

Supply chains of shallots (*Allium ascalonicum* L.) in central Java, Indonesia

I.W. Arsanti, M.H. Böhme

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Abstract

In Indonesia, horticultural commodities provide a promising prospect for economic development. One of the important horticultural commodities is shallot (*Allium ascalonicum* L.). There is a high demand for shallot in Indonesia, with as much as 14% of the demand being met by imports. On the other hand, possibilities exist to export this commodity. However, the industry in Indonesia suffers from low production, fluctuating prices in the domestic market, an underdeveloped marketing system, various export barriers and increasing competition from imported shallots. To overcome these problems, the Government of Indonesia has been conducting the Horticulture Agribusiness Development Program in Supply Chain Management. This study is an attempt, in part, to evaluate the distribution channels for shallots cultivated in the main shallot producing centre in Brebes, Central Java. The results suggest that there are four main distribution channels for shallots. The form of the distribution channel influences the price, the profitability, costs and the marketing margin. Farmers tend to be price takers, selling shallots to local collector agents (85%), traditional wholesalers (5%) and local retail markets (10%).