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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 .**

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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)

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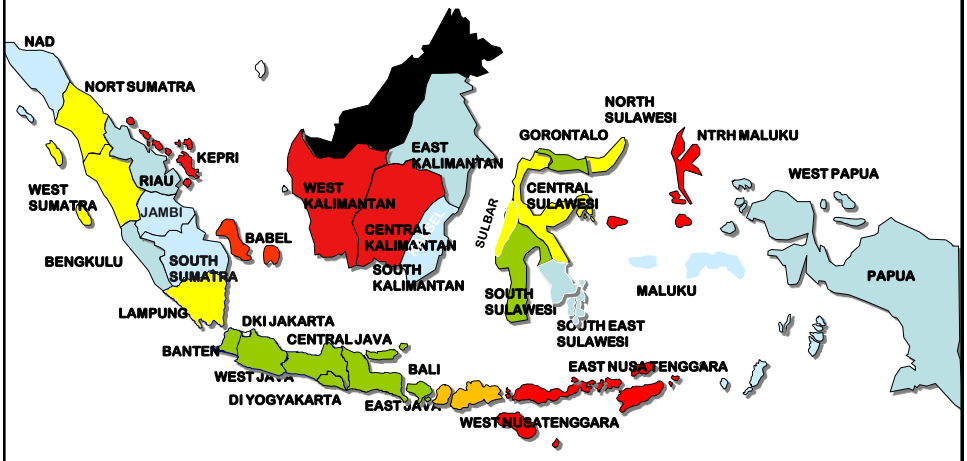
Paddy Productivity By Province, 2009 (Ku/Ha)



INDONESIA : 49,71 Ku/Ha

JATIM	58,87
BALI	58,61
JABAR	57,34
DIY	56,87
JATENG	55,42
DKI	53,40
GORONTALO	52,40
BANTEN	50,50
NTB	49,98
SULSEL	49,90

SULUT	47,79		
SUMBAR	47,51	NAD	43,19
SULBAR	46,85	MALUKU	42,09
LAMPUNG	46,64	SUMSEL	41,55
SUMUT	45,46	JAMBI	41,45
SULTENG	45,08	KALSEL	40,16

SULTRA	39,69
KALTIM	38,51
BENGKULU	38,00
PAPUA	37,56
PAPUA BARAT	35,63
RIAU	35,41

MALUT	33,93
KALBAR	31,42
NTT	31,20
KEPRI	29,60
KALTENG	26,96
BABEL	25,82

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 → Iintegrated Crop Management (ICM), since 2008.**
- **Rice Estate in Papua (Merauke) and Kalimantan (East Kalimantan).**

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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.**

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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.