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### **Update on Indonesian Agricultural Development Policy and Programs: Achievement and Future Perspectives**

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#### **ABSTRACT**

*This article aims at presenting the update on the achievement and future perspectives of Indonesian agriculture development policy and programs. It practically focuses on food production, food security, and farmer's welfare aspects in the last four-year (2015-2019). The production of rice and corn had increased significantly with a growth rate of 3.28 % and 15.61% per year, respectively. These commodities achieved self-sufficiency in 2016 and 2017. The rank of Indonesia's food security had increased from 74<sup>th</sup> in 2015 to 65<sup>th</sup> in 2018 among 113 countries, especially in terms of food quality and safety. Farmers' income had increased about 3.50 % per year consequently enhancing farmer's welfare. The future perspective of agricultural development would be directed to several aspects namely farmers' welfare, food security, food production, competitiveness, smallholder farming areas, energy security, and governance of agricultural development. Even though Indonesian obtained successful achievement of agricultural development, the country is still facing several problems. Hence, there is a need to implement various appropriate policies and programs in order to improve the performance of Indonesian agricultural development.*

**Keywords:** Agricultural development, policy and program, achievement, perspective, Indonesia

#### **INTRODUCTION**

Agricultural sector is a backbone of Indonesian economy of which it has and will continue to contribute in sustaining national economic development. It includes contributing a significant gross domestic product (GDP), foreign exchange earning, providers of industrial raw materials, food and nutrition sources, as well as absorbing large number of labors, driving its movement through creating conditions to the implementation of development and synergy with other sectors.

It is imperative that the main objectives of Indonesia agricultural development include: (1) Accelerating food production; (2) Achieving sovereignty, independence, and food and nutrition for all people; and (3) Improving welfare of farmers and rural communities. This article is practically aimed at discussing the update on the achievement and future perspectives of Indonesian agriculture development policy and programs in line with those objectives.

#### **AGRICULTURAL DEVELOPMENT POLICY AND PROGRAM ACHIEVEMENTS**

##### **Food production**

Historically, the attention of government of Indonesia has focused on efforts to accelerate the production of staple and strategic food commodities economically and politically. It comprises rice, corn, chili, soybean, sugar cane, and beef/buffalo with a strategic policy towards realizing self-sufficiency. As a result, the Indonesian Ministry of Agriculture had successfully spurred the production

of rice, corn, chili, and onion of which those achieved self-sufficiency in 2016 followed by rice and chili self-sufficiency in 2017.

Table 1 shows that rice production increased sharply from 75 million tons in 2015 to 83 million tons in 2018 or with a compound annual growth rate of 3.28 % annually. Corn production was the most phenomenal of the entire performance of Indonesian agricultural production. It had jumped from 19.61 million tons in 2015 to 30.06 million tons in 2018 or with a growth rate of 15.61% per year. Chili production increased from 1.92 million tons in 2015 to 2.46 million tons in 2018, or increased of 9.06 % a year. Moreover, the production of shallot increased about 6.44% per year, namely from 1.23 million tons in 2015 to 1.47 million tons in 2018.

The main activities supporting the increase in rice, corn, chili, and shallot productions were due to the implementation of certain policies and programs. Among other things were: (1) Cultivation management; (2) Seed provision; and (3) Area development. It was noted that, however, efforts to spur the productions of soybean, sugarcane, and beef/buffalo had not optimally achieved. It is quite difficult to simultaneously accelerate those commodity productions, particularly because of competing farmland use.

Table 1. Production of selected agricultural commodities , 2015-2018 (000 tons)

Commodity	2015	2016	2017	2018	Annual Growth (%)
Rice	75,400,000	79,350,000	81,150,000	83,040,000	3.28
Corn	19,610,000	23,580,000	28,920,000	30,060,000	15.61
Soybean	960	860	538	980	11.43
Chili	1,915	1,962	2,359	2,465	9.06
Shallot	1,229	1,447	1,470	1,470	6.44
Sugarcane	2,497	2,222	2,121	2,174	-4.35
Beef/buffalo	528	516	550	542	0.95

Source: MoA (2019a)

## Food security

Food security is a condition for the fulfillment of food for households which is reflected in sufficient availability, both in quantity and quality, safe, equitable, and affordable. One of the improvements in food security is determined through the Global Food Security Index (GFSI) issued by the Economist Intelligence Unit (EIU) which shows relative food security ranks among 113 countries based on the dimensions of its availability, affordability, quality, and safety.

