



Analysis of Skipjack Distribution (*Katsuwonus Pelamis*) in The Urban Village of West Boepinang Poleang Sub-District Bombana District

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Abstract

This study aimed to identify marketing channels of skipjack; and to know the amount of margin received on each marketing channel of skipjack in the Urban Village of West Boepinang. The research was conducted from May 5 - August 27, 2016 in The Urban Village of West Boepinang, Poleang Sub-District Bombana District. The sample in this research was 37 respondents. Sampling used census method. Data were analyzed using descriptive analysis and marketing margin analysis. The results showed that distribution pattern which is often used by the traders of skipjack commodity in the Urban Village of West Boepinang is the first distribution channel, in which skipjack is distributed from fishermen to merchants to wholesalers to retailers to consumers. Based on profit margin value, wholesalers earned a net profit margin of Rp. 6,972/kg. Similarly, retailers earned a profit margin of Rp. 3,545/kg as well as Rp. 2,793/kg for merchants.

Keywords: Skipjack, Descriptive, Marketing margin.

A. Background

Indonesia is the largest archipelagic state in the world with 17,504 islands and long coastline of 104,000 km. Total sea area of Indonesia approximately 3.544 million km² or about 70% of Indonesian total land area (Bakosurtanal in Kelautandan Perikanan dalam angka, 2011). The situation should place fishery sector into one of the real potential sectors in Indonesia. In a global context, Indonesia's strategic geographical condition at the cross point of world trade, in which large marine potential should make Indonesia as the world's largest supplier of fishery products and can be a highly prospective market for fishery products. Based on the above conditions, it is very feasible if Indonesia is known as a center of supply and demand for fishery products.

According to The Decree of Minister of Fisheries No. 01/2009, the territorial waters of Southeast Sulawesi are divided into two categories of Fisheries Management Areas (WPP), namely 713 and 714 territorial. In this regard, Southeast Sulawesi fishery belongs to areas with abundant marine wealth in both small pelagic and large pelagic categories such as Tuna and Skipjack. The potential of catching fishery for Tuna and Skipjack in Southeast Sulawesi is 1.5 million metric tons per year. Bombana District is estimated to have an area of sea water about \pm 11,837.31 km². Bombana District is one of the regencies located on the coast directly opposite to Gulf of Bone, thus, some people work as fishermen to support the welfare of their families,

particularly the people who inhabit the coastal areas. The production of skipjack in Bombana District reaches ± 2534.81 tons per year (Bombana Dalam Angka, 2014). Poleang Sub-District is one of the oldest Sub-districts in Bombana District. The coastal area in Poleang Sub-District extends from the border of West Poleang Sub-District precisely in Pabbiring village to the urban village of East Poleang. Poleang Sub-District is known of having the wealth of agriculture as well as the wealth of the sea. The Urban Village of West Boepinang Sub-district is inhabited by most of Bajo tribe who has livelihood as fishermen. The Bajo tribe has various kinds of marine product which can have an economic value in market, such as skipjack which is a type of fish that has a high economic value.

Furthermore, distribution of fish is carried out by merchants to wholesalers. The wholesalers usually come to merchants in TPI and buy large quantities of fish. Fish purchased by wholesalers from merchants will then be sold to retailers. Subsequently, retailers who buy fish from wholesalers sell their fish directly to consumers in traditional markets. The Urban Village of West Boepinang is one of the coastal areas with the average livelihood as fishermen. According to the fishermen, fish are generally distributed by involving the merchants. However, the bargaining process often makes the price fall at the lowest price as set by the merchants, thus, in this case the fishermen only act as the recipient of the price. Based on the description above, the purpose of this study was to know the analysis of the distribution of Skipjack (*Katsuwonus pelamis*) in the Urban Village of West Boepinang, Poleang Sub-District, Bombana District.

B. Method

1. Materials

Sampling technique used was the census or saturated sampling method that is 37 respondents consisting of 16 fishermen, 7 collectors, 3 merchants and 11 retailers. In this research, the sampling technique was combined with Snowball Sampling. This method was used because the number and existence of the sample were not very clear. The researcher only knew some samples and wanted more samples used in the research. Therefore, the researchers looked for one of the fishermen (Mr. H. Kidung, 61 years) in the location of the study to be questioned more clearly and showed to other fishermen and marketing practitioners who can be sampled for the purposes of this study.

