



Performance of the Trade Service Regarding Supervision of Subsidized Fertilizer Distribution in Balikpapan City

Andi Purnamasari^{1*}, Khairil Anwar², Devi Permanasari², Sherly Sstantien Totalia²

¹Faculty of Social and Political Sciences, Business Administration Study Program, Mulawarman University, Samarinda, Indonesia

²Balikpapan City Trade Office, Indonesia

Received: November 10, 2024

Revised: November 30, 2024

Accepted: December 6, 2024

Published: December 31, 2024

Corresponding Author:

Andi Purnamasari

andiitapurnamasari07@gmail.com

DOI: [10.29303/ujcs.v5i4.776](https://doi.org/10.29303/ujcs.v5i4.776)

© 2024 The Authors. This open access article is distributed under a (CC-BY License)



Abstract: This study aims to evaluate the Performance of the Balikpapan City Trade Office in supervising the distribution of subsidized fertilizers, which is an important element in supporting the agricultural sector and food security. Subsidized fertilizers play a role in providing access to farmers to obtain fertilizers at affordable prices, but challenges such as uncertainty of supply and uneven distribution are still problems. The research method used is descriptive qualitative with data collection through documentation and interviews. The results of the study indicate that the trade office has implemented integrated and comprehensive supervision standards, including planning, implementation, and monitoring of fertilizer distribution. Although there has been progress in the availability of fertilizers, the evaluation indicates the need for improvements in inter-agency cooperation and distribution systems to increase the effectiveness of supervision. With reports on the circulation of fake fertilizers, the Trade Office conducts direct supervision at kiosks and farmer groups and coordinates with related agencies to ensure effective distribution.

Keywords: Performance; Distributor; Subsidized Fertilizer

Introduction

Distribution of Subsidized Fertilizer is one of the important aspects in supporting the agricultural sector in Indonesia, including in Balikpapan City. Subsidized fertilizer is proposed to help farmers in increasing agricultural productivity and ensuring food availability. Farmers complain because the price of fertilizer is getting more expensive and it is getting harder to get fertilizer for farmers' needs. Therefore, one of the roles of the Trade Service in Balikpapan City is to be able to regulate and supervise the Distribution of Subsidized Fertilizer so that it can be right on target and can help farmers to ease in getting fertilizer at an affordable price.

Balikpapan City, as one of the rapidly developing cities in East Kalimantan, has its own challenges in supervising the distribution of subsidized fertilizers. With rapid economic growth and increasing food needs, fertilizer distribution management is becoming increasingly crucial. The Trade Office in Balikpapan City

is responsible for ensuring that subsidized fertilizers are available and accessible to farmers according to their needs. However, various problems often arise, including uncertainty of supply, inappropriate prices, and uneven distribution.

The performance of the Trade Office in supervising the distribution of subsidized fertilizers needs to be evaluated in depth to determine the extent to which they are able to carry out their duties and responsibilities. This study aims to analyze the effectiveness of supervision carried out by the Trade Office, focusing on various aspects such as distribution mechanisms, field monitoring, and communication between officers, distributors, and farmers. Through this analysis, it is hoped that useful information can be obtained to improve subsidized fertilizer distribution policies and practices in the future.

The fertilizer subsidy is a government policy that aims to provide fertilizer set by the government at the Highest Retail Price (HET) (Putu et al., 2021). In

How to Cite:

Purnamasari, A., Anwar, K., Permanasari, D., & Totalia, S. S. (2024). Performance of the Trade Service Regarding Supervision of Subsidized Fertilizer Distribution in Balikpapan City. *Unram Journal of Community Service*, 5(4), 376–380. <https://doi.org/10.29303/ujcs.v5i4.776>

accordance with the regulation of the Minister of Agriculture Number 01 of 2024 concerning amendments to the Minister of Agriculture Number 10 of 2022 concerning the method of determining the Allocation and Highest Retail Price of subsidized fertilizers in the agricultural sector. In order to increase agricultural productivity and support national food security. This policy has been established in Indonesia since 1969 and continues to be adjusted according to the needs of the agricultural sector.

