Vol. 16 No. 1, April 2023 ISSN: 1978 – 2063

Agro-Socioeconomic Newsletter

Indonesian Center for Agricultural Socio Economic and Policy Studies (ICASEPS)

Editorial

Dear Readers,

We enter 2023 with great joy because the government has officially announced that we are free from the COVID-19 pandemic, although we are still required to wear masks if necessary to maintain health. We are also happy to see you again with this ICASEPS Newsletter Vol. 16-1. We did have to make some adjustments to the subtitle of this Newsletter following the change in mandate of ICASEPS recently. ICASEPS has a duty to focus on policy analysis rather than conducting research in agricultural economics. Two policy issues in this Newsletter are "Management Strategy for Government-Assisted Agricultural Machinery to Increase Food Crop Production" (Dr. Adi Setiyanto) and "Performance of Information Technology Application on Marketing of Horticultural Products" (Dr. Erma Suryani). We also brings you information on rice price policy and analysis on food stock strategies under subtitles policy development and policy activities, respectively.
Several news in addition to the list of articles published in Analisis Kebijakan Pertanian can be found in this Newsletter. So, enjoy the reading.

Thank you
The Editor

CONTENT

Policy Update

MANAGEMENT STRATEGY FOR GOVERNMENT-ASSISTED AGRICULTURAL MACHINERY TO INCREASE FOOD CROP PRODUCTION

Adi Setiyanto, Julia F Sinuraya, Frans BM Dabukke, Miftahul Azis, Amalia Ulpah, Annisa F Astari

Introduction

Background

The government has provided support for the provision of agricultural machinery and equipment to increase agricultural production, with the majority of aid allocated to rice farming. The use of machines in rice farming, such as pre-harvest agricultural machines, can help increase the capacity of farmers to carry out land processing and planting activities, especially in areas with a limited number of workers. Harvest and post-harvest machines can also speed up the harvesting and post-harvest processes, thereby reducing yield losses. However, many monitoring and evaluation reports and studies have shown that the utilization of agricultural machinery and equipment among the target group has not been optimal.

Objectives

This study aims to (1) identify the root causes of the non-optimal utilization of government-assisted agricultural machinery, especially for rice, (2) formulate a management model to increase the use of government-assisted agricultural machinery for rice, and (3) formulate a strategy to promote synergy between the central and regional governments to optimize the use of agricultural machinery for rice.

Methodology

This study mainly focuses on lowland paddy rice. The analysis of agricultural machinery is limited to those used for land preparation (tractor), planting (transplanter), harvesting (combine harvester and thresher), and processing of paddy into rice (RMU, including dryer).

The study was conducted in two different rice-producing provinces: one in Java and the other outside Java. The province in Java was selected based on the lowest level of efficiency compared to other provinces in Java on a national scale, while the province outside Java was selected based on the highest level of efficiency among the provinces outside Java on a national scale. In each province, two districts were selected: one with the highest

density of agricultural machinery and the other with the lowest density. Based on technical efficiency analysis, the location in Java is DI Yogyakarta, while outside Java is Lampung province.

The data collected are primary and secondary. Primary data was collected using semi-structured questionnaires with in-depth interview techniques and through focus group discussions (FGD). Secondary data was collected at the central, provincial, and district levels.

Respondents were selected purposively, consisting of (a) the Secretary of the Directorate of Agricultural Equipment and Machinery, Directorate General of Agricultural Infrastructure (4 respondents); (b) Secretary, Directorate of Processing and Agricultural Products and Directorate of Rice and Cereals, Directorate General of Food Crops (2 respondents); (c) Bureau of Planning and Center for Agricultural Data and Information, Secretariat General (4 respondents); (d) Center for Postharvest and Center for Development of Agricultural Mechanization, IAARD (2 respondents); and (e) Education and Training Center, Agricultural HR Agency (2 respondents). At the provincial and district/city levels, the agricultural sector handles agricultural machinery and post-harvest for food crops, especially rice, and the Alsintan (agricultural machinery) Brigade (14 respondents). At the sub-district and village levels were (a) agricultural field extension (8 respondents); (b) heads of farmer groups/association of farmer groups receiving government-assisted (8 respondents); (c) rental agricultural machinery services providers (UPJA) managing pre-harvest, harvest, and post-harvest agricultural tools and machines which are considered the most successful (4 respondents); and (d) UPJA managing pre-harvest, harvest, and post-harvest agricultural tools and machines which are considered the least successful (4 respondents).

