BROILER CHICKEN MARKETING CHANNELS IN KABAWO DISTRICT MUNA REGENCY

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ABSTRACT

This research is motivated by the sale and purchase of broiler chickens by farmers with traders in the Kabawo District of Muna Regency. This study aims to (1) find out the marketing channels of broiler chickens in Kabawo District of Muna Regency and (2) know the level of efficiency of broiler chicken marketing in Kabawo District of Muna Regency. This research was analyzed using descriptive analysis, margin analysis and marketing efficiency (Farmer's Share). Determination of breeder and trader samples is carried out by census sampling, namely collecting the entire population as a research sample if the population is less than 50 people. The population in this study consists of 10 breeders, 1 collecting merchant, and 1 retailer in the Kabawo District of Muna Regency. The results of research that has been carried out are obtained as follows: (1) marketing channels involved in the marketing process from farmers to consumers, namely (a) marketing channel I, where the farmer sells his chickens to the retailer merchant, then the retailer forwards the sale directly to the end consumer and (b) the marketing channel II where the farmer sells his chicken to the collecting merchant, and then the collecting merchant forwards the sale to the end consumer. (2) marketing margin and percentage share of prices received by farmers (farmer's share) broiler chickens in Kabawo District muna regency run efficiently, where each channel shows with a farmer value share above 50%, namely marketing channel I of 86.49% and marketing channel II of 80%.

Keywords: broilers; marketing channels; marketing efficiency.

INTRODUCTION

The world's agricultural products are usually characterized by their bulk, perishability, low cost and seasonality. These agricultural products require special handling and marketing to reach consumers in good condition. In Indonesia, the marketing of agricultural products has not received serious attention from the government. Although government policies have continuously focused on poverty alleviation, some problems have been encountered in their implementation. Marketing is a management philosophy that drives business organizations towards consumer needs and their satisfaction. Customer satisfaction is the primary goal of the marketing concept (Surni et al., 2013). According to Wanuh et al. (2019), Marketing is the spearhead of every business, with the marketing of products produced by producers can reach the hands of consumers. Farmers usually use short and long marketing channels in the marketing process. The short marketing channel occurs from producers to consumers directly, while the long marketing channel occurs from producers, collectors and consumers, and of course, there is intervention from marketing institutions. Marketing is an essential link, has a broad role, and dramatically influences farmers' income. Smooth trade in general and the smooth running of fundamental and essential commodities will be the key to achieving people's economic stability and increasing production in various fields. (Fatmawati & Zulham, 2019). A marketing channel is a set of interrelated organizations involved in producing or manufacturing a product in the form of goods or services that are useful for consumption (Salampessy et al., 2019).

Broiler chicken business is one type of business that has the potential to be developed. Several factors supporting the broiler cultivation business can be developed, among others, because...
the domestic demand for broiler chickens is still huge. This is so farmers or producers do not experience significant losses in their business. If not, only livestock businesses with good management and strategy will survive and thrive. A livestock business requires specific strategies (Ekapriyatna, 2016). Running a broiler chicken business, of course, cannot be separated from the marketing system produced by producers (breeders). Well-executed marketing is one of the factors that support the success of a broiler farming business (Saroba et al., 2016). Based on BPS data from the Department of Agriculture and Food Security of Southeast Sulawesi Province (2019), the development of broiler chickens in Southeast Sulawesi in 2019 for the population at the district level amounted to 4,776,671 heads. Muna Regency is in 9th position out of 17 regencies/cities in Southeast Sulawesi, with 86,540 individuals. In Muna Regency, there is potential for broiler chicken business. One of them is Kabawo District, based on an initial survey (2021) that shows that the people of Kabawo District prefer broiler chicken meat to meet their animal protein needs. Besides being affordable, broiler chicken is also easy to obtain. In the Kabawo subdistrict, there are 10 breeders, and the marketing expansion is outside the sub-district level. Distributing livestock in Kabawo District by tracing the flow for marketing distribution has reached Tongkuno District, Watopute District, and Kabangka District in Muna Regency. Even marketing has reached Central Buton Regency. According to Diwan et al. (2015), the process of distributing livestock by intermediary traders has several stages before reaching final consumers, namely transportation, payment of levies, and loading and unloading livestock. Transportation costs can be reduced if the distance between farmers and consumers is close. The farther the distance and the more intermediaries (marketing agencies) are involved, the higher the marketing costs. With high efficiency in the marketing process, the profit obtained is expected to be even more significant (Tulle et al., 2016). If the costs incurred are lower and the marketing agency generates a more significant marketing margin, the marketing system will be more efficient (Sudana, 2019).