The Subsidized Fertilizer Program is one of the government's efforts to make it easier for farmers to obtain fertilizer at affordable prices, so that they can meet their fertilizer needs according to the type of plant and the condition of their land (Putu et al., 2021). This policy is expected to help farmers to increase their harvest and welfare. As an agricultural country, the existence of farmers in Indonesia also plays a very important role in the national economy. To achieve the objectives of the subsidized fertilizer program, the monitoring function is a tool used by the government to ensure that the program runs effectively and efficiently, as well as a balanced fertilization strategy to increase agricultural productivity and production. This is supported by the use of subsidized fertilizers, coordination of discussions on needs planning, and provision of distribution.

The government has authority through the Fertilizer and Pesticide Supervisory Commission (known with KPPP), which functions as a coordination platform for fertilizer and pesticide supervision. KPPP is formed by the Governor at the provincial level and by the Regent/Mayor at the district/city level, with the main task of supervising the procurement, distribution, storage, and use of fertilizers and pesticides in their respective regions. Supervision is carried out both directly on the provision and distribution of fertilizers to farmer groups (farmers) and indirectly through monitoring and evaluation of supervision reports from related agencies and the district/city Fertilizer Monitoring Team. In accordance with the Regulation of the Minister of Trade of the Republic of Indonesia Number 4 of 2023, which regulates the procurement and distribution of subsidized fertilizers for the agricultural sector, there are provisions regarding how government subsidies are used to meet farmers' needs based on government programs in the agricultural sector

The Fertilizer and Pesticide Supervision Commission (known with KP3) is a forum that coordinates supervision between related agencies in the field of fertilizers and pesticides, both at the provincial level as determined by the governor and at the district/city level. Efforts to overcome fertilizer and pesticide problems are also expected to be carried out by the Civil Servant Investigators (known with PPNS) of Fertilizers

and Pesticides, especially in resolving criminal cases. According to the regulation of the Minister of Trade of the Republic of Indonesia Number 4 of 2023 concerning the procurement and distribution of subsidized fertilizers for the agricultural sector, it regulates how the procurement and distribution of subsidized fertilizers from the government are used for farmers' needs based on government programs in the agricultural sector (Herlambang et al., 2023; Sumbarwati, 2016). Effective supervision of the distribution of subsidized fertilizer is essential to ensure that the government's subsidy program is running according to the needs of farmers, because the subsidized program is designed to increase agricultural productivity and farmer welfare. With supervision, the government can ensure that fertilizer distribution is carried out on time and in accordance with the amount needed by farmers, thereby reducing the risk of shortages (Harianto & Thony, 2023).

Overall, the performance of the Trade Office in supervising the distribution of subsidized fertilizers in Balikpapan City greatly determines the success of the government's subsidy program. With strict and systematic supervision, it is hoped that the distribution of subsidized fertilizers can run smoothly and provide maximum benefits for farmers and the agricultural sector as a whole. This study aims to evaluate this performance comprehensively and provide recommendations for improving the supervision system in the future.

Method

This study aims to evaluate the performance of the Balikpapan City Trade Office in supervising the distribution of subsidized fertilizers. Subsidized fertilizers are one of the important tools to increase agricultural productivity, so effective supervision is needed to ensure proper distribution and reduce deviations.

The method used in this study is qualitative descriptive, this approach allows researchers to dig up in-depth information about the supervision process carried out by the trade service, as well as the challenges faced in its implementation.

The population of the study consisted of all employees of the Trade Service involved in supervising the distribution of subsidized fertilizers. The sample will be taken using a purposive sampling technique, namely selecting respondents based on certain criteria, such as relevant positions and work experience.

Data collection techniques use interview and documentation methods. The interview method will be conducted with trade department employees and related stakeholders, such as farmers and distributors, to

gain perspective on supervision procedures and challenges faced. In addition, the documentation method is to collect data from official documentation, performance reports, and archives related to supervision of subsidized fertilizer distribution.