Analysis of the effect of government-assisted agricultural machinery on planting area and productivity used Stochastic Frontier Analysis (SFA), descriptive qualitative analysis as a result of reviews of various publications and research or previous evaluations, and root cause analysis (RCA). The approaches used in RCA analysis are the five whys analysis (FWA) and the cause and effect diagram (CED). Prospective simulations were conducted to select policy alternatives with the greatest positive effect among the existing policy options.

Results

Main Problem of the Non-Optimal Level of Utilization of Government-Assisted Machinery

The room for technical improvement in the efficiency of rice planting is relatively large compared to the planted area, considering the relatively lower efficiency level. Nationally, the potential for increasing efficiency in the currently available technology is 48%, 17% in Java, and 52% outside Java. The increase will be made by improving the factors that significantly affect efficiency, adding a water pump, and empowering Rental Agricultural Machinery Services Providers (UPJA).

There is still room to improve productivity efficiency with currently available technology, even though it is relatively small. Nationally, the scope for increasing efficiency is 16%, while in Java, it is 6%, and outside Java is 21%. The efficiency improvements were likely due to several significant factors. These include the addition of a small combine harvester, the reduction of vertical dryers, the addition of a medium-scale rice milling unit, the decrease in small-scale rice milling units, and an increase in the capacity of UPJA.

Increasing the planting index, harvested area, and productivity are considered as performance achievements that should lead to increased production of paddy and rice. However, these achievements have not been met due to the failure to increase the planted and harvested paddy areas. While productivity has increased in some provinces, the decrease in the harvested area in many other provinces has hampered the performance of paddy and rice production. This is mainly due to the suboptimal utilization of agricultural machinery. In addition to being relatively low, the utilization level of pre-harvest, harvest, and post-harvest agricultural machines has declined in 2018−2021.

The allocation and distribution of government-assisted agricultural equipment and machinery do not align with efforts to achieve rice performance indicators in the development of agriculture. The uneven density of agricultural machinery is one of the factors contributing to increased utilization problems. UPJA does not get proper coaching attention. The mechanism for proposing government-assisted agricultural machine recipients is a source of problems resulting in the accumulation of such machines in several villages or sub-districts.

The problem of not optimizing the utilization of government-assisted agricultural machinery can be attributed to several root causes. Firstly, planning and procurement systems and mechanisms at the central level lack coordination with provincial and district/city authorities. Secondly, monitoring, evaluation, and reporting have not been effective at the central level due to weak data collection, limited human resources, and minimal regional budgets. Thirdly, social and interest conflicts arise, leading to unfair competition and tools not being utilized due to a lack of coordination and synchronization in the planning, procurement, and distribution of aid between the center and the regions. Fourthly, the specifications of the tools and machines do not align with the proposals and needs. Government-assisted agricultural machinery is relatively uniform for each recipient and recipient location, causing mismatches between agricultural machinery's location and the wishes of farmer groups. Additionally, government-assisted agricultural machinery is often of low quality, easily damaged, and lacks after-sales service from a third party. Spare parts for repair are expensive, difficult to obtain, and often unavailable, and fuel is challenging to get. Fifthly, the assistance, training, and institutional capacity-building activities for managing assisted agricultural machinery are not optimal. Finally, beneficiaries face constraints and challenges in optimizing the use of alsintan, including the uneven density of government-assisted agricultural machinery, competition with existing non-government-assisted alsintan, mobilizing agricultural machinery, managing capacity and operational management of leasing, limited range of operating areas, and discrepancies between agricultural machinery specifications and agro-ecosystem characteristics.

Management Model to Increase Utilization of Government-Assisted Agricultural Machinery

The root cause of inefficient agricultural machinery use lies in ineffective implementation, procurement, distribution, and utilization by central and regional governments. Centralized agricultural machinery procurement systems have not achieved the performance objectives and targets. There are weaknesses in identifying the farmers' needs for the distribution of government-assisted agricultural machinery, coaching recipient groups developed into independent and professional UPJA, and other post-recipient assistance activities. Lampung and DI Yogyakarta show relatively better planning, procurement, and distribution of government-assisted agricultural machinery by the regions.

