

The Role Of The Binjai Tavip Market As A Distribution Center For Local Agricultural Products In Binjai, North Sumatra

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Abstract— Tavip Binjai Market is one of the main markets in Binjai City, North Sumatra, which has a strategic role in the distribution of local agricultural products. This study aims to analyze the role of Tavip Binjai Market in distributing agricultural products, identify factors that affect the effectiveness of distribution, and formulate strategies to improve market efficiency as a distribution center. The research methods used include qualitative and quantitative approaches with data collection techniques through observation, interviews, and literature studies. The results of the study show that the Tavip Binjai Market plays a role as the main trade and distribution center for local farmers, maintaining price stability, increasing the income of farmers and MSMEs, and supporting food security in the Binjai area and its surroundings. However, the effectiveness of distribution in this market is still influenced by several obstacles, such as limited infrastructure, suboptimal logistics systems, dependence on intermediaries, and competition with imported products. To overcome these challenges, this study recommends several strategies, including improving market infrastructure, optimizing transportation and logistics systems, strengthening the role of cooperatives and partnerships, utilizing digital technology in marketing, and enforcing regulations that support price stability and protection of local products. With the implementation of the right strategy, it is hoped that the Tavip Binjai Market can be more optimal in supporting the distribution of local agricultural products, thereby providing greater economic benefits for farmers, traders, and the community as a whole.

Keywords: *Tavip Binjai Market, distribution of agricultural products, market infrastructure, logistics system, digital marketing.*

I. INTRODUCTION

Traditional markets have a strategic role in supporting the regional economy, especially in the distribution of local agricultural products (Suryani et al., 2020). As one of the main trade centers in Binjai City, Tavip Binjai Market serves as a distribution center that connects local farmers with consumers, both on a household scale and in small and medium industries. The existence of this market not only helps farmers in marketing their agricultural products, but also contributes to price stability and the availability of food in the surrounding area (Rahmawati, 2019). In North Sumatra, the agricultural sector is one of the backbones of the regional economy, with superior commodities such as rice, vegetables, fruits, and other horticultural crops (BPS North Sumatra, 2021). However, challenges such as price instability, dependence on middlemen, and lack of logistics infrastructure often hinder the optimization of agricultural product distribution (Simatupang & Siregar, 2022). In this context, the Tavip Binjai Market has an important role in shortening the distribution chain, increasing market accessibility for

farmers, and supporting local economic growth (Hidayat & Wibowo, 2021).

Number of Individual Agricultural Business Actors Subsector by District in Binjai City (people).

Table 1. Binjai City Agricultural Business Actors in 2024:

District	Individual Agricultural Business Actors	Number of Farmers	Food Crop Farmers	Petani Horticu lture	Pekeb un
South Binjai	2.491	2.446	908	690	825
Binjai City	163	158	17	74	46
East Binjai	1.538	1.498	623	527	383
North Binjai	2.197	2.135	1.014	656	360
West Binjai	1.586	1.547	186	638	382
Binjai (Total)	7.975	7.784	2.748	2.585	1.996

Based on data on the number of individual agricultural business actors in Binjai City in 2024, there are 7,975 individuals engaged in the agricultural sector, with the majority focusing on the food crop sub-sectors (2,748 farmers) and horticulture (2,585 farmers). The sub-districts with the highest number of agricultural business actors are South Binjai (2,491 people) and North Binjai (2,197 people), which show great potential in the production of agricultural products. However, the effectiveness of the distribution of agricultural products still faces various challenges, such as price instability, limited market infrastructure, and the dominance of intermediaries in the supply chain.

As a key market that accommodates and distributes local agricultural products, Tavip Binjai Market has an important role in reducing distribution barriers, shortening the supply chain, and increasing the accessibility of agricultural products for consumers. Therefore, an in-depth analysis of the effectiveness of the role of the Tavip Binjai Market as a distribution center for local agricultural products is needed, including factors that affect distribution and market optimization strategies as a more efficient agricultural trade center.

This study aims to analyze the role of the Tavip Binjai Market in the local agricultural product distribution system, identify the factors that affect its effectiveness, and explore strategies that can be applied to improve the efficiency of the market as a distribution center. With a better understanding of market dynamics, it is hoped that this research can provide policy recommendations for local governments and business actors to improve the welfare of farmers and strengthen food security in Binjai City (Nasution et al., 2023).



II. LITERATURE REVIEW

2.1 The Concept of Traditional Markets and the Distribution of Agricultural Products

Traditional markets are trade centers that play an important role in the distribution of agricultural products, especially in urban and rural areas. According to Kotler & Keller (2016), a market is a meeting place for sellers and buyers to make transactions for goods and services. In the context of agriculture, traditional markets function as the main distribution channel that connects farmers with end consumers (Saragih, 2019).

