

ANALYSIS OF INVENTORY CONTROL OF WHEAT FLOUR RAW MATERIALS USING THE ECONOMIC ORDER QUANTITY (EOQ) METHOD IN UMKM PEANUT CAKE BUSINESS IBU SILVI IN JEMBER REGENCY

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ABSTRACT

This study aims to compare the wheat flour raw material inventory control system using the conventional method of the company and the Economic Order Quantity (EOQ) method at UMKM Kue Kacang Ibu Silvi in Jember Regency. The conventional method used by UMKM Kue Kacang Ibu Silvi is to purchase raw materials when the warehouse is almost empty or running low. This method does not have a safety stock and a reorder point, so it can lead to a shortage or lack of raw materials. The EOQ method was used in this study to analyze the wheat flour raw material inventory control system at the company. The results of the study show that the EOQ method produces an optimal purchase of 1,403 kg with a frequency of 67 orders per year. The optimal safety stock is 71 kg, and the reorder point is 372 kg. The total inventory cost (TIC) using the EOQ method is Rp1,896.73. Based on the results, the EOQ method can improve the efficiency of the wheat flour raw material inventory control system at UMKM Kue Kacang Ibu Silvi. This method can help the company to avoid shortages or lack of raw materials, as well as to reduce inventory costs.

Key words: *Wheat flour, Inventory control, EOQ, UMKM Peanut Cake Bussines Ibu Silvi*