The new approach to procuring, distributing, and managing government-assisted agricultural machinery can follow the pattern of management of the UPJA model, which is supported by the agricultural ecosystem platform currently being developed through UPJA online (an online-based application). In this model, some parties act as providers of the machinery rental platform, and owners of agricultural machinery can become members or partners. Farmers who need agricultural machinery services can contact the providers through the platform.

Synchronization of Synergy Strategies between the Center and the Regions in Optimizing the Use of Agricultural Machinery

To enhance synchronization and synergy between central and regional government, the following measures should be taken: (a) identification of areas based on considerations of the level of density, utilization potential, and potential land area that will be served by government-assisted agricultural machinery; (b) improvement of the central procurement system in terms of agricultural machinery types, determination of CPCL (farmers and locations), proposal mechanism, allocation of mentoring budgets, allocation of regional budgets for procurement; and (c) development of institutional capacity to facilitate the transformation of groups into independent and professional UPJA for effective joint management of agricultural machinery support.

Policy Implications

Procurement and distribution of government-assisted agricultural machinery need to prioritize program implementation to achieve agriculture development performance targets.

Data collection is urgently needed to develop complete statistical data related to the level of agricultural equipment and machinery density and planning for national needs.

The central government needs to improve the planning, procurement, and distribution system of agricultural machinery. The involvement of both central and regional governments should be more balanced.

The central government has three main responsibilities in relation to government-assisted agricultural machinery. Firstly, it should coordinate with agricultural machinery providers to ensure enough after-sales services for government-assisted machinery, such as spare parts. Secondly, it should work with local governments to redistribute types of agricultural machinery that are not optimally utilized to areas where they are most needed. Finally, the central government should provide training programs, technical guidance, and coaching to help operators and managers improve their skills and knowledge.

The UPJA online program needs to be accelerated and expanded, which can be achieved through a pilot project with the support of more professional and competent machine operators and partners. This program can accommodate farmer groups/combined farmers groups that own or receive government-assisted agricultural machinery as partners.

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PERFORMANCE OF INFORMATION TECHNOLOGY APPLICATION ON MARKETING OF HORTICULTURAL PRODUCTS

Erma Suryani, Sunarsih, Saktyanu K. Dermoredjo, Kartika S. Septanti, Lira Mailena, Riska Nurhafizhah, Sri Nuryanti

The COVID-19 pandemic has shifted consumer and producer behavior towards online-based trade for formerly conventionally traded products. The change in marketing patterns of agricultural products, including horticultural products, through e-commerce was triggered by government policies restricting the movement of people and goods. Farmers and business actors use various online marketing patterns with the help of different applications and social media platforms to promote their products.

In the era of digitalization, is the use of information technology (IT) common among horticultural product business actors for marketing their products? Horticultural commodities have product characteristics that are relatively perishable, have a short shelf life, and have a high level of risk.. This poses a challenge for farmers and business actors who previously marketed horticultural products and are now transitioning to online markets. Horticultural product business actors must develop appropriate strategies to take advantage of online market access. One of ICASEPS' studies can provide an overview of the strategies developed by business actors and the prospects for the online marketing of horticultural products. The study used the SWOT (strengths, weaknesses, opportunities, threats) approach and revealed the involvement of farmers in online marketing. This includes selling farmers, farmer groups, and traders of horticultural products.

Performance of IT Utilization by Farmers Using Marketing Applications

In general, only a few horticultural farmers utilize applications to market their products. This is because planting and growing horticultural commodities requires more intensive handling than other crops, limiting the farmer's time to engage in other activities. However, some farmers have successfully expanded their market access by selling their products through social media.

Based on the SWOT analysis, it is evident that farmers have strong skills in marketing planning and are proficient in using

market and social media applications. However, the quality of their products is a weakness. Not all of the products meet the expected standards of consumers. Additionally, farmers tend to avoid taking risks, such as using banks to increase capital.

