



DOI: 10.31186/jagrisep.21.2.255-270

**MARKETING FUNCTIONS AND FARMER'S SHARE OF OIL PALM  
FRESH FRUIT BUNCH OF SELF-SUPPORT FARMERS IN  
BANYUASIN REGENCY SOUTH SUMATRA**

*Fungsi-Fungsi Pemasaran Farmer's dan Share Tandan Buah Segar  
pada Pekebun Kelapa Sawit Swadaya di Kabupaten Banyuasin  
Sumatera Selatan*

Lifianthi<sup>1)</sup>; Elly Rosana<sup>2)</sup>; Thirtawati<sup>3)</sup>✉

<sup>1),2),3)</sup> *Department of Socio-Economic of Agriculture, Faculty of Agriculture,  
Universitas Sriwijaya, South Sumatera, Indonesia*

**Email: thirtawati@unsri.ac.id**

**ABSTRACT**

*The marketing oil palm FFB is a process of the commodity flow accompanied by a transfer of ownership rights, creation of time utility, place utility, and form utility undertaken by marketing institutions that implement one or more marketing functions. Selling of oil palm FFB by the farmers involve village middlemen, and wholesaler. This type of marketing implementation seems to have an influence on FFB price at farmer's gate. The results showed that marketing functions conducted by all marketing institutions were financing and risk-taking, while other marketing functions were done by individuals related to their position and requirement. The total marketing margin of the traders was IDR 700,00 (63.64% of FFB price at the farm gate), while the farmer's share was 61.11% from the FFB price at the processing plant. There were two marketing channels of FFB in operation, the first included farmers – small traders – big traders – palm oil processing plant, and the second was farmers-big traders-palm oil processing plant. The second channel was more efficient, but the farmers prefer to use the first channel because their FFB production was not enough to fulfill the minimum selling required by the big traders. The majority of farmers still sell their FFB to village middlemen.*

**Keywords:** *farmer's share, marketing functions, marketing margin, self-support farmers*

## ABSTRAK

*Pemasaran tandan buah segar kelapa sawit adalah proses aliran komoditi yang disertai perpindahan hak milik dan penciptaan guna waktu, guna tempat, dan guna bentuk yang dilakukan oleh lembaga-lembaga pemasaran dengan melaksanakan satu atau lebih fungsi-fungsi pemasaran. Pemasaran kelapa sawit petani swadaya dalam bentuk TBS ke Pabrik Kelapa Sawit dilakukan melalui lembaga-lembaga pemasaran pedagang pengumpul dan pedagang besar. Penerapan sistem pemasaran tersebut diperkirakan mempengaruhi harga TBS yang diterima petani. Hasil penelitian menunjukkan bahwa fungsi-fungsi pemasaran yang dilakukan oleh semua lembaga pemasaran adalah fungsi pembiayaan dan resiko. Marjin total pemasaran yang diperoleh pedagang adalah sebesar Rp700,- per kilogram (63,64 % dari harga TBS di tingkat petani), sedangkan farmer's share adalah sebesar 61,11 persen dari harga TBS di Pabrik. Terdapat 2 saluran pemasaran kelapa sawit swadaya, yaitu saluran 1 yaitu petani-pedagang kecil-pedagang besar-pabrik kelapa sawit (PKS), sedangkan untuk saluran ke 2 adalah petani kelapa sawit-pedagang besar-pabrik kelapa sawit (PKS). Dari ke 2 saluran pemasaran tersebut pemasaran ke 2 lebih efisien, akan tetapi petani swadaya masih banyak memilih saluran pemasaran 1 karena produksi TBS-nya masih sedikit, belum mampu memenuhi kapasitas minimum penjualan ke pedagang besar. Para petani itu masih menjual hasil TBS ke pedagang pengumpul terlebih dahulu.*

**Kata Kunci:** *famer's share, fungsi-fungsi pemasaran, marjin pemasaran, petani swadaya*

## INTRODUCTION

Palm oil is one of the plantation commodities that has an important role in the regional and national economy, especially in the provision of vegetable food, earning foreign exchange, and providing employment opportunities. Palm oil is an industrial plant that produces cooking oil, industrial oil, and fuel. Oil palm plantations provide benefits so that many old forests and plantations are converted to oil palm plantations (Tamba., 2016).

