

Marketing Analysis of Lemongrass (*Cymbopogon citratus*) in Cialam Jaya Village, South Konawe District

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ABSTRACT

Costs of marketing and the length of marketing channels will influence the marketing margin. This research aims to determine the marketing channels for lemongrass, marketing margins, and efficiency of the marketing channels for lemongrass. A quantitative descriptive approach with marketing margin analysis was used to measure marketing margins and efficiency. The results show that the marketing channels for lemongrass are Producers, Wholesalers, Retailers, Consumers, and Producers, Collectors, Wholesalers, Retailers, and Consumers. The performance of the lemongrass marketing channel in Marketing Channel I is a marketing margin of IDR 4,000/Kg and IDR 3,000/Kg with a marketing profit of IDR 3,083/Kg and IDR 2,432/Kg, while in Marketing Channel II the marketing margin is IDR 2,000/Kg, IDR 2,000/Kg and IDR 3,000/Kg with marketing profits of IDR 1,130/Kg, IDR 1,348/Kg and IDR 2,558/Kg. The results of the analysis show that the percentage of price share received by producers (Famer's Share) from the two marketing channels each shows above 50%, which means that both marketing channels are efficient.

Keywords: Lemongrass, Efficiency, Marketing Channels, Margin

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INTRODUCTION

In an agricultural country like Indonesia, agriculture has an important contribution both to the economy and to meeting the basic needs of society, especially with the increasing population, which means food needs are also increasing, apart from that there is an additional role for the agricultural sector, namely increasing the welfare of the majority of people living in below the poverty line (Rohman, 2020).

Lemongrass is a commodity that has the potential to be developed, both as a food ingredient and as an industrial raw material. As a food ingredient, lemongrass is widely used as a spice in several food preparations. Meanwhile, as an industrial raw material, lemongrass can be processed into kitchen lemongrass oil or citral (Slamet et al, 2013).

Marketing channels will determine marketing costs and farmers' profits. The problem that is often faced in realizing efficient marketing is the high and low levels of prices received by farmers which are closely related to the marketing patterns that are formed. The number of shares received by farmers (famer's share) will indicate whether a marketing system is running efficiently. Marketing channels are said to be efficient if they are able to distribute production results to consumers at the lowest possible cost and are able to share profits fairly among all parties carrying out production and marketing activities (Abhar et al. 2018).

Institutional involvement in marketing channels has consequences for the distribution of marketing costs and margins. Low price acceptance at the farmer level and a high proportion of marketing margins among market players cause commodity marketing to be inefficient. Efforts need to be made to distribute marketing margins fairly, including by finding efficient marketing channels (Jumiati et al, 2013).

Farmers produce lemongrass for sale, so the comparison of prices and costs incurred becomes an incentive to increase yields. In other words, increasing agricultural production is expected to increase farmers' income. In the marketing process, farmers will obtain a price difference called marketing margin. The longer the marketing channel, the greater the marketing margin. This can result in low income for producer farmers. The more marketing actors are involved, the more remuneration or marketing profits the marketing actors have to take, so that the price level received by producer farmers is lower. Relatively large differences in marketing prices (margins) are one of the marketing obstacles that are often encountered in marketing agricultural commodities (Prayitno AB et al., 2013).

Research that focuses on marketing analysis has also been conducted by (Maniku et al, 2021), (Krishnandi et al, 2015), and (Fatmawati and Zulham, 2019), while research conducted by (Surni et al, 2020) is different. from the aspect method. used was a descriptive method with survey techniques, subsequent research conducted by (Permana et al, 2021) was different. Researchers not only focus on marketing channels but also analyze the factors that influence marketing efficiency and the difference between marketing efficiency and efficiency standards with analysis. multiple linear regression. Then further research was carried out (Hildayani et al, 2013). This is different in the method used, namely in determining the farmer method used, namely a simple random sampling method (Simple Random Sampling Method), and determining trader respondents using the respondent exploration method (Tracing Sampling Method). Based on several previous studies, there are differences in research including the commodities studied, research location, and research time and there are methods and data analysis used that are different from previous research in terms of sampling and methods used.

Referring to the phenomenon in the field, the length of marketing channels and citronella will affect the profits obtained by farmers. So the researcher aims to study marketing channels, margins and marketing efficiency of citronella in Cialam Jaya Village, Konda District, South Konawe Regency. This research will provide a general overview of the marketing channels for lemongrass for information and considerations for farmers and collectors in marketing lemongrass to increase income as well as the government as a policy maker in marketing lemongrass and further researchers as reference material for obtaining new knowledge and discoveries.

METHODS

The research was conducted in April - September 2022 in Cialam Jaya Village, Konda District, South Konawe Regency. This location was deliberately determined with the consideration that lemongrass farmers in Cialam Jaya Village market or sell their lemongrass products not only in Cialam Jaya Village but also market lemongrass outside the village.

