

EFFICIENCY MARKETING OF CHICKEN EGGS IN MEDAN CITY OF NORTH SUMATRA

J D Nainggolan, E Mirwandhono, A H Daulay, I Sembiring, Hamdan

Animal Production Program, Faculty of Agriculture, Universitas Sumatera Utara, Medan 20155

E-mail: nurzainahginting@gmail.com

ABSTRACT. The purpose of this research was to know the magnitude and effect of marketing margin cost on the selling price of chicken eggs and how the systematics of chicken egg distribution from producers to final consumers. This research was conducted at 7 markets that have been chosen by way of deliberate from 21 districts located in Medan City: Setia Budi Market, Sei Kambing Market, Sambu Market (sentral), Aksara Market, Pringgane Market, Simpang Limun Market, and Kampung Lalang Market. This research was conducted from October to November 2016. This study used primary data obtained from observation and interviews of respondents. Determination of respondents by accidental sampling method. The parameters studied were channel and agency marketing, marketing margin, farmer share and marketing efficiency. The result of this study indicated that the marketing institution involved were collecting traders, big traders and small traders. Marketing channels had four channels. The marketing efficiency on channel I is 2,16%, channel II is 1,14%, Channel III was 2,13% and channel IV was 1,72%. Farmer share channel I was 80,14%, channel II was 81,52%, channel III was 76,21% and channel was 81,15%. The conclusion of this research was that the marketing of chicken eggs in Medan City of North Sumatera has been efficient.

1. Introduction

Marketing is all activities aimed at streamlining the flow of goods or services from producer to consumer most efficiently with a view to creating effective demand [1]. Egg marketing is done by the manufacturers usually use various marketing institutions to egg products into the hands of consumers. This process requires marketing costs that will be used to perform marketing functions. Different marketing channels certainly have different marketing and profit costs. It is necessary to note the problem of marketing efficiency in order for eggs to reach consumers with reasonable price and the marketing institutions involved are still able to carry out the marketing function well.

Efficiency is the minimum use of resources to achieve optimum results. Marketing efficiency will occur if marketing costs can be reduced so that there is profit, marketing can be higher, the percentage of price difference paid by consumers and producers is not too high and the availability of physical facilities marketing. Marketing efficiency is an indication of the prosperity of the perpetrators of economic activities of agricultural production including producers, marketing institutions and consumers. Through marketing efficiency, there is a difference of producer's income with consumer cost and producer income feasibility with marketing participant's income involved in trading activity.

Ways or indicators to measure marketing efficiency include marketing margins, price fixing at the consumer level, availability of marketing physical facilities and the intensity of market competition.

However, the indicators in this study will examine the marketing efficiency related to price fixing at the consumer level in relation to the margin and marketing channel pattern, especially on egg chicken products in Medan City of North Sumatra.

Based on this, the authors are interested to conduct a study entitled "Efficiency marketing of chicken eggs in the city of Medan North Sumatra".

2. Materials and Methods

2.1. Place and time of research

The location of the research is determined by purposive method of choosing the research location by intentionally. The consideration that the city of Medan is one of the areas that became the target marketing of large chicken eggs. The research will be conducted in several traditional markets of Medan, namely: Pagi Setia Budi Market, Sei Kambing Market, Sambu Market (Sentral), Brayan Market, Pringgatan Market, Lemonade Store and Kampung Lalang Market. This research will be conducted from June to July 2016.

2.2. Research methods

The method used in this study is survey method with respondents who sell eggs chicken. Respondents came from 7 traditional markets selected from 21 sub-districts in Medan (each sub-district consists of one market) from each respondent's market was chosen by accidental sampling ie respondents who were present at the market and willing to be interviewed and have the necessary data (Khoirunnisa, 2008).

2.3. Data collection

The data collected in this study consist of primary data and secondary data.

- Primary data obtained from data collection of chicken egg sellers in traditional markets in Medan.
- Secondary data is obtained from various related agencies, such as Badan Pusat Statistik.

