Abstract: The workwear market is highly competitive and stable in revenue growth. Structure, conduct, and performance approach was used to analyze the condition of pineapple market in Kualu Nenas Village. The study used the survey method. The farmers were selected as respondents by simple random sampling. Rural wholesalers, big wholesalers, agroindustry pineapple chip were selected by snowball sampling. The marketing channel was descriptively explained and the quantitative data were analyzed. The study result indicate that (1) Almost of the farmers sale their pineapple product to wholesaler because they highly depended on rural wholesaler, (2) the market structure at rural level, big wholesaler level was of middle concentration oligopsony revealing that the farmer only had medium power in influencing the market, (3) the market conduct showed big wholesaler integration of pineapple price at the markets, both horizontal and vertical, and (4) the market performance showed a relatively big marketing margin and was dominated by a big and uneven profit share. This shows the inefficiency of pineapple marketing, harming the low level wholesaler and farmer at the lowest position. The implication of this study is the farmapine cooperative to sale their product. The group strategy on marketing is to profitably and efficiently utilize present and future agricultural product marketing. The group hopes to consolidate considerable goodwill already created by exercising the option.

Keywords: structure; conduct; performance; farmapine; cooperative marketing.

1. Introduction

1.1. Background

Kualu Nenas village has diverse agro ecology and many areas are suitable for growing temperate, tropical fruits. Substantize areas receive sufficient rainfall could also be used to support pineapple production. Pineapple production is tied to specific locations due to the resources base is not best suited at other locations such as Dumai, Selat Panjang and Siak. Despite this potential the total land area under pineapple fruits is small and mainly smallholder based. according to Van der Laan (1999) that scale of agricultural production tends to be small, seasonal, and agricultural products exhibit natural variation.

To The knowledge gap or pineapple production techniques and processing technologies is wide. A production of pineapple is seasonal and price is inversely related to
supply. During the peak supply period the prices decline. The situation is worsened by the perishability of the pineapple and poor storage facilities. Yet, by virtue of the spatial dispersion of farmers and consumers, perishable nature and storability of product, pineapple markets are prone to high transaction costs and significant risks. The nature of the product on one hand and lack of organized marketing system on the other often resulted in low producers price. Pricing inefficiencies arise when pineapple markets contain monopsony elements, if market are perfectly competitive and prices reflect real costs of production, it can be shown that markets will lead to an optimal allocation of resources reflecting the scarcity of resources to consumer demand.

Based on research conducted in the village of Kualu Nenas Kampar indicates that there is a tendency to farmers whose income is relatively low prefer to sell pineapples in traders village that is not burdened costs of marketing and has a close relationship / high dependency with merchants gatherer village in terms of borrowing money / capital. This causes farmers have no other choice in selling their products and selling prices are relatively low and are determined unilaterally by the merchant. However, uncertainties are likely to face greater selling prices. Similarly, the scarcity of financial resources to farming people become very pronounced. Strength institutions to capital services at these locations are relatively limited and small-scale capital. This is partly thought to cause the amount of capital invested in pineapple farming is limited according to his ability. The reluctance of farmers to bear the risk of negatively related to the level of welfare or measured by income levels and the extent of ownership of land. The farmers generally do not have the capacity of facilities, costs, and an understanding of the marketing of agricultural products were produced so that the marketing role was taken over by the merchants. They also face severe credit constraints, as they find it very difficult getting approved for loans (Obeng, 1994)

In the current study, we will concern ourselves with the Kualu Nenas pineapple farmers. Progressively, cooperative marketing model are becoming important as financial and based on proximity advantage also in the markets. Jedicka (2006) argue that institutions in the leading role that Austrian firms play as financial intermediaries in integrating the CEECs, and how its behaviour might be influenced by competition and regulatory policies to the benefit of society.

We examine the structure-conduct-performance (SCP) relationship of marketing pineapple. This standard approach used in firm behavior and the market’s performance. Most empirical studies solely estimate the relationship between structure and performance for the fact that there appears to be a positive relationship between concentration and profitability.

