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Development Tourism Based of Coffe as a Strategy for Improving the Local Economy in North Sumatera Province Overview: Potential and Constrain

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Abstract

North Sumatra has great potential in developing coffee-based tourism, considering the wealth of natural, cultural and historical resources related to coffee. The development of coffee-based tourism has become a potential strategy to encourage local economic development, especially in North Sumatra Province. This research aims to analyze the potential, obstacles and strategies for developing coffee-based tourism as an effort to empower the local economy in the region. Using a qualitative descriptive approach, data was obtained through in depth interviews, questionnaires and documentation involving coffee business actors, coffee farmers and local governments. Analysis was carried out using the SWOT method to identify strategic positions and optimal development steps. The research results show that North Sumatra has main strengths in the form of superior coffee quality and interesting local cultural heritage, as well as opportunities in the form of increasing tourist interest in experience-based tourism and government policy support. However, this research also identified obstacles such as lack of infrastructure, limited promotion, and low public awareness of the potential of coffee tourism. Based on the SWOT analysis, the recommended strategy is to strengthen collaboration between the government, farmers and tourism actors to improve promotion, infrastructure and diversification of coffee-based tourism products.

Keywords: Coffee Based Tourism; Development Strategy; Local Economy; SWOT Analysis

1. Introduction

Coffee in Indonesia is one of the most important export commodities in the country, with Indonesia ranking fourth in the world in terms of coffee production. [1]. Coffee in Indonesia has several types, including Sumatra coffee which is one of the coffee varieties originating from Sumatra that has the smoothest texture and the heaviest and most complex flavor among the various coffees in the world. Most Sumatra coffee is dry-processed, but some go through a light washing process (semi-washed). [2]. In the early 20th century, coffee began to be planted widely in various areas in North Sumatra, such as the Mandheling, Gayo, Sidikalang, and surrounding areas. Supportive geographical and climatic conditions, such as altitudes suitable for growing Arabica coffee, make North Sumatra one of the largest coffee producers in Indonesia.

Table 1. Production of Coffee

No	Province	Production (Ton)
1	South Sumatera	211.681
2	Lampung	116.281
3	North Sumatera	80.871
4	Aceh	74.328
5	Bengkulu	62.849

North Sumatra Province is in the third position as a coffee producing center in Indonesia. North Sumatra Province is undoubtedly a coffee producer that is even exported, so by looking at the opportunities listed in the table above, North Sumatra Province can also maximize production and exports in the coffee sector. Coffee from North Sumatra is known for its distinctive

and unique taste, as well as its high quality. Types of coffee such as Mandailing Coffee, Gayo Coffee and Sidikalang Coffee have been known almost throughout the world because of their taste. [3]

Table 2. Area of Plantations and Production of Arabica Coffee Planted by Community Plantations by Regency/City 2019-2021

Regency City	Area Planted and Production of Arabica Coffee Plants on Smallholder Plantations by District/City					
	Area Planted (Ha) Production (tons)				**Produksi (ton)**	
	2019	2020	2019	2019	2019	2021
North Sumatera	77.765,00	North Sumatera	77.765,00	North Sumatera	77.765,00	North Sumatera
Tapanuli Utara	16.467,00	Tapanuli Utara	16.467,00	Tapanuli Utara	16.467,00	Tapanuli Utara
Simalungun	8.217,00	Simalungun	8.217,00	Simalungun	8.217,00	Simalungun
Humbang Hasundutan	12.044,00	Humbang Hasundutan	12.044,00	Humbang Hasundutan	12.044,00	Humbang Hasundutan
Dairi	12.088,00	Dairi	12.088,00	Dairi	12.088,00	Dairi
Karo	9.198,00	Karo	9.198,00	Karo	9.198,00	Karo
Toba	4.784,00	Toba	4.784,00	Toba	4.784,00	Toba
Samosir	5.058,00	Samosir	5.058,00	Samosir	5.058,00	Samosir
Mandailing Natal	3.554,00	Mandailing Natal	3.554,00	Mandailing Natal	3.554,00	Mandailing Natal
Tapanuli Selatan	4.608,00	Tapanuli Selatan	4.608,00	Tapanuli Selatan	4.608,00	Tapanuli Selatan
Pakpak Bharat	959,00	Pakpak Bharat	959,00	Pakpak Bharat	959,00	Pakpak Bharat
Deli Serdang	713,00	Deli Serdang	713,00	Deli Serdang	713,00	Deli Serdang
Langkat	75,00	Langkat	75,00	Langkat	75,00	Langkat

Source : Statistics Indonesia, North Sumatra

From the table above, we can see that the land area and coffee production in North Sumatra Province increase every year. In 2021, there was a significant increase of 79,388.64 Ha with a production of 71,588.00 tons compared to 2020 of 77,834.00 Ha with a production of 67,469.00 tons. This number is obtained from the total of all regencies that produce coffee in North Sumatra.

