

***Analysis of Raw Material Inventory Control for Chili Peppers in the Production of Onion Sambal Using the Economic Order Quantity Method at CV Jozz, Jember Regency***

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***ABSTRACT***

*CV Jozz is one of the chili sauce production houses with various variants located in Jember Regency. CV Jozz carries out the production process twice a week according to market demand. The results of one production reach 50 pcs of bottle packaging with a content weight of 150gr/bottle. Purchase of raw materials for cayenne pepper as much as 50kg in a period of 2-3 weeks. This study aims to (1) Identify the control of raw material inventory for cayenne pepper in Sambal Bawang at CV Jozz. (2) Analyze the control of raw material inventory for cayenne pepper in Sambal Bawang using the EOQ method at CV Jozz. (3) Analyze the results of the comparison of inventory costs between the raw material inventory system for cayenne pepper in Sambal Bawang with the raw material inventory system using the EOQ method at CV Jozz. The method used is quantitative descriptive. The implementation of the study uses the EOQ approach with analysis techniques including EOQ, ordering frequency, safety stock, total inventory cost and reorder point. The results of the study indicate that the optimal order quantity obtained from the EOQ calculation is 339.5 kg with a purchase frequency of 4 times a year and is carried out once every 75 days, safety stock of 86.756 kg, the reorder point is carried out when the raw material for cayenne pepper is 91.306 kg. The total inventory cost is Rp 1,187,805. The comparison of raw material inventory costs between the EOQ method and the company policy of CV Jozz obtained a cost difference of Rp 2,987,270. This shows that the use of the EOQ method in raw material inventory management has been proven to reduce the company's inventory costs.*

***Keywords:*** Inventory Control, Raw Materials, Chili, EOQ, Onion Sauce