Oil palm agribusiness has made an important contribution to the national and regional economy. These contributions bring great prosperity to entrepreneurs and provide livelihoods for the employees and farmers involved in them. Oil palm has a very important role in managing oil palm plantations, not only male workers but female workers (Mingorría et al., 2014). As an export commodity, palm oil goes through a commercial production process, so marketing is an absolute requirement needed in agricultural development that provides added value that can be considered a productive activity.

The results of research conducted by (Lifianthi et al., 2020) show that there is a difference in the income of independent smallholders around 56.04 percent between oil palm plantations that are still productive and unproductive per hectare per year. This is in line with the research of (Lifianthi, Oktarina, &

Rosana., 2018), that the self-help oil palm farming pattern is still low when compared to the plasma oil palm pattern with a productivity level of 16.47 for independent smallholders and 17.87 tons per hectare per year. Meanwhile, research (Lifianthi, Oktarina, Rosana, et al., 2018) analyzes the allocation of working hours, where independent smallholders have 20.53 working hours per hectare per year with an income of IDR 1,666,435.43, -. per hectare per year.

Marketing activities in the oil palm business are a commitment process accompanied by property rights and time, place, and form carried out by marketing institutions by carrying out one or more marketing functions. Various agricultural commodities are traded, there are many marketing institutions involved in the marketing process, one marketing agency can perform one or more marketing functions and there is the power of buyers and sellers in determining prices. Marketing of plantation products can be carried out by different institutions where differences in the selection of marketing channels result in different prices received by farmers (Sumartono et al., 2018). The task of marketing agencies is to carry out marketing functions and fulfill consumer desires as much as possible (Kotler., 2005).

One of the highest oil palm supplying districts in South Sumatra is Banyuasin Regency, with oil palm production of 44,768 tons and an area of 26,019 hectares (South Sumatra Plantation Office., 2019). Several village areas in Air Kumbang Subdistrict, Banyuasin Regency have the highest FFB production, one of which is Sidomulyo Village. In Sidomulyo Village itself, there is a community-owned oil palm plantation area with different oil palm land areas per family head. This oil palm plantation business is carried out independently.

The self-help pattern is a farmer who cultivates or manages an estate that is carried out independently with his funds and independent business, starting from the procurement of production facilities and infrastructure to marketing the palm oil harvest in the form of FFB. Marketing of palm oil in the form of FFB to the factory is carried out by independent oil palm farmers through existing marketing institutions, both through middlemen and wholesalers, which will affect the price that will be received by farmers. Marketing of palm oil in the form of FFB to the factory is carried out by independent oil palm farmers through existing marketing institutions, either through middlemen or wholesalers, which will affect the price received by farmers (Ramadansyah., 2017).

Marketing of FFB to palm oil mills is done through existing marketing agencies, both middlemen and wholesalers. This will affect the price that will be received by farmers and will have an impact on the income that will be received by farmers. In connection with this, to increase the income of oil palm farmers, it is necessary to balance it with marketing concepts that can increase income. Based on the background, specifically, this study aims to: 1) describe the marketing functions performed by independent oil palm smallholders, 2)

analyze marketing margins, farmer share, and marketing efficiency of fresh fruit bunches (FFB) for independent oil palm smallholders.

## RESEARCH METHOD

This research was conducted at the location of an independent oil palm plantation in Banyuasin Regency. The selection of this location was undertaken intentionally with the consideration that this district has many farmers who cultivate oil palm plantations independently. Banyuasin District is one of the oil palm production contributors in South Sumatra with oil yield of 2,80 tonnes per hectare (Badan Pusat Statistik Sumatera Selatan., 2020). The research location was in Air Kumbang Subdistrict in which 115 farmer's families organize independent oil palm smallholders. By using a simple random sampling method, 30 farmers were selected as the respondents representing the population, with the plantation size ranging from 1 to 5 hectares, the age of oil palm trees were more than 10 years old, and the farmers' experiences in oil palm cultivation for about 15 - 19 years.

The data collected includes primary and secondary data. Primary data collection was done by direct observation in the field and interviews with respondents using a questionnaire instrument. The types of primary data consist of data on land area, production, the selling price of FFB at the farmer level and FFB price at the consumer level, marketing flows that take place from farmers to consumers, and other related data.

