AGRICULTURAL POLICIES IN INDONESIA: ARE THEY ADAPTED TO THE SUSTAINABILITY CHALLENGES

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OUTLINE

I. Sustainability Challenges
II. Agriculture Development and Macro Economy Situation
III. Indonesia Agricultural Development and the Challenges
IV. Agricultural Policy In Indonesia
V. Policy to Support Sustainability
SUSTAINABILITY CHALLENGES

• *Firstly*, whether agriculture will be able to meet future global food demands without adversely affecting the resource base.

• *Secondly*, what is the optimum approach to enable agriculture to both provide sufficient food and also act as an engine of pro-poor growth despite resource constraints.

Agriculture Development and Macro Economy Situation

• **Share of Agriculture in GDP** Decrease from 56% (1957) to 14% (2010).

• **The Number of Person Working in Agriculture** Decrease 61% (1957) to 42% (2010).

• **In The Year 1983-2003** More than 2.54 million Ha Agriculture Land Converted to Non-Agriculture Use.
**Population and Consumption**

- **Indonesian Population in 2010 is 237.6 Million**, with rice consumption average 139 kg/capita/year → Big Market.
- **Self-sufficiency on rice and maize** have been attained since 2008.
- **Food Diversification** more to Wheat (import) instead to Local food.
- **Wheat imports**, in value terms, accounted for 14 per cent of total agricultural imports in Indonesia.
- **Poor people 30.02 M (12.49%)** of which 18.97 M in rural areas (2011).

**Land and Water Competition**

- **Degradation of water resources and competition in water use**, between urban/Industry water requirements and irrigation.
- **More than 59% of Population in Java (13% of Indonesia Land)**, 60% Food Production in Java.
- **More than 100,000 Ha Agriculture Land in Java Converted to Non-Agriculture Use** every year in the last 2 years.
- **During the 1998-2000 average of 113 times disaster** every year (flood, land slide, etc)
### Paddy Productivity By Province, 2009 (Ku/Ha)

<table>
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<th>Province</th>
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<tr>
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### Agricultural Policy In Indonesia

#### SEVEN REVITALIZATION

**Land, Seed, Infrastructure, Manpower, Capital, Institution, Technology and Downstream Industry**

#### Main Target

1. Increase food production and sustain food self-sufficiency
2. Food security and nutrition
3. Increase competitiveness, and added value
4. Increase farmer’s income
5. Climate change adaptation and environment conservation
Food Security Program

- President Instruction: Indonesia targets 10 million tons rice surplus within next five years (till 2015).
- Increase Rice Production through using High yielding varieties → Integrated Crop Management (ICM), since 2008.
- Rice Estate in Papua (Merauke) and Kalimantan (East Kalimantan).

Policy Support To Increase food Production

- Indonesia largest farm input subsidy was for many years a fertilizer subsidy
- Fertilizer subsidies in 2009 had risen to Rp. 16 trillion (Rp. 1 trillion is equivalent to almost USD 100 million at current exchange rates), representing 30% of the entire agriculture budget in that year.
Policy To Support Sustainability

• Presidential instruction number 10/2011 regarding a two-year moratorium on new permits to clear primary forests and peat land throughout Indonesia.
• Law No. 41/2009 on the Protection of Agricultural Land to Sustain Food Production ➔ Control the pace of land conversion.

Agricultural Policy To Support Sustainability

• Reforming regulations for new agricultural areas developing.
• Research and development to create superior seeds and enhanced quality and productivity of national agricultural products.
• Taking concrete steps that are related to adaptation and anticipation of the food and agricultural system to climate change.