Traditional markets have several main characteristics, such as direct transactions between sellers and buyers, bargaining systems, and the diversity of products sold (Hidayat, 2020). In the distribution system of agricultural products, traditional markets help shorten the supply chain, so that products can be sold at more competitive prices than through intermediaries or middlemen (Suwanto, 2018).



Figure 1. Jalan Jendral Sudirman Binjai

2.2 The Role of Traditional Markets in the Distribution of Local Agricultural Products

Traditional markets such as the Tavip Binjai Market have a strategic role in supporting the supply chain of local agricultural products. According to research conducted by Prasetyo (2021), traditional markets in various regions contribute in several main aspects. Traditional markets have a strategic role in the distribution of local agricultural products, especially in improving accessibility for farmers. Through traditional markets, farmers can sell their crops directly to consumers without having to rely on large distributors, thereby shortening the distribution chain and increasing their profits. In addition, the existence of traditional markets also contributes to stabilizing the price of agricultural products. With a balance between demand and supply, the price of agricultural products tends to be more stable, reducing the risk of price fluctuations that can be detrimental to farmers and consumers (Yulianto, 2019). Furthermore, traditional markets also encourage regional economic growth by creating various job opportunities. Trade activities in this market not only involve traders, but also market workers and other informal sector workers, which ultimately contributes to improving people's welfare (Rahayu, 2020).

2.3 Factors Affecting the Effectiveness of Traditional Markets as Distribution Centers

The success of traditional markets as distribution centers for agricultural products is influenced by several main factors. The success of traditional markets as distribution centers for agricultural products is greatly influenced by various factors, one of which is market infrastructure and facilities. The availability of adequate transportation access, a good storage system, and maintained sanitation are important elements in ensuring the smooth distribution of agricultural products from farmers to consumers (Setiawan, 2018). In addition, the market governance system also plays a role in determining the efficiency of the market as a trading center. Clear regulations related to the management of levies,

licensing, and distribution supervision can increase transparency and effectiveness of market operations (Sulistyo, 2021). However, in the midst of economic development, traditional markets face major challenges from modern retail. The growth of supermarkets and minimarkets has reduced the dominance of traditional markets in the distribution of agricultural products, so innovation in services and marketing strategies is needed so that traditional markets can remain competitive and survive in the midst of changing consumer preferences (Sari & Nugroho, 2020).

III. METHOD

This study uses a descriptive qualitative approach to describe the role of the Binjai Tavip Market as a distribution center for local agricultural products in Binjai, North Sumatra. This approach was chosen to gain a deep understanding of the dynamics of the distribution of agricultural products, the interaction between market players, and the factors that affect market efficiency in supporting local farmers.

The research location is centered at the Tavip Binjai Market, which is one of the main markets in the region and serves as a distribution center for agricultural products from the surrounding area. The subjects of the study include market traders, farmers who supply agricultural products, buyers or consumers, as well as market managers and local governments related to market regulation and management. Informants are selected purposively to ensure that the data obtained is relevant to the research objectives. Data collection techniques include several methods. First, in-depth interviews were conducted with key informants, including market traders, farmers, and market managers, to dig up information on distribution mechanisms, challenges faced, and strategies implemented in maintaining the stability of supply and prices of agricultural products. Second, participatory observation is carried out to directly observe trading activities in the market, distribution patterns of goods, as well as infrastructure and facilities that support market operations. Third, the documentation study includes the collection of secondary data such as government reports, market policies, and statistical data related to the trade of agricultural products in Binjai.

Data analysis was carried out descriptively with a thematic approach which included data reduction, data presentation, and conclusion drawn. This process begins by summarizing and grouping data based on key themes, such as the role of the market in the distribution of agricultural products, the economic impact on farmers and traders, and the challenges in market management. The data is then presented in the form of a descriptive narrative to provide a comprehensive overview of the role of the Binjai Tavip Market in supporting the distribution of local agricultural products in Binjai, North Sumatra.

IV. RESULT AND DISCUSSION

1. Analysis of the Role of Tavip Binjai Market in the Distribution of Local Agricultural Products

Tavip Binjai Market is one of the main markets in Binjai City which has a strategic role in the distribution of local agricultural products. As a trading center that connects farmers, traders, and consumers, this market contributes to maintaining price stability and improving the welfare of agricultural business actors. The existence of this market not only makes it easier for farmers to access to sell their crops, but also ensures the availability of agricultural products for the community at more competitive prices.



