ISRG Journal of Arts, Humanities and Social Sciences (ISRGJAHSS)

ISRG PUBLISHERS
Abbreviated Key Title: ISRG J Arts Humanit Soc Sci
ISSN: 2583-7672 (Online)
Journal homepage: https://isrgpublishers.com/isrgjahss
Volume – I Issue-VI (November – December) 2023
Frequency: Bimonthly

ALLOCATION OF SUBSIDIZED FERTILIZER IN THE AGRICULTURAL SECTOR AND ITS DISTRIBUTION FROM DISTRIBUTORS TO RETAILER STALLS TO THE FARMERS/FARMERS' GROUP LEVEL (CASE STUDY IN KAYAANGAN DISTRICT, NORTH LOMBOK DISTRICT)

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| **Received:** 25.12.2023 | **Accepted:** 30.12.2023 | **Published:** 31.12.2023

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Abstract

This research is entitled "Allocation of Subsidized Fertilizer in the agricultural sector and its distribution from Distributor to Retail Kiosk to Farmer/Farmer Group level. Case study in Kayangan sub-district, Lombok Regency." The aim of this research is to analyze the fertilizer sales business, marketing costs and marketing margins for subsidized fertilizer sales by fertilizer distributor kiosks. This type of qualitative descriptive research uses a case method, where the respondents were a total of 9 fertilizer retail kiosk business units whose samples were determined using purposive sampling. The results obtained if seen from the income from fertilizer sales are very small, namely around IDR 68.2 per kg from the distributor's selling price of IDR 2,231.8 and the retail kiosk selling price to farmers follows the HET price of IDR 2,300,- The size of the income received depends on the size of the sale . In terms of price, the fertilizer marketing margin is IDR 68.2 from distributor to retail kiosk. On the other hand, fertilizer retailers sell at prices between Rp. 2300 to Rp. 2500 to farmers, this cost price includes labor and transportation in transporting fertilizer to farmers which is included in the calculation of marketing costs. The marketing margin for fertilizer sales from retail kiosks to farmers is an average of 91.07%. After knowing the total marketing margin and farmer's share in marketing channels 1, 2 and 3, it can be seen that all subsidized fertilizer marketing channels are included in the efficient marketing level. The three marketing channels are efficient based on the income of each farmer's share which is above 50 percent. In terms of marketing costs incurred, each marketing institution is still a fairly fair amount, where the distribution of profits between each marketing actor is quite fair. Any profits obtained are in accordance with the marketing function carried out.

Keywords: *Business Analysis, Marketing Margin, Subsidized Fertilizer Sales*

1. INTRODUCTION

Background

The condition of agricultural land in Indonesia experiences shrinkage every year, especially productive agricultural land, this is influenced by economic development and development progress both at the village and urban areas. This narrowing of land or reduction in agricultural land is caused by the development of areas both for residential areas and for the construction of government offices and the construction of industrial areas. The impact of this narrowing of agricultural land is that rice production will decrease,

DOI: 10.5281/zenodo.10446281

especially in urban areas where most of the productive land has been used by developers for residential development. This very rapid shrinking of agricultural land is influenced by the high demand for food in the community, as a result of the widespread development of urban areas, the large number of idle or barren land and high population growth so that they need shelter in addition to food.

The shrinking of agricultural land is becoming increasingly complex due to the high rate of conversion of agricultural land to non-agricultural land. According to records from the Statistics Agency (BPS), the area of raw rice fields continues to decline by approximately 110,000 ha/year. This reality, if left unchecked, sooner or later will cause various environmental impacts. (Daily Biraa; co.id. 2021) So in general the reason agricultural land is getting narrower is due to changes in land function or conversion of land that was previously productive land in the form of sauah or tegal turned into land that was completely unproductive. Some of the farmers changed their profession, they did this because being a farmer was considered unprofitable or always made a loss, especially for farmers who own small plots of land.

The implementation of government policies in the agricultural sector, especially agricultural input subsidy policies, is basically in order to increase the production capacity of agricultural land and to realize food sufficiency throughout Indonesia. As stated by Dudi S, Hendraan (2011), fertilizer subsidies aim to increase food production and farmer income. Especially for areas supporting the national rice barn, such as the West Nusa Tenggara area, one of the areas that is included as a national rice producing area or as a national rice barn.

West Nusa Tenggara Province has quite large potential for agricultural land development. According to data taken from SP Land in 2015, NTB has 247,434 Ha of rice fields, 1,097,767 Ha of non-rice fields and 650,903 Ha of non-agricultural land. The area of rice fields includes the area planted with rice (once, twice and three times). Area of non-rice field land in the form of fields/gardens, fields/humas, land that is temporarily not being cultivated, others (plantations, community forests, ponds, ponds/tebat/ponds, etc.). Non-agricultural land in the form of residential areas, offices, roads and others. To support the production of food and horticultural crops in terms of providing planting areas, the Directorate General of Agricultural Infrastructure and Facilities in 2013 implemented a program to expand the area/plantation of rice fields covering an area of 5,700 ha distributed over the island of Lombok covering an area of 1,000 Ha and Sumbawa Island covering an area of 4,700 Ha (Department of Plant Agriculture Food and Horticulture; 2013). In 2019, NTB targeted 368,000 hectares of rice planting area in rice fields and 16,000 hectares of rice planting area in fields. Meanwhile, in 2020, the target planting area is 350,000 hectares of paddy fields and 130,000 hectares of planting areas in agricultural fields with a target of achieving rice production of 2.6 million tons. (Department of Agriculture and Plantations, Suara NTB 2019).

