



## Editorial

Dear Readers,

We are happy to come back to you with this Newsletter. We have several valuable information in this issue. First, strong results from our previous research activities about irrigation infrastructure in upland areas (the research led by Dr. Sumaryanto); second, effectiveness of institutional researchers (Dr. Syahyuti); and third tariff import analysis (Prof. Tahlim Sudaryanto).

Additional information relevant with your need is also prepared, including information about our research activities (conducted bound with ICASEPS excursion), policy development with hot issue on garlic production, and title lists of our three accredited journals.

We hope that you would satisfy with information we bring in this Newsletter.

Have a wonderful moment...

Thank you

The Editor

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## Research Findings



## IRRIGATION INFRASTRUCTURE IN UPLAND AREAS FOR IMPROVING FOOD SECURITY AND FARMERS' INCOME

Sumaryanto, Rudy S. Rivai, Muhammad Suryadi, Deri Hidayat

### Introduction

According to the Ministry of Agriculture, approximately 4,000,000 hectares of dryland is rainfed rice fields. In Indonesia, dryland areas contribute significantly to food production, enhance food security, and support dryland farmers' income. To maintain the dryland's role, the government develops irrigation infrastructure in these areas. Ministry of Agriculture collaborates with the Ministry of Public Works and People's Housing, as well as the Ministry of Villages, Underdeveloped Regions, and Transmigration focused on the development of the irrigation infrastructure. In 2017, the total fund allocated for this purpose was Rp1,243.05 trillion, which was distributed to the Ministry of Agriculture (Rp797 billion), the Ministry of Public Works and People's Housing (Rp424 billion), and the Ministry of Villages, Underdeveloped Regions, and Transmigration (Rp22.05 billion).

This study aims to (i) analyze food security level of small scale farmers earning their income by cultivating dryland area; (ii) identify the problems faced by farmers in increasing productivity using irrigation infrastructure on dryland areas; (iii) review the economic viability and key factors of irrigation infrastructure in dryland area; and (iv) formulate strategic policy and programs to increase the benefit of irrigation infrastructure for developing productive farming systems in dryland areas. The study employs primary and secondary data. Secondary data were collected from *Susenas* 2014, *Potensi Desa* 2013, *Sensus Pertanian* 2013, and yield performance of dryland areas published by the Ministry of Agriculture. The survey was conducted in Pandeglang, Garut, Gunung Kidul, Blitar, East Lombok, and East Sumba Regencies.

### Results and Discussion

Most of the rural areas in research areas are dominated by dryland. This makes farmers' households deal with food insecurity similar to those of non-farmers' households with food insecurity proportion each of 45% and 44%.

As a comparison, farmers' households in irrigation projects are more food secure than dryland farmers' households. The proportion of food-insecurity households in each community is about 45% and 37%, respectively. The climatic condition has an impact on food security farmers' households. A higher percentage of farmers living in the drylands is highly insecure than farmers cultivating crops in the wetland (58% vs. 44%).



Farmers in dryland areas have to experience problems of diverse enhanced irrigation infrastructure in different locations and irrigation infrastructures for cultivation. The main issues are locations and agriculture technology. A common infrastructure issue is about the dam construction project. This issue is related to the difficulties of technical problems and social institution simultaneously.

Realizing conformity on technical factors deals with data on specific location resources. Those data include rainfall, sources of water irrigation, land tenure status, land topography, yields, farmers' skills on financing and maintenance, vegetation, land use, existing cropping patterns, commodity marketing, and infrastructure users.

Another constraint is the implication of intensive development in a short period. Indicators observed are weak coordination between community sectors. The identification survey and design are not implemented, and the scope of monitoring physical quality is limited. Moreover, the lack of optimizing the bottom-up proportion ecosystem diversity as well as the socio-economic condition has a significant impact on the technical level suitability. Finance planning and lack of local government participation are also found.

Irrigation infrastructure utilization for dryland farming is considered as a good solution to maximize farmers' revenue. Dam construction has the biggest farmers' revenue improvement, but its nominal value is the lowest. Pump irrigation nominally has the most significant impact on farmers' income. Referring to NPV (Net Present Value) and Internal Rate of Return, the economic viability of irrigation infrastructures in dryland areas widely varies from medium to high category.

Factors affecting the enhancement of farmers' income from the utilization of a water irrigation system on dryland areas are productivity growth, cropping index enhancement, and changes in cropping patterns. In periods of diversity, infrastructure is unable to induce changing productivity significantly in a short period. Change in cropping pattern into high-value commodities and improved varieties adoption has the most significant impacts. Irrigation infrastructure development plays a vital role in achieving food security and sustainable livelihood, through increased income on dryland farming both in Java and outside Java.

