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# Robusta Coffee Marketing Efficiency in Magetan Regency, East Java Province

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#### **ABSTRACT**

## **Keywords:**

Coffee; Marketing Agency; Marketing; Marketing Channels

#### Abstrak

Magetan Regency is one of the producers of robusta coffee known for its strong flavor and aroma, making it highly promising for export markets. However, marketing efforts and farmer interest remain low, primarily due to the perennial nature of the plant, which is perceived as less favorable for rapid capital turnover. Therefore, this study aims to assess the marketing efficiency of robusta coffee in Magetan so that farm-gate prices can become more attractive and competitive in export markets. The study employed a descriptive method with a survey research technique. A purposive method was used to determine the research location, as Magetan is recognized for producing high-quality and diverse coffee varieties. Panekan and Poncol sub-districts were selected due to their status as the largest coffee-producing areas. Farmer respondents were selected using purposive sampling, consisting of coffee farmers from two farmer groups in the respective sub-districts, where all members cultivate coffee. The snowball sampling method was employed to identify institutions involved in the marketing channels. The findings reveal that the coffee marketing institutions in Magetan Regency consist of farmers, collecting traders, retail traders, and out-of-town traders.

The marketing pattern of robusta coffee in the region is categorized into three distinct channels. Overall, the marketing system for robusta coffee remains inefficient. However, Marketing Channel II has been identified as the most efficient and thus holds potential for entering export markets.

#### INTRODUCTION

The improvement of Indonesia's economy is strongly supported by the significant contribution of the agricultural sector, particularly due to its capacity to absorb labor and generate national foreign exchange. According to Statistics Indonesia (2024), Indonesian agricultural exports in January 2024 experienced a notable increase of 5.32 percent compared to the previous month, and 0.11 percent compared to the same period in the previous year. In developing countries such as Indonesia, the agricultural sector also plays a crucial role in ensuring national food security, with a wide variety of cultivated commodities, one of which is coffee beans. Coffee commodities possess several advantages in terms of variety, quality, and taste, all of which are globally recognized, making coffee highly promising for export. Indonesia produces various types of coffee, including Arabica, Robusta, Liberica, and Civet coffee (kopi luwak), each offering distinct flavor profiles influenced by the specific growing regions (Maulani and Wahyuningsih, 2021).



Figure 1. Development of Indonesian Coffee Exports (Source: BPS, 2023)

As shown in Figure 1, the value and volume of Indonesia's coffee exports have fluctuated over the years, with the lowest export value recorded in 2018 at US\$815.93 million and the highest in 2015 at US\$1,197.74 million. In 2021, the volume of coffee exports reached 387.26 thousand tons and increased to 437.56 thousand tons in 2022, indicating a significant growth in export performance. Coffee in Indonesia is primarily cultivated in regions with favorable climatic conditions, such as the foothills of mountains, where the temperature is cool and sunlight is adequate. However, the development, growth, and productivity of coffee plants are highly susceptible to climate variability, which is often exacerbated by unsupportive environmental conditions (Sarvina et al., 2020).

East Java Province, including Magetan Regency, is one of the major coffee-producing regions in Indonesia. In Magetan, Arabica, Robusta, and Liberica coffees are cultivated. Among them, Robusta coffee, known for its distinctive aroma and unique flavor characteristics, holds considerable export potential. A study by Ramirez-Zuñiga et al. (2024) found that in Colombia, coffees with distinctive traits and produced through consistent and innovative cultivation practices command high value in the international market. Arabica coffee tends to offer more pronounced fruity and floral aromas with a smoother taste profile. Liberica coffee, on the other hand, is known for its complex flavor,

which includes notes of fruits, flowers, and spices. It is distinguishable by its jackfruit-like aroma and larger bean size, setting it apart from both Robusta and Arabica varieties (Bolka and Amire, 2020).

Table 1. Coffee Plantation Production in Magetan Regency

Year	Total production (ton)	
2022	442.76g	
2023	315.92	

Source: BPS Magetan Regency (2024)

Despite its potential, coffee marketing and promotion in Magetan Regency remain underdeveloped. In addition to marketing issues, there has been a decline in farmers' interest in cultivating Robusta coffee as a primary crop. The area devoted to coffee cultivation is decreasing, as reflected in Table 1, which shows a decline in coffee production in Magetan from 2022 to 2023. Farmers tend to prefer seasonal crops as their main source of income, since coffee is a perennial plant and does not provide the immediate financial returns necessary for daily living and reinvestment in subsequent farming activities. In contrast, in Solok Regency, West Sumatra, many farmers have shifted to cultivating coffee as their primary crop due to its high market price, direct market access, and the increasing demand in both domestic and export markets (Ashardiono and Trihartono, 2024).