2.4. Data analysis method

The analysis process in the study begins by examining all available data from various sources. Further data obtained are analyzed by using descriptive that is with the aim of describing the reality found from the results of research continued by processing qualitative data to determine the cost component by calculating all costs using economic analysis include: Saluran dan Lembaga Tataniaga

Patterns and institutional arrangements involved in the laying chicken product arrangement can be found through direct interviews on the producers of chicken eggs and the distribution channel agencies involved. Analysis of channel and agency data in a descriptive analysis.

- Marketing margin analysis.

Margin marketing is the price difference received by producer farmers with the price paid by the end consumer.

- Trading Efficiency

Tataniaga efficiency is the ratio between the total cost and the total value of the marketed product [2], or it can be formulated:

$$Eps = (TB / TNP) \times 100\%$$

Information :

Eps = Trading Efficiency

TB = Total Marketing cost

TNP = Total value of Product

3. Results and discussion

3.1. Characteristics of Layer Chickens

Characteristics of 8 breeders located in binjai and pantailabu areas. Can be seen in Table 1.

Table 1. Characteristics of respondents laying hens in Binjai area, Labu Beach

Name	Age	Address	Education	Number of family	Egg Price	Population
Amin	62	Desa Batang Vihara, P.Labu	SMA	5	975	50000
Awi	40	P.Labu	SMA	4	990	21000
Gunawan	32	Jln. Semangka, Binjai Barat	D3	7	985	20000
Aseng	60	Tanjung Belok, Binjai Barat	SMA	5	980	43000
Tiohan	54	Jln Maytjendra, Binjai Barat	SMA	4	990	50000
Eko	33	Jalan kartini no 15 Binjai Barat	SMA	5	970	10000
Netty	40	Jalan Impres Tandem Hulu	SMA	5	985	10000
Atten	50	Jalan Impres Tandem Hulu	SMA	4	990	20000

Sumber : Data Primer setelah diolah, 2016

Characteristics of the Gatherer Merchant

Table 2. Respondent Characteristics of Merchant in Medan City

Name	Age	Address	Education	Time Trades	Egg buy price	Egg sell price	Trasportation cost
Slamat	45	Sei Skambing	SMA	17	1060	1240	Rp 6.6 /egg
Suprpto	48	Sei Skambing	SMA	24	1030	1250	Rp 10 /egg
Niko	28	Setia Budi	D3	15	1040	1240	Rp 6.6 / egg
Swadi Putra	60	Sp.Limun	SD	35	1050	1200	Rp 7 / egg
Eddy Salim	30	Sp. Limun	D1	30	1150	1250	Rp 6.6 / egg
M. Nur	51	Kelambir V	SMA	30	1180	1250	Rp 6.6 /egg
Johan	30	Kelambir V	SMA	10	1000	1200	Rp 6.6 /egg
Boy	35	Sambu	STM	6	1050	1100	Rp 10 /egg
Suratman	44	Sambu	SMA	30	900	1100	Rp 10 /egg

Source : Primary Data, 2016

ChickenEggMarketingChannel

Determination of Respondents in 7 municipal markets can be seen in table 3

Table 3. Marketing Institution Chicken Egg in 7 Medan City Market

No	Marketing Institution	Respondents number	Percentage (%)
1	Collector Dealer	9	21.43
2	Wholesalers	9	21.43
3	Retailer	24	57.14
	Total	42	100

Source: Primereley Data 2016

3.2. Marketing Analysis

Cost of Marketing is the costs incurred in the movement of goods from the hands of producers to the final consumer or any expenses incurred for marketing purposes [3]. Marketing margin in this study will be calculated up to the final consumer price. Where the price used is the average price in two months. Profit margins and marketing costs on one marketing channel can be seen in table 4.

