 10.500 - \text{IDR } 8.755 > \text{IDR } 16,7$
 $\text{IDR } 1.745 > \text{IDR } 16,7$

c. Retailer Trader
 $\text{IDR } 13.000 - \text{IDR } 10.500 \times (1/1-1,02) > \text{IDR } 114$
 $\text{IDR } 12.500 - \text{IDR } 10.710 > \text{IDR } 114$
 $\text{IDR } 2.290 > \text{IDR } 114$

Marketing Channel IV

a. Intermediary Trader
 $\text{IDR } 8.500 - \text{IDR } 7.000 \times (1/1-1,02) > \text{IDR } 26,7$
 $\text{IDR } 8.500 - \text{IDR } 7.140 > \text{IDR } 26,7$
 $\text{IDR } 1.360 > \text{IDR } 26,7$

b. Retailer Trader
 $\text{IDR } 11.000 - \text{IDR } 8.500 \times (1/1-1,02) > \text{IDR } 82,5$
 $\text{IDR } 11.000 - \text{IDR } 8.670 > \text{IDR } 82,5$
 $\text{IDR } 2.330 > \text{IDR } 82,5$

The large traders from the regions and outside the region are traders who buy Shallot of various intermediary traders and buy directly to local farmers, with the number of the purchase of the major party. Generally, large trader had big patron intermediary traders who sell onion. Traders large buy onion of intermediary traders are already in the form of without fastenings in a sack and others in the form of connective in a sack. While of derived from farmers in overall still in connective in a sack. Marketing institutions act as the large areas as many as three people and the outside region of large traders in the research locations as many as three people.

Retailer traders are traders who come straight with consumers. Retailer traders not doing process of packing repeated because directly sell Shallot that has been purchased in the form of without fastenings.

Analysis of price efficiency this price measuring the cost of transportation and the cost of processing to each marketing institution involved. The measurement of efficiency based on a calculation the difference between the prices actual a commodity at a cost of the cost of function marketing done by institutions marketing involved.

Table 1 – Price efficiency based on transportation function in Shallot institutional marketing

Marketing Channel	Marketing Institution	Price Gap (IDR/Kg)	Transportation Cost Average
I	Intermediary Trader	1360	30
	Large Trader Karang Ploso	1745	11,7
	Retailer Trader	1790	51
II	Batu Large Trader	1860	8,5
	Retailer Trader	2410	66,7
III	Intermediary Trader	1430	24
	Large Trader Gadang	1745	16,7
	Retailer Trader	2290	114
IV	Intermediary Trader	1360	26,67
	Retailer Trader	2330	82,45

