

# Analysis of Marketing Efficiency of Beef Cattle on “Tirto Sari” Livestock at Sub District of Samboja, District of Kutai Kartanegara, East Kalimantan

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**Abstract**— *The purpose of this study is to find out the marketing efficiency of beef cattle on “Tirto Sari” livestock at Sub District of Samboja, District of Kutai Kartanegara, East Kalimantan. The result of this study indicates that there are four varieties in terms of beef cattle marketing on “Tirto Sari” livestock at Sub District of Samboja, District of Kutai Kartanegara, East Kalimantan: direct marketing of marketing type I, intermediate marketing of marketing type II and III and long-processed marketing of marketing type IV. The marketing agencies involved in the marketing process of beef cattle are livestock, small-sized enterprises, wholesalers, final consumers or slaughterhouse. The result of marketing efficiency calculation shows that each marketing type of beef cattle on “Tirto Sari” livestock at Sub District of Samboja, District of Kutai Kartanegara is considered to be efficient, ranging from 0 – 33%. After the calculation of marketing margin and farmer’s share, the most efficient marketing type is marketing type I (direct marketing), showing lowest value of marketing margin and highest value of farmer’s share. It is, then, followed by marketing type II (intermediate marketing), marketing type III (intermediate marketing), and marketing type IV (long-processed marketing).*

**Keywords**— *Marketing Efficiency, Beef Cattle, Kutai Kartanegara.*

## I. INTRODUCTION

An increasing demand in terms of beef cattle in East Kalimantan as a source of meat occurs every year; however, it is not supported by the increase in cattle population meaning that the need for meat and cattle in East Kalimantan is hardly met. In 2014, East Kalimantan supplied 59,216 cows from East Java, South Sulawesi, Central Sulawesi, Bali, and West Nusa Tenggara (East Kalimantan Livestock Service, 2015).

Establishing an efficient marketing system is most likely to benefit farmers and consumers; one of which is through establishing a direct marketing. The sequence of marketing determines the value of marketing margin, the profit of farmer’s share and the profit to be obtained; starting there it is possible to analyze the marketing efficiency (Soekartawi, 1997). The purpose of livestock development is neither to increase the number demand by expanding the market nor to increase the purchasing power, but the main purpose is to increase the income of farmers (Saragih, 2000).

District of Kutai Kartanegara constitutes the district with most cattle population in East Kalimantan of 26,198 cows and contributes to supply the meat for the community; at the same time, it is also required to provide beef cattle for cattle farmers outside the district, so that establishing efficient marketing system is considered to be imperative (East Kalimantan Livestock Service, 2015).

By 2016, the number of livestock farming groups of beef cattle in the district of Kutai Kertanegara is 211 groups, spread across the district and divided in 7 areas of livestock. There has been no study in terms of analyzing the marketing efficiency of beef cattle in the District of Kutai Kartanegara (District Kutai Kartanegara Livestock and Animal Health Service, 2016). Of the description above, this study is essential in order to determine and analyze the marketing efficiency of beef cattle on “Tirto Sari” livestock at Sub District of Samboja, District of Kutai Kartanegara, East Kalimantan.

## II. MATERIAL AND METHOD

### 2.1 Research Design

The study was conducted in the District of Kutai Kartanegara, East Kalimantan. The District of Kutai Kartanegara was selected due to the fact that Kutai Kartanegara is the district with the highest population of cattle livestock in East Kalimantan (East Kalimantan Livestock Service, 2015).

The study on the marketing of beef cattle in the district of Kutai Kartanegara is the form of case study. Winartha (2006) states that case study is an approach aiming at maintaining the needs or wholeness of an object. The instruments used in the study were survey and interview in order to obtain information from the respondents. The selection of beef cattle livestock used purposive sampling under the criteria of employing group maintenance system and complete administration. The sample of marketing agency was determined by accidental sampling following the distribution of beef cattle from livestock to consumers. Data obtained consists of primary and secondary data. Primary data were obtained directly from beef cattle livestock and marketing agency through interview (questionnaire). Secondary data were obtained from agencies related to the topic of the study. The data were processed systematically and presented in the form of tables and figures.