### Policy Implications

In short period it is necessary to empower the farmers in dryland areas specific targets, i.e. (i) infrastructure operation finance and maintenance, (ii) effective agricultural technology application, (iii) encouraging farmers to grow high-value commodities and improved varieties, and (iv) boosting farmers' partnership with agricultural product traders. In a short-middle period planning, the priority is a quality enhancement. Therefore, it is necessary

to: (i) improve data system management, and (ii) reallocate finance for physical infrastructure development partially into the budget for enhancing capacity institutional farmer's infrastructure. In the long middle-long period, it is necessary to use different strategies with a different framework. A new framework for addressing food diversification is critical to support sustainable food security.

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## STUDY ON THE EFFECTIVENESS OF INSTITUTIONAL RESEARCHERS TO SUPPORT THE ACCELERATION PROGRAM OF AGRICULTURAL INNOVATION

Syahyuti, Rita N. Suhaeti, Cut R. Adawiyah, Rizma Aldilah

### Introduction



The linkage of research and extension (research-extension linkage/REL) at the Ministry of Agriculture has not been effective. In theory, strong linkages are shown by proper communication, strong

interaction, and effective collaboration. There are at least four causes for the ineffectiveness of the relationship, namely structure and organization, motivation and incentives, limited resources, and communication problems. To streamline the linkages between research and agricultural extension, the Ministry of Agriculture established the Assessment Institute for Agricultural Technology (AIAT) in all provinces in Indonesia following the Presidential Decree No. 83 in 1993.

Sahyuti et al. have conducted a study on this issue in 2018 entitled Assessment of the Effectiveness of Institutional Researcher Functional Research in Supporting the Agricultural Innovation Acceleration Program. Surveys for primary data were carried out in the Provinces of Banten and West Java. It revealed that dissemination of the results of the study had not been synergized optimally between the task of researchers and counseling at the Agency for Agricultural Research and Development (AARD), with the task of advice at the Agency for Agricultural Extension and Human Resources Development. The organization and management of research and extension have not been conducive to accelerating agricultural innovation to users.

The object of this study is the performance and effectiveness of technology dissemination, which is the process after the research produces ready-made technology. This study uses two scientific approaches, namely: (1) bureaucratic administration-administration science, and (2) Research Extension Linkage Theory (REL). This study is based on REL guidelines in accordance with regulations issued by the Ministry of Agriculture as well as with theories that develop about REL.

### Results and Discussion

The study indicated that the actual performance and problems related to the research and assessment functions and counseling in the process of down streaming of agricultural innovations in AIAT were not satisfactory. The cause comes from organizational and managerial structure problems that are



running. In essence, technology dissemination activities at the Agency for Agricultural Research and Development, where the Assessment Institute for Agricultural Technology as the leading institution in charge, has not been carried out in a structured and systematic manner. From the organizational side, the problem lies in the institutional design of AIAT, for example, from the main tasks and functions that are limited and biased to the assessment activities. For this reason, the new Ministry Regulation No. 19 of 2017 has added the task of "dissemination" in the role of AIAT.

In terms of implementing human resources, the composition of researchers and extension workers has not been balanced and has not changed much since AIAT was formed. The instructor's capability is still low compared to researchers, so it cannot help the implementation of activities optimally. The involvement of instructors in the assessment and dissemination activities was not in an adequate portion.

The effectiveness of the functional relations of research and assessment with extension (research and extension linkages) in the downstream process of agricultural innovation is constrained by various causes. The effectiveness of inter-institutional relations, namely between AIAT as a technology provider and extension agencies in the local government, is very low, mainly since the institutional counseling agency at the provincial level and the executive counseling agency at the district level were eliminated. The low structural position of counseling causes ineffective communication between parties.

Facing the above conditions, the position and function of research and assessment in AIAT with counseling requires various changes in the future. Going forward, the world of agricultural extension in Indonesia, where AIAT is an essential component in it, needs a change from the "extension system" approach to the "innovation system". The concept of the Agricultural Innovation System makes the importance of the process of innovation, so the role of researchers and extension workers becomes more critical. Innovation is measured not only at the end of the activity (output measurement), but also in the process of its activity. This new challenge requires the involvement of researchers and extension workers more flexible, relying on their knowledge and skills capital. For dissemination activities in the regions, the modality of researchers and extension workers at AIAT is quite adequate.

### Conclusions

As an institution, AIAT is strongly encouraged to develop a network both up and down levels. AIAT needs to initiate collaboration with other research institutions, which may require special efforts to keep a good, strong, and intensive communication. Research centers and AIAT need to improve synchronization and coordination in the implementation of their respective roles with a more structured manner.

The existence of a Technology Commission at province level is highly required. This time, the results of the assessment and assembly of technology from AIAT have mostly stalled at the status of "recommended technology", while the recommended one were not always acceptable by the Regional Government (specifically at provincial level) due to the weak institutional counseling in the region.

