

Development of Coffee Product Downstream Through The Omah Kopi Community in Tirtoyudo Malang

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Abstract

The coffee industry in Indonesia has experienced significant growth in recent years, with Tirtoyudo Village in Malang Regency becoming a key production center, yielding up to 1,949 tons annually. Despite its potential and cultural heritage, coffee farmers in Tirtoyudo face economic challenges due to low market prices set by 'cino dampit.' This community service project aimed to empower the local community and optimize the region's coffee potential through the Asset-Based Community Development (ABCD) approach, focusing on value-added product development and innovative marketing strategies. The activities included analyzing the local coffee potential, providing training on derivative product creation—such as coffee perfume and aromatherapy candles—and conducting workshops on branding, packaging, and digital marketing. By applying the ABCD approach, the project enabled the community to recognize and leverage their resources to create high-quality products under the "Kopi Tirtoyudo" brand. Results showed increased community capacity in coffee processing, branding, and marketing, enhancing product marketability and economic resilience. The initiative also strengthened the village's cultural identity and positioned Tirtoyudo as a competitive player in the national coffee industry. This holistic approach highlights the importance of collaboration between communities, educational institutions, and support entities in achieving sustainable rural development. The outcomes suggest that similar strategies can be replicated in other regions to empower local economies. Continued support in technology access, marketing, and distribution is essential for ensuring the sustainability of such initiatives. Tirtoyudo Village is a model for integrating traditional knowledge with modern practices to promote economic growth and community welfare.

Keywords: Kopi Tirtoyudo; Paguyuban Omah Kopi; Product Downstreaming.

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Introduction

The coffee industry in Indonesia has seen rapid growth in recent decades, with Tirtoyudo Village in Malang Regency emerging as one of the critical production centers, producing up to 1,949 tons annually (Badan Pusat Statistik Kabupaten Malang, 2022). With its remarkable natural potential and profound cultural heritage, this village holds great promise in the national coffee industry. However, amid this wealth, farmers face significant economic challenges, particularly related to product pricing set by middlemen known as "Cina Dampit."

According to previous research, although the coffee from this area is known for its good quality, many farmers receive prices below market standards (Wahono & Edy, 2021). The decision to focus on Tirtoyudo Village for this project is due to its unique geographical features, as well as its potential and cultural heritage. The "Paguyuban Omah Kopi" collective movement emerged in response to these economic challenges, aiming to explore, develop, and maximize the region's coffee potential (Muar & Rozy, 2022).

This community service activity aims to transform Tirtoyudo Village into a center for high-quality coffee production and marketing. This project aims to empower the local community through the Asset-

Based Community Development (ABCD) approach by leveraging and maximizing the region's coffee potential.

The current state of assistance shows that although Tirtoyudo Village produces high-quality coffee, much of it needs to be sorted correctly. It results in a lack of quality distinction and reduces the potential added value for farmers. Furthermore, the local community has yet to capitalize on opportunities to sell coffee in forms other than beans, such as coffee powder, perfume, or aromatherapy candles. Through this community service activity, a firm "Kopi Tirtoyudo" brand is expected to be created with attractive packaging. The novelty of this assistance lies in the holistic approach that combines product downstream theory with effective marketing practices. Using the Asset-Based Community Development (ABCD) approach, this activity offers a new perspective on local community empowerment. It is expected to become a successful example of developing local potential through collaboration between the community, associations, and support entities.

Methods

The strategy to achieve the desired outcomes involves using the ABCD method. Asset-Based Community Development (ABCD) is an approach that emphasizes empowering communities by focusing on their strengths and assets rather than their deficiencies or needs. Despite facing challenges, this approach posits that every community has assets that can be managed and developed to improve conditions and enhance the quality of life (Setyawan et al., 2022).

In the context of developing coffee products in Tirtoyudo Village, this approach serves as the strategic foundation for increasing the added value of local coffee products. The approach is implemented in several stages. Firstly, the discovery stage begins with an in-depth survey of the coffee varieties grown in Tirtoyudo Village, the cultivation techniques used, and the traditional coffee processing methods passed down through generations. The service team also conducts market analysis regarding the standards for robusta coffee.

