



Editorial

Dear Readers,

We are all terrified these days because of the threat of the contagious and deadly coronavirus. You've probably felt the ferocity of the Covid-19 pandemic in many ways. Anyway, we continue to meet you with this newsletter.

Two selected research results for you in this issue are "Strategy and Policy for Increasing the Export of Indonesian Coconut and Pepper" (Dr. Helena J. Purba) and "Improving Milk Supply, Competitiveness, and Livelihoods in Smallholder Dairy Chains in Indonesia" (Prof. Dr. Erwidodo). We chose the Minister of Agriculture's Regulation No. 15/2021 to update your information about product standards on agricultural risk-based business licenses. Next is about our research activities, publications, and several important news.

We are very proud to inform you that we have experienced a successful virtual international conference, 1st International Conference of Agriculture, Natural Resources, and Rural Development (1st ICANaRD), held on 27-28 July 2021. More than 100 papers have been presented and will be published by a leading global indexed publisher.

Now, with the coronavirus is still hanging around us, please always keep alert, stay safe, and don't be hesitate to follow the health protocols.

Thank you.

The Editor

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Research Findings



STRATEGY AND POLICY FOR INCREASING THE EXPORT OF INDONESIAN COCONUT AND PEPPER

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Introduction

One of the strategic programs of the Ministry of Agriculture in the 2020–2024 period is to increase agricultural exports threefold (*Grati eks*). This program is expected to accelerate the increase in the amount (volume and or value) of plantation product exports and their derivatives so that they can compete for and win over the world export market.

The aim of this research, in general, is to formulate strategic recommendations and policies to increase the export of Indonesian coconut and pepper. In more detail, the research objectives are as follows: (1) to analyze the performance of the Indonesian coconut and pepper production and industry; (2) to analyze the competitiveness of Indonesian coconut and pepper; and (3) to analyze the value chain for Indonesian coconut and pepper.

The research location is West Java Province (Sukabumi, Ciamis, and Pangandaran Districts) for coconut and its derivative products, while for pepper and its derivatives is Lampung Province (East Lampung District). Data was collected through virtual FGDs with respondents from Riau Province (Indragiri Hilir District) for coconut and Bangka Belitung Province for pepper. The types of data used are primary and secondary data. Due to the COVID-19 pandemic, primary data collection is partially carried out online through interviews or FGD methods. Primary data collection was carried out from September to November 2020 using a structured questionnaire. Respondents include farmers, farmer groups/Gapoktan, traders, processors, and exporters who were selected purposively and several key informants both in government and private agencies. The data analysis methods used are descriptive and quantitative (RCA and EPD methods, margin calculation).

Research Results

Performance of Indonesian Coconut and Pepper

During the last ten years, the performance of Indonesian coconut production and productivity has decreased. This condition is due to a decrease in the planting area, old and damaged coconut plants, and improper cultivation management (mainly not according to the GAP method). In the upstream sector, increasing coconut production can be done through massive replanting

to replace old and damaged plants, implementing GAP cultivation, using location-specific superior seeds accessible to farmers, strengthening financing, and improving logistic infrastructures and farmer institutions in production centers. In the downstream sector, systematic steps in developing downstream programs and diversification programs through agricultural corporations also increase coconut productivity.

The coconut processing industry faces several main challenges, namely (1) scarcity of raw materials, which makes industrial operations below their installed capacity; (2) high logistics costs, particularly transportation costs, due to the relatively far distance between the production centers and industries. Most production centers are located outside Java, while the coconut processing industry is mainly found in Java. In terms of quality, the processed coconut industry has not wholly followed the Good Manufacturing Practice (GMP) procedure, resulting in importers' rejection. The productivity of Indonesian pepper is still far below the average world productivity. Vietnam is the main competitor as well as Brazil and India. Around 96% of Indonesian pepper production is produced by smallholder farmers who still use traditional methods.

The main constraints in pepper cultivation are (i) not all farmers use superior and quality seeds, (ii) the use of types and doses of fertilizers are not following the recommendations, (iii) not optimal garden maintenance, and (iv) old and damaged pepper plants. Pepper production can be increased in two ways: increasing planting area and increasing productivity. Increasing the pepper planting area is important because the area of Indonesian pepper has decreased by an average of 0.42% per year.