Figure 2. Jalan Pasar Tavip binjai

As a trading and distribution center, Tavip Market is a prime place for local farmers to sell their crops. Various agricultural products such as vegetables, fruits, and other commodities are traded directly or through intermediaries of wholesalers and retailers. The existence of this market facilitates the distribution of products from the production area to consumers, both within Binjai City and the surrounding areas. With this market, the supply chain of agricultural products becomes more efficient and helps farmers obtain a wider market. Apart from being a trading center, Tavip Market also has a role in maintaining price stability and the availability of agricultural products. The market mechanism that takes place in the Tavip Market allows the price of agricultural commodities to be determined based on supply and demand. With this market, farmers get access to sell products at more competitive prices, while consumers can get products at reasonable prices and stable availability. This role is crucial in avoiding excessive price spikes and ensuring that people continue to have access to fresh food at affordable prices.

Furthermore, Pasar Tavip contributes to increasing the income of local farmers and micro, small and medium enterprises (MSMEs). As the main marketing channel for agricultural products, this market provides opportunities for farmers to improve their economic welfare. In addition, MSMEs engaged in the processing of agricultural products, such as agricultural-based processed food traders, also benefit from trading activities in this market. With an active market, the agriculture-based economic sector can continue to grow and create more business opportunities.



Figure 3. Jalan Pasar Tavip binjai

Not only benefiting farmers and traders, Tavip Market also plays a role in creating jobs for the local community. High market activity requires labor in various fields, such as loading and unloading workers, cleaning workers, and transportation services. Thus, this market contributes directly to improving people's welfare through the creation of wider employment opportunities. In addition, Tavip Market also supports local food security by providing easy access to fresh agricultural products. Consumers can get quality food at affordable prices, while farmers have a stable market to sell their agricultural products. The existence of this market ensures that the food needs of the community can be met in

a sustainable manner, while supporting the growth of the agricultural sector in the region.

In carrying out its role, Pasar Tavip also faces various challenges in the distribution of local agricultural products. One of the main challenges is the market infrastructure that still needs improvement to improve the convenience and efficiency of trading. In addition, competition with imported products is also a challenge that can affect the price of local products. The distribution system that still relies on intermediaries often reduces direct profits for farmers, and price fluctuations due to weather and harvest season factors are also obstacles in maintaining price stability.



Figure 3. Tavip Binjai Market

To increase the effectiveness of the distribution of local agricultural products through the Tavip Market, several strategic steps can be taken. First, there is a need to improve market infrastructure to make it cleaner, more comfortable, and more modern. Second, the development of a digital marketing system for farmers and traders is urgently needed in order to reach a wider market and reduce dependence on intermediaries. Third, partnerships between the government, farmer cooperatives, and traders need to be strengthened to create a more efficient distribution system. Finally, improving market accessibility through improved transportation and logistics can help facilitate the distribution of agricultural products from producers to consumers. By optimizing the role of Pasar Tavip in the distribution of local agricultural products, it is hoped that the regional economy will grow. In addition, the welfare of farmers and local business actors can increase sustainably, creating a healthier trade ecosystem and supporting the growth of the agricultural sector in Binjai City and its surroundings.

2. Identify the factors that affect the effectiveness of distribution in the Tavip Binjai market.

The effectiveness of the distribution of agricultural products in the Tavip Binjai Market is influenced by several main factors that determine the smooth flow of goods from producers to consumers. Identifying these factors is important to understand the challenges that exist and find solutions to improve the efficiency of the distribution system.

Factors affecting the effectiveness of distribution in the Tavip Binjai Market:

Market Infrastructure, The physical condition of the market, such as the availability of adequate roads, loading and unloading facilities, proper storage, and market cleanliness, greatly affects the smooth distribution. Inadequate infrastructure can hinder the movement of goods and increase operational costs for traders.

Transportation and logistics systems, accessibility to markets and available transportation systems determine how quickly and efficiently agricultural products can get to market. If transportation is not optimal or logistics costs are too high, then product distribution becomes less effective and can have an impact on selling prices. **The Role of Intermediaries in Distribution:** In the trading

system in the Tavip Market, there are still many intermediaries who play a role in the distribution of products. The existence of too many intermediaries can reduce direct profits for farmers and increase selling prices to consumers. Price fluctuations and harvest seasons, the price of agricultural commodities is greatly influenced by the harvest season and weather conditions. When the harvest is abundant, prices tend to fall, while when supply is reduced, prices rise dramatically. This instability can affect the effectiveness of distribution because the supply of products is not always evenly distributed throughout the year.



