

Evaluating Pepper Marketing Distribution using The Structure-Conduct-Performance (SCP) Framework : a Case Study From Kedarpan Village, Kejobong District, Purbalingga Regency

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ABSTRACT

Pepper is a crucial plantation crop with a significant roles in export marketing activities. Pepper marketing activities play a vital role in ensuring pepper reach consumers efficiently. This research aims to profile pepper farmers in Kedarpan Village, analyze market structure, conduct, and performance, and examine the distribution channels of pepper marketing. The study employs qualitative and quantitative descriptive analysis methods using both primary and secondary data. A census method was used to sample all 34 active pepper farmers and 14 traders in Kedarpan Village. The research reveals that the pepper distribution channels in Kedarpan Village consist of 5 channels: Channel 1: Farmer to consumer, Channel 2: Farmer to retailer to consumer, Channel 3: Farmer to collector to retailer to consumer, Channel 4: Farmer to wholesaler, and Channel 5: Farmer to collector to wholesaler for PT JAVA AGRITECH. The largest market share is held by Mr. A at 36%. The CR4 value is 78%, indicating an oligopoly market category. The calculation of HHI yields a result of 2,177, also indicating an oligopoly market category. The lowest marketing margin is found in Channel 4 at Rp 5,000/kg. The highest farmer share is observed in Channel 1 at 100%.

Keywords: *Marketing, Structure, Conduct, Performance, Pepper*

INTRODUCTION

Firdaus (2010) Agriculture has a broad meaning, the scope of agriculture includes people's agriculture, plantations, livestock, and forestry. The Plantation subsector is the leading subsector in the sector (Suwandi, 2015). Plantation Crops are one of the many commodities with promising benefits when managed properly and correctly (Koryati et al., 2022). Export activities that generate foreign exchange, provide employment, and fulfill daily needs and industry are the role of the plantation subsector, besides the added value obtained from optimizing the management of natural resources sustainably (Hidayat, 2013). According to Statistic Indonesian in 2023, the income of farmers according to the results of the 2023 agricultural census in Indonesia there are 28,419,398 households whose main source of revenue from the food crop business is 15,550,786, horticultural crops 9,495,675 households, plantations 10,877,356 households, livestock 12,046,143 households, fisheries 1,852,995 households, forestry 3,467,931 households, and agricultural services 362,773 households. Annual plantation crops are crops grown for more than one year, for example, pepper, tea, rubber, coffee, cloves, kako, and oil palm.

Pepper (*Piper nigrum* L.) is a member of the Piperaceae family (Vasavirama and Upender, 2014). Pepper plants can survive and produce up to 20-30 years if cultivated properly, and pepper tends to have a stable price (Sari et al., 2015). Pepper production in Indonesia in 2022 amounted to 89.28 thousand tons originating from smallholder plantations and large private plantations (Direktorat Jendral Perkebunan, 2021). Pepper (*Piper nigrum* L.) is a plantation commodities that play an important role in export and import activities (Adha et al., 2019). One of the pepper-producing provinces in Indonesia is Central Java Province. Central Java Province occupies the 14th position as a province that produces pepper, for the first position is in Aceh Province. Several districts produce pepper, based on BPS in 2022, Purbalingga Regency occupies the first position with the most pepper production.

Purbalingga Regency itself has 2 main pepper producing areas, namely Kejobong District and Pengadegan District. In the Kejobong Sub-district, pepper is the commodity with the second largest production after coffee. Tabel 1. Production of Plantation Crops in Kejobong district in 2022

No.	Commodities	Land Area (Ha)	Production (Kg)	Productivity (Kg/Ha)
1	Inner Coconut	1.244,34	1.110.019,14	892,05
2	Pepper	371,77	93.918,72	252,62
3	Rubber	136,33	765,27	5,61
4	Kelapa Deres	131,52	1.379,382	10,48
5	Robusta Coffee	57,1	4.215,90	73,83
6	Nipah	20	0	0
7	Cloves	6,75	185	27,40
AMOUNT		1.890,71	1.210.298,41	1.261,99

According to the Agricultural Extension Officer in Kejobong Subdistrict, Kedarpan Village has good pepper production and marketing and has been marketed to other cities and even abroad. Kedarpan village has 13 ha of land planted with pepper with a production yield of 815 kg. Kedarpan has a spicier flavor than other types of pepper. This puts the pepper in demand in various regions such as East Java, West Java, and Medan as well as being marketed abroad such as Japan. Of course, this is inseparable from the marketing activities in Kedarpan Village.

