



## Strategic Plan of the Indonesian Ministry of Agriculture 2020-2024

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### ABSTRACT

*As a part of the Medium-Term National Development Plan, the Strategic Plan of the Indonesian Ministry of Agriculture 2020-2024 is generally aimed at achieving a self-reliance, developed, and prosperous agricultural community by increasing food security and agricultural competitiveness. It is determined based on stakeholders, customers, internal processes, as well as learning and growth perspectives. The direction of policy and strategies for agricultural and food development emphasizes agricultural development towards more sustainable agriculture. This is characterized by producing agricultural products in line with its needs, containing high economic value and productivity, and being environmentally friendly. The regulatory framework of the strategic plan includes human development and poverty alleviation, infrastructure and regional mapping, added value of real sector, industrialization, and employment opportunities, food, water, energy and environment securities, as well as defense and security stability. Horizontal and vertical synergies are required within the Ministry of Agriculture and stakeholders at both national and local levels. The new strategic plan does not mention food self-sufficiency, which means that the new policy regime implies to be more consistent with the market mechanism.*

Keywords: strategic plan, agriculture, Indonesia

### INTRODUCTION

Agriculture plays an important role in providing food and energy for human life. Recently, there is a tendency of increasing food consumption in line with increasing population and economic growth. This leads to the greater pressure on the agricultural sector to be able to meet the human needs. Therefore, it is required to boost agricultural production by paying attention to environmental sustainability both locally and globally.

In response to the aforementioned challenges, the Indonesian Ministry of Agriculture has set some anticipation steps. It leads to the developments of: (1) Infrastructure (irrigation, agricultural markets, and farm roads); (2) Investments (agricultural lands, livestock population, agricultural tools and machineries, and working capital); (3) Innovation (high yielding variety seed/seedlings, cultivation technology/integrated technology packages, and cropping patterns); (4) Inputs (supplies and input access assurance); (5) Incentives (inputs and output prices and risk protection/insurance); (6) Inclusions (equitable distribution of aid beneficiary and food barn in border region); and (7) Institutions (strengthening farmer institution, cluster development, and governance improvement). The purpose of this brief is to highlight the main features of the MoA's Strategic Plan 2020-2024.

### KEY FEATURE

In the last five years (2014-2018), there were some significant impacts on agricultural development in Indonesia. It was indicated by the performance of macro indicators namely the Gross Domestic Product (GDP), labor absorption, Farmer Term of Trade (FTT)<sup>1</sup>, current account balance, and investments both Domestic Investment (DI) and

<sup>1</sup>Farmer Term of Trade (FTT) is one of relative indicators in determining the level of welfare of farmers calculated based on the ratio between the price index received and paid by farmers expressed as a percentage

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Foreign Direct Investment (FDI). Table 1 shows that the GDP of agricultural sector tended to increase of about 3.22 % per year. On the other hand, despite the number of labors in agriculture had declined, this sector was able to absorb a large number namely 37.22 millions, or about 28.78 % of the total number of employment in Indonesia.

The FTT in 2018 is higher than that of 2017 by less than 0.1%. This was influenced by the increase in price index received by farmers (3.61%) was greater than the price index paid by farmers (3.50%). It was noted that the highest and the lowest increase of FER were in food crops sub-sector (4.02%) and livestock sub-sector (0.24%), respectively. Meanwhile, the FER in horticulture sub-sector slightly decreased to about 0.02 %, but it was lower compared to the FER of smallholder plantation sub-sector (5.58%).

The current account balance of the agricultural sector shows a surplus with an upward trend. In 2014 the current account balance surplus reached \$US 15.12 billion, and then increased to \$US 15.88 billion in 2017. The plantation sub-sector was the main contributor to the surplus, while other sub-sectors remained in deficit.

There was a significant increase of domestic investments in the agricultural sector in Indonesia. Conversely, the extent of foreign direct investments tended to decrease. Both domestic and foreign investments were more focused on plantation sub-sector (94.47%), followed by livestock sub-sector (3.71%), horticulture sub-sector (1.25%), and food crops sub-sector (0.57%). As the prime mover of economy; therefore, it is required to encourage more agricultural investments in the country. All indicators are interrelated in line with food consumption.