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## TARIFF IMPORT ANALYSIS OF SOME STRATEGIC AGRICULTURAL COMMODITIES

Tahlim Sudaryanto, Sri Hery Susilowati, Reni Kustiari

Indonesia's production, export, import growth rates of garlic during the period of 2013-2017 were 3.7%, 22.63%, and 3.59% per year,

respectively. Conversely, cassava production and export showed decreasing trends, i.e., 5.97% and 55.37% per year, respectively. It leads to increased cassava import of 13.79% in the same period. Sugar production, export, and import growth rates were each of 2.66%, 32.56%, and 11.19%. Beef production and import growth rates were 2.65% and 33.36%, respectively.



Garlic production cost per hectare was Rp 82.1 million per hectare consisting most of production inputs, i.e., seed (34.68%), fertilizers (12.11%), and pesticide (16.22%). Given the production cost, the breakeven price of fresh-leaved garlic was Rp9,888 per kg. As it was a risky farm business, the profitable farm-level price was breakeven price added with 30% of margin, which was equal to Rp12,854/kg.

It needed Rp14.58 million to produce per hectare of cassava with production cost consisting of seed (34.29%), fertilizers (10.85%), and pesticide (2.40%). Break-even selling price at farm level Rp801/kg with profitable farmer's selling price was Rp1,002/kg, including a profit of 25%.

Total sugarcane production cost was Rp32.7 million comprising land rent (32.37%), labor (26.21%), and production input (24.9%). The break-even selling price at the farm-level was Rp6,420/kg, and a feasible selling price with a margin of 25% would be Rp8,025/kg. Given the sugar reference price established by the Ministry of Trade (MoT) as much as Rp9,100/kg in 2017, the farmers got a profit of 41%.

The production cost of beef cattle was Rp 31.4 million/head, and the most substantial spending (83.74%) was on the calf. The break-even price at the farm level was Rp42,145/kg per live cattle. The farmers would get a profit of 25% if the selling price was Rp52,682/kg of live cattle. MoT established a retail beef price of Rp80,000/kg in 2017, and it was expected that beef cattle farming was still profitable.

From 2013 to 2017, CIF, producer, wholesale, and retail prices of garlic showed similar movement but different fluctuation levels. Garlic CIF, producer, wholesale, and retail prices' growth rates were each of 14.95%, 15.65%, 17.29%, and 13.31%. Garlic domestic and CIF prices were relatively small, fluctuating at 25.23%, 27.82%, 32.94%, and 26.26%, respectively.

In the same period, cassava price growth rates at the producer, wholesale, and retail levels, were each of 5.94%, 4.79%, and 4.30%. On the other hand, cassava CIF price decreased by 12.34% per year. Cassava CIF price relatively low fluctuated with a coefficient of variation (CV) of 21.94%. Conversely, cassava producer, wholesale, and retail prices were relatively stable with its CV, each of 9.47%, 7.84%, and 7.61%. Sugar CIF highly increased, i.e., 12.69% per year, and in the same period, its producer, wholesale, and retail prices increased by 4.38%, 5.87%, and 6.23%, respectively. The world's price CV was

higher than the domestic price. CVs of CIF, producer, wholesale, and retail sugar prices were 17.02%, 12.08%, 7.04%, and 7.72%, respectively.

Beef producer, wholesale, and retail prices in the same period were each of 9.59%, 6.93%, and 6.21%. Conversely, beef CIF decreased by 2.87% per year. CVs of CIF, producer, wholesale, and retail beef prices varied slightly, i.e., 16.13%, 15.18%, 11.20%, and 9.96%, respectively.

Garlic import policy was import tariff application of 5% and garlic-growing obligatory to importers at least 5% of Horticulture Product Import Recommendation (RIPH). The Government of Indonesia (GoI) applied a 5% import tariff on cassava import even though the bound tariff was 40%.

GoI issued MoT Regulation (Permendag) No. 63/2016 on sugar price reference at farm level each of Rp9,100/kg and Rp11,000/kg for floor and bidding prices. Sugar's highest retail price (HET) was Rp13,000/kg. Permendag No. 27/2017 established sugar price references at farm level (HPP) and HET were each of Rp 9,100/kg and Rp 12,500/kg. The specific tariff



on sugar following MFN was Rp550/kg, and the bound tariff was 95% of the world's price. Beef applied import tariff for farmers protection was 5%, even though its bound tariff was 50%.