Marketing activities consisting of the process of collecting products from farmers, packing, storing, distributing, and selecting marketing channels are very complex activities (Blitar et al., 2017). Marketing is the process of acquiring profits by providing satisfaction to customers previously (Wijaya et al., 2021). The success of marketing distribution can be seen in the performance of the

market (Indriani et al., 2020) Pepper farmers in Kedarpan Village will market their peppers after drying. Pepper marketing activities carried out by farmers will use sacks for packaging. The sorting of pepper will be carried out by collective traders and also large traders.

In marketing activities, the structure, conduct, and performance (SCP) approach can help a company take steps (Apriyanti & Ramadhani, 2018). The structure-conduct-performance (SCP) approach describes the existing condition of the market structure and conduct and its implication on the market performance (Relawati et al., 2018) Market structure can affect the pricing of a product (Awaliyah & Rostwentivaivi, 2021). In pepper marketing, the determination of pepper prices in Kedarpan Village is determined by the marketing institutions involved, such as collecting traders, retailers, and wholesalers. According to one pepper farmer in Kedarpan Village, to obtain a high income, they will sell it directly to large traders. Pepper harvested by farmers in Kedarpan Village will usually be sold to the market, to retailers, to collectors, and large traders. Collecting traders will usually sell the pepper to large traders or sell it outside the Kedarpan village area. With so much pepper production in Kedarpan Village, it is not certain that farmers have done efficient marketing that benefits both farmers and pepper traders.

Based on this background, this research will examine more deeply the marketing activities of pepper in Kedarpan Village, Kejobong District, and Purbalingga Regency. The focus of this research will be on structure, conduct, and performance (SCP) in Kedarpan Village, Kejobong Sub-district, Purbalingga Regency.

LITERATURE REVIEW

Pepper

Pepper is the "King of Spice" or the king of spice plants being a much-needed and important commodity in world trade. Plants that have the potential to be exported are plantation crops, one of which is the pepper plant (Zulkarnain & Ranchianowarganegara, 2020).

The contribution of the plantation crop subsector is by contributing to export activities during 2017 amounting to USD 2.61 billion and most of it came from the plantation crop subsector which amounted to USD 2.52 or 96.43% (Kementerian Pertanian, 2018). The important role pepper plants have for the country because they can be a source of foreign exchange earners, employment, a consumption material, and supplier of industrial raw materials (Fatimah, 2013).

Marketing

Activities carried out to meet the needs and desires of consumers through distribution are called marketing (Desiana et al., 2017). Efficient marketing is a marketing strategy because efficient marketing motivates to increase business, to increase production (Ningsih et al., 2017).

Marketing activities carried out by some producers do not sell their agricultural products directly to the final consumer, but they will use marketing institutions as intermediaries (Kai et al., 2016). Efficient marketing will be created if the producers and marketing institutions as well as consumers get satisfaction with the existing marketing activities (Arbi et al., 2018).

Structure, Conduct, Performance

Structure, conduct, and performance analysis help to find out which market structure is suitable to be applied, and how market conduct affects market performance to increase productivity (Lincoln and Stephanus, 2014). Structure is the demand and supply of goods and services that are influenced by the type of goods produced, product differentiation, the number of products and product size, and the ease of products into the industry. Before marketing system is said to be good or efficient its structure and conduct must be critically examined (Kiprotich Ruttoh et al., 2018).

Baye (2010) states that market conduct leads to how a company behaves in the market. According to (Pujiharto, 2018), conduct that has a relationship with existing marketing institutions including farmers as producers, middlemen, wholesalers, collectors, and retailers includes attitudes and conduct in the pricing system, contracts, and collusion between marketing institutions.

Market performance is the result that arises in the market due to actions taken by market competitors who carry out various corporate strategies to compete and control market conditions (Teguh, 2010). Performance in an industry can be assessed from achievement, added value, productivity, and efficiency. There are several elements of market performance, namely marketing margin, farmer share, R/C ratio, and market integration.

RESEARCH METHOD

This research was conducted in Kedarpan Village, Kejobong Sub-district, Purbalingga Regency in March-April 2024. The method used in this research is the case study method. The target respondents in this study were pepper farmers in Kedarpan Village many as 34 respondents and pepper traders, with a census sampling technique. The data used in this study are primary data and secondary data. Data collection was done by observation, interview, and documentation.