Table 1. Macro economic indicators of Indonesian agriculture, 2014-2018

Macro Economic Indicators	2014	2015	2016	2017	2018 <sup>a</sup>
GDP, Rp trillion (\$US billion)	880.39 (65.37) (3.00)	906.81 (65.78) (3.26)	936.33 (69.61) (3.42)	968.34 (71.35) (3.57)	799.32 <sup>b</sup> (55.18) (4.58)
Labor absorption (million people)	38.97	37.75	37.77	35.92	35.70 <sup>c</sup>
Farmer's Term of Trade	105.75	102.82	101.40	102.94	102.98 <sup>d</sup>
Current account balance (\$US billion)	15.16	13.59	10.92	15.88	9.31 <sup>e</sup>
Investments:					
DI, Rp billion (\$US million)	13,358 (991.83)	12,366 (896.87)	21,465 (1,595.67)	22.884 1,686.24)	16,153 <sup>f</sup> (1,115.15)
FDI (\$US million)	2,238	2,149	1,639	1.597	976 <sup>f</sup>

Note: <sup>a</sup> Temporary data; Figure in ( ) is GDP growth (%); <sup>b</sup> Third quarter 2018; <sup>c</sup> August 2018; <sup>d</sup> December 2018; <sup>e</sup> January-September 2018; <sup>f</sup> Second quarter 2018

Source: MoA, 2019

## POLICY FRAMEWORK

### Vision and missions

The vision of the Indonesian Ministry of Agriculture in the medium term development of 2020-2024 is "Accomplishing the independent, developed, and prosperous agricultural community by increasing food security and agricultural competitiveness." Meanwhile, the missions are: (1) Achieving farmer welfare through protecting and empowering farmers; (2) Obtaining food security by carrying out the increases of availability, affordability, and utilization of foods fulfilling community consumption; and (3) Improving added value and competitiveness of agricultural commodities by means of encouraging competitive advantage and better values of production, storage, processing, and distribution.

### Goal and objectives

Based on its vision and missions, there are certain goal and objectives of the Indonesian Ministry of Agriculture in 2020-2024, namely: (1) Increasing production and productivity of strategic foods; (2) Developing agricultural quarantine systems; (3) Expanding economic based-agricultural infrastructure; (4) Enhancing human resource capacity and farmer empowerment; (5) Improving agricultural science and technology innovations; and (6) Achieving institutional bureaucratic reform.

### Strategy

The strategic goal and objectives of the Indonesian Ministry of Agriculture are determined based on stakeholders, customers, internal processes, as well as learning and growth perspectives. It comprises 12 targets as presented in Figure 1.