The performance of the pepper industry has not shown optimal results. Processing of pepper is still limited to powdered pepper products. Product quality assurance is a necessity for the pepper processing industry. Therefore, it is necessary to improve the quality of pepper products by (i) changing the farmers' habits from randomly harvesting to harvesting according to harvest time; (ii) traditional harvest processing into mechanized processing; and (iii) drying in a particular place or using a solar dryer to avoid contaminants. The improvement of pepper quality is made by socializing and practicing good handling practices (GHP) and processing pepper based on SNI.

The Competitiveness of Indonesian Coconut and Pepper

Over the past decade, coconut export value has decreased by 0.20% per year, while its export volume has increased by 3.53% per year due to falling export prices due to changes in exchange rates and oversupply conditions in the world markets. In the 2009–2018 period, Indonesian coconut exports were concentrated in 15 countries, namely the United States, Germany, the Netherlands, Russia, Malaysia, South Korea, India, Vietnam, Singapore, Philippines, Japan, Bangladesh, and Saudi Arabia. Indonesia's share of coconut exports is 30% in the world market, while competing countries, namely the Philippines, have a 24% share, followed by India at 18%, Brazil and Sri Lanka at 4.46%, 4.41%, respectively.

There are seven coconut products with the largest export value and contribution to foreign exchange: crude coconut oil, semi-finished oil, coconut (shredded /dried), coconut charcoal, coconut cake, copra, and coconut fiber, respectively. Crude coconut oil provides the largest share of export value. However, the export performance of this product shows a negative trend,

while coconut charcoal product, which has a small export value, has the highest growth among the seven products.

During the 2009–2018 period, all coconut products were comparatively competitive in

all major export destination countries based on the RCA method, except desiccated coconut in the Singapore market (RCA value = 0.90) and coconut fiber in the Chinese and Malaysian markets. Only a few coconut products are competitive (in the rising star position). Most of them do not have a competitive advantage because they are already in the falling star position. Competitiveness can be increased through increased production and industrial capacity, accompanied by improvement in product quality and production costs efficiency.

The market that can still develop for crude coconut oil products in the US market is a lost opportunity. The export market is still wide open, but Indonesia cannot take advantage of this opportunity. The US import market is still growing, but the share of Indonesia's crude coconut oil exports has decreased. However, it is still possible to make efforts to increase exports while maintaining the existing market. The strategy to increase exports of crude coconut oil to the United States is to increase national coconut oil production to increase exports.

The ideal position occurs for semi-finished coconut oil products in the US market and desiccated coconut (DC) in the Russian market, namely the rising star. The growth in the export share of crude coconut oil products and the share of Indonesia's total exports in the United States is still increasing (growing fast). The strategy to maintain this position is to increase the competitiveness through increased coconut production accompanied by improvements in product quality and production cost efficiency.

The position of Indonesian coconut charcoal products is in a falling star in all significant export destination markets. The strategy of seeking new markets (diversification) can be carried out to maintain Indonesia's position as an exporter. In the Malaysian market, Indonesian copra export is in a lost opportunity position. This condition can still be improved through efforts to boost exports because the Malaysian market is still wide open for Indonesian copra. Meanwhile, in the Bangladesh market, Indonesian copra competitiveness has been in a falling star position. It means that the Indonesian copra export share is still growing, but at the same time, Indonesia's total export share in this market has been stagnant. The strategy is to look for new markets (diversification) immediately.

From the country's foreign exchange earnings, exports of ground pepper contributed USD 8 million per year and increased by 11% per year. The main export markets (61% share) are Japan, the Netherlands, and Germany. Ground pepper exports to the Netherlands have increased every year, while Germany's market shows stable performance. The European market is still a vital export destination because of the people's high consumption patterns towards animal protein, especially meat, and the needs of the cosmetics industry and other industries that open opportunities for Indonesia to fill this need.

Indonesia's total export share of powder pepper products is no longer growing in all export destination markets, but the export share of ground pepper is still growing. The strategy is to quickly



find new markets while continuing to improve quality and learn from the success of competing countries (especially Vietnam) that can maintain the market and even increase exports to various countries. In general, markets in the European Union, including Germany and the Netherlands, are very strict about the quality standards for incoming goods to their countries. Sometimes the European Union applies private standards for imported goods that are often difficult to meet by Indonesian exporters, especially in food safety.

The Value Chain of Indonesian Coconut and Pepper

Three export derivative products are selected for value chain analysis: coconut (cooking) oil, coconut charcoal, and pepper. Selection of coconut oil products based on the largest share in the total export of coconut commodities during the 2012-2018 period. Meanwhile, the coconut charcoal product has the most considerable growth in export value of all types of coconut-based products exported in the same period.