The analysis used is qualitative analysis to determine the profile of respondents and determine the market conduct formed and quantitative analysis using CR4 and HHI calculations to determine the market structure formed, marketing margins, and *farmer share* to determine market performance formed in pepper marketing Kedarpan Village.

The analysis method in data analysis in this study uses the following methods:

Structure

1. Market Share

Market share can be measured using the formula (Silmi et al., 2020)

$$MS_i = S_i / Stot \times 100\%$$

Information:

MS_i = pepper market share (100%)

S_i = sales or production capacity of pepper

2. Concentration Ratio

The ratio concentration can be calculated using CR4 to see the market strength of 4 pepper traders in Kedarpan Village.

$$CR_m \sum_{i=1}^m MS_i = 1$$

Information:

CR_m = Ratio of concentration as much as m company (%)

M = Number of companies spread

MS_i = Market share of the I Company (%)

3. Index Hirschman-Herfindahl

$$HHI = (MS_1)^2 + (MS_2)^2 + \dots + (MS_n)^2$$

Information:

HHI = Hirschman-Herfindahl Index

MS = buyer of pepper commodity from the ith trader ($i= 1,2,3,\dots, n$)

n = number of pepper traders in a market area

Conduct

To determine the market conduct in pepper marketing, qualitative descriptive analysis is used by looking at and analyzing marketing activities carried out by farmers and related marketing institutions.

Performance

1. Marketin Margin

Marketing margin is the price difference at the producer level and the price at the consumer level, so it can be calculated as follows (Kai et al., 2016)

$$MP = Pr - Pf$$

Information:

MP = Pepper marketing margin

Pr = Pepper price at the producer level

Pf = Pepper price at the Consumer level

2. *Farmer Share*

Farmer share is the percentage of the price farmers receive at the consumer level. Farmer share can be calculated by the formula:

$$FS = Pr/Pf \times 100\%$$

Information:

FS = Percentage received by pepper farmers

Pr = Pepper price at the pepper consumer level (Rp/kg)

Pf = Pepper price at the pepper farmer level (Rp/kg)

RESULT

Characteristics of Pepper Farmers

In this study, respondent characteristics were needed to determine pepper marketing channels, prices, revenues, and marketing costs. The questionnaire was addressed to pepper farmers and traders. The number of respondents used in this study was 34 pepper farmers. The characteristics of respondents in this study include gender, age, latest education, land area owned, land ownership status, family dependents, and side jobs.

Table 1. Characteristics of Pepper Farmer Respondents in Kedarpan Village

Description	Total	Percentage (%)
<i>Age</i>		
21-30	1	2,94
31-40	3	8,82
41-50	10	29,41
51-60	10	29,41
61-70	8	23,53
71-80	2	5,88
<i>Education Level</i>		
Not in school	2	5,88
SD	16	47,06
SMP	8	23,53
HIGH SCHOOL	8	23,53
<i>Number of Family Dependents</i>		
1	3	8,82
2	18	52,94
3	9	26,47
4	3	8,82
None	1	2,94
<i>Farmer's Land Area (ha)</i>		
0,1 - 0,5	9	26,47

0,6 – 1	3	8,82
1,1 - 1,5	13	38,24
1,6 – 2	3	8,82
2,1 - 2,5	4	11,76
≥2,6	2	5,88
<i>Total Pepper Production (kg)</i>		
10 – 300	18	52,94
400 – 700	11	32,35
800 – 1000	5	14,71
<i>Land Ownership Status</i>		
Owned	34	100
Rent	0	0
<i>Length of Pepper Farming</i>		
1-10	21	61,76
11-20	7	20,59
21-30	4	11,76
≥30	2	5,88

Pepper farmers in Kedarpan Village are all male, with the majority aged 41-50 years and 51-60 years. The education level of the majority of pepper farmers in Kedarpan Village is elementary education as many as 16 people. Pepper farmers in Kedarpan Village have their land and the majority of pepper farmers in Kedarpan Village have a land area of 1.1-1.5 ha. Most pepper farmers can produce 10-300 kg of pepper at harvest time. The experience of pepper farmers in pepper farming is very important to show how experienced pepper farmers are in cultivating pepper, pepper farmers in Kedarpan Village have mostly been doing pepper farming for 1-10 years. Pepper farmers in Kedarpan Village all have different family dependents, but the majority have 2 family dependents.

Characteristics of Pepper Trader

In this research, 14 pepper traders in Kedarpan Village were used, consisting of 1 wholesaler, 8 collectors, and 5 retailers.

