

Distribution Management of Rice for Food Supply and Price Stabilization (SPHP) at Perum BULOG Bondowoso

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ABSTRACT

Rice has a strategic role in food security. The government always strives to improve food security, especially those originating from increased domestic production. Production of rice produced without effective distribution development activities can affect uncontrolled prices, in the distribution of rice there are several efforts made by the Perum BULOG. Perum BULOG issued the Supply Stability and Price Stability program or Market Operation. This is carried out throughout the year to anticipate spikes in rice prices among consumers and has proven effective. This study aims to find out how rice distribution management is implemented and find out what factors and strategies are dominant in the development of rice distribution at the Perum BULOG Bondowoso. The method used is a descriptive that carried out by in-depth interviews with the distribution assistant of the manager. The company's position based on the SWOT is in quadrant I with IFE 3,4 and EFE 3,76. Perum BULOG is more affected by external factors, such as lack of control on the activity of Supply Stability and Price Stability in the market. It needs to strengthen the establishment of relations with stakeholders so that distribution goes well and opens up new opportunities to achieve the company's goal.

Keywords : Distribution, Perum BULOG, rice, management, SWOT Analysis

1. INTRODUCTION

Rice is one of the staple foods that always appears in the daily menu of Indonesian people. Rice is the biggest source of energy for body growth because it contains the main sources of calories and protein. This condition make the rice commodity have a significant influence on the stability of the national economy. The rice industry has a major influence in the economic field (in terms of employment, growth and dynamics of the rural economy, as a wage good), environment (maintaining water use and air cleanliness) and socio-political (as glue for the nation, creating order and security) (Maharani & Husni, 2022). Taking into account the importance of rice, the government always strives to improve food security, especially those originating from increased domestic production. These considerations are becoming increasingly important for Indonesia because the population is getting bigger with a wide population distribution and geographical coverage. The average weekly consumption percapita of rice is increasing 5.2 % from 2020 to 2021 (Statistics Indonesia, 2023).

In order to meet the food needs of its population, Indonesia requires the availability of sufficient and dispersed food, which meets the adequacy of consumption and sufficient national stock according to the operational requirements of a wide and dispersed logistics. Indonesia must maintain its food security. Food security is the situation or state of relationship between humans and their nutritional needs (Rachman, 2018). Food security cannot be separated from the nature of food commodity production itself which is seasonal and fluctuates because it is very easily influenced by climate/weather. The production behavior which is strongly influenced by the climate greatly affects national food availability. If production behavior that is vulnerable to climate change is not accompanied by a tough food policy, it will be very detrimental, both for producers and consumers, especially small-scale production producers and low-income consumers. production produced without effective distribution development activities can affect prices, therefore various effective distribution policy activities can be used as a starting point for Perum BULOG in playing its role so that efforts to stabilize supply and prices can be carried out properly, To maintain food availability and rice price stability. Indonesia's government makes a rice purchase policy related to government reserves. In implementing the government's rice purchase policy in Presidential Regulation No. 48 of 2016, concerning the duties of the Perum BULOG in relation to national food security, it is necessary to be aware of the determination of state purchase prices based on orders. from the

Minister of Commerce (Peraturan Menteri Perdagangan Indonesia Nomor 24 Tahun 2020 Tentang Penetapan Harga Pembelian Pemerintah Untuk Gabah Atau Beras, 2020).

Perum BULOG has 1 office center, 26 of regional office, and 101 of branch office. One of its branch is Perum BULOG Bondowoso. There are several efforts made by BULOG Bondowoso branch office to distribute the rice, first by carrying out market operations to directly intervene in prices at the consumer level, second, selling PSO (Public Service Obligation) rice to rice distributors to meet supply and lower prices at the distributor level. The high consumption of rice resulted in a high demand for rice in the country and is not balanced with the availability of rice. To overcome the soaring price of rice, Perum BULOG issued the SPHP program or Market Operation. This is carried out throughout the year by BULOG to anticipate spikes in rice prices among consumers and has proven effective. This activity is also a realization of the Three Pillars of Food Security assigned to BULOG, such as availability, affordability and stability.

In addition to having an important role, Perum BULOG also has the principle of benefit, namely being able to meet targets set/set by the government in storing rice to meet community needs within a specified period, also for consumers to be able to fulfill basic daily needs. Perum BULOG is one of the state-owned companies engaged in the distribution service sector and absorbs rice products which is challenged to use distribution standards that have quality and are based on management principles such as planning, organizing, implementing and evaluating as a management system that becomes part of this research.