The value chain for the derivative coconut and pepper products analyzed is relatively short and tends to get shorter, consisting of only three to four main actors. The main actors are farmers, village/sub-district traders, district traders, processing, and exporters. With the diminishing role of district traders, this node is getting shorter, especially for coconut oil products.

The process of creating added value through physical transformation is still relatively limited. Coconut cooking oil is processed directly from copra, the shelled coconut endocarp. The gross margins and the share of margins obtained by the actors, starting from farmer-trader-gatherer-exporter, are distributed respectively: IDR 3,000/kg copra (50%), IDR 1,500/kg copra (16%), and IDR 6,500/kg of coconut oil (37%).

Coconut charcoal (sisha) processing only includes filtering, drying, and packaging to meet the moisture and dirt content standards according to export demand from charcoal produced by farmers. The distribution of gross margins in the series of value-added creation at each node of the main actors: farmer-village/sub-district-collector traders-regency-exporters. Exporters obtain the greatest gross margin, around 50%, followed by farmers who get a margin of approximately 15%. The selling price of coconut charcoal products as a proxy for added value from the farmer-village/sub-district trader-district trader to exporters is as follows: IDR6,500/kg, IDR6,700/kg, IDR7,200/kg, IDR9,300/kg, respectively. The FOB export price is IDR18,500/kg.

For pepper products, added value to export products has not yet reached the transformation of the nature and content of the product, only primary processing to pepper grains. The gross profit margin distribution is generally relatively large. The highest is at the farm level, followed by processors/exporters, with different amounts and percentages for each derivative product. Village/sub-district and district/trader/supplier traders/suppliers get normal gross profit margins.

The main problem in the value chain for coconut and pepper products is uncertainty and difficulty in obtaining raw materials at the farm level. It has the consequence of significant increases in prices and costs in the value chain. Until the endpoint, FOB prices (at ports) accumulate, which can suppress export products' competitiveness by exporters.

Policy Implications

Productivity, quality, and production costs are determinants of coconut and pepper product competitiveness and performance in

world markets. Many problems in upstream and downstream aspects (including post-harvest and marketing) need to be addressed, including through: (a) massive acceleration of replanting and providing superior seeds that can be accessed at affordable prices by farmers; (b) establishment of an authorized institution in a production center that functions as a farmer partner to assist and provide empowerment assistance (including technology adoption) to farmers, as well as liaising with processing industries and opening market access for the products.



Strategies to maintain and increase the competitiveness of coconut and pepper products in the export market can be done by: (a) improvement of product quality to meet export requirements; (b) cooperation between the government

(central and regional) and stakeholders, especially exporters, to quickly fulfill all applicable export requirements; (c) facilitate and encourage the development of warehouse receipt system (SRG) services in accordance with the mandate of Law No. 9/2006; (d) diplomatic efforts to encourage the coconut and pepper industry, open new markets, maintain outlets (export markets) and promote these products.

The government needs to be present as a facilitator in providing regulations to regulate and oversee the export of coconut seeds. Furthermore, the government should take a G to G approach to the European Union countries so that coconut products exported to the countries can remain competitive with products from the Philippines, Vietnam, and Sri Lanka.

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IMPROVING MILK SUPPLY, COMPETITIVENESS, AND LIVELIHOODS IN SMALLHOLDER DAIRY CHAINS IN INDONESIA

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Introduction

The project with the same title as above or familiarly called IndoDairy is a G to G collaborative research between Indonesia (ICARD, ICASEPS, and IPB University) and Australia (the University of Adelaide and Australian Dairy Consultants Pty. Ltd). The project started in August 2016 and, by plan, should be completed by mid-2020. However, it is extended until March 2022. The IndoDairy end-line survey will be held in December 2021.

The overall target of this project is to contribute to increasing milk supply (quantity and quality) by 25% in 2020 for at least 3,000 dairy farmers in West Java and North Sumatra provinces. The project's selection site is designed based on the Government of Indonesia priorities and the support received from cooperatives, processors, and the government.

There are three objectives to achieve during the implementation of the project: (1) to identify and recommend strategies and policies to support the development of sustainable, profitable, and smallholder-inclusive dairy supply chains in West Java and North Sumatra; (2) to identify barriers to adoption of profitable

management practices and farm business models and to develop strategies to inform the development of extension programs in West Java and North Sumatera; and (3) to develop, pilot, and evaluate innovative extension approaches in West Java that improve on-farm profitability of smallholder farmers. ICASEPS is responsible for objective 2, while IPB University and ICARD are responsible for objectives 1 and 3, respectively.

