

Influence of market structure, on Copra price Bargaining position in Parigi – Moutong Regency

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(Received 5 August, 2021; Accepted 25 August, 2021)

ABSTRACT

This study aims to look at the structure of the market formed, as far as looking at the impact of the market structure formed. The analysis tools used in this study are, Market Share, Concentrasi Ratio, CR4. From the results of calculations using CR4 analysis tools showed the market structure formed at the farmer level is a perfect competitive market with low bargaining positions, whereas at the level of collectors and large traders, the market formed is a oligopsoni with a medium bargaining position.

Key words : Structure, Market share, Concentrasi ratio, CR4, Copra.

Introduction

Copra prices on the world market in 2018 fluctuated with the upward trend. Meanwhile, price growth in the domestic market continued to decline throughout 2018 (Directorate General of Plantation, 2018). The trend is certainly not good in terms of the economy, considering copra plays a big role as a source of income for farmers because it is able to produce throughout the year continuously. Coconut has potential, it's just that various problems of Indonesian coconut is still not optimal from upstream to downstream. The development of coconut as a people's crop is inseparable from the participation of farmers in the countryside where about 6 million farmers are involved in coconut cultivation in Indonesia, (Nasution and Rachmat, 1993). In line with that, Pohan, (2011) also suggested, when the price of lace at the farmer level, will dampen the decrease in interest of farmers to increase copra production. Based on the description, the research aims to know

the structure of the market formed and see the strength of bargaining in every marketing institution in the copra market in Parigi - Moutong Regency.

Materials and Methods

To measure the structure of the market is the level of concentration of the market. Concentration refers to the number of companies involved in the market and the size of the company's product distribution (Lipczynski *et al.*, 2005). In the context of marketing, market concentration refers to the number of marketing agencies involved in marketing as well as their sales volume. To measure the level of concentration of the market, the first thing to do is to identify the market share or market share of the marketing institutions in Parigi – Moutong Regency.

Market share represents a percentage of one company's sales of overall sales in one market. In this case it is necessary to identify the number of marketing agencies/merchants by their sales vol-

Table 1. Results of Calculation of Concentration Ratio, Market Share and CR4

Marketing Institute	Concentration Ratio	Market Share	CR4
farmer	0,159	15,94	30,82 %
Collector Merchant	0,50	50,00	100 %
Great Traders	0,50	50,00	100 %

ume. The data collected will present the market share and concentration ratio of copra marketing agencies in Parigi - Moutong Regency.

The method of knowing the structure of the market formed in the form of marketing institutions, it is necessary to refer to the calculation of CR4. According to Anindita and Baladina, (2017) one of the analytical tools to know the market structure and concentration level of the market is concentration ratio for biggest four (CR4). Kvålseth (2018) Declaring CR4 Calculation is an accurate avoidance that can be relied on (Wika, 2016; Sari, 2014).

Results and Discussion

Based on the results of calculations in Table 1 CR4 Refers to the market share at the farmer level Based on the results of CR4 calculations, the value obtained is 30.82%. This means that the market formed at the marketing institution at the level of copra farmers is likely to be a perfect competition market. This is evidenced by the result of the IHH value of 436,192, from the value indicates the bargaining position of farmers is very low, with the criteria of IHH <1000. From the description indicates the farmer only as the recipient of the price (price taker)

Wholesalers show that the market share of copra at the level of steaming traders in Parigi - Moutong district is in the same position at 50%. The cr4 calculation shows a value of 100%. Based on the market criteria of the value obtained from the calculation of CR4 the market formed is monopoly. However, since the number of buyers is two (more than one buyer) it can be concluded that the copra market formed is tend to be an oligopsony market. While in the bargain position of high steaming traders, based on the criteria the value of IHH is at 1,800 - 10,000.

While in large traders show a percentage of CR4 of 100%. While the results of calculations using the IHH approach are 3,750, it means that the copra

market in Parigi Moutong Regency is in a high bargaining position (ranging from 1,800 - 10,000). Based on the results of CR4 calculations that the market structure formed is a monopoly. But when viewed from the number of sellers and buyers it is not appropriate when it is said to be a monopoly market. More precisely the structure of the market formed judging by the number of sellers and buyers, namely the market formed is oligopsoni"

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