


Utilization of Local Natural Resources in The Development of UMKM Products in The Tourist Village of Thousand Flowers Karo District

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ARTICLE INFO	ABSTRACT
<p>Article history: Received : 20 November 2024 Revised : 10 December 2024 Accepted : 01 January 2025 Available online : 31 January 2025</p> <p>Keywords:</p> <p>Local natural resources, Micro, small, and medium Enterprises (MSMEs), Product development, Creative economic principles, Sustainable local economic potential.</p>	<p>Village of Thousand Flowers Tourism in Karo Regency has significant potential in utilizing local natural resources for the development of Micro, Small, and Medium Enterprises (MSMEs). This research aims to analyze how local natural resources can be optimized in the process of developing MSME products in this area. The research methodology involves surveys, interviews, and observations of MSME actors in the Village of Thousand Flowers Tourism. Qualitative analysis is applied to the collected data to identify the types of local natural resources that can be utilized, as well as strategies that can be implemented in the development of MSME products. The results indicate that the Village of Thousand Flowers Tourism possesses rich local natural resources in the form of flora and fauna that can serve as raw materials for MSME products. The active involvement of the local community in the production process is crucial for the successful optimization of these natural resources. The application of creative economic principles and local value addition can be a solution to enhance the competitiveness of MSME products from the Village of Thousand Flowers Tourism. Support from local governments, business actors, and the community is essential in creating a conducive environment for the development of MSME products based on local natural resources. This research contributes strategically to the development of MSMEs based on local natural resources in the Village of Thousand Flowers Tourism, Karo Regency. The findings are expected to serve as a reference for stakeholders in fostering sustainable local economic potential.</p>
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INTRODUCTION

Local resources are essentially a capital for villages in fulfilling development towards a prosperous and prosperous society, with the potential and culture that exists should be an effort in dealing with problems that exist in the community ([Nugraha et al., 2022](#)). However, local resources tend not to get more attention from the community. For this reason, community empowerment is needed as an effort to maximize the

potential in the village to produce economic value for the community. In developing the local potential of the village and fostering a prosperous and prosperous community, direct participation from the community is needed, this is because community participation in empowerment has an important influence on the success of a program implemented by village institutions or community empowerment institutions ([Dushkova & Ivlieva, 2024](#)); ([del Arco et al., 2021](#)). Referring to Law Number 6 of 2014 concerning Villages, village community empowerment is an effort to develop community independence and welfare by increasing knowledge, attitudes, skills, behavior, abilities, and awareness, and utilizing resources through the establishment of policies, programs, activities, and assistance by the essence and priority needs of the village community ([Djabbar, 2021](#)).

North Sumatra has considerable tourism potential, such as cultural tourism, historical tourism, religious tourism, nature tourism, and marine tourism which provides its uniqueness for tourists ([Anele, 2020](#); [Winata, 2024](#)). North Sumatra is included in the ten provinces designated as national tourist areas. Karo Regency is one of the regencies located in North Sumatra Province, Indonesia. The capital of this regency is Kabanjahe. Karo Regency has natural beauty, local wisdom, and a rich cultural heritage. Karo Regency has 5 (five) pilot tourist villages which include Dokan, Lingga, Raya, Raya Seribu Bunga, and Lau Kawar Lake. Raya Seribu Bunga Tourism Village has potential that can be developed into a unique and sustainable tourism attraction. This potential includes aspects of nature, culture, and the local economy.

Micro, Small and Medium Enterprises (MSMEs) play a crucial role in local economic development, especially in the context of tourism villages ([Fafurida et al., 2024](#)). The involvement of MSMEs can not only improve the economy of local communities but also support the sustainability and diversity of tourist destinations. MSMEs in tourist villages can play a role in developing local products that reflect the local wisdom and culture of the village and become agents of economic empowerment at the local level by providing employment opportunities, stimulating local consumption, and increasing the income of village communities ([Aprilani et al., 2023](#)). With the involvement of MSMEs, tourist villages can reduce dependence on a single economic sector and develop a more diverse economic portfolio.

