

SMALL-SCALE AGRIBUSINESS CHAINS FOR TROPICAL FRUITS IN BALI IN FACING THE DYNAMIC DEVELOPMENT OF INSTITUTIONAL CONSUMERS

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ABSTRACT

The small-scale agricultural system for tropical fruits on the island of Bali has been challenged by the yearly increase in the number of incoming international and domestic tourists. Institutional consumers, such as hotels, restaurants, and catering services as well as modern local consumers develop values that are difficult to be fulfilled by the existing small-scale traditional agribusiness chains system. The intrinsic and extrinsic qualities, in addition to services are emerging values that have to be met for the institutional consumers. The Governor of Bali Province has released regulation (Reg. No. 99, 2018) of which indicates that the institutional consumers have to accept at least 60% of local agricultural products. The regulation causes a conflict between the traditional supply chain system, which is less value orientated; and value requirements of the institutional consumers. A concept in developing an integrated value chain system which is inclusive for small-scale holders is discussed here.

Keywords: value chains, small-scale farmers, institutional consumers, extrinsic quality