The population in this study were all lemongrass farmers in Cialam Jaya Village, Konda District, South Konawe Regency, namely 17 farmers. The sample is determined by census so that the entire population is sampled. Meanwhile, samples of marketing institutions were taken using the Snowball Sampling technique.

The data analysis used in this research is quantitative descriptive. To answer the research objectives, a descriptive analysis of the marketing channels was first carried out. Descriptive analysis is a method that functions to describe or provide an overview of the object being studied through data or samples that have been collected as they are. (Zahra and Naully, 2021).

For answer objective study second regarding marketing margins and efficiency marketing can use formula for calculate marketing margin use Surni formula (2015):

$$M = He - Hp \dots\dots\dots (1)$$

The relationship between marketing margin and costs marketing can formulated as following:

$$M = B + \pi \text{ otherwise } B = M - \pi \dots\dots\dots (2)$$

For now, marketing margin and efficiency marketing can use formula s $M = He - Hp$ and to find out the relationship between marketing margin and costs marketing can use the formula $M = B + \pi$ otherwise $B = M - \pi$

Information:

- M = Marketing Margin
- Hey = Prices are level consumer
- Cell phone = Prices are level producer
- B = Cost marketing
- π = Profit marketing

Formula For count profits obtained perpetrator marketing is as as follows (Surni, 2015):

$$\pi = M - B \dots\dots\dots (3)$$

Information:

- π = Profit (Rp/Kg)
- M = Marketing margin (Rp/Kg) B: Cost marketing (Rp/Kg)

Formula count level efficiency channel marketing (Famer's Share) lemongrass as follows (Surni, 2015):

$$FS = 1 - \left\{ \frac{M}{He} \right\} \times 100\% \dots\dots\dots (4)$$

Information:

- FS = Famer's share (percentage part price received by farmers from accepted price consumer last) (Rp/Kg)
- M = Marketing margin obtained trader (Rp/Kg) He = Sales price (Rp/Kg)

With criteria:

- a. what if $FS \geq 50\%$, then the marketing channel is efficient.
- b. what if $FS \leq 50\%$, then the marketing channel is not efficient.

RESULTS AND DISCUSSION

Respondent Characteristics

Farmer characteristics are indicators to describe the diversity of sources in agricultural activities, in this case farmers act as producers. Farmer characteristics include age, education level, family responsibilities, farming experience, and land area.

Table 1. Characteristics Farmer

Characteristics		Farmer (Soul)	Percentage (%)
Age	15 - 55 (Productive)	12	71%
	>55 (Less Productive)	5	29%
	Amount	17	100%
Education Level	elementary school	15	88%
	Junior high school	1	6%
	Senior high school	1	6%
	Amount	17	100%
Amount of Dependents Family	1 - 3 (Small)	5	29%
	4-6 (Medium)	11	65%
	> 6 (Large)	1	6%
	Amount	17	100%
Experience of farming (Year)	< 10 (New)	12	71%
	10-20 (Medium)	3	18%
	> 20 (Old)	2	12%
	Amount	17	100%
Land area Garapan (Ha)	<0.1 (Narrow)	0	0
	0.1 - 0.2 (Medium)	0	0
	> 0.2 (Area0)	17	100%
	Amount	17	100%

Source: Data processing

Based on Table 1, it shows that the age of farmer respondents who are of productive age is 12 people with a percentage of 71%, while there are 5 people of less productive age with a percentage of 29%. The level of education of lemongrass farmer respondents taking final education, namely elementary school, is 88% (15 people), at the junior high school level it is only 6% (1 person) and at the high school education level it is the same as junior high school, namely 6% (1 person). The number of dependents of lemongrass farmer respondents is 5 people with a percentage of 29%, the number of family dependents is 11 people with a percentage of 65% and the number of dependents in a large family is 1 person with a percentage of 6%. New farming experience with a percentage of 71%, farmers' own experience currently reaches a percentage of 18% and farmers who have long-term farming experience with a percentage of 12% and the land cultivated by lemongrass farmer respondents is said to be large with a percentage of 100%.

Characteristics of Marketing Agencies

The agency or institution that organizes the distribution of goods from producers to consumers is a marketing actor. Each type of agricultural product has different marketing channels from each other. Goods marketing channels can change, depending on regional conditions, time and technological advances. Existing schemes and items often show the relative size of the volume of goods distributed through each intermediary institution in the goods marketing chain (Surni, 2015).