To achieve the production target, the government in the 2022/2023 planting season will increase the allocation for the use of subsidized fertilizer to meet the needs of farmers in redeeming subsidized fertilizer according to the type and quantity stated in the RDKK recap. A recap of the RDKK from each village is made at the retail level to be submitted to the distributor. Then in terms of land volume and the size of the subsidized fertilizer package stated in the RDKK, for urea fertilizer it is 250 kilograms per hectare. Meanwhile, those covered by subsidies are farmers who have a maximum land area of 2 hectares, if more than that they have to buy non-subsidized fertilizer. The problem that farmers often complain about, including retailers in all sub-districts, is that these retailers are also targeted by distributors to redeem non-subsidized fertilizer, even though in the RDKK there are no orders from farmers or farmer groups, but it is required.

The consequence, he added, is that because retailers are required to buy non-subsidized fertilizer by distributors, retailers also require farmers to take non-subsidized fertilizer. In the end, the impact spread down to the bottom, so that fertilizer prices rose, because non-subsidized fertilizer was almost 200 percent more expensive than subsidized fertilizer.

Fertilizer retail kiosks as an extension of fertilizer distributors or as working partners in the distribution of subsidized fertilizer have a very strategic role in order to meet the fertilizer needs of farmers/farmer groups at the appropriate prices mandated in Ministry of Agriculture regulations, namely selling at the Highest Retail Price (HET). The question now is whether the price reaches buyers or farmers in accordance with demand in the RDKK. Subsidized fertilizer retail kiosks as well as entrepreneurs will of course make a profit from selling the fertilizer and the amount of sales profit depends on the selling price, operational costs and transportation costs in delivering fertilizer to farmers/farmer groups. For this reason, this research is aimed at analyzing the fertilizer retail kiosk business by looking at the marketing margin from the sale of subsidized fertilizer.

The need for fertilizer by farmers when needed is sometimes the supply of fertilizer at the retail fertilizer kiosk level is not available due to delays in the distribution of fertilizer from distributors so that farmers feel disadvantaged in terms of time and costs. Therefore, it is necessary to carry out research related to subsidized fertilizer sales and marketing margins based on prices from distributors to retail kiosks and HET at the farmer/farmer group level in the North Lombok Regency area, West Nusa Tenggara Province.

1.1. Formulation of the problem

The distribution of subsidized fertilizer from the distributor route to the farmer level really determines the success of farmers in their farming business to increase production and this is very dependent on the supply of fertilizer to farmers so that it is at the right price, at the right time and at the right dosage for use.

Based on the background above, the problems to be studied are:

1. How much fertilizer is needed at the farmer level as contained in the farmer group's RDKK.
2. What are the marketing channels and marketing costs for subsidized fertilizer from distributors to retail kiosks to the farmer//farmer group level?
3. How big are the profits and marketing margins for subsidized fertilizer at the subsidized fertilizer retail kiosk level?

2. LITERATURE REVIEW

Agricultural Development.

National development is basically a process of structural change in the social and economic fields. The change process must be a dynamic process and lead to better things from one stage to the next, oriented towards how to fulfill basic needs (basic good). One

DOI: 10.5281/zenodo.10446281

of the basic needs is food, where food is one of the most important basic human needs.

b) Goods subsidies, if the government provides certain types of goods in certain quantities to consumers without charge or perhaps with fixed payments below market prices. One form of government subsidy in realizing food security (increasing productivity) is by providing fertilizer subsidies. The fertilizer subsidy is the government's effort to ensure the availability of fertilizer for farmers at prices set by the government, namely the Highest Retail Price (HET).

In accordance with Minister of Agriculture Regulation No.42/Permentan/OT.140/09/2008 concerning the need for and highest retail price (HET) of subsidized fertilizers for the agricultural sector for the 2009 fiscal year, subsidized fertilizer is fertilizer whose procurement and distribution is regulated at the Highest Retail Price (HET) specified at the official dealer in line IV

Meanwhile, according to Minister of Trade Regulation No.07/M-DAG/PER/2/2009, subsidized fertilizer is fertilizer whose procurement and distribution receive subsidies from the government for farmers' needs which is carried out on the basis of government programs in the agricultural sector. The aim of the policy of providing fertilizer subsidies is to ease the burden on farmers in providing and using fertilizer for their farming activities so that they can increase productivity and production of agricultural commodities to support national food security. The target recipients of subsidized fertilizer are food crop farmers, horticulture farmers, gardeners, livestock breeders who cultivate a maximum area of 2 (two) hectares of land per planting season per farming family, except for fish and/or shrimp cultivators with a maximum area of 1 (one) hectare.

2.1. Subsidized Fertilizer

Fertilizer is a commodity that has a strategic role in supporting the agricultural sector. Using the right fertilizer can increase the productivity of agricultural commodities, one of which is rice productivity. The aim of the policy of providing fertilizer subsidies is to ease the burden on farmers in providing and using fertilizer for their farming activities so that they can increase productivity and production of agricultural commodities to support national food security. The target recipients of subsidized fertilizer are food crop farmers, horticulture farmers, planters, livestock breeders who cultivate a maximum of 2 (two) hectares of land per planting season per farming family, except for fish and/or shrimp cultivators with an area of 1 (one) hectare.

