ANALYSIS OF BEEF CATTLE MARKETING CHANNEL EFFICIENCY IN LAMPOKO VILLAGE, BARRU REGENCY

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Abstract
The purpose of this study was to analyze marketing channels, marketing margins, marketing farmer's share rate, and marketing efficiency of beef cattle in Lampoko Village, Barru Regency. The sample of this study was 12 breeders, 5 traders and 3 consumers. The data collection method is carried out by interviews (questionnaires) and literature studies. The method of sampling farmers is by purposive sampling method while the sample of traders and consumers uses snowball sampling method. The strategy that must be done to deal with competitors is to increase promotion and maintain product quality. This aims to increase consumer attractiveness, expand market share and reduce the risk of similar competing products. The results showed that there were 3 channels of beef cattle marketing channels in Lampoko Village, namely; Farmers Collecting Traders Consumer Wholesalers, Farmers Collecting Traders Consumers / RPH, and Farmers Wholesalers Consumers. The highest marketing margin is channel I and III of Rp. 3,000,000 while channel II is Rp. 1,000,000. The highest Farmer's Share rate on channel II is 89%, channel I and III is 77%. The most efficient levels of marketing efficiency are channel II with 25%, channel III with 50% and channel I with 70%

Keywords: Efficiency, Marketing Channels, Beef Cattle.

Introduction
The livestock sub-sector in Indonesia continues to grow so that it has good prospects, because the demand for ingredients derived from livestock will continue to increase along with the increasing population and public awareness of consuming nutritious food. One of the developments and development is development in the field of animal husbandry, livestock business that is widely carried out by the community is raising cattle. Beef cattle have long been raised by some communities as savings and labor to cultivate the land with simple maintenance management. The pattern of beef cattle business is mostly in the form of people's efforts to produce seeds or fattening and maintenance in an integrated manner with food crops and plantation crops. The development of agribusiness-oriented beef cattle business with a partnership pattern is one way to increase farmers' profits.

Barru Regency is one of the districts located on the west coast of South Sulawesi Province with a coastline length of 78 km. In addition, Barru Regency has quite good livestock potential, especially the type of Balinese cattle commodity which has bright prospects for development considering that Barru Regency is known as the center of Balinese cattle and land conditions that allow especially pasture is quite available for livestock. The advantage of beef cattle farming business that has a large area of land is that the availability of animal feed can be fulfilled and the ability of residents to handle livestock can be improved. In addition, beef cattle production centers require adequate land and feed resources, so in general livestock businesses are in rural areas so that to meet the needs of urban communities, transportation facilities and infrastructure are needed.
Marketing is a follow-up process of the production process so that marketing has an important role for livestock business. Each marketing channel has its own role and function in the marketing process. Long marketing channels have low marketing efficiency because they involve many marketing agencies which causes margins to be bigger and prices for consumers will be higher (Subagja, 2005).

A problem in developing countries, especially in Indonesia, is the lack of attention in the field of marketing. Marketing of beef cattle, especially regarding marketing channels, has not been widely regulated by the government, more controlled by marketing institutions that have a large business scale such as blantik, collecting traders and butchers. Various phenomena in Indonesia, among others, there are still limitations in terms of marketing efficiency, skills to practice management elements and mastery of market information so that this causes economic opportunities to be difficult to achieve. Marketing efficiency can occur when marketing costs can be reduced so that marketing profits become higher, the percentage of price differences paid by consumers and producers is not too high, physical marketing facilities are available and there is healthy market competition. Marketing channels are said to be efficient if they are able to distribute production products to consumers at the lowest possible cost and are able to share profits fairly with all parties participating in production and marketing activities. The price difference is caused by variations in livestock marketing channels and margins in Indonesia both from the number of actors as well as the distribution of costs and margins obtained by market participants.

Therefore, it is important to analyze the efficiency of marketing channels, especially beef cattle by analyzing the marketing system carried out by farmers, so that it can be said to be efficient or not based on channel variations, marketing channel margins, farmers' share acceptance rates and marketing channel efficiency levels.

