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Marketing Analysis of Red Onion (*Allium ascalonicum linn*) in Tanpabulu Village, Poleang Utara Subdistrict, Bombana Regency

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Abstract

This study aims to determine the marketing channel of shallots in Tampabulu Village, North Poleang Subdistrict, Bombana Regency and to determine the margin and efficiency of shallot marketing in Tampabulu Village, North Poleang Subdistrict, Bombana Regency. The population in this study were 45 farmers, collector traders, retailers, and unknown consumers. The sampling technique for farmers is census sampling so that the number of samples is the same as the population of 45 people. The sampling technique for collectors, retailers and consumers is snowbal sampling. Data analysis used is descriptive analysis, marketing margins and marketing efficiency. The results showed that (1) shallot marketing channels in Tampabulu Village, North Poleang Subdistrict, Bombana Regency, there are 3 channels, namely channel I is farmers - retailers - consumers, channel II is farmers - intermediary traders - retailers - consumers, channel III is farmers - intermediary traders - consumers. (2) The marketing margin of shallot farmers in Tampabulu Village, North Poleang Subdistrict, Bombana Regency in each channel has a difference where the largest margin value is in channels I, II and IV, namely IDR 7,000 and the lowest is in channel III with a margin value of IDR 4,000. The difference in marketing margins is due to the fact that the type III channel is not from farmers and consumers, while the type I, II and IV marketing channels are from farmers and consumers. The greater the difference between the purchase price and the selling price, the greater the marketing margin. Conversely, the smaller the difference between the selling price and the purchase price, the smaller the marketing margin. While the value of shallot marketing efficiency in channel I is EP = 1.49% with efficient category. Channel II is EP = 8.98 and in marketing channel III is EP = 4.82%. From the results of the analysis of the efficiency of the four channels is efficient, because it is smaller than the value of marketing efficiency (EP <

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Keywords: Shallots; Marketing Channels; Marketing Margins; Marketing Efficiency

INTRODUCTION

Agriculture is Indonesia's mainstay sector that plays an important role in the recovery of the economic crisis, by involving the agricultural sector workforce as a trigger for national economic recovery, especially in the horticultural sub-sector which has great potential to be developed, especially in fruit and vegetable crops, along with the increasing demand for horticultural products (Alfianto, 2017). One of the important horticultural commodities is shallots, which are increasingly widely grown by farmers in all regions of Indonesia, including outside Java, with the harvest area reaching more than fifty thousand hectares per year (Ministry of Agriculture, 2020).

Based on data from the Southeast Sulawesi Central Bureau of Statistics (2021), shallot production in 2019-2021 has increased. Shallot Production by Regency / City in Southeast Sulawesi can be seen in Table 1.

Table 1 Red Onion Production by Regency/City in Southeast Sulawesi Year 2019 - 2021

Region	Onion Production (quintal)		
	2019	2020	2021
Buton	52	423	387
Muna	65	80	155
Konawe	-	430	835
Kolaka	-	-	11
South Konawe	4	-	55
Bombana	16	100	399
Wakatobi	665	380	1.811
North Kolaka	755	976	745
North Buton	9	10	13
North Konawe	527	1.520	1.645
East Kolaka	160	102	4
Konawe Islands	-	-	-
West Muna	-	26	3
Central Buton	-	-	-
South Buton	1.482	2.376	3.640

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Kendari	-	-	-
Bau-Bau	165	127	450
Total	3.900	6.550	10.153

Source: BPS Southeast Sulawesi, 2021

Table 1 shows that the highest shallot production over the past three years occurred in 2021, amounting to 10,153 quintals. This number has increased from the previous year of 6,550 quintals. Onion production shows a significant increasing trend throughout the three years. The high contribution to the development of the onion commodity in Southeast Sulawesi is due to the efficient marketing of agricultural products (Amelia, 2016). In terms of demand, the people of Southeast Sulawesi have a high dependence on shallot commodities. This is because the shallot distribution area agroclimatologically supports shallot cultivation, also because market access is fairly easy to reach. For shallot traders, in terms of demand, of course, they pay attention to several things including price factors, the amount of production, the extent of availability and the quality of the commodity (Rezkita and Tobing, 2019). Furthermore, these things according to Rezkita and Tobing (2019) are important and interrelated because they also concern sustainable agriculture, especially in Southeast Sulawesi.