Secondly, in the dream Stage, The community is invited to imagine creating derivative coffee products. The concept of "pouch zipper" packaging that highlights the "Kopi Tirtoyudo" brand is introduced through workshops. Intensive discussions are held to develop ideas for derivative products such as instant coffee, coffee perfume, and coffee aromatherapy candles.

Thirdly, the design stage focuses on technical aspects. Training is provided to farmers on proper post-harvest processing techniques, such as fermentation and sorting of coffee beans. The "pouch zipper" packaging design for coffee powder has been developed to ensure the packaging meets food safety standards and has an appealing aesthetic. Training on producing derivative products, such as the techniques for making coffee perfume and aromatherapy candles, is also conducted at this stage.

Fourthly, define the stage. This stage involves establishing marketing strategies. Discussions with stakeholders are held to determine target markets, distribution strategies, and pricing. With the help of tech-savvy young people, digital marketing strategies are created, including setting up an online store and promoting through social media.

Fifthly, Destiny Stage. All the planned strategies are implemented in this stage. This includes hands-on training on processing coffee into beans, powder, and derivative products, branding workshops, and practical sessions on digital marketing involving 68 women from coffee farmer families, 9 youth, and 18 male coffee plantation owners. The production of coffee in the form of beans, powder, and derivative products begins. Tirtoyudo coffee products have started to be marketed offline and online, relying on strong branding and consistent product quality. Through the ABCD approach, Tirtoyudo Village is expected to become a coffee producer and an innovator in the national coffee industry.

Result and Discussion

The results of this program align closely with the objectives and methods outlined in the study. During the Discovery Stage, an in-depth analysis identified critical barriers to optimizing the local coffee industry, including limited branding knowledge, dependence on middlemen, and a need for product diversification. Through interviews and observations involving 68 women from coffee farming families, nine youths, and 18 male plantation owners, the community's strengths and aspirations were uncovered. The interviews and observation set the stage for the Dream Stage, where stakeholders envisioned Tirtoyudo coffee as a premium product with a distinctive identity capable of competing nationally.

Subsequent stages translated these aspirations into action. The Design Stage focused on developing detailed strategies, such as technical training for coffee processing, branding workshops, and digital marketing sessions. The Define Stage refined these plans with specific roles and measurable outcomes. Finally, in the Destiny Stage, all strategies were implemented, leading to the production and marketing of

coffee in the form of beans, powder, and derivative products. Offline and online sales platforms were established, supported by strong branding and consistent quality, positioning Tirtoyudo Village as an emerging innovator in the national coffee industry.

The support provided in Tirtoyudo Village encompasses a variety of activities designed to enhance its coffee potential. Here is a detailed exposition of the results and discussion of the support activities:

Analysis of Tirtoyudo Village's Coffee Potential

The support activities in Tirtoyudo Village began with an in-depth analysis of the local coffee potential, involving observations and interviews with residents, including the chairman of the Omah Kopi association. The analysis highlighted several barriers to optimizing coffee potential, such as a lack of understanding about branding, dependence on middlemen, and minimal utilization of coffee products, with most farmers selling only raw coffee beans rather than transforming them into more marketable forms.

Socialization on the Importance of Coffee Product Downstream and the Power of Branding in Increasing Product ValueThe socialization stage was held at Sunan Kalijaga Mosque in the evening, attended by nine representatives from the village youth and members of the Omah Kopi Association. The main speakers, Mr. M. Romli Muar and Mr. Abdul Azis, emphasized the importance of coffee product downstreaming, branding of Tirtoyudo Coffee, and online marketing. The participants showed high enthusiasm, with many questions and discussions on the topics covered. This activity also served as a forum for the community to share their challenges in the coffee industry and how they viewed the support program as a solution. Some youths even formed discussion groups to discuss ideas and innovations that might be applied. Members of the Omah Kopi Association shared their feelings about how this program brought new hope in facing the dynamics of the coffee market.