Methodology

To better understand the state of dairy farming in West Java, the IndoDairy project surveyed 600 dairy households across four districts in West Java between August and September 2017, called the IndoDairy Smallholder Household Survey (ISHS). The sample included 300 households from the Bandung district, 140 from the Garut district, 80 from the Cianjur district, and 80 from the Bogor district. A purposive proportional random sampling method was utilized to select households in order to have a data set that represented the population of dairy farmers in these districts.

Research Findings

Some important findings are presented here, while the complete version can be found at <https://www.indodairy.net/en/resources/ishs-factsheets>.

Household and Farm Characteristics

On average, there were four people per household. Approximately 91% of households considered dairy farming to be the main business activity. The average age of the primary decision-makers (PDM) was 47.0 years, while the average age of the secondary decision-makers (SDM) was 41.2 years. Both PDMs and SDMs had completed formal education of up to an average of six years, which was equivalent to elementary school education. Approximately 91% of households considered dairy farming to be the main business activity. Of the households surveyed, dairy-related income, which includes the sale of raw milk, processed milk, and dairy cattle, contributed an average of 77% of total household income. Dairy farmers, on average, had 19 years of experience in the dairy business. 82% of the farmers used personal funds for capital for their dairy business. The remaining households had either loans (16%), partnerships (2%), or inheritance (0.2%) as their primary source of capital.

The average total farm milk production was 39.0 liters per day. Milk production per cow was 14.9 liters per cow per day. On average, there were 5.6 cattle per farm. The average number of lactating cows per farm was 2.8. On average, the total land area managed by households was 0.49 hectares (ha), with an average of 2–3 plots per household. The average land owned by households was 0.19 ha, approximately 39% of total land managed.

Dairy Farm Inputs and Labors

Dairy cooperatives in West Java play a critical role as input suppliers for farmers, in many cases sourcing raw materials and mixing concentrates. Some dairy cooperatives provide this in the form of a “package,” where a portion of the milk sales from farmers goes toward covering the costs of supplying feeds, supplements, and subsidizing animal health services (including vets and artificial insemination).

94% of dairy farmers purchased at least one type of concentrate as a separate input to the Animal Health Packages. Dairy farmers utilized by-products from different food types, including tofu waste, cassava waste, and wastes from vegetables, as supplements for their herd, as they are generally cheap sources

of energy and other nutrients. Forages or grasses and concentrates were the most commonly procured inputs by dairy farmers. Other key inputs included forage legumes, crop straws, and waste feeds.

Overall, most of the respondents (59%) reported that household members were the primary source of labor in the dairy business. 22% of the respondents reported hiring labor to work on the farm in the past 12 months. The average daily wage rate across the four districts was IDR 46,193, equivalent to USD 3.19. The most common payment method was cash (65%), except the Cianjur district, where only 43% of the respondents reported using cash payments. The majority of the farmers (66%) said that it was difficult to find labor in their local area. The family contributed the most in work (9.7 hours) to the dairy farm operations. There was a substantial difference between labor hours in males (7.2 hours) and females (2.3 hours) across the four districts. Collecting forages took up the most time of both family and hired labor.

Milk Productivity, Price, and Quality



On average, total farm milk production was 39 liters per day. Total farm milk production per day significantly differed across districts. Farmers in Bogor were producing the highest amount of milk with 51 liters

per day. The average milk production per cow per day was 15 liters. With an average of 15 liters per cow per day, it was estimated a cow would produce 4,426 liters per lactation. On average, milk produced per labor unit was 10,329 liters per year. It was estimated that a farm would produce 1,210,000 liters per hectare per year. Despite variations in the dairyland area used and significant differences in milk produced per hectare between districts, there were no significant differences in milk produced per hectare per year. Overall, 76% of farmers reported a seasonal difference in daily milk production. On average, farmers had approximately four liters more per day in the wet season.

Overall, farmers reported the average price received for fresh milk was IDR 4,458.7 (USD 30.8) per liter. The majority (80%) of the farmers across the four districts reported that they did not have any form of a verbal or written contract with the buyers of milk. 91% of farmers said they delivered milk directly to their dairy cooperative or milk collection point (MCP). However, farmers' knowledge of their milk quality measurements or understanding of the concepts was generally low.

Costs, Revenue, and Profit

One of the key objectives of the ISHS was to improve the understanding of input costs and overheads related to dairy production. The major variable costs for the dairy farmers are associated with the purchase of forage, concentrates and supplements, feed delivery costs, and herd costs related to maintaining the herd on the farm (e.g., veterinary and herd health, water costs).

