The Application of Raw Material Control of Jember Wine Arabica Coffee at Bedhag Coffee Shop Jember Regency; Ardhitya Alam W., S.E., M.M as the Supervisor.

Brianov Arya Wardana
Agroindustry Management Study Program
Agribusiness Management Department

ABSTRACT

Bedhag Coffee Shop is a business engaged in processing of coffee such as arabica, robusta, and so on. This study aimed to determine the total inventory of raw material for Jember Wine Arabica Coffee which should be done by Bedhag Coffee Shop, when is the proper time to reorder the raw material for Jember Wine Arabica Coffee, and how much is the optimal total ordering cost for procuring raw material of Jember Wine Arabica Coffee. EOQ (Economic Order Quantity) was used as the analytical tool in this study. It included the calculation of Q (Quantity) to determine the optimal number of raw material orders, ROP (Reorder Point) analysis tool to find out when is the proper time to reorder the raw materials, and TIC (Total Inventory Cost) to calculate the total cost of ordering raw materials. Based on the results of EOQ method analysis, Bedhag Coffee Shop should make an order for the raw materials of Jember Wine Arabica Coffee in 2019 as much as 94.6 kg, once ordering frequency by the total cost of Rp 1,934,570.

Keywords: Inventory, Raw Materials, EOQ, ROP, TIC