Regarding external factors, the reliability of internet network infrastructure is essential for online marketing. Unfortunately, unstable internet connections are one of the threats that can hinder the smooth running of online marketing efforts.

Performance of IT Utilization by Farmers as Suppliers

Farmers who do not directly market horticultural products through applications can still become suppliers by partnering with other business actors. These partnerships can take the form of written contracts or informal agreements. Overall, farmers have reported an increase in the volume of products marketed through their partners, especially during the COVID-19 pandemic.

The strength of farmers in supporting online marketing lies in their ability to supply high-quality products according to consumer demand while maintaining strong partnership ties. However, the weakness is their inability to increase crop productivity due to the lack of technological developments implemented in cultivation. In addition, limited capital capabilities can limit their ability to expand their business.

External factors present opportunities and threats for expanding online marketing. The increasing number of marketing application choices is an opportunity. However, the large number of imported fruit products is a threat that can potentially reduce consumer preference for local fruit products.

Performance of IT Utilization by Farmers Groups Using Marketing Applications

Few farmer groups have taken advantage of applications for marketing horticultural products. Those who use marketing through applications typically rely on marketplaces and social media. Sales through the marketplace have yielded positive results, as evidenced by their status as "star sellers," which indirectly indicates an increase in sales volume.

The internal factor, such as the strength of farmer groups, is the ability to adapt to online-based work patterns. The existence of farmer groups in the production center area facilitates meeting consumer demand. However, limited ability to use IT is a weakness that needs to be addressed. Consumers have identified several products that are still reliant on the farmer group's partners. The external factor that can be an advantage of this farmer group business is that there is no need to create a product display area, which can help reduce trade costs. Furthermore, the government's focus on digitalization across all sectors has created a favorable environment for online marketing. However, fraudulent practices in cyberspace pose a significant threat to online marketing efforts.

Performance of IT Utilization by Marketing Application User Merchants

The benefits offered by a marketplace application used by horticultural product traders depend on the type of application chosen. These benefits may include cashback, price discounts, assistance from the marketplace team, and free shipping for consumers. Generally, the products sold through these applications are sourced by working with producer farmers.

The strength factor is that traders who sell horticultural products online continually update their product listings and prices to remain competitive in the market. They can also adapt to the changing work patterns of online-based activities. However, the weakness is the lack of product promotion, which can hinder their sales. On the other hand, external factors can be opportunities for marketing horticultural products online, such as the high competitiveness of the products and the availability of numerous shipping services, especially during the COVID-19 pandemic. Nevertheless, traders must also be aware of the threat of unpredictable fluctuations in fruit and vegetable prices, which can affect their business.

Online Marketing Strategy for Horticultural Products

Business actors such as farmers using applications, partner farmers, farmer groups, and traders have shown a capability to implement an aggressive online marketing strategy for horticultural products. This indicates that the prospects for marketing efforts are promising. Every business actor has different strategic priorities that align with their strengths and opportunities to support their online marketing efforts.

Policy Recommendation

To improve online marketing, especially for horticultural products, it is necessary to address the weaknesses of business actors such as farmers, farmer suppliers, farmer groups, and business actors/traders. The main weaknesses include low-quality vegetables/fruits that do not meet consumer demand standards, reluctance to take risks, relatively low plant productivity, lack of technology skills, and limited capital. To address these issues, policies are needed to encourage the application of good agricultural practices (GAP) for cultivating and post-harvesting vegetables/fruits. This will help achieve high-quality standards, facilitate access to capital, and train business actors to enhance their capacity to utilize information technology.

Business actors face several major threats that can impact their operations. These include uneven distribution of internet networks, varying internet quality across regions, an increase in the number of imported vegetable and fruit products, rising competition and price volatility of vegetables and fruits, the entry of large investors in online marketing, and the risk of fraud in cyberspace. Protecting against these threats is crucial for businesses to ensure smooth operations and growth. To mitigate these threats, the presence of the government is crucial through the implementation of related policies. These policies should prioritize the development of internet networks in all regions with adequate quality, regulate the import trade of vegetables and fruits, stabilize the prices of these products, regulate investments that affect MSMEs, and impose strict sanctions on any actions that could harm business actors in online marketing.