2. Data Analysis

In this study, the marketing margin is calculated as the difference between the selling price of sea fish at the fisherman level and the selling price of the sea fish at the retailer level. In order to know the value of marketing margin on every marketing practitioner, it will be tested by using cost analysis tool and marketing margin (cost margin analysis) by calculating the amount of marketing margin, marketing cost and profit as well as fisherman's share. Calculation of marketing margin value uses the following formula:

- a. Marketing Margin Analysis, used to measure the profit of each practitioner involved in the fish distribution process.

$$\text{Formula: } MP = Pr - Pf \dots\dots\dots(3.2)$$

Where:

MP = Marketing margin (Rp/kg)

Pr = Price of consumers (Rp/kg)

Pf = Price of Producers (Rp/kg)

- b. Share price received by fishermen, which is the percentage of profits received by fishermen.

$$SPf = Pf / Pr \dots\dots\dots(3.3)$$

Where:

SPf = Share price at fishermen level

Pf = Price at fishermen level

Pr = Price at consumers level

- a. Marketing costs and profit sharing.

$$Sbi = (bi / Pr) \times 100\% \dots\dots\dots(3.4)$$

$$Ski = (ki / Pr) \times 100\% \dots\dots\dots(3.5)$$

Where :

Ski = Share the profit of marketing institution of i

Sbi = Share marketing cost of i

Marketing margin distribution

$$DM = (Mi / Mtot) \times 100\% \dots\dots\dots(3.6)$$

Where:

DM = Margin distribution

Mi = Marketing margib of marketing agency groups

i = 1 (collectors)

i = 2 (merchants)

I = 3 (trailers)

$$Mtot = Mi + M2 + M3 \dots\dots\dots(3.7)$$

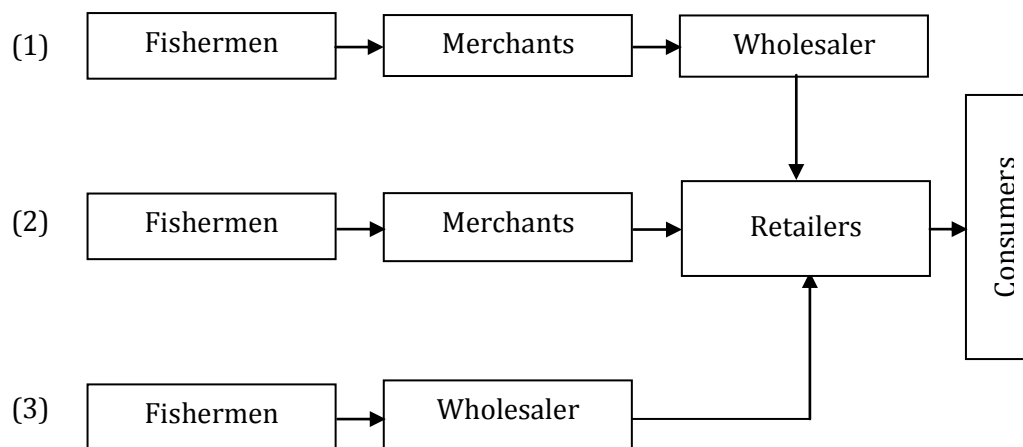
C. Results and Discussion

1. Distribution Pattern of Fish Commodity in The Urban Village of West Boepinang

Basically, marketing activities are carried out to deliver products from producers to consumers. However, the delivery of agricultural (fishery) products such as fish, in general, cannot be directly distributed to consumers. According to Mubyarto (1989), the marketing of agricultural products requires a longer process when compared to the marketing of non-agricultural products. This occurs as agricultural products (fish) require special treatments after caught from the sea. Therefore, the marketing of agricultural products requires the marketing institutions in which the institution will carry out its marketing functions.