The policy of providing fertilizer subsidies for the agricultural sector started from 2003 to 2008. In 2009, the government again provided a fertilizer subsidy budget of IDR 16.5 trillion for the procurement and distribution of Urea, Superphos, ZA, NPK and 8,223 organic fertilizers. 000 tons, with the highest retail price (HET) for each type of fertilizer remaining the same except for organic fertilizer which fell below 2008. Fertilizer is one of the basic needs in agriculture to obtain maximum harvest results. To achieve food self-sufficiency, the government subsidizes several types of fertilizer such as Urea, ZA, SP-36, Phonska and Petroganik. So how much does this fertilizer cost? So far it sells subsidized and non-subsidized fertilizers. According to him, the price of subsidized fertilizer has been determined by the government based on Minister of Agriculture Regulation No. 60/Permentan/SR.310/12/2015.

2.2. Types of Specifications, Quantity and Price of Subsidized Fertilizer

Subsidized fertilizer that is traded is subsidized fertilizer as intended/based on the applicable government regulations as follows:

a. The applicable Regulation of the Minister of Trade of the Republic of Indonesia along with additional regulations and amendments regarding the Procurement and Distribution of Subsidized Fertilizer for the agricultural sector.
b. Regulation of the Minister of Agriculture of the Republic of Indonesia in force along with additional regulations and amendments regarding the Requirement and Highest Retail Price (HET) of subsidized fertilizers for the agricultural sector.
c. Terms and policies of PT. Pupuk Indonesia (Persero) and/or PT. Petrokimia Gresik which is related to subsidized fertilizer.

The sale of subsidized fertilizer is carried out by two parties, namely the first party, in this case the Distributor, sells to the second party, in this case the retail kiosk, buys and receives subsidized fertilizer with the following types, packaging, specifications, quantities and prices: (Sasak Agrotani; 2022)

1. (Persero)

The highest retail prices for Urea, ZA, SP -36, NPK, Organic Granule fertilizers, maximum selling prices or Highest Retail Prices (HET) to farmers/farmer groups including Value Added Tax (VAT) are as follows:

Table 2. Subsidized Fertilizer Sales Prices in 2021

Type of Fertilizer	Selling Price Distributor Arranged Neatly in The Farmer Kiosk (IDR/ton/liter)	HET Farmer Kiosk to farmer/farmer group (IDR/Kg/liter)
1. Urea	2.181.818,00	2.250,00
2. ZA	1.631.818,00	1.700,00
3. SP – 36	2.331.818,00	2.400,00
4. NPK	2.231.818,00	2.300,00
5. Organik Granul	731.,818,00	800,00

Source : Distributor CV. Sasak Agrotani

2.3. Understanding Marketing

In general, marketing is a business activity aimed at distributing goods and services from producers to consumers in order to provide satisfaction from the exchange of goods and services, namely between sellers and buyers. According to Sa'id et al (2001; 59), marketing is all business activities aimed at providing satisfaction from the goods or services exchanged to consumers or users. So marketing is a combination of activities that bring together buyers and sellers in an exchange in a place called a market or other place where producers provide their products and buyers come to buy these products.

Marketing is a process and managerial process in which individuals and groups get what they need and want by creating,

DOI: 10.5281/zenodo.10446281

offering and exchanging value with other parties (Bakari, Indriani; 2013).

In marketing, there is a flow of goods from producers to consumers involving marketing intermediary institutions. All marketing intermediary institutions play a very important role in determining marketing channels, because if they consist of a long marketing chain, the marketing costs incurred will be greater.

All economic activities, including marketing, also require efficiency. According to Mubyarto (1989), a marketing system is considered efficient if it meets two conditions, namely:

1) Able to convey the results from farmer producers to consumers at the lowest possible cost.
2) Able to provide a fair distribution of the total price paid by final consumers to all parties who have participated in the production activities and marketing activities of the commodity.

The definition of fairness here is that the comparison between the sacrifices incurred and the profits obtained by each marketing component is in balance.

According to Soekartawi (2002), marketing costs are costs incurred for marketing purposes, including transportation costs, sorting costs, packaging costs and labor costs used. The more efficiently marketing is carried out, the smaller the marketing costs incurred. The amount of marketing costs differs from one another due to: (a) type of commodity, (b) marketing location, (c) type of marketing institution and (d) effectiveness of the marketing carried out.

2.4. Marketing channel

Marketing channels or marketing distribution are a means of bridging the products produced by producers so that the products reach the final consumers. In marketing activities, there are several channels through which producers can deliver their products to the market and this is a link in the chain of marketing activities. According to Pranata Gama et al, (2015), agricultural marketing distribution channels carry agricultural commodities from producers to consumers, through several marketing channels:

1. Zero Level Channel, where the zero level channel is also known as the direct channel, meaning that producers directly sell their goods to consumers, so in this case the producer does not use intermediaries.

The flow: Producer ➔ Customer

2. One Level Channel, called a first level channel because there is only one intermediary institution, where the intermediary institution for consumer goods is generally through retailers.