Marketing efficiency is seen with price efficiency assuming a perfectly competitive market. In a perfectly competitive market, prices reflect the costs incurred. This price efficiency is calculated from transportation costs and processing costs. Efficiency is calculated from the difference in commodity prices between the two marketing institutions, which must be less than or equal to the costs incurred to carry out these activities (Jakiyah & Sukmaya, 2020). According to Arbi et al. (2018), the level of marketing efficiency can be seen from the calculation of marketing margins, the number of marketing costs, the number of marketing profits, the size of the share received by the Farmer (Farmer's share), and the amount of the share received by the marketing agency (trader's share), as well as the efficiency level of each -each marketing agency involved in the trading process. The purpose of this study was to determine the marketing channels and the level of marketing efficiency of broiler chickens in Kabawo District, Muna Regency.

**MATERIALS AND METHODS**

This research was conducted in Kabawo District, Muna Regency, from November 2021 to January 2022. The location of this research was conducted *purposively* based on the consideration that in Kabawo District, Muna Regency, there is a broiler chicken farm, which then occurs buying and selling transactions between farmers and traders, where it is necessary to explore how the marketing is done.

The population in this study are farmers and traders who carry out the buying and selling process. Based on the initial survey, the population in this study consisted of 10 farmers. Then, obtain information from farmers that there is 1 collector and 1 retailer. Determination of the sample of farmers and traders is done by *census sampling*, namely taking the entire population as a research sample if the total population is less than 50 people (Rianse & Abdi, 2009). So, the sample in this study was 12 people.

The analysis used in this study is to answer the first problem using descriptive analysis. To answer the second problem using farmer's share (Surni, 2015):

\[
Fs = \frac{M}{He} \times 100\% 
\]

Information: M: Marketing Margin (IDR/Kg); He: Retail price at the consumer level (IDR/Kg); Fs: Farmer's share or percentage of the price received by farmers (%)
RESULTS AND DISCUSSION

Characteristics of Respondents

Respondents in this study researched all breeders in the Kabawo District. All of these farmers are independent farmers. The characteristics of respondents’ identities are divided into age level, education level, business experience, and number of family dependents, which can be seen in the following table:

Table 1. Characteristics of respondents

<table>
<thead>
<tr>
<th>No</th>
<th>Characteristics of Respondents</th>
<th>Unit</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Age</td>
<td>Year</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>Education</td>
<td>Year</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>Business Experience</td>
<td>Year</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>Number of Family Dependents</td>
<td>Soul</td>
<td>5</td>
</tr>
<tr>
<td>5</td>
<td>Production</td>
<td>Tail</td>
<td>270</td>
</tr>
</tbody>
</table>

The results showed that the average respondent farmer in Kabawo District, Muna Regency, was included in the productive age category, which was in the age range of 15-55 years, with this age level enabling farmers to be able to carry out their activities well so that it would encourage increased production of broiler chickens. They will directly increase their income. According to Aprilyanti (2017), those still in their productive period usually have a higher level of productivity, so the output produced is higher than that of workers who are old, so their physical possessions become weak and limited. Respond farmes in Kabawo District have, on average, completed 6 years of primary education (SD). According to Piadjo (2018), a workforce’s education level positively affects productivity because people with higher education have more knowledge to improve their performance. This shows that the higher a person’s education level, the higher his work productivity because that person will have broader insight and knowledge. Vice versa, if a person’s education is low, his insight and knowledge will also be low so that it will have an impact on decreasing work productivity.

Respondent farmers also have 5 years of farming experience, so that they can be categorized as experienced breeders. Piadjo (2018) states that if there are workers who have work experience, they are expected to get jobs according to their expertise. The longer a person is in a job that follows his expertise, the more he is expected to be able to increase his productivity. So, it is said that work experience positively affects labour productivity. The number of dependents in the breeder's family is an average of 5. When they are of productive age, family members can assist farmers in running a broiler chicken business. Hardin (2019) states that the more dependents in the family, the smaller the income earned, so the smaller the portion of the income saved.