1.2. Objectives of the study

The study on some problems of pineapple marketing in the Kualu Nenas village aimed at:
1. Identifying the marketing channel.
2. Knowing the marketing structure.
3. Knowing the marketing conduct.
4. Knowing the marketing performance.
5. Creating cooperative marketing model of farmapine.

2. Related Works

2.1. Agricultural Transformation Concept

Agricultural transformation according to Timmer and Alderman (1993) is process of transfer of farm households subsystem oriented toward the commercial is also influenced by the environment. Agriculture transformation can be defined as a change of form,
characteristics, structure, and capabilities of farming systems that stimulate, foster, develop and nourish the economy of rural communities. Borrowing Pranadji opinion and Endang (2004), the transformation of rural agribusiness and anticipation is a response to demands for better living progress, and globalization of markets. Agribusiness transformation characterized by changes that include aspects of the market association and economic orientation, type of technology, quality manpower, and resources used, sources of capital, existing organizational forms, business services, and so forth.

Further studies conducted Mellor (1984) shows the relationship between the sector with other sectors in line with the growth of the economy. Stagnation that occurs in the agricultural sector will inhibit the growth of the industrial sector due to delays in the flow of raw materials from agriculture are required. Similar delivered by Jhingan (1990) that there should be a proper balance between investment in agriculture and industry as both are complementary. The increase in output in the industrial sector needs to expand output in the agricultural sector. In connection with that one model that can be developed in rural areas to reduce poverty is to focus on the transfer of resources to the agricultural industry through market mechanisms as proposed Lewis (1954). Unlimited supply of small farmer households can increase savings and capital formation through the market process. Lewis theory gives an overview of the role of capital formation to the development of employment opportunities and productivity gains in the capitalist sector and the subsequent Lewis argued that the increase in productivity is the circumstances that led to the development process continues.

2.2. The structure-conduct-performance approach

The structure-conduct-performance (SCP) approach is a standard economics tool used in analysing agriculture market. The approach establishes a causal relationship between market structure, firm conduct and market performance. Empirically, the relationship between structure and performance is more easily observable. Typically, firm conduct is omitted from such analyses since measurement from given data poses severe problems. Once the relationship has been established, the resultant information then can be used to set policy goals. Competition policy attempts to influence market structure while regulatory policy aims to alter the economic agent’s conduct (Carlton and Perloff, 2000).

2.3. Farmapine Cooperative Marketing

The Farmapine cooperatives were formed as a result of the unsatisfactory arrangements between outgrowers. According to the cooperative members, the cooperatives were formed to enhance their ability to attract help in producing and marketing their produce. Technoserve, a US-based development agency, has been assisting the cooperative members to improve their production and management practices (Boselie & Muller, 2002). The cooperative members, however, were still constrained by the lack of a reliable market source and lack of access to credit.

3. Material & Methodology

3.1. Description on the study area

Kampar Regency Village Kualu Nenas District of Mine has great potential for the development of agro-industries pineapple chips. The area of pineapple which land is used for cultivation of pineapple in the district of Kampar Regency Mines is reached 81.90% or an area of 1,550 hectares, of which the village spreads across an area of 1,050 ha Kualu Nenas and Rimbo Panjang Village area of 500 ha. Land productivity reached 15 tons/ha or in
Kabupaten Kampar pineapple production in 2010 reached 23,250 tons with the highest production in the village of 15,750 Tons. There are 14 homeindustry of pineapple chips.

3.2. Types and sources of data
In order to address the objectives of this study both primary and secondary data were used. The primary data were collected using two types of interview schedule for farmers and traders. Secondary data are collected from different sources, such as: government institutions, reports, bulletins and websites.

3.3. Sampling methods
The study used the survey method. The farmers were selected as respondents by purposive sampling. Rural wholesalers, big wholesalers, agroindustry pineapple chip were selected by snowball sampling.