Table 2. Characteristics of Pepper Traders in Kedarpan Village

Description	Total	Percentage (%)
<i>Age</i>		
20 – 40	4	28,57
41 – 60	7	50
61 – 80	3	21,43
<i>Education Level</i>		
SD	4	28.57
SMP	6	42.86
SMA	4	28.57
<i>Number of Family Dependents</i>		
1-3	9	42.86
4-6	5	57.14
<i>Length of Pepper Trader</i>		
0-10	1	7,14
11-20	2	14,29
21-30	8	57,14

Pepper traders are the key informants in this study. The majority of pepper traders in Kedarpan Village are 41-60 years old and have a junior high school education. The majority of pepper traders in Kedarpan Village have been trading for 21-30 years. In addition, the majority of pepper traders in Kedarpan Village have family dependents of 1-3 people.

Structure, Conduct, Performance

Analysis of market structure, conduct, and performance in pepper marketing Kedarpan Village is used to determine the type of market that is formed, how market conduct exists, and determine market performance. Based on the research that has been done, the market formed in pepper marketing in Kedarpan Village is classified as an oligopoly market. Market conduct that occurs in pepper marketing in Kedarpan Village can be seen through the price determination process, sales, and purchasing activities, cooperation carried out, and marketing functions. The market performance that has been achieved in pepper marketing is efficient, especially in the second marketing channel where farmers will sell their pepper to collectors, then collectors sell their paperback to retailers and finally sell it to end consumers.

1. Structure

Market structure discusses the relationship between an organization on a particular commodity in influencing the price of the commodity. The market structure analysis was conducted to determine the level of competition in pepper marketing in Kedarpan Village. The analysis used market share and market concentration analysis.

a. Market Share

Table 3. Percentage Value of Market Share of Each Collecting Trader

Initial Name	Deposit Amount (Kg)	Percentage (%)
A	1.500	36
Yi	1.000	24
R	450	11
Yo	300	7
B	300	7
I	250	6
S	200	5
M	200	5
Total	4.200	100

The highest percentage value of market share based on Table 20 is owned by Mr. A at 36% of the total market share at the collector trader level. Meanwhile, the lowest marketshare is owned by Mr. Suharso and Mr. M at 5%. Collecting traders who have more capital will be able to control the market compared to collecting traders with smaller capital.

b. Concentration Ratio

In calculating market share, generally only 4 traders are used, known as CR4. The determination of traders for CR4 is based on the highest output value of the four Kedarpan Village Pepper traders.

Tabel 4. Market Concentration Percentage Value Based on CR4 Calculation in Kedarpan Village

Initial Name	Deposit Amount (Kg)	Presentase (%)
A	1.500	36
Yi	1.000	24
R	450	11
Yo/B	300	7
Total	3.250	78

Based on the data presented in Table 4, it can be seen that the CR4 ratio value of the market structure and competition from wholesalers is 78%. If the result of the CR4 calculation shows a value of $80 < CR4 > 50$, it can be said that the market structure former

oligopoly. According to the rules in Miar and Batubara (2019), to determine the consistency of the market structure if the results of the CR4 calculation show the results of $80 < CR4 < 50$, then the condition of the market structure in Kedarpan Village is in an oligopoly market.

c. Indeks Hirschman – Herfindahl

Measurement of the Hirschman Herfindahl Index is based on the total production at the Kedarpan Village pepper collector trader level. The calculation is done by summing the squares of the market shares of all collecting traders.

Table 5. Hirschman Herfindahl Index (HHI) Value of Collecting Traders

Initial Name	Deposit Amount (Kg)	Percentage (%)	Percentage ² (%)
A	1.500	36	1.296
Yi	1.000	24	576
R	450	11	121
Yo	300	7	49
B	300	7	49
I	250	6	36
S	200	5	25
M	200	5	25
Total	4.200	100	2.177

Based on the calculation results in Table 5, it can be seen that the calculation results using the Hirschman Herfindahl Index show a result of 2,177. This shows that competition in the market share of pepper collectors is oligopoly because it is still in the range of more than 1,800 and less than 2,500.

2. Conduct

Pepper marketing activities in Kedarpan Village consist of several activities. The first is selling and buying activities, which are carried out by pepper farmers and pepper traders in Kedarpan Village. Pepper farmers sell their pepper with two options, namely selling it dry or cutting it directly on the land by pepper traders. Pepper traders purchase pepper by going directly to pepper farmers and negotiating the price of pepper. Payment used in pepper marketing uses a cash payment system. The second activity is the pepper payments system and price determination. Determination of the price of pepper is done by conducting discussions between traders and farmers while still paying attention to the market price. Traders will be more dominant in determining the price of pepper than farmers. If a price agreement has been reached, payment will be made in cash by the trader to the farmer.