The flow: Producer => Retailer => Customer (Consumer)

3. Second level channel (To Level Channel), called second level channel because there are two intermediaries and for consumer goods generally the intermediary institutions are wholesalers and retailers.

Flow: Manufacturer ➔Wholesaler ➔Retailer ➔Customer

4. Multi-Level Channel, called a multi-level channel because it involves many intermediaries, usually apart from wholesalers and retailers there are also collectors and each intermediary supplies other intermediaries, and usually this form of channel is more suitable for marketing / distribute consumer goods and not industrial goods.

The flow:
Manufacturer ➔ Wholesaler ➔ Distributor ➔ Customer ➔Retailer

2.5. Marketing Margin

In general, marketing margin is the difference in the price of a good received by producers and the price paid by consumers. To see marketing efficiency through margin analysis, you can use the distribution of profit margin ratios or profit margin ratios (RPM) for each marketing institution involved in the marketing process. The profit margin ratio is a comparison between the level of profit obtained and the costs incurred by each marketing institution concerned.

Marketing margin is the difference between the price received and the price paid by final consumers. The size of the price difference at the final consumer level will be influenced by the number of marketing institutions involved in the marketing process, the length or shortness of the channels used and the distance to the market.

According to Khol and David Downey (1972), marketing margin is the ratio between the added value obtained by certain marketing actors from the price paid by consumers...

(technology) and price efficiency (economics) of marketing (Soekartawi; 2006).
Mathematically, the marketing margin calculation is formulated as:
mji = Psi – Pbi or mji = bti + πi ……..(18)
The total marketing margin in a particular marketing channel is formulated as:
mji = Psi – Pbi or mji = bti + πi ……..(18)
The total marketing margin in a particular marketing channel is formulated as:
Mji = Smji ……(19)
The distribution of marketing margins can be seen based on the percentage of profit to marketing costs (Ratio Profit Margin/RPM) at each marketing institution, which is formulated as (Soekartawi; 2006):
RPM = ……(20)
where: mji = Margin at the i-th level marketing institution
Mji = Total margin on one marketing channel i
Psi = Selling price at marketing agency level
ith (i=1,2,3, ..., n)
Pbi = Purchase price at marketing institution level
i
bti = Marketing costs of level i marketing institutions
πi = Profit of the ith level marketing institution
Pr = Price at the consumer level
Pf = Price at farmer level (producer)
Margin can show the added value from farmers to consumers. This margin analysis can be used to analyze the marketing system from a macro perspective (product marketing from farmers to consumers). The formula for marketing margin can be seen as follows:
MT=Pr-Pf
Information :
MT = Total Margin
Pr = Price at consumer level (Rp/kg)
Pf = Price at producer level (Rp/kg)

2.6. Farmer share

Farmer share is the percentage of price received by producers compared to the price paid by consumers. Several things influence

DOI: 10.5281/zenodo.10446281

farmer share, including processing level, transportation costs, product quantity, and product durability. Farmer share is negatively related to marketing margin. If the marketing margin is higher, the share received by farmers will be lower. Farmer share can be calculated using the formula:

FS=P_f/P_r ×100 percent

Information :

FS= Percentage received by Farmers (price share)

3. RESEARCH METHODS

Types of research

This research uses a descriptive analysis method, namely to examine the status of a human group, an object, a set of conditions, a system of thought or a class of events in the present (Nazir; 2011). The descriptive method describes events systematically, factually and accurately regarding the facts, nature and relationships between the phenomena studied. This research aims to create a systematic picture or painting of the distribution of fertilizer from line I to line III retailers to farmer groups.

3.1. Place and time of research

This research was carried out in West Lombok Regency, namely Kuripan sub-district, which is under the supervision of the distributor CV. Sasak Agrotani. The object of this research is a subsidized fertilizer retail kiosk that supplies fertilizer to farmers in farmer groups. The research period required is 6 (six) months, starting from April to October 2023.

3.2. Data Type

This research uses primary data and secondary data to support the analysis. Primary data was obtained directly from respondents, namely the owners of subsidized fertilizer retail kiosks who are members of the distributor CV. Sasak Agrotani. Meanwhile, secondary data is data obtained from related agencies such as BPS West Lombok Regency, Kios Tani and Fertilizer Distributors in West Lombok, and various literature that is related to this research.

3.3. Method of collecting data

The data collection method used in this research is the case method carried out by means of a survey, namely by collecting data directly on all the objects studied by taking a sample of 9 fertilizer retail kiosk respondents according to research needs. Data collection was carried out by direct observation with interview techniques using prepared questionnaires, as well as using literature studies.

3.4. Determination of Respondents

The determination of respondents was carried out purposively, namely kiosks Budi Jaya, UD Bunga Tani, UD. Karmila, Kios Karya Tani, UD. Karya Tunas Mekar, UD. Lombok Tani, UD. Mekar Wangi, UD. Sari Tani and UD. The fertilizer retail kiosk (tani kiosk) is located in the Kayangan sub-district area which is under the supervision of the distributor CV. Sasak Agrotani. Fertilizer retail kiosk in West Lombok district.

3.5. Data analysis

Analysis was carried out using primary data analysis and secondary data analysis. Secondary data analysis is used to describe various analytical practices that use existing data, either to investigate new research questions or to re-examine main research questions for strengthening purposes. Secondary data analysis is usually very suitable for statistical data that is complete and well documented. Meanwhile, for primary data analysis using the survey method.