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Policy Development

RICE PRICE POLICY DYNAMICS IN 2022 AND 2023

Rice prices have increased since mid-2022, and at the end of the year, there was a significant increase, which was responded to by government policies. The government cannot intervene in the rice market due to the lack of government rice reserves in the National Logistics Agency (BULOG) warehouses. Prices for unhusked rice and milled rice that exceed the official floor price indicate that BULOG is unable to purchase unhusked rice and milled rice in the domestic market. BULOG has been assigned to import 500,000 tons of rice to increase the government's rice reserves until February 2023. At the same time, the government has set an official floor price for unhusked rice and milled rice so that BULOG can purchase domestic rice, especially during the harvest season (February to April 2023).

In the policy that has been set, the Head of the National Food Agency (BAPANAS), through an official letter issued on February 20, 2023, announced the highest grain (unhusked rice-GKP) price at IDR 4,550/kg at the farm level and IDR 4,650/kg at the rice mill unit (location), and IDR 5,700/kg for dry unhusked rice (GKG). The price of milled rice at the BULOG warehouse is IDR 9,000/kg. The issuance of the letter received various responses from stakeholders following a significant decrease in the price of harvested grain (unhusked rice) from IDR 5,500–6,000/kg to IDR 4,800–5,000/kg. Due to the negative response from stakeholders, the letter was immediately canceled and followed by the issuance of BAPANAS Decree No. 60/TS.03.03/K/03/2023 dated March 7, 2023. This letter emphasizes explicitly the price flexibility to meet the government's rice reserves. BULOG uses this policy decision to purchase rice at a higher market price for the government's rice reserves. This decision sets the price of grain (GKP) at the farm level at IDR 5,000/kg, the price for dry unhusked rice (GKG) at the rice mill unit at IDR 6,200/kg, the GKG price at the BULOG warehouse at IDR 6,300/kg, and milled rice at the BULOG warehouse at IDR 9,950/kg. This policy has been implemented since March 11, 2023.

Policy Issues

STUDY ON STRATEGIC FOOD STOCK

Apart from being intended to anticipate the current global food crisis, controlling strategic food stocks is also aimed at maintaining Indonesia's global food security position, which in 2021 increased to a moderate level with a Global Hunger Index (GHI) score of 18.0. However, efforts to maintain food stocks in Indonesia are constrained by seasonal production patterns and scattered production centers, causing food prices to fluctuate. Based on BPS data for 2021, food production centers such as rice/paddy, shallots, chilies, beef, buffalo meat, and broiler chicken eggs are concentrated on the island of Java (East Java, Central Java, West Java provinces), several areas in Sumatera (North Sumatera, West Sumatera, South Sumatera, Lampung), and South Sulawesi. Another challenge is related to perishable products that require proper handling and short distribution channels to maintain the quality of food products in the hands of consumers. In addition, the long distribution chain from producers to consumers causes large trade and transportation margins (MPP), which then impact the high difference in consumer purchasing prices and producer prices.

Another crucial challenge in managing food availability and stocks is the data collection system, which is not synchronous with food stocks and does not reflect the level of security of food availability. This often triggers import policies. Data showing that the government's (BULOG) food stocks are dwindling strongly indicates a food crisis and the need for import intervention. Meanwhile, the government's food reserves are relatively small compared to the total national food stocks. Rice, for instance, the National Logistics Agency (BULOG) only keeps about 10 percent of the stock, while the remaining 90 percent is held by the public and the private sector.

The Ministry of Agriculture is tasked with maintaining information on strategic food availability and stocks for policy

interventions in food production patterns. The Ministry of Agriculture has maintained an information system on national food stocks, food stock security, and prices, as well as mapping the availability and security of food stocks by province. This information becomes a direction for distribution interventions that must be carried out. The data entered into the system is based on the district-level food balance, which is collected and reported weekly (Wednesday) by the Provincial Food Security Agency.