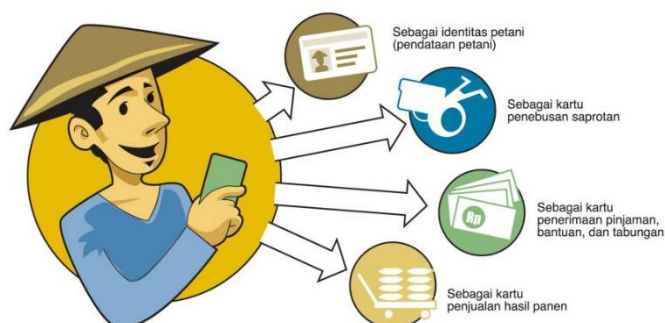
To protect domestic garlic farmers, GoI needs to enhance applied tariff to 18.7% or an increase of 13% from the current policy at 5%. The applied tariff for cassava should be improved to 7% rather than the existing tariff at 5%. Sugar farmers should also be protected by using an import tariff of 14% rather than 7%, given the price reference of Rp9,100/kg. The current sugar applied tariff was Rp550/kg or 7.34%/kg. Based on price reference and beef cow farmers' profit of 25%, the applied tariff has to increase to 26.3% or an increase of 21.3% from the current tariff, i.e., 5%.

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## Policy Development

### EFFICIENT DISTRIBUTION OF FERTILIZERS: THE APPLICATION OF FARM CARD

#### Introduction



Fertilizers are among the main factors to increase food crop production. The share of fertilizer's cost in the total cost of production of paddy (per hectare per planting season at wetland area) is 9.43%. The contribution of fertilizers in production is obvious and, therefore, the government supports the efficient use of fertilizers through relevant policies, specifically in distribution and price subsidy (at farm level).

Two reasons why policy on fertilizer's subsidy is essential: (a) to reduce farmer's burden to purchase fertilizers for their respective farm uses, and (b) to ensure that such input uses would contribute to a certain level of production. The government provides fertilizer's price subsidy through price selling mechanisms to support especially food crops farmers. Budget to meet this policy is increasing over time; from 2014 through 2018 the budget was increased by 9.97% in average annually (from Rp21.05 trillion or 7.78 million tons of volume in 2014 to Rp30.10 trillion or 9.95 million tons on in 2016, and a bit lower to Rp28.50 trillion but kept the volume at 9.95 million tons in 2018).

For optimal use of such input factors by the farmers, these fertilizers should appropriately deliver and meet the following six principles: accuracy in volume, dosage, type, price, quality, and time. For higher implementation efficiency, the Ministry of

Agriculture (Directorate General of Agricultural Infrastructures) and the Ministry of Finance (Agency for Fiscal Policy) have introduced farm card with its specific mechanism in a pilot project activity in several regencies in selected provinces since 2016: Indramayu Regency (West Java Province), Batang Regency (Central Java), Bojonegoro Regency (East Java), and Central Lombok Regency (West Nusa Tenggara).

#### Application of Farm Card and Its Current Development

A farm card is a typical smart electronic card like an ATM card. This card has been connected to a banking system developed by the state-owned banks, such as Bank BRI, BNI, Mandiri, and local government-owned banks. This card used for fertilizer's purposes. However, this card is also designed to have multi-purpose uses, including farmer's database, as redemption card for agricultural production facilities, a card for credit, social support, and buying and selling transactions of farm production. Farm card, as for this time, is used as a transaction tool such as debit card to purchase subsidized fertilizers. The latter is controlled through a farmer's name list with Group's Definitive Requirement Plan (RDKK). Farmers who eligible for such subsidy are smallholding farmers engaged in the farmland of no more than 2 hectares.

It is expected that through the application of farm cards, the subsidized fertilizer's distribution chain would be more efficient and more effective in reaching the target farmers. This is also considered as a way to avoid the scarcity of fertilizers during planting season and anticipate the increase in fertilizer prices and their fluctuation. Other uses of farm cards are welcome, specifically to support various agricultural development programs.

In 2017, it was reported that some constraints have encountered during the implementation of this farm card mechanism, namely (a) inconsistency of regulation-based fertilizer's allocation for province and regency levels by crops subsector; (b) readiness of human resources in implementation stage at each level (distributors, kiosks, and farmer's groups); (c) availability of supporting infrastructures, such as computer and internet system



integrated with EDC machine; and (d) the dynamic of land used and land employed pattern.

### Policy Direction

Farm card is obligatory for farmers to ensure the effectiveness of subsidized fertilizers distribution system. Farm card is not only prepared to read the allocation and transaction of subsidized fertilizers but also for other general banking transactions such as receiving and transferring cash. It is anticipated that farm card should be used for other integrated banking services, such as saving, credit, subsidized loan distribution (e-wallet), etc.



The availability of a complete database of the farmers has a lot of advantages. First, as a basis for development policies. Second, distribution transparency of subsidy funds through banking

systems. Third, data accuracy for fertilizer requirement and allocation. Fourth, harvest projection in certain regions by the amount of distributed fertilizers. Fifth, improved and reliable data of crop production and productivity for official use by regional institutions..

