

Prospects for the Development of Coconut Cooking Oil Household Business in Galang District, Deli Serdang Regency

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Abstract. Micro, small and medium enterprises (MSMEs) in Indonesia have a very large and important contribution to the country's economy. MSMEs currently running in the community consist of many fields, one of which is the use of Indonesian agricultural products. Coconut oil can be used as cooking oil, margarine and white butter, a component in soap making and cosmetic formulations. MSMEs making coconut oil have quite a large business opportunity, one of which is the Maida Coconut Cooking Oil Business which is located in Galang District, Deli Serdang Regency. The amount of coconut oil produced is still on a small scale. This is due to very simple equipment, high selling prices, and limited range of marketing strategies. This activity aims to help Maida MSMEs to increase production by providing assistance in the form of equipment and determining the proper cost of goods sold. The results showed that the cost of goods sold obtained before adding tools based on the full costing method was IDR 41,746/L and variable costing was IDR 39,236/L. Meanwhile, after adding equipment based on the full costing method it is IDR 104,211/L and variable costing is IDR 89,757/L.

Keywords: Coconut cooking oil, Cost of goods sold, MSMEs

Abstrak. Usaha mikro kecil dan menengah (UMKM) di Indonesia memiliki kontribusi yang sangat besar dan penting bagi perekonomian negara. UMKM yang saat ini berjalan dimasyarakat terdiri dari banyak bidang salah satunya adalah pemanfaatan hasil pertanian Indonesia Minyak kelapa dapat digunakan sebagai minyak goreng, bahan margarin dan mentega putih, komponen dalam pembuatan sabun serta formulasi kosmetika. UMKM pembuatan minyak kelapa memiliki peluang bisnis yang cukup besar, salah satunya adalah Usaha Minyak Goreng Kelapa Maida yang

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terletak di Kecamatan Galang Kabupaten Deli Serdang. Jumlah minyak kelapa yang diproduksi masih dalam skala kecil. Hal ini disebabkan oleh peralatan yang sangat sederhana, harga jual yang tinggi, serta jangkauan strategi pemasaran masih terbatas. Kegiatan ini bertujuan untuk membantu UMKM Maida untuk meningkatkan produksi dengan adanya pemberian bantuan berupa alat-alat dan penentuan harga pokok penjualan yang layak. Hasil penelitian menunjukkan bahwa diperoleh harga pokok produk sebelum penambahan alat berdasarkan metode full costing adalah IDR 41.746/L dan variable costing adalah IDR 39.236/L. Sedangkan setelah penambahan alat berdasarkan metode full costing adalah IDR 104.211/L dan variable costing adalah IDR 89.757/L.

Kata Kunci: *Minyak kelapa, Harga pokok penjualan, UMKM*

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1. Introduction

Indonesia is a tropical country that has many islands and is the main coconut producing country in the world. In 2019, the total area of coconut plantations in the world reached 62,46 million ha. Indonesia is a potential country that has the largest coconut plantation area in the world, reaching 3.396.776 ha with productivity amounts 2.839.852 tones. This is a big opportunity to develop coconut into a variety of useful products [1].

Coconut trees are very beneficial for human life because almost all parts of the coconut can be used. Coconut fruit consisting of coir, shell, pulp and coconut water is no wasted and can be made to produce industrial products, including: woven goods, mattresses, copra, vinegar, nata de coco and coconut oil [1].

Coconut oil is used as cooking oil, an ingredient in margarine and white butter, a component in soap making and in cosmetic formulations [2]. Besides being used for frying, in rural communities coconut oil is also used as massage oil, scraping, and for cooking oil. In the pharmaceutical field, coconut oil is now becoming increasingly used, especially with the increasing number of telon oil products, one of which is coconut oil, as well as the recognition of some of the health benefits of coconut oil [3].

Micro, small and medium enterprises (MSMEs) in Indonesia have a very large and important contribution to the country's economy. One of the businesses managed by partners is coconut oil processing. The amount produced is still on a small scale. This is because the machines and equipment used are still very simple, so that the production is still small and the quality is not too good compared to coconut oil that is available in the market. The selling price is too high when compared to other competitors makes it still

has low competitiveness, and the marketing strategy is not very broad. Seeing the very promising prospects of the Maida Coconut Cooking Oil Business, it is hoped that the community service activities carried out by the Universitas Sumatera Utara can make a positive contribution to the development of coconut cooking oil household businesses in Galang District, Deli Serdang Regency, namely by providing assistance in the form of equipment and determining the proper cost of goods sold.

