

TOURISM IN BALI: AN OPPORTUNITY TO INCREASING FOOD LOCAL SUPPLY TO TOURIST DEMAND

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ABSTRAK

Sektor pariwisata merupakan motor penggerak bagi perekonomian Provinsi Bali. Hal ini telah dibuktikan dari kontribusi sektor pariwisata terhadap Produk Domestik Regional Bruto (PDRB) yang terus meningkat, dari sekitar 20% pada tahun 1970an menjadi lebih dari 60% pada tahun 2007. Hal ini membuka peluang bagi sektor lainnya di Bali termasuk sektor pertanian untuk berkembang, tidak hanya untuk memenuhi kebutuhan lokal tetapi juga kebutuhan pariwisata. Tulisan ini bertujuan untuk mengidentifikasi peluang dan tantangan sektor pertanian, khususnya daging sapi Bali sebagai produk lokal untuk memenuhi permintaan wisatawan. Penulisan studi ini dilaksanakan melalui Studi Pustaka dengan berpedoman kepada sumber-sumber yang relevan seperti hasil penelitian dan tulisan-tulisan sebelumnya.

Hasil studi menunjukkan bahwa produk lokal seperti daging sapi Bali memiliki peluang untuk bisa masuk ke pasar yang lebih modern seperti pada hotel berbintang, restoran dan institusi yang berkaitan dengan pariwisata. Hal ini dapat menghemat devisa negara dan meningkatkan pangsa pasar daging sapi Bali di pasar modern serta sekaligus dapat menciptakan lapangan pekerjaan di Bali. Namun pada sisi lain, daging sapi lokal belum memiliki standar *grading* dalam sistem pemasarannya, sehingga hal ini menjadi suatu tantangan bagi pemerintah untuk bisa menetapkan standar tersebut. Suatu strategi diperlukan untuk mempromosikan daging sapi Bali di pasar modern dengan menerapkan konsep bauran pemasaran dalam sistem agribisnis.

Kata kunci: pariwisata Bali, sektor pertanian, permintaan daging sapi, peluang

INTRODUCTION

Economic development in Bali Province focuses on three main poles: agriculture, small-scale industry and tourism. The role of agricultural sector in the economy has been falling, shown by a decrease contribution of this sector to the Gross Domestic Regional Product (GDRP), from more than 60% in 1970s to less than 30% in 2008. Rapid growth of tourism in Bali has led this sector to a leading contributor to the economy, accounted for more than 60% of GDRP in 2007 (Bali BPS, various issues). From the economic's point of view, Bali tourism sector has many positive impacts such as foreign exchange generation & expansion of employment at direct linkages like hotels, restaurants and travel agents. It also has indirect linkages to other sectors such as handicraft industry, food production and processing, as well as retail business.

Number of visitors coming into Bali has been increasing, despite of twice bomb attacks at the beginning of 2000. According to Bali Tourism Board the number of international tourists has reached about 1.9 million in 2008, the highest number of Bali's tourism history (Diparda, 2008). Tourism facilities has also been developed to fulfill the increasing demand for rooms and other related facilities. Bali has 274 star-rated hotels and 39,903 rooms (BPS, 2008).

Belisle (1984) indicated that tourism can be an important development tool for developing countries as this sector creates linkages and accelerates growth in the economic sectors. A number of research has been carried out regarding linkages between tourism sector and the Bali economy, including Erawan (1994) and Antara (2002). Other studies concerned with sustainable tourism for Bali, including

Dalem and Astariani (2000) and Harmini (2005). These studies considered awareness of managing ecotourism objects in Bali. However, limited sources have been published concerning tourism sector in conjunction with the tourist demand such as food consumption. This study identifies opportunities as well as threats for Bali agricultural products to fulfill the tourist demand in general and discusses beef demand for high end markets in Bali.

Linkages between Tourism and Agricultural Sector in Bali

The impact of tourism on Bali's economy has been studied by Erawan (1994) and Antara (2002). A study by Erawan (1994) on tourism and Bali's economy development indicated that tourism multiplier effect in Bali was 1.2 and increased to 1.5 in the next ten years. It implies that tourism sector has positively affected the Bali's economy where every US\$1,000 spent by tourists in Bali will have further impact to the production economy by US\$ 1,200 up to US\$ 1,500.

