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An Analysis of Marketing Efficiency and Value Added Commodity of Robusta Coffee in Aceh Jaya Regency

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Abstract:- Coffee processing in Aceh Jaya Regency is still limited to processing roasted coffee and coffee grounds are said to be modern and the marketing system for coffee products is still simple. Processing entrepreneurs and market opportunities are still around the business area with a limited number according to consumer demand. Pricing is still influenced by agents and wholesalers because farmers have to sell their products in bulk due to access to capital needed by farmers. This study aims to calculate the marketing efficiency of robusta coffee and calculate the added value obtained from the perpetrators of the Robusta coffee commodity in Aceh Jaya Regency. The research used survey method in conducting data, the population of this study is robusta coffee farmers. The results of the research for marketing efficiency, marketing channel II is more efficient when compared to marketing channel II. This is because in the marketing channel I, there are two institutions involved before it reaches the final consumer. As for the added value, the roasting coffee processing process gets a moderate added value, and the coffee powder processing process has less added value.

Keywords:- *Efficiency, Marketing, Added Value, Robusta Coffee.*

I. INTRODUCTION

Aceh Jaya Regency is a robusta coffee producer that was victorious before the conflict (before 1998), Robusta coffee bean production reached 30 tons per year but now only 10 tons to 15 tons. Aceh Jaya Regency is the largest coffee producer in the south west region of Aceh, reaching 2,011 ha with a productivity of 689 kwt/year. Robusta coffee productivity is low because intensively managed coffee can produce around 2 tons/ha. The low productivity of robusta coffee is due to the level of knowledge of farmers, production facilities that are not optimal, erratic weather conditions, and unmanaged coffee plants (Kusmiati & Wati, 2020).

Processing of robusta coffee has great potential for growth in socio-economic impacts, employment opportunities, and increased income (Sharma et al., 2010). Robusta coffee marketing is still marketed in the form of fresh logs. The lack of processing makes this product less value added. Plantation commodity processing sector can increase value added by 53 percent while the maximum increase occurs in processing by 133 percent (Sharma et al., 2010).

Coffee processing in Aceh Jaya Regency is still limited to processing roasted coffee and coffee grounds are said to be modern and the marketing system for coffee products is still simple. Processing entrepreneurs and market opportunities are still around the business area with a limited number according to consumer demand. Pricing is still influenced by agents and wholesalers because farmers have to sell their products in bulk due to access to capital needed by farmers.

Price fluctuations that often occur at any time are a major problem in the marketing system. Often farmers suffer losses due to price fluctuations because it is difficult to schedule coffee sales and agents can manipulate price information to get higher profits. The relatively high price fluctuations are caused by several factors, such as the drying process which is hampered by weather, demand for coffee which is sensitive to quality and moisture content, weak infrastructure, inadequate facilities, and the length of the marketing chain. To be able to reduce the problems that occur, it is necessary to increase the added value of coffee with the processing. This condition makes it difficult for farmers to increase their income and welfare. The length of the chain in the marketing agency makes some actors get higher marketing margins.

II. LITERATURE REVIEW

Sudiyono (2002) defines agricultural marketing as the process of commodity flow accompanied by the transfer of property rights and the creation of time, place and form carried out by marketing institutions by carrying out one or more marketing functions.

Marketing has a very important function in connecting goods and services from producers to consumers and providing great added value to the economy. The marketing function is the activities that occur as long as the product moves from producer to consumer as well as activities that provide utility to the product (Sudiyono, 2002).

In the process of delivering goods from producers to consumers, actions are needed that can facilitate marketing activities and these activities are called marketing functions, namely the exchange function, physical function and facilitating function (Sudiyono, 2007). 2002). Saladin (2004), the objectives of marketing activities are 1) to

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increase time utility; 2) increase the usability of the place (place utility); 3) improve form utility; 4) transfer of ownership (possession utility).

In agriculture, the margin of trade shows the price difference between the two levels of the marketing chain, namely the price change between the farmer price and the retail price. This calculation method is the same as the concept of added value. There are three methods for calculating marketing margins, namely by selecting and following channels of specific commodities, comparing prices at different marketing levels, and collecting gross sales and purchase data for each type of trader (Anindita, 2003).

Value added according to (Gittinger, 1986) is the value of output minus inputs purchased from outside. In each unit of production, value added is measured by the difference between the value of the company's output and the value of all inputs purchased from outside the company. Added Value = Sales Value (Output-Input Purchase Value).

From the processing of agricultural commodities, added value will be obtained. The definition of added value is the added value of a product or commodity because it undergoes processing, transportation, or storage in a production. In the processing value added can be defined as the difference between the value of the product and the value of raw materials and other inputs, excluding labor (Hayami et al., 1987).

III. RESEARCH METHODOLOGY

This research was conducted in Aceh Jaya Regency, Aceh Province. The location of this research was chosen purposively, with the consideration that Aceh Jaya Regency is one of the largest Robusta coffee producing areas in Aceh Province and Robusta coffee is one of the leading commodities in Aceh Jaya Regency. The method used in this study is a survey method, the population in this study is robusta coffee farmers. Sampling for farmers producing robusta coffee was carried out by simple random sampling, with a purposive sampling technique of 10 percent, with a population of 895 families, a sample of 90 respondents was obtained. The Snowball Random Sampling method for respondents is sub-district collectors and coffee processors, with the snowball method information will be obtained from farmers where the crops are sold, if the information is sufficient then the sampling for traders is complete.

In order to analyze the value chain efficiency of Robusta coffee commodity in Aceh Jaya Regency, the following formula is used:

$$EP = \frac{Marketing\ Cost}{marketed\ product} \times 100\%$$

The indicators used to evaluate the results of the calculation of marketing efficiency are based on the opinion (Soekartawi, 2002), namely:

- If Marketing Efficiency 50%, then the marketing channel is efficient.
- If Marketing Efficiency > 50%, it means that the marketing channel is not efficient.