The third activity is cooperation between traders and farmers, in Kedarpan Village the cooperation is quite close. This is because traders and farmers are still in the same neighborhood and some are members of the same farmer group, making it easier to communicate with each other. The marketing function that occurs in lad aini marketing consists of an exchange function where farmers when harvesting will hand over the pepper cultivation results to the trader, who then the trader will deposit it with other traders. In addition, there is a physical provision function, farmers will store their crops when they are sold in a dry state before being sold to traders. Pepper will be packaged using sacks to be marketed to traders and will be packaged using plastic when it is sold to end consumers.

3. Performance

Performance is a measure of the success that a company has achieved in carrying out marketing activities in the market.

a. Marketing Margin

Marketing margin is the entire total calculation of the costs incurred by marketing institutions in carrying out marketing activities and the amount of profit taken by marketing institutions in distributing their products.

Tabel 6. Summary of Pepper Marketing Values in Kedarpan Village

Marketing Channel	Price (Rp/kg)				
	Farmers	Consumer	Cost	Margin	Farmers
1st channel	80.000	80.000	0	80.000	80.000
2nd channel	75.000	85.000	3.200	10.000	6.800
3rd channel	70.000	85.000	4.900	15.000	10.100
4th channel	75.000	80.000	0	5.000	5.000
5th channel	70.000	95.000	5.100	25.000	19.900

Based on Table 6, it can be seen that the value of the distribution of pepper marketing margins in the 1st marketing channel is the highest result of Rp 80,000 /kg, then the 5th channel of Rp 25,000 then the 3rd marketing channel of Rp 15,000, and finally, the 2nd marketing channel with marketing margin results of Rp 10,000 / kg, and the last is in the 4th channel with a marketing margin of Rp 5,000 / kg and the resulting profit of Rp 5,000 / kg.

b. *Farmer Share*

Farmer share is the percentage of the price received by farmers with the price at the consumer level, *farmer share* is influenced by several factors including the level of processing, transportation costs, the amount of product, and product durability. (Apriyanti & Ramadhani, n.d.).

Table 7. *Farmer share* of Pepper Values in Kedarpan Village

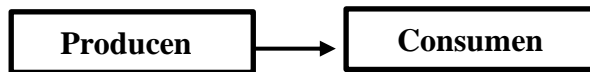
Marketing Channel	Price at Farmer (Rp/Kg)	Pepper Level	Price at Trader (Rp/Kg)	Final Level	Farmer Share (%)
1st channel	80.000		80.000		100
2nd channel	75.000		85.000		88,23
3rd channel	70.000		85.000		82,35
4th channel	75.000		80.000		91,46
5th channel	70.000		95.000		73,68

Based on the calculations that have been carried out, it results in different *farmer shares*. The 1st marketing channel shows a percentage result of 100%, the 2nd marketing channel has a percentage result of 88.23%, the percentage result in the 3rd marketing channel is 82.35%, in the 4th channel *farmer share* is 91.46%, and in the 5th marketing channel, the percentage result is 73.68%.

Marketing Distribution Channel

Distribution channels are the activities of marketing institutions in taking over the rights of a commodity from producers to consumers. In this activity, pepper marketing in Kedarpan Village involves several marketing institutions such as wholesalers, collecting traders, retailers, and export partners. Based on the research, it is known that there are 5 types of pepper marketing distribution channels in Kedarpan Village.