The production referred to in this study is the broiler chicken produced by the breeder and is calculated in units of head/month. The size of the profit obtained by the farmer depends on the selling price and the costs incurred by the farmer. The higher the selling price of broiler chickens and the smaller the costs incurred in the production process and marketing costs incurred, the greater the profits. Breeders do production in 1 month only once. The minimum period used in harvesting production is 28 days. If the age of the chicken is at least 28 days, the weight of the chicken can reach 1.5 kg/head. If it is averaged in Kg for monthly production results from the total production of farmers, it can reach 4,050 Kg/month. The selling price level is measured by how much the chicken weighs. Sales with a weight of 1 kg were marketed at IDR 32,000.

Marketing channel

Broiler chickens produced by farmers so that they reach consumers will involve various marketing agencies. Several marketing agencies are marketing broiler chickens from producers or breeders in Kabawo District to consumers. The results showed that the marketing institutions involved in the broiler marketing channel included collectors and retailers. This aligns with the research of Wowiling et al. (2018). Corn marketing analysis in Dimembe Village, Dimembe District, North Minahasa Regency, only involves a few marketing agencies, so marketing is short. The corn marketing channel in Dimembe Village involves three marketing institutions: producers, collectors, and retailers. Distribution activities from producers to consumers require intermediary traders, also known as marketing institutions, that have an essential role in marketing activities. Production distribution from producers to consumers through multiple marketing channels, where each channel involves different marketing agencies. In the context of the flow of broiler chickens from producers to consumers, one thing that needs to be considered is where the marketing will be carried out. If the
marketing place is marketed correctly, it will get higher profits. For more details, the pattern of broiler marketing channels in Kabawo District can be seen in the following picture:

![Marketing Channel Schematic 1](image1.png)

**Figure 1. Marketing channel schematic 1**

Based on Figure 1, that the marketing agency involved in this channel there is one level, namely retailers. The retailers referred to in this study are traders who purchase broiler chickens from breeders (producers), who then continue selling them to consumers. In making a purchase transaction, the trader visits the farmers. Seven farmers distribute their broiler chickens to retailers. The method of payment made from retailers to farmers is cash payment after receiving the chicken. At the time of purchase from the farmer, energy is expended, namely, pulling the chicken feathers before they are marketed. Then, it will be directly marketed to consumers using transportation at Lasehao Market and Wakumoro Market.

Regarding marketing, costs include transportation costs, cleaning fees, and tools to make sales. The total costs are IDR 1,356,000 (3 months) or IDR 579/Kg. The volume carried in 1 day is 30 kg. In a week, there are 6 days of buying and selling. The purchase price of broiler chickens to farmers is IDR 32,000/Kg, while the selling price to consumers is IDR 37,000/Kg. If you look at the profit, the resulting margin is IDR 5,000/Kg and the cost is IDR 579/Kg, so the resulting profit is IDR 4,421/Kg.

![Marketing Channel Schematic 2](image2.png)

**Figure 2. Marketing channel schematic 2**

Based on Figure 2, that breeders sell their broiler chickens to collectors. The collectors referred to in this study are those who buy and sell broiler chickens, and when they make purchases from farmers (producers), they do not directly market them. However, the purchased chickens are accommodated and collected in the provided cage. At the time of collection, feed costs are incurred so that the chickens can survive 2 to 3 days before being marketed to consumers. In making purchases to farmers only once a week. For the volume made in a single purchase of 150 Kg. Three breeders distribute their broiler chickens to the collectors. Purchase transactions are carried out by collecting traders visiting the breeder's location directly and then continuing the sale to Wakuru Market, Wakumoro Market, and Lombe Market using transportation. The form of sale is stored in a basket where the chickens marketed are alive. But in addition to marketing it in the market, some consumers directly come to the location of collecting traders to buy the chicken. The characteristics of collecting traders are more concerned with business sustainability because it is a source of income.

Marketing costs incurred by collectors include transportation costs, marketing tools, and feed costs. The total marketing costs spent for 3 months reached IDR 3,145,000 or IDR 1,747/Kg. This cost is higher than the marketing channel I. The purchase price for farmers is IDR 32,000/Kg, while the selling price for consumers is IDR 40,000/Kg. With the resulting margin, which is IDR 8,000/Kg, if it differs from the costs incurred, which is IDR 1,747/Kg, the resulting profit is IDR 6,253/Kg. With these advantages, until now, where more than 10 years, I have not switched to another profession.