Table 2. Characteristics of Marketing Agencies

	Characteristics	Trader Collector	Wholesalers	Trader Retailer
Age	15 - 55 (Productive)	1	3	11
	>55 (Less Productive)			4
	Amount	1	3	15
Education Level	elementary school	1	2	8
	Junior high school			2
	Senior high school			4
	S1		1	1
	Amount	1	3	15
Amount of Dependents Family	1 - 3 (Small)			
	3-6 (Medium)	1	3	13
	> 6 (Large)			2
	Amount	1	3	15
Trade Experience (Year)	< 10	1		5
	10-20		1	3
	> 20		2	7
	Amount	1	3	15

Source: Data processing

Table 2 shows that marketing institution respondents, namely collectors, wholesalers, and retailers in Cialam Jaya Village, Konda District, South Konawe Regency, consisted of 19 marketing institution respondents including 1 collector with an age range of 15-55 years with an education level that had completed elementary school. with family support of 4-6 people and trading experience <10 years. There are 3 wholesale traders aged 15-55 years with educational levels, namely 1 person with a Bachelor's degree and 2 traders with elementary school graduates with 4-6 family dependents and 10-20 years of trading experience, 1 trader and >20 years 2 wholesale traders. Of the 15 retail traders aged 15-55 years, there are 11 traders, while those aged >55 years are 4 traders with educational levels, namely 8 traders with elementary school education, 2 middle school traders, 4 high school traders, and 4 traders. 1 trader with a bachelor's degree. The number of family dependents is 4-6 people with 13 traders > 2 people with 2 traders and < 10-5 years of trading experience as a trader, 10-20 years with 3 traders, and > 20 years with 7 traders' person.

Marketing Channel

Based on the research results, it is known that the common marketing channels for lemongrass in Cialam Jaya Village, Konda District, South Konawe Regency are two channels, namely from Farmers - Wholesalers - Retailers - Consumers, and from Farmers -Collectors - Wholesalers - Traders Retailers - Consumers. The marketing channels for citronella in Cialam Jaya Village, Konda District, South Konawe Regency, there are two marketing channels. The first marketing channel is traders are only 2 traders, namely wholesalers and retailers, where lemongrass farmers directly sell their products to wholesalers, then wholesalers sell them back to retailers. Lemongrass purchasing transactions are carried out by wholesalers coming directly to the farmer's house, and then selling to retailers from retailers directly to consumers. The second Marketing channel has three traders, namely collectors, wholesalers, and retailers, where lemongrass farmers sell their products to collectors. Transactions to purchase lemongrass are carried out by visiting the farmer's house directly, then the collecting traders will sell the lemongrass from the farmer to wholesalers at the Korem Mandonga market who are regular customers of the lemongrass farmers. Then from wholesalers, it is distributed directly to retailers in the Korem market which reaches consumers themselves.

Table 3. Marketing Margins, Costs, Profits and Efficiency Marketing on Channel Marketing I, Year 2022

No	Description	Wholesalers		Trader Retailer	
		Rp/Kg	FS (%)	Rp/Kg	FS (%)
1	Purchase price	5,000		9,000	
2	Selling price	9,000		12,000	
3	Cost:				
	a. Transportation	167		222	
	b. Venue Rental Fees	417		267	
	c. Labor	333		79	
	Total cost	917		568	
4	Profit	3,083		2,432	
5	Marketing Margin	4,000		3,000	
6	<i>Famer's Share</i>		66.67		41.67

Source: Data processing

Based on Table 3, it can be seen that in the first marketing channel, there are two traders, namely wholesalers and retailers. This farmer sells lemongrass that has been cleaned and tied according to the quantity ordered by the wholesaler for IDR 5,000/Kg with total marketing costs incurred of IDR 917/Kg. The marketing margin for wholesalers is IDR 4,000/Kg and the marketing profit obtained is IDR 3,083/Kg. At the retail level, the purchase price of lemongrass from wholesalers is IDR 9,000/Kg with total marketing costs of IDR 568/Kg. The marketing margin at the retail level is IDR 3,000/Kg with a profit of IDR 2,432/Kg. From retailers, lemongrass is sold directly to consumers for IDR 12,000/Kg. The share of farmers in wholesalers is 66.67%, while the share of farmers in retailers is 41.67%.

Tabel 4. Marketing Margin, Costs, Profits and Efficiency Marketing on Channels Marketing II

No	Description	Trader Collector		Wholesalers		Trader Retailer	
		Rp/Kg	FS (%)	Rp/Kg	FS (%)	Rp/Kg	FS (%)
1	Purchase price	5,000		7,000		9,000	
2	Selling price	7,000		9,000		12,000	
3	Cost:						
	a. Transportation	725		145		167	
	b. Venue Rental Fees	-		362		208	
	c. Labor	145		145		67	
	Total cost	870		652		442	
4	Profit	1,130		1,348		2,558	
5	Marketing Margin	2,000		2,000		3,000	
6	<i>Famer's Share</i>		83.33		66.67		41.67