A research by Antara (2002) on linkages between tourism and agricultural sector in Bali using a Social Accounting Matrix (SAM) Approach also found that tourism has positively effect to the Bali's economy. The total effects of tourists expenditure in Bali was 3.743, consisted of 0.752 of factors account multiplier, 0.788 of institutions account multiplier and 2.203 of production account multiplier. The tourist expenditure effects on production sector of 2.203 implies that every \$1,000 increase in tourist expenditure brings about and increase in total demand for production of \$2,203. Furthermore, Antara indicated that out of 28 sectors of production accounts, 27 sectors attained effects of multiplier ranging from 0.001 to 0.507. Hence, almost all sectors in the economy including agriculture has the impact from the tourist expenditure. Looking at more details of agricultural sector, highly response of product to tourist expenditure are

maize, vegetables, fruits, and animal husbandry and its derived products.

It can be summarized from the above mentioned studies that tourism sector in Bali has a positive impact on the Bali's economy. Tourism has an important role in generating foreign exchange and employment. It can also create linkages with other economic sectors such as food production and processing. Agricultural sector has an opportunity to fulfill demand for tourist consumption. Increasing number of tourists coming into Bali implies more food for tourist consumption. In many cases, lots of food are imported outweighing local production which reduces the net economic impact of tourist expenditure. This experience has been noted by Belisle (1994) taking an example of Jamaican tourism. If much of the food for tourist consumption is imported, it will reduce the net economic benefits of tourism from tourist expenditure. In turn, this will reduce potential employment and income for local farmers.

Bali Beef Supplies for Tourist Demand

Worldwide, the island of Bali is known for tourist destination. However, in the national level, Bali is also known for one of the main cattle producing area for Indonesia. About 60% of cattle traded in Bali, accounting for about 70,000 head, is sent to the inter-island markets especially to Jakarta. Bali cattle are known for their desirable traits. They have high fertility and good meat production (Ambarawati, 2003). Tulloh (1978) noted that Bali cattle have a dressing percentage between 50% and 55%.

Beef is a small but growing part of the meat industry in Bali Province. Many reviews have been published on the meat quality of Bali cattle. These cover its chemical analysis and organoleptic evaluation. Based on tenderness, one of the major yardsticks of meat quality, Bali beef is often claimed to be tough meat and not of high quality. This is because cattle are commonly slaughtered above 3 years of age. This in turn results in dark red coloured, strong flavoured and tough meat. However, attempts

have been made to improve the quality of Bali beef. A lot of progress has been made in this field through feed and feeding management, implantation of growth hormones, disease control, slaughtering practices and ageing. For example, a study by Nitis (1983) concluded that concentrate supplementation to cattle feed resulted in an increase in organoleptic evaluation, especially on their tenderness. Arka (1990) also reported significant improvement in meat quality by implanting tyroxin sub-cutan. The colour of lean meat became brighter and there was an increase in its marbling score.

The beef industry on the island of Bali involves multiple markets and marketing stages. The demand for beef in Bali is met from two different markets: the wet market, and the higher end market, also known as the HRI (hotel, restaurant and institutional) market. The demand for fresh beef at the wet market comes from the local population and is supplied entirely from domestically slaughtered cattle. The wet market comprises some 80 per cent of the total beef demand in Bali. On the other hand, the Bali HRI market is currently satisfied by both Bali beef and imported beef. The star-rated hotels, selected supermarkets and catering companies demand local beef, chilled and frozen imported beef, depending on their mix of customers (Ambarawati, 2003).

Local beef is acceptable for higher-end markets such as hotels, restaurants and institutions (HRI markets), however it is competing with imported beef. Frozen and chilled beef are imported for high quality of product to fulfil the tourist demand. This imported beef, most of it from Australia, competes with the local beef in the tourist sector (Ambarawati, 2003). Before the financial crisis in mid 1997, imported beef dominated beef supply to the HRI market and Bali beef accounted for only a small amount of the total beef demand. Previously, Bali imported at average of 900 tons per year, reaching a peak before the financial crisis in 1997/1998. However, since the financial crisis Bali beef has increasingly been accepted to fulfil demand from the HRI market. Bali beef is now a strong

substitute for imported beef in the HRI market. However, imported beef is not a substitute for Bali beef in the wet market because of preference and quality differences.