Table 2. Coffee Plantation Production by District in Magetan Regency

No.	District	Total Prod	luction (ton)
IVO.		2022	2023
1	Poncol	92.93	110.70
2	Parang	3.41	14.07
3	Lembeyan	-	-
4	Takeran	-	-
5	Nguntoronadi	-	-
6	Kawedanan	-	-
7	Magetan	-	-
8	Ngariboyo	-	-
9	Plaosan	-	39.95
10	Sidorejo	-	47.79
11	Panekan	346.42	103.41
12	Sukomoro	-	-
13	Bendo	-	-
14	Maospati	-	-
15	Karangrejo	-	-
16	Karas	-	-
17	Barat	-	-
18	Kartoharjo	-	-

Source: BPS Magetan Regency (2024)

In light of the issues above, further analysis is required regarding the efficiency of marketing channels and the institutions involved, to ensure that farmers receive more favorable prices. Research conducted by Berihun and Gutema (2025) indicated that cooperatives, as institutions engaged in coffee marketing in Ethiopia, strengthen farmers'

bargaining power, reduce transaction costs, and enable direct sales to export markets without the need for long marketing chains. Such outcomes are feasible if marketing institutions perform their functions effectively. More favorable prices at the farm level will encourage more farmers to cultivate Robusta coffee, thereby increasing supply to meet both domestic and export demand. Furthermore, excessive marketing costs and margins may render the product uncompetitive in the export market.

#### RESEARCH METHODS

This study employed a descriptive research approach with survey techniques. A purposive method was used in selecting the research location in East Java. According to Buana et al. (2024), purposive selection of location involves the consideration of the urgency and objectives of the study based on predefined characteristics. The choice of Magetan Regency, East Java, was based on its reputation as a quality and diverse coffee-producing area. Panekan and Poncol Districts were selected to represent Robusta coffee marketing, as they are the leading producers of Robusta coffee in Magetan Regency, as shown in Table 2.

The farmer respondents in this study consisted of 33 members of the Sukowidi Village Farmer Group in Panekan District and 47 members of the Alastuwo Village Farmer Group in Poncol District. The selection of farmer respondents used purposive sampling, based on the criterion that all members cultivated Robusta coffee. Snowball sampling was used to determine trader respondents (marketing institutions involved), based on referrals from farmer respondents as the initial marketing target, through to the final institution in the chain.

This study utilized both primary and secondary data. Secondary data were obtained from the Central Bureau of Statistics (BPS) and served to support the primary data. Data collection techniques included observation, interviews, and documentation. The analytical methods employed in the study were as follows:

## 1. Marketing Costs

Bp = Bp1 + Bp2 + Bp3 + ..... + Bpn

Description:

Bp : Total marketing costs

Bp1,2,3...n : Marketing cost incurred by each marketing institution

1,2,3....n : Number of institutions involved

## 2. Marketing margin

M = Pr - Pf

Description:

M : Margin

Pr: Price at the consumer level Pf: Price at the producer level

To assess marketing efficiency economically, the farmer's share (i.e., the portion of the final price received by farmers) is also calculated. The greater the share received by farmers, the more efficient the marketing system:

M = Bp + Kp

Description:

M: Margin

Bp : Marketing costs Kp : Marketing profit

3. Marketing profit

$$Kp = Kp1 + Kp2 + Kp3 + \dots + Kpn$$

Description:

Kp : Total marketing profit

Kp1,2,3...n : Profit gained by each marketing institution

4. Marketing efficiency

$$Mp = \left(\frac{Pr - Pf}{Pr}\right) \times 100 \%$$

Description:

Pr : Price at the consumer level Pf : Price at the producer level

To assess marketing efficiency economically, the farmer's share (i.e., the portion of the final price received by farmers) is also calculated. The greater the share received by farmers, the more efficient the marketing system.

$$F = (1 - \frac{Mp}{Pr}) \times 100 \%$$
Description:

F: Farmer's share Mp: Marketing margin

#### RESULTS AND DISCUSSION

## **Respondent Profile**

## 1. Farmer Identity

A total of 80 Robusta coffee farmers from Sukowidi Village (Panekan District) and Alastuwo Village (Poncol District) served as respondents in this study. Each village contributed 40 farmer respondents. The characteristics of these coffee farmers are diverse, as presented in Table 3.