The techniques used include: (1) structured interviews; (2) respondent group questionnaire or study focus which will be useful for knowing participant responses to answer research questions.

To calculate the accuracy and suitability of price indicators and fertilizer usage dosages will be calculated using a formula following. Price Accuracy

dP = Pr – Pp ..... 1)

Information :

dP = price difference (Rp)

Pr = price received by the respondent (Rp)

Pp = highest retail price (HET) from the government (Rp)

Business Analysis

Business analysis of the sale of subsidized fertilizer by subsidized fertilizer retail kiosks is carried out using economic analysis, namely as follows:

A. Calculating Total Revenue (TR)

Total revenue (total revenue) from a business can be obtained from multiplying the amount of production produced by the selling price of the product. Mathematically, acceptance is written using the formula:

$$\boldsymbol{TR=P\times Q}$$

Where :

TR = Total Revenue (total receipts) Fertilizer retail kiosk business (Rp)

P = Product price (Rp)

Q = Amount of production (units)

B. The profits from the fertilizer retail kiosk business are the final revenue minus the total production costs. Mathematically, profit is written using the formula: $\boldsymbol{\pi=TR-TC}$

Information:

π = Profit (Rp/month)

TR = Total Revenue (Rp/month)

TC = Total Cost (Rp/month)

C, Business Efficiency Analysis

The business efficiency calculation used is the Revenue Cost Ratio (R/C Ratio). R/C Ratio is a comparison between revenue and costs. Mathematically it can be written as follows:

$RC\prime rasio=Total\ Penerimaan\ (TR)/\ Tota\ l\ Biaya\ (TC)$

= TR / TC

Where:

If R/C > 1 then the agro-industrial business is profitable to operate.

If R/C < 1 then the agro-industrial business is not profitable to operate.

If R/C = 1 then the agro-industrial business breaks even, that is, the business provides the same amount of revenue as the amount spent.

D, Marketing Performance Analysis

This analysis is used to determine the marketing channel for subsidized fertilizer from distributors to retail kiosks. Apart from that, this marketing channel determines the size of the costs incurred from producers to consumers. According to Pranatagama (2015; 22), distribution channels that are too long cause more links in the chain to be involved. This means the possibility of distributing the product widely, but incurring greater costs so that the price of the product becomes expensive when it reaches consumers, in other words the producer's profits are small.

Marketing Margin Distribution

DOI: 10.5281/zenodo.10446281

Margin can show the added value from the producer to the consumer. This margin analysis can be used to analyze the marketing system from a macro perspective (product marketing from producers to consumers). The formula for marketing margin can be seen as follows:

MT=Pr-Pf

Information :

MT = Total Margin

Pr = Price at consumer level (Rp/kg)

Pf = Price at the producer or fertilizer retail kiosk level (Rp/kg)

4. Farmer Share

Farmer share is the percentage of price received by producers compared to the price paid by consumers. Several things influence farmer share, including processing level, transportation costs, product quantity, and product durability. Farmer share is negatively related to marketing margin. If the marketing margin is higher, the share received by farmers will be lower. Farmer share can be calculated using the formula:

FS=P_f/P_r ×100 percent

Information: FS: Percentage received by Producer

4. RESULTS AND DISCUSSION

Subsidized Fertilizer Marketing

Marketing of subsidized fertilizer through several channels or marketing chains that will distribute subsidized fertilizer in sales involving several stick holders so that the sale of subsidized fertilizer will be purchased by farmers. Marketing is a very important activity in a business or effort carried out by distributors at fertilizer retail kiosks who will sell them to farmers in their respective work areas. The marketing chain for subsidized fertilizer in the research area is carried out by producers, distributors and fertilizer retail kiosks.

Image of Subsidized Fertilizer Marketing Channel:

MANUFACTURER ➔DISTRIBUTOR ➔ FERTILIZER RETAILER STALL ➔ FARMERS

The producer here is PT Petrokimia Gresik, which is a subsidized fertilizer producer which distributes subsidized fertilizer to distributors in the West Nusa Tenggara region, especially here in the West Lombok Regency region, one of which is held by the distributor CV. Sasak Agrotani according to the distributor appointment letter Number: 2469/B/HK.01.02/70/SP/2021 which is located at Jalan Terartyai No 1 Mataram City and appointed as a PT subsidized fertilizer retail kiosk. Petrokimia Gresik Number: 33/SPJB/SAT.PKG.2021. PT. Petrokimia Gresik as a producer will distribute subsidized fertilizer according to the type and highest retail price (HET) to the distributor, in this case the CV distributor. Sasak Agrotani, namely with the following specifications for fertilizer types and prices

Table. 1. Selling price of subsidized fertilizer to farmers according to 2021 HET

Type Fertilizer	Distributor selling price to Retail Kiosk (IDR/Ton/ Liter)	Retail,Kiosk Selling Price to Farmers (IDR/kg/liter)
1. Urea	2.282.818,00	2.250,00
2. ZA	1.631.818,00	1.700,00
3. SP- 36	2.331.818,00	2.400
4. NPK	2.231.818,00	2.300
Organic Granules	731.818,00	800
Liquid Organic	19.318,00	20.000

Source : Distributor CV. SasakmAgrotani

The Highest Retail Price (HET) is stated based on the decision in the applicable regulations of the Minister of Trade of the Republic of Indonesia along with additional regulations and amendments regarding the Procurement and Distribution of Subsidized Fertilizer for the agricultural sector. The two Regulations of the Minister of Agriculture of the Republic of Indonesia are in force along with additional regulations and amendments regarding "Requirements and Highest Retail Prices (HET) of subsidized fertilizers for agricultural investors. Third, PT provisions and policies. Pupuk Indonesia (Persero).