One of the weaknesses of the beef marketing system in Bali has been the lack of standards for grading. The intention of upgrading local beef to compete with imported beef cannot be realised if a benchmark is not available. Hence, the Bali government needs to consider introducing a grade benchmark for Bali beef entering the higher-end market. A survey has been conducted by Ambarawati (2003) to find out beef grade required by selected star-rated hotels and supermarkets in Bali (presented in Table 1).

Table 1.
Beef grade required by selected four and five star-rated hotels in Bali

Grade required by selected hotels*)	Grade sold at selected supermarkets**)
Sirloin	Sirloin
Striploin	Striploin
Rump	Fillet
Topside	Topside
Tenderloin	Inside
Rib-eye	Top round
Chuck square	Shank
Smoked beef loin	Brisket
Button round	Silverside

Source: Ambarawati (2003)

Remarks:

*) The Grand Bali Beach, Putri Bali Hotel and Natour Kuta, 2001.

***) Hero and Tiara Dewata Supermarkets, 2001.

As can be seen from Table I, Bali beef needs to grade its meat quality according to the customers wants. This becomes a challenge for marketers to fulfil the demand. It is recognised that it is not easy to meet the tourist demand. Belisle (1984) reported obstacles of how local products to increasing food supplies for tourism in Jamaica. This is due to the I price and irregular availability.

Owing to the lack of grade benchmark of Bali beef in the HRI market, investment policy by the local government to support processing sector is required. The Bali government can run training or other facilities for beef stakeholders, from farmers to retailers, to support high quality of Bali beef provision.

STRATEGY TO PROMOTE BALI BEEF

To boost Bali beef in the HRI markets, it requires a strategy to promote it. In the marketing system, there is a strategy called a marketing mix concept which comprises of four things namely product, price, the promotion component and the channel of distribution. These four parts are correlated, where decision on one part of the marketing mix will influence decisions on others (Kotler, 2000).

The product part of the marketing mix in terms of Bali beef has several dimensions. It is not only related to the physical aspects of product, but also including planning and developing Bali beef, so that possesses attributes to meet consumers wants. As presented in Table I, marketers need to meet the HRI markets wants. Hence, investment in processing sector needs to be improved and expanded to meet customers wants. Branding strategy is one of many tools to make the potential customers to the product. Local product such as beef from Bali can be branded as Bali beef to make the customers awareness of this product.

A pricing strategy is another part in the marketing system of Bali beef to be considered. This strategy must take into account possible actions of competitors, in this case imported beef. However, price level sometimes convey the image of a product to consumers. Tourists may prefer imported beef from their country than the local one as they are accustomed to it taste and quality. Accordingly, price strategy becomes another thing possible of competitors.

Promotion is part of the marketing mix concept to inform and persuade present and potential customers of the product. Bali beef promoted in a such a way, so that

possesses position in the customers mind. Take an example, the Australian Horticultural Council (AHC) introduced the Australia Fresh brand in 1995 to improve Australian products in the export markets. The logo was introduced by the AHC to distinguish Australian produce from their competitors. Accordingly, Bali beef can take a lesson from the Australia Fresh brand by promoting Bali beef in the HRI markets. Bali beef promotion can send main messages to the customers that product is clean, hygienic, healthy and local product to support local resources.

Channel of distribution is selected to fit the rest of marketing mix. A channel is a composed of the sequence of marketing firms used to move the product to final consumers. The beef industry on the island of Bali involves multiple markets and marketing stages. The demand for beef in Bali is met from two different markets: the wet market, and the HRI market. There is more opportunity for Bali beef to enter the HRI markets as more sophisticated supermarkets are available such as Carrefour, Giant and Hypermart. Lots of tourists go there to fulfil their daily needs. The marketers is responsible for selecting the marketing channels to ensure that the product reaches the customers at the right place, right time and right price.

CONCLUSION

The study finds that local product such as Bali beef has an opportunity to enter the high end markets such as star-rated hotels, restaurants and institutions (HRI markets). This is not only to save foreign exchange, but also to increase the market share of Bali beef in the HRI markets and by the same creating more employment within the island. To support that opportunity, a standard for grading for the high end market is required so that Bali beef can compete with imported beef in the marketing system. This becomes a challenge for the government to upgrade local beef to compete with imported beef. A strategy is required to

promote Bali beef to the HRI market by applying the marketing mix concept in the agribusiness system. Branding of Bali beef to the markets together with its promotion will bring messages to the customers that the product is clean, hygienic, healthy and local resource.

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