On average, across the four districts, total variable costs were IDR 34.0 million (USD 2,351) per annum, and total farm cost was 39.5 million IDR (USD 2,732). Concentrates and supplements accounted for the largest share of costs, making up approximately 74% of total costs. There was significant variation between the districts, with households in Bogor spending more than twice the amount in concentrates than households in Garut.

The total cost incurred by dairy farmers for producing a liter of milk was IDR 2,789 (USD 0.19/L).

The time contributed to dairy-related activities by family members was a significant opportunity cost for the household and estimated to be an additional in-kind 20.6 million IDR (USD 1,425) per annum. On average, family labor is equivalent to around IDR 2,160 per liter (USD 0.15/L). Dairy household members contributed almost the same value as in-kind time in Cianjur and Garut districts compared to total cash costs.

The average revenue derived from the fresh milk sales (minus the cost of delivering the milk) was IDR 63.9 million (USD 4,419) per annum. The revenue derived from fresh milk sales was highest in Bogor district (IDR 90.50 million or USD 6,258) as compared to the other districts. The average total revenue from milk production across the four districts was IDR 67.90 million (USD 4,695) per annum. On average, the revenue derived from selling one liter of fresh milk (minus delivery costs) was IDR 4,390 (USD 0.30). When including the value of processed milk sales and consumed milk, the total revenue from a liter of milk produced was IDR 4,756 (USD 0.32). Despite the significant variation in revenue and costs, there were no significant differences between profits per liter of milk across the districts. The total average profit per liter was 1,967 IDR (USD 0.14 per liter).

Technology Adoption

Technologies related to dairy farming are divided into four categories based on farmer's awareness and adoption:

Technologies with low awareness. Only a few number of farmers had heard about or were aware of technologies like synchronization of estrus, nutrient feed blocks, milk pasteurization and UHT (Ultra High Temperature). A fairly high percentage of farmers were unaware of certain basic dairy farm technologies that are critical to ensure dairy productivity and quality like mastitis test, high protein concentrates, record keeping, application of breeding plan, and feeding legume forages.

Technologies with low adoption. Technologies with a high percentage of awareness but low levels of adoption included automatic milking machines, biogas tanks, manure processing/manure reuse, cooling milk in water tanks, milk quality testing.

Technologies with discontinued adoption. Overall, about 12% of the farmers had stopped teat dipping after milking, a critical practice from preventing occurrence of mastitis. About 11% of farmers had stopped using high protein concentrates to feed their dairy cattle.

Technologies with high continued adoption. A high percentage of farmers continued to use some of the basic but critical technologies on their dairy farms including artificial insemination (100%), using detergents for milking equipment, improving milk hygiene to reduce TPC, use of high-quality grasses, use of fertilizers to grow grass, rubber/plastic floor for barn/ cage, and growing animal feed crops.



Conclusions and Policy Implications

Dairy farming was the main income activity for the majority of dairy farmers in West Java. However, dairy herd size and total land area managed by the majority of dairy households were limited. Concentrate and forages were the most important inputs, while family members were the main source of labor on dairy farm. Milk productivity and milk price were considered as low. Farmers' knowledge of their own milk quality measurements or the understanding of the concepts was generally low. Furthermore, farmers' awareness about majority of the technologies adoption of some critical technologies that are essential for production efficiency and ensuring product quality were still low. All these facts make dairy farming in West Java still less profitable.

Dairy farming is a land-based business, and therefore, the availability of land is essential for dairy farm expansion. Due to limited landholding, most dairy farmers could not expand the scale of their farms. To encourage smallholder dairy farmers to expand their business, the government should facilitate farmers to legally and temporarily use the abandoned plantation and forestry lands at affordable costs of renting. The government may also consider granting farmers living around the forests and plantation areas the right to use or cultivate those land to expand their dairy farming business. The government must also facilitate the procurement of cheaper quality concentrates and technology alternatives to produce good quality feed.

The smallholder dairy farmers in West Java still need guidance and training to improve business management and development orientation. For this reason, there is a need for synergy and coordination among the related institutions, especially in increasing fresh, quality, and sustainable milk production and reasonable prices for farmers. It is hoped that this process will be able to meet the needs for high-quality national fresh milk and improve the welfare of smallholder dairy farmers.