The distribution pattern of caught fish commodities in the Urban Village of West Boepinang showed three commercial channels, namely: first marketing channel, from fishermen to merchants to wholesalers to retailers to consumers; Second, from fisherman to merchants to retailer to consumers; Third, from fishermen to wholesalers to retailers to consumers. For more details, the structure of the caught fish trade flow can be seen in Figure 1.

**Figure 1. Distribution Pattern of Skipjack Commodity
In the Urban Village of West Boepinang**



In the first marketing channel, fishermen sell fish to merchants through fish auction system. Caught fish are then distributed to wholesalers who come directly to meet merchants in the auction place to buy fish. Furthermore, the fish are distributed to retailers in markets that sell fresh fish.

The second channel is approximately the same as the first channel, that is the fishermen still sell the fish to the merchants. However, what distinguishes this second channel is that merchants directly distribute the fish to the retailers in the market because of this to reduce the transportation costs. Usually, retailers come to find the merchants to buy the fish even though in a small number.

In the third channel, the fishermen do not sell their caught fish through the auction system because the fishermen already have a habit of selling their caught fish directly to the wholesalers. In general, this occurs because between the fishermen and the wholesalers have a relationship. This condition provides an advantage to fishermen, in which fishermen are not complicated anymore with the issue of uncertain prices because wholesalers usually buy based

on current or prevailing prices at that time. Sometimes there are also fishermen who sell their caught fish directly to wholesalers without going through the auction system, even though they have no relationship. This is due to the number of caught fish of the fishermen is in below average.

In the field, it is also found some fishermen who sell the caught fish directly to consumers, this is due to the caught fish of fishermen is very little unlike the caught fish in general, thus, some of their caught fish will be sold to consumers who deliberately come directly to the fish auction. Fish sold to consumers are usually a certain type of fish in a small number or if the fish in the auction place, the price will be low because of its capacity does not meet the standard weight/kg like an auction in general so it is not feasible to be sold at auction place. This is often faced by the fishermen when they only get fish in small number, they prefer to sell their caught fish to consumers. Therefore in this study, it not included in the dominant fishery distribution pattern category in the Urban Village of West Boepinang.

The majority (68.75%) of fishermen sell their caught fish to merchants by using auction system. Auction sales system is a non-transparent purchase, in which fishermen auction off their caught fish without knowing the price of fish in the market. Commonly, the average selling price of freshfish received by fishermen using auction system is approximately Rp. 16,000/kg, while selling in the markets/consumers can reach approximately Rp. 35,000/kg. In general, fishermen auction off the caught fish due to the ease in selling it, no more costs for distribution as well as reducing the risk of the decrease of freshfish quality. As a note, the condition above excludes the price below the market price and payment system from merchants who sometimes do not make payments directly.

In general, fishermen sell their catch directly in the form of fresh fish, both to merchants and wholesalers. Actually, if the fresh fish are sold directly to consumers, the price received by fishermen will be relatively higher than having through the auction system. Direct selling is difficult to avoid because in addition to the fishermen have urgent needs they also do not have leisure time. Moreover, fishermen also need rest because they are already tired of fishing and prefer to prepare and repair the fishing equipment if there is a damage to maintain the stability of their catch.

From various distribution channels, fishermen face several problems in marketing their catch. The common problem encountered among fishermen is the limited price of fish when they sell the catch. Lack of market information will cause fishermen not to know to whom the catch will be sold to gain the best profit. Price information received by fishermen, particularly from merchants, is often different from market prices. Fishermen do not know exactly about information of the price fluctuations, while merchants get information faster than other marketing agencies. The limitation of this market information relates to the location of their livelihood in the coastal areas. In addition, the formal education of fishermen is still very low causing the ability to digest or analyze information sources is very limited. These conditions cause fisherman fishing without careful planning.

In addition to the above-mentioned problems, installment payments made by merchants are still encountered in the region. Such conditions will make the fisherman increasingly difficult in fulfilling the necessities of life. In addition, the next fishing also requires the cost. Meanwhile, the average income they receive from the caught fish is small, that is Rp. 1.963,239/month which is not worth the risk they must accept. This will trigger fishermen to make loans for the fulfillment of daily needs and for the cost of the next fishing.