2. METHOD

This study uses a qualitative method with in-depth interview, which is used to conduct detailed interviews with a small number of participants (Rutledge & Hogg, 2020). The process of obtaining information for research purposes its question and answer while face to face between the interviewer and the respondent or interviewee, with or without using an interview guide where the interviewer and informant are involved in social life relatively long time. the samples or key informant in this study is the distributor assistants or OPP assistant manager of Perum BULOG Bondowoso. Analysis of the application of management, how Perum BULOG Kancab Bondowoso implements the functions of management, planning, organizing, implementing, and evaluating is using SWOT analysis.

3. RESULT AND DISCUSSION

A. Implementation of Management

As the largest public company engaged in food logistics, Perum BULOG has implemented management activity in their planning, organizing, implementing and evaluating management. This can be seen from the following data:

1. Planning (Plan and Schedule Rice Distribution)

Planning is the process of setting goals and implementing guidelines by selecting the best of the available alternative. SPHP held when commodity prices rise at the consumer level, this distribution is usually carried out on the harvest season ends until the beginning of the year (end of August - beginning of the year), and also during the lean season or crop failure where the supply of rice in the market is reduced.

2. Organizing

Organizing can be interpreted as determining the jobs that must be done, grouping tasks and dividing work to each employee, determining each department (subsystem) and determining relationships. In the distribution activities, Perum BULOG Bondowoso has a distribution system, which has relationship with retail relations (Rumah Pangan Kita) and distributors (PT, CV, UD) for the distribution of SPHP rice.

3. Implementation

a) Packaging at the time of distribution

SPHP rice packaging during distribution is for RPK and TPK in the form of 5 kg sacks, while for other distributors is 50 kg sacks.

b) Completeness of Rice Distribution Requirement Documents

The first step before distribution is to prepare requirements for the distribution of goods, namely Registration Letter, rice distribution application letter, PO (Purchase Order), SO (Sales Order), and handover minutes which will be signed by the recipient of the goods or consumer. After the minutes of the handover event, the distribution can be carried out.

4. Evaluation

a) Distribution targets

The distribution target for SPHP rice has been set by the government, namely from the government down to the Ministry of Trade down to Perum BULOG then plotted targets per regional office to be sent down to several branch offices, distribution is carried out and obtains a target price at a stable consumer level.

b) Distribution Constraints

During 2022-2023, the problem with distribution lies in the supply of SPHP rice that are lacking because distribution exceeds the target that has been set so that there is a shortage of stock. When the procurement was to be carried out, it could not work because there was no harvest at the end of the year.

B. Identification and Calculation of IFE (Internal Factor Evaluation) and EFE (External Factor Evaluation)

To find out more about the development of rice distribution in Perum Bulog, identifying the alternative ways can be done with strengths, especially to take advantage of opportunities or to avoid threats, and overcome weaknesses. The SWOT matrix describes how Perum Bulog can match the external opportunities and threats it faces with its internal strengths and weaknesses

Table 1. Identification and Calculation of IFE

Number	Internal Factors	Weight	Ratings	Scores
Strenght				
1	Maintaining a good relations with stakeholder	0.15	3	0.45
2	Having a network of sales partner (RPK, TPK, Traditional Market Seller, dan distribution partner)	0.15	4	0.60
3	Having a good standard maintenance of commodity	0.15	3	0.45
4	Availibility of various social media for promoting products which can increase	0.15	4	0.6
Total of Strength				2,1
Weakness				
1	The storability of rice is too long	0.1	4	0.4
2	Lack of controlled or supervised of implementation of SPHP in the market and partner distributor	0.1	3	0.3
3	Stock Readiness of medium rice	0.1	3	0.3
4	Limited rebagging or packaging capabilities rework medium rice from 50 kg to 5 kg packaging	0.1	3	0.3
Total of Weakness				1.3
Total of IFE		1	28	3.4

Table 1 shows that the total value of strength = 2.1 is greater than the value of weakness = 1.3, this situation indicates that the strength factor for the rice distribution development strategy is higher than the weakness factor as an obstacle to the rice distribution development strategy. Its main strength is having sales partners (RPK, TPK, market traders and distributor partners) and its weakness is the storability of rice.