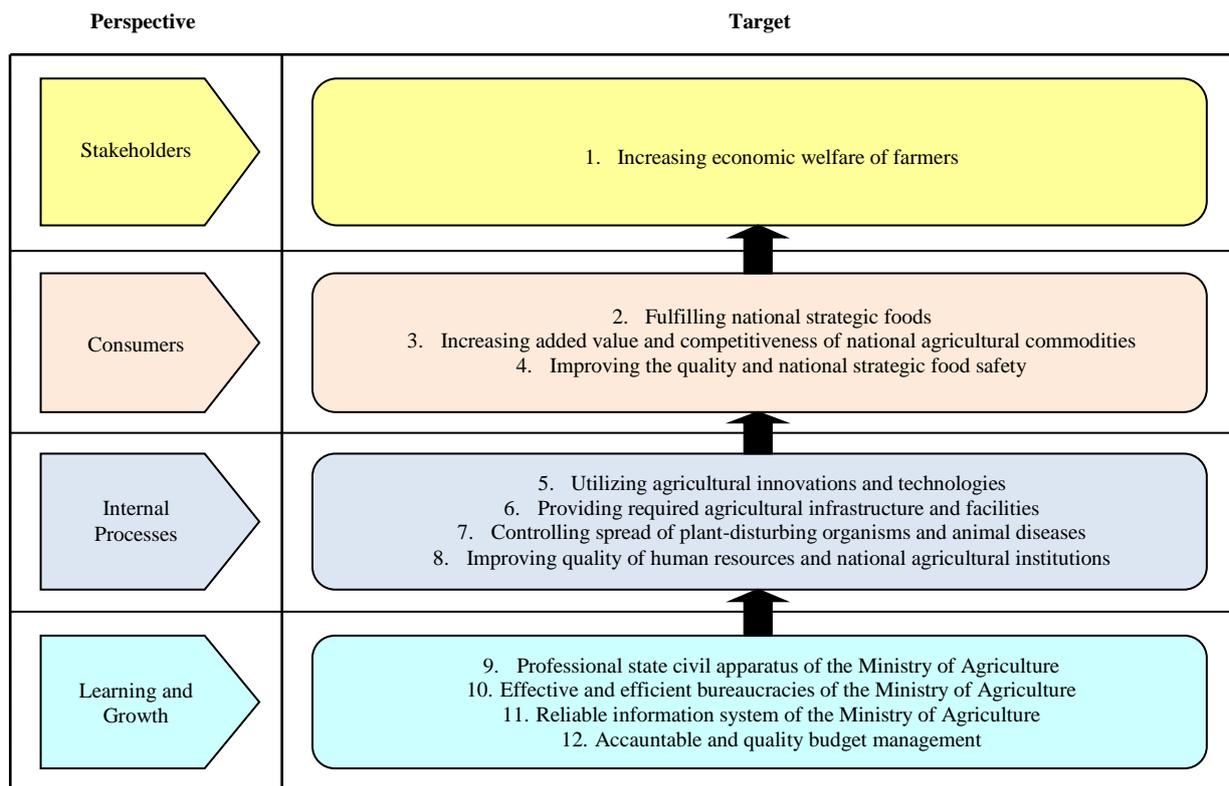


Figure 1. Map of perspective and target of the Indonesian Ministry of Agriculture, 2020-2024 (Source: MoA, 2019)

The future strategic issues are generally divided into four categories, namely: (1) Food and nutrition consumption; (2) Food availability; (3) Welfare and productivity of agricultural human resources; and (4) Sustainability of agricultural resources. As a result, there are seven national priorities include: (1) Strengthening economic resilience for quality growth; (2) Developing areas to reduce inequalities ensuring equity; (3) Increasing quality and competitive human resources; (4) Developing the culture and character of the nation; (5) Strengthening infrastructure to support economic development and basic services; (6) Building a living environment as well as increasing disaster resilience and climate change; and (7) Strengthening the stability of law and security and the transformation of public services.

Agricultural and food development is more focused on strengthening economic resilience for quality growth. It is elaborated in nine priority programs, namely: (1) Fulfilling energy needs through increasing new renewable energy; (2) Increasing quantity and quality of raw water resources; (3) Enhancing availability, access, and quality of food consumption; (4) Improving marine and maritime managements; (5) Strengthening entrepreneurship and Small-Medium Enterprises (SMEs); (6) Increasing added value and investment in the real sector; (7) Increasing labor productivity and employment creation; (8) Increasing higher added value exports and strengthening domestic content levels; and (9) Reinforcing pillars of growth and economic competitiveness.

Food and agriculture are prioritized to support the programs of enhancing availability, access and quality of food consumption, as well as increasing added value and investment in the real sector. The program and activity priorities, goals, indicators, and targets of agricultural development in 2020-2024 can be seen in Table 2.

Table 2. Program and activity priorities, goal, indicator, and target of agricultural development, 2020-2024

Program/Activity	Goal	Indicator	Target	
			2020	2024
Availability, access, and quality of food consumption	Increasing the availability, access, and quality of food consumption	Desirable dietary pattern score	93.3	96.3
		Dietary energy supply	2,100 kcal	2,100 kcal
		Dietary protein supply	57 gram/capita/day	57 gram/capita/day
		Prevalence of undernourishment	6.40	5.38
		Food insecurity incidence scale	5.21	4.05
Quality of consumption, safety, fortification, and food biofortification	Increasing the quality of consumption, safety, fortification, and food biofortification	Fish consumption	58.3 kg/capita/year	60.9 kg/capita/year
		Meat consumption	7.1 kg/capita/year	9.7 kg/capita/year
		Vegetable and fruit consumptions	260.2 gram/capita/day	316.3 gram/capita/day
		Biofortification rice production	10,000 ha paddy	200,000 ha paddy
Availability of food from agricultural products	Increasing the availability of food from agricultural products	Rice production	61.0 million tons	68.6 million tons
		Maize production	31.9 million tons	Self-sufficiency
		Beef production	0.8 million tons	0.86 million tons

Note: \*Based on *Widyakarya Nasional Pangan dan Gizi/WNPG* (National Workshop on Food and Nutrient) XI (LIPI, 2018); \*\* Decreasing under nourishment prevalence and food insecurity incidence scale are the target of increasing production.