Meanwhile, secondary data were obtained from the relevant agencies in this research, including the South Sumatra Plantation Service and the Plantation Service of the research district, and the Central Bureau of Statistics. Secondary data were also obtained through literature and other data sources that support this research.

The technique used in sampling is simple random sampling. This sampling technique was used because the population of oil palm farmers who were sampled was oil palm independent smallholders with a total sample size of 30 independent oil palm farmers. Sampling only a few of the existing population will represent oil palm farmers. To answer all research objectives, a mathematical operational model is needed which will be described in detail for each research objective.

Answering the first objective, which is done descriptively by discussing the marketing functions carried out by each marketing agency which includes: Purchasing, Sales, Transportation, Sorting, Financing, Overhaul, and Risks.

Furthermore, to answer the second research objective, which is to calculate marketing margin, farmer's share, and marketing efficiency, it is carried out by mathematical analysis with the following formula and then explained in more detail according to the results of these calculations.

To calculate the marketing margin can be calculated based on the following formula (Daniel., 2002) :

$$M = Hk - Hp$$

Description :

M = Marketing Margin (IDR/kg)

Hp = Price at producer level (IDR /kg)

Hk = Price at the consumer level (IDR /kg)

Farmer's share is the percentage between the price received by farmers and the price paid by the final consumer. The formula for calculating farmer's share is as follows:

$$FS = \frac{HP}{HK} \times 100\%$$

Description :

FS = Farmer's Share

HP = Price at producer level (IDR /kg)

HK = Price at consumer level (IDR /kg)

To calculate the level of marketing efficiency of each institution can be used with the following formula (Soekartawi., 2004):

$$Epi = \frac{TBpi}{TNpi} \times 100\%$$

Description :

Epi = Marketing Efficiency level i (%)

Tbpi = Total Marketing Cost of level i (IDR /kg)

Tnpi = Total Product Value of level i (IDR /kg)

The criteria for marketing institutions are efficiency if  $0 < Epi < 100\%$ , with the decision rules where (Soekartawi, 2004):

0 - 50% = Efficient

51 - 100% = Not Efficient

## RESULT AND DISCUSSION

### Marketing Functions Performed by Each Marketing Chain

The marketing function is an important element in the marketing process of fresh fruit bunches (Chalil & Barus, 2019; Costoiu et al., 2016). In the marketing process of fresh fruit bunches (FFB), the marketing functions carried out by farmers and marketing agencies vary widely. Each agency will perform a marketing function starting from the purchasing function to the sales function. The consequence of implementing these functions is the emergence of costs from each function. Fresh fruit bunches (FFB) marketing functions are carried out by each marketing agency (Rahmanta., 2017).

Based on Table 1, it can be seen that the marketing functions carried out by marketing institutions, starting from independent smallholders only carry out the sales function. Furthermore, traders carry out the functions of buying, selling, and transporting to wholesalers and for wholesalers to carry out several functions including buying, selling, transportation, and overhaul. Palm Oil factory does not carry out a sales function because usually FFB that has arrived at the factory is directly processed into CPO (Crude Palm Oil). Each marketing agency is at risk. This is because this commodity is a perishable product. Each marketing agency plays a different marketing function. The marketing agency plays at least three marketing functions.

Table 1. Marketing Functions of Fresh Fruit Bunches (FFB) in Marketing Channels in Sidomulyo Village

No.	Marketing Function	Farmer	Middlemen	Wholesaler	Palm Oil factory
1.	Purchase	X	✓	✓	✓
2.	Sale	✓	✓	✓	X
3.	Transportation	X	✓	✓	X
4.	Sorting	X	X	X	✓
5.	Financing	✓	✓	✓	✓
6.	Overhaul	X	X	✓	X
7.	Risk	✓	✓	✓	✓

Description : = Performing marketing function.

X = Does not perform the marketing function.

Both farmers and factories do not carry out the transportation function because of the relatively close distance, while the overhaul function is carried out at the factory site when wholesalers make sales to the factory. The costs for overhaul are included in the wholesaler's marketing costs. So this marketing function is only carried out by wholesalers who sell to factories. The following are the marketing costs incurred by each of the marketing agencies. The collecting trader spends IDR 100 per kilogram for FFB transportation cost, while the big trader spends IDR 150 for marketing the FFB which are IDR 100 per kilogram for transportation cost and IDR 50 per kilogram for overhauling the FFB into and out of the vehicle.