Table 3. Profile of Robusta Coffee Farmer Respondents

No.	Farmer Identity	Total	Percentage
1.	Verage Age (years)		
	a. Age ≤ 14 years	0	0
	b. Age 15 – 64 years	50	62.5
	c. Age ≥ 65 years	30	37.5
	Total	80	100
2.	Education level		
	a. No. formal education	0	0
	b. Elementary School	54	67.5
	c. Junior High School	18	22.5
	d. Senior High School/Vacotional	8	10
	e. Higher Education	3	3.75
	Total	80	100
3.	Average Average land area for	0.224	-
	Robusta coffee (Ha)		

Source: Processed primary data, 2025

Based on Table 3, the majority of Robusta coffee farmers (62.5%) are within the productive age group of 15-64 years. This indicates that most respondents are of

working age. In terms of education level, farmer respondents showed variation, suggesting that community members continue to seek knowledge through formal education. The average land area cultivated for Robusta coffee among respondents is approximately 0.224 hectares. Most respondents practice intercropping (polyculture), treating Robusta coffee as a secondary crop. This is consistent with the findings of Karyani et al. (2020), who observed that coffee farmers in Bandung Regency often employ intercropping systems with seasonal crops that generate faster income to meet daily needs. The following table presents the number of Robusta coffee farmer respondents by land tenure status:

Table 4. Number of Farmer Respondents by Land Tenure Status

No.	Land Tenure Status	Total (people)	Percentage
1.	Own Land	78	97.5
2.	Sharecropping	2	2.5
3.	Rental	0	0
	Total	80	100

Source: Processed primary data, 2025

As shown in Table 4, the vast majority of farmer respondents (97.5%) own their land. No respondents reported renting land. Only two respondents (2.5%) were engaged in sharecropping. Land ownership status is a key factor influencing both the level of production and the farming costs incurred. This is supported by Rahayu (2023), who found that coffee farmers with non-owned land must allocate additional costs for revenue-sharing arrangements. Moreover, land tenure influences cropping patterns, techniques, and planting intensity, as tenant or sharecropping farmers tend to optimize their farming activities to generate higher income (Oktinafuri & Sudrajat, 2016).

#### 2. Rader Identity

Traders involved in Robusta coffee marketing play a crucial role in assisting farmers in selling their harvest. Traders serve as intermediaries, transferring goods from producers to consumers. This study traced the market chain starting from Robusta coffee farmers. A total of 8 traders were identified as participants in this study. The following section presents the profile of coffee marketing traders in Karanganyar Regency:

Table 5. Profile of Robusta Coffee Trader Respondents

	- uallo or - rolling of - uallo allow of		
No.	Trader Identity	Total	Percentage
1.	1. Trader Status		
	a. Collecting Traders	3	37.5
	b. Market Traders	0	0
	c. Retail Traders	5	62.5
2.	Average Age (years)	45	-
3.	Education level		
	a. No. formal education	0	0
	b. Elementary School	0	0
	c. Junior High School	0	0
	d. Senior High School/Vocational	4	50
	e. Higher Education	4	50
4.	Average years of experience	8	-

Source: Processed primary data, 2025

Data in Table 5 indicates that the trader respondents in this study are categorized into two groups: collecting traders (3 individuals) and retail traders (5 individuals). No market traders were identified among the respondents. The average age of the trader respondents is 45 years, placing them within the productive age category (15–64 years). In terms of education, four respondents were high school graduates and four held higher education degrees. Retail traders typically serve as intermediaries in the marketing chain who resell coffee products purchased from primary traders (Josine et al., 2018).

#### **Analysis and Discussion**

1. Marketing Channels for Robusta Coffee in Magetan Regency

The findings of this study revealed three types of marketing channels for Robusta coffee in Magetan Regency. Farmers sell Robusta coffee through several intermediaries to ensure the product reaches consumers. The involvement of traders is instrumental in helping farmers sell their harvest. The Robusta coffee marketing channels identified in Magetan Regency are as follows:

a. Channel I : Farmer  $\rightarrow$  Retail Trader  $\rightarrow$  Consumer

b. Channel II : Farmer  $\rightarrow$  Collecting Trader  $\rightarrow$  Retail Trader  $\rightarrow$ 

Consumer

c. Channel III : Farmer  $\rightarrow$  Collecting Trader  $\rightarrow$  Out-of-town Trader  $\rightarrow$ 

Consumer

The marketing patterns of Robusta coffee in Magetan Regency are illustrated in Figure 2.

