CILA APRIANDE. Efficiency of Rice Milling Industry, Case Study: Two Sub-Districts in Cianjur Regency, West Java Province. Supervised by RACHMAT PAMBUDY, NUNUNG KUSNADI, and STEPHAN VON CRAMON-TAUBADEL.

In rice agribusiness system of Indonesia, rice milling industry has an important role. This industry plays role as connector between paddy producers (farmers) and consumers of rice. The industry is dominated by small scale and old machine used. There are three types of rice miller business management, namely makloon, non-makloon, and combination of both. This study aims to describe characteristics and determine relative efficiency of rice milling industry. The study was conducted in Gekbrong and Warungkondang, Cianjur Regency as one largest paddy producer in West Java. 94 rice millers were selected purposively sample. Mostly, owner of rice millers were male, rice miller business as main job, and ownership of rice miller was private. Rice milling industry was dominated by makloon type. This type offered milling service to consumers and had small capacity. Variable return to scale DEA output orientated model was used to determine relative efficiency of rice milling industry. This study concluded that rice milling industry in study site was inefficient.

Key words: efficiency, rice milling industry, DEA
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CILA APRIANDE. Efisiensi Industri Penggilingan Padi, Studi Kasus: Dua Kecamatan di Kabupaten Cianjur, Provinsi Jawa Barat. Dibimbing oleh RACHMAT PAMBUDY, NUNUNG KUSNADI, dan STEPHAN VON CRAMON-TAUBADEL.


Kata kunci: efisiensi, industri penggilingan padi, DEA
SUMMARY

CILA APRIANDE. Efficiency of Rice Milling Industry, Case Study: Two Sub-Districts in Cianjur Regency, West Java Province. Supervised by RACHMAT PAMBUDY, NUNUNG KUSNADI, and STEPHAN VON CRAMON-TAUBADEL.

Rice is one of the main staple foods in Indonesia. In 2012, Indonesian consumption of rice is high, approximately 139 kilogram per capita per year (Pambudy, 2012). Rice is a political commodity that can be an indicator for national stability. Rice is also an important economic indicator in which, rice price can reflect the inflation rate and the minimum income in Indonesia. Rice has an important role for the life of Indonesia’s society. Hence, availability of the rice must be able to be guaranteed. Governmental efforts to keep the availability of rice are done through established policies, ranging from the production, distribution, and consumption of rice.

Rice milling industry as an important link in paddy processing into rice is required to contribute provision of national rice in terms of quantity and quality. Performance of rice milling industry needs to be developed and improved (Budiharti, Harsono, & Juliana, 2003). In 2002, the number of the rice milling is 109,000 units. It is dominated by small-scale by 95 percent and the rest is large-scale. The average yield that is produced by small rice milling is still low at only 60 percent, medium rice milling is 64 percent, and large rice milling is 65 percent of each dry milled grain that milled in each rice milling. Generally, small scale rice millings are an investment in the 1960s until 1980s (Sawit, 2011). While in 2008, the number of rice milling is decrease. It is about 108,512 units (Thahir, 2010).

Rice milling industry plays an important role in the processing side, is expected to work efficiently and effectively, in order to increasing a national rice production. This is especially with respect to start attainment surplus by 10 million tons of rice in 2014. This is evidenced by milling ratio and quality of rice produced (Nazaruddin, 2012).

This study is aimed to describe characteristic and determine relative efficiency of rice milling industry in Gekbrong and Warungkondang, Cianjur Regency, West Java Province. This study used 94 rice millers that selected purposively, which in 44 units are in Gekbrong and 50 units are in Warungkondang by used questionnaire. Data processing was conducted by used output orientated and variable return to scale (VRS) DEA (Data Envelopment Analysis) model. Determination of efficiency was referred to Koopmans definition. Rice miller was efficient if operates on the frontier (efficiency score/ES equal to one) and achieves zero slack of all variables used. In addition, to overcome the difference between to sub-districts, a comparative analysis was conducted by using statistical Minitab Release 13.20.

Mostly, owner of rice millers were male, rice miller business as main job, and ownership of rice miller was private. Rice milling industry was dominated by makloon type. This type offered milling service to consumers and had small
capacity, This study concluded that rice milling industry in study site was inefficient.

This study was case study of rice milling industry. So, it could not be generalized to general condition of Indonesian including differences of sample size, observations type, location, and so forth. Further research can uses other method or tools programs to examine the efficiency of rice miller and also determine factors affecting inefficiency of rice miller, conducting research in a different location, and so forth related to efficiency of rice milling industry to obtain information that are not captured in this study.

Government is expected to conduct research on rice mill industry efficiency nationally. The research is addressed to obtain information the efficiency of various types of rice miller in all provinces. So, it can be used as consideration in determining the appropriate policy for this industry. Policies are not only considering producers (farmers) and consumers but also rice milling industry as an industry that linking producers and consumers in rice agribusiness system.

Keywords: efficiency, rice milling industry, DEA