The marketing agency that does the sorting is the palm oil factory. At the factory, the fruit will be sorted whether it is suitable for production or not. The criteria for fresh fruit bunches (FFB) that can be processed are those at the right level of maturity. Each marketing agency carries out its financing for all FFB

marketing activities. The size of the financing depends on the size of the amount of FFB sold. All institutions experience a risk function in marketing FFB to the factory, to reduce the risk, farmers and traders must work better considering that fresh fruit bunches of oil palm cannot be stored, this is to maintain the quality of fresh fruit bunches so that the yield level remains good.

### **Analysis of Marketing Margin, Farmer's Share, and Marketing Efficiency of Fresh Fruit Bunches**

The amount of marketing margin in each marketing channel of Fresh Fruit Bunches is influenced by the respective prices prevailing in each palm oil marketing agency. The selling price in this study is based on the average price of several marketing agencies involved. The marketing margin shows the selling price of FFB received by farmers from middlemen, the price received by middlemen from wholesalers, then the price paid by the company as the final consumer in the marketing of FFB.

A farmer's share is a calculation of the size of the share received by independent oil palm farmers by comparing the price paid to independent smallholders and the final consumer, namely the Palm Oil Factory. Based on the results of the research conducted, there are two marketing channels carried out by independent smallholders to the palm oil factory, in more detail the calculation analysis can be seen in Table 2.

Through farmers' share, it can be seen whether a marketing channel is efficient or not. To find out the amount of marketing margin is done through the calculation of the costs incurred in the marketing process. Marketing margin consists of costs incurred by farmers and/or marketing agencies in carrying out their activities (Istiyanti., 2010).

Based on the results of Table 2, it can be seen that the marketing channel for oil palm FFB in the research area consists of interrelated subsystems, namely:

1. Producers of independent oil palm smallholders.
2. Intermediary traders include middlemen and wholesalers.
3. Palm oil factory is a place for processing oil palm FFB.

The main raw material in the field of processing palm FFB into CPO crude oil. Harvested FFB must be quickly processed to the processing plant, this is intended to reduce free fatty acid levels.

The entire marketing chain aims to process oil palm FFB into derivative products to meet community needs. Independent smallholders cultivate oil palm plantations starting from buying production inputs, planting, care, or maintenance to harvesting, to produce FFB production that has good quality. The price of FFB in the research area varies widely, ranging from IDR 1,200 per kilogram to IDR 1,900 per kilogram. Price differences that occur are based on

quality (Rizki et al., 2014), marketing chain (Primalasari et al., 2017) and location of the plantation, and other factors.

Table 2. Average Price and Marketing Margin of Fresh Fruit Bunches (FFB) Marketing Channels for Independent Smallholders in Sidomulyo Village on Marketing Channels 1 and 2

Marketing Margin Component	Marketing Channel 1		Marketing Channel 2	
	Price (IDR/Kg)	percentage (%)	Price (IDR/Kg)	percentage (%)
<b>A. Farmer</b>				
Selling price	1,100	61.11	1,400	77.78
<b>B. Middlemen</b>				
Purchase price	1,100	61.11		
Selling price	1,400	77.78		
Marketing Margin	300	16.67		
<b>C. Wholesaler</b>				
Purchase price	1,400	77.78	1,400	77.78
Selling price	1,800	100.00	1,800	100.00
Marketing Margin	400	22.22	400	
<b>D. Factory purchase price</b>				
Factory purchase price	1,800	100.00	1,800	100.00
<b>Total Marketing Margin</b>				
Total Marketing Margin	700	100.00	400	100.00

The difference in marketing margins that occurs is caused by fluctuations in the FFB price every month. In addition, the marketing cost of FFB, which is a component of marketing margins, affects the level of marketing margins. Unstable FFB production in the country is one of the causes of price fluctuations at the farmer level. Price fluctuations that occur are often very detrimental to independent oil palm smallholders rather than traders, this happens because farmers are unable to time their sales to get a higher price (Lubis & Tinaprilla., 2016).

Similar to the results of research by Apriyanti & Ramadhani (2018), each marketing agency carries out marketing functions that may be the same or different from one another, depending on treatment variations on the FFB they perform. In addition, this research also revealed the existence of capital ties between farmers and small agents together with large agents, causing contractual ties in their daily marketing activities.