Marketing Channel I

a. Intermediary Trader

$$\text{IDR } 8.500 - \text{IDR } 7.000 \times (1/1-1,02) > \text{IDR } 55$$

$$\text{IDR } 8.500 - \text{IDR } 7.140 > \text{IDR } 55$$

$$\text{IDR } 1.360 > \text{IDR } 55$$

b. Karang Ploso Large Trader

$$\text{IDR } 10.500 - \text{IDR } 8.500 \times (1/1-1,03) > \text{IDR } 76,7$$

$$\text{IDR } 10.500 - \text{IDR } 8.755 > \text{IDR } 76,7$$

$$\text{IDR } 1.745 > \text{IDR } 76,7$$

c. Retailer Trader

$$\text{IDR } 12.500 - \text{IDR } 10.500 \times (1/1-1,02) > \text{IDR } 70$$

$$\text{IDR } 12.500 - \text{IDR } 10.710 > \text{IDR } 70$$

$$\text{IDR } 1.790 > \text{IDR } 70$$

Marketing Channel II

a. Batu Large Trader

$$\text{IDR } 9.000 - \text{IDR } 7.000 \times (1/1-1,02) > \text{IDR } 100,8$$

$$\text{IDR } 9.000 - \text{IDR } 7.140 > \text{IDR } 100,8$$

$$\text{IDR } 1.860 > \text{IDR } 100,8$$

b. Retailer Trader

$$\text{IDR } 11.500 - \text{IDR } 9.000 \times (1/1-1,01) > \text{IDR } 70$$

$$\text{IDR } 11.500 - \text{IDR } 9.090 > \text{IDR } 70$$

$$\text{IDR } 2.410 > \text{IDR } 70$$

Marketing Channel III

a. Intermediary Trader

$$\text{IDR } 8.500 - \text{IDR } 7.000 \times (1/1-1,01) > \text{IDR } 55$$

$$\text{IDR } 8.500 - \text{IDR } 7.070 > \text{IDR } 55$$

$$\text{IDR } 1.430 > \text{IDR } 55$$

b. Gadang Large Trader

$$\text{IDR } 10.500 - \text{IDR } 8.500 \times (1/1-1,03) > \text{IDR } 97,9$$

$$\text{IDR } 10.500 - \text{IDR } 8.755 > \text{IDR } 97,9$$

$$\text{IDR } 1.745 > \text{IDR } 97,9$$

c. Large Trader

$$\text{IDR } 13.000 - \text{IDR } 10.500 \times (1/1-1,02) > \text{IDR } 154$$

$$\text{IDR } 12.500 - \text{IDR } 10.710 > \text{IDR } 154$$

$$\text{IDR } 2.290 > \text{IDR } 154$$

Marketing Channel IV

a. Intermediary Trader

$$\text{IDR } 8.500 - \text{IDR } 7.000 \times (1/1-1,02) > \text{IDR } 335$$

$$\text{IDR } 8.500 - \text{IDR } 7.140 > \text{IDR } 335$$

$$\text{IDR } 1.360 > \text{IDR } 335$$

b. Retailer Trader

$$\text{IDR } 11.000 - \text{IDR } 8.500 \times (1/1-1,02) > \text{IDR } 70$$

$$\text{IDR } 11.000 - \text{IDR } 8.670 > \text{IDR } 70$$

$$\text{IDR } 2.330 > \text{IDR } 70$$

Based on the calculation of in table 1, can be seen that on average transportation costs done by each marketing institutions involved in every marketing outlets. A marketing outlets it can be said efficient when value the difference between the price greater than values on average the money that has been issued for marketing onion. On the other hand, a marketing outlets said inefficient when value the difference between the price smaller than values on average cost. In the analysis price efficiency according to function transportation, all the marketing has reached price efficiency.

Approach pricing efficiency also obtained from function processing consisting of sorting and grading, packaging, loading and unloading. Activities sorting to separate onion the best of spoiled or is misshapen. While grading is pengkelasan criteria onion according to the shape and size of the amount tubers onion. After conducted sorting and grading, onion packed with using the sacks plait plastic perforated holes. Loading and unloading activities onion who has packed in a sack plait plastic and kemudian carried into pick up.

Table 2 – Price Efficiency Based on Processing Function in Market institutional Shallot

Marketing Channel	Marketing Institutional	Price Gap (IDR/kg)	Transportation Cost Average
I	Intermediary Trader	1360	55
	Karang Ploso Large Trader	1745	76,7
	Retailer Trader	1790	70
II	Batu Large Trader	1860	100,8
	Retailer Trader	2410	70
III	Intermediary Trader	1430	55
	Pedagang Large Trader	1745	97,9
	Retailer Trader	2290	154
IV	Intermediary Trader	1360	355
	Retailer Trader	2330	70

Based on the results in table 2, according to function processing consisting of sorting and grading, packaging, loading and unloading and, can said to have efficient. It is applicable to marketing outlets it can be said efficient when value the difference between the price greater than values on average cost. On the other hand, marketing outlets said inefficient when value the difference between the prices smaller than values on average cost. Hence the efficiency of marketing outlets was found in all value the difference between the prices of all marketing outlets greater than values on average cost processing.

CONCLUSION

Based on price efficiency, marketing of Shallot at the research to all the marketing can said to have been efficient, it was because the proportion of profit marketing or is higher than the cost of marketing issued. In the next research, can research supply chain management (SCM) analysis of marketing relationship between suppliers seeds, farmers, traders, the large regions and outside the region, and a retailer. Because it can develop this business and compete superior in marketing onion.

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