Take-home assignments in relation to the application of farm card are (a) availability of farmer's data as required; (b) similarity of banking infrastructures for banks that issued farm card; (c) readiness of appointed distributors and kiosks; (d) adequate support of human resources, specifically those who assigned for e-RDCK data verification; (e) dynamic system of landholding at field level; (f) control of the implementation of direct fertilizer subsidy for farmers through farm card system; and (g) availability of supporting facilities, such as telecommunication system with strong internet signal. In the future, the farm smart card is highly expected to offer many advantages while supporting various agricultural development programs.

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## Research Activities

### ICASEPS' FRIDAY MORNING MEETING

Recently, the management of ICASEPS decided to carry out a short meeting on hot issues in the agro-socioeconomic field. The meeting is held twice a month on Friday morning, so we called it Friday's coffee morning informal meeting. The Editor chose a topic of garlic production for this Newsletter. This topic was rendered by Dr. Bambang Sayaka, a senior researcher at ICASEPS.

### Increasing Garlic Production through Planting Program Obligatory

#### Background

Currently, it has officially announced that the local garlic production is about 5% of the total requirement. However, more pessimistic figures showed that the local garlic production is only 4% or even 3% of the total requirement. The amount of Indonesia garlic import is around 25% of the total world import. To respond to this import, Indonesia has set the target year for self-sufficiency, but it was inconsistent, it changes many times. It was officially announced in the year of 2023, but it was changed to 2019, and now efforts have been made to achieve self-sufficiency in garlic in 2021.



Ministry of Agriculture has issued the Import Recommendation for Horticultural Products (RIPH) through Minister's Regulation No. 38 in 2017 and changed to Minister's Regulation No. 24 in 2018. Garlic importers have an obligation to plant garlic and produce 5% of the import volume through partnerships with domestic farmers. The function of Agricultural Services at the local level is empowered to support this regulation. Importers who have this obligation are subject to certain conditions or punishment if against this obligatory regulation. Unfortunately, such regulation is far from the factual condition that during the past two years, it was hard to find the actual obligatory plant of garlic due to many constraints. This means that the policy does not work as expected.

According to the RIPH, the new importers should provide locally about 25% of the total import, while the other importers only around 10%. The data revealed that the actual obligatory planted are 16.3%, 17.0%, and 16.1% (for 2017, 2018, and 2019, respectively), data as of 7 September 2018 and as of 1 January 2019 they have changed to 35.5%, 26.3%, and 31.1% (for 2017, 2018, and 2019). The target is not achieved, and therefore, the import license of 71 importers have been immediately lifted. Several importers, in fact, have a number of import licenses through their other companies.

It has been identified that the problems faced by the importers include (a) difficulty to provide good quality of seed due to the scarcity of certified high quality of seed; (b) low quality of imported seed; (c) difficulty to find suitable land for garlic; some 50 hectares of potential land was recommended but this land is not well prepared and available to plant garlic; (d) many farmers are not interested in such planting partnerships; (e) strong competition among the importers to find farmers as their partner; and (f) similar program is also funded by the government's annual development budget.

#### Wrap up Session

This session was closed with the following take-home assignments.

- Expansion of garlic plant to high land area is confronted with a difficulty to find suitable land. Regarding extensification, the subject focus should be on productivity instead of production.
- Like shallot, garlic also vulnerable to pests and disease infestations, and therefore, garlic farm insurance is strongly suggested.
- The availability of seed is a major problem that it requires 10 months to provide good quality of seed, 4 months to plant, and 6 months for dormancy. This means that it takes quite a long time to set the self-sufficiency in garlic, and therefore, the year 2010 is suggested as the target for self-sufficiency in garlic seed, not for consumption.
- Garlic is not a priority in the agenda of research and development institutions. The relevant institutions need to

speed up their endeavor to a particular milestone in garlic production. The garlic farm system also requires the improvement of human resource capability. Human resource development is not only for researchers but also for the farmers. The farmer's capacity should be in partnership and relevant to research activities.

- e. ICASEPS is in the right direction to mapping the garlic production, make intensive analysis to produce comprehensive policy alternatives. Simulation, when garlic is imported with 10% of the tariff, for instance, could be

conducted as a lesson to provide various possibilities for policies. Different simulations, including MFN tariffs, could be learned to provide alternatives, including the impact of negative lists if a specific policy is applied.

- f. Use the WTO instruments to formulate policies that help the farmers as well as the importers. Nothing is wrong with the development of partnerships with farmers and, therefore, find a strong framework to partner with the farmers and support such a framework with suitable rules and regulations that are not against the WTO.