Source: MoA, 2019

## Policy

The direction of policy and strategies for agricultural and food development in 2020-2024 is a continuation of the previous period emphasizing on agricultural development towards industrial agriculture, from traditional farming to modern agricultural systems. The Modern agriculture is in line with the industrial revolution 4.0 in which the development of agriculture is characterized by producing agricultural products in accordance to its needs, containing high economic value and productivity, and environmentally friendly.

The agricultural and food sector are placed in the center of economic development which have two development approaches, namely managing economic resources and generating added value. It focuses on: (1) Increasing food security through improving the production of agricultural commodities; (2) Strengthening agricultural infrastructure resources and facilities; (3) Enhancing the capacity of human resources, competitiveness, and agricultural innovation; and (4) Reforming the bureaucracy.

The agricultural policy is directed to support food security and improving the welfare of farm families by taking into account the sustainability of agricultural resources and improving the quality of agricultural products. The policy direction and strategy of the Indonesian Ministry of Agriculture 2020-2024 supporting the national development are presented in Table 3.

Table 3. Policy direction and strategy of the Indonesian Ministry of Agriculture, 2020-2024

Policy	Strategy
Maintaining national food security	<p>Increasing production and strategic food productivity through: (1) Providing superior seeds; (2) Implementing good agricultural/farming practices; (3) Reducing crop loss; (4) Carrying out pest control and adaptation and mitigation of the impacts of climate change; (5) Developing zone-based commodity areas; (6) Utilizing the subsidies, financing, and agricultural business credit; and (7) Optimizing the use of land including swamps.</p> <p>Improving national strategic food availability through: (1) Developing food supply based-domestic production and national food reserves; (2) Empowering small-scale food businesses (corporate farming); (3) Accelerating technology dissemination and increasing farmers capacity in technology adoption; and (4) Promoting the reduction of food loss through employing food handling, processing, and distribution technologies.</p> <p>Increasing the affordability and use of food through: (1) Strengthening and facilitating the development of food marketing and markets in rural areas; (2) Maintaining food supply stability through managing the staple food reserves at national and local governments; (3) Revitalizing the community food storage system into community food reserve system; (4) Distributing subsidized food or food aid according to local food consumption patterns for the poor and food shortages; and (5) Promoting diversification of food consumption referring to the variety of nutritious, balanced, and safe food consumption patterns.</p>
Increasing the added value and competitiveness of agricultural Commodities	<p>It is implemented through: (1) Developing the export-oriented food barns at the border areas; (2) Developing the clustered farm commodity based-farmer corporation; (3) Strengthening the quarantine system; (4) Developing cold storage and silo for strategic commodities; (5) Digitalizing the information and promotion systems and accelerating export and investment licensing; (6) Increasing efficiency, added value, and trade system; (7) Improving the quality of agricultural and processed products; (8) Shortening supply chains and efficiency in production costs; (9) Increasing exports and reducing imports of agricultural products; (10) Strengthening postharvest processing and handling units; and (11) Developing the regional-based agricultural industry.</p>
Maintaining the sustainability of agricultural resources and the availability of agricultural infrastructure and facilities	<p>Increasing the availability, land protection, and water management through: (1) Auditing agricultural land; (2) Increasing agricultural areas; (3) Establishing priorities for development areas; (4) Preserving and/or maintaining the fertility of productive and intensive lands; (5) Optimizing the use of abandoned agricultural lands; (6) Maintaining soil fertility and improving marginal land conditions; (7) Optimizing the existing water resources and developing alternative water sources both ground and surface water; (8) Improving the irrigation infrastructure functions; (9) Implementing water saving technology; (10) Developing water harvesting techniques with reservoirs and dams/long storage; and (11) Developing water absorption techniques into the soil with absorption wells.</p> <p>Revitalizing farmer and institutional financing through: (1) Optimizing community business credit schemes; (2) Developing agribusiness microfinance institutions; and (3) Facilitating the insurance programs.</p> <p>Increasing the availability and supervision of seed, fertilizer, and pesticide distributions through: (1) Enhancing the use of certified seeds; (2) Empowering seed breeders; (3) Developing and stabilizing the seed industry; (4) Facilitating the supply of subsidized fertilizer; (5) Carrying out monitoring of circulation and use of environmentally friendly fertilizers and pesticides; and (6) Improving the fertilizer and pesticide registration services.</p>
Increasing the quality of agricultural human resources	<p>It is conducted through: (1) Standardizing and certifying agricultural profession; (2) Regenerating and developing young interests in agriculture; (3) Implementing the agricultural counseling based-information and communication technologies; (4) Increasing the level of training up to international level; (5) Improving the competency-based vocational education and training; and (6) Strengthening farmer institutions.</p>
Achieving the effective, efficient, and service-oriented excellent bureaucracy	<p>It is managed through: (1) Taking into account the clean and corruption, collusion, and nepotism-free bureaucracy; (2) Improving the quality of public services; and (3) Increasing bureaucratic capacity and accountability.</p>

Source: MoA, 2019

The perspective of agricultural and food developments is in line with the Medium-Term National Development Plan. It is more focused on agricultural and food developments (Table 4).