Aromatherapy Candle-Making Training

The aromatherapy candle-making training with a coffee aroma in Tirtoyudo Village aimed to empower the local community, especially 46 women and girls who own coffee lands. The training, held at a resident's home and supervised by Mrs. Nasuhah, the Chairperson of Fatayat NU Ranting Donomulyo, introduced participants to the basics of aromatherapy and candle-making techniques, including material selection, mixing process, and molding. The main objective of this training was to educate the community about the potential of coffee-derived products and provide them with skills to create value-added products. Coffee-scented aromatherapy candles offer the community an opportunity to innovate with coffee-derived products and open up new business opportunities. By exploring the distinctive coffee aroma through aromatherapy candles, this product can promote Tirtoyudo Coffee to a broader audience, increase product recognition, and provide economic benefits to the local community.

Coffee Perfume Making Training

Following the aromatherapy candle-making training, the next session was on coffee perfume making. In the current era, the aroma of coffee is not only famous as a beverage but has also gained a place in the perfume and beauty product industry. When roasted coffee beans are placed in burlap pouches, coffee perfume promises a solid and soothing natural aroma, providing a unique experience for users to enjoy the coffee scent all day. Through this training, participants learned about the production process and the business potential of coffee perfume. By understanding how to add value to their coffee products, it is hoped that they can expand their market reach and increase family income. During the training session, participants received practical guidance from Nafisa Mela and Putri Aisyah Intan. Participants were also shown the price of coffee perfumes for car fresheners. Knowing the margin between the selling price and production cost, participants became more enthusiastic about practicing.

Online Marketing SocializationThe team provided an in-depth briefing on the potential and power of marketing through social media and marketplace platforms. With systematic explanations, participants were guided to understand how coffee, the flagship product of Tirtoyudo Village, could reach a broader market through digital platforms. Additionally, the team presented reference prices for the products discussed in previous training sessions, such as packaged coffee powder, aromatherapy candles, and coffee perfumes. It gave participants an idea of the potential profits that could be obtained from these products.

Launch of Coffee Product Downstreaming

One of the highlights of this briefing session was when the team unveiled the new branding design for Tirtoyudo Coffee. Proudly, the team showcased the zipper pouch packaging with the attractive and professional Tirtoyudo Coffee branding. This design not only displayed the identity of Tirtoyudo Coffee but also signified a commitment to elevate the quality and image of coffee products from Tirtoyudo Village to a higher level. The peak of this event was the handover of community service products, including 500-gram Tirtoyudo coffee pouches, aromatherapy candle glasses, and burlap coffee pouches. During the handover

session, the team and the association chairman emphasized the courage to be independent of the "Cina Dampit" and strive to sell products independently.

Using the ABCD approach, these activities are expected to transform Tirtoyudo Village into a prominent coffee producer and innovator in the national coffee industry. The development of derivative coffee products, such as coffee perfume, in Tirtoyudo Village represents an adaptation strategy within a people's economy based on utilizing local resources. The theory of the people's economy posits that community economic empowerment, particularly at the village level, can be achieved by maximizing local potential and increasing the added value of produced goods (Hasmawati, 2018). In this case, coffee, as the primary commodity of Tirtoyudo Village, can be further processed into high-value products like coffee perfume.

The concept of downstream in the economy, which fundamentally involves adding value to primary commodities through further processing, is highly relevant in this context. Through downstream, primary products like coffee beans can be transformed into higher-value products, thereby increasing the income of producers, in this case, the people of Tirtoyudo Village. Previous studies have shown that downstream can enhance local economic resilience and reduce dependence on global commodity markets (Wiyono et al., 2023).

