Analysis of Soybean Raw Materials Inventory Control Using the Economic Order Quantity (EOQ) Method at Saudara Jaya Small Business in Jember Regency; Dr. Muksin, SP, M.Si as the Supervisor.

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## **ABSTRACT**

Saudara Jaya Small Business is one of the popular tofu industries in the Patrang Subdistrict, Jember Regency. This industry produces raw tofu as well as fried tofu. This study aims to determine the optimal amount of soybean raw material inventory that should be carried out by Saudara Jaya Small Business, the right time to repurchase soybeans, optimal frequency for purchasing soybeans raw materials, as well as the total cost of optimal orders made for storing of soybean raw materials for the Small Business Saudara Jaya Jember Regency. This type of research is quantitative descriptive by describing how raw material inventory control is carried out by the company through the obtained data and analyzed it. The analytical tools used in this study include the Economic Order Quantity (EOQ) to determine the optimal quantity of raw material purchases, Re-Order Point (ROP) analysis tool to find out the right time to repurchase raw materials, frequency of purchase in one year, Safety Stock (SS) to determine the safety inventory that the company must have, and Total Inventory Cost (TIC) to determine the total storage costs incurred by the company. Based on the results of the analysis by the EOQ method, Saudara Jaya Small Businesses should order 73.2 tons of raw materials in 2019 with 9 times frequency of ordering, ROP per 165 kg, 2.4 tons of Safety Stock and total Inventory costs of Rp 203,882.

**Key words**: EOQ, inventory control, inventory costs, raw materials, ROP, Safety Stock, TIC, soybeans.