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Policy Development

THE ADOPTION OF THE MINISTRY OF AGRICULTURE REGULATION ON BUSINESS ACTIVITY AND PRODUCT STANDARDS ON THE IMPLEMENTATION OF RISKS BASED BUSINESS LICENSE

As a follow up of Indonesian Law No. 11 of 2020 on Job Creation or known as *Undang-Undang Cipta Kerja*, on April 1, 2021, the Minister of Agriculture's Regulation No. 15 of 2021 was launched that determined the measures on the standard in business activity and product for any company or individual who request a business license. The regulation contains more than 3645 pages, and it covers all agricultural activities (goods

and services) as categorized in Indonesia Standard Industrial Classification (*Klasifikasi Baku Lapangan Usaha Indonesia*/KBLI).

The measurement that has been used in this regulation is followed a risk-based approach with the objective to ease the application of agriculture business license by a private sector (group or individual). This regulation is designed to accelerate domestic production growth, increase the access of services for the private sector to invest and improve business climate in agricultural sector.

As part of the ease of doing business in the agricultural sector, application for a business license can be accessed through single

online submission. The Indonesian Center for Plant Variety Protection and Agricultural Permits, Ministry of Agriculture is the institution that has the mandate to check and monitor the application, issue the approval, and monitor the implementation of agriculture business license regularly.

The risk-based approach is determined as a measurement of the regulation and defined for each KBLI or ISIC. It covers the following information, such as:

1. Scope (*ruang lingkup*)
2. Definition (*istilah dan definisi*)
3. ISIC category (*penggolongan usaha/KBLI*)
4. General requirement of the business (*persyaratan umum usaha*)
5. Specific requirement of the business (*persyaratan khusus usaha*)

6. Infrastructure facilities (*sarana*)
7. Organizational structure (*struktur organisasi*)
8. Services (*pelayanan*)
9. Product attributes/processing/services (*persyaratan produk/proses/jasa*)
10. Business management systems (*sistem manajemen usaha*)
11. Conformity assessment and monitoring (*penilaian kesesuaian dan monitoring*)

In conclusion, this regulation contains detailed measurements developed under a risk-based approach and used to issue the agriculture business license. By having this regulation, it is expected the agriculture business climate in Indonesia will be better and able to attract new investors (foreign or domestic) to invest their capital in Indonesia. The increase in investment will accelerate the production and productivity of agricultural goods and services.

Research Activities

ICASEPS' RESEARCH PROGRESS



ICASEPS researchers are currently completing their respective research activities, compiling a final report while preparing materials for an internal research seminar before submitting the final report.

One research is "Supply Chain Development and Strategy to Recover Vegetable Agribusiness from the COVID-19 Pandemic". This research is interesting because it was specifically conducted to respond to the impact of this deadly pandemic disease and we intentionally prepare this information while we are in the middle of this pandemic. The following are among the preliminary conclusions and policy implications excerpted from this research:

1. Keeping the availability of food for all people is the priority task of the Ministry of Agriculture (MoA) in response to the impact of the COVID-19 pandemic. The priority programs include (a) refocusing activities and budgets, (b) accelerating labor-intensive programs, and (c) maintaining the availability of staple foods. MoA elaborates these programs into several working tasks, namely (i) quality food access and consumption programs, (ii) value-added programs for industrial competitiveness, (iii) science and technology research and innovation programs, (iv) vocational education and training programs, and (v) management support programs.

2. Vegetable consumption, in general, declined at the beginning of the pandemic but has started to increase again since early 2021, although it has not recovered as before. The elasticity of demand and supply of vegetable changes during the pandemic but is not elastic. This means that during the pandemic, vegetables are still a basic need for the people.
3. Large-scale social restriction movement policy affects vegetable consumption due to restriction of community activities, including the tourism sector, where restaurant and hotel customers have dropped dramatically. Restrictions on transportation between regions for commodities at the beginning of the pandemic also affected the supply of vegetables at the consumer level.
4. This study suggests the importance of (a) production facilities assistance because of the limited working capital of farmers who rely heavily on their capital or informal loans. In this regard, the easing of KUR requirements needs to be done so that the existing KUR ceiling can be absorbed by farmers, not only used by other MSME actors.
5. Marketing is severely hampered by a decrease in demand so that farming profits decline or even lose. Strong marketing with off-takers as intermediaries and risk bearers is urgent during this pandemic. The role of fintech institutions that have been operating, although their market share relatively small, is highly required.
6. Agricultural insurance, which so far only covers rice farmers and cattle/buffalo farmers, needs to be extended to vegetable farmers. The risk of vegetable farming is higher during the pandemic, especially price uncertainty due to low consumers.

