

Marketing Efficiency Of Broiler Chicken Breeders With Partnership Pattern In North Tarakan District

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ABSTRACT

Marketing efficiency is important with the aim of improving the welfare of broiler breeders. This study aims (1) to determine the marketing chain for broiler chickens in partnership; (2) To analyze the marketing margins of partnership pattern broiler chickens. (3) To analyze Farmer's Share in the marketing of broiler chickens in partnership pattern in North Tarakan District. Determination of the location of the study was done intentionally and the method of collecting data for taking respondents in this study used the purposive and snowball methods. Data analysis was carried out by analyzing the pattern of marketing chain , marketing margins and farmer's share in the partnership pattern of broiler chicken business in North Tarakan District. The conclusion of the study is that there is only one pattern of broiler marketing chain, namely producers (breeders) - Partners (CV Paguntaka Mitra Sejahtera) - retailers - final consumers. the results of the calculation of the broiler marketing margin obtained a total marketing margin of Rp. 21,697. Farmer's share value in broiler chicken marketing in North Tarakan District is less than 50%, which is 34.25% with a margin percentage of 65.74% so it can be concluded that the efficiency of partnership pattern broiler marketing in North Tarakan District is not efficient. However, based on the results of the analysis, there are several advantages that can be obtained by breeders by partnering, including: 1) The price of chicken has been determined or agreed upon before carrying out the activities of raising chickens so that breeders do not feel worried about the fluctuations in the price of chicken. 2) Marketing of broiler chickens is guaranteed because there are partners who are ready to buy chickens when they are harvested. 3) The breeder only prepares the cage, while other food crops such as seeds, medicines and feed have been provided by the partner company (core). 4) By partnering, breeders are equipped with knowledge on how to raise livestock well through trainings conducted by partner companies (core).

Keywords:

Broiler Chickens,
Efficiency
Marketing,
Partnership

INTRODUCTION

Animal food has a strategic role in achieving the nutritional needs of good food consumption. This can be seen from the increase in the Hope Food Pattern score from 86.4 in 2010 to 93.39 in

2014 [2] Meat, eggs, and milk are livestock products that are often consumed by the public because of its very strategic role in fulfilling community food, many business actors focus on

the livestock business such as the broiler chicken business.

BPS [1] data from the City of Tarakan in 2018 shows that meat production for five years in Tarakan City and from 2013 to 2017 has fluctuated such as beef, pork, goat, layer chicken, native chicken, duck and chicken. broilers. However, among the various types of livestock, the highest total meat production in Tarakan City is broiler chicken meat production with a total production of 4,597.62 tons. As one of the largest production broiler chicken production is expected to meet the food needs of the people of Tarakan City. The broiler business is in great demand by the public and is increasingly shifting large ruminants, especially beef cattle, in meeting national meat needs. Various studies and statistical data show that the role of broiler chickens tends to shift beef cattle as a source of animal protein in Indonesia. The high level of broiler chicken business requires good marketing in its business so that purebred chickens can be reached by all people in Indonesia [3][4]

Marketing that is carried out properly is one of the factors supporting the success of a broiler farming business. According to [4] the most important thing in product marketing is the marketing chain, so that the products produced can reach consumers in all regions in Indonesia. According to [4]. Marketing chain is any series of companies or people who participate in distributing goods and services from producers to consumers. To distribute the results of beef cattle, of course, it involves several marketing

institutions so that the results of chicken production can reach the hands of consumers.

The distribution of broiler chickens is carried out by independent breeders and breeders who partner with plasma nucleus. Partner breeders generally sell livestock products directly to partners who provide capital, while independent breeders sell livestock products through traders in the market. Based on the description of the background, the researchers conducted a study with the aim of knowing the marketing efficiency of broiler breeders in partnership patterns in the city of Tarakan, North Kalimantan.