Marketing is an important factor in increasing farmers' income and welfare, because all farming activities boil down to marketing agricultural products, which have unique characteristics compared to industrial products, especially in terms of dependence on natural conditions (Pellokila, 2020). Ineffective marketing can reduce profits for both marketing institutions and farmers, due to the high marketing costs of shallots. To ensure a good selling point, the marketing mechanism must run optimally so that all parties benefit, although the long marketing chain often involves many actors who take large profits (Soekartawi, 2005; Widiastuti and Harisudin, 2013). Despite the increase in shallot production in Indonesia, specific regulations on shallot trade are not yet in place, leading to problems such as price imbalances and trader dominance in pricing, which can change within hours (Wandira, 2018; Harisudin, 2014). Good trade and distribution arrangements are essential to ensure that products reach consumers.

The trade system can be said to be efficient if it is able to deliver production to consumers at the cheapest cost and is able to organize a fair distribution of profits from the overall price paid by consumers to all parties participating in production and trade activities (Rahardi, 2000). An initial survey at the research location found that shallot marketing distribution tends to be less efficient in terms of profit sharing. It can be seen from the very low price of shallot products at the farm level, so it is important to know the channel and the problem to overcome the problem

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(Kusumaningtiyas, 2019).

Shallots in Desa Tanpa Bulu, North Poleang Subdistrict, Bombana Regency are marketed directly from farmers' harvests in several shallot production centers, especially from South Sulawesi Province, through traditional markets. Based on the description of the problems in the background, the researcher is interested in conducting a study on "marketing analysis of shallots (*Allium Ascalonicum Linn.*) in Desa Tanpa Bulu, Poleang Utara Sub-district, Bombana District."

METHOD

This research was conducted in Tanpa Bulu Village, North Poleang Subdistrict, Bombana Regency. The research was conducted from March 2023 to May 2024. The population in this study were shallot farmers in Desa Tanpa Bulu, North Poleang Subdistrict, Bombana Regency, namely 45 farmers, intermediary traders, retailers and unknown consumers. The sampling technique for farmers is *census* sampling so that the number of farmer samples is the same as the population of 45 people. The sampling technique for collectors, retailers and consumers is *snowball sampling.* The types of data in this study are quantitative data and qualitative data. Data collection techniques were carried out with documentation and observation. Data analysis used in this study, as follows:

1. The marketing channel of shallots in Tanpa Bulu Village, Poleang Utara Subdistrict, Bombana Regency was analyzed using descriptive analysis.
2. Margin and marketing efficiency of shallots in Tanpa Bulu Village, Poleang Utara Sub-district, Bombana Regency were analyzed using the following formula:
   a) Marketing Margin (Source: Hanafiah and Saefuddin, 1986)
      MP = PR - PF or MP = B+K
      Description:
      MP= Marketing margin (Rp/kg)
      PR= Price at consumer level (IDR/kg)
      PF= Farm gate price (IDR/kg)
      B= Operating Cost
      K= Profit
   b) Calculating Marketing Efficiency
      Determination of onion marketing efficiency is done by calculating the amount of share received by farmers or what is commonly called *farmer's share* (Surni, 2015).The share received by farmers *(farmer's share*) is formulated as follows:

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$$Fs = 1 - \frac{M}{He} X\ 100\%$$

Description:

Fs = *Farmer's share* (%)

M = Marketing margin earned by traders (Rp/Kg)

He = Sales Price (Rp/Kg)

Efficiency indicators:

Fs ≤ 50% = Means the marketing channel is not efficient.

Fs >50% = This means that the marketing channel is efficient, as the share received by production farmers is relatively large.

RESULTS AND DISCUSSION

Marketing Channel of Shallots (*Allium ascalonicum linn.*) in Tampabulu Village

The length of the marketing channel affects the marketing margin; the longer the marketing channel, the greater the margin taken, because there are more marketing institutions involved, so the price received by producer farmers is smaller than the price paid by consumers. In the marketing process of shallot (Allium Ascalonicum Linn.) in Tampabulu Village, North Poleang Subdistrict, Bombana Regency, the marketing channel can be identified through the marketing system involving various marketing institutions. The expansion and smoothness of shallot marketing greatly requires the role of marketing institutions to channel shallots from producers to consumers in the region.

