

## **ABSTRACT**

*Koperasi Peternak Bandung Selatan (KPBS) Pengalengan is one of the biggest dairy farmer cooperatives which located in Bandung Area. Every day, KPBS Pengalengan can produce 135 tons of fresh milks from the members. Problem in KPBS Pengalengan located in there is no specified planned for inventory of raw material. This condition caused surplus and lack of raw material. Because of that, KPBS Pengalengan must have better planned of inventory system for minimize that problem.*

*In this research, the solution method is used Lot Sizing Approach. Based on concept of this method is choose the best combination inventory of raw material planning in every periods.*

*Processing data do in two steps, first is forecast. Then Lot Sizing Techniques. Lot Sizing Approach used are Economic Order Quantity, Lot For Lot, Least Unit Cost, and Wagner-Within Algorithm. According to data calculation, we conclude that the best method for recommendation is Wagner-Within Algorithm. Process of choosing method is based on minimum cost from all of Lot Sizing method is used. Total cost in this method give inventory efficiency cost Rp132.393.238,65 that is equal 52.42% if it compared with inventory existing cost.*

*Keywords : inventory, Lot Sizing, Wagner-Within Algorithm.*