Figure 4. Tavip Binjai Market

Competition with imported products, imported products that enter the market often have more stable prices and can compete with local products. If there is no adequate protection for local products, then the competitiveness of farmers in the market becomes weak, thus affecting the distribution and sustainability of their businesses. Government policies and market regulations, trade-related policies, price regulations, transportation subsidies, and support for local farmers also affect the distribution of agricultural products in the market. Policies that favor farmers and smallholders can improve distribution effectiveness by reducing bottlenecks in the supply chain.

Consumer demand and preference, high market demand for fresh and quality products determines how quickly agricultural products can be sold. If the product does not match consumer preferences or experiences a decrease in quality during the distribution process, then the effectiveness of distribution becomes less than optimal. By understanding these factors, corrective measures can be implemented to improve the effectiveness of distribution at the Tavip Binjai Market. Infrastructure optimization, transportation system improvement, market digitalization, and appropriate policy support will contribute to more efficient and sustainable distribution.

3. Develop strategies to increase the role and efficiency of the Tavip Binjai Market as a distribution center for local agricultural products

To improve the role and efficiency of the Tavip Binjai Market as a distribution center for local agricultural products, a comprehensive and sustainable strategy is needed. This strategy includes aspects of infrastructure, distribution systems, policies, technology, and empowerment of farmers and business actors. One of the main steps is to improve the market infrastructure by building and improving facilities, such as larger loading and unloading areas, adequate storage areas, and good drainage systems. Market modernization with better sanitation facilities is also needed to support the hygiene and health of agricultural products. Optimizing the transportation and logistics system is an important factor in accelerating the distribution of agricultural products. Improving road access to markets and providing more efficient transportation services will increase the smooth flow of goods. Local governments can work with logistics providers to ensure faster delivery of goods and more affordable transportation costs for farmers and traders.

On the other hand, strengthening the role of cooperatives and partnerships with business actors can help increase farmers' bargaining power towards intermediaries and wholesalers. Encouraging the formation of farmer cooperatives will allow the distribution of agricultural products to be carried out collectively. In addition, partnerships with the private sector, such as supermarkets and restaurants, can be a solution to expand the market for local products. The use of technology and market digitalization can also be a solution to improve trade efficiency. The implementation of digital marketing systems, such as e-commerce platforms or specialized applications for transactions between farmers and buyers, can shorten the distribution chain. With this system, farmers can sell their crops directly to consumers or traders at more favorable prices.



Figure 5. Jalan Jendral Sudirman Binjai

The government also plays a role in controlling price fluctuations through stabilization mechanisms, such as the provision of storage warehouses that can be used during overproduction. In addition, educating farmers about more planned planting patterns will help avoid surpluses or scarcity of certain products in the market. Regulations that support the protection of local products also need to be implemented to face competition with imported products. Policies such as the imposition of import tariffs or incentives for local farmers can maintain market balance. Empowerment and training for farmers and traders are important aspects in improving the quality and quantity of crops. More productive agricultural technique training and business management will help farmers in increasing productivity. Meanwhile, training for traders on modern marketing systems and stock management will support smooth distribution in the market.

Strengthening regulations and market policies must also be considered. Local governments need to ensure that existing regulations support the sustainability of trade in the Tavip Binjai Market, including fair price regulation, transparency in distribution, and more professional market management. Clear regulations will help create a healthy business environment for farmers, traders, and consumers. By implementing these strategies, Tavip Binjai Market can function more optimally as a distribution center for local agricultural products. Efficiency in the distribution system will provide benefits for all parties, ranging from farmers who get better prices, traders who have wider access to products, to consumers who can enjoy fresh products at stable prices.

Conclusion

Based on the results of the study, it can be concluded that the effectiveness of the Tavip Binjai Market as a distribution center for local agricultural products is influenced by various factors, including market infrastructure, transportation and logistics systems, the role of cooperatives and partnerships, and the use of technology in trade. The main obstacles faced are limited facilities, suboptimal transportation access, and the maximum use of digital technology in marketing and distribution. To improve the role and efficiency of the Tavip Binjai Market, a comprehensive strategy is

needed that includes infrastructure improvements, logistics system optimization, strengthening the role of cooperatives, the application of digital technology, and policies that support price stability and the protection of local products. In addition, empowering farmers and traders through training and clear regulations is an important factor in creating a more sustainable market ecosystem. With the implementation of the right strategy, Tavip Binjai Market can function more optimally as a distribution center for local agricultural products, which will ultimately improve the welfare of farmers, expand market access, and ensure the availability of quality agricultural products for the community.

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