MSME product development in tourist villages has significant benefits to the local economy. In addition to economic benefits, MSME product development also has a positive impact on the social and cultural aspects of the community ([Santoso et al., 2023](#)). Through various products, village communities can diversify their sources of income, reduce the risk of dependence on one particular type of product or business, create added value for local products, and strengthen the identity and uniqueness of the village as a tourist destination. MSMEs that develop local products often use raw materials available in the region, supporting local agriculture and increasing the added value of agricultural products.

Abundant natural resources are not necessarily aligned with MSME product diversification. Many constraints hamper MSME product development, such as many MSMEs in villages may have difficulty in gaining access to sufficient finance to

support their business development and operations, and lack of ability in product marketing may hinder MSMEs in tourist villages in reaching a wider market ([Ramdan et al., 2022](#)). MSMEs related to the tourism sector may face challenges when tourist visits are seasonal. Depending on the limited tourism season may affect income stability. Limited involvement of businesses in business partnerships with other parties, such as hotels, restaurants, or local shops, may reduce collaboration opportunities and increase the visibility of MSME products ([John, 2023](#)). This study aims to examine how local natural resources might be optimized for the production of goods by Micro, Small, and Medium-Sized Enterprises (MSMEs) in the Karo Regency's Village of Thousand Flowers Tourism.

METHODS

The research method uses a qualitative approach, which consists of 2 data sources: primary data and secondary data. Primary data is data collected through field observations and interviews, while secondary data is obtained through literature studies in the form of books, documents, articles, and scientific journals related to the theme of educational tourism research.

Research Instruments

The research group used several research instruments, namely stationery, recording devices, observation sheets, note sheets, classification tables, and interview guidelines or interview guide. Field observations were conducted by the research group with the help of interview guidelines that had been prepared to solve the problem formulation and fulfill the research objectives. These interview guidelines can be developed in the field according to the needs during in-depth interviews.

Data Analysis Techniques

The data that has been collected through the process of observation, interviews, and literature studies will then be analyzed using three analysis techniques as follows:

1. Data reduction: summarizing information from observations, interviews, and literature review.
2. Data analysis: next, the reduced data is identified and analyzed for its relationship based on the theoretical basis used.
3. Conclusion drawing: Then, through the results of data analysis, conclusions will be drawn that can answer the formulation of research problems.

RESULTS AND DISCUSSION

Analysis of Local Natural Resources Utilization

Raya Village, Berastagi District, Karo Regency has been known as a village rich in Chrysanthemum cultivation and is included in the national level nomination as the best village, so it is not surprising that Raya Village or Desa Seribu Bunga has great potential to be developed further, of course the role of government is needed both in terms of providing facilities and infrastructure needed by farmers such as capital loans

and also marketing institutions that certainly help farmers in marketing to further develop the Chrysanthemum Cut Flower farming business. Guidelines or Standard Operational Procedure (SOP) that have been set by the Ministry of Agriculture in the cultivation and development of Chrysanthemum Flowers to get good farming results needed good ways also in planting, to get the results of quality chrysanthemum cut flowers so that chrysanthemum cut flowers can compete in the market, both for domestic and foreign needs because the quality of good flowers will increase market demand, if market demand rises then the price offered also goes up, of course, will increase the income of farmers in the chrysanthemum cut flower farming business in Seribu Bunga Village. Seribu Bunga Village is a highly sought-after village by individuals or companies that need Chrysanthemums for pilgrimage needs, wedding parties, and so on.