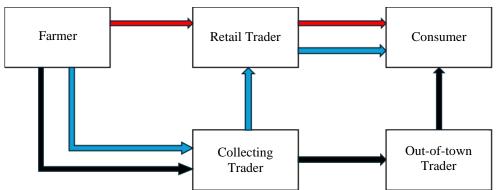


Figure 2. Marketing Channels of Robusta Coffee in Magetan

Notes:

: Marketing pattern I
: Marketing pattern II
: Marketing pattern III

In Marketing Channel I, farmers sell their coffee directly to nearby retail traders. These retail traders typically operate in local stalls or function as small-scale processors. The coffee sold by farmers is usually in the form of green beans—beans that have been dried and hulled but not yet roasted. Some retail traders also process the coffee further, enhancing its market value by turning it into roasted beans or coffee powder.

Marketing Channel II resembles Channel III in that it involves three actors in the marketing chain. The process begins with farmers as producers and initial sellers, followed by collecting traders who purchase the beans from the farmers. These traders then sell the coffee to other marketing institutions, either within or outside the region—such as cafés or distributors—before the product reaches end consumers. This model facilitates the wider distribution of Robusta coffee from Magetan and enhances market accessibility.

In Marketing Channel II, more local marketing institutions are directly involved. The chain typically includes farmers, collecting traders, and retail traders. Collecting traders purchase harvests directly from farmers, often visiting farms during the harvest season. While coffee can be sold in cherry form, this is rarely practiced; most farmers sell green beans due to their higher market value and better price-to-processing-cost ratio. This finding aligns with Ikhwana (2017), who emphasized that processing coffee from cherry to green bean increases its economic value. Collecting traders may come from both within the local area and outside the region. These findings are consistent with Barokatuminalloh and Simanullang (2009), who observed that the coffee marketing system in Banyumas Regency typically involves multiple actors: farmers, collecting traders, retail traders, out-of-town traders, and finally, consumers. Furthermore, some collecting traders also act as retail traders, selling their products directly to end consumers without collecting traders.

## 2. Marketing Costs, Margins, and Profits

Magetan Regency has three identified marketing channels for Robusta coffee. Each channel incurs different costs, margins, and profits. According to Kamaruddin et al. (2021), a key indicator of improved welfare among Indonesian coffee farmers is the narrowing of the marketing margin, as reflected in a smaller price gap between the global market and farm-level prices. The profitability, cost, and marketing margin of the three channels are detailed in Tables 6, 7, and 8.

Table 6. Average Marketing Cost, Profit, and Margin of Robusta Coffee in Magetan Regency (Marketing Channel I)