3.4. Method of data analysis
Two types of analysis, namely descriptive and quantitatif analysis are used. The marketing channel was descriptively explained and the quantitative data were analyzed by: (1) ratio concentration, market share, and index Herfindahl approach to know the market structure of pineapple; (2) the corellation and price transmission elasticity to know the market conduct of pineapple, namely the correlation for the horizontal pineapple market integration. The price transmission elasticity to know vertical pineapple market integration, and (3) the marketing margin and profit share to know the marketing performance.

3.4.1. Market concentration measure
The concentration ratio is a way of measuring the concentration of market share held by particular suppliers in a market. It is the percentage of total market sales accounted for by a given number of leading traders. Thus a four trade concentration ratio is the total market share of the four traders with the largest market shares. The greater degree of concentration is the greater the possibility of non competitive behavior existing in the market. Kohl & Uhl (1985) bring to play as a rule of thumb, the four largest enterprises concentration ratio of 50% or more can indication of a strongly oligopolistic industry, 33-50% (a weak oligopoly) and less than that (competitive industry).

\[ C = \sum_{i=1}^{r} Si \]

Where:
C is concentration ratio
Si is market share of the traders
r is the number of largest traders for which the ratio is going to be calculated

3.4.2. Corelation analysis
\[ r = \frac{\frac{n \sum Xi Yi - (\sum Xi)(\sum Yi)}{\sqrt{n \sum Xi^2 - (\sum Xi)^2 \cdot n \sum Yi^2 - (\sum Yi)^2}}}{\sqrt{n \sum Xi^2 - (\sum Xi)^2 \cdot n \sum Yi^2 - (\sum Yi)^2}} \]

Where:
r = corelation of pineapple price on market X and market Y
n = the number of sample
Xi = the price of pineapple on market X (Rp/kg)
Yi = the price of pineapple on market Y (Rp/kg)

3.4.3. Market integration

\[ Pf = d_0 + d_1 Pf_{t-1} + d_2 (Pr - Pr_{t-1}) + d_3 (Pr_{t-1}) + e_i \]

Where:
- \( Pf \) = the price of pineapple on farmers at \( t \)
- \( Pf_{t-1} \) = the price of pineapple on farmers at \( t-1 \)
- \( Pr \) = the price of pineapple on wholesaler at \( t \)
- \( Pr_{t-1} \) = the price of pineapple on wholesaler at \( t-1 \)
- \( d_0 \) = constanta
- \( d_1, d_2, d_3 \) = coefisien regression
- \( e_i \) = disturbance error

Thus, index of market integration:

\[ IMC = \frac{1 + d_1}{d_3 - d_1} \]

If IMC < 1 : high integration and then IMC > 1 : lower integration

Elasticity transmission of price (Et):

\[ Et = \frac{1}{b_1} \cdot \frac{Pr}{Pf} \]

Where:
- \( Et \) = elasticity transmission of price
- \( Pf \) = the price on farmer
- \( Pr \) = the price on wholesaler
- \( b_1 \) = coefficien regression

Model simple linear regression to be used to estimate parameter:

\[ Pf = b_0 + b_1 Pr + e_1 \]

Where:
- \( Pf \) = the price on farmer (Rp/kg)
- \( Pr \) = the price on wholesaler (Rp/kg)
- \( b_0 \) = constanta
- \( b_1 \) = coefficien regression
- \( e_1 \) = disturbance error
4. Result and Discussion

4.1. Pineapple Marketing Channel

Marketing channels are also referred to as a distribution channel or channels of trade marketing can be described as a route or pathway. Marketing channels that used must be an efficient tool to achieve the goal. In expediting the flow of goods and services from producers to consumers, one important factor is to choose the channels of effective and efficient marketing.

Based on this research, marketing channels pineapple in Kualu Nenas village there are 3 forms of marketing channels. Marketing channels pineapple I started from pineapple fruit farmers sell directly to consumers at prices ranging from Rp. 2500, - to Rp. 4.500, - depending on the size pineapple. However, I have relatively few channels have been farmers partly due to the additional marketing costs incurred for land transport and transport of approximately Rp. 500, - / fruit. Besides the risk of rotten pineapples possibility if not sold and the farmers hope to soon have the money in a short time.