Meanwhile, the palm oil processing factory determines the price of FFB based on an agreement from the FFB Pricing Team of the South Sumatra

Province Plantation Service every week. Based on the information from the Plantation Service, the processing plant will then notify traders as a benchmark for buying FFB from independent smallholders. (Sumiati et al., 2017) revealed that the marketing channels involved in the oil palm FFB trade system are generally only at one level, namely: farmers to traders who are directly taken to palm oil processing factories.

All the FFB produced by the farmers will be directly sold to traders, both middlemen, and wholesalers. Next, the traders will sell the FFB results to PT Tunas Baru Lampung. The production results of each respondent farmer are different because the area of land owned is also different. Based on the results of interviews with farmers, respondents said that usually, the price sold to collecting traders has a difference price determined by the traders with a difference of IDR 400 from the price applied at the factory or the price of CPO.

In marketing channel 1, the selling price of FFB at the farmer level to middlemen is an average of IDR 1,100 per kilogram from the average price for the sample of independent smallholders. The price of FFB at the farmer level is also the price of FFB at the level of middlemen, then from the middlemen they provide a selling price to wholesalers of IDR 1,400,- per kilogram with a marketing margin of IDR 300,- per kilogram, then from wholesalers to factories the purchase price is IDR 1,800,- per kilogram which means a marketing margin of IDR 400,- per kilogram. Based on information obtained from collecting traders, the determination of the selling price for farmers is determined according to the purchase price by the Palm Oil factory based on the determination of the FFB Determination Team.

Marketing channel 2, where the selling price of farmers to wholesalers is IDR 1,400 per kilogram and the purchase price from factories from wholesalers is IDR 1,800 per kilogram, which means that the existing marketing margin is IDR 400 per kilogram. The dynamics of changes due to fluctuations in the selling price of FFB at the farmer level will follow the purchase price of PT. Tunas Baru Lampung, if the purchase price of the Palm Oil factory increases, usually the selling price of farmers will increase, and vice versa.

The analysis of the calculation of the share's margin of marketing in each marketing channel needs to be carried out by calculating the marketing costs incurred by independent smallholders and the marketing institutions involved. The marketing costs of each marketing agency are presented in Tables 3 and 4.

Table 3. Marketing Costs, Marketing Margin, Profits of Farmer's Share of FFB Palm Oil Marketing Channel 1

No.	Information	Price (IDR/Kg)	Percentage (%)
1	Farmer		
	a. Purchase Price		
	b. Marketing Margin		
	c. Selling Price	1,100	
	d. <i>Farmer Share</i>		61.11
2	Middlemen		
	a. Purchasing Price	1,100	
	b. Marketing margin	300	
	- marketing cost	100	
	- profit	200	
	c. Selling price	1,400	
	d. <i>Trader's Share</i>		77.78
3	Wholesaler		
	a. Purchasing price	1,400	
	b. Marketing margin	300	
	- marketing cost	150	
	- Profit	150	
	c. Selling price	1,800	
	d. <i>Trader's Share</i>		100.00
4	factory purchase price	1,800	

Based on the results from the field, it is known that the marketing costs incurred by collecting traders are IDR 100,- per kilogram, namely for transportation costs, while wholesalers spend marketing costs IDR 150 per kilogram which consists of IDR 100 per kilogram for transportation costs and IDR 50 per kilogram for FFB overhaul at the factory. Marketing costs in marketing activities only occur at the level of middlemen and wholesalers, namely as a marketing institution in Sidomulyo Village. There is no difference in marketing expenses in the two existing marketing channels, both in marketing channel 1 and marketing channel 2.

Table 4. Marketing Cost, Marketing Margin, Profit and Farmer's Share of FFB Palm Oil Marketing Channel 2

No.	Information	Price (IDR/Kg)	Percentage (%)
1.	Farmer		
	a. Purchasing price	.	
	b. Marketing margin	.	
	c. Selling price	1.100	
	d. <i>Farmer Share</i>		61,11
2.	Wholesaler		
	a. Purchasing price	1.400	
	b. Marketing margin	300	
	- Marketing cost	150	
	- profit	150	
	c. Selling price	1.800	
	d. <i>Trader Share</i>		100,00
3.	factory purchase price	1.800	

