



Harmonizing Agricultural Development Programs with Legislation Framework in Indonesia

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INTRODUCTION

The government of Indonesia has released many laws to govern agricultural development policies and programs. There are eight laws directly related to agriculture and in the process were initiated by the Ministry of Agriculture (MoA), namely: (a) Law No.12/1992 on Crop Production System; (b) Law No.13/2010 on Horticulture; (c) Law No.18/2012 on Food; (d) Law No.39/2014 on Estate Crops; (e) Law No.41/2014 on Livestock and Animal Health; (f) Law No. 16/1992 on Animal, Fish, and Crop Quarantine; (g) Law No.19/2013 on Farmer Empowerment and Protection; (h) Law No.16/2006 on Agriculture, Fishery and Forestry Extension. In addition, there are some laws initiated by other Ministries but influence the policy framework on agricultural development, namely: (a) Law No.7/2014 on Trade; and (b) Law No.7/1994 on the Agreement Establishing The World Trade Organization (WTO).

As a reference in formulating agricultural development programs MoA formulates a strategic plan covering the period of five years. The question is to what extent the strategic plan addresses strategic issues mandated by the laws and to what extent the laws are consistent to each other. The purpose of this brief is to discuss those issues.

Common messages and interlinkages across laws

There are some common messages addressed by various laws related to agriculture:

- a) Crop and livestock production should be implemented in a comprehensive and integrated manner encompassing the whole segments of value chains.
- b) Crop and livestock production should be developed to promote farming system characterized by: high productivity, efficient, competitive, and able to improve the welfare of various actors involved.

- c) There is a need to empower and protect farmers, particularly smallholder farmers.
- d) Agricultural development should give priority to promote domestic products include seeds, breeds, and production supplies.

The first message emphasizes that commodity development should not only focus on the production side, but also include the downstream segments (processing, marketing, and consumption). The second message underlines the focus of commodity development toward a viable, competitive, and sustainable production system. The third message deals with farmer's empowerment while at the same time protect them from unfair competition. In line with the third message, the fourth message implies inward looking policies which limit the import of strategic commodities. Unfortunately, this policy is also emphasized in the Law No.7/2014 on Trade.

Major elements of the laws are basically consistent to each other. The only conflicting element is related to the fourth message which then reflected more specifically in the policy to limit import and export of strategic commodities. This element of the law is inconsistent with WTO rule which promotes an open, transparent and non-discriminatory trade practices. Furthermore, this policy principle is also widely discussed in various regional and multilateral forums (ASEAN, APEC, G-20, OECD, etc). Even though these forums are non-binding in nature (except ASEAN), but participating countries have political and moral responsibility to implement the agreed policy.

Major elements of the law are also reflected in the strategic plan of MoA. The problem arises when we review annual program implementation. Priority of the program is on achieving self-sufficiency on food crop production (particularly rice, maize, and soybean) which do not give sufficient attention to efficiency and competitiveness of those commodities. Furthermore, production incentive is mostly given in terms of price support and input subsidy which hurt poor households (including small holder farmers).

CONCLUSION

Several laws related to agriculture provides sound messages on the direction and dimension of crop and livestock development programs. However, one element of the laws related to priority on domestic production which is also strengthened by import and export control policy is inconsistent with the WTO rule to promote an open, transparent and non-discriminatory trade practices. In the future, harmonizing content of the laws is needed to provide a consistent reference in formulating and implementing development programs.

The strategic program framework of MoA basically addressed the major elements of the laws. However, the implementation program emphasizing self-sufficiency on food crops and focusing mostly on production aspects is not entirely in line with the laws.

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