Results and Discussion

Supervision of Subsidized Fertilizer in Balikpapan City

a) Implementation of Supervisory Standards

The implementation of supervision standards on subsidized fertilizers in Indonesia is carried out in an integrated and comprehensive manner to ensure that the distribution and use of subsidized fertilizers are carried out effectively, efficiently, and in accordance with applicable provisions. Based on the decree of the Minister of Agriculture number 142/kpts/OT.050/2/2016, the central fertilizer and pesticide supervision commission has stipulated that in order to implement supervision of the procurement, distribution and use of fertilizers and pesticides to avoid deviations, comprehensive integrated supervision is needed between related agencies in the field of fertilizers and pesticides.

The implementation of the Subsidized Fertilizer supervision standards carried out by the Trade Service in Balikpapan City involves various strategic steps to ensure that fertilizer distribution is carried out in accordance with applicable regulations and that there is no price or quantity manipulation (Karmeli et al., 2020). To ensure the quality of subsidized fertilizers in Balikpapan City government regulations, the standard for distributing subsidized fertilizers in Balikpapan City is regulated in Balikpapan Mayor Regulation Number 44 of 2015, this regulation determines the needs and highest retail prices for subsidized fertilizers used in the agricultural sector. Balikpapan Mayor Regulation Number 44 of 2015 is an important foundation in managing the distribution of subsidized fertilizers, ensuring that all processes run in accordance with applicable provisions for the welfare of farmers and food security in the area.. The following are the standard prices for subsidized fertilizer in Balikpapan City:

Table 1. Standard Prices of Subsidized Fertilizer in Balikpapan City

Types of Fertilizers	Price
Urea Fertilizer	Rp. 2,250/kg
SP-36 Fertilizer	Rp. 2,300/kg
NPK Fertilizer	Rp. 3,300/kg

b) Determination of Supervisory Activities

The implementation of the activities of the Trade Service in supervising subsidized fertilizers in Balikpapan City is a complex process and involves

various stages that aim to ensure that the distribution of subsidized fertilizers runs well, is right on target, and can provide maximum benefits for farmers. The implementation of activities carried out by the Trade Service in supervising subsidized fertilizers in Balikpapan City involves several activities. Each stage has an important role in ensuring that fertilizer distribution runs smoothly and in accordance with the provisions.

The following are the supervisory activities carried out by the Trade Service in Balikpapan City, namely:

1. Supervision planning

The trade office conducted a survey to understand the need for subsidized fertilizer in various agricultural sectors in Balikpapan City by collecting data on the types of fertilizer needed and the amount needed by farmers.

2. Implementation of supervision in the field

The Trade Office visited fertilizer distributor kiosks to verify the legality and availability of fertilizers and the Supervision Team visited subsidized fertilizer distribution locations to check whether the distribution process was running in accordance with applicable provisions. Such as checking fertilizer stocks, physical conditions of fertilizers, and compliance with distribution procedures that have been set.

3. Distribution Monitoring System

The trade office conducts regular visits to distributors and retailers to ensure compliance with regulations and records the amount of fertilizer distributed and verifies receipt by retailers.

c) Measurement of activity implementation

1) Observation

Observation is a method of data collection carried out by observing objects or phenomena directly and in a structured manner. With the aim of obtaining accurate and objective information about the conditions being studied. In the context of monitoring the distribution of subsidized fertilizers in Balikpapan City. The observation method is applied by visiting farmers and kiosks in the area. This includes monitoring by observing agricultural land, the type of appropriate fertilizer, and planting and harvesting times.

In Balikpapan City, the distribution of subsidized fertilizer is still ongoing according to the allocation that has been set. Farmers in this area reported that they are still receiving fertilizer quotas according to their needs, although there are concerns about the possibility of a reduction in allocation in the coming years.