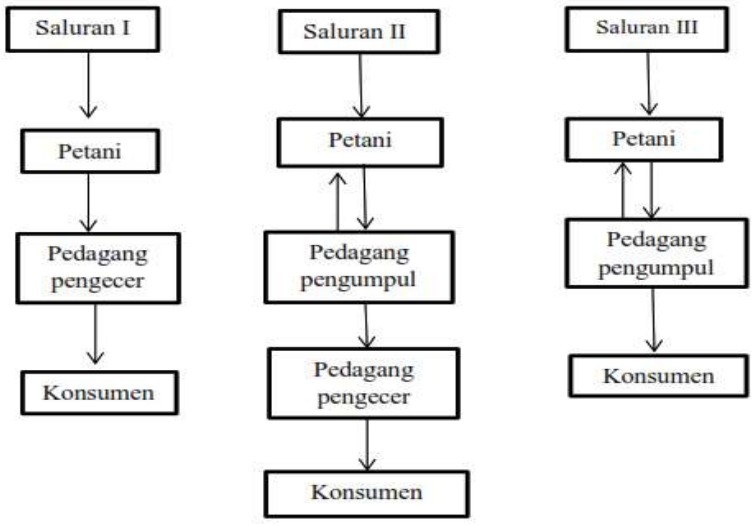


Image 1 Marketing Channel in Tampabulu Village, North Poleang Subdistrict Bombana Regency

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Figure 1 explains that the shallot marketing channel in Tampabulu Village, North Poleang Subdistrict, Bombana Regency can be seen that the marketing channel of farmers to intermediary traders and retailers is a direct marketing channel because farmers directly sell shallots to intermediary traders and retailers, the channel of farmers to retailers is a marketing channel with farmers then to retailers after which retailers are channeled to consumers, and from the marketing channel from farmers to intermediary traders is a marketing channel with intermediary traders to retailers who sell shallots to the final consumer.

Marketing Margin of Red Onion (*Allium ascalonicum linn.*) in Tampabulu Village

The marketing margin is the difference between the price at the producer level and the marketing costs and profits expected by marketing institutions. Marketing margin analysis can reflect marketing efficiency, but it is not enough to look at the size of the margin, it is also necessary to analyze the distribution of profits and costs incurred. The size of the total margin varies across marketing channels, depending on the length of the channel, and the distribution of margins across marketing institutions varies..:

Table 2 Margin on channel I in 2024

NO	Description	Total
1	Farmers	
	Sales Volume (kg)	150
	Sales Price (Rp/kg)	30.000
	Transportation (Rp/Kg)	1.000
	Packaging (Rp/Kg)	20
	Total Cost (Rp/Kg)	1.020
	Margin	3.000
	Profit (Rp/Kg)	1.980
2	Retailers	
	Sales volume (Kg)	150
	Purchase value (Rp/Kg)	30.000
	Sales Price (Rp/kg)	33.000
	Transportation (Rp/Kg)	120
	Packaging (Rp/Kg)	20
	Total Cost (Rp/Kg)	140
	Margin	3.000

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	Profit (Rp/Kg)	2.860
	Total marketing cost (Kg)	2.120
	Total Margin	3.000

Based on Table 2 regarding marketing costs in channel I, farmers sell shallots directly to retailers with a marketing cost of IDR 1,020/Kg, which includes transportation costs, market retribution, and packaging costs. Transportation costs are used to purchase fuel for the farmer's pick-up truck, while retribution costs cover the rent to enter Baruga Market, and packaging costs are the cost of a 50 Kg sack. Retailers incur the lowest marketing cost, IDR 140/Kg, which is used for transportation (Arco cost) and daily market retribution. In this marketing channel, farmers sell directly to retailers, who then sell to final consumers. This step is taken because collecting traders do not buy all of the farmers' production, and the selling price to retailers is higher, so farmers choose to sell directly to retailers.