Source: Data processing

Table 4 shows that in the second marketing channel, there are three traders, namely collectors, wholesalers, and retailers. In this case, farmers sell lemongrass that has been cleaned and tied according to the quantity ordered for IDR 5,000/Kg to collectors. Then from the collector to the wholesaler they buy lemongrass for IDR 7,000/Kg with total marketing costs of IDR 870/Kg, the marketing margin at the collector level is IDR 2,000/Kg with a marketing profit of IDR 1,130/Kg. For wholesalers, the purchase price for lemongrass is IDR 9,000/Kg with total marketing costs incurred of IDR 652/kg. The marketing margin for wholesalers is IDR 2,000/Kg and the marketing profit obtained is IDR 1,348/Kg. At the retail level, the purchase price of lemongrass from wholesalers is IDR 9,000/Kg with total marketing costs of IDR 442/Kg. The marketing margin at the

retail level is IDR 3,000/Kg with a profit of IDR 2,558/Kg. From retailers, lemongrass is sold directly to consumers at IDR 12,000/Kg. The share of farmers in collectors is 83.33%, the share of farmers in wholesalers is 66.67%, and the share of farmers in retail traders is 41.67%.

Marketing profits are obtained from the price difference between the price paid to the first seller and the final price paid by the seller (Margin) after deducting marketing costs. The total profit for each marketing channel is obtained by multiplying the sales volume by the profit per kilogram. The profits of market players (traders) in each marketing channel I and II are in the form of profits per kilogram and total profits.

Table 5. Profits Market Players on Channels Marketing I and II.

No	Sales Volume	Sales Volume (Rp)	Profit (Rp/Kg)	Profit (Rp)
1	Channel I			
	Wholesalers	1,800	3,083	5,549,400
	Trader Retailer	1,350	2,432	3,283,200
2	Channel II			
	Trader Collector	2,070	1,130	2,339,100
	Wholesalers	2,070	1,348	2,790,360
	Trader Retailer	1,800	2,558	4,604,400

Source: Data processing

Table 5 shows that profit trader big on the channel marketing I amounted to IDR 3,083/Kg and total profit IDR 5,549,400, meanwhile to trader's retailer profit amounting to IDR 2,432/Kg and total profit Rp. 3,283,200. Profit trader collector on channel marketing II as big as Rp. 1,130/Kg And profit total Rp. 2,339,100, on trader big profit amounting to IDR 1,348/Kg and a total profit of IDR 2,790,360, then to trader's retailer profit amounting to IDR 2,558/Kg and total profit Rp. 4,604,400. Profit the most obtained trader big on channel marketing I amounting to IDR 5,549,400 and the smallest profit obtained trader collector on channel marketing II that is amounting to IDR 2,339,100.

Farmer's share or part Which accepted farmer is price Which paid consumer end to farmer in form percentage. When part accepted farmer not enough than 50% means Not yet efficient, and if that part accepted farmer more than 50% then marketing said efficient. For more he explained about percentage part accepted price producer can see on Table 6.

Table 6. Famer's Share

No	Channel Marketing	Efficiency Marketing	
		FS (%)	Criteria
1	Channel Marketing I	70.83	Efficient
2	Channel Marketing II	80.58	Efficient

Source: Data processing

Table 6 shows the average share of farmers in marketing lemongrass in the first marketing channel is 54.67% and in the second marketing channel is 63.89%. Marketing of lemongrass in Cialam Jaya Village, South Konawe Regency shows that the second efficient marketing channel is the most efficient channel compared to other marketing channels.

This is also in line with research conducted by Surni et al (2020) that the second sago marketing channel is efficient and consistent. In contrast to the results of research conducted by Rizka et al (2016) that only in the first channels and the second marketing channel there one efficient marketing channel, namely marketing channel II from Farmer

- Trader Retailer - Consumer while the first marketing channel is inefficient, namely from farmers Farmer - Trader Collector - Trader Retailer - Consumer.

CONCLUSION

Cialam Jaya Village, South Konawe Regency has two lemongrass marketing channels. The first marketing channel is farmers - wholesalers - retailers - consumers. The second marketing channel is farmers - wholesalers - retailers - consumers. The first marketing channel margin is IDR 4,000/Kg and IDR 3,000/Kg, and marketing profits are IDR 3,083/Kg and IDR 2,432/Kg respectively. Meanwhile, the margins for the second marketing channel are IDR 2,000/Kg, IDR 2,000/Kg, and IDR 3,000/Kg, respectively, and marketing profits are IDR 1,130/Kg, IDR 1,348/Kg, and IDR 2,558. /Kg. The results of the analysis show that both lemongrass marketing channels are efficient with an average farmer's share of lemongrass marketing in the first marketing channel of 54.67 and the second marketing channel of 63.89%.

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