2. Marketing Margin Analysis

In this study, the marketing margin is calculated as the difference between the selling price of caught fish at the fisherman level and the selling price of the fish at the retailer level. This analytical procedure is performed by selecting and following the marketing channels of the specific commodity, comparing prices at different marketing levels, and collecting the data of gross sales and purchases of each type of trader. The following is the result of marketing margin analysis which consists of the cost required by marketing practitioners to perform marketing functions and profit received by marketing practitioners in every marketing channel of most dominant Skipjack commodity in the Urban Village of West Boepinang. More details can be seen in Table 1.

**Table 1. Marketing Margin Analysis of Skipjack Commodity
In the Urban Village of West Boepinang 2016**

Detail	Unit (Rp/kg)
1. Fishermen	
a. Selling price	16,000,-
2. Merchant	
a. Purchase price	16,000,-
b. Selling price	20,000,-
c. Marketing margin	4,000,-
d. Marketing cost	1.207,-
e. Profit margin	2.793,-
3. Wholesaler	
f. Purchase price	20,000,-
g. Selling price	30,000,-
h. Marketing margin	10,000,-
i. Marketing cost	3.028,-
a. Profit margin	6.972,-
4. Retailer	
a. Purchase price	30,000,-
b. Selling price	35,000,-
c. Marketing margin	5,000,-
d. Marketing cost	1.455,-
e. Profit margin	3.545,-

Source: Primary Data Analysis, 2016

Table 1 shows that the main type of merchants financing include marketing cost, namely the preservation of fresh fish is Rp. 1,207/kg. The marketing cost of wholesalers amounted to Rp. 3,208/kg. The total marketing cost of retailers is Rp. 1,455/kg. The highest marketing cost was obtained by wholesalers, which amounted to Rp. 3,208/kg. The amount of financing is due to wholesalers spend more cost for skipjack trading process, such as the cost of skipjack preservation such as ice cubes, transportation costs are quite high because due to the long distance for traders to find where to buy fish.

Based on the profit margin (net benefit margin), merchants who buy fish directly from fishermen earn a profit margin of Rp. 2,793/kg. The wholesaler who is dealers to existing retailers in the markets earns a profit margin of Rp. 6,972/kg, whereas the retailers who are performing the direct transaction to the consumers earn a profit margin of Rp. 3,545/kg. In the outline, marketing practitioners of Skipjack in the Urban Village of West Boepinang mostly use distribution channel that is from fishermen to merchants to wholesalers to retailers to consumers.

The long channels of Skipjack distribution ranging from fishermen to consumers trigger a high disparity between fish prices at fishermen and consumer levels. This is evidenced by the difference in the price from fishermen to the final price at the consumer level, that is Rp. 19,000/kg. The number of practitioners in the trading system will lead to high marketing margin, thus, there is a part that must be excluded as the profit of the trader. This situation tends to minimize the share that should be accepted by the fishermen and increase the cost to be incurred by consumers.

Based on the calculation of margins on each practitioner, It can be seen that the practitioner who gains greater profits is a wholesaler. This is because wholesalers buy large quantities of fish from merchants and/or fishermen, which sell the fish to consumers in small quantities to retailers. From the sales result, wholesalers earn a greater profit compared to the other marketing practitioners.

D. Conclusion

Based on the results and discussion, it can be concluded as follows:

1. The distribution chain of Skipjack commodity in the Urban Village of West Boepinang presents at least three channels, namely: First channel, from fishermen to merchants to wholesalers to retailers to consumers; Second channel, from fishermen to merchants to retailers to consumers; Third channel, from fishermen to wholesalers to retailers to consumers.

2. In general, distribution pattern often used by marketing practitioners of Skipjack commodity in the Urban Village of West Boepinangis the first channel that is from fishermen to merchants to wholesalers to retailers to consumers. Based on profit margin, wholesalers earn a net profit of Rp. 6,972/kg. Similarly, retailers earn profit margin of Rp. 3,545/kg for merchants Rp. 2,793/kg.

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