No         Description         IDR/kg         %           1.         Farmer         3. Farm-gate price         50,000         50           b. Harvesting cost         2,431         2.43           c. Drying cost         2,529         2.53           d. Hulling cost         4,518         4.52           e. Transportation         582         0.58           d. Total farmer cost         10,060         10.01           2.         Retail Trader         3,000         50           b. Roasting cost         3,000         3           c. Grinding cost         3,000         3           d. Packaging cost         75         0,08           f. Transportation         0         0           g. Depreciation         10,000         10           i. Total trader cost         16,075         16.01           j. Profit         33,925         33.93           k. Marketing margin         50,000         50           3.         Retail Price in Magetan Regency         100,000         100           4.         Total cost         26,135         26,14		magetan Regency (marketing Channel 1)			
a. Farm-gate price       50,000       50         b. Harvesting cost       2,431       2.43         c. Drying cost       2,529       2.53         d. Hulling cost       4,518       4.52         e. Transportation       582       0.58         d. Total farmer cost       10,060       10.01         2. Retail Trader       0.000       50         a. Purchase price from farmer       50,000       50         b. Roasting cost       3,000       3         c. Grinding cost       3,000       3         d. Packaging cost       75       0,08         f. Transportation       0       0         g. Depreciation       10,000       10         i. Total trader cost       16,075       16.01         j. Profit       33,925       33.93         k. Marketing margin       50,000       50         3. Retail Price in Magetan Regency       100,000       100         4. Total marketing margin       50.000       50	No	Description	IDR/kg	%	
b. Harvesting cost c. Drying cost d. Hulling cost e. Transportation d. Total farmer cost  2,529 2.53 d. Hulling cost e. Transportation for the trader a. Purchase price from farmer b. Roasting cost c. Grinding cost f. Transportation g. Depreciation i. Total trader cost j. Profit j. Profit j. Profit j. Profit j. Retail Price in Magetan Regency  3,000 3,000 3,000 3 4,518 4,518 4,52 6,582 0,58 4,518 4,518 4,52 6,582 0,58 4,518 4,518 4,52 6,582 0,58 4,518 4,518 4,52 6,000 50 50 50 50 50 50 50 50 50 50 50 50	1.	Farmer			
c. Drying cost       2,529       2.53         d. Hulling cost       4,518       4.52         e. Transportation       582       0.58         d. Total farmer cost       10,060       10.01         2. Retail Trader       3,000       50         a. Purchase price from farmer       50,000       50         b. Roasting cost       3,000       3         c. Grinding cost       3,000       3         d. Packaging cost       75       0,08         f. Transportation       0       0         g. Depreciation       10,000       10         i. Total trader cost       16,075       16.01         j. Profit       33,925       33.93         k. Marketing margin       50,000       50         3. Retail Price in Magetan Regency       100,000       100         4. Total marketing margin       50.000       50		a. Farm-gate price	50,000	50	
d. Hulling cost       4,518       4.52         e. Transportation       582       0.58         d. Total farmer cost       10,060       10.01         2. Retail Trader       3,000       50         a. Purchase price from farmer       50,000       50         b. Roasting cost       3,000       3         c. Grinding cost       3,000       3         d. Packaging cost       75       0,08         f. Transportation       0       0         g. Depreciation       10,000       10         i. Total trader cost       16,075       16.01         j. Profit       33,925       33.93         k. Marketing margin       50,000       50         3. Retail Price in Magetan Regency       100,000       100         4. Total marketing margin       50.000       50		b. Harvesting cost	2,431	2.43	
e. Transportation       582       0.58         d. Total farmer cost       10,060       10.01         2. Retail Trader       . Purchase price from farmer       50,000       50         b. Roasting cost       3,000       3         c. Grinding cost       3,000       3         d. Packaging cost       75       0,08         f. Transportation       0       0         g. Depreciation       10,000       10         i. Total trader cost       16,075       16.01         j. Profit       33,925       33.93         k. Marketing margin       50,000       50         3. Retail Price in Magetan Regency       100,000       100         4. Total marketing margin       50.000       50		c. Drying cost	2,529	2.53	
d. Total farmer cost       10,060       10.01         2. Retail Trader       3.000       50         a. Purchase price from farmer       50,000       50         b. Roasting cost       3,000       3         c. Grinding cost       75       0,08         d. Packaging cost       75       0,08         f. Transportation       0       0         g. Depreciation       10,000       10         i. Total trader cost       16,075       16.01         j. Profit       33,925       33.93         k. Marketing margin       50,000       50         3. Retail Price in Magetan Regency       100,000       100         4. Total marketing margin       50.000       50		d. Hulling cost	4,518	4.52	
2. Retail Trader       a. Purchase price from farmer       50,000       50         b. Roasting cost       3,000       3         c. Grinding cost       3,000       3         d. Packaging cost       75       0,08         f. Transportation       0       0         g. Depreciation       10,000       10         i. Total trader cost       16,075       16.01         j. Profit       33,925       33.93         k. Marketing margin       50,000       50         3. Retail Price in Magetan Regency       100,000       100         4. Total marketing margin       50.000       50		e. Transportation	582	0.58	
a. Purchase price from farmer       50,000       50         b. Roasting cost       3,000       3         c. Grinding cost       3,000       3         d. Packaging cost       75       0,08         f. Transportation       0       0         g. Depreciation       10,000       10         i. Total trader cost       16,075       16.01         j. Profit       33,925       33.93         k. Marketing margin       50,000       50         3. Retail Price in Magetan Regency       100,000       100         4. Total marketing margin       50.000       50		d. Total farmer cost	10,060	10.01	
b. Roasting cost       3,000       3         c. Grinding cost       3,000       3         d. Packaging cost       75       0,08         f. Transportation       0       0         g. Depreciation       10,000       10         i. Total trader cost       16,075       16.01         j. Profit       33,925       33.93         k. Marketing margin       50,000       50         3. Retail Price in Magetan Regency       100,000       100         4. Total marketing margin       50.000       50	2.	Retail Trader			
c. Grinding cost       3,000       3         d. Packaging cost       75       0,08         f. Transportation       0       0         g. Depreciation       10,000       10         i. Total trader cost       16,075       16.01         j. Profit       33,925       33.93         k. Marketing margin       50,000       50         3. Retail Price in Magetan Regency       100,000       100         4. Total marketing margin       50.000       50		a. Purchase price from farmer	50,000	50	
d. Packaging cost       75       0,08         f. Transportation       0       0         g. Depreciation       10,000       10         i. Total trader cost       16,075       16.01         j. Profit       33,925       33.93         k. Marketing margin       50,000       50         3. Retail Price in Magetan Regency       100,000       100         4. Total marketing margin       50.000       50		b. Roasting cost	3,000	3	
f. Transportation       0       0         g. Depreciation       10,000       10         i. Total trader cost       16,075       16.01         j. Profit       33,925       33.93         k. Marketing margin       50,000       50         3. Retail Price in Magetan Regency       100,000       100         4. Total marketing margin       50.000       50		c. Grinding cost	3,000	3	
g. Depreciation       10,000       10         i. Total trader cost       16,075       16.01         j. Profit       33,925       33.93         k. Marketing margin       50,000       50         3. Retail Price in Magetan Regency       100,000       100         4. Total marketing margin       50.000       50		d. Packaging cost	75	0,08	
i. Total trader cost       16,075       16.01         j. Profit       33,925       33.93         k. Marketing margin       50,000       50         3. Retail Price in Magetan Regency       100,000       100         4. Total marketing margin       50.000       50		f. Transportation	0	0	
j. Profit       33,925       33.93         k. Marketing margin       50,000       50         3. Retail Price in Magetan Regency       100,000       100         4. Total marketing margin       50.000       50		g. Depreciation	10,000	10	
k. Marketing margin 50,000 50  3. Retail Price in Magetan Regency 100,000 100  4. Total marketing margin 50.000 50		i. Total trader cost	16,075	16.01	
3.Retail Price in Magetan Regency100,0001004.Total marketing margin50.00050		j. Profit	33,925	33.93	
4. Total marketing margin 50.000 50		k. Marketing margin	50,000	50	
	3.	Retail Price in Magetan Regency	100,000	100	
Total cost 26 135 26 14	4.	Total marketing margin	50.000	50	
		Total cost	26.135	26,14	