## ANALISIS KEBIJAKAN PERTANIAN

Vol. 17 No. 1 June 2019

1. *Pola Konsumsi dan Permintaan Pangan Sumber Protein Hewani di Provinsi Nusa Tenggara Barat dan Nusa Tenggara Timur* (Consumption Patterns and Food Demand for Animal Protein Sources in West Nusa Tenggara and East Nusa Tenggara Provinces) (Esty Asriyana Suryana, Drajat Martianto, Yayuk Farida Baliwati)
2. *Permintaan Pangan Sumber Karbohidrat di Indonesia* (Demand for Carbohydrate Source Food in Indonesia) (Prasmita Dian Wijayati, Harianto, Achmad Suryana)
3. *Fluktuasi Harga Telur Ayam Ras dan Faktor Penyebabnya* (Fluctuations in the Chicken Egg Price and Its Determining Factors) (Nyak Ilham, Saptana)
4. *Kinerja Rantai Pasok, Dinamika, dan Pembentukan Harga Beras di Jawa Tengah* (Rice Supply Chain Performance, Dynamic, and Price Determination in Central Java) (Saptana, Erma Suryani, Emmy Darmawati)
5. *Implikasi Kebijakan Harga Eceran Tertinggi Beras terhadap Profitabilitas Usaha Tani Padi, Harga, Kualitas, serta Serapan Beras* (Impacts of Rice Ceiling Price Policy on Paddy Farming Profitability, Rice Price, Quality, and Procurement) (Benny Rachman, Adang Agustian, Arif Syaifudin)



## JURNAL AGRO EKONOMI

Vol. 37 No. 1 May 2019

1. *Dampak Kebijakan Cukai Rokok terhadap Distribusi Surplus Ekonomi Industri Rokok di Indonesia* (Impact of Cigarette Tax Policy on Economic Surplus Distribution of Cigarette Industry in Indonesia) (Antik Suprihanti, Harianto, Bonar M. Sinaga, Reni Kustiari)
2. *Dampak Perubahan Harga Pangan terhadap Tingkat Kesejahteraan Rumah tangga di Indonesia* (Impacts of Food Price Changes on Household Welfare in Indonesia) (Rita Yuliana, Harianto, Sri Hartoyo, Muhammad Firdaus)
3. *Estimasi Permintaan Daging Sapi di Provinsi Jawa Timur dengan Model Sistem Pengeluaran Linier* (Estimation of



## ICASEPS Publications

- Demand for Beef in East Java Province Using the Linear Expenditure System) (Lia Rohmatul Maula, Ratya Anindita, Syafrial)
4. *Daya Tahan Rumah Tangga Petani terhadap Kekeringan di Jawa Timur dan Nusa Tenggara Barat* (Farming Household Resilience to Drought in East Java and West Nusa Tenggara) (Bambang Sayaka, Wahida, Tahlim Sudaryanto)
  5. *Peran Penyuluhan Pertanian dan Preferensi Risiko terhadap Penggunaan Pupuk Berlebih pada Usaha Tani Padi* (Impact of Agricultural Extension and Risk Preference on Fertilizer Overuse in Rice Farming) (Roydatul Zikria, Arie Damayanti)

## FORUM PENELITIAN AGRO EKONOMI

Vol. 37 No. 1 July 2019

1. *Reviu Kinerja Industri Kakao (Theobroma cacao L.) di Indonesia* (Review on the Performance of Cocoa (*Theobroma cacao L.*) Industry in Indonesia) (Ening Ariningsih, Helena J. Purba, Julia F. Sinuraya, Sri Suharyono, Kartika Sari Septanti)
2. *Kinerja Ekonomi Karet dan Strategi Pengembangan Hilirisasinya di Indonesia* (Economic Performance of Rubber and Its Downstream Development Strategy in Indonesia) (Resty Puspa Perdana)
3. *Dukungan dan Penguatan Peternak dalam Usaha Ternak Kerbau di Provinsi Banten* (Support and Strengthening of Farmers in the Buffalo Farm Business in Banten Province) (S. Rusdiana, C. Talib, A. Anggraeni)
4. *Potensi Pemanfaatan Kearifan Lokal untuk Menahan Konversi Lahan Sawah ke Nonsawah* (Potential Use of Local Wisdom to Withstand Conversion of Wetland to Non-Wetland) (Kartika Sari Septanti, Saptana)
5. *Inovasi Pertanian dan Pemberdayaan Masyarakat Petani di Lahan Gambut* (Agricultural Innovation and Empowerment of Farmer Communities in Peatlands) (Rika Reviza Rachmawati, Herlina Tarigan)

## THEMATIC BOOK

The title of the thematic book recently published by ICASEPS is *Ketahanan Pangan dan Gizi Nasional Berkelanjutan: Kebijakan dan Capaian* (Sustainable Food and Nutritional Security: Policy and Achievements). The author of the book is Prof. Dr. Achmad Suryana, while the Editor is Prof. Dr. Wayan Rusastra. The book contains the essence of articles from the author that were published in various journals and mass media.