Table 4. Focus of agricultural and food developments, 2020-2024

Focus	Remarks
Farmer corporatization	- Improving the bargaining position of farmers to collaborate with other large-scale businesses through: (1) Developing economies of scale in line with the principles of efficient business management; (2) Adjusting the production to markets or industry needs using raw materials supplied by the Community-owned Enterprises; (3) Creating professional business organization management based-existence and sustainable growth; (4) Supporting the Community-owned Enterprises to provide quality of raw materials for the large-scale industry; (5) Creating partnership between Community-owned Enterprises and large-scale businesses based-equal needs; and (6) Increasing the productivity of Community-owned Enterprises through accessing inclusive funding sources supporting national food security.
Biofuel provision	- Developing and strengthening bioindustry and bioenergy through: (1) Preparing road map for the development of bioindustry and bioenergy raw materials; (2) Strengthening the supply of bioindustry and bioenergy raw material of commodity production outputs based-production area patterns; (3) Developing simple industries based in rural areas; (4) Promoting zero waste industry management; and (5) Encouraging the development of domestic advanced processing of agricultural commodities.
Empowerment of people's economy towards world food barns	- Developing rural religious organizations as modern and integrated agricultural institutions through: (1) Improving human resources with charismatic religious leaders as role model trusted by local communities; (2) Employing potential land resources of religious institutions; (3) Utilizing the large number of member and variety of location of established religious institutions; (4) Expanding market based-social relation and kinship religious institutions and the surrounding communities; and (5) Developing technology for strategic religious institutions.
Low carbon development	- Implementing the principles of sustainable agriculture development 2020 to 2030 toward balancing the economic, social, and environmental aspects. - Mainstreaming the climate change and green growth to achieve a balance of economic growth, poverty alleviation, and greenhouse gas emission reduction. - Adopting the strategies in climate change adaptation through: (1) Adjusting and developing farming systems to climate change; (2) Developing and applying adaptive technology to climate stress; (3) Optimizing the use of land, water, and genetic resources; and (4) Strengthening the role of all stakeholders through local farmers deliberations at the initial planning of simultaneous planting based on planting calendar and anticipation of climate change adoptions.
Good governance	- Continuing to strive forward and realize good governance and professional human resources.

Source: MoA, 2019

## Regulation

The regulatory framework of the Strategic Plan of the Indonesian Ministry of Agriculture 2020-2024 include three aspects related to its principles, urgencies, and objectives. **First**, principally it is implemented to: (1) Facilitate and control the behavior of society and agricultural apparatus; (2) Consider to the aspects of costs and benefits; (3) Focus on principles of regulations to support the national development policies; and (4) Increase the participation of stakeholders. **Second**, the urgencies of the strategic plan are: (1) Directing the regulatory planning as a development required; (2) Increasing the budget; and (3) Improving the quality of regulations in order to encourage national development priorities. **Third**, the strategic plan include certain objectives, namely: (1) Human development and poverty alleviation; (2) Infrastructure and regional mapping; (3) Added value of real sector,

industrialization, and employment opportunities; (3) Food, water, energy, and environment securities; and (4) Defense and security stability.

## **CONCLUSION**

The strategic plan of the Indonesian Ministry of Agriculture 2020-2024 is a five-year development planning document as a translation of the Medium-Term National Development Plan 2020-2024 in agriculture. It contains the vision, missions, goals, objectives, policies, and strategies as a reference in planning, implementing, and evaluating the performance of all elements in the Ministry of Agriculture.

Achieving food sovereignty and farmer welfare is a shared vision for all elements in the Ministry of Agriculture in particular as well as other agricultural stakeholders in general. This vision would not be able to be achieved without horizontal and vertical synergies within the Ministry of Agriculture and the support of all national and local stakeholders. Strengthening food security is still a priority policy, but the new strategic plan does not mention about food self-sufficiency. This is a significant change on policy regime which implies more consistent with the market mechanism.

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