Total profit	23.865	23,87
Farmer's Share		50

Source: Processed primary data, 2025

Table 6 shows that the farm-gate price received by farmers is IDR 50,000 per kg, with marketing costs incurred by farmers amounting to IDR 10,060 per kg. Farmers sell Robusta coffee to retail traders at IDR 50,000 per kg. The retail traders then sell the coffee in ground form to consumers in Magetan at IDR 100,000 per kg. The retail traders' marketing costs amount to IDR 16,075 per kg, resulting in a profit of IDR 33,925 per kg and a marketing margin of IDR 50,000 per kg.

Marketing Channel I yields a Farmer's Share of 50%, with a total marketing margin of IDR 50,000 per kg, and a total profit of IDR 23,865 per kg, derived from total marketing costs of IDR 26,135 per kg. This channel involves only retail traders as marketing intermediaries. Farmers sell green beans to retail traders, who process the beans into ground coffee before selling them to local consumers in Magetan. Marketing channel II has average costs, profits, and marketing margins for robusta coffee, which can be seen in the following table.

Table 7. Average Marketing Cost, Profit, and Margin of Robusta Coffee in Magetan Regency (Marketing Channel II)

No	Description Description	IDR/kg	%
1.	Farmer		, ,
	a. Farmer-gate price	50,000	90.01
	b. Harvesting cost	5,865	10.66
	c. Drying cost	433	0.08
	d. Hulling cost	1,250	2.27
	e. Transportation	153	0.029
	d. Total cost	7,701	14
2.	Collecting Trader		
	a. Purchase price from farmer	50,000	90.01
	b. Grading cost	662	1.2
	f. Packaging cost	1,000	1.82
	g. Transportation	0	0
	i. Total cost	2,162	3.93
	j. Profit	1,176	2.14
	k. Marketing margin	5,000	9.09
3.	Retail Price (Out-of-Town Consumer)	55,000	100
4.	Total marketing margin	5,000	9.09
	Total cost	9,863	17.93
	Total profit	-4,863	-8.84
	Farmer's Share		90.91

Source: Processed primary data, 2025

Table 7 shows that in Marketing Channel II, only one intermediary is involved—the collecting trader. These traders purchase Robusta coffee in the form of green beans from farmers and then distribute or sell it to out-of-town consumers, typically other traders who will resell the product.

