The Dynamics of Supermarket Supplier

Sandredo

B I M A N D I R I

FAO – Vredeseilanden Sub Regional Seminar on Enhancing Capacity of NGOs
And Farmers Groups in Linking Farmers to Markets
Bali, May 9-12, 2006
<table>
<thead>
<tr>
<th><strong>Formal Name:</strong></th>
<th>CV. BIMANDIRI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address:</strong></td>
<td>Jl. Panorama No. 54 Haur Pungkur</td>
</tr>
<tr>
<td></td>
<td>Desa Kayu Ambon</td>
</tr>
<tr>
<td></td>
<td>Kecamatan Lembang 40391</td>
</tr>
<tr>
<td></td>
<td>Bandung – Indonesia</td>
</tr>
<tr>
<td><strong>Business Line:</strong></td>
<td>Trading</td>
</tr>
<tr>
<td><strong>Commodities:</strong></td>
<td>Fruit and Fresh Vegetables</td>
</tr>
<tr>
<td><strong>Capacity:</strong></td>
<td>6.000 - 7000 Kg/day</td>
</tr>
</tbody>
</table>
History of Bimandiri

- 1994: Established by graduates from Faculty of Agriculture, Padjadjaran University
  Supplied supermarket (Matahari) and restaurants
- 1996: Began supplied Wal-Mart
- Oct 1998 (at the peak of Indonesian economic crisis): Supplied Carrefour, Continent and Matahari
- 2000: Carrefour and Continent becomes Carrefour
- 2004: Supply many supermarkets to build a market diversification
Business Growth

Sales turn over (M Rp)
Number of Store

1999 2000 2001 2002 2003 2004 2005

0 2 4 6 8 10 12 14 16 18

Bimandiri, Jl. Panorama No. 54 Haur Pungkur - Lembang, Bandung 40391, West Java, Indonesia
Telp. (62-22) 2787139 – 2789619  Fax. (62-22) 2787139  E-mail : bimandiri@bdg.centrin.net.id
Human Resources Growth

Number of Employees

<table>
<thead>
<tr>
<th>Year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>60</td>
<td>70</td>
<td>80</td>
<td>90</td>
<td>120</td>
</tr>
</tbody>
</table>
## Commodity Supplied

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaf Vegetables</td>
<td>21 items</td>
</tr>
<tr>
<td>Lettuce</td>
<td>3 items</td>
</tr>
<tr>
<td>Herb</td>
<td>9 items</td>
</tr>
<tr>
<td>Root Vegetable</td>
<td>13 items</td>
</tr>
<tr>
<td>Beans</td>
<td>10 items</td>
</tr>
<tr>
<td>Mushrooms</td>
<td>6 items</td>
</tr>
<tr>
<td>Garnish Vegetables</td>
<td>30 items</td>
</tr>
<tr>
<td>Cabbage</td>
<td>11 items</td>
</tr>
<tr>
<td>Leaf Condiment</td>
<td>4 items</td>
</tr>
<tr>
<td>Spices</td>
<td>9 items</td>
</tr>
<tr>
<td>Roots Condiment</td>
<td>5 items</td>
</tr>
<tr>
<td>Fruits</td>
<td>6 items</td>
</tr>
</tbody>
</table>