Table 2. Identification and Calculation of EFE

Number	Internal Factors	Weight	Ratings	Scores
Opportunities				
1	Rice distribution is running well	0.24	3	0.72
2	Price of rice is high in the market	0.23	4	0.92
3	High demand of rice because rice is the staple food	0.23	4	0.92
Total of Opportunities				2,56
Threat				

1	Price of rice in community is normal	0.15	4	0.6
2	The growth of pest in warehouse is quick	0.15	4	0.6
Total of Threat				1,2
Total of EFE		1	19	3,76

In Table 2 it can be seen that the total value of Opportunity = 2.56 is more than the total value of threat = 1.2 so total of EFE is 3.76. According to David (2012) if the EFE score obtained is more than 2.5 that means the companies or organizations in responding to various opportunities and threats must have high response. First opportunity is rice distribution is running well, the distribution activity held without complain from distributors of consumers, price of rice is high in the market during 2022-2023, so SPHP programme still work in community. Threat in the table, first price of rice in community is normal, so SPHP Program can not be held and the distribution of rice was abolished. Second threat is the growth of pest in warehouse is quick, it affects the rice storability and the quality of rice. If the quality is getting worse, it make down people trust to Peum BULOG. To find out the rice distribution development strategy at the Bondowoso branch office BULOG using the SWOT analysis diagram, you can see in the Figure 1.

		Total score of IFE		
		Strong 3.0-4.0	Average 2.0-2.99	Weak 1.0-1.99
Total score of EFE	High 3.0-4.0	I Grow&Build (Position; 3.4;3.76)	II Grow and Build	III Hold & Maintain
	Average 2.0-2.99	IV Grow&Build	V Hold & Maintain	VI Harvest or Divest
	Low 1.0-1.99	VII Hold&Maintain	VII Harvest or Divest	IX Harvest or Divest

Figure 1. BULOG Bondowoso IE Matrix

Source : David, 2012; Hutahaen et al, 2017

.The company's position based on the IE Matrix is in quadrant I, so the strategy that can be carried out by the company in overcoming existing problems in order to improve marketing is through Grow and Build Strategy. Besides that, The strategy used is an intensive strategy (market penetration, market development and product development) or integrative (integration backward integration, forward integration, and horizontal integration). The opportunities as much as possible namely Utilizing the establishment of good relations with stakeholders so that the distribution goes well and Increase and maintain the availability of rice in each sales partner. There are also several strategies obtained from SWOT Matrix that can be alternatives (Table 3).

Table 3. SWOT Matrix

<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">Internal Factors</div> <div style="width: 45%;">External Factors</div> </div>	<p>Kekuatan (Strenght)</p> <ol style="list-style-type: none"> Maintaining a good relations with stakeholder Having a network of sales partner (RPK, TPK, Traditional Market Seller, dan distribution partner) Having a good standard maintenance of commodity Availability of various social media for promoting products which can increase 	<p>Kelemahan (Weaknesses)</p> <ol style="list-style-type: none"> The storability of rice is too long Lack of controlled or supervised of implementation of SPHP in the market and partner distributor Stock Readiness odf CBP medium rice Lomited rebagging or packaging capabilities rework PSO medium rice from 50 kg to 5 kg packaging
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Peluang (Opportunities) 1. Rice distribution is running well 2. Price of rice is high in the market 3. High demand of rice because rice is the staple food	Strategi SO 1. Strengthen the establishment of good relations with stakeholders so that distribution goes well and opens up new opportunities to achieve the company's vision and mission 2. Adequate availability of SPHP rice at each sales partner (RPK, TPK, installers and distributors)	Strategi WO 1. Strengthening management control over the implementation of SPHP rice distribution 2. Increase the number of workers and facilities and infrastructure for rebagging activities
Ancaman (Threats) 1. Price of rice in community is normal 2. The growth of pest in warehouse is quick	Strategi ST 1. Process rice according to consumer preferences 2. Optimizing pest control to maintain rice quality during times of rapid pest growth.	Strategi WT Securing SPHP rice stocks in order to meet market demand

From the table above, SO Strategy can be implemented with Strengthen the establishment of good relations with stakeholders so that distribution goes well and opens up new opportunities to achieve the company's vision and mission. Adequate availability of PSO rice at each sales partner (RPK, TPK, installers and distributors)

4. CONCLUSION

The results of IE matrix is Grow and Build Strategy, so the factors and strategies for developing rice distribution management are by utilizing all strengths to seize and make the most of opportunities, another ways is strengthening the establishment of good relations with stakeholders so that distribution goes well and opens up new opportunities to achieve vision and mission of the company. Besides Grow and Build Strategy, there are also several strategies obtained from SWOT Matrix that can be alternatives. The other strategies are strengthening management control over the implementation of SPHP rice distribution, increase the number of workers and facilities and infrastructure for rebagging activities, Process rice according to consumer preferences, optimizing pest control to maintain rice quality during times of rapid pest growth, the last Securing SPHP rice stocks in order to meet market demand.

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