Based on the results of the study, farmers managed to control marketing costs by selling directly to retailers, which is in line with the theory of marketing objectives by Mulyadi (2015) which states that marketing cost analysis aims to determine the cost of products, control costs, and plan and direct marketing activities. These results are also in line with research by Labu (2022), who found that farmers chose to sell directly to retailers because of lower selling costs. The difference between this study and the previous study by Indrajaya (2022) is the number of marketing channels used; this study used three marketing channels, while the previous study only used two. In addition, in the previous study, channel I only involved farmers selling to intermediary traders, while in this study, farmers sold directly to retailers and final consumers.

Table 3 Average Margin on Channel II in 2024

NO	Description	Total
1	Farmers	
	Sales Value (Kg)	26.000
2	Collecting Traders	
	Purchase volume (Kg)	994
	Purchase Value (Kg)	26.000
	Sales Price /Kg	30000
	Labor (Kg)	21
	Transportation (Rp/Kg)	207
	Warehouse Rent (Rp/Kg)	1.295

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	Packaging (Kg)	60
	Total Cost (Kg)	1.586
	Margin	4.000
	Profit (Kg)	2.414
3	Retailer	
	Purchase volume (Kg)	237
	Purchase Value (Kg)	30.000
	Sales Price (Kg)	33.000
	Transportation (Rp/Kg)	85
	Market Retribution (Rp/Kg)	14
	Rent (Rp/Kg)	2733
	Total Cost (Kg)	2.832
	Margin	4.000
	Profit (Kg)	1.168
4	Total Marketing Cost (Kg)	4.418
	Total Margin	7.000

Based on Table 3, the highest costs in marketing channel II are incurred by the collecting traders, which amount to IDR 1,586/Kg, because the collecting traders visit the farmers and sell directly at Baruga Market. This cost includes transportation, labor, warehouse rent, market levies, and packaging costs, such as fuel for the pickup truck, wages for sorters and packers, and the cost of sacks with a capacity of 50 Kg. Meanwhile, the lowest marketing costs in channel II are incurred by retailers, although they incur considerable costs, reaching IDR 2,832/Kg, mainly for space rental, transportation (Arco costs), and market levies. Marketing pattern II involves farmers selling their produce to intermediary traders, who then sell it to retailers and on to final consumers. Farmers choose to sell to intermediary traders due to the closer distance compared to retailers, which reduces additional costs and still provides a profit for the farmer. In Channel II, farmers do not perform the transportation function or the risk-bearing function, as both functions are taken over by the intermediary traders.

The results of this study are in line with those of Nalurita (2008), which showed that farmers generally do not perform the transportation function, but instead partner with retailers and suppliers who take over this function. In addition, farmers also do not bear the risk, as the risk is transferred to the collecting traders or middlemen. The difference between this study and Indrajaya's (2022) study lies in the number of marketing channels; the former study only used two

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marketing channels, while this study used three channels. In Indrajaya's study, channel II only involved farmers selling directly to retailers, while in this study, farmers sold to intermediary traders, then to retailers, and finally to final consumers. In this study, farmers still have to bear the risk of fluctuating shallot prices, especially during the harvest season when prices drop. However, farmers now have a better understanding of market information, unlike ten years ago.

Table 4 Average Marketing Margin on Marketing Channel III in 2024

No.	Description	Total
1	Farmers	
	Sales value (Rp)	26.000
2	Collecting traders	
	Purchase value (Rp/kg)	26.000
	Sales price (Rp/kg)	33.000
	Labor (Rp/kg)	80
	Transportation (Rp/kg)	200
	Warehouse rent (Rp/kg)	1250
	Packaging (Rp/kg)	60
	Total cost (Rp/kg)	1.590
	Margin	7.000
	Profit (Rp/kg)	5.410
3	Total marketing cost	1.590
	Total Margin	7.000

Based on Table 4, the highest costs in marketing channel III are incurred by intermediary traders, which amount to IDR 1,590/Kg, because they visit farmers and sell shallots directly to the surrounding community who come to the warehouse. These costs include transportation, labor, warehouse rent, and packaging, such as fuel for the pickup truck, wages for sorters, and the cost of a 50-kg sack. In contrast, farmers have the lowest marketing costs in channel III, as they do not incur costs for transportation, rent, or labor. In this marketing pattern, the collecting traders come to the farmers and sell directly to the final consumers, a step chosen by the farmers due to the closer distance to the collecting traders than retailers, thus reducing costs and still providing profits. The results show that in channels II and III, farmers do not perform the transportation function, but instead partner with retailers and suppliers who take over this function. The price risk is borne by intermediary traders or middlemen, in line with Nalurita's (2008) study, where

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farmers do not perform the transportation function or bear the risk. However, farmers still face the risk of fluctuating shallot prices, especially during the main harvest, which causes prices to fall, although they are better informed about the market now than they were ten years ago.