To analyze the added value of Robusta coffee in terms of process and product, the Hayami's Method analysis tool was used (Hayami et al., 1987); Bagio et al. (2021); Kasimin et al. (2021).

IV. RESULTS AND DISCUSSIONS

Marketing in the research area starts from coffee farmers, traders and processing businesses of roasting coffee and coffee grounds (consumers). Farmers as robusta coffee producers carry out robusta coffee cultivation to the post-harvest process that results in production. At the research location, some farmers sell their coffee directly to the holding traders and some directly to the coffee processors in Lamno. However, farmers carry out a fermentation and drying process which takes up to 2 days to 5 days, after which they are pulped (peeled the skin) and turned into green beans. The average of green bean production obtained was 661 Kg, with a land area of 95.40 Ha with an average land ownership of 1.06 Ha from 90 sample farmers.

Robusta coffee marketing efficiency in Jaya Sub-district, Aceh Jaya Regency. To measure marketing efficiency, the reference is if the value of marketing efficiency is less than 50%, it means that marketing is said to be efficient and if the value of marketing efficiency is more than 50%, it means that marketing is not efficient (Soekartawi, 2002) . Based on the results of the marketing efficiency analysis, both marketing channel I and marketing channel II can be said to have been efficient with a value of 11.02 percent and 10.92 percent, respectively.

No	Description	Marketing Cost (Idr/Kg)	Final Product Value (Idr/Kg)	Marketing Efficiency (%)	Criteria
1	Marketing Channel I	14.330	130.000	11,02	Efisien
2	Marketing Channel II	14.200	130.000	10,92	Efisien

Table 1: Efficiency of Robusta Coffee (Green Bean) Marketing Channels in Aceh Jaya District, 2021

Source: Primary Data (processed), 2021

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Based on Table 1, marketing channel II is more efficient than marketing channel II. This is because in the marketing channel I, there are two institutions involved before it reaches the final consumer. On the other hand, the storage/sub-district traders are quite profitable because they only receive robusta coffee in the form of green beans from farmers and then resell it to consumers in Aceh Jaya, Banda Aceh (Solong Ulee Kareng) with shipping costs borne by the consumer. However, in marketing channel II there is already a process of adding value from coffee (green beans) processed into roasting and coffee powder with a wider marketing reach outside the Province.

The added value of coffee is to find out how much the added value of roasted coffee is to processed coffee powder products. For the processing of roasted coffee and coffee grounds, priority is given to meeting the needs of consumers in the region and outside the region. From the research, it can be seen that the tools used are modern, but the human resources are not yet skilled in processing coffee, they still need training.

No	Description	Roasted Coffee	Coffee Powder
	Output, Input, Cost		
1	Output /Total Production (Kg)	19,2	18,8
2	Input (Kg)	24,0	19,2
3	Labor Input (HOK)	1,0	1,0
4	Conversion Factor	0,8	1,0
5	Labor Coefficient	1,3	1,0
6	Output Price (Idr/Kg)	90.000,0	130.000,0
7	Labor Wages (Rp/HOK)	3.125,0	6.000,0
	Profit Receipt (Idr/Kg)		
8	Raw Price/ Kg	40.000,0	90.000,0
9	Other Input Prices (Idr/Kg)	2.100,0	8.100,0
10	Output / Processed Value	72.000,0	117.000,0
11	a. Added Value (Idr)	29.900,0	18.900,0
	b. Value Added Ratio (%)	41,5	16,2
12	a. Labor Income (Idr/Kg)	3.906,3	6.122,4
	b. Labor Share (%)	13,1	32,4
13	a. Profit (Idr/Kg)	25.993,8	12.777,6
	b. Profit Rate (%)	36,1	10,9
	Fringe Benefitsto the Owner of the Factors of Production		
14	Marjin (Idr/Kg)	32.000,0	27.000,0
	a. Labor (%)	12,2	22,7
	b. Capital (%)	6,6	30,0
	c. Profit (%)	81,2	47,3
		100,0	100,0

Table 2: Analysis of Added Value of Roasting Coffee and Robusta Coffee Powder in Aceh Jaya District, Aceh Jaya Regency, 2021

Source: Primary Data (processed), 2021

From the analysis, it can be seen that the added value in the coffee roasting process, the added value ratio reaches 41.5 percent with a marketing margin of 32,000 Idr per kilo gram and the profit reaches 81.2 percent, while in the coffee powder processing, the added value ratio is 16.2 percent with a marketing margin of 27,500 Idr per kilo gram profit rate is only 41.5 percent. Therefore, it is concluded that the roasting coffee processing process has high added value, and the coffee powder processing process has moderate added value. The added value criteria are divided into 3 indicators, including (1) if the added value ratio is <15% then the added value is low, (2) if the added value ratio is 15%-40% then the added value is moderate, (3) if the added value ratio is > 40% then the added value is high (Dilana et al., 2013).

V. CONCLUSION

Based on the results of the analysis of the Robusta Coffee Value Chain research in Jaya District, Aceh Jaya Regency, it can be concluded:

- Marketing of robusta coffee in Aceh Jaya Regency is already efficient. Marketing channel II is more efficient, because farmers directly sell robusta coffee (green beans) to roasting coffee and coffee powder processing. With a marketing efficiency of 10.92 percent.
- The added value obtained by coffee processors into roasting coffee is higher than processing coffee into coffee grounds. The added value ratio obtained from roasting coffee processing reached 41.5 percent, higher than the processing of ground coffee, which was 16.2 percent. The roasting coffee processing process has a high added value, and the coffee powder processing process has a moderate added value.

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