2. Methods

The cost of goods sold is one of the most important elements in determining the cost of goods sold in determining the cost of goods manufactured. Based on the background mentioned above, the suitable methods for determining the cost of sales of Maida coconut oil are the full costing method and the variable costing method. These methods are used for estimating the prospect. The indicator of the prospect is the final value obtained from the full costing and variable costing methods.

The methods of implementing community service activities consists of three methods, namely survey, socialization and monitoring and evaluation. The survey was conducted by visiting the partner's residence located in Galang Suka Village, Galang District and directly interviewing Mr. Suparli as a partner. The method used in community service activities is the method of socialization. Socialization includes an examination of the cultural environment of the social environment of the community concerned, social interaction and social behavior. Based on this, socialization is the most important link among other social systems, because in socialization there is involvement of individuals to groups in one system to participate. [6] As for monitoring and evaluation, the team held discussions with partners regarding the use of new tools and the obstacles they faced as well as monitoring production results after using the new tools.

The full costing method is a method of calculating the cost of goods sold which calculates all the elements of production costs into the cost of production which consists of raw material costs, direct labor costs and factory overhead costs which are fixed or variable, so the full costing method is also called absorption costing. absorption) [4].

The advantages of the variable costing method are first, as a cost control tool, because by presenting all costs grouped into fixed costs are grouped separately in one group and not mixed with other costs, intended to provide convenience to management in focusing on cost behavior. permanent. Second, idle capacity can be a top priority in the capacity model. Third, better Profit reporting because every calculated profit is very much influenced by the rate of sales, because today's business world is very competitive [5].

3. Results and Discussion

Our partner is Mr Suparli. Mr. Suparli owns a household business that produces cooking oil called Maida coconut cooking oil. The business has been running for about two years and the demand for coconut cooking oil has continued from time to time. Sales of coconut oil are made online and offline. Due to our partner has a family that opens a herbal shop business and is quite well known in the area around Lubuk Pakam, the sale of Maida coconut cooking oil is still going on amidst many competitors who sell similar products. Although the price is higher than the price of coconut oil in the market.

Due to the presence of pure coconut oil business opportunities, our partners try to empower mothers around partner locations who need additional income. They process coconut to produce oil. Until now, what is still capable of being produced is coconut cooking oil. However, amidst the rapidly growing benefits of virgin coconut oil (VCO), our partners hope to be able to produce VCO too.

The total cost of raw materials is obtained IDR 140.000, fixed overhead costs IDR 14.458, variable overhead costs IDR 21.000 and also labor costs IDR 65.000. The total cost obtained to be used for one production activity is IDR 240.458. For one production activity, there are 30 coconuts used. This amount of coconuts is capable of producing 2.4 liters of virgin coconut oil.

There are several additional production equipment used to assist coconut oil production activities, namely coconut milk squeezer machine, grater machine, stove, iron pan, measuring cup, filter cloth, gloves, coconut pry tool, stainless filter, and stove regulator. By using the full costing method to calculate the cost of production of Maida coconut oil before the addition of equipment, the cost of goods sold obtained is IDR 41,746. Meanwhile, by using the variable costing method, the cost of production obtained is IDR 39,236. The addition of tools causes higher prospects because the final value of the costing and full costing variables is getting bigger. This indicates that this value is very profitable for the seller.

Production cost is an important thing to do. This is intended to make it easier for companies to know how much the company actually costs to produce a product called production costs. The cost of production in the industry is the largest part of the costs that must be incurred by the company. If cost information for a job or process is readily available, then management has a solid basis for planning its activities. [7] In addition, the determination of production costs can also help us in determining the minimum selling price to consumers.

The benefits obtained by partners after the addition of new tools in terms of quality are coconut oil which is clearer in color after using new tools and does not smell like before. This shows that with new tools, partners can produce with better quality. In terms of productivity, in the process of making coconut oil, the processing time and process are also faster and easier after using new tools. In addition, product differentiation has also been carried out with the addition of new tools. This clearly encourages the competitiveness of Maida's coconut oil to be able to compete with other competitors.



Figure 1. Production results before the addition of new equipment



Figure 2. Production results after the addition of new equipment

4. Conclusions

Community service activities were carried out well to develop the business of making Maida virgin coconut oil. After the addition of new equipment (coconut milk squeezer machine, grater machine, stove, iron pan, measuring cup, filter cloth, gloves, coconut pry tool, stainless filter, and stove regulator), coconut oil production is more effective and efficient. Not only coconut oil is produced, but also VCO. This activity has increased household entrepreneurs' understanding of determining a reasonable cost of production from coconut oil.

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