

***Analysis of Wheat Flour Raw Material Inventory Control with EOQ Method at
UMKM Jessica Bakery Banyuwangi***

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ABSTRACT

This research is a quantitative descriptive research which aims to analyze the optimal amount of wheat flour raw material inventory, analyze the amount of safety stock, analyze the right time of reorder point, analyze the total inventory cost, as well as analyze the comparison of the total cost of raw material inventory between the previous control system and the raw material control system using the EOQ method. The analytical tools used are Economic Order Quantity (EOQ), Safety Stock (SS), Reorder Point (ROP), and Total Inventory Cost (TIC). The results of the research show that using the EOQ, the optimal amount of raw material purchases that must be made by UMKM Jessica Bakery in 2021 is 934 kg. The total inventory cost in 2021 is Rp 494.955 while the total inventory cost in 2022 is Rp 511.734 with an optimal number of raw material orders of 965 kg. The safety stock in 2021 is 236 kg and 162 kg in 2022. The company must reorder raw materials if the raw material inventory is 286 kg in 2021 and 215 kg in 2022. With the EOQ method, UMKM Jessica Bakery is able to save inventory costs amounting to Rp 378.618 in 2021 and Rp 393.521 in 2022.

Keywords: *EOQ, Inventory Control, Raw Material, Wheat Flour, UMKM Jessica Bakery*