**Literature Review**

Beef cattle is one of the livestock raised with the main purpose of producing meat. The characteristics of beef cattle have a large body, maximum meat quality, fast growth rate, high feed efficiency and easy to market (Pawere et al., 2012). Beef cattle consist of three types, namely local cattle (Bos sundaicus), Zebu cattle (Bos indicus) and European cattle (Bos taurus). Beef cattle are cattle that have high economic value because they have high animal protein value (Yuliati et al., 2014). Cows produce about 50% of the world's meat needs, 95% of milk needs and 85% of leather needs. According to Nugraheni (2013), several factors that affect the quality of meat are the way of maintenance including feeding, maintenance management and livestock health. In addition to how to maintain, the quality of meat is also affected by the slaughter process including bleeding at the time of slaughter and contamination after slaughter.

Beef cattle that develop in Indonesia is a nation of tropical and subropis, consisting of local cattle and imported cattle. According to Priyanto et al., (2015), local cattle have a lower level of productivity and meat quality than imported cattle but can meet some of the domestic meat needs. The local cattle include Balinese, Madurese, PO and SO cattle. Nugraheni (2013) added that local cattle are used as meat fulfillment providers in Indonesia consisting of three types, namely Balinese cattle, Madurese cattle and Ongole cattle.

Beef cattle and beef have a strategic role in meeting the needs of animal protein in Indonesia so that their existence and the sustainability of beef cattle business need serious attention. Good quality feed given in sufficient quantities will increase livestock productivity
(Yuliantonia et al., 2013). On the other hand, the protection of meat consumers (Indonesian people) really hopes to get a reasonable and affordable meat price in accordance with people's purchasing power (Masbulan et al., 2000).

Marketing of agricultural products as a performance of all businesses that includes the flow of goods and services from the point of farming to the final consumer. The process of flowing agricultural commodities from agricultural points to final consumers is carried out through channels. While specifically marketing is an analysis of the physical and economical flow of products from producers to consumers through intermediary traders. In principle, marketing is the flow of goods from producers to consumers.

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Marketing channels are the distribution of goods or services from producers to end consumers and those who organize them in the form of institutions or bodies that are tasked with carrying out the marketing function itself or fulfilling consumer desires as much as possible, while consumers will provide rewards in the form of margins to the marketing agency (Suarda, 2009). According to Utami (2013), marketing is the process of delivering goods from producers to consumers. The channel that is run can be simple or complicated depending on the structure and marketing agencies that take part in marketing the product.

Research Method

This study was conducted from May to June 2022. The research location is a livestock business located in Lampoko Village, Balusu District, Barru Regency which is one of the potential areas in agriculture.

The data used in this study are qualitative data and quantitative data. This type of research is descriptive qualitative, which is a type of research that explains marketing channels. While the quantitative descriptive explains the efficiency of marketing channels, marketing margins and farmer's share of beef cattle carried out by farmers in Lampoko Village, Balusu District, Barru Regency by direct observation to the field to see the condition of livestock and analyze the efficiency of beef cattle marketing channels. The data sources used in this study are primary and secondary data.

Primary data collection was carried out by direct observation techniques in the field through interviews on the basis of questionnaires (list of questions). The interview was conducted by identifying the marketing channels carried out by the farmer. Secondary data which is a complement to primary data obtained from literature, journals and previous research reports.

The data analysis methods used in this study are as follows:

1. Marketing Funnel Analysis
2. Marketing Margin Analysis
3. Farmer's Share Analysis
4. Marketing Channel Efficiency Analysis

**Results and Discussion**

*Marketing Channels*

Marketing channels are the marketing flow of a product from producers to consumers. Most of the marketing agencies involved in marketing beef cattle in Lampoko village, Balusu sub-district, are collectors and wholesalers. One of the reasons is because in terms of marketing, farmers do not understand the efficient marketing that is done. In addition, the lack of capital and marketing facilities owned by breeders.

Based on the results of the research conducted, it can be seen that the marketing of beef cattle in Lampoko Village involves farmers, collectors, wholesalers, RPH and consumers. The shape can be seen in the following figure.