The share value received by farmers (farmer share) of 61.1% is not much different from that calculated by 60% in the study by (Nesti et al., 2018) at the level of oil palm farmers in West Pasaman Regency, West Sumatra, and 62% in the study by (Sarkum et al., 2020) on oil palm farmers in Labuhan Batu Regency, North Sumatra. This is also in line with research conducted by (Authar ND., 2016) in North Aceh Regency, that the share of prices received by farmers is still relatively small, this is because prices are determined by collectors, farmers are only the recipients of prices. (Sumartono et al., 2018) stated that the existence of traders cannot be separated from the lives of farmers in the oil palm marketing system, especially palm oil that is managed by themselves. However, farmers who can sell directly to wholesalers get a price of IDR. 1,400 per kg with a higher farmer share value of 16.67%.

### **Fresh Fruit Bunches Marketing Efficiency**

Marketing efficiency means how to do it with the least possible cost and get the maximum profit possible. Meanwhile, marketing is said to be efficient if it fulfills two conditions, the first being able to deliver the results of production to consumers at the cheapest prices and being able to make a fair distribution to all parties involved in the production and marketing process of the product (Sudiyono., 2001). The results of research with two marketing channels in the research location, show the following calculations:

### **Marketing Channel Efficiency 1**

The level of efficiency is a comparison between marketing costs with the total value of the products sold or the price received by the factory as a consumer of the marketing.

Based on the calculation of the marketing efficiency of channel 1, that is, after being calculated with farmers-traders-middlemen-wholesale traders-Factory, which is 13.89 percent less than efficient marketing, if the marketing channel is  $> 50\%$  then the marketing channel is not efficient, and if the marketing channel =  $50\%$  then the marketing channel is efficient. Judging from the results of the calculation of the marketing efficiency of channel 1, it shows that the marketing channel is already efficient.

### **Marketing Channel Efficiency 2**

The results of calculations of marketing efficiency in marketing channel 2 can be seen that the total marketing costs incurred are IDR. 150,- per kilogram, while the total value of products sold is IDR. 1,800,- per kilogram, so the level of marketing efficiency obtained is 8.33 percent. These results indicate that the lower the level of marketing efficiency, the more efficient the marketing channel will be.

The results of this study are also almost the same as the results of research conducted in the Meranti Paham Village area conducted by (Harahap et al., 2017), stating that marketing channel 2 with the number of marketing actors proven to be more efficient than marketing channel 1 which has more traders, with administration costs on the smaller 2nd channel. The same thing is also from the results of research conducted by (Tety et al., 2013). The marketing efficiency obtained for marketing channel 1 is 14.85 percent, while for marketing channel 2 is 7.63 percent.

However, different results are shown in the research of (Nesti et al., 2018; Sarkum et al., 2020) which show conditions that lack marketing efficiency at the level of 41.95% and 30%, respectively. This is understandable because, from a time perspective, there has been a significant increase in the price of FFB per kg from around IDR 900.00 at the farm level in 2017-2019 to around IDR 1,800.00 in 2020, even rising again to more than IDR 3000.00 in 2021, triggered by the increase in palm oil prices, while the increase in transportation costs is not significant. The important role of FFB prices received by farmers about marketing efficiency is also shown in the results of (Mawardati, 2018) in Aceh Province, (Hutajulu et al., 2019) in Labuhan Batu and Asahan Regencies, North Sumatra, as well as research by (Nwankwo & Nwosu., 2019) in IMO Province, Nigeria.

## CONCLUSION AND SUGGESTION

### Conclusion

1. Marketing functions performed in each marketing agency are financing and risk functions.
2. The obtained marketing margin is IDR 700,- per kilogram, while the Farmer's share is 61.11 percent.
3. The results showed that there are 2 independent marketing channels for oil palm, namely channel 1 is oil palm farmers - small traders - wholesalers - palm oil factory, while the second marketing channel is oil palm farmers - wholesalers - palm oil factory, from the 2 marketing channels that an efficient marketing channel is found in the 2nd marketing channel, but in carrying it out, independent smallholders still choose marketing channel 1, this is because there are still very few farmers who produce oil palm FFB that meet the capacity minimum sales of wholesalers, which resulted in many farmers still selling their FFB products to middlemen first because they had not been able to meet the capacity determined by wholesalers.