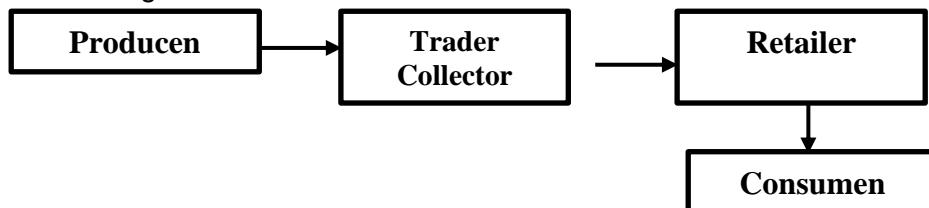
1. 1st Marketing Channel



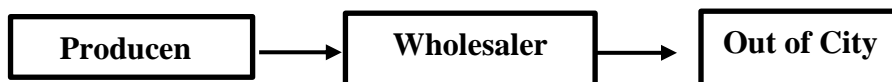
2. 2nd Marketing Channel



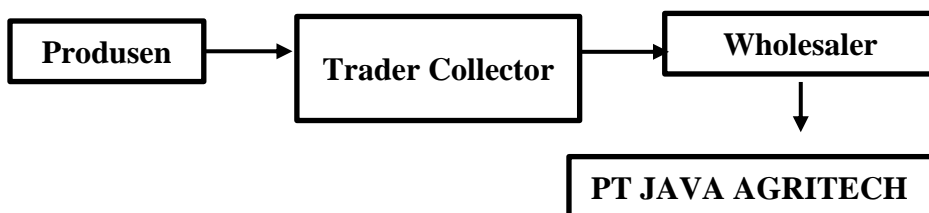
3. 3rd Marketing Channel



4. 4th Marketing Channel



5. 5th Marketing Channel



From the results of the research that has been done, there are 5 marketing distribution channels used by farmers in marketing pepper in Kedarpan Village. Farmers who use marketing channel 1 there are 2 pepper farmers. Pepper farmers who use marketing channel 1 there are 2 farmers. The number of pepper farmers who use the 2nd marketing channel is 7 farmers, and in the 3rd marketing channel, 15 farmers use it. Farmers who use the 4th marketing channel are 4 farmers, and in the 5th marketing channel, 16 farmers use it.

DISCUSSION

Characteristics of Pepper Farmers

The majority of pepper farmers in Kedarpan Village are in elderly condition, with most of them aged 41-50 years and 51-60 years. This is because many young people in Kedarpan Village work outside the city and work in factories. Farmers have a low level of education, having only studied up to primary school, which has led to a lack of knowledge and delays in understanding agricultural technology and its application.

The limited education of pepper farmers has caused farmers to rely only on knowledge experience and information from government agencies in the implementation of their cultivation. The majority of pepper farmers in Kedarpan Village have 1-10 years of pepper cultivation experience. Most pepper farmers can produce 10-300 kg of pepper at harvest time, either in one harvest or by using the mail harvesting system, this is also influenced by the land area owned by farmers and the planting system carried out by farmers. The majority of land owned by pepper farmers in Kedarpan Village is 1.1-1.5 ha. Some farmers' land is clustered and some are scattered. The land ownership status of farmers in Kedarpan Village is self-owned land. With the income generated

from pepper sales, farmers can fulfill their family's daily needs. The number of family dependents owned by the majority of farmers is 2 people.

Characteristics of Pepper Traders

There are 14 pepper traders in Kedarpan Village, consisting of 1 large trader, 5 retailers, and 8 collectors. The age of the majority of pepper traders in Kedarpan Village is 41-60 years old. Pepper traders in Kedarpan Village have been trading from a young age, so the majority of pepper traders have a long experience of 21-30 years. The education level of the majority of pepper traders is junior high school. The number of family dependents owned by the majority of pepper traders is 1-3 people. Income from pepper sales can help fulfill the needs of the trader's family.

Structure, Conduct, Performance

1. Structure

Analysis of the structure of marketing activities is used to determine the type of market formed in product marketing. Market structure analysis can also be used to determine the level of competition in product marketing. The analysis of the market structure in Kedarpan Village uses the calculation of market share and market concentration.

The calculation of the market share of pepper in Kedarpan Village uses 8 collecting traders for the calculation. The calculation is done by using the number of deposits made by the collecting traders. Based on the calculations that have been carried out, the largest market share is owned by collector trader A at 36% and the lowest is collector trader M with a result of 5%. The size of the market share is influenced by the amount of capital owned by the trader. The greater the market share owned shows the amount of power possessed.

In addition to calculations using market shares, the market structure can be seen through the calculation of concentration ratios. To calculate market concentration, the four largest traders in Kedarpan Village were used. Based on the calculation results, the resulting concentration ratio is 78%. These results indicate that the market structure formed is an oligopoly market. An oligopoly market is a market that sells the same goods and there are only a few traders. This intense competition requires farmers to always maintain the quality of their pepper to continue to gain the trust of traders. The results of this study are in line with research conducted by Dwi Tafinia Nurhasanah (2019) on "Analysis of Structure Conduct and Performance in the Tape Industry in Baondowoso Regency", where the results of the CR4 calculation resulted in a figure of 76%. This shows that the competitive market is classified as an oligopoly market.