Chapter 1. *Perspektif Penyelenggaraan Ketahanan Pangan dan Gizi Berkelanjutan* (Perspectives on the Implementation of Food Security and Sustainable Nutrition)

1. *Ketahanan Pangan dan Perbaikan Gizi Masyarakat Berbasis Kemandirian dan Kearifan Lokal: Perspektif Undang-Undang Nomor 18 Tahun 2012 tentang Pangan* (Food Security and Community Nutrition Improvement Based on Independence and Local Wisdom: Perspective of Law Number 18 of 2012 concerning Food)
2. *Proses dan Dinamika Penyusunan Undang-Undang Nomor 18 Tahun 2012 tentang Pangan* (Process and Dynamics of the Drafting of Law Number 18 Year 2012 concerning Food)
3. *Inovasi dalam Pencapaian Ketahanan Pangan Berkelanjutan* (Innovations in Achieving Sustainable Food Security)
4. *Pembangunan Sistem Pangan Berkelanjutan dengan Pendekatan Foresight* (Development of Sustainable Food Systems with the Foresight Approach)
5. *Menuju Ketahanan Pangan Indonesia Berkelanjutan 2025: Tantangan dan Penanganannya di Indonesia* (Towards Sustainable Indonesian Food Security 2025: Challenges and Handling in Indonesia)
6. *Faktor yang Mempengaruhi dan Arah Perubahan Pola Konsumsi Pangan Berkelanjutan* (Factors Affecting and Changing Direction of Sustainable Food Consumption Pattern)

Chapter 2. *Kebijakan Ketahanan Pangan dan Gizi* (Food Security and Nutrition Policy)

1. *Cadangan Pangan Mendukung Stabilitas Harga dan Penanganan Darurat Pangan* (Food Reserve Supporting Price Stability and Food Emergency Handling)

2. *Peran dan Fungsi Lembaga Logistik Pangan dari Perspektif UU Pangan* (Roles and Functions of the Food Logistics Agency from the Food Law Perspective)
3. *Strategi Pemanfaatan Pangan Lokal Mendukung Ketahanan Pangan Berkelanjutan* (Local Food Utilization Strategies Supporting Sustainable Food Security)
4. *Pemberdayaan Petani Kecil dan Masyarakat Miskin melalui Program LDPM dan Demapan* (Empowerment of Smallholders and Poor Communities through LDPM and Demapan Programs)

Chapter 3. *Keragaan Ketahanan Pangan dan Gizi Nasional* (Performance of National Food and Nutrition Security)

1. *Keberadaan Surplus dan Kebutuhan Cadangan Pangan Pemerintah untuk Menjaga Stabilitas Harga Beras* (Existence of Surplus and Government Food Reserve Needs to Maintain Rice Price Stability)
2. *Dinamika Kebijakan Harga Gabah dan Beras dalam Mendukung Ketahanan Pangan Nasional* (The Dynamics of Grain and Rice Price Policies in Supporting National Food Security)
3. *Menjaga Stabilitas Harga Beras dan Cabai: Optimalisasi Kebijakan Produksi, CPP, dan Impor* (Maintaining Rice and Chili Price Stability: Optimizing Production, CPP, and Import Policy)
4. *Kehilangan dan Pemborosan Pangan: Aspek Nilai Ekonomi dan Ketahanan Pangan* (Food Loss and Waste: Economic Value Aspects and Food Security)
5. *Keragaan Konsumsi Pangan Hewani Berdasarkan Wilayah dan Pendapatan di Tingkat Rumah Tangga* (Variety of Animal Food Consumption by Region and Income at the Household Level)

## ICASEPS News

### NEW DIRECTOR OF ICASEPS



On June 21 2019, Minister of Agriculture has officially inaugurated Dr. Sudi Mardianto as the new Director of ICASEPS. He was previously the Head of Assessment Institute for Agricultural Technology (AIAT) Banten Province. ICASEPS family congratulates and most welcoming back Dr. Mardianto to his first office where he was started his career at the Ministry of Agriculture. Born in Purwokerto, Central Java on March 16, 1968, Dr. Mardianto was graduated from Sudirman University in 1991 (BS degree). His Master and Doctoral degrees, both in agricultural economics were awarded by Bogor Agricultural University (IPB) in 2001 and 2013, respectively.

### ICASEPS OFFICE GATHERING 2019

ICASEPS has organized an annual office gathering at Camp Hulu-Cai, Ciawi Bogor. This full-of-friendship gathering was intended to find the possible ways to improve the employee's performance within the task to accelerate all activities in 2019. Dr. Fadry Djufry, the Director General of the Indonesian Agency for Agricultural Research and Development (IAARD), Ministry of Agriculture, also attended this event. He expected that ICASEPS, as one of the Ministry of Agriculture's important assets, could continue to contribute valuable policies to improve the success of agricultural development in Indonesia. He sees that in terms of capacity, ICASEPS would be best under the IAARD to respond to various issues in agriculture and as an institution that could support technical work units through sounding policy recommendations. He particularly expressed that socioeconomic research is very important in strengthening crops entering competitive conditions at global markets.

