Marketing Process of Agricultural Tobacco Products Effects on Tobacco Farmer Economy

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Keywords: Tobacco, Marketing, Availability, Needs, Problems.

Abstract: Indonesia has fertile soil which can be overgrown many variety of plants for staple food and other commodities such as tobacco to meet the needs of the population. This study aims to describe the process of buying and selling of tobacco products in Indonesia, the farmer's efforts in overcoming problems in the marketing process of tobacco farming in an area. This research is a descriptive research. Collecting data are from literature study, journal, and statistic secondary data. The results showed that the marketing process of tobacco farming has not directly to farmer, so there will be a fluctuation price which can inflict a financial lost the farmer. Qualitative and quantitative of tobacco products is influenced by season, modals, pests and diseases, asymmetric knowledge.

1 INTRODUCTION

Indonesia is an agrarian country; not only is rice grown as a staple food, but also other commodities such as tobacco are grown to meet the needs of the population. It is known from the Ministry of Agriculture of the Republic of Indonesia that the land area of tobacco plantations in 2015 reached 209,095 Ha, with productivity going up and down each year.

Tobacco plants belong to the Plantae Division, Class Dicotyledonaea, Order Personatae, Family Solanaceae, Sub Famili Nicotianae, Genus Nicotianae, Species Nicotiana tabacum L. According to Imam, the problem of tobacco plantation results is currently not realising the need for a healthy competent climate and the quality and amount of tobacco that is not as much as is needed.

Tobacco in Indonesia has ups and downs in relation to supply availability from year to year. The problems that arise cause many tobacco farmers to feel the profit-loss of living on the tobacco plantation. Therefore, it is necessary to analyse the problem of the fluctuation in the tobacco plantation results.

The environment of tobacco farming for example heat, nicotine exposure, and biological factors can cause health illness, example Green Tobacco Sickness (GTS), heat illness, etc.

2 METHODS

The method used is the descriptive research method using secondary data analysis. The secondary data was obtained through a literature study, i.e. journals, regulations and reports of the secondary statistics data.

3 RESULT AND DISCUSSION

3.1 The marketing process of tobacco products.

Tobacco farmers sell their crops to middlemen, factories and companies. The presence of companies in a tobacco producing area is very helpful to facilitate the sale of tobacco products from the farmers to go on to be processed and processed into finished goods. Many multi-national tobacco companies in Indonesia obtain tobacco through direct contracts with farmers in the open market.

According to Fuad, in the marketing of tobacco products in Madura, there is a coordinated relationship between the factory warehouse and the local government, but the local government cannot provide policy instructions to the factory warehouse. The factory has a contractual relationship with the

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Safitri, F.

In Proceedings of the 4th Annual Meeting of the Indonesian Health Economics Association (INAHEA 2017), pages 132-134 ISBN: 978-989-758-335-3

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skipper as a tobacco supplier. Skippers have an arm who supply the tobacco called middleman. Farmers sell the tobacco freely to the wholesalers who offer the highest prices.

The process of determining the selling price of tobacco to the factory is based on the estimated cost of production by the farmers. There are also farmers who do not cooperate with the factory who do not take part in determining the sale price of tobacco, therefore many of these farmers lose out because they cannot bargain if the factory-determined price is less profitable for the farmers. The asymmetric knowledge also leads to a loss of selling price for the farmers. The majority of farmers do not have warehouses for their tobacco products, so the farmers always sell their tobacco quickly despite the low prices (Oryza A, 2015).

3.2 Fluctuation of production, productivity and the areas of tobacco plantation from 2014-2016

Productivity, production amount, and the plantation areas each year has changed. Many factors can affect the quality and quantity of the tobacco plantation's products.

Table 1: Area of Tabacco Plantation from 2014-2016

Year	Area of Tobacco Farm (Ha)
2014	215.865
2015	209.095
2016	206.337

Note: 2016 data is still temporary. Source: Ministry of Agriculture, 2013-2017.

Source. Willisury of Agriculture, 2013-2017.

Table 2: Production of Tabacco Plantation from 2014-2016

Tahun	Tobacco Product (ton)
2014	198.301
2015	193.790
2016	196.154

Note: 2016 data is still temporary. Source: Ministry of Agriculture, 2013-2017

Table 3: Productivity of Tabacco Plantation from 2014-2016

Year	Tobacco Production Productivity (Kg/Ha)
2014	947
2015	946
2016	989

Note: 2016 data is still temporary.

Source: Ministry of Agriculture. Area of Tobacco Plant by Province in Indonesia, 2013-2017

3.3 Problems with the marketing process of tobacco plantation products

3.3.1 Uncertain climate change

Tobacco plants are plants that can only be produced in certain areas. Tobacco plants can grow in areas that have a rainfall of approximately 2000mm/year. The appropriate air temperature is 21o-32oC with a pH between 5-6. The characteristics of the land favoured by tobacco plants is soil that is loose, easy to bind with water and with good air circulation so as to improve drainage. The best altitude is between 200-3000 masl.

The existence of climate change from the rainy season to the dry season or vice versa is not very influential for the quality and quantity of tobacco plantation products, especially in the rainy season. According to Abdus's research, until now, tobacco farming still relied on chemical pesticides as a way of controlling pests and diseases. The inappropriate use of chemical pesticides can cause harmful residual effects, in addition to being an expensive cost.

3.3.2 Tobacco plantation's modal

Efforts to meet the required financial capital, the farmers cover it by taking loans from banks, cooperatives, friends, and relatives. Most banks refuse to lend to agricultural businesses because of their uncertain nature (Oryza A, 2015).

3.3.3 Pests and diseases

Pests and diseases are one of the causes of the decline in the quantity and quality of tobacco plantation products. Biological disorders that attack tobacco plants can spread to other crops in a plantation area until the tobacco dies and reduces the farmer's harvest.

Types of pests that attack tobacco plants are londrak (*Thrips parvispinus*), grayak worm (Spodoptera litura F.), caterpillar tobacco (Helicoverpa armigera), peach aphid (Myzus persicae), caterpillar (Agrotis ipsilon), borer shoot (Heliothis sp), nematode (Meloydogyne sp), and aphids (Aphis sp, Thrips sp, Bemisia sp). The types of diseases in tobacco plants are charred stems (Damping off), lanas, patik leaves, brown spots, leaf rot, and some viruses, such as the Tobacco Virus Mozaic (TVM), Pseudomozaik, and Marble.

3.3.4 Farmer's knowledge

The ability of farmers in managing tobacco is considered to not be optimal. For example, in the technical provision of chemical pesticides that are not appropriate, poor procedures can cause the targeted pests to become immune. Farmers are still not wise in relation to managing pests and diseases because of their ignorance about how to eradicate pests and diseases. This is due to a lack of knowledge and training.

Moreover, if there is child labour, it is a family tradition to help the household economy as a tobacco farmer, even if they have not received any education or training related to pests, diseases, and the dangers of nicotine and chemical pesticides. Such ignorance will have an impact on the health and safety of farmers.

4 CONCLUSION

The results showed that the marketing process of the tobacco plantation products that still pass through the middlemen to reach the factory is the cause of the ups and downs of tobacco selling prices. Nicotine exposure from tobacco leaves can cause nicotine poisoning or Green Tobacco Sickness (GTS).

The existence of an uncertain climate, pests and diseases, large financial capital, and the low knowledge of farmers are the factors involved in the price fluctuations, the amount of tobacco production that causes the farmers' income to be ascertained routinely or certainly every harvest season, also occupational health hazards.

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