### Suggestion

1. Independent smallholders must have shared transportation so that they can facilitate the marketing process of palm oil FFB directly to the Palm Oil Factory; Activate oil palm farmer groups, so that they can shorten the marketing chain by collecting FFB production and forming agricultural cooperatives with better management and performance systems.
2. Perform marketing functions to increase farmer's share, so that it can overcome the inequality of roles between farmers and market players, the role of farmers can be expanded not only as producers. The marketing functions that can be carried out by farmers include the functions of transportation, harvesting, and post-harvest handling.
3. To the government to pay attention to the plant road infrastructure, because most of the road conditions are not good, good infrastructure such as roads around plantations owned by independent smallholders will make it easier to transport plantation products from farmers to final consumers.

## REFERENCES

- Apriyanti, I., & Ramadhani, J. (2018). Strategi Pemasaran Kelapa Sawit Melalui Pendekatan Analisis Structure Conduct and Performance (SCP) di Kabupaten Simalungun. *Journal of Agribusiness Sciences*, 2(1), 9–17. doi: 10.30596%2Fjasc.v2i1.2498
- Authar ND, M. (2016). Analisis Efisiensi Pemasaran Kelapa Sawit Perkebunan Rakyat (Studi Kasus di Desa Cot Meureubo Kecamatan Kuta Makmur Kabupaten Aceh Utara). *Jurnal Agrifo*, 1(2), 131–146. doi: 10.29103/ag.v1i2.766
- Chalil, D., & Barus, R. (2019). Risk Analysis for Sustainability of Oil Palm Smallholdings. *Jurnal Manajemen Dan Agribisnis*, 16(1), 23(29). doi: 10.17358/jma.16.1.23
- Costoiu, M., Ioana, A., Semenescu, A., & Marcu, D. (2016). Marketing Management Elements. *IOP Conference Series: Materials Science and Engineering*, 161(1), 1-6. doi: 1088/1757-899X/161/1/012105
- Daniel, M. (2002). *Pengantar Ekonomi Pertanian*. Bumi Aksara
- Harahap, G., Rahman, A., Pane, E., & Romadon, M. (2017). Analisis Efisiensi Tataniaga Tandan Buah Segar (TBS) Kelapa Sawit (Study Kasus : Petani Perkebunan Inti Rakyat Desa Meranti Paham Kecamatan Panai Hulu, Kabupaten Labuhan Batu). *Wahana Inovasi*, 6(2), 170–180
- Hutajulu, P. O., Chalil, D., & Sembiring, S. A. (2019). Efficiency and Marketing Margin Estimation of Oil Palm's Fresh Fruit Bunches (FFB) in Labuhanbatu Utara and Asahan Regency. *Indonesian Journal of Agricultural Research*, 2(2), 8–17. doi: .32734/injar.v2i2.1209
- Istiyanti, E. (2010). Efisiensi Pemasaran Cabai Merah Keriting di Kecamatan Ngemplak Kabupaten Sleman. *Jurnal Pertanian MAPETA*, 12(2), 72–144
- Kotler, P. (2005). *Kotler (1st ed., Vol. 1)*. PT Indeks Kelompok Gramedia
- Lifianthi, Oktarina, S., & Rosana, E. (2018). Analisis Produktivitas dan Pendapatan Kelapa Sawit Petani Plasma dan Swadaya di Sumatera Selatan. *Agripita: Jurnal Agribisnis dan Pembangunan Pertanian*, 2(1), 38–42
- Lifianthi, Oktarina, S., Rosana, E., & Sari, D. W. (2018). Factors that Influence Allocation of Employee Time Towards Palm Oil Productivity for Plasma Farming in The District of Musi Banyuasin. *Russian Journal of Agricultural and Socio-Economic Sciences*, 8(80), 327–332. doi: 10.18551/rjoas.2018-08.44
- Lifianthi, Yunita, & Rosana, E. (2020). Analysis of Labor Productivity Response of Independent Palm Oil Plantation Towards Price Fluctuation of Fresh Fruit Bunch in Banyuasin Regency. *Russian Journal of Agricultural and Socio-Economic Sciences*, 97(1), 26–34. doi: 10.18551/rjoas.2020-01.04
- Lubis, F. R. A., & Tinaprilla, N. (2016). Sistem Tataniaga Tandan Buah Segar di Kecamatan Wampu, Kabupaten Langkat, Sumatera Utara. *Agrica*

