



Overview of the Indonesian Government Assistance Program for Food Plants Sector

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INTRODUCTION

The Government Assistance Program is a new program in agriculture by the government to support national agricultural performance. The program was established during the administration of the Work Cabinet, during the administration of President Joko Widodo. At first, Indonesia's vice president launched a credit program for farmers. In 2017, the Government Assistance Program (GAP) was officially formed. GAP has been implemented since 2016 on the consideration of the Minister of Finance regulation on the use of government aid budgets. GAP 2018 is regulated through the Minister of Agriculture Regulation No. 46 of 2017, which discusses the design of government activities and programs. In the government's efforts to advance Indonesian agriculture and food self-sufficiency in accordance with its Medium-Term Development Plan (RPJMN) 2015-2019. The 2018 Government Assistance Program is a master plan for government assistance programs in various aspects of agriculture. GAP shows the focus of the Indonesian government and is used as a record of national development. In this paper, it will discuss reviews of government activities and programs and government achievements in the past till today. GAP 2018 takes an important role because it will affect Indonesia's agricultural conditions in the near future as well as become the basis for the formation of regulations for GAP 2019.

The government assistance program overview

The Government Assistance Program (GAP) is a program held by the ministry of agriculture that aims to increase production, productivity, and quality of food crops. GAP is different from social assistance or assistance for the poor. This program is aimed at all people with a

mission of national food sovereignty and increasing the productivity of national agriculture production.

Basic legal consideration

The Government Assistance Program Plan in 2018 is regulated by the Minister of Agriculture Regulation No. 46 / Permentan / RC.110 /12/2017. As for the legal aspect of the GAP year of 2018 which is based on various regulations:

1. Law of The Republic of Indonesia No. 17 the Year of 2003 about State Finances
2. Law of The Republic of Indonesia No. 1 the Year of 2004 about State Treasury
3. Law of The Republic of Indonesia No. 15 the Year of 2017 about National Income and Expenditure Budget Year of 2018
4. Government Regulation of the Republic of Indonesia No 7 the Year of 2008 about Deconcentrating and Co-Administration
5. Government Regulation of the Republic of Indonesia No 45 the Year of 2013 about Implementation Procedures of National Income and Expenditure Budget
6. Presidential Regulation of the Republic of Indonesia No 16 the Year of 2018 about The fourth change of Presidential Regulation No. 54 the Year of 2010 about Procurement of Government Goods and Services.
7. Presidential Regulation of the Republic of Indonesia No 45 the Year of 2016 about 2017 Government Work Plan.
8. Presidential Regulation of the Republic of Indonesia No 107 the Year of 2017 about Details of the Income and Expenditure Budget for the Year 2018
9. Minister of Finance Regulation No. 156/PMK.07/2008 about Fund Management Guidelines DK and TP *juncto* PMK No 248/PMK.07/2010
10. Minister of Finance Regulation No. 173/PMK.05/2016 about a change of PMK No. 168/PMK. 05/2015 Regarding the Budget Implementation Mechanism of Government Assistance at State Ministries / Institutions
11. Agricultural Ministerial Regulation No. 46/Permentan RC.110/12/2017 about Guidelines for Management and Distribution of Scope Government Assistance (Ministry of Agriculture, 2018a).

Background

Food policy in the era of President Joko Widodo's administration is contained in the Nawacita Program (The Nine Expectations, Desires, and State Agenda) and became the foundation of the government's work program, namely achieving food self-sufficiency in the context of national food security. The government prioritizes the future of farmers and increases their welfare. This government program in 2018 focuses on poverty alleviation and food programs in 2018 focusing on alleviating poverty and improving people's living standards through agriculture. (Public Relations and Public Information Bureau, 2018)

Indonesia is one of the agricultural countries where the agricultural sector is taking an important role in national development. In the National Medium-Term Development Plan (RPJMN) for 2015-2019, the agricultural sector is one of the important sectors in the national economic development. Increasing strategic commodity production becomes a national policy choice. The success of achieving an increase in production can only be sought by moving all the resources that are owned, both from the existing conditions and through developing new potential (Ministry of Agriculture, 2016).

Objectives

GAP is regulated by the Ministry of Agriculture Act. No. 46 the Year of 2017 article 3 which stated the objectives of GAP 2018. The Minister of Agriculture focuses on:

- a. Improving the quality of program planning and implementation of national agricultural development activities
- b. Improving the coordination and integration of the planning and implementation of agricultural development.
- c. Promoting efficiency, effectiveness, order, transparency, and accountability in implementing agricultural development
- d. Optimizing the quality of the design of operational activities for agricultural development

The Government Assistance Program 2018 concept

The Government Assistance Program' s concept stated in chapter e articles 7 and 8, consists of:

- a. Intensification of production management, productivity, and quality of sustainable food crops and plantation crops
- b. Increase in production and value-added horticultural products
- c. Fulfillment of livestock-origin food and livestock agribusiness
- d. Development and supply of agricultural infrastructure and facilities
- e. Improvement of performance of agricultural counseling, training, and education program
- f. Increasing community diversification and food security (Ministry of Agriculture Regulation, 2017).