![Marketing Channel Diagram](image)

**Figure 1. Marketing Channel of Beef Cattle in Lampoko Village, Balusu District**

Based on Figure 1. It is known that there are three forms of marketing channels that farmers in Lampoko Village do first, farmers sell their livestock to collectors, collectors sell back to wholesalers and wholesalers will sell them to consumers. The second channel is that farmers sell their livestock to collectors, then collectors sell them to consumers. The last channel is farmers selling their livestock to wholesalers and selling them to consumers. The information on marketing channels carried out by beef cattle farmers in Lampoko Village can be seen in the following table.

<table>
<thead>
<tr>
<th>No.</th>
<th>Marketing Channels</th>
<th>Number (People)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>I</td>
<td>3</td>
<td>25</td>
</tr>
<tr>
<td>2.</td>
<td>II</td>
<td>2</td>
<td>16,7</td>
</tr>
<tr>
<td>3.</td>
<td>III</td>
<td>7</td>
<td>58,3</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>12</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data after processing, 2022.
Based on Table 1, it is known that the majority of farmers who were respondents in the study who conducted marketing channel III in marketing their beef cattle were 7 people (58.3%). While in channel I there are only 3 people (25%) and in channel II as many as 2 people (16.7%). According to Bugis (2016) in his research, conducting an analysis can help farmers or ranchers get high profits so that they can choose the channel.

I. Channel I (Farmer → Merchant → Collector → Consumer Wholesaler)

Channel I is a channel that contains 2 marketing institutions, namely collectors and wholesalers. This channel causes consumers to receive expensive selling prices. This is in accordance with the opinion of Daniel (2002), who states that marketing costs and high margins are influenced by the number of intermediaries involved in marketing and the length of marketing channels. Ayu (2018) added that this is because producers need other parties to help market their livestock, so they need institutions such as traders, collectors and wholesalers. Collectors buy cattle from farmers and then sell them to wholesalers. Wholesalers will fatten the cows for approximately 3 months then will be sold to the final consumer.

II. Channel II (Farmer → Trader → Trader → Consumer Collector/RPH)

This channel has one institution, namely collecting traders. Collectors buy livestock from farmers and then sell them to RPH (Butchers). RPH is used as the final consumer because in this study what was identified was the marketing of live beef cattle. Collectors will market cattle to RPH and consumers around the location.

III. Channel III (Consumer → Wholesaler → Breeder)

This channel involves one marketing agency i.e. wholesalers. Wholesalers buy cattle from farmers in lampoko village then they fatten cows for approximately 3 months of maintenance to get maximum body weight. This is in accordance with the opinion of Romandus (2019), which states that transactions carried out for live cattle of beef cattle through the farmer channel sell to inter-island wholesalers and subsequently to island consumers. After fattening is done, traders sell the cattle to the final consumer.

**Marketing Margins**

Marketing margin is the difference between the selling price of beef cattle to the next marketing agency and the purchase price of the previous marketing agency. In marketing livestock, there will be costs incurred, namely marketing costs. The results of research on the costs incurred by marketing institutions in Lampoko Village can be seen in the following table.

<table>
<thead>
<tr>
<th>Cost (IDR/Head)</th>
<th>Marketing Institute</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Collector Trader</td>
</tr>
<tr>
<td>Fattening</td>
<td>-</td>
</tr>
<tr>
<td>Transportation</td>
<td>200,000</td>
</tr>
<tr>
<td>Total Marketing Cost</td>
<td>IDR 200,000</td>
</tr>
</tbody>
</table>

Source: Primary Data after processing, 2022.
Based on Table 2, it can be found that the marketing costs incurred by collectors are Rp200,000 which is the cost in one transportation. Supriyono (2013) argues that marketing costs occur when going to carry out marketing activities for merchandise or products. There are no maintenance costs incurred by collectors because traders only do maintenance for less than 1 month and the feed given is only in the form of grass that does not cost money to obtain. Meanwhile, wholesalers spend a total cost of IDR 1,044,500 consisting of marketing costs of IDR 500,000 and feed costs of IDR 544,500.