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ICASEPS Publications

Jurnal Agro Ekonomi Vol. 39 No. 1, May 2021

1. Determination of Critical Productivity Level on Cluster-Based Area of Rice Crop Insurance in Java (Rizqi Haryastuti, Sahat M. Pasaribu, Muhammad N Aidi, I Made Sumertajaya, Valantino A Sutomo, Dian Kusumaningrum, Rahma Anisa)



2. Volatilitas Pasar Bawang Merah di Kabupaten Probolinggo Provinsi Jawa Timur (Market Volatility of Shallot in Probolinggo Regency, East Java Province) (Susanti Evie Sulistiowati, Ratya Anindita, Rosihan Asmara)
3. Efisiensi Teknis dan Profitabilitas Peternakan Rakyat Ayam Broiler di Kabupaten Kupang (Technical Efficiency and Profitability of Smallholding Broiler Farms in Kupang Regency) (Maryance Vivi Murnia Bana, Netti Tinaprilla, Rachmad Pambudy)

4. Efisiensi Teknis Usahatani Kubis Petani di Kabupaten Karo (Technical Efficiency of Farmer's Cabbage Farm in Karo Regency) (Esra Frandika Karo-Karo, Dominicus Savio Priyarsono, Sri Hartoyo)
5. Keberlanjutan Program Kawasan Rumah Pangan Lestari Bagi Satu Kelompok Wanita Tani di Kelurahan Beji Kabupaten Wonogiri Provinsi Jawa Tengah (Continuity of the Sustainable Food House Area Program for a Women Farmer's Group in Beji Village of Wonogiri Regency, Central Java Province) (Ninuk Purnaningsih Purnaningsih, Endah Lestari)

Analisis Kebijakan Pertanian Vol. 19 No. 1, June 2021

1. Milk Collection Points: Inovasi Kemitraan Usaha Ternak Sapi Perah di Pangalengan-Bandung Selatan (Milk Collection Points: Innovation on Dairy Cow Partnership Business in Pangalengan, South Bandung) (Iwan Setiajje Anugrah, Tri Bastuti Purwantini, Erwidodo)
2. Pola dan Kinerja Kemitraan pada Usaha Peternakan Ayam



3. Komparasi Biaya Produksi Ayam Broiler Indonesia dan Brasil untuk Antisipasi Impor Daging Ayam (Comparison of Indonesian and Brazilian Broiler Production Costs to Anticipate Chicken Meat Import) (Nyak Ilham, Sudi Mardianto, Sumedi)
4. Realisasi Kebijakan Wajib Tanam Bagi Importir dan Dampaknya terhadap Peningkatan Produksi Bawang Putih Nasional (Realization of Mandatory Planting Policy for Importers and Its Impact on Increasing National Garlic Production) (Bambang Sayaka, Yonas Hangga Saputra, Dewa K.S. Swastika)
5. Prospek Keberlanjutan Program Kawasan Rumah Pangan Lestari (Prospects of Continuity of the Sustainable Food House Area Program) (Saptana, Kurnia Suci Indraningsih, Ashari, Maesti Mardiharini)
6. Permasalahan dan Strategi Peningkatan Produksi dan Mutu Kakao Indonesia (Problems and Strategies to Increase Production and Quality of Indonesian Cocoa) (Ening Ariningsih, Helena J. Purba, Julia F. Sinuraya, Kartika Sari Septanti, Sri Suharyono)

ICASEPS News

1ST INTERNATIONAL CONFERENCE ON AGRICULTURE, NATIONAL RESOURCES, AND RURAL DEVELOPMENT (ICANaRD) ORGANIZED BY ICASEPS



Agriculture and the rural sector remain major economic drivers at which agricultural producers and rural economies need to be supported through appropriate policies. Policy support should allow fair agricultural product competitiveness, both for local markets and global trade. With all challenges faced by stakeholders in rural areas, the availability of resources needs to be inclusively managed to meet the right balance between economic growth, poverty reduction, and environmental sustainability. High recognition of this condition would lead to key elements as a foundation to recreate appropriate policy, institutional role, and financial support to promote agricultural resource competitiveness for sustainable and inclusive development of the rural sector.

ICASEPS pays close attention to the abovementioned issues. It's been dreamed of setting an appropriate time to discuss issues on agriculture, natural resources, and rural development through an

international conference participated by relevant expertise. With expressing experiences and analyses from different angles, various sound policy recommendations in respect to the conference theme could be drawn for the interest of all concerned. These issues have been intensively discussed with the Indonesian Society of Agricultural Economics (ISAE), at which we come up with cooperation to conduct such an international event.