The government program

The Government Assistance Program in agriculture is a support to individuals, community, farmers, farmer cooperation, government institutions, non-governmental organization (NGO) in form of:

- a. Government Award for excellent performance in the strengthening of national agriculture. The award in the form of money, goods and or services as a form of appreciation to anyone who achieves in achieving the goal of food self-sufficiency for their region. This refers to encouraging everyone to be aware of agriculture and improve achievements in the fields of food security and agriculture that will contribute to the national mission.
- b. Scholarships aimed at young people in the form of tuition fees, books, research project funding in food and agriculture.
- c. Operational assistance aimed at the community, farmer groups, Cooperative Farmers (CF), government institutions, non-government organizations (NGO) to meet the farming operational needs.
- d. Rehabilitation assistance specifically aimed at facilitating the basic needs of farming activities for governmental organizations and NGOs in the form of financial aid or goods.
- e. Assistance in the for the facilities and infrastructure to individuals, community, and CF.

Activities

Government activities regarding GAP 2018 objectives include managing the production of legume plants (*Fabaceae*), tuber plants (*Euphorbiaceae*), cereal plants (*Poaceae*); increased production of fruits, floriculture, vegetables and medicinal plants; management of supply systems for food crops, plantation crops, and horticultural crops; processing and marketing of production of food crops, plantation and horticultural crops; protection and enhancement of plant protection and its products; improvement of agricultural irrigation systems; expansion of agricultural areas; facilitation of agricultural technologies; increasing livestock food production; control and management of diseases; ASUH program (Safe, Healthy, Whole, and Halal); development of processing and marketing of livestock products; improvement of the quality of human resources through counseling, education, training for farmers and community; creation of an Independent Food Region (*Kawasan Mandiri Pangan*), strengthening of Cooperative Farmers, facilitation of farmers' communities, establishment of business centers (Matching Fund Federation) for farmers, facilitation and support of infrastructure at the individual or farmer group level. (Ministry of Agriculture Regulation, 2017).

Case study: government action and its achievements

The Government Assistance Program covers many aspects of support in agriculture, this regulation plays an important role to control the activities and programs in various regions, especially the remote areas in Indonesia. The Minister of Agriculture mentioned that the agricultural sector had contributed significantly to reducing the inflation rate. Controlled food prices have caused foodstuff inflation in 2017 to reach 1.26 %, far lower than in 2013 of 11.35 %. Moreover, foodstuff inflation in 2017 was also below the general inflation which was still at 3.61 %. (Kompas, 2018).

National achievements in the horticulture sector

The Ministry of Agriculture aims to increase the horticulture sector. Ministry of Agriculture commits to boosting the production of chili, red onion, garlic, corn, and soybeans (Margrit, 2018). In 2017, chili production reached 2.19 million tons. In 2018, production will be boosted to 2.23 million tons through the development of the 13,500 ha of areas planted to chillis and the assistance in the form of one million stem seeds. Garlic is targeted at a production of 79,000 tons through the area development to 7,000 hectares (ha) and assistance in form of 200 tons of garlic seeds. In 2017, production only reached 600,000 tons, in 2018 soybeans are targeted to reach 2.2 million tons with an additional land area of 1.2 million ha. (Gumiliar, 2018).

The rapid increase in corn production

In 2018, the Ministry of Agriculture planted corn simultaneously in an area of 73,051 hectares in Lampung, Bengkulu, East Kalimantan, West Java, West Nusa Tenggara, and East Java. Based on the First Food Crop Production Prediction (ARAM), maize production in 2018 is targeted at 30.05 million tons or up to 7.34% from 2017. Lampung Province, which is the host of simultaneous planting, is one of the corn production centers with a contribution to national production reaching 8.6%. According to BPS data, the corn production for 2014 amounted to 19 million tons. In 2015 production increased by 19.6 million tons. So even in 2016, corn production still continued the increasing trend with a production achievement of

23.6 million tons. In 2017 corn production reached its peak at 28.94 million tons. (Margrit, 2018) Because of its large production potential, the government encourages Lampung Province as the main contributor to national corn production.

Agricultural Data Center and Information System of the Ministry of Agriculture projects the corn balance until 2021 to record a surplus. This year's corn production is predicted to reach 28.61 million tons, up 2.35% more than the previous year and will continue to increase to 32.65 million tons in 2021 (Katadata, 2018).