Channel I

Rp. 2500/pieces – Rp. 4.500,-/pieces

![Figure 2. Pineapple Marketing Channel I at Kualu Nenas Village.](image)

Marketing channels II ranging from farmers to traders subsequently sold to Large-scale trade and then sold to local retailers and between provinces such as West Sumatera and then retailers to sell directly to consumers. With more length of the marketing channels will have an impact on the level of prices received by farmers pineapple lower tendency because every marketing agencies will take part profits. The shorter chain of the agricultural commodity trading system, lower cost for the trading system, lower margin for trading system, the price to be paid by consumers getting lower, and the price received by producers higher.

Channel II

Rp. 2000-3000/pieces

![Figure 3. Pineapple Channel Marketing II in the Kualu village](image)

Marketing channels III start from farmers sell pineapples to the agro-industry person. In this case the selling price received by farmers’ pineapple fewer than Channel Marketing II which is the towing of agro-industries so that they obtain raw materials and there are also...
some actors agro-industry binding farmers by lending money. Pineapple farmers selling their produce to the agro-industry person, especially when the supply or production of pineapple overflow / very much.

Channel III

![Figure 4. Pineapple Channel Marketing III at Kualu Nenas village](image)

3.2. Market Structure

The term market structure refers to the number of buyers and sellers, their size distribution, the degree of product differentiation and ease of entry of new firms into an industry (Abbott & Makeham, 1981) Examples of such dimensions include:

a. Degree of buyers and sellers concentration: number and size distribution of buyers and sellers in the market.

b. Barriers to potential entrants: refers to the relative ease or difficulty with which new dealer may enter into market. Technological, economic, regulatory, institutional, and other factors that inhibit firms from engaging in new business or entry into new markets. Qualitative analysis of market structure, including the analysis of entry barriers out of the market, are categorized as follows: (a) Perfect competition when marketing agencies easily in and out of the market; (b) Market monopoly if it is possible other traders to enter the market; (c) Oligopoly market if the trader is difficult to enter the market.

c. Degree of product differentiation: refers to the extent to which competing products in a market are differentiated and it expected to influence the competitive interrelationships of sellers in the market.

From the results of research conducted on the commodity pineapple Village Kualu Nenas indicate that the market structure is oligopoly because there are still limitations to come out into the market. This is partly due to the strong bonds between farmers and traders as well as agro-industry in selling pineapples, either in the form of a loan or agreement made collectively so that the opportunity to sell to other traders also dibatasi. Struktur This causes farmers' bargaining position is weak compared to the merchant, especially in obtaining a decent price.

The market structure of pineapple is assessed using market concentration ratio, degree of market transparency and condition of entry into and exit from trade. The result is listed as follow:

4.2. The Degree of Market Concentration

Market concentration refer to the number and relative size distribution of buyers and sellers in the market. As we know that the population in the study area mostly subsistence farmers pineapple that is certainly illustrates that the number of farmers as sellers than buyers are very much outcome or traders. Reality on the ground shows that the higher the level of middlemen, the less amount. This indicates that the level of middlemen determined by one of them is the capital owned by the merchant. The more capital owned by the merchant then the more traders can buy pineapple produced by farmers.
Some middlemen / marketing agencies that participate in the distribution activity pineapples from farmers to consumers, which is much less when compared to farmers who produce pineapples, will indirectly affect the level of market competition and the level of concentration ratio. In the village there are 14 traders Kualu Nenas and 15 perpetrators of agro-industries. Merchants Limited will operate on many farmers and individual, will affect the structure of the market. Large-scale traders have a high transaction volume, because competition is less stringent than the merchants who are on the below level. Thus the trader at the top level has a great chance to influence the market.

From Table 1 shows that the largest market share at the level of big traders. Based on the calculation of market share and concentration ratio can be seen that the market share of the four wholesalers of 0.6878 with a concentration ratio of 68.78% so that the structure of the market that occurred leading to a concentration oligopsony being. Similarly, of the 4 traders village obtained a market share of 0.5469 with a concentration ratio of 54.69% indicates that market structure occurred leading to a concentration oligopsony low. Hal shows that the higher the level the more the number of purchases traders, as traders high level can master trader who underneath level.