### 2.2 Sampling

The sample of this study is on "Tirto Sari" livestock at Sub District of Samboja, District of Kutai Kartanegara, East Kalimantan developed by UPTD PUSKESWAN, Sub District of Samboja, District of Kutai Kartanegara. The sample size is 20 members of beef cattle livestock with the ownership of 2 – 5 cows.

The sampling technique used purposive sampling due to the fact that the Sub District of Samboja is the central of beef cattle livestock in the district of Kutai Kartanegara and "Tirto Sari" livestock develops well with well-conduct administration.

### 2.3 Data Analysis

The analysis used in this study is descriptive analysis, marketing margin analysis, profit analysis, farmer's share analysis and marketing efficiency analysis.

## III. MARKETING STRATEGIES

### 3.1 Marketing Margin

The marketing margin on marketing type I (direct marketing) is 0 IDR meaning that price difference between producers and consumers is a non-existent. On marketing type II (intermediate marketing), the value of marketing margin is 1,000,000 IDR/head. On marketing type III (intermediate marketing), the value of marketing margin is 2,000,000 IDR/head. On marketing IV (long-processed marketing), there are two marketing agencies involved: small-sized enterprises (inter-village/sub district) and wholesalers (interdistrict/cities/provinces). The highest marketing margin is obtained by wholesalers of 2,000,000 IDR/head, while the lowest marketing margin is obtained by small-sized enterprises of 1,500,000 IDR/head.

### 3.2 Profit

On marketing type I (direct marketing), the profit obtained is 2,532,500 IDR/head. On marketing type II (intermediate marketing), the profit earned is 600,000 IDR/head. On marketing type III (intermediate marketing), the profit is 1,235,000 IDR/head. Marketing type IV obtains the highest profit from wholesalers (interdistrict/cities/provinces) of 1,235,000 IDR/head, while the lowest profit comes from the small-sized enterprises (inter-village/sub district) of 1,100,000/head.

### 3.3 Farmer's Share

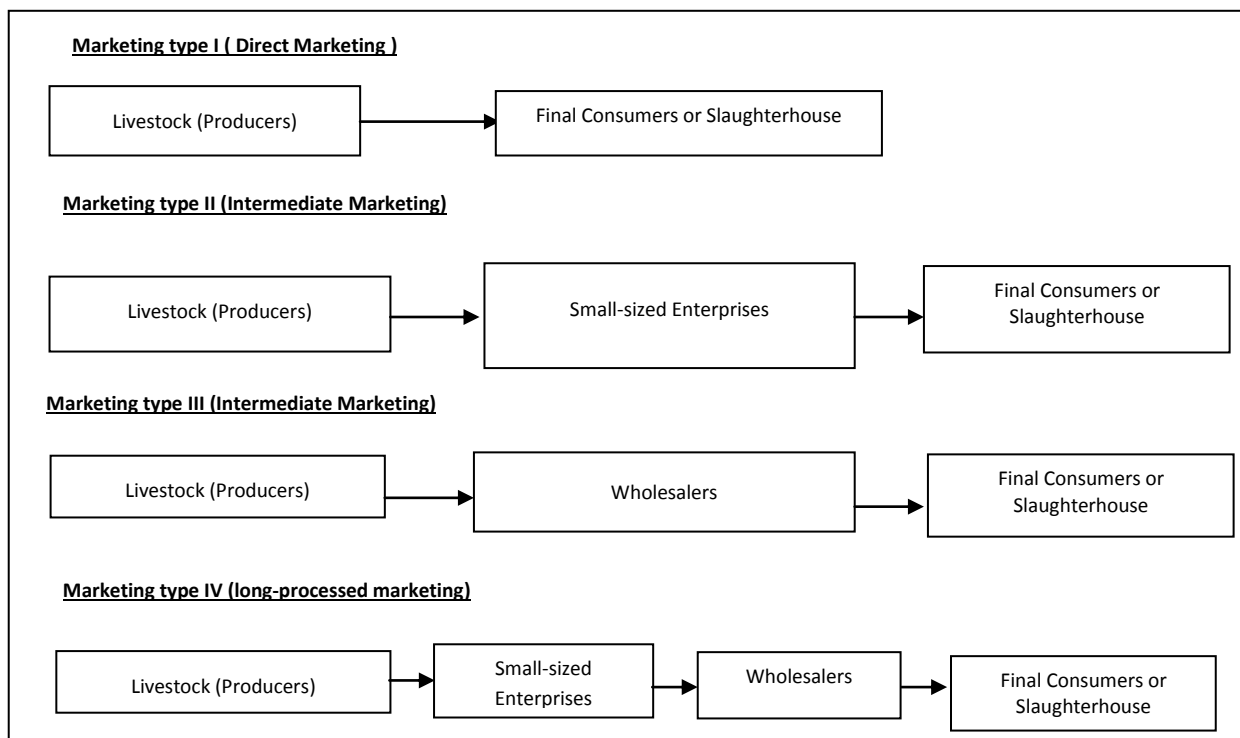
The highest farmer's share is on marketing type I (direct marketing) of 100% which means that the producers receives 100% of the profit paid by the final consumers of 14,500,000 IDR/head, while the lowest farmer's share is on marketing type IV (long-processed marketing) of 79.4% meaning that the farmers receive 79.4% of price paid by the final consumers of 17,000,000 IDR/head.