Dairi Regency is one of the largest coffee producers in North Sumatra, where in 2021 it contributed 9,620 tons to North Sumatra coffee. In Dairi Regency, coffee farming is generally carried out in the highlands because the climate and soil conditions are suitable for growing coffee. Coffee from this area often has a distinctive taste and high quality. Coffee farming in Dairi Regency is one of the important economic sectors for the local community.

The tradition of drinking coffee, stories about coffee and social activities related to coffee are part of the daily lives of local people. Therefore, the development of coffee-based tourism can also be a means to strengthen and preserve this cultural heritage. The potential of coffee-based tourism in North Sumatra has not been fully utilized optimally. There are still obstacles that need to be overcome, such as inadequate infrastructure, ineffective promotion and marketing, and regulatory and licensing issues. Therefore, greater efforts are needed to develop coffee-based tourism as one of the strategies for empowering the local economy in North Sumatra.

2. Literature Review

2.1 Tourism & Agrotourism

Tourism refers to a series of travel activities undertaken by individuals, families, or groups, who travel from their place of origin to various destinations for the purpose of leisure, not work or income generation (Directorate General of Tourism, 2009). [4] This broad concept of tourism encompasses diverse forms of travel, with agrotourism emerging as a distinct category. Agrotourism utilizes the agricultural potential of a region as its main tourist attraction, which includes both the natural landscapes of agricultural areas and the diverse agricultural activities, technologies, and local cultural practices (Utama, 2015). [5]. This type of tourism offers an alternative model that supports sustainable development by integrating agriculture with tourism, fostering both environmental conservation and cultural preservation.

Agrotourism development has been demonstrated in various initiatives, such as the coffee plantation tourism in Pacitan Regency, which highlights the potential of local agricultural practices while contributing to community development and ecological sustainability (Pratiwi, 2019). [6]. Additionally, community-based tourism plays a critical role in enhancing the sustainability of tourist destinations by involving local communities in the management and conservation of resources (Suta & Mahagangga, 2018). [7].To further promote these tourism sectors, integrating tourism education, like the model developed at

Jember University, is essential in preparing future professionals who can contribute to the advancement and sustainability of both agrotourism and broader tourism industries (Kartini, 2015).

2.2 Local Economic Development

Local Economic Development (LED) is the capacity of a region to strengthen its economy in order to improve both the quality of the economy and the quality of life for its residents in the future. It is a process that involves collaboration among communities, the private sector, and government entities to create better conditions for economic growth and job creation. According to Kartini and Titin in their study "Development of Tourism Education Model of Jember University" (2015), effective local economic development requires a comprehensive approach that integrates education, skills development, and capacity building to foster sustainable economic opportunities. [8].

This collaborative effort not only enhances economic growth but also creates a foundation for long-term community well-being. As Pratiwi (2019) highlights in her research on "Development of Coffee Plantation Agrotourism in the Agropolitan Area of Pacitan Regency," local economic development can also be driven by sector-specific strategies, such as promoting agrotourism. [6] By leveraging the unique resources of a region, such as agricultural production and local culture, LED can generate new employment opportunities, attract investment, and contribute to sustainable tourism practices that benefit both the economy and the environment. Thus, LED aims to create a dynamic and resilient local economy that is capable of adapting to future challenges while improving the standard of living for all residents.

3. Research Method

The type of research used is descriptive qualitative, Quantitative descriptive research is research that takes large amounts of data presented in the form of numbers that aim to test hypotheses. This study will explain how coffee-based tourism influences the improvement of the local economy in North Sumatra with a review of potential and constraints. This study is descriptive in nature with the aim of producing an appropriate coffee-based tourism development strategy in North Sumatra Province with a sample of Dairi Regency. Several research variables are, coffee tourism potential, constraints on coffee tourism development, its impact on the local economy and the right strategy for the development of appropriate coffee-based tourism in North Sumatra Province, Dairi Regency. [9]

The focus of this research location is Dairi Regency. The data source used in this study is primary data, namely data collected directly by researchers for research purposes. The data in this study uses data taken from questionnaires that have been collected by the author.

The data analysis technique used in this study is SWOT analysis. SWOT analysis is a strategy planning method often used to evaluate the strengths, weaknesses, opportunities, and threats in a project or a business venture. SWOT analysis is a systematic way to identify the strengths, weaknesses, opportunities, and threats and the strategy that best fits them. [10].

4. Results and Discussion

4.1 Coffee-Based Tourism Potential in North Sumatra

There are two types of coffee cultivated in Sidikalang, namely robusta and arabica. The area of Robusta coffee plantations in Dairi Regency is 14,117 hectares with a production of around 6,750 tons per year. While Arabica coffee plants in the regency are 5,771.5 Ha with a production of around 2,650 tons per year of the 34 regencies/cities in the province of North Sumatra, Dairi Regency has a community plantation area of 23,340 Ha spread across 15 sub-districts. Coffee plants can grow well in Dairi Regency due to its geographical conditions at an altitude of 700-1700 m above sea level with a temperature of 16-20 ° C, making it suitable as a coffee plantation area.