Wholesalers usually fatten up cattle bought from farmers for 3 months and then resell them to increase the cow's body weight so that they get a bigger price. The form of maintenance carried out is fattening for 3-4 months. Fattening aims to increase production and improve meat quality. This is in line with the opinion of Ardhani, F. (2006), who states that generally feeder cows are fattened for an average of 3-6 months. Balau Y., et al (2019) added that marketing costs include advertising costs, promotional costs, transportation costs from the company's warehouse to the buyer's warehouse, and salaries of employees of parts that carry out marketing activities. Ilham (2009) mentioned that what is included in marketing costs are levies, illegal levies, loss of livestock weight during transportation and transportation costs and these costs will affect the selling price of marketed products. The marketing margin obtained by farmers in lampoko village can be seen in the following table.

<table>
<thead>
<tr>
<th>No.</th>
<th>Marketing Channels</th>
<th>Selling Price (Rp/Ekor)</th>
<th>Purchase Price (Rp/Head)</th>
<th>Margin (Rp)</th>
<th>Marketing Fee (Rp)</th>
<th>Advantages of Marketing Agencies (Rp)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Breeder</td>
<td>10,000,000</td>
<td></td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Merchant Collector</td>
<td>10,500,000</td>
<td>10,000,000</td>
<td>500,000</td>
<td>200,000</td>
<td>300,000</td>
</tr>
<tr>
<td></td>
<td>Merchant Big</td>
<td>13,000,000</td>
<td>10,500,000</td>
<td>2,500,000</td>
<td>1,044,500</td>
<td>1,455,500</td>
</tr>
<tr>
<td></td>
<td>Customer</td>
<td>-</td>
<td>13,000,000</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>3,000,000</strong></td>
<td><strong>1,244,500</strong></td>
<td><strong>1,755,500</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Breeder</td>
<td>8,000,000</td>
<td></td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Collector Trader</td>
<td>9,000,000</td>
<td>8,000,000</td>
<td>1,000,000</td>
<td>200,000</td>
<td>800,000</td>
</tr>
<tr>
<td></td>
<td>RPH</td>
<td>-</td>
<td>9,000,000</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1,000,000</strong></td>
<td><strong>200,000</strong></td>
<td><strong>800,000</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Breeder</td>
<td>10,000,000</td>
<td></td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Merchant Big</td>
<td>13,000,000</td>
<td>10,000,000</td>
<td>3,000,000</td>
<td>1,044,500</td>
<td>1,955,500</td>
</tr>
<tr>
<td></td>
<td>Customer</td>
<td>-</td>
<td>13,000,000</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>3,000,000</strong></td>
<td><strong>1,044,500</strong></td>
<td><strong>1,955,500</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary Data after processing, 2022.

Based on Table 3, the highest amount of marketing margin is found in channels I and III, which is Rp3,000,000/head, while in channel II the margin obtained is Rp1,000,000/head. This is due to the large number of marketing agencies involved in marketing beef cattle carried out. Baharuddin (2016), explained that this margin will be received by commercial institutions.
involved in the marketing process will depend on the length of the tataniaga. The longer the trade system (the more institutions involved), the greater the tataniaga margin. Soekartawi (1993) added that the smaller the costs incurred, the more effective the marketing carried out.

Judging from Table 3, the biggest advantage is in marketing channel III because of the many marketing agencies involved in it so that the prices and costs of each marketing agency are different. While the marketing channel that has the lowest profit value is found in channel II because the channel only has one institution that plays a role in it and does not spend much money during the marketing process. The longer the marketing channel, the more marketing agencies involved so that the resulting margin will be greater. This means that the price received by farmers at the price paid by consumers will generate large margins so that the price of products received by consumers will be higher, so that marketing channels are inefficient (Gitosudarmo, 2001). Hanafie (2010), added that marketing costs are costs incurred by marketing agencies in marketing the products they sell. As for the benefits obtained come from reducing the margin obtained with the costs incurred.

Farmer's Share

Farmer's Share is the level of acceptance received by farmers or ranchers in marketing beef cattle. Farmer share has an inverse relationship with margin, the higher the marketing margin, the lower the level of Farmer share obtained. The level of acceptance obtained by farmers in each marketing channel can be seen in the following table.