2) Report

The report on the implementation of this activity is submitted through the results of the activity reported

both verbally and in writing. Distributors are required to report the procurement and distribution of subsidized fertilizers routinely every month. Meanwhile, official retailers must report the realization of procurement, distribution, and availability of fertilizers to distributors. The following are some reports regarding supervision of subsidized fertilizer retail kiosks:

Table 2. Supervision of Subsidized Fertilizer Kiosks in Balikpapan City

Stall	Findings
Fertilizer Kiosk PT. Indonesian Trading Company	This kiosk does not face many problems. Fertilizer arrives on time from the distributor. However, in the distribution process, business actors must comply with applicable provisions and regulations.
CV. Abidzar Fertilizer Kiosk	The problem with this kiosk is that it does not routinely provide updated fertilizer stock reports.
Anugrah Tani Fertilizer Kiosk	This kiosk does not face many problems because the fertilizer always arrives on time from the distributor. However, the main problem with this kiosk is the lack of providing updated fertilizer stock reports regularly.
Andy's Store Fertilizer Kiosk	This kiosk does not face many problems because the fertilizer always arrives on time from the distributor. However, the main problem with this kiosk is the lack of providing updated fertilizer stock reports regularly.

Performance Measurement

a) Performance Evaluation

Evaluation of the performance of the Trade Office in supervising the distribution of subsidized fertilizers in Balikpapan City shows that although there has been progress in terms of the availability and accessibility of fertilizers for farmers. Cooperation between agencies and improvement of the distribution system are the keys to increasing the effectiveness of supervision and ensuring that subsidized fertilizers reach the hands of entitled farmers without any obstacles.

The trade office is responsible for overseeing the distribution of subsidized fertilizers aimed at supporting agricultural productivity and maintaining price stability. In this evaluation, several aspects of performance include the availability of fertilizers, compliance with the highest retail price (HET) and the quality of the products distributed.

One of the main indicators in the evaluation is the availability of fertilizer in several markets in Balikpapan City. The trade office conducts routine monitoring to ensure that subsidized fertilizer stocks are sufficient and easily accessible to farmers. However, the evaluation results show that there are still remote areas that have difficulty in obtaining fertilizer, so further efforts are

needed to improve accessibility. In addition, compliance with HET is also a major focus.

The Trade Office regularly conducts tests to ensure that fertilizers meet the established standards. Although most products meet the criteria, there are still reports of fake or low-quality fertilizers circulating in the market. This requires the Trade Office to improve coordination with related parties, such as producers and distributors to ensure product quality.

b) Evaluation of Fertilizer Availability

The evaluation of the availability of subsidized fertilizers carried out by the Trade Office in Balikpapan City is a strategic step to ensure that fertilizer distribution is in accordance with applicable regulations and meets the needs of farmers. This activity involves direct supervision at various official kiosks and farmer groups, where the Trade Office team makes visits to ensure the availability of fertilizer stocks and ensure the legality of documents such as the Sales and Purchase Agreement and Business Identification Number. In this supervision, the trade office also seeks to identify problems that may arise. Such as accessibility constraints and inappropriate prices.

One of the main focuses of this evaluation is to ensure that subsidized fertilizers actually reach the hands of farmers who need them. Through collecting feedback from farmers and kiosk owners, the trade office plans to provide recommendations to Pupuk Indonesia to improve the distribution system to make it more accessible, especially in areas with signal constraints. The Trade Office also evaluates the availability of subsidized fertilizers based on farmers' needs each year, including the amount of quota per farmer and the types of fertilizers available. For example, in a given year, farmers receive a certain quota for Urea and NPK fertilizers.

c) Inter-Agency Coordination

Coordination between related agencies in the management of subsidized fertilizer distribution carried out by the Trade Office in Balikpapan City is very important to ensure the smoothness and effectiveness of fertilizer distribution to farmers. The trade office works with various parties, including the Ministry of Agriculture, Pupuk Indonesia, and other local agencies, to formulate clear policies and procedures in fertilizer distribution. One form of this coordination is through socialization held to improve the understanding of distributors and kiosks regarding the principles of proper distribution. Such as, quantity, price, time, and quality.

In carrying out supervision, the trade office also involves related agencies in ensuring that subsidized fertilizer reaches farmers in accordance with applicable

provisions. This supervision activity includes direct visits to official kiosks and farmer groups to verify that fertilizer distribution is carried out correctly and according to allocation. Through good coordination between these agencies, the Trade Office seeks to overcome various challenges that arise in the distribution of subsidized fertilizer, while ensuring that farmers get fair and timely access to their fertilizer needs.