<table>
<thead>
<tr>
<th>No</th>
<th>Trader Gatherer Level Marketing Pineapple and Pineapple Wholesalers Kualu village</th>
<th>Pineapple sales level (kg)</th>
<th>Market Share %</th>
<th>Concentration Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Traders collectors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>85500</td>
<td>0.1081</td>
<td>10.81</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>93750</td>
<td>0.1185</td>
<td>11.85</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>102000</td>
<td>0.1289</td>
<td>12.89</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>110250</td>
<td>0.1393</td>
<td>13.93</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>118500</td>
<td>0.1498</td>
<td>14.98</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>85500</td>
<td>0.1081</td>
<td>10.81</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>102000</td>
<td>0.1289</td>
<td>12.89</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>93750</td>
<td>0.1185</td>
<td>11.85</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>791250</td>
<td>1.0000</td>
<td>100.00</td>
</tr>
<tr>
<td></td>
<td>large-scale traders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>102000</td>
<td>0.1561</td>
<td>15.61</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>110250</td>
<td>0.1688</td>
<td>16.88</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>118500</td>
<td>0.1814</td>
<td>18.14</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>110250</td>
<td>0.1688</td>
<td>16.88</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>102000</td>
<td>0.1561</td>
<td>15.61</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>110250</td>
<td>0.1688</td>
<td>16.88</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>653250</td>
<td>1.0000</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source : Data Processed 2015

Market structure occurred in the commodity marketing pineapple leads to imperfect competition market structure. Despite the market structure oligopsony happens only difference concentration, it there is a concentration of high, medium and low concentration or no light. Marketing Kualu Nenas pineapple in the village leads to the concentration of market structure oligopsony being. Market structure can be determined quantitatively by value...
Market Share and concentration ratios (Cr), as in order to facilitate the flow of production from producers to consumers, so one important factor that should not be overlooked is selecting appropriate distribution channels to be used. What is meant by distribution channel here is the institutions that have a distribution channel activities for the production of hand producer to consumer. Marketing agency is a business entity or individual who organizes marketing, channel services and commodities from the producer to the end consumer and has relationships with other entities or individuals.

Characteristics of agricultural products will affect the marketing mechanism. Therefore, it often happens that the market prices of agricultural production into sharp fluctuations, and if only the price of agricultural production fluctuates, it is often harmed is on the side of the farmer or producer. Because of such incidents, the farmer or manufacturer requires the strength of themselves or in groups with others to carry out marketing.

4.2.1. Degree of market transparency

The degree of market transparency refers to the timeliness and reliability of market information that the traders have for their marketing decision. In a transparant market participants have adequate information about their competitors regarding their source of supply and buying prices for better decision. The market of pineapple is well characterized by lack of transparancy in timeliness and reliability. It has also as certained that traders have more privileged in information access than farmers.

4.2.2. Barriers to entry and exit

Qualitative analysis of market structure, including the analysis of entry barriers out of the market, are categorized as follows:

a. Perfect competition when marketing agencies easily in and out of the market.
b. Market monopoly if it is possible other traders to enter the market.
c. Oligopoly market if the trader is difficult to enter the market.

From the results of research conducted on the commodity pineapple indicate that the market structure is oligopoly because there are still limitations to come out into the market. This is partly due to the strong bonds between farmers and traders as well as agro-industry in selling pineapples, either in the form of a loan or agreement made collectively so that the opportunity to sell to other traders also dibatasi. Struktur This causes farmers' bargaining position is weak compared to the merchant, especially in obtaining a decent price. In this case the farmer is positioned as the price so that the recipient does not have the ability to affect the selling price of pineapple.

4.3. Market Conduct

Market conduct refers to the market behavior of all firms. In what way do they compete? Are they looking for new techniques and do the apply them as practicable? Are they looking for new invesment opportunities, or are they disinvesting and transferring funds else where? Market conduct also deals with the behavior of firms that are price searchers and are expected to act differently than those in a price taker type of industry.