IAARD's new technology products that will be commercialized need market intelligence support to help the farmers to increase their respective competitiveness. ICASEPS is expected to play its significant role in helping not only the farmers but also policymakers, at central and regional levels, to improve their capabilities in the preparation and execution of high-value products for the benefit of all. ICASEPS, under the new management with the new director, has committed to working hard with "can do spirit" in mind and in work that has been inherited from their reputable predecessors. Good luck researchers!

## INAUGURATION OF PRESTIGIOUS RESEARCH PROFESSOR RANK



The Research Professor Assembly of the Ministry of Agriculture has confirmed three senior researchers from the Ministry of Agriculture to be inaugurated as Research Professor, a

prestigious achievement award from the Government to recognize their valuable contribution to agricultural development in Indonesia. The inauguration marked the number of Research Professors at the Ministry of Agriculture to 138 out of 525 of the total national number of Research Professor. One of the three newly awarded this Research Professor rank is Dr. Benny Rachman of ICASEPS.

In this inaugural ceremony, he delivered a keynote speech entitled "*Reformulasi Sistem Penyangga Pangan Kota-Kota Besar melalui Inovasi Kelembagaan Sentra Distribusi Pangan Mendukung Ketahanan Pangan Nasional*" (Reformulation of Buffer Food Systems in Big Cities through Food Institutional Innovation of Food Distribution Center to Support National Food Security). He specifically suggested several issues with policy implications to carry out by the Government.

1. The Institutional Development Cooperation Agency for Food Sector (BK-PBP) and the Food Distribution Center (SDP) need to prioritize the development of inter-regional food buffer systems. For this purpose, a legal umbrella is required that clearly regulates cooperation between regions (big cities and food buffer districts) within the food security policy.
2. The supply flow of distribution of staple and strategic foods from the buffer zones is not only conducted within big cities, but also to other regions. To maintain the sustainability of price guarantee for farmers is required for foods that they supply from buffer zones to big cities.
3. Food buffer systems at big cities through institutional innovation of SDP should be able to overcome the instability of supply and food price volatility, both in big cities and their buffer zones.
4. The provision of food from buffer zones to large cities has implications for profit margins obtained by the farmers because of food supply to outside the region. Therefore, to increase farmer's income while creating fairness, the provision of input subsidies for farmer groups in buffer zones needs to be prioritized.
5. The implementation of inter-regional cooperation in food supply must involve all relevant parties to facilitate the supply distribution channel.

## ASIA PACIFIC AGRICULTURAL POLICY FORUM IN SEOUL, KOREA



The Asia Pacific Agricultural Policy (APAP) Forum, launched in 2002, is a network and coalition of non-governmental organizations and individuals seeking to foster understanding of agricultural policies and build cooperation in agricultural development among countries in the Asia-Pacific Region.

The Forum has hosted annual meetings to have presentations and discussions on the current issues in the agricultural and fisheries sector since 2002. From 2011, it started holding the APAP Roundtable mainly with the board of directors of the Forum for detailed and in-depth deliberations on the topic and better preparation for annual meetings of the Forum.

The objectives of this Forum are (1) to foster and reinforce cooperation on agricultural development issues among Asia-Pacific countries; (2) to hold symposia on major agricultural policy issues impinging on agricultural and rural development in the region; and (3) to support research on agricultural and rural development issues toward improving the information base for policy decision-making.

The APAP Forum for 2019 titled "Enabling Environment for Secured Happiness through Inclusive Rural Transformation and Sustainable Development" was held in Seoul, Korea, on 29-30 August 2019. Attended by about 50 participants from more than 12 countries in Asia and Pacific and organized by Korea FAO Organization, Regional Office of AARDO for the Far East, and Global Agriculture Policy Institute (GAPI), the Forum had been conducted successfully.

The Forum was arranged in two sessions to discuss two main topics, namely (a) Regional Policies and Enabling Environment for Secured Happiness through Inclusive Rural Transformation (4 papers), and (b) Country Perspectives in Enabling Human Happiness and Well-being in Rural-Urban Continuum (6 papers). The Forum was attended by Dr. Sahat M. Pasaribu, Senior Researcher at ICASEPS, who delivered his presentation entitled "Boosting Investments and Economic Competitiveness Towards Rural Transformation." This topic was responded by a number of participants emphasizing the importance of investment in rural areas. The availability of funds would be significantly useful to finance agricultural and rural development activities toward inclusive rural transformation enabling happiness for the farmer's household and the rural people.

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