Marketing efficiency of shallots (*Allium ascalonicum linn.*) in Tampabulu Village, Poleang Utara Subdistrict, Bombana Regency

To find out how much marketing efficiency in each shallot marketing channel is as follows:

Table 5 Channel Marketing Efficiency

NO	Description	Channel I (Rp/Kg)	Channel II (Rp/Kg)	Channel III (Rp/Kg)
1	Marketing Margin	3.000,0	7.000,0	7.000,0
2	Sales Price	33.000,0	33.000,0	33.000,0
	Efficiency (%)	90,9	78,7	78,7

Based on table 5 above, the researchers can describe it as follows;

1. Indicates efficient marketing channel I onion farmers get a value of 90.9. This means that shallot marketing for intermediary traders and retailers runs efficiently because the percentage received is > 50%. This is based on the criteria set out in the formula for calculating marketing efficiency, namely if the percentage of price received ≤ 50% then the marketing of a product does not run efficiently, and if the percentage of price received > 50% then the marketing of a product runs efficiently.
2. It shows that marketing institution channel II (farmers - collectors - retailers - consumers) has an average value of efficiency obtained is 78.7%. The result of this study is that marketing channel II is efficient where the efficiency value is more than 50%. The results of this study are in accordance with the theory put forward by (Surni, 2015) that the marketing channel is said to be efficient if the efficiency value is more than 50%.
3. Indicates that the third channel marketing institutions (farmers - collectors - retailers - consumers) have an efficiency value obtained is 78.7%. This is in line with the statement (Surni*, et.al,* 2022) that efficiency is a change aimed at improving marketing or commerce, which also means improving or increasing marketing efficiency. Marketing efficiency means creating a situation of satisfaction for the parties, namely producers, especially curly chili farmers, marketing institutions, and consumers. Measurement to achieve efficiency, among others, is consumer satisfaction with the goods and services it

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receives is the trade or marketing system. The following average marketing efficiency of shallot farmers is presented in Table 6.

Table 6 Average Marketing Efficiency of Channels

NO	Description	Channel I	Channel I	Channel I	Average
		(Rp/Kg)			
1	Marketing Margin	3.000	7.000	7.000	5,666
2	Sales Price	33.000	33.000	33.000	33.000
	Efficiency (%)	90,9	78,7	78,7	82,7

Table 6 above shows that the most efficient marketing channel in shallot marketing is marketing channel I (one). Marketing channel I is the most efficient marketing channel, but shallot farmers in Tampabulu Village, North Poleang Subdistrict, Bombana Regency predominantly use marketing channel II based on sales volume. It can be seen that the difference between marketing channel I (efficient) and marketing channel II lies in the presence of marketing institutions in the form of retailers. This is because the facts on the ground show that intermediary traders and retailers are actually quite helpful to farmers in marketing their products, as intermediary traders and retailers are able to buy products in a large enough volume, so that farmers will be more interested in choosing marketing channel II.

According to Asmarantaka (2014), marketing efficiency does not only look at three efficiency indicators (marketing margin value, *Farmer's share*, and profit and cost ratio) but also looks at the market structure, marketing channels, and marketing functions carried out by respondents and the costs incurred in each of these functions and the satisfaction of each marketing institution involved in marketing.

CONCLUSION

Based on the results of the research and discussion above, it is concluded that the shallot marketing channel in Tampabulu Village, North Poleang Subdistrict, Bombana Regency has 3 channels, namely channel I is Farmers - retailers, channel II is farmers - intermediary traders - retailers, channel III is farmers - intermediary traders.

The average marketing margin across the three marketing channels is IDR 5,666/Kg, with the highest marketing margin in marketing channels II and III and the lowest marketing margin in marketing channel I.

The average marketing efficiency across the three marketing channels is 82.7%, with the

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highest marketing efficiency in marketing channel II and the lowest marketing efficiency in marketing channel I.

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