The efforts of Indonesian Ministry of Agriculture's in achieving food security were imperative. According to GFSI, the rank of Indonesia's food security had increased from 74<sup>th</sup> in 2015 to 65<sup>th</sup> in 2018 (Table 2). The best achievement of Indonesia was in the dimensions of food availability. while the worst was in line with food quality and safety. In terms of food availability, Indonesia ranked 72<sup>nd</sup> in 2015, then skyrocketed 14 points to 58<sup>th</sup> in 2018. The food quality and safety ranks were 88<sup>th</sup> in 2015 and only improved four-point to 84<sup>th</sup> in 2018. Meanwhile, the rank of food affordability increased from 74<sup>th</sup> in 2015 to 63<sup>rd</sup> in 2018 or improving by 11 points.

Table 2. Food Security Index of Indonesia, 2015-2018

Aspect	2015		2016		2017		2018	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Overall	74	46.7	71	50.6	69	51.3	65	54.8
Availability	72	51.2	66	54.1	64	54.4	58	58.2
Affordability	74	44.3	70	50.3	68	50.8	63	55.2
Quality and safety	88	40.1	87	42.0	86	44.1	84	44.5

Source: EIU (2019)

Above all, the improvement of food security dimension in Indonesia was inseparable from the synergy of all stakeholders and the hard efforts of Indonesian Ministry of Agriculture by which it had been translated in the form of agricultural development breakthrough programs. It includes distribution and price stabilization by shortening supply chains which had created prices at the consumer level more affordable.

## Farmers' welfare

It is believed that farmers are the main actors in agriculture. Therefore, farmers' welfare is the final goal to be achieved from the development of this sector. Farmers should consequently acquire the rights that are commensurate with their time, energy, and mind allocated to work in agriculture. One of the welfare levels of farmers is determined by per capita income of farmers, namely by comparing the GDP of agriculture with the number of labors in agricultural sector.

Table 3 shows that the agricultural GDP had consistently increased from Rp. 906.80 billion (\$US 67,318.51) in 2015 to Rp. 1,005.44 billion (\$US 71,814.29) in 2018 or with a growth rate of 3.50 % annually. In other words, farmers' income had increased in line with the increasing agricultural GDP in the last four years (2015-2018). However, the number of agricultural labors had aggregately decreased about 2.07% per year, namely from 35.26 million farmers in 2015 to 33.10 million farmers in 2018. This trend indicates the present of structural transformation in some rural regions of Indonesia. However, it should be underlined that the continuous declined number of agricultural labors would have an impact on agricultural GDP in the future.

Table 3. Indonesian Agricultural Gross Domestic Product and Number of Agricultural Laborer, 2015-2018

Item	2015	2016	2017	2018
Agricultural GDP (Rp000)	906,805	936,335	969,774	1,005,441
(\$US)	(67,318.51)	(72,727.27)	(70,019.78)	(71,814.29)
Agricultural labor (person)	35,268,405	35,088,823	33,359,561	33,106,115

Source: MoA (2019a)

It is undeniable that agricultural development had succeeded in enhancing the income of agricultural famers, namely from Rp. 25,711,540 (\$US 1,904.55) per year in 2015 to Rp. 30,370,244 (\$US 2,169.30) per year in 2018. The increase on farmers income was influenced by increasing agricultural production and price stability. The higher the production produced and supported by the high prices received by farmers, the higher the farmers income would be. This indicates that the welfare of farmers had also increased during the last five years (Figure 1).

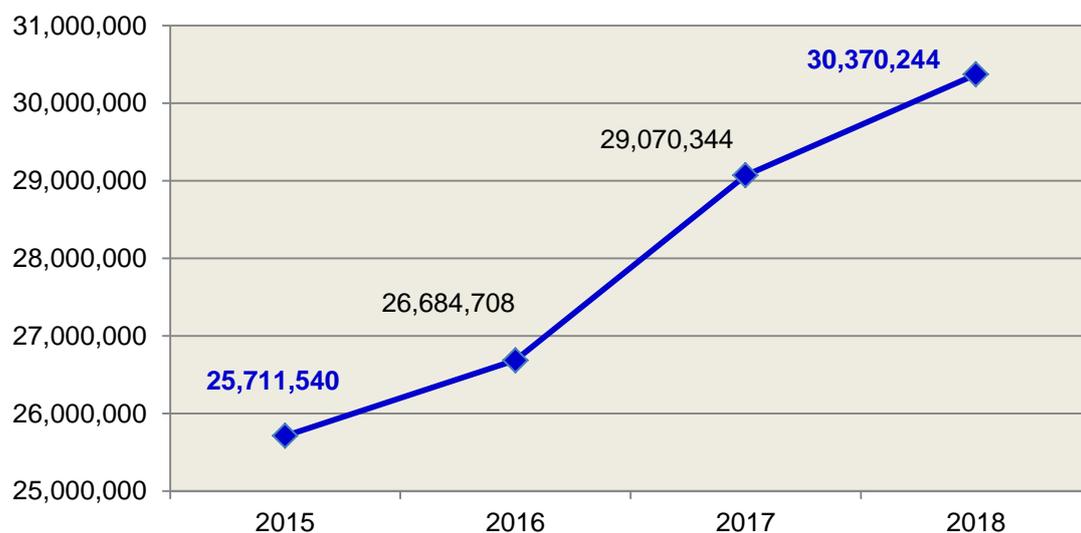


Figure 1. Indonesian Farmer' Income, 2015-2018, Rp. million/person (Source: MoA, 2019a)

The increase farmers' income was also reflected in the decline share of poor households working in agriculture, for instance, from 53.58 % in March 2014 to 49.89 % in March 2017. Sustainable development has also succeeded in increasing public welfare, which is reflected in poverty reduction.