Determining the type of market structure formed can also be done by calculating the Hirschman-Herfindahl Index. For this calculation still using 8 collecting traders, the calculation result is 2.177. This shows that the market structure formed is an oligopoly market.

2. Conduct

Market conduct can be analyzed by paying attention to marketing activities that occur, such as in terms of sales, purchases, price determination systems, payment systems, and cooperation systems that occur. In pepper marketing in Kedarpan Village, large traders, collectors, retailers, and farmers carry out several marketing activities.

Selling and buying activities in pepper marketing activities in Kedarpan Village are carried out by traders and farmers. In purchasing activities, traders will buy their pepper from farmers. There are two options for buying pepper, namely dry pepper or cutting it yourself in the pepper field. Traders in purchasing pepper directly meet pepper farmers at their homes. Meanwhile, sales activities are carried out by farmers and traders. Farmers will sell their harvested pepper to traders and also sell their pepper to the surrounding community. Farmers who sell their pepper directly to consumers are farmers who still produce a little pepper. To traders, they will sell their pepper to fellow traders or directly to consumers. Especially for pepper sales to large

traders, there will be some filtering and grading of the pepper. Pepper that will be accepted is pepper that is still good and has a maximum moisture content of 13%. In the activity of selling pepper, the packaging used when selling will be packed using sacks because of large purchases, while sales to consumers more often use plastic.

The price determination system in the buying and selling of pepper in Kedarpan Village is carried out by conducting discussions between traders and farmers. The trader will visit the farmer's house and discuss the price of pepper with consideration of the price of pepper on the market. Although there is a price discussion, traders are still more dominant in determining the price of pepper. The payment system for pepper marketing activities in Kedarpan Village is done by paying in cash. Payment for pepper will be made after reaching a price agreement between the two parties.

This is by research conducted by M Pradyatama entitled "Black Pepper Marketing System in West Lampung Regency, Lampung Province" where pepper price determinants are determined by buyers, such as collectors, retailers, and wholesalers. Marketing institutions will still negotiate by providing price information out there.

Marketing activities are carried out by involving several marketing institutions such as wholesalers, retailers, and collectors. Cooperation in pepper marketing activities in Kedarpan Village is categorized as good. This is because traders and farmers are still members of the same farmer group still live in the same neighborhood and are not too far away so the communication that occurs is quite intense which makes it easy to exchange information about pepper needs.

3. Performance

Market performance analysis is carried out to measure the success achieved by a company in carrying out marketing activities so that later it will know the strategy that will be used so that the business is better. Based on the calculations that have been carried out, the value of the distribution of pepper marketing in the 1st marketing is the highest result of Rp 80,000 / Kg, then the 5th channel of Rp 25,000 then the 3rd marketing channel of Rp 15,000, and finally, the 2nd marketing channel with marketing margin results of Rp 10,000 / Kg, and the last is in the 4th channel with a marketing margin of Rp 5,000 / kg and the resulting profit of Rp 5,000 /kg.

In the 1st marketing distribution channel, the marketing margin is Rp 80,000 at the pepper farmer level. The amount of marketing margin received because the 1st channel is the shortest channel which only involves farmers and consumers without involving other marketing institutions such as collectors, retailers, and wholesalers.

In the 2nd marketing distribution channel, the marketing margin obtained was IDR 10,000 at the retailer level. This 2nd marketing channel involves farmers and retailers. Retailers buy pepper from farmers for IDR 70,000/kg and resell it to consumers for IDR 85,000/kg. Therefore, the resulting marketing margin is IDR 10,000.

The marketing margin in the 3rd marketing distribution channel is IDR 15,000/kg. The 3rd marketing distribution channel involves wholesalers and retailers. At the retailer level, the marketing margin obtained was Rp 10,000/kg because the collector traders bought pepper from farmers for Rp 70,000/kg and sold it to retailers for Rp 80,000/kg. The marketing margin at the retailer level is IDR 5,000/kg because retailers buy pepper from collectors at IDR 80,000/and sell it back to consumers at IDR 85,000.

In the 4th marketing distribution channel, the marketing margin is Rp 75,000/kg. In this 4th marketing, farmers will sell their dried pepper to large traders in Kedarpan Village. The big

traders will then sell the paperback to traders or consumers outside the city such as West Java and East Java.

