ABSTRACT

In Bali, Kusamba village in Klungkung regency has been known as a Salt producer village. Despite its final premium product, it has not been marketed with attractive packaging to elevate its value. The salt has low iodine content, making it unattractive compared to most table salt products. Realising the potential, the Governor of Bali, Wayan Koster, suggested to improve its marketing strategy thus the salt farmer could yield a huge benefit once the product value is well-optimized. The idea was fully supported by the Regent of Klungkung, Nyoman Suwirta. Further, Suwirta pointed out the vision to bring the local product domestically and globally since the salt-making process in Kusamba has a sentimental taste historical value for the society. The salt industry is a strategic sector that needs to be developed, considering that Indonesia is still dependent on imported products despite having vast marine potential. Assistances from Government and private sector becomes a possible solution, to elevate the commodities standard thus the high-quality local salt might be accepted by Global communities.

Keywords: Salt, Kusamba, Bali.

INTRODUCTION

In Bali, Kusamba village in Klungkung regency has been known as a Salt producer village. Kusamba salt can be classified as gourmet salt according to its production method. Salt can be obtained through three common methods. First, the most traditional way is by evaporating seawater. Second, by Mining the brine crystal from the earth’s layer. Lastly, the common method is to make salt brine and process it with cutting-edge technology. Table salt is a yield of salt brine processing, whereas seawater evaporation is often used to produce specialty or ‘gourmet’ salt. The salt for industrial purposes is obtained through mining.

Young and productive people dominate salt farmers in Kusamba beach. In modest huts on a relatively small area by shiny black and mineral-rich beach, this unique yet time-consuming salt farming process in Kusamba begins. The salt farmers go back and forth every morning to scoop seawater with buckets, hanged onto bamboo poles over their shoulders. They gathered seawater and poured it over the raked sand in a rhythmic motion. The mid-day tropical sun evaporates the water on sand into white, crystal salt flakes. By late afternoon, the crystal flakes then moved to the salt-making hut. Commonly, in this self-owned hut, more seawater will be added to the crystal flakes to leech the salt over several days. The resulting brine is placed in long coconut troughs for further evaporation, leaving pure salt flower as the final product. The traditional process on a coconut stalk’s tough as a drying medium, resulting in a savory white color, smooth texture and low salty taste of salt. A light sprinkle will bring out the best in any dish with its notable umami flavor. In addition, because of its moisture content, the salt
would not dissolve immediately, allowing the taste to linger in your taste bud.¹

The Commodity’s Profile
The Kusamba specialty salt has white, clean color. The final product taste is not excessively salty, which is sometimes avoided because it can lead to a bitter aftertaste. Furthermore, the Kusamba salt is even and small in texture. Salt farming in Kusamba, Bali, is a centuries-old tradition where farmers use traditional techniques to produce 100% natural salt by evaporation from the sun and wind. Bali has nine regencies/cities that make salt. According to Bali Province Marine and Fisheries Service data in 2018, the production of salt by district or city in the province of Bali in 2014-2018 showed that Klungkung Regency is the biggest salt producer compared to other towns or regencies.³ The local community has thought to have carried out the salt production process at Kusamba Beach, Klungkung, for 700 years. This salt center in the Klungkung district has carried out traditional processing. This system has been carried out to keep its unique taste and prevent additional chemical substances.

However, despite its final premium product, it has not been marketed with attractive packaging to elevate its value. The salt has low iodine content, making it unattractive compared to most table salt products. In one of the interviews, the Governor of Bali, Wayan Koster, realized from correct marketing strategy the salt farmer could gain a tremendous opportunity once the product value is well-optimized. On the other occasion, the Regent of Klungkung, Nyoman Suwirta, agreed with the Governor’s vision to bring the local product domestically and globally since the salt-making process in Kusamba has a sentimental taste historical value for the society.⁴ Salt is one of the basic needs with an important role as a source of sodium and chloride. These elements are needed in metabolic processes. Human consumes salt and uses it as an industrial raw material. The many benefits of salt make its demand continue to increase.⁵

A Roadmap to elevate Indonesian’s salt Quality
A roadmap to promote Indonesian salt was declared in 2015 when the Ministry of Maritime Affairs and Fisheries rolled out the 2015-2019 Industrial Salt Development idea. The roadmap discussed revitalizing and intensifying the previous community’s Salt Business Improvement Program (PUGAR). According to industry standards, the initial step is to increase production standards with 97 to 98 percent NaCl content. The Maritime Affairs and Fisheries Ministry (KKP) assessed that the Indonesian salt quality does not meet the export quality standard. The Indonesian government targets salt quality improvement, self-sufficiency, and seeking opportunities to enter the international market in the long run.⁶ National salt production only reached 1.2 million-1.5 million tons per year. However, self-sufficiency has not been achieved because it is projected two million tons per year would be the minimum requirement for the nation’s demand. Based on the Ministry of Maritime’s data, in 2014, people’s salt production reached 2.5 million tons, whereas the need for national salt in 2014 was 4.01 million tons per year. The figure consisted of 2.05 million tons of industrial salt and 1.96 million tons of consumption salt.

