

**Analysis of Raw Material Inventory Control for Cap Squid Crackers Using
the EOQ Method at Poklahsar Mandiri in Banyuwangi Regency**
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ABSTRACT

This research is a quantitative descriptive research with the aim of analyzing the control of raw material inventory that has been implemented by Poklahsar Mandiri and determine the optimal amount of raw material inventory using the Economic Order Quantity (EOQ) method. The company implements raw material management by purchasing raw materials when the raw materials in the warehouse are close to running out or running low. The company has not determined the ideal amount of safety stock and optimal reorder point. This estimation method can result in the company having to purchase raw materials repeatedly without any calculation. The method used in this study to solve the company's problems is to use the EOQ method. The method economic order quantity (EOQ) uses five analytical techniques, namely analysis of optimal raw material purchases (EOQ), order frequency, safety stock (SS), reorder point (ROP), and total inventory cost (TIC). The data used is Poklahsar Mandiri production data in 2019-2020. The results showed that the company purchased raw materials of 12,600 kg (2019) and 9,600 kg (2020) for one purchase with a purchase frequency of 48 times (2019) and 36 times (2020) in a year. Meanwhile, when using the EOQ method, the optimal number of orders is 415 Kg (2019) with 30 orders per year and 375 Kg (2020) with 27 orders per year. The total cost of inventory (TIC) according to the EOQ method is more efficient with savings of IDR 625,258 in 2019 and IDR 472,675 in 2020.

Keywords: Inventory Control, EOQ