The flow of purchasing subsidized fertilizer from distributors obtains subsidized fertilizer through valid purchases from PT, Pupuk Indonesia, in accordance with the applicable provisions contained in the Subsidized Fertilizer Sale and Purchase Agreement. And then the distributor will distribute subsidized fertilizer sales to Kioa retailers in the target area or CV work partners. Sasak Agrotani with prices according to HET. The Highest Retail Price (HET) may change during the validity period of this agreement in accordance with applicable government regulations.

4.1. Subsidized Fertilizer Sales

Fertilizer salesData Source: Primary data processed

Sales of subsidized fertilizer at retail kiosks are dominated by the redemption of NPK Plus fertilizer which is widely requested by farmers in the second planting season, in addition to demand for subsidized fertilizer types ZA, organic and liquid organic fertilizer (POC). Redemption of subsidized fertilizer by kiosks is based on the allocation of demand in the farmer group's RDKK which is then submitted to the distributor for redemption according to the number of farmers' needs in the farmer group. Based on the request of farmers from each farmer group, the request for subsidized fertilizer will be forwarded by the retail kiosk to the distributor for redemption.

Table 2. Subsidized fertilizer sales prices from distributors, retail kiosks, farmers in Kayangan sub-district, West Lombok Regency

No	Kiosk Retail	Type Pertilizer (Kg) UREA	NPK	Distributor (HET) (IDR/kg)	Kiosk Retail Price (IDR / kg)	Selling price to farmer (IDR /kg))
1	Kios Budi Jaya	101.000	61.000	2.231,8 2.225	2250 2.300	2300-2500
2	UD. Bunga Tani	367.000	215.000	2.232/731	2250 2300	2400 -2500

DOI: 10.5281/zenodo.10446281

3	UD. Karmila	115.000 49.000	2.231,818	2250 2300	2300- 2500
4	Kios Karya Tani	276.000 172.000	2.231,818	2250 2300	2300-2450
5	UD. Karya Tunas Mekar	70.000 40.000	2.231,818	2250 2300	2300-2500
6	UD. Lombok Tani	325.000 180.000	2.231,818	2250 2300	2300-2450
7	UD. Mekar Wangi	125.000 69.000	2.231,818	2250 2300	2450 - 2500
8	UD. Sari Tani	170.000 85.000	2231.731	2300/ 2300	2400-1000
9	UD. Totiom	160.000 100.000	2.231,818	2300 2300	2300-2450

Source : Data analysis

Looking at the list of subsidized fertilizer sales prices from distributors to fertilizer retail kiosks and to user farmers, the average sales price for NPK fertilizer is 2,231,818 per kg or Rp. 2,231,818 per ton. Meanwhile, for organic granule fertilizer, the selling price from distributors is IDR 731,818, while the selling price from distributors to retail kiosks is IDR 2,300 per kg for NPK fertilizer, and the price of granular fertilizer purchased by farmer kiosks is IDR 800 per kg. While retail kiosks sell to farmers at the highest retail price (HET) of IDR 2,300 per kg, there are those who sell above the HET price of between IDR 2,400 to IDR 2,500, due to consideration of the transportation costs charged to the retail kiosk if farmers buy fertilizer from retail kiosk to request delivery to the farmer's land location or the farmer's house.

4.2. Subsidized Fertilizer Retailer Kiosk Sales Income

Revenue is remuneration received by producers from production activities or sales activities of goods or services. The income received from the business of selling subsidized fertilizer by retail kiosks is obtained from the difference in sales price minus the purchase price of fertilizer for one month. The size of the income received is influenced by the selling price of the product, such as subsidized fertilizer referring to the HET price. The difference in price that occurs from the HET price is due to additional sales costs such as transportation costs incurred by retail kiosks which are charged to farmers who purchase fertilizer. How much revenue from fertilizer sales by farmer retail kiosks can be seen in the following table:

Table 3. Urea fertilizer sales and fertilizer kiosk income for July – November 2023

Retail Kiosk Name	Type of Urea Fertilizer	HET (IDR/kg)	Income from HET (IDR)	Average Salling Price (IDR/kg)	Income (IDR)	Different in Come from HET
Kios Budi Jaya	101.000	2.300	232.300.000	2.450	247.450.000	15.000.000
UD. Bunga Tani	367.000	2300	844.000.000	2.450	899.150.000	55.000.000
UD. Karmila	115.000	2300	264.500.000	2435	280.025.000	15.525.000
Kios Karya Tani	276.000	2300	634.800.000	2.425	669.300.000	34.500.000
UD.Karya Tunas Mekar	70.000	2300	161.000.000	2.400	168.000.000	7.000.000
UD. Lombok Tani	325.000	2300	747.500.000	2.500	812.000.000	64.500.000
UD. Mekar Wangi	125.000	2300	287.500.000	2.450	306.000.000	18.500.000
UD. Sari Tani	170.000	2300	391.000.000	2.450	416,000.000	25.000.000
UD. Totiom	160.000	2300	368.000.000	2.450	392,000.000	24.000.000
	1709.000	2300	3.930.700.000	2.450		