The salt industry is a strategic sector that needs to be developed, considering that Indonesia is still dependent on imported products despite having vast marine potential. The imported salt volume has been increasing every year. In 2017, according to Central bureau statistics, the figure reached 2.69 million tons.⁸ severe weather, limited capital, and low-educated salt farmers led to low salt quality; thus, the products were not preferable widely. In addition, minimum support from the government to improve the salt’s yield is one of the reasons Indonesia still imports salt from other countries.⁹ Director of Coastal Community Empowerment and Business Development of the KKP, according to Riyanto Basuki, positive by improving the quality of salt can minimize and stop imports because domestic industries can sustain domestic’s demand. To support the plan, he added, it is necessary to empower people’s salt, increase productivity to 100-120 tons per hectare, add technology, improve distribution, and build more salt warehouses.¹⁰

The Marketing Challenges
Mostly, salt productions in Indonesia are weather dependent. Therefore, once a weather anomaly occurs, it influences the yield quality.¹¹ When the weather

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Even though Kusamba was once the salt production epicenter in Bali, hitherto, Balinese people rarely find the product in the local market. The existence of Kusamba salt is increasingly threatened by imported table salt on the market. The local commodities have not met Bali's market demand; hence, imported products flood traditional and modern markets. Local fish processing industries admitted to ordering the brine crystal from other areas since local salt cannot meet their industrial needs. In Klungkung Regency indicated only 26th Foreign Exchange Village. The foreign exchange village is a mentoring program by the LPEI (Indonesian Export Financing Agency / Indonesia Eximbank) for groups/clusters that have the potential to carry out sustainable production of superior commodities. It aims to increase local communities’ capacity and develop excellent village commodities. Export is an indicator of a country's economic growth; by encouraging export growth, financing, pledges, and insurance, the community's capacity to perform export business would be well stimulated. The Indonesian Export Financing Agency (LPEI)/Indonesia Eximbank is a Special Mission Vehicle (SMV) of the Indonesian Ministry of Finance. Its goal is to promote national exports by providing financing, pledge, insurance, and community capacity development to export through a consulting service program. One of the LPEI consulting service programs is the Foreign Exchange Village assistance program.

Salt farmers also experienced this problem in Kusamba Village, Dawan District, and Klungkung Regency. Salt farmers are in a weak position in the pricing process. The price of salt is usually determined by middlemen. Uncompetitive price and iodine content are other stories that need improvement.

It has been a challenge for the Bali provincial government and the Klungkung regency government to maintain the industry's existence and sustainability in the future. According to Riyanti et al (2019) Marketing efficiency analysis based on farmer’s share states that marketing channel 1 (farmer to end-user) is said to be the most efficient. Based on the total marketing costs divided by the total product value, it shows that marketing channel 3 (farmer to the supplier to end-user) is said to be efficient because the resulting Marketing Efficiency (EP) value is 44.44% or 50%.

**LPEI Assistance**

After the Gresik weaving was registered in November 2021, Klungkung Regency, with its Salt commodity, was chosen as the 26th Foreign Exchange Village. The foreign exchange village is a mentoring program by the LPEI (Indonesian Export Financing Agency / Indonesia Eximbank) for groups/clusters that have the potential to carry out sustainable production of superior commodities. It aims to increase local communities’ capacity and develop excellent village commodities. Export is an indicator of a country’s economic growth; by encouraging export growth, financing, pledges, and insurance, the community’s capacity to perform export business would be well stimulated. The Indonesian Export Financing Agency (LPEI)/Indonesia Eximbank is a Special Mission Vehicle (SMV) of the Indonesian Ministry of Finance. Its goal is to promote national exports by providing financing, pledge, insurance, and community capacity development to export through a consulting service program. One of the LPEI consulting service programs is the Foreign Exchange Village assistance program.

Anomaly occurred in 2013, people’s salt production reached 1.16 million tons with NaCl content of around 94 to 96 percent. It is a common problem resulting in many salts farmers’ production not being absorbed by the industry because the NaCl content is below standard. In salt marketing activities, downstream activities are dominated by large-scale industries with strong networks, while salt management activities with traditional technology dominate upstream activities. This imbalance makes the downstream industry enjoy more profits. Based on Alham’s (2015) research, salt marketing has not been efficient where the profits obtained are not evenly distributed between farmers and other marketing institutions. It is due to the dominant marketing agency implementing marketing activities. In addition, farmers still have a low bargaining position, so they only act as price recipients. The injustice experienced by farmers in salt marketing is also why the channel is inefficient.

Klungkung regency faces the eastern ocean, making its area has great potential to develop maritime business, especially community-based salt production. Even though Kusamba was once the salt production epicenter in Bali, hitherto, Balinese people rarely find the product avoided.

**Figure 3.** The commitment of the Kusamba Klungkung Salt Foreign Exchange Village program’s vision to bring quality local salt globally. The event was attended by Governor of Bali, Wayan Koster.
The collaboration between the Directorate General of State Assets (DJKN) of the Indonesian Ministry of Finance, the Klungkung Regency Government, and LPEI was set out in a Memorandum of Understanding. It stated the commitment of the Kusamba Klungkung Salt Foreign Exchange Village program’s vision to bring quality local salt globally. LPEI Executive Director, James Rompas, assessed that the Kusamba Salt Foreign Exchange Village Program would provide various assistance from production aspects to overseas marketing. One hundred salt farmers in Kusamba and Pesanggrahan Villages, Klungkung Regency, would be expected to receive the program’s benefit.

CONCLUSION

As a gourmet salt, Kusamba salt has been around for more than 700 centuries. However, its title as premium product does not guarantee its existence in Bali, moreover in Bali tourism industry. The Klungkung regency’s commodity has not been introduced to market with attractive packaging, low iodine content, that making it unattractive compared to most table salt products. Realising the potential, the Governor of Bali, Wayan Koster, suggested to improve its marketing strategy thus the salt farmer could yield a huge benefit once the product value is well-optimized. The idea was fully supported by the Regent of Klungkung, Nyoman Suwirta. Suwirta pointed out the vision to elevate the commodities standard thus the high-quality local salt might be accepted by Global communities.

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