- (*Jurnal Agribisnis Sumatera Utara*), 9(2), 126–139. doi: 10.31289/agrica.v9i2.545
- Mawardati. (2018). Selection of Fresh Fruit Bunch Marketing Channel in Smallholder Oil Palm Plantation in Aceh Province. 246 *Journal Of Applied Management*, 16(2), 246–254. doi: 10.21776/ub.jam.2018
- Mingorría, S., Gamboa, G., Martín-López, B., & Corbera, E. (2014). The Oil Palm Boom: Socio-Economic Implications For Q'eqchi' Households in The Polochic Valley, Guatemala. *Environment, Development, and Sustainability*, 16(4), 841–871. doi: 10.1007/s10668-014-9530-0
- Nesti, L., Tan, F., & Ridwan, E. (2018). The Efficiency of Palm Oil Fresh Fruit Bunches in West Pasaman, Indonesia (2010-2017). *International Journal on Advanced Science, Engineering and Information Technology*, 8(4), 1112–1125. doi: 10.18517/ijaseit.8.4.4049
- Nwankwo, O. O., & Nwosu, U. L. (2019). Marketing Cost and Value Chain Analysis of Oil Palm Fruit Processing in Imo State, Nigeria. *Journal of Agriculture and Food Sciences*, 16(1), 107. doi: 10.4314/jafs.v16i1.9
- Primalasari, I., Sumantri, B., & Sriyoto. (2017). Analisis Rantai Pasok Tandan Buah Segar (TBS) pada PT Sandabi Indah Lestari di Kabupaten Bengkulu Utara. *Jurnal AGRISEP: Kajian Masalah Sosial Ekonomi Pertanian dan Agribisnis*, 16(1), 87–96. doi: 10.31186/jagrisep.16.1.87-96
- Rahmanta. (2017). Analisis Pemasaran Kelapa Sawit di kabupaten Labuhan Batu Selatan. *Agrica Ekstensia*, 11(1), 33–39
- Rizki, J., Nusril, & Asriani, P. S. (2014). Analisis Penanganan Penerimaan Tandan Buah Segar pada PT Bio Nusantara Teknologi di Kecamatan Pondok Kelapa Kabupaten Bengkulu Tengah. *Jurnal AGRISEP: Kajian Masalah Sosial Ekonomi Pertanian dan Agribisnis*, 14(1), 104–131. doi: 10.31186/jagrisep.13.1.103-130
- Sarkum, S., Mustamu, N. E., & Yanris, G. J. (2020). The Marketing Channels for Fresh Fruit Bunches at Farmers' Palm Oil Plantations. *Innovative Marketing*, 16(4), 139–144. doi: 10.21511/im.16(4).2020.12
- Soekartawi. (2004). *Agribisnis Teori dan Aplikasinya*. Penerbit PT Raja Grafindo Persada
- Sumartono, E. . . , & Suryanty, M., Badrudin, R., & Rohman, A. (2018). Analisis Pemasaran Tandan Buah Segar Kelapa Sawit di Kecamatan Putri Hijau, Kabupaten Bengkulu Utara. *AGRARIS: Journal of Agribusiness and Rural Development Research*, 4(1), 28–35. doi: 10.18196/agr.4157
- Sumiati, Rusida, & Idawati. (2017). Analisis Saluran Pemasaran Kelapa Sawit di Desa Baku-Baku Kecamatan Malangke Barat Kabupaten Luwu Utara. *Journal TABARO*, 1(1), 38–50. doi: 10.35914/tabaro.v1i1.13
- Tamba, M. G. (2016). *Dampak Penurunan Harga Tanda Buah Segar (TBS) Terhadap Sumber Mata Pencanharian dan pendapatan Petani Swadaya di Desa Berlian Makmur Kecamatan Sungai Lilin Kabupaten Musi Banyuasin*. Thesis,

University of Sriwijaya, Sumatera Selatan. Retrieved from  
<https://repository.unsri.ac.id/21196/>

Tety, E., Maharani, E., & Deswita, S. (2013). Analisis Saluran Pemasaran dan Transmisi Harga Tandan Buah Segar (TBS) Kelapa Sawit pada Petani Swadaya di Desa Sari Galuh Kecamatan Tapun Kabupaten Kampar. *Pekbis Jurnal*, 5(1), 12-23