Source : Data Analysis

As an illustration of the results of fertilizer sales at HET prices and retail kiosk sales prices to farmers, there is a difference in price, namely an average of around IDR 150 per kg, the difference in price from the HET price is because retail kiosks are burdened with transportation costs to the location or delivery costs. and administration costs for monthly reporting online or by submitting hard copies of sales reports to distributors or distributors. The difference in income received from the HET price and the current price is used to cover unexpected expenses and if this is charged to the HET price income, the retail kiosk's income will be reduced or small. The greater the sales volume from the farmer's kiosk, the income received by the fertilizer retail kiosk will increase and this depends on the demand for fertilizer by farmers.

Table 4. NPK fertilizer sales and fertilizer kiosk income for July – November 2023

Retail Kiosk Name	Type Pertilizer NPK	HET (IDR/kg)	Income from HET (Rp)	Average Salling Price (IDR/kg)	Income (IDR)	Different in Come from HET
Kios Budi Jaya	61.000	2.300	140.300.000	2.500	152.500.000	12.200.000

DOI: 10.5281/zenodo.10446281

UD. Bunga Tani	215.000	2300	494.500.000	2.450	526.750.000	32.250.000
UD. Karmila	49.000	2300	92.000.000	2500	122.500.000	30.500.000
Kios Karya Tani	172.000	2300	395.000.000	2.475	425.700.000	34700.000
UD.Karya Tunas Mekar	40.000	2300	92.000.000	2.500	100.000.000	8.000.000
UD. Lombok Tani	180.000	2300	414.000.000	2.500	450.000.000	36.000.000
UD. Mekar Wangi	69.000	2300	158.700.000	2.450	169.054.000	10.354.000
UD. Sari Tani	85.000	2300	195.500.000	2.500	212.500.000	17.000.000
UD. Totiom	100.000	2300	230.000.000	2.450	245.000.000	15.000.000

Source : : Data Analysis

The results of sales of NPK fertilizer during the period from July to November 2023 at the HET price and the retail kiosk sales price to farmers have a price difference, namely the average amount is around IDR 150 per kg, the price difference is from the HET price because the retail kiosk is burdened with transportation costs, labor costs and other costs, so sales to farmers are slightly higher than the HET price, which is an average of around IDR 150 per kg. This price difference will increase the income of fertilizer retail kiosks by around 6% from the highest retail price (HET) which is IDR 2,300 per kg.

4.3. Fertilizer Sales Business Efficiency

The efficiency measure in this research is used to find out whether the fertilizer retail kiosk business is feasible or not feasible in the business world, especially the service business for agricultural support products other than selling fertilizers and medicines, seeds and so on. However, this research focuses on the sale of subsidized fertilizer whose selling price has been determined using the HET price benchmark. To find out how much efficiency the business selling subsidized fertilizer has, see the table below

Table 5. Calculation of Fertilizer Sales Business Efficiency at the Retail Kiosk Level

Nama Kios Pengecer	Penerimaan kotor (TR)	Total Biaya (TC)	R/C Rasio = TR/TC	Efisiensi
Kios Budi Jaya	27/200.000	7.500.000	3,63	Efisien
UD. Bunga Tani	87.250.000	15.750.000	5,54	Efisien
UD. Karmila	85.500.000	14.750.000	5,79	Efisien
Kios Karya Tani	69.200.000	7.650.000	9,04	Efisien
UD.Karya Tunas Mekar	15.000.000	2.800.000	5,36	Efisien
UD. Lombok Tani	100.500.000	20.500.000	4,87	Efisien
UD. Mekar Wangi	28.854.000	6.500.000	4,43	Efisien
UD. Sari Tani	42.000.000	8.500.000	4,94	Efisien
UD. Totiom	39.000.000	6.600.000	5,91	Efisien
Rata-rata			5,50	Efisien

Source : Data Analysis

The efficiency of the subsidized fertilizer sales business by subsidized fertilizer retail kiosks in the Kuripan sub-district area has an average value of R/C ratio = 5.50 or R/C ratio > 1. This shows that the subsidized fertilizer sales business is said to be efficient and worth pursuing. R/C ratio > 5.50 is interpreted as follows; If there is an additional cost of IDR 1, fertilizer business income will increase by IDR 5.50 and this condition is if economic conditions are normal.