Finally, in the 5th marketing distribution channel, the total marketing margin is Rp 25,000/kg. This marketing channel involves collecting traders and large traders. At the level of collecting traders, the marketing margin is Rp 10,000/kg because collecting traders buy pepper from farmers for Rp 70,000/kg and sell it back to large traders for Rp 80,000/kg. Meanwhile, at the large trader level, the marketing margin is IDR 15,000 / kg because large traders buy pepper from collectors at IDR 80,000 / kg and sell it back to PT JAVA AGRITECH for IDR 95,000 / kg.

Farmer share is the share that will be received by farmers from the calculation between the price received by farmers and the price paid by consumers. Based on the calculations that have been carried out, the percentage received by farmers in Kedarpan Village has different results in each pepper marketing channel. The 1st marketing channel shows a percentage result of 100%, the 2nd marketing channel has a percentage result of 88.23%, the percentage result in the 3rd marketing channel is 82.35%, in the 4th channel *farmer share* is 91.46%, and in the 5th marketing channel the percentage result is 73.68%.

Based on the marketing margin and farmer share calculations carried out, the efficient marketing channel is marketing channel 4 because it has the lowest marketing margin of IDR 5,000 and a high *farmer share* of IDR 80,000. This is by research conducted by Bimo Trustho Sekar Utomo entitled "Analysis of Coconut Sugar Marketing in Kulon Progo Regency". Where it is stated that efficient marketing is a marketing channel that has a low marketing margin and a high *farmer share*. The study found that marketing channel 1 is efficient because it has the lowest margin of 13% and the highest *farmer share* of 86,7%.

Marketing Channels

Pepper marketing channels in Kedarpan Village are formed into 5 types of marketing channels. The first marketing channel is where farmers sell pepper directly to consumers. Farmers who use this marketing channel are 2 people, this is because the pepper produced by farmers is only a little so they choose to sell it directly to consumers. In this marketing channel, farmers will sell their pepper directly, usually to the surrounding community, or sell it in the market. This marketing channel does not involve marketing institutions. The payment system in marketing channel 1 uses a cash payment system.

The 2nd marketing channel is used by 7 farmers who sell their sugarcane to retailers and then resell it to consumers. The 2nd marketing channel is used by 7 farmers. In this channel, dried pepper is sold to retailers. Reseller traders will buy pepper from farmers by coming directly to the farmer's residence. Reseller traders will re-market the pepper to consumers.

In the 3rd marketing channel, farmers will sell pepper to collectors and then collectors will sell the pepper back to retailers who will then be marketed by retailers to consumers. Farmers who choose to use this marketing channel have as many as 15 people, this is because according to farmers selling peppers to collectors faster than with other traders or selling directly to consumers. In this channel, farmers sell pepper in two ways, namely selling pepper in a dry state or selling pepper on the land to be harvested by the trader himself.

The 4th marketing channel is for farmers to sell their fields to large traders and then resell them to traders outside the city. Farmers who use this marketing channel tend to be few, namely as many as 4 farmers, this is due to large traders who apply a grading system to their pepper. In this marketing, large traders will buy pepper directly from farmers in a dry state. Traders from outside the city will come to the warehouse of large traders directly and buy the pepper.

The 5th marketing channel farmers will sell pepper to collectors and then will be sold again to large traders who will then be sold again to PT Java Agritech. Farmers who choose to use this marketing channel have 16 people, this is because collectors often ask for or buy pepper in large portions and at a fairly frequent tempo to meet the needs of large traders to be sold to PT Java Agritech owned by Japan. In this marketing channel, there is filtering and grading carried out by large traders in buying pepper, such as separating pepper from damaged ones and only pepper that has a maximum moisture content of 13% will be purchased.

CONCLUSION

Based on the market structure, pepper marketing in Kedarpan Village, Kejobong Subdistrict leads to an oligopoly market structure. Judging from market conduct, the obstacles faced by farmers to enter the market are due to the small number of pepper traders so the level of competition is high. The performance of pepper marketing in Kedarpan Village is classified as efficient in the 4th marketing channel because it has the lowest marketing margin value and the *farmer share* received by farmers higher.

Pepper marketing distribution channels in Kedarpan Village formed 5 channels, namely: 1st marketing channel: pepper farmers - consumers, 2nd marketing channel: pepper farmers - retailers - consumers, 3rd marketing channel: pepper farmers - collectors - retailers - consumers, 4th marketing channel: pepper farmers - wholesalers, and 5th marketing channel: pepper farmers - collectors - wholesalers - PT JAVA AGRITECH.

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