

## **Development of Agroindustry Based Tourism:**

### **Tea Industry Case Study**

Didik Purwadi

Department of Agroindustrial Technology, Faculty of Agricultural Technology Universitas Gadjah Mada, Jl. Flora No.1 Bulaksumur 55281, Indonesia. Email: didik@ugm.ac.id\*

#### Abstract

Tourism is one of the needs of human being. Agroindustry is one of the potential sources for tourism now and the near future. The objectives of this research are: (1) identify the factors which influence to the development of agroindustry based toursm, (2) analysis internal and external factors of the system of agroindustry based tourism.Agroindustry which has plantation, harvesting and processing tends to be developed by companies in order to spread out the mission of company, and also give deep understanding to customer and it also as a corporate social responsibility. Company's management, farmers, workers, customers, and government are the actors of agroindustry based tourism. They have their needs and their roles for agroindustry tourism. This research can contribute to the development of ecotourism as well as sustainable natural resource development.

Keywords: agroindustry, tourism, sustainable develeopment).

#### **1. INTRODUCTION**

Tea industry consists of tea plantation, tea processing and marketing. Tea plantation provides tea leaves as raw material for producing tea. Tea processing is responsible for producing tea product.Many stakeholders contribute to this tea industry such as farmers (tea pickers), management, and factory workers. In order to optimize the role of each stakeholder in tea industrial system, it should be managed through system approach. It is inline to Tranter et al (2007) concluded that any stakeholder misgivings about decoupling support for farmers were misfounded in terms of food production, land use and rural development issues. So far Liao and Yhang, (2008)explained that current subsidy mechanism should be adjusted, credit market is very important for famers, market risk should be considered, and multiple incentive programs shoud be developed.

Tourism is one of the human being need after food, houses and clothes. Even as a secondary need, but now tourism is getting more important than previous time. Previously the object of tourism usually only based on historical matters, such as tamples, palaces; or natural resources such as beaches, mountains, lakes, etc.; or cultural activities such as traditional dances, etc. Nowadays the new object for tourism emergesrapidly, such as hobbies, culinary, shopping, and industry imcludes agroindutry. Agroindustry as well as tea industry is one of the potential sources for tourism now and the near future. Moreover Yang, Cai, and Sliuzas (2010) described that the business model combines agricultural production and tourism services fostering ademand-supply relationship between urbanand rural areas. It offers away to improve the quality of agricultural products and services, while developing multiple functions of agro-tourism which have wider economic, environmental and social benefits, creating opportunities for integrated and sustainable urbane rural development. So that the development of agroindustry based tourism is one opportunity to increase the tea industry competitiveness.

### 2. PURPOSES

The purpose of this research is designed in order to overcome the tea industrial

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Published by KnowledgeE Publishing Services. This is an open access article under the CC BY-NC-ND license (http://creativecommons.org/licenses/by-nc-nd/4.0) Selection and peer-review under responsibility of the ICoA Conference Proceedings. DOI http://dx.doi.org/10.18502/kls.v3i3.406 competitiveness through developing tea industrial based tourism. The central problem of this competitiveness is to increase the tea business profit so that it can maintain the existing tea industrial system in a whole. The development of tea industry based tourism as a part of the tea industrial system can support to the tea plantation and tea processing itself.

So that this research purpose can be devided into two specific purposes as follows. First, to identify the factors which influence to the development of agroindustry based tourism; and second, to analysis internal and external factors of the system of agroindustry based tourism (If any), and References

# 3. METHOD

The methodology of this research was done through system approach which using descriptive-qualitative analysis. The object of this research is tea industrial system which includes tea plantation and tea processing. The objects research were Bukitsari tea industry, Sankanwangi tea industry, and Bantar Citalahap tea industry, they located in Sukabumi district, West Java Province.

Data can be devided into two parts; primer and secondary data. The primer was conducted through indepth interview to the tea industrial system actors, such as manager, group leader, tea picker and processing workers. The secondary data was built from company reports and other relevant.

## 4. FINDINGS

First of all, the background of designing the tea industry based tourism should be explained clearly. According to the actual condition of the tea industry condition, the production of tea is not constant every year, and tends to be smaller from time to time. The basis of tea production system is minimizing cost through the quality control program, in order to achieve the profit target. It is a fact that the business of tea plantation is difficult to get profit. The profitability can be maintained through maximizing the profit of tea processing.

It is fact that Bukitsari tea industry, Sankanwangi tea industry, and Bantar Citalahap tea industry are face some problems so that those tea industries can not get suitable profit. The most problems occurred are decreasing in market share, low export price, low in domestic tea consumption rate, and also lack of workers especially for tea pickers. The workers needed for tea picking is biggest in terms of number of people, it is approximately needed 1-2 workers per ha. The number of tea pickers is almost 75% of the total workers needed for tea plantation. It is fact that almost 80% of the cost structure is workers cost, especially tea pickers. These factors tend to make a difficulties for tea industries studied to get suitable profit.

The tea production of those three tea industries is not constant every year, and tends to be smaller from time to time. So far the business of tea industries is difficult to get profit due to the tight business competition. In order to win this tight competition so the company should maintained to be exists. It is important to increase profitability through designing others business such as design the tea industry based tourism.

This research should be done through a systematic resource management approach such as ecological approach, technological approach, economical approach, and etnological approach.

The factors of tea industry based tourism development can be explained as follows. It is important to redesign that the function of tea industrial system is not only tea plantation to get fresh tea leaves and tea processing to get dry tea leaves; but it also as a tourism destination. It is needed to be provided any tourism facilities such as infrastructure, hotel, accommodation, souvenir, etc. Those activities will accelerate the regional economic development.

There are some strength factors occurred such as the nature of tea plantation itself, the fresh air and environmet, the beautiful scnenery which can make happiness. These strength factors should be managed through ecological approach and ethnological approach. The weaknesses of tea industry based tourism are still low in terms of the economic values, due to the high cost and low profit. The technological approach and economical approach should be done to manage these weaknesses

The development of tea industry based tourism is an opportunity, but due to the tight competitiveness of tea business in term of international market, it is also become a treath factor.

The factors which influence to the development of tea industry based tourism can be explained as follows. It is important to redesign that the function of tea plantation is not only for providing tea leaves for tea processing, but also as a source of agrotourism itself. That is a tourism destination which based on tea industry. Visitors come to visit tea plantation and tea processing. Visitors spend their time and their money for tourism purposes. That is why then it is needed to be provided any facilities such as tourism infrastructure, hotel and accommodation, souvenir etc.

The internal analysis of tea industry based tourism can be explained as follows. There are some strength factors such as the nature of tea plantation itself, the very comfortable fresh air and environmet, the beautiful scnenery which can not be calculated as very valuable natural resources.

All of these strength factors should be managed through ecological approach and ethnological approach. The weaknesses of tea industry based tourism are the economic values is still low, due to the high cost and low profit. That is why the technological approach and economical approach should be done to manage these weaknesses. The external analysis can be explained as follows. The development of tea agro tourism is an opportunity, but the ttight competitiveness tea business in term of international market is a treath factor.

The whole steps of formulation of the strategic development of agroindustry based tourism can be described in Figure 1.

### 5. CONCLUSION

Tea industrial system which has plantation, harvesting and processing tends to be developed by companies in order to spreadout the mission of company, and also give deep understanding to customer and it also as a corporate social responsibility. Company's management, farmers, workers, customers, and government are the actors of tea industry based tourism. They have their needs and their roles for tea industry based tourism. This research can contribute to the development of ecotourism as well as sustainable natural resource development



Figure 1. Strategy for developing tea industry based tourism

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