4.4. Subsidized Fertilizer Marketing Margin

Marketing margin is the difference between the price received by the producer and the price at the final consumer level. The price difference is due to costs incurred for marketing and profits received by each marketing institution involved in the distribution of organic fertilizer. In the business world, marketing is an important factor in conveying the messages of the product produced to the level of consumers who use the product. This marketing activity is accompanied by the distribution of the goods being sold and the process is related to marketing costs which must be efficient. Referring to the opinion of Sukartawi (1993), that the factors used as a measure of marketing efficiency include profits, marketing, prices received by consumers, the availability of adequate physical marketing facilities for smooth buying and selling transactions of goods, storage, transportation and market competition and competition between actors. marketing. The marketing channel in this research is the distribution of organic fertilizer from distributor level to farmer's kiosks and up to user farmers. As an illustration of the calculation of subsidized fertilizer marketing margins, you can see the following table:

DOI: 10.5281/zenodo.10446281

Table 6. Efficiency of Subsidized Fertilizer Marketing Channels at the Distributor and Retail Kiosk Level

No	Lembaga Pemasaran	Harga (Rp)	Share (%)		DM (%)	
			Ski	Sbi	Ski	Sbi
1.	Distributor Pupuk					
	A) Harga Jual Pupuk	2.231,8	91,04			
2.	Kios Pengecer Pupuk 1					
	A) Haraga Beli	2.231,8				
	B) Biaya Tenaga Kerja	50	-	2,04	-	22,94
	C) Biaya transportasi	25	-	1,02	-	11,46
	D) Harga Jual	2.450				
	E) Keuntungan	143,2	5,84	3,06	65,68	34.12
	F) Harga ke Petani	2.450	100,00			
3.	Kios Pengecer Pupuk 2					
	A) Harga beli	2.231,8				
	B) Biaya tenaga kerja	40	-	01,67		
	C) Biaya angkut	25	-	01,04		
	D) Biaya	2.400,	-	100,00		
	E) Keuntungan	103,2	4,3			
	F) Harga ke petani	2.400				

MP = Pf - Py ➔ 2.450 - 2.231,8 = 218

Vwith a sales price for farmers of IDR 2,450/kg

a) Share (%)

Sbi Labor Cost = 50/2,450 x 100 = 2.04

Sbi Transport Cost = 25/ 2,450 x 100 = 1.02

Advantage Skiing

1. Distributor
   a) Share (%) ➔ Ski = 2.231,8 / 2.450 x 100 % = 91,90
2. Kiosk Retail with a sales price fot farmer IDR 2.450/kg
   a) Share (%)

Sbi Labor cost = 50/2.450 x 100 = 2,04

Sbi Transport cost = 25/ 2.450 x 100 = 1,02

Ski Profet = 143,2 / 2.450 x 100 = 5,84

1. Distributor
   A) Share (%) ➔ Ski = 2.231.8/2.400 x 100 % = 92,9 %
2. Kiosk Retail with a sales Average Rp 2.400/kg
   a) Share (%)

Sbi labor cost = 40 / 2.400 x 100 % ➔ 01,67 %

Sbi cost transformation = 25/ 2.400 x 100 % ➔ 01,04 %

Ski Profit = 103,2/2400 x 100 % ➔ 04,3 %

Farmer share is the percentage of price received by producers compared to the price paid by consumers. Several things influence farmer share, including processing level, transportation costs, product quantity, and product durability. Farmer share is negatively related to marketing margin. If the marketing margin is higher, the share received by farmers will be lower. Farmer share can be calculated using the formula:

FS=P_f/P_r ×100 percent

Information :

FS = Percentage received by Producers (price share)

Pr = Price at consumer level (Rp/kg)

Pf = Price at producer level (Rp/kg)

Note: If Fs > 50%, then marketing can be said to be efficient.

Farmer Share Retailer Kiosk 1:

FS = 2,231.8/2,450 x100 %

= 91.09 %

So the marketing of subsidized fertilizer at the retail kiosk level is said to be efficient with a Farmer Share (FS) achievement of 91.09%

Farmer Share Fertilizer retail kiosk 2:

FS = 2,231.8/ 2,400 x 100 %

= 92.91 %

With a farmer share value of 92.91%. So the marketing of subsidized fertilizer at the retail kiosk level is efficient

Farm Share for palm sugar (FS) = 92.91 %, this means that the marketing of subsidized fertilizer by fertilizer retail kiosks is said to be efficient

This means that the marketing of subsidized fertilizer carried out by fertilizer retail kiosks is said to be efficient because the FS is > 50 %, namely 92.91 %.

5. CONCLUSIONS & RECOMMENDATIONS

Fertilizer sales business by fertilizer retail kiosks in the CV work area. Sasak Agrotani's overall R/C ratio is above 1 (R/C ratio >1), this means that the business of selling fertilizer by subsidized fertilizer retail kiosks is still worth pursuing.

The marketing margin between distributors and retail kiosks is between IDR 68.2 to IDR 218.2. Meanwhile, the total farmer's share in Marketing Channels 1, 2 and 3 averages above 90%, so it can be seen that all subsidized fertilizer marketing channels are included in the efficient marketing level. The three marketing channels are efficient based on each farmer's share being above 50 percent. Apart from that, several factors also underlie these three channels so that they become efficient marketing channels. These factors are costs, profits, distance, travel time, marketing facilities and infrastructure.

Apart from that, the distribution of profits between each marketing actor is quite fair. Any profits obtained are in accordance with the marketing function carried out.

Based on the results of the data analysis, it can be concluded that the most efficient marketing channel is Marketing Channel 2. This is because the prices received by producers tend to be fixed and the prices paid by farmers occupy the lowest price position compared to marketing channel 1 Marketing Channel 2 where distributors and retail kiosks receive the lowest total marketing margin and the highest farmer's share.

DOI: 10.5281/zenodo.10446281

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DOI: 10.5281/zenodo.10446281