**TOTAL** 127 items
## Major Items

<table>
<thead>
<tr>
<th></th>
<th>Item</th>
<th>Quantity</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tomato</td>
<td>1500</td>
<td>Kg/day</td>
</tr>
<tr>
<td>2</td>
<td>Carrot</td>
<td>400</td>
<td>Kg/day</td>
</tr>
<tr>
<td>3</td>
<td>Cabbage</td>
<td>400</td>
<td>Kg/day</td>
</tr>
<tr>
<td>4</td>
<td>Cauliflower</td>
<td>250</td>
<td>Kg/day</td>
</tr>
<tr>
<td>5</td>
<td>Broccoli</td>
<td>350</td>
<td>Kg/day</td>
</tr>
<tr>
<td>6</td>
<td>Chinese cabbage</td>
<td>400</td>
<td>Kg/day</td>
</tr>
<tr>
<td>7</td>
<td>Potato</td>
<td>300</td>
<td>Kg/day</td>
</tr>
<tr>
<td>8</td>
<td>Spring Onion</td>
<td>150</td>
<td>Kg/day</td>
</tr>
<tr>
<td>9</td>
<td>Red Chilli</td>
<td>300</td>
<td>Kg/day</td>
</tr>
<tr>
<td>10</td>
<td>Red Curly Chilli</td>
<td>150</td>
<td>Kg/day</td>
</tr>
<tr>
<td>11</td>
<td>Honey Sweet Potato</td>
<td>1000</td>
<td>Kg/day</td>
</tr>
</tbody>
</table>
Order, Service Level and Gross Sales

![Graph showing Order, Service Level, and Gross Sales over years 2001 to 2005. The graph indicates an increasing trend for all three categories with service level slightly above 80% in 2003, increasing to 85.2% in 2004, and further to 86.5% in 2005. Gross sales show a steady increase from 83.3% in 2001 to 86.5% in 2005. Order numbers also show a steady increase over the years.]
Develop Supply Chain Relation with Supermarket

Gap of supply with the market demand
- High price fluctuation
- Seasonal Supply
- Inconsistent quality and unstable
- Limited interaction with modern market

Supermarket Development in Indonesia
- Large quantity demanded
- High quality
- Competitive price
- Innovation
Develop Supply Chain Relation with Supermarket

Steps taken by BIMANDIRI

- Develop partnership with farmer group
- Human resources capacity building of partners
- Develop communication with Supermarket
- New product innovation
  - New variety
  - Fertilizing technology
Constraints

• Low education level of farmers
• Farmers have different business perspectives
• High competition among supermarket chain, put pressure to the supplyer
• Increase of operational costs:
  – Transportation cost
  – Store rabate
  – Increasing fees
Partnership Spirits

- Have the same motivation
- Mutually benefit
- High trust
- Open management
- Long term relation perspective
- Sustainable improvement on quality and cost
Supply Chain Maintenance

Farmers

Collector/Bandar

BiMANDIRI

SUPER MARKET

Quality Quantity Continuity Commitment

Maintenance

Quality Quantity Continuity Commitment

Quality Quantity Continuity Commitment
Partnership Scheme: Farmer - Bimandiri - Supermarket

- **Products**
  - Supervisi dan assistensi
  - Proyek Penanaman
- **Pola Tanam**
- **Carrefour**
  - Supervisi dan assistensi
- **Petani**
  - Technology
  - Fertilizer
  - Pesticide
  - Seeds
  - Financing
Partnership Projects

2002 Partnership on Brocoli supply
Bimandiri – Carrefour
Partnership Projects

2003  Planting partnership on red hot chily, round cabage
Bimandiri – Carrefour
Partnership Projects

2003  Partnership on Tomato supply chain
Bimandiri – HPSMI Garut – Carrefour
Partnership Projects

2003 – 2005

Partnership on Baby black mellon

Bimandiri – Mekar Buah – Carrefour
Partnership Projects

2003 – 2005 Partnership on Baby black mellon
Bimandiri – Mekar Buah – Carrefour

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Partnership on Baby black mellon
Bimandiri – Mekar Buah – Carrefour

Baby Black Mellon Production

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kilograms</td>
<td>50,000</td>
<td>100,000</td>
<td>150,000</td>
</tr>
</tbody>
</table>

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Partnership Projects

2006 Carrefour Brand 1: TOMATO
Partnership Projects

2006  Carrefour Brand 1: POTATO
Partnership Projects
2006  Carrefour Brand 1 : Red Hot Chilly Pepper
Closing Statement

The Global growth of supermarkets must improve the welfare of all participants in the supply chain, including suppliers, retailers and especially farmers.
Thank You