The calculation of strategic food needs has not been recorded properly because it only considers general household consumption. Meanwhile, food is also consumed by food and beverage providers, hospitals, prisons, restaurants, and also catering. Thus, as the difference between food availability and needs, food stocks do not adequately reflect the real stocks that can be traded in the market. Data on food stocks is not yet an appropriate indicator for government intervention decisions, including import policies. Further, another indicator issued by the Ministry of Agriculture is stock resilience as a ratio of recorded stocks and one day's need for certain foods with three criteria of stock resilience, which are safe, alert, and unsafe. However, stock resilience still requires further study because the stock data used as the basis for calculations does not yet reflect food stocks ready to be traded in the market and distributed between regions.

The conditions described above require improvements in the method of calculating resilient of food stocks by accommodating accurate and reliable variables. It is suspected that strategic food prices have the potential to be an important

variable besides the resilience of strategic food stocks because food prices reflect the behavior of strategic food trading actors, trade patterns between regions, and distribution channels in food trading systems. In addition, strategic food prices are constantly monitored every month because they indicate the contribution of food prices to national inflation. Thus, the study of strategic food stocks aims to (i) develop food price models and simulate the strategic food stock resilience and (ii) formulate policy recommendations for improving food balance calculation methods and food stock resilience as a direction for strategic food production and distribution interventions.

Developing the model on price and stock of strategic food price model and strategic food stock includes five strategic food commodities contributing to inflation: rice, broiler, shallots, red chilies, and sugar. Secondary data covers all provinces in Indonesia, while primary data is needed to clarify and verify the analysis results and gather policy advice that needs to be executed in the future. Primary data collection is required through surveys and focus group discussions (FGD). The survey locations at the provincial level were selected purposively on Java Island. Respondents are key persons from the provincial agriculture service, the Provincial Food Security Office, the regional inflation control team (TPID), and wholesalers/grocers/distributors of strategic food commodities around the sample provinces.

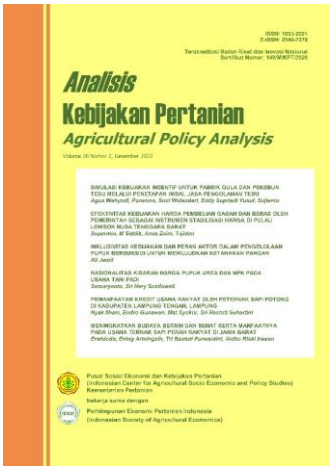
The analytical method used to analyze the relationship between strategic food prices and stock is multiple regression analysis. A classic assumption test is prepared as a prerequisite for

conducting multiple regression. The assumption test aims to ensure that parameter values obtained are values that are unbiased and linear and have the smallest variance of the various other possible estimators, known as the best linear unbiased estimator (BLUE). The variables in the food price model are food stocks at time-t, past food prices, and food price expectations. Food price expectations are a function of food prices at time-t and changes (delta) in food prices.

Monte Carlo simulation, as a probabilistic simulation that includes an element of uncertainty in its predictions, is used to simulate strategic food prices and stocks by generating random numbers that have the same distribution as historical data and represent food price and stock data per month in a period. Monte Carlo simulation replicates the existing condition of the simulated variable considering uncertainty by providing several possible probability outcomes from a random sample set of data. Monte Carlo simulations can provide alerts on the status of strategic food stocks, whether higher, moderate, or lower than the average minimum requirement. This simulation can also predict future prices and strategic food stock conditions. Data analysis will be done using time-series data processing tools and computer programs EViews 6 and Excel. This study is currently carried out and will last until July 2023.