Analysis of market integration is used to see the integration of pineapple prices at farm level (Pf) and at the level of traders (Pr) used correlation analysis. Based on correlation analysis obtained by the correlation coefficient between the price received by farmers and traders at 0.414. That is, any price increase of Rp 1, - at the level of traders it will increase the price by Rp.0.414 at farm level pineapple. Price relationship between traders and farmers pineapple relatively weak. The correlation coefficient between 0-0.5 is weak, which means
farmers' bargaining position is weak with market integration is not perfect so that the marketing of pineapple can be said yet efficient due to efficient marketing if the value of the correlation is 1.

Further price transmission elasticity of $0.5384 < 1$, means that the rate of price changes at the farm level is less than the rate of change of the price at the merchant level. This shows the strength of the institution oligopsony trading system so that the price increase is only enjoyed by traders. It can be said that the marketing of pineapple yet efficient because the elasticity of the transmission is smaller than one. Inefficient marketing system can be reduced by: (1) well implement management function, (2) Attention to SCP approach (Structure, Conduct, Performance). In this case the farmer is positioned as the price so that the recipient does not have the ability to affect the selling price of pineapple. The market mechanisms have to be efficient to be able to play the role of propelling yield. An efficient market system therefore is the one that provides satisfactory and cheap services to consumers or one that maximize the ratio of input and output of marketing (Munonye., 2010).

4.4. Market behavior

Analysis of market integration is used to see the integration of pineapple prices at farm level ($P_f$) and at the level of traders ($P_r$) used correlation analysis. Based on correlation analysis obtained by the correlation coefficient between the price received by farmers and traders at 0.414. That is, any price increase of Rp 1, - at the level of traders it will increase the price by Rp.0.414 at farm level pineapple. Price relationship between traders and farmers pineapple relatively weak. Further price transmission elasticity of $0.5384 < 1$, means that the rate of price changes at the farm level is less than the rate of change of the price at the merchant level. This shows the strength of the institution oligopsony trading system so that the price increase is only enjoyed by traders. It can be said that the marketing of pineapple yet efficient because the elasticity of the transmission is smaller than one.

![Figure 5. Farmapine Cooperative Marketing Model in Kualu Nenas Village](image)

4.5. Cooperative Marketing Model of Farmapine

Marketing development model of cooperative base is an important program to be developed as an attempt to increase of pineapple farmers' income. This model can be raising public awareness to better maximize their own potential through creativity within the group and not because of the facilities provided by the government. The results of this study
recommend that the pineapple farmers market products should join a group / cooperative and market directly to consumers individual by way of retail and for consumers who buy in bulk by way of auction. Further collaboration with the cooperative banking sector facilitated by the government so as to obtain relief in borrowed funds and savings. It can disconnect the dependence of farmers on middlemen and improve the bargaining position of farmers in the sale price of pineapple. Esiebu and Onubuogu (2014) argue that inadequate capital, price fluctuation and inadequate storage facilities are the major constraints militating against its efficient marketing system. It was therefore recommended that effective agricultural policies and programmes should focus on marketers easy access to credits. Infrastructural facilities such as good feeder roads should also be provided for the marketers to reduce spoilage and distressed sales. Marketers should be encouraged to form agricultural marketing cooperatives to eliminate the exploitative activities of some middlemen.

5. Conclusion
The study result indicate that (1) almost of the farmers sale their pineapple product to wholesaler because they highly depended on rural wholesaler, (2) the market structure at rural level, big wholesaler level was of middle concentration oligopsony revealing that the farmer only had medium power in influencing the market, (3) the market conduct showed big wholesaler integration of pineapple price at the markets, both horizontal and vertical, and (4) the market performance showed a relatively big marketing margin and was dominated by a big and uneven profit share. This shows the inefficiency of pineapple marketing, harming the low level wholesaler and farmer at the lowest position.

It was therefore recommended that effective agricultural policies and programmes should focus on marketers easy access to credits. Marketers should be encouraged to form agricultural marketing cooperatives to eliminate the exploitative activities of some middlemen.

References