Conclusion

The results of the study indicate that the Trade Office has implemented integrated supervision standards in the distribution of subsidized fertilizers. This is important to ensure that subsidized fertilizers can be accessed by farmers according to the predetermined allocation. However, there are several challenges that still need to be overcome, such as uncertainty in fertilizer supply, uneven distribution, and compliance with the highest retail price (HET). These challenges can have a negative impact on agricultural productivity and, ultimately, food security in Balikpapan City.

Although routine monitoring is carried out by the Trade Office, the evaluation results show that remote areas still experience difficulties in obtaining fertilizer. This indicates the need for improvements in the existing distribution system, as well as increased cooperation between agencies to ensure that all farmers, especially those in remote areas, can easily access fertilizer. In addition, reporting on fertilizer procurement and distribution by distributors and retailers which is carried out periodically also shows progress, although some kiosks experience problems in reporting irregular stocks. The availability of adequate fertilizer in the field is one indicator of success, but concerns about future allocation reductions remain a concern. Therefore, it is important for the Trade Office to continue to monitor and evaluate the allocation of subsidized fertilizer so that it remains in accordance with farmers' needs.

the need for increased coordination between agencies involved in fertilizer distribution, as well as improvements in the distribution system to ensure fairer and more effective distribution to farmers. With these steps, it is hoped that supervision of subsidized fertilizer distribution can be improved, thereby supporting the sustainability of the agricultural sector and food security in Balikpapan City.

Overall, this study emphasizes the importance of effective supervision and inter-agency collaboration in addressing existing challenges, as well as ensuring that all farmers, without exception, can gain fair access to subsidized fertilizer.

Acknowledgements

I would like to express my deepest gratitude to:

1. Khairil Anwar, SE. M.Sias an External Supervising Lecturer
2. My familywho always provides encouragement and motivation
3. All Employees of the Trade Servicewho have shared knowledge and experience
4. Colleagueswhich has provided a pleasant working environment
5. Mulawarman UniversityFor the facilities and resources that have been provided to support this research.

References

- Putu, N., Darapalgia, M. H., Aromatica, D., & Putera, R. E. (2021). Pengawasan Distribusi Pupuk Bersubsidi Di Kota Padang. *JPP: Jurnal Administrasi Publik Dan Pembangunan*, 3(2), 85–100. <https://ppjp.ulm.ac.id/journals/index.php/jpp>
- Herlambang, E., Guntara, D., & Abas, M. (2023). Optimalisasi Pengawasan Pengadaan dan Penyaluran Pupuk Bersubsidi Dihubungkan Dengan Peraturan Menteri Nomor 4 Tahun 2023. *Binamulia Hukum*, 12(1), 47–56. <https://doi.org/10.37893/jbh.v12i1.328>
- Karmeli, E., Fitryani, V., & Warokah, E. (2020). Optimalisasi Pengawasan Pupuk Bersubsidi Di Labuhan Badas Kabupaten Sumbawa. *Jurnal Ekonomi Dan Bisnis*, 8(3). <https://doi.org/10.58406/jeb.v8i3.566>
- Sumbarwati, W. D. (2016). Analisis Strategi Penyediaan Pupuk Bersubsidi Bagi Petani Di Kabupaten Demak Provinsi Jawa Tengah (Studi Pada Dinas Pertanian Kabupaten Demak). *Jurnal Litbang Provinsi Jawa Tengah*, 14(1), 25 -. <https://doi.org/10.36762/jurnaljateng.v14i1.364>
- Harianto, S., & Thony AK, A. (2023). Analisis Penerapan Kebijakan Dan Distribusi Pupuk Bersubsidi Di Kabupaten Muara Enim. *Jurnal Imiah Management Agribisnis (Jimanggis)*, 4(1), 11-18. <https://doi.org/10.48093/jimanggis.v4i1.147>