METHOD

This research was conducted in North Tarakan District with the consideration that the location is one of the production centers for broiler breeders in North Tarakan District. The time of this research was carried out in July, 2019. The sample in this study was carried out intentionally so that the selected sample consisted of partnered breeders, collectors, retailers, and final consumers. The number of breeders in North Tarakan District who partnered is 6 people. So that the determination of the sample is done by census. While the samples of collectors, retailers, and final consumers were selected by the snow ball sampling method. Data analysis used to analyze marketing efficiency is through analysis of marketing chains, calculating marketing margins, and farmer's share. Marketing chain were analyzed by descriptive analysis. Marketing margin is analyzed by calculating the difference between the price paid by consumers and the price received by breeders. the equation formula:

$$Mp = Pr - Pf \dots\dots\dots(1)$$

Where :

Mp : Marketing Margin (Rp)

Pr : Price at the final consumer level (Rp)

Pf : Price at farmer level (Rp)

$$MP (\%) = \frac{Pr - Pf}{Pr} \times 100\% \dots\dots\dots(2)$$

Where:

MP : Marketing Margin (Percentage)

Pf : Price at producer (farmer) level (Rp)

Pr : Price at the final consumer level (Rp)

Marketing is considered efficient if the marketing chain has a low marketing margin percentage value and has a the percentage of the share received by the farmer (farmer's share) is high [4]

Farmer's Share analysis was conducted to determine the share of the price received by breeders from the price at the consumer level which was expressed as a percentage (%). Farmer's Share is formulated as follows [4][5]

$$FS (\%) = \frac{Pf}{Pr} \times 100\% \dots\dots\dots(2)$$

Where :

Fs = Farmer's share (%)

Pf = Price at producer/breeder level (Rp)

Pr = Price at the consumer level (Rp)

If the share received by breeders is less than (<) 50%, it means that marketing efficiency is not yet efficient, and if the share received by breeders is more than (>) 50%, then marketing efficiency is efficient.

RESULT AND DISCUSSION

The type of partnership or cooperation that occurs between CV Paguntaka Mitra Sejahtera

and broiler breeders in North Tarakan District is a nucleus-plasma partnership. CV Paguntaka Mitra Sejahtera is a core partner and smallholder breeders as plasma. The core company acts as a manager who performs the planning function, provides production facilities and markets the product, while broiler breeders only act as cultivators.

The partnership pattern between the company CV Paguntaka Mitra Sejahtera and breeders is a contract system where the provisions are 1) the farmer must have a cage and must have a land certificate; 2) Plasma companies provide production facilities and facilities for breeders. The facilities provided by plasma companies to breeders are credit in the form livestock production facilities; 3) The system for returning facilities credit by breeders is carried out after harvesting; 4) The selling price of livestock products is determined by plasma where at the time of research the contract price was Rp. 28,500 per kg of harvested weight of chickens. The calculation of the terms of acceptance of broiler breeders (core) to plasma companies is (harvest weight x contract price) – the cost of using livestock production facilities; 5) breeders must sell livestock products to plasma companies. Based on this, the benefits obtained by breeders by partnering are that they obtain the provision of livestock production facilities by plasma companies, breeders get marketing guarantees in marketing their livestock products, and breeders receive material and counseling in terms of disease prevention techniques, administering vaccines and drugs from partner companies. . The

average DOC maintained by partner breeders in one production period ranges from 1.000 to 2.000 heads. If there is a loss in raising livestock due to disease, the company provides opportunities for breeders by continuing to provide DOC and feed, but the profits of breeders deposited or stored in the previous period are cut to cover some of the losses experienced.

The number of broiler marketing chains by partnership breeders in North Tarakan District is one marketing chain, the chains can be seen in the following figure:

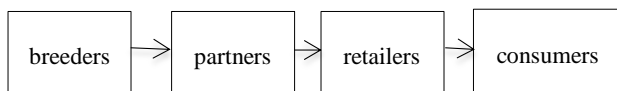


Figure 1. Marketing Chain of Broiler Chicken in Tarakan city

Figure 1 shows that marketing actors involved in marketing broiler chickens are breeders, Mitra CV Mitra Paguntaka Sejahtera, retailers and end consumers. The business that is run is a business which is generally the main source of livelihood. Partners as a company that provides seeds, feed, medicine, vitamins and vaccines to broiler breeders. Breeders only cultivate and provide cages. The volume of broiler collection varies depending on the demand and availability of broiler chickens at the farmer. The average harvest of broiler chickens by Partners at harvest is around 1,500 kg per harvest for each farmer, and breeders sell broiler chickens to Partners in a dirty (still feathered) condition at a price adjusted to the contract price.