ICASEPS and ISAE, therefore initiated the First International Conference on Agriculture, National Resources, and Rural Development (1st ICANaRD). The conference was intended to nurture knowledge exchange on enabling policy support for enhancing resource management for agricultural competitiveness toward progressive, self-reliance, and modern agriculture. ICASEPS and ISAE have taken up critical issues, innovative methods, and accountable measures to formulate strong policy support for sustainable and inclusive agricultural development. The conference was held on 27-28 July 2021 through a virtual meeting organized by the ICASEPS office in Bogor, Indonesia.

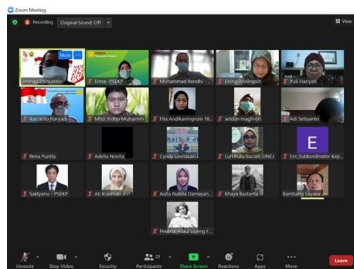
The theme of 1st ICANaRD is "Enhancing Agricultural Competitiveness through Better Resource Management for Farmers' Welfare." During the two days event, several invited speakers have presented their ideas. They come from international organizations (IFPRI, OECD, ACIAR) and Universities (Australian National University, Adelaide University) and frame the conference with thoughts and knowledge on three sub-themes: (1) Innovation and resource management to support agricultural sustainability; (2) Agribusiness value chain, competitiveness, and global trade to increase exports of agricultural-based products; and (3) Rural socio-economic dynamics for inclusive agricultural development.

Information about this 1st ICANaRD could still be available at our special website: <http://www.icanard.gci.or.id>. The

presentations and discussions during the Conference were directed to serve as policy levers and as basis for essential options for sound policy decisions. The presentation materials and the results of the plenary discussions have been properly documented as ready reference materials for international publication. All papers have been well written and edited in a scientific format following a specific reference guide.

The results of this conference are considered as a valuable document that will be published by a reputable and global accredited publisher. All submitted papers have been previously peer-reviewed and apply similarity checking to avoid plagiarism.

COOPERATION BETWEEN ICASEPS AND UNIVERSITY OF JEMBER



To implement the “*Kampus Merdeka Program*,” the East Java-based Jember University cooperates with ICASEPS specifically in mentoring students of the Agribusiness Study Program in the preparation of thesis and journal

articles. The cooperation period is planned for August-December 2021 according to the target for students’ completion of thesis and journal articles.

Dr. Sudi Mardianto, Director of ICASEPS, welcomes and appreciates cooperation with the academic community of the University of Jember. He then assigned several researchers to be involved in this collaboration.

During August 2021, intensive communication and virtual meetings have been carried out and attended by the Head of the Agribusiness Study Program along with several lecturers and students at the University of Jember, as well as management and researchers of ICASEPS. The technical explanation of the cooperation was delivered by the PIC of Cooperation at the University of Jember.

Five ICASEPS researchers are directly involved in this collaborative activity and become one of the student

supervisors. The involvement of mentoring from research institutions such as ICASEPS is expected to help students be more open-minded in conducting research related to the preparation of thesis and journal articles.

Title of student research involving the guidance of ICASEPS researchers:

1. COVID-19 and Indonesia's Export Competitiveness of Tobacco/Coffee Products
2. Integration of the Shallot and Garlic Market amid the COVID-19 Pandemic
3. Analysis of Leading Food/Horticulture Commodities of Jember Regency/East Java Province before and during the COVID-19 Pandemic
4. Mapping of the Potential of the Local Flour Industry as an Effort to Substitute Imported Products from East Java
5. The Influence of Price and the COVID-19 Pandemic on Garlic/Shallot Supply

REPRESENTING THE MINISTRY OF AGRICULTURE, ICASEPS’ LIBRARIAN WINS OUTSTANDING LIBRARIAN AT WEST JAVA LEVEL



To increase the capacity and performance of librarians and management of library, the West Java Province’s Library Services organized various competitions

related to libraries and literacy, one of which was the West Java Provincial Level Outstanding Librarian Competition. In the 2021 West Java Province Outstanding Librarian Competition, the Ministry of Agriculture sends its librarians whose work units are domiciled in West Java Province. Ms. Sheila Savitri, Librarian at ICASEPS won second place in the competition. On Monday, 13 September 2021, prizes were awarded to the winners of the competition. This prestigious event should motivate all librarians to improve their capacity and performance services.



PSEKP Tanggap COVID-19

<http://pse.litbang.pertanian.go.id/ind/index.php/covid-19>

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