Based on the calculation of marketing type I, the value of marketing efficiency is 0%. On marketing type II, the value of marketing efficiency is 2.67%; meanwhile the value of marketing efficiency on marketing type III is 4.78%. On marketing type IV, the value of marketing efficiency is 6.85%. The result of marketing efficiency on "Tirto Sari" livestock at Sub district of Samboja, District of Kutai Kartanegara indicates that each marketing type is considered to be efficient ranging from 0 – 33%.

#### IV. RESULT AND DISCUSSION

The result indicates that there are four marketing varieties of beef cattle on “Tirto Sari” livestock at Sub District of Samboja, District of Kutai Kartanegara: direct marketing of marketing type I, intermediate marketing of marketing type II and III and long-processed marketing of marketing type IV. The marketing varieties can be seen in Table 1. The marketing agencies in the marketing process of beef cattle are livestock, small-sized enterprises, wholesalers, final consumers or slaughterhouse.

**TABLE 1**  
**THE MARKETING VARIETIES OF BEEF CATTLE ON “TIRTO SARI” LIVESTOCK AT SUB DISTRICT OF SAMBOJA, DISTRICT OF KUTAI KARTANEGARA**



The value of marketing margin at the level of producers, consumers and farmer’s share obtained on each marketing type of beef cattle on “Tirto Sari” livestock at Sub District of Samboja, District of Kutai Kartanegara can be seen in Table 2. The The analysis of marketing efficiency on each marketing type can be seen in Table 3.

**TABLE 2**  
**MARKETING MARGIN AND FARMER’S SHARE OF BEEF CATTLE ON “TIRTO SARI” LIVESTOCK AT SUB DISTRICT OF SAMBOJA, DISTRICT OF KUTAI KARTANEGARA, EAST KALIMANTAN.**

Marketing	Type I	Type II	Type III	Type IV
Marketing Margin (%)	0	6,67	12,5	20,58
Farmer’s share (%)	100	93,3	87,5	79,4

**TABLE 3**  
**ANALYSIS OF MARKETING EFFICIENCY OF BEEF CATTLE MARKETING ON “TIRTO SARI” LIVESTOCK AT SUB DISTRICT OF SAMBOJA, DISTRICT OF KUTAI KARTANEGARA, EAST KALIMANTAN**

Marketing	Type I	Type II	Type III	Type IV
Marketing Efficiency (%)	0	2,67	4,78	6,85

#### V. CONCLUSION

The result of marketing efficiency calculation shows that each marketing type of beef cattle on “Tirto Sari” livestock at Sub District of Samboja, District of Kutai Kartanegara is considered to be efficient, ranging from 0 – 33%. After the calculation of marketing margin and farmer’s share, the most efficient marketing type is marketing type I (direct marketing), showing

lowest value of marketing margin and highest value of farmer's share. It is, then, followed by marketing type II (intermediate marketing), marketing type III (intermediate marketing), and marketing type IV (long-processed marketing). The research of analysis of marketing efficiency of beef cattle is useful for farmer as additional information through which marketing type the most efficient.

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