Located in the middle of a fertile plateau, Seribu Bunga Village presents a variety of alluring natural resources. Fertile soil is the base for productive agriculture. In addition to chrysanthemums, there are also local food sources such as vegetables and fruits. The agricultural products of vegetable types of Desa Raya Seribu Bunga include:

1. Red Onion
2. Petsai
3. Curly Chili
4. Cayenne Pepper
5. Potato
6. Cabbage
7. Tomato
8. Carrot
9. Cauliflower
10. Onion Leaves
11. Squash

As well as agricultural products such as fruits which include:

1. Mango
2. Durian
3. Siamese/tangerine
4. Banana
5. Papaya
6. Salak
7. Avocado
8. Pineapple

As one of the tourist destinations in Karo Regency that is often visited by tourists, both domestic and foreign tourists, this of course opens up opportunities for chrysanthemum cut flower farmers in their marketing because many tourists will pass through the flower market in Dusun IV Desa Raya which is open every day. Meanwhile, the big market is only open on Wednesdays and Saturdays every week.

The Karo Regency Government also makes routine activities every year such as flower and fruit parties which are held for three consecutive days, this is done so that the people of Tanah Karo realize how important agriculture is in their daily lives, another reason is to attract tourists to come to visit Karo Regency and get to know the agricultural commodities produced in Karo Regency and also to increase Regional Original Revenue (PAD) from the Tourism sector.

Analysis of MSME Product Development

From an economic perspective, the presence of Taman Seribu Bunga is very helpful to the economy of the Raya Village community, the majority of whom work as farmers. Agricultural products such as flowers, vegetables, and fruits can be used as raw materials in creating products with business opportunities such as handicraft businesses, typical culinary production, or the use of organic ingredients for beauty and health products. Seeing these opportunities, Taman Seribu Bunga also encourages the development of Micro, Small, and Medium Enterprises (MSMEs) products. The types of MSMEs that have the potential to be developed in Desa Wisata Raya Seribu Bunga are culinary and crafts. The role of MSMEs in Desa Wisata Raya Seribu Bunga is very important in driving the local economy. By involving the community in the production and sale of local products, MSMEs not only provide employment but also increase the income and welfare of the village community. Thus, MSMEs become an important pillar in building a sustainable economy at the local level. In addition to economic benefits, the existence of MSMEs can also strengthen social ties within the community. Collaboration between residents in product development and marketing can create a sense of solidarity and togetherness. MSMEs that focus on local products can also increase community pride in their villages. Numerous studies have focused on determining the potential of natural resources that can be used to support the growth of small and medium-sized enterprises. For example, studies conducted by [\(Borowski et al., 2022\)](#) show that natural resources like food items, handicrafts, and medicinal plants can act as a source of motivation for SMEs' growth, In the study of local economic growth, the idea of resilience has gained prominence, especially in light of technical advancement and market instability. When assessing business continuity, MSMEs' resilience which is the capacity to endure, adjust, and expand in the face of external difficulties becomes crucial [\(Saad et al., 2022\)](#); [\(Utami et al., 2021\)](#). Due to inadequate collateral or unfavorable credit histories, many small and medium-sized businesses have trouble obtaining loans from financial institutions. Additionally, a sizable portion of Indonesia's SMEs face limitations regarding the supply of skilled and knowledgeable workers. The growth and competitiveness of SMEs may be hampered by a lack of technical expertise and managerial skills [\(Subagja et al., 2023\)](#). One important factor to take into account is the difficulty of marketing and reaching market penetration [\(Harini et al., 2023\)](#).

CONCLUSION

This research shows that in terms of the utilization of local natural resources in the

development of MSME products, Desa Wisata Raya Seribu Bunga has fulfilled the indicators as a quality and sustainable tourism destination. The absence of references in the development of MSME products has resulted in the marketing of MSME products in Desa Wisata Raya Seribu Bunga, which just goes with the flow without any innovation. Without a detailed plan for both the short-term and long-term. Of course, the absence of a plan will make it difficult to assess the achievement of targets objectively and accountably by the management of the Desa Wisata Raya Seribu Bunga. In terms of human resources, there is no specific competency development to assist entrepreneurship. Limited capital is the main obstacle that has been faced to realize the programs.

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