The farm-gate price remains IDR 50,000 per kg, and farmers incur marketing costs of IDR 7,701 per kg. The collecting trader sells the coffee at IDR 55,000 per kg, incurring marketing costs of IDR 2,162 per kg. Thus, the marketing profit is IDR 1,176 per kg, and the marketing margin is IDR 5,000 per kg. This channel results in a Farmer's Share of 90.01%, a total marketing margin of IDR 5,000 per kg, and a negative net marketing profit of IDR -4,863 per kg, derived from total marketing costs of IDR 9,863 per kg.

Table 8. Average Marketing Cost, Profit, and Margin of Robusta Coffee in Magetan Regency (Marketing Channel III)

No	Description	IDR/kg	%
1.	Farmer		
	a. Farmer-gate price	50,000	21.05
	b. Harvesting cost	5,808	2.45
	c. Drying cost	5,750	2.42
	d. Hulling cost	1,127	0.47
	e. Transportation	206	0.09
	d. Total cost	12,891	5.43
2.	Collecting Trader		
	a. Purchase price from farmer	50,000	21.05
	b. Roasting cost	7,284	3.07
	c. Depreciation	12,500	5.26
	d. Grading cost	646	0.27
	e. Total cost	20,430	8.6
	j. Profit	74,570	31.4
3.	Coffee Shop		
	a. Purchase price from farmer	145,000	61.05
	b. Transportation	232	0.1
	c. Packaging cost	12,500	5.26
	d. Grinding cost	638	0.27
	e. Total cost	13,415	5.65
	j. Profit	79,130	33.18
	k. Marketing margin	187,500	78.95
4.	Consumer purchase price in Magetan	237,500	100
	Regency		
5.	Total marketing margin	187,500	78,95
	Total cost	33,845	14,25
	Total profit	153,655	64,7
	Farmer's Share		21,05

Source: Processed primary data, 2025

Table 8 shows that the marketing institutions involved in Marketing Channel III are collecting traders and coffee shops. Green coffee beans are processed by collecting traders into roasted beans and then sold to coffee shops. The coffee shops grind the beans into powder and sell the product directly to consumers in Magetan Regency. These consumers typically purchase Robusta coffee in ground form for personal consumption.

The farm-gate price in this channel is IDR 50,000 per kg, and the marketing cost incurred by the farmer is IDR 12,891 per kg. Collecting traders purchase the coffee from

farmers at IDR 50,000 per kg, incur a marketing cost of IDR 20,430 per kg, and sell it to coffee shops at IDR 145,000 per kg. Coffee shops then spend IDR 13,415 per kg on marketing costs and sell the product to consumers at IDR 237,500 per kg, yielding a profit of IDR 79,130 per kg. Marketing Channel III yields a Farmer's Share of 21.05%, a total marketing margin of IDR 187,500 per kg, and a total marketing profit of IDR 153,655 per kg, derived from total marketing costs of IDR 33,845 per kg. Among the three channels, this one has the lowest Farmer's Share, demonstrating that the longer the marketing chain, the smaller the share received by farmers, as more intermediaries take a portion of the profits (Sumarni, 2021).

## 3. Marketing Efficiency of Robusta Coffee

Marketing efficiency can be assessed through the values of marketing margin and farmers' share. According to Mgale and Yunxian (2020), marketing is considered economically efficient if each actor involved obtains a profit and a greater portion of the consumer price is allocated to the farmer, encouraging increased production. However, in practice, many farmers prioritize high commodity prices over efficient marketing channels. To determine the most efficient marketing channel for Robusta coffee in Magetan Regency, it is necessary to compare each channel in terms of total marketing cost, total profit, marketing margin, and the farmer's share. A summary comparison of the three marketing channels is provided in the table below.