Support activities in Tirtoyudo Village highlight the importance of downstream in addressing the economic challenges faced by coffee farmers. The community reduces dependence on middlemen by producing derivative products such as aromatherapy candles and coffee perfume and creates new opportunities for additional income. This strategy aligns with sustainability principles, where local resources are optimally used to develop value-added, environmentally friendly products. Additionally, downstream can help diversify the local economy, making it less vulnerable to fluctuations in global coffee market prices. Tirtoyudo Village can stabilize its income streams and improve its overall economic resilience by developing a range of coffee-derived products.

Moreover, developing products with specific branding, such as "Kopi Tirtoyudo," is an effective marketing strategy. Branding allows products to stand out from competitors and offers a unique value proposition to consumers. In the context of Tirtoyudo Village, coffee branding increases the product's market value and promotes local coffee's identity and uniqueness. It provides an opportunity for Tirtoyudo Village to introduce its coffee to a broader target market, enhancing the competitiveness of local products at both national and international levels. A strong brand can also foster consumer loyalty, crucial for sustained market success. By establishing "Kopi Tirtoyudo" as a premium and culturally rich product, the village can attract niche markets willing to pay a premium for unique and authentic products.

The creation of coffee perfume also reflects a global trend where consumers increasingly seek authentic products with a cultural or narrative background. Modern consumers, particularly the younger generation, tend to value products with stories behind them, and coffee perfume from Tirtoyudo Village can narrate its traditions passed down through generations to the target market. Products with solid narratives about their origins can create emotional connections with consumers, enhancing customer loyalty and business sustainability. This connection can be compelling in the context of social media, where compelling stories and distinctive products are often shared widely, potentially increasing brand visibility and market reach.

Furthermore, the training and socialization activities have improved the community's capacity in digital marketing, an essential component in the current era of globalization. Leveraging digital platforms and social media opens access to a broader and more diverse market, allowing "Kopi Tirtoyudo" products to be known by consumers from various regions and even internationally. The ability to effectively use digital tools for marketing, sales, and customer engagement is crucial for modern businesses, and this training has equipped the community with the skills needed to compete in the digital marketplace. Additionally, establishing an online presence can help the village connect directly with consumers, gather feedback, and adapt quickly to market trends.

In conclusion, the approach taken by Tirtoyudo Village in developing derivative coffee products demonstrates how stakeholders can achieve people's economic empowerment through intelligent adaptation strategies that focus on utilizing local resources and responding to global consumption trends. It serves as an example of how villages in Indonesia can sustainably and innovatively develop their local economies. This approach provides economic benefits and strengthens the local community's cultural and social identity, making them more independent and resilient in facing future financial challenges. By combining traditional knowledge with modern marketing and production techniques, Tirtoyudo Village has created a model for sustainable rural development that other communities can emulate. This holistic strategy addresses immediate economic needs and builds a foundation for long-term growth and resilience.

Conclusion

The reflection on the support activities in Tirtoyudo Village reveals the critical importance of empowering local communities to optimize the potential of their resources. Through a comprehensive approach, the people of Tirtoyudo Village were empowered to develop value-added derivative coffee products, such as coffee perfume and aromatherapy candles. These products not only enhance their income but also strengthen local identity and promote the uniqueness of Tirtoyudo coffee in broader markets.

This support also highlights the pivotal role of education and training in transforming mindsets and enhancing community skills, particularly in branding and marketing. Implementing approaches like ABCD and downstream has enabled the community to see the more significant potential of their resources and how they can maximize them for more significant economic benefit.

As a recommendation, it would be highly beneficial if similar support programs could be expanded to other villages in Indonesia with similar resource potentials. Additionally, ongoing support in the form of access to technology, marketing opportunities, and distribution networks will significantly assist the people of Tirtoyudo Village in implementing their initiatives and ensuring the sustainability of their downstream efforts. Support from the government, educational institutions, and the private sector can amplify the positive impact of this program and provide a replicable model for other regions.

Overall, the experience in Tirtoyudo Village demonstrates that local economic empowerment through product downstream and effective marketing strategies can effectively address economic challenges and improve community welfare. Through collaboration and innovation, villages in Indonesia can sustainably develop their local economies and compete effectively in the global market.

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