ICASEPS Publications

Analisis Kebijakan Pertanian Vol. 20 No. 2 December 2022



1. *Simulasi Kebijakan Insentif untuk Pabrik Gula dan Pekebun Tebu Melalui Penetapan Imbal Jasa Pengolahan Tebu* (Simulation of Policy Incentives for Sugar Factories and Sugarcane Farmers through Determination of Sugarcane Processing Service Fee) (Agus Wahyudi, Purwono, Suci Wulandari, Eddy Supriadi Yusuf, Sujianto)
2. *Efektivitas Kebijakan Harga Pembelian Gabah dan Beras oleh Pemerintah sebagai Instrumen Stabilisasi Harga di Pulau Lombok Nusa Tenggara Barat* (The Effectiveness of the Government's Procurement Price Policy for Paddy and Rice as a Price Stabilization Instrument in Lombok Island West Nusa Tenggara) (Suparmin, M Siddik, Anas Zaini, Tajidan)
3. *Inklusivitas Kebijakan dan Peran Aktor dalam Pengelolaan Pupuk Bersubsidi untuk Mewujudkan Ketahanan Pangan* (Inclusiveness of Policies and the Role of Actors in Subsidied Fertilizer Management to Achieve Food Security) (Ali Jamil)
4. *Rasionalitas Kisaran Harga Pupuk Urea dan NPK pada Usaha Tani Padi* (The Rationality of the Price Range of Urea and NPK Fertilizers in Rice Farming) (Sumaryanto, Sri Hery Susilowati)
5. *Pemanfaatan Kredit Usaha Rakyat oleh Peternak Sapi Potong di Kabupaten Lampung Tengah, Lampung* (The Use of Bank Loans for the Farmers by Beef Farmers in Central Lampung District, Lampung) (Nyak Ilham, Endro Gunawan, Mat Syukur, Sri Hastuti Suhartini)
6. *Meningkatkan Budaya Bersih dan Sehat serta Manfaatnya pada Usaha Ternak Sapi Perah Rakyat di Jawa Barat* (Promoting Clean and Healthy Smallholder Dairy Farming Practices and Its Benefits in West Java) (Erwidodo, Ening Ariningsih, Tri Bastuti Purwantini, Aldho Riski Irawan)

ICASEPS News

ICASEPS WORKSHOP, MARCH 2−4, 2023

In response to the 2023 program and building a moral work culture at ICASEPS, a workshop was held from March 2 to 4, 2023, in Cisarua, Bogor. The workshop was attended by all ICASEPS employees and was officially opened with a keynote speech from the Director of ICASEPS, Dr. Sudi Mardianto. He provided more details regarding efforts to achieve strategic programs in 2023 in his speech. Apart from preparing work plans, this workshop also aims to review previous programs and internalize the moral work culture, *BerAkhlak*, for all ICASEPS employees and make it a basis for attitude at the workplace. *BerAkhlak* is an acronym that shows a high-value

attitude for all government officials who are expected to carry out their duties based on good values in accordance with their respective tasks wherever they work.

It was also emphasized the widespread recognition of ICASEPS' recent role in providing advice and recommendations on agricultural policy from various stakeholders, both within and outside the Ministry of Agriculture. Apart from that, stakeholders' expectations of ICASEPS in formulating agricultural development policies are increasing so that all employees are required to improve their best performance. In this regard, the internalization of a *BerAkhlak* becomes very important and relevant to the work environment following the decreasing number of human resources at ICASEPS. The *BerAkhlak* requires employees to bring their best abilities to deal with various related problems.

Secretary-General of the Ministry of Agriculture, Dr. Kasdi Subagiyono, who was invited to the workshop, firmly conveyed the responsiveness of the ICASEPS program with activities and policy analysis to the latest agricultural development issues. Some issues that should be studied critically are the polemic of food prices, corrections to the farmer's exchange rate (NTP), agricultural program planning based on the results of evaluations of previous programs, strategies for overcoming the food crisis through 5 MoA action methods, and business matching approach in enhancing and strengthening the function of extension in agricultural development. Another high-level official from the Inspectorate General of the Ministry of Agriculture also highlighted priority programs in 2023 and explained how to create transparency and accountability in responding to agricultural development policy recommendations.

Starting from the spirit of teamwork and solidarity between employees, this series of workshops is also combined with capacity-building activities packaged in various interactive games. This activity is also expected to encourage employees to get to know each other better and strengthen ties as a large ICASEPS family.

"ARCHIPELAGO RICE HARVEST" IN BANYUMAS REGENCY

The "Archipelago Rice Harvest" activity covering an area of one million hectares was carried out simultaneously in several districts starting on March 9, 2023. The harvest activity was centered in Lajer village, Ambal district, Kebumen regency, Central Java province, and attended by the President of the Republic of Indonesia, the Minister of Agriculture, the Governor of Central Java province, and other government officials,

This event is held to mark the peak rice harvest throughout the country. ICASEPS