<table>
<thead>
<tr>
<th>Marketing Channels</th>
<th>Price at the rate Farmer (Rp/Head)</th>
<th>Price at Consumer level (Rp/Head)</th>
<th>Farmer's Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>10.000.000</td>
<td>13.000.000</td>
<td>77</td>
</tr>
<tr>
<td>II</td>
<td>8.000.000</td>
<td>9.000.000</td>
<td>89</td>
</tr>
<tr>
<td>III</td>
<td>10.000.000</td>
<td>13.000.000</td>
<td>77</td>
</tr>
</tbody>
</table>

Source: Primary Data after processing, 2022.

Based on Table 4.10, the highest farmer share rate obtained by farmers is in channel II with an acceptance rate of 89%. Meanwhile, channels I and III resulted in an acceptance rate of 77%. However, based on marketing criteria that are said to be efficient in the calculation of the farmer share level, all marketing carried out is classified as efficient (because the percentage of farmer share level obtained is more than 60%). So it can be concluded that channel II is the most efficient channel but the farmer share value on channels I, II and III is relatively the same. Angipora (2002) explained that to find out farmer's share can be done by comparing prices at the producer level with prices at the consumer level valued in percent.

Marketing Channel Efficiency

Marketing channel efficiency is a measure of the product marketing process evenly distributed to all related marketing agencies both in the operational field and the price field. Channels that have a lower level of efficiency are the most efficient channels for consumers because they have lower selling prices than the selling prices of other channels. Analysis of the efficiency of marketing channels is very important to do, including beef cattle marketing as has been done previously from farmers to consumers, through a long marketing channel or chain of shortness, this distribution channel can determine prices at the consumer level and determine the
level of marketing efficiency of beef cattle business.

The level of beef cattle marketing efficiency obtained in each marketing channel can be seen in the following table

<table>
<thead>
<tr>
<th>No.</th>
<th>Channels Marketing</th>
<th>Marketing Costs (Rp)</th>
<th>Product Selling Points (Rp)</th>
<th>Efficiency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I</td>
<td>700.000</td>
<td>10.000.000</td>
<td>70</td>
</tr>
<tr>
<td>2</td>
<td>II</td>
<td>200.000</td>
<td>8.000.000</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>III</td>
<td>500.000</td>
<td>10.000.000</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Primary Data after processing, 2022.

Based on Table 5, the most efficient efficiency index is found on channel II with a percentage of 25%, followed by channel III with a percentage of 50% and finally on channel I with a percentage of 70%. This is because the chain of commerce is shorter than other channels in accordance with the opinion of Hastuti (2003), which states that the length of marketing channels affects the level of efficiency because the marketing agencies involved are more and more so that the costs incurred are more and more expensive prices received by consumers. Paly (2015), added that marketing efficiency measurement aims to assess the performance and performance of the marketing process, if the costs incurred are large, the level of efficiency will be smaller. The inequality that occurs in marketing margrin is caused by long marketing channels that increase marketing costs for products resulting in high prices received at the consumer level (Fitriani, 2016). Soekartawi (2002) added that the efficiency level of marketing channels that are less than 50% is an efficient channel, but if the efficiency is more than 50%, it makes the marketing channel inefficient.

Conclusion

Based on the results of the research conducted, the following conclusions can be drawn:

1. Marketing channels carried out by farmers in Lampoko Village, Balusu District are Channel I, namely Breeders → Collectors → Wholesalers → Consumers; Channel II is Farmers → Collectors → Consumers/RPH; Channel III is Breeders → Wholesalers → Consumers.

2. Marketing channel II is the most efficient channel with a marketing margin of IDR 1,000,000 while channels I and III are the most profitable marketing channels for marketing agencies because they have a high marketing margin of IDR 3,000,000.

3. The most efficient channel for farmers and consumers is channel II with an index of 89% based on the farmer's share, while channels I and III have an index of 77%.

4. The most efficient channel for farmers and consumers is channel II with an index of 25% based on the efficiency level of marketing channels while channel III has an index of 50% and channel I with an index of 70%.

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