The prevalence of poverty had even dropped to below than 10 % since March 2018. However, the number of Indonesians suffering from poverty was still quite large, reaching 25.67 million people or 9.66 % of the population in September 2018. Most of the poor population (61%) live in the countryside.

The efforts on poverty reduction are not simply implemented as principally known as “the last mile problem.” It is because about half of the poor depends on agricultural sector livelihoods and lives in rural areas. Therefore, the most appropriate strategy for poverty reduction is focused on agricultural and rural development base.

## FUTURE PERSPECTIVE OF AGRICULTURAL DEVELOPMENT POLICY AND PROGRAM

Generally, the future perspective of Indonesian agricultural development policy and program can refer to the Sustainable Development Goals (SDGs) agenda. The SDGs have 17 goals which are related to agricultural development. In the case of Indonesia, seven goals of SDGs are considered to be directly and strongly associated with the agricultural development of the country. They are: (1) No poverty (goal 1); (2) Zero hunger (goal 2); (3) Industry, innovation, and infrastructure (goal 9); (4) Reduce in equities (goal 10); (5) Responsible production and consumption (goal 12); (6) Climate action (goal 13); and (7) Partnership for the goals (goal 17)

Specifically, the future perspective of Indonesian agricultural development policy and program are directed to the following aspects:

1. Improving welfare of farmers and all Indonesian people emphasizing the welfare of poor farming families through special efforts to alleviate farmers from poverty and food insecurity;
2. Achieving sustainable food sovereignty, independence, and food security by developing strong food quality and safety pillars while strengthening food availability and affordability;
3. Continuing specific efforts to accelerate the increase of staple and sensitive food production by rationalizing self-sufficiency goals and observing the effectiveness and efficiency of the program;
4. Increasing competitiveness of value-added agricultural products through the application of advanced technology in the digital era and industrial downstream-based biorefinery and biocycle principles;
5. Developing sustainable smallholder farming areas based-farmer corporation;
6. Supporting energy security by facilitating bioenergy development through the provision of feed stock and application of renewable energy-based agricultural tools and machinery; and
7. Realizing governance of agricultural development by implementing e-governance and evidence-based regulation.

It was noted that the Indonesian agricultural development in the last four years (2015-2018) had achieved successfully. However, there is a need to implement policy and program continuously (MoA, 2019b). It includes: (1) Self-sufficiency in the production of strategic agricultural food commodities through Special Effort Program (*UPSUS*); (2) Optimizing the use of swamp areas through *Serasi* (save the swamps-welfare of farmers) program; (3) Obligatory breeding cows (*SIWAB*) program; (4) Empowerment of agricultural poor households program; (5) Program of distribution of 500 million superior plantation seeds to farmers freely; (6) Biofuel B 100 (100%) program; (7) Improving the quality of breeding cattle program; and (8) *Sapira* (prosperous agricultural areas) program.

## CONCLUSION

Apart from obtaining successful achievement of agricultural development in the last four years (2015-2018) in particular, Indonesia is still facing several problems. It mainly includes such productions of soybean, sugarcane, and beef/buffalo. Those among other things are due to: (1) Limited availability of agricultural land standard for each commodity; (2) Inadequate farmers' land ownership; (3) Lack use of superior seed/seedling(s); (4) Limited use of technology; (5) Pest and disease attacks; (6) disturbance of livestock reproduction; (7) in optimal post-harvest handling; (8) Limitation of assistance and guidance of agricultural field extensionists; (8) Low extent of personal and institutional capacities of farmers; (9) Length of trade chains; and (10) Increased import of agricultural products.

To overcome those afore-mentioned problems, the Indonesian Ministry of Agriculture needs to make various improvement efforts in order to enhance the performance of agricultural development. In other words, it is required to implement the agricultural policies and programs in the perspectives of: (1) Utilizing and expanding of planting areas both on dry land and on land owned by other subsector/agency(s); (2) Integrating food crops with plantations; (3) Increasing research activities to produce superior varieties resistant to pest and diseases; (4) Structuring the cropping patterns; (5)

Increasing farmers' knowledge and capacities; (6) Encouraging institutional role of farmers; (7) Enhancing the role of agricultural extension specialist ; and (8) Strengthening coordination with relevant stakeholders.

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