Table Comparison of Total Cost, Total Profit, Marketing Margin, and Farmer's Share Across Robusta Coffee Marketing Channels in Magetan Regency

	Description	Marketing	Marketing	Marketing
No		Channel I	Channel II	Channel III
1	Total Cost (IDR/kg)	26,135	9,863	33,845
2	Total Profit (IDR/kg)	23,865	-4,863	153,655
3	Total Marketing Margin	50,000	5,000	187,500
	(IDR/kg)			
4	Marketing Margin	50	9.09	78.95
	Pecentage (%)			
5	Farmer's share (%)	50	90.91	21.05

Source: Processed primary data, 2025

Data presented in Table 9 indicates that differences exist in the total marketing costs and profits across the three marketing channels. The involvement of marketing institutions in each channel is one of the determining factors influencing such variations. The price of Robusta coffee is established by producers and actors within each marketing channel, resulting in varying consumer-level prices depending on the production and marketing costs incurred by coffee producers and traders in each marketing channel.

The marketing margin percentage and farmers' share are key indicators in evaluating the economic efficiency of Robusta coffee marketing. In Marketing Channel I, the marketing margin percentage is 50%, with a total margin of IDR 50,000 per kg. In Channel II, the margin percentage is 9.09%, with a total margin of IDR 5,000 per kg. Channel III exhibits the highest margin percentage at 78.95%, with a margin value of IDR 187,500 per kg. The farmer's share values across Channels I, II, and III are 50%, 90.91%, and 21.05%, respectively. The highest farmer's share in Magetan Regency is observed in Channel II, while Channel III records the lowest.

According to Lestari et al. (2017), a coffee marketing channel can be classified as efficient if it has the lowest marketing margin percentage and a farmer's share greater than 50%. Based on this criterion, Marketing Channel II is considered the most efficient among the channels identified in Magetan Regency. This is due to the minimal processing activities involved in Channel II, which result in a relatively small marketing margin between Robusta coffee producers and consumers. A lower marketing margin helps maintain competitive selling prices in export markets. Similarly, a higher farmer's share indicates that the price disparity between producers and consumers is relatively narrow.

Nevertheless, Channel III continues to show a negative return, with an average income of –IDR 4,863 per kilogram of Robusta coffee. This loss may be attributed to high production-related expenses and volume shrinkage during storage. Although Channel I represents the shortest marketing path, this does not necessarily imply that fewer marketing intermediaries lead to a higher farmer's share or a lower marketing margin. For instance, the shortest coffee marketing channel in Tanggamus Regency, Lampung Province, was found to generate a high marketing margin (Kurniati et al., 2023), demonstrating that channel length alone is not a determinant of marketing efficiency.

#### CONCLUSION

Based on the foregoing discussion, the following conclusions can be drawn: the marketing institutions involved in the Robusta coffee supply chain in Magetan Regency include farmers, collectors, retailers, out-of-town traders, and consumers. Magetan Regency features three distinct Robusta coffee marketing channels: Channel I (farmers  $\rightarrow$  retailers  $\rightarrow$  consumers), Channel II (farmers  $\rightarrow$  collectors  $\rightarrow$  retailers  $\rightarrow$  consumers), and Channel III (farmers  $\rightarrow$  collectors  $\rightarrow$  out-of-town traders  $\rightarrow$  consumers). In general, the Robusta coffee marketing system in Magetan Regency is not yet efficient, as the distribution of marketing margins is uneven across the channels, with the highest profits accruing to out-of-town traders. Each marketing channel exhibits distinct characteristics. The greater the number of intermediaries involved, the higher the marketing margin tends to be, and the lower the farmer's share. However, this assumption does not hold for Channel I, which, despite involving the fewest intermediaries, does not yield the highest farmer's share. When considering both the lowest marketing margin and the highest farmer's share, Marketing Channel II emerges as the most efficient in Magetan Regency. This channel demonstrates a moderate level of institutional involvement and thus holds greater potential for competitiveness in the export market.

## **SUGGESTION**

The following recommendations are proposed: efforts should be made to optimize the series of marketing activities across all marketing institutions by ensuring smoother product flow and reducing distribution costs, particularly in inefficient marketing channels. To enhance income and add value, farmers are encouraged to process coffee into roast beans or ground coffee, thereby increasing its selling price. Government involvement is essential in strengthening farmer institutions through capacity building, as well as supporting the development of other marketing entities to absorb Robusta coffee products for both domestic and export markets. Future research should adopt the Global Value Chain (GVC) approach to analyze how the structure and efficiency of Robusta coffee marketing channels in Magetan Regency influence the product's entry

into export markets. This approach enables a comprehensive mapping of the roles and constraints of marketing institutions within each value chain stage, facilitating the identification of weaknesses and the formulation of strategies to enhance product competitiveness.

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