The price of the contract when the research was conducted was Rp. 28,500,-. In this study, the

price that producers sell to partners is calculated and determined based on the average income of breeders by calculating: (Harvest weight x Contract price) – cost of using production facilities or (weight of harvest x 28,5000) – cost of using production facilities. Based on the calculation of breeders' income from the contract price, the selling price of the average harvest of breeders who partner with plasma in one production period can be calculated as follows:

Farmer Return: $(3.721,33 \text{ kg} \times \text{Rp } 28.500) - \text{Rp } 64.116.000 = \text{Rp}106.057.905 - \text{Rp } 63.995.712 = \text{Rp } 42.062.193$. So, the average selling price per head to the plasma company after deducting the cost of production is $\text{Rp } 42.062.193 : 3.721,33 = \text{Rp}.11.303$.

Retailers buy broiler chickens through Partners, Partners as collectors and market the crops to retailers by dirty condition (still hairy) for Rp25.000/kg according to the price of Ghuser market and Tenguyun market. Retailers sell to final consumer with clean chicken for Rp 33.000/kg. The next step after knowing marketing chain is to calculate the margin and farmer's share analysis as a measure to calculate marketing efficiency. High and low marketing margins are used to measure marketing efficiency. The larger the marketing margin, the more inefficient the marketing system (Hanafie, 2010). Farmer's Share has a negative relationship with marketing margins. The higher the marketing margin, the lower the Farmer's Share. The results of the analysis of marketing margins and farmer's share can be presented in table 1.

Table 1 shows the marketing chain of broiler chickens in North Tarakan District is not efficient. this is because the share received by breeders is 34.25%, which means less than 50%. The percentage of margin obtained is 65.74%. The small share received by breeders (34.25%) and high margin percentage is due to the selling price of breeders calculated in this study is a net profit for breeders because the cost component has been borne by partners (core companies).

Table 1. Margin Analysis and Farmer's Share Broiler Chicken Breeders Partnership Pattern

Marketing Agency	Rp
<i>Breeder</i>	
Selling Price (Rp/kg)	11.303
<i>Collector (Partner)</i>	
Purchase Price (Rp/kg)	11.303
Selling Price (Rp/Kg)	25.000
Margin (Rp)	13.697
<i>Retailer</i>	
Purchase price (Rp/Kg)	25.000
Selling Price (Rp/kg)	33.000
Margin (Rp)	8.000
<i>Consumers</i>	
Purchase price (Rp/kg)	33.000
Total Margin (Rp)	21.697
Margin Percentage (Mp) (%)	65,74
Farmer's Share (%)	34,25

In addition, the thing that causes a small value of farmer's share received by breeders is because the form of broiler chicken purchased by final consumers is chicken that has been cleaned of feathers and stomach contents by retailers. Meanwhile, breeders sell to partners in a

condition where the chicken is still feathered and has not been cleaned. While other efficiency is suspected because the marketing channel pattern only consists of one channel pattern with 2 marketing institutions involved, namely partner companies and retailers. Thus, breeders have no other alternative to selling their livestock products to partner companies because breeders have to sell their livestock products to partner companies at the agreed price at the beginning. Thus, even though the results of the researcher's analysis are not efficient, however, there are several advantages that can be obtained by breeders by partnering, namely 1) The price of chicken has been determined or agreed upon before carrying out the activities of raising chickens so that breeders do not feel worried about the rise and fall of chicken prices. 2) Marketing of broiler chickens is guaranteed because there are partners who are ready to buy chickens when they are harvested. 3) The breeder only prepares the cage, while other food crops such as seeds, medicines and feed have been provided by the partner company (core). 4) By partnering, breeders are provided with knowledge on how to raise livestock well through trainings held by partner companies (core).

CONCLUSION

There is one marketing chain for broiler chickens in North Tarakan District, namely from breeders (core) - Mitra CV Paguntaka Mitra Sejahtera (plasama) - retailers - end consumers. Based on the results of the calculation of the marketing margin on the marketing channel pattern of broiler chickens in North Tarakan

District, the total marketing margin of Rp. 21.697

3. Based on the calculation of farmer's share on the marketing channel pattern of broiler chickens in North Tarakan District, the farmer's share is less than 50%, which is 34.25% so it can be concluded that the marketing efficiency of partnership pattern broiler chickens in North Tarakan District is not efficient.

Even though the marketing efficiency of partnered breeders is not efficient, there are several advantages that can be obtained by breeders by partnering, including the price and marketing places are guaranteed by the partners, and also livestock production facilities such as DOC, medicines and feed have been provided by partner companies (core). By partnering, breeders are equipped with knowledge on how to raise livestock well through trainings held by partner companies. Breeders should also pay attention if they want to do business independently because to run livestock business independently, it requires high capital and costs.

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