4.2 Obstacles in Developing Coffee-Based Tourism in North Sumatra

One of the biggest challenges in developing coffee tourism destinations is the lack of adequate infrastructure. Many coffee tourism locations are located in plantation areas with minimal road access and other supporting facilities. This makes it difficult for tourists to access, which in turn can reduce their interest in visiting. In addition, coffee tourism destinations in North Sumatra are not yet widely known in the national and international markets. Information about the potential for coffee tourism is often limited to the local scope, without a coordinated marketing strategy to attract tourists from outside. The use of digital media for promotion, such as social media, websites, and online tourism platforms, is still not optimal. This reduces the competitiveness of North Sumatra compared to coffee tourism destinations in other areas, such as West Java or Bali, which are more active in promoting coffee tourism. Lack of funding is one of the main obstacles that hinders the development of coffee-based tourism in North Sumatra

Table 3. SWOT Matrix Analysis

IFAS / EFAS	Strength	Weakness
	1. The quality and uniqueness of the taste of local coffee in Dairi Regency can attract tourists. 2. The diversity of coffee varieties in North Sumatra increases tourist appeal. 3. Local culture and traditions in North Sumatra play an important role in attracting coffee tourists. 4. Local human resources have adequate skills in the coffee industry.	1. The infrastructure supporting coffee tourism in North Sumatra is still inadequate. 2. Promotion and marketing of coffee tourism in North Sumatra is less effective. 3. Lack of funding is a major obstacle in the development of coffee tourism in North Sumatra. Supporting facilities such as accommodation and transportation are still inadequate
Opportunity 1 Coffee tourism development can improve the quality of life of local communities. 2 There is a great opportunity to develop educational tourism related to the coffee production process. 3 The potential market for foreign tourists interested in coffee tourism is very large. The use of information technology can increase the promotion and accessibility of coffee tourism.	**Strategy SO** 1 Maintaining the quality and uniqueness of coffee flavor so that coffee-based tourism development can run and the quality of life of local communities can improve 2 Utilizing local culture and traditions in North Sumatra to attract foreign tourists with coffee tourism	**Strategy WO** 1 Improve infrastructure and use of information technology to increase accessibility and promotion to attract foreign tourist markets interested in coffee tourism. 2 Provide good accommodation and transportation to facilitate accessibility to coffee tourism
Threat 1 Competition from other regions that are also developing coffee-based tourism is a threat to North Sumatra. 2 Climate change has a significant impact on coffee production in North Sumatra. 3 Environmental pollution due to human activities can damage the coffee ecosystem. The instability of coffee prices in the global market has a major impact on coffee-based tourism in North Sumatra.	**Strategy ST** 1 Maintaining the quality, uniqueness of taste and diversity of coffee varieties to counter competition from other regions that are also developing coffee-based tourism 2 Maintaining the quality and uniqueness of taste while maintaining the coffee ecosystem	**Strategy WT** 1 Improve infrastructure, accommodation and transportation to counter competition from other regions developing coffee-based tourism 2 Increase funding to anticipate unstable coffee prices

Source : Freddy Rangkuty, (2009) "SWOT Analysis: Techniques for Dissecting Business Cases." [10]

5. Conclusions

- Dairi Regency has 23,340 Ha of community plantations spread across 15 sub-districts. Coffee plants can thrive in Dairi Regency due to its geographical conditions at an altitude of 700-1700 m above sea level with a temperature of 16-20 °C, making it suitable as a coffee plantation area. There are two types of coffee cultivated in Sidikalang, namely robusta and arabica. The area of Robusta coffee plantations in Dairi Regency is 14,117 hectares with a production of around 6,750 tons per year. While Arabica coffee plants in the district are 5,771.5 Ha with a production of around 2,650 tons per year. With this land area, the development of coffee-based tourism has great potential to be implemented in Dairi Regency. Through the development of coffee-based tourism, it will open up great opportunities for improving the economy of local communities in Dairi Regency. Coffee tourism will open up new jobs and sources of income for the people in Dairi Regency

- Obstacles faced in developing coffee-based tourism in North Sumatra are: 1) The infrastructure supporting coffee tourism in North Sumatra is still inadequate. 2) Promotion and marketing of coffee tourism in North Sumatra is less effective. 3) Lack of funding is a major obstacle in developing coffee tourism in North Sumatra. 4) Supporting facilities such as accommodation and transportation are still inadequate.

- The strategy for developing coffee-based tourism in North Sumatra based on the position in Quadrant 1, the recommended strategy is to maximize strengths to take advantage of opportunities through several strategies that can be implemented,

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namely: Maintaining the quality and uniqueness of the taste of coffee so that the development of coffee-based tourism can run and the quality of life of local people can improve. Utilizing local culture and traditions in North Sumatra to attract foreign tourists with coffee tourism.

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