Table 4. Margin Profit and Cost Analysis of Chicken Race Egg Marketing On Marketing Channel I

Marketing Institution	(Rp/egg)	Margin distribution (%)	Cost Share / Benefit (%)
1.breeders			
a. selling price	1042,5	-	84.95
1.retailers			
a. buying price	1042,5	-	84.95
b. transportation cost	-	-	-
c. profit margin	187.5	100	15.05
d. selling price	1230	-	-
1.consumers			
a.buying price	1230	-	100

Source: Primerility Data 2016

Profit margins and marketing costs of chicken eggs on marketing channels II. presented in table 5.

Table 5. Margin Analysis of Profit and Cost of Chicken Egg Marketing On Marketing Channel II

Marketing institution	(Rp/egg)	Margin distribution (%)	Cost share/benefit (%)
1. breeders			
a. selling price	1042.5	-	89.94
2.whole sellers			
a. buying price	1042.5	-	89.94
b. transportation cost	-	-	-
c. profit margin	116.5	100	10.05
d. selling price	1159	-	100
2. consumers			
a. buying price	1159	100	100

Source: Primerily Data 2016

Tabel 6. Margin Analysis of Profit and Cost of Chicken Egg Marketing On Marketing Channel III

Marketing institution	(Rp/egg)	Margin distribution (%)	Cos sharet/benefitt (%)
1.breders			
a. selling price	1061.11	-	88.18
2.whole sellers			
a. buying price	1061.11	-	88.18
b. average transportation cost	7.73	5.43	0.64
c. profit margin	134.6	94.57	11.18
d. selling price	1203.33	-	100
3. retailers			
a. buying price	1203.33	-	95
b. profit margin	63.33	100	5
c. selling price	1266.66	-	100
3. consumers			
a. buying price	1266.66	-	100

Source : Primerily Data 2016

Profit margins and marketing costs of chicken eggs on marketing channels II. presented in table 7.

Table 7. Margin Analysis of Profit and Cost of Chicken Egg Marketing On Marketing Channel II

Marketing institution	(Rp/egg)	Margin distribution (%)	Cost share/benefit (%)
1. breedeers			
a. selling price	1042.5	-	91.71
2. whole sellers			
a. buying price	1042.5	-	91.71
b. average transportation cost	-	-	-
c. profit margin	94,16	100	8,28
d. selling price	1136.66	-	100
3. retailers			
a. buying price	1136.66	-	94,72
b. profit margin	63,34	100	5,27
c. selling price	1200		100
3. consumers			
a. buying price	1200	-	100

Source : Primerely data 2016

3.3. Marketing Efficiency and Farmer Share

Profit margins and marketing costs of chicken eggs on marketing channels II. presented in table 8.

Table 8. Margin Analysis of Profit and Cost of Chicken Egg Marketing On Marketing Channel II

Marketing Type	Channel	Total Marketing Cost (RP)	Product Value (RP)	Marketing Efeciency (%)
Marketing Efficiency I		26,19	1215,00	2,16
Marketing Efficiency II		13,62	1194,44	1,14
Marketing Efficiency III		27,16	1277,78	2,13
Marketing Efficiency IV		20,69	1200,00	1,72

Source : Primerily Data 2016

Thus the effectiveness of the most efficient use of marketing institutions through Table 11 is marketing channel II with total marketing cost Rp.13.62 / item, product value Rp 1194 and marketing efficiency value of 1.14%.

3.4. Farmer Share

Tabel 9. Marketing Margin on each Chicken Race Marketing Distribution Channel

Marketing Type	Channel	Total Marketing Cost (RP)	Percentage of Marketing Margin (%)	Farmer's Share(%)
Marketing Efficiency I		241,25	19,86	80,12
Marketing Efficiency II		220,69	18,48	81,50
Marketing Efficiency III		276,87	23,79	76,19
Marketing Efficiency IV		205.56	18,85	81,13

Source :Primerily Data 2016.

4. Conclusions

The conclusion of this research was that the marketing of chicken eggs in Medan City of North Sumatera has been efficient.

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