GAP covered the assistance in the form of agricultural machineries

Government policy began with a new program called Modern Agricultural Development (PPM) with the aim of massively increasing agricultural production. This activity changes the traditional farming system to modern agriculture. (Yasmin, 2018). Modernization is an absolute foundation for Indonesian food and agricultural security. In 2018, the minister of agriculture has distributed aid in the form of agricultural machineries worth Rp 3.68 trillion (US\$ 255 million). This figure is reported to increase by 2,000% compared to its procurement in 2015. The total agricultural machineries distributed in 2018 is around 112,525 units. This comprise of 80,000 units for the main agricultural machine tools, while the rest include simple tools. The main objective of the Minister of Agriculture is to boost rice production or dry grain production to reach more than 80 million tons by 2018. (Gewati, 2018)

GAP as an Indonesian poverty reduction tool

Based on GAP, the Ministry of Agriculture, in collaboration with the Ministry of Social Affairs, as well as the Ministry of Villages, Development of Disadvantaged Areas, and Transmigration formed a Prosperous Operation Poverty Program (BEKERJA). Through this program, poor-household residents received short-term and long-term investment assistance in the form of money, as well as education and training for farming. They also received seeds and livestock for small farming purposes in their home yards.

The Central Bureau of Statistics has recorded the total data of Indonesia's poor population in villages in 2017 reaching 16.31 million people. This figure is down compared to the previous year of 17.10 million people. The decline in poverty is influenced by the progress of agricultural development that is able to provide income for farmers and food for the community at stable prices. Through the WORK Program, in 2018, the BEKERJA Program was implemented in 10 provinces, 776 villages, and 200,000 poor households. (Ministry of Agriculture, 2018b)

Before, in 2016, the Chairperson of the Indonesian Farmers Community Forum stated that the distribution of donations and government assistance was only obtained by certain farmers who had a network with the government. The benefits are not felt by small farmers and the poor. (Julianto, 2016)

The government's plan in 2019

Every year, the GAP regulation will be changed as government strengthens its focus. On the outline, the subject of the recipient of assistance, activities and the amount of the budget will be changed. The Minister of Agriculture has discussed the design of national agricultural development priority activities for the 2019 budget year. The Minister of Agriculture has called for the 2019 budget to be focused on sectors that can lift agricultural production, namely those related to improving farmers' welfare. For example water availability, provision of superior seeds, the supply of fertilizers, agricultural machineries, milling, attractive

agricultural processing/packaging, and regulatory improvements. (Studio, 2018). The activities and programs are being carried out in accordance with the 2018 Government Assistance Program objectives.

The Indonesian Minister of Agriculture submits 10 priority activities to be regulated for GAP 2019. The 2019 Work Plan refers to national priorities, which are: First, the production and multiplication of seeds and seedlings through the development of nurseries; Second, increased water supply through improvement of irrigation networks and the construction of reservoirs, long storage, and ditches; Third, the modernization of agriculture through increased assistance of agricultural machineries; Fourth, the development of strategic commodities of rice, corn, soybeans, sugar, beef, buffalo meat, chili and shallots; Fifth, increased acceleration of garlic and the development of imported substitution commodities; Sixth, increased food self-sufficiency efforts, namely the provision and multiplication of broodstock breeds through the Special Obligatory Breeders Cattle program (*Upsus Siwab*); Seventh, boost of agricultural productivity through expansion of rice fields in the border area and new development areas and optimization of dry land and swamp land; Eighth is the development of human resources in agriculture, namely increased vocational education and training. Ninth, boost of agricultural exports with the development of export-oriented food barns in the border areas; Tenth, alleviation of poverty and improvement of the welfare of poor farmers in rural areas, the Ministry of Agriculture launched a new program in 2018, namely the poverty alleviation program (BEKERJA) (Supianto, 2018).

CONCLUSION

The performance of the Ministry of Agriculture is still considered to be the flagship of the achievement of President Joko Widodo's government. These factors can be assessed from the increasing welfare of farmers and some commodity exports (Sudarsono, 2018). To improve the welfare of farmers, the Ministry of Agriculture continues to strive for various strategies. One of the breakthroughs made by the Ministry of Agriculture is budget refocusing. The magnitude of President Joko Widodo's attention to the agricultural sector is evidenced by the significant increase in the agricultural budget. Great attention to farmers is manifested through a number of breakthrough programs, from infrastructure development to farmer assistance programs. In the infrastructure sector, within two years, the Ministry of Agriculture has built and rehabilitated three million hectares of irrigation networks.

In addition to infrastructure, the Ministry of Agriculture helped increase the assistance for farmers in the form of seeds and fertilizers, as well as tools and agricultural machineries (Ratya, 2018). Ministries and government institutions in providing assistance using village approaches as one of the national development priorities. Government assistance is very selective and is only given to farmers who have seriousness in managing agricultural land so as to bring prosperity to their communities.

The government began to get a lot of praise and support from the community for the results of the government's hard work to improve people's lives, especially among poor and farmers. GAP is one of the concrete proofs of the government to increase agricultural productivity and food production. In the process of working on GAP, the government still has many tasks to realize a food-sovereign Indonesia. GAP 2018 is still in the process of evaluation and is a guide to form the 2019 GAP regulation.

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