In distributing chickens from farmers to consumers, marketing institutions have the value of the purchase and selling prices to make a profit. More details on the purchase price and selling price can be seen in the following table:

<table>
<thead>
<tr>
<th>Marketing Channel</th>
<th>Producer</th>
<th>Marketing Agency</th>
<th>Purchase Price (IDR/Kg)</th>
<th>Selling Price (IDR/Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Breeder</td>
<td>P.Retailer</td>
<td>32,000</td>
<td>37,000</td>
</tr>
<tr>
<td>II</td>
<td>Breeder</td>
<td>P. Collector</td>
<td>32,000</td>
<td>40,000</td>
</tr>
</tbody>
</table>

Marketing margin is the difference between the selling price and the purchase price of a product at each marketing agency involved in a marketing activity (Arbi et al., 2018). Table 2 shows that the marketing channel I, namely retailers, has a marketing margin of IDR 5,000/Kg. Meanwhile,
for the second marketing channel, namely the collecting traders, they have a marketing margin of IDR. 8,000/Kg. Retail margins are smaller because the costs incurred are only in the form of transportation costs and the tools needed in sales.

Meanwhile, the amount of margins owned by collectors is influenced by the costs incurred when storing in cages, namely the cost of feed before carrying out the sale. The selling price is higher because the risk of damage to broiler chickens that are marketed is greater. One is the risk of time, where the more extended the chicken is stored, the more damaged or rotten it will be. With the value of the marketing margin, the profit the trader generates will be more significant.

Marketing Efficiency

Marketing efficiency is one aspect of marketing that increases the movement of goods from producers to consumers. In marketing efficiency, it will be seen that there is a difference in prices received by producers to those paid by final consumers, as well as the feasibility of income received by producers for the commodities produced (Sudana, 2019). Marketing efficiency is indicated by the large share of the price consumers pay and receive from producers. Efficient Marketing means creating a situation where satisfaction is obtained for all parties, namely producers, marketing institutions, and consumers. The greater the percentage share of the price received by producers > 50%, the more efficient the marketing, and vice versa. If the percentage share of producers' prices is smaller, then the marketing is inefficient. It can be calculated using the farmer's share method to determine whether the marketing system applied to each broiler marketing channel is efficient. More details on marketing efficiency in this study can be seen in the following table:

<table>
<thead>
<tr>
<th>Marketing Channel</th>
<th>Selling Price (IDR/Kg)</th>
<th>Marketing Margin (IDR/Kg)</th>
<th>Price Part Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>37,000</td>
<td>5,000</td>
<td>86.49</td>
</tr>
<tr>
<td>II</td>
<td>40,000</td>
<td>8,000</td>
<td>80.00</td>
</tr>
</tbody>
</table>

Based on Table 3. using the farmer's share shows that the value in each channel has been efficient because it is > 50%. The highest efficiency is found in channel I, which is 86.49%. Meanwhile, the efficiency on channel II is 80%. Among the two marketing channels, the most efficient in this research is marketing channel I because it has the highest farmer's share value. Compared to research by Yuniarti et al. (2017), the organic rice marketing channel title in Boyolali Regency is based on the highest farmer's share, which is worth 57%. This is due to the level of risk of damage, where broiler chickens are easily damaged while organic rice is not easily damaged. Based on the value of the farmer's share, the price to the farmer follows the desired price offer. This is in line with the research of Wowiling et al. (2018), which shows that all marketing channels have been efficient. This is because the production produced by farmers follows the price they offer. According to Arbi et al. (2018), efficient marketing will be created if the producers, marketing agencies, and consumers are satisfied with the existing marketing activities. An inefficient marketing system produces producers and high-paying consumers receiving a small share.

CONCLUSION

Based on the results of the analysis and discussion, the conclusions in this study are as follows: There are two patterns of broiler chicken marketing channels in Kabawo District, Muna Regency, marketing channel I, where farmers sell their chickens to retailers, then retailers continue selling directly to final consumers. Marketing channel II is where farmers sell their chickens to collectors, and collectors continue the sales to final consumers. Marketing of broiler chickens in Kabawo District, Muna Regency, through two channels based on farmer's share analysis results. The first channel is more efficient than channel two, indicated by the farmer's share value of 86.49% > 80%. Still, in terms of the profit level, the profit in the second marketing channel is greater than in the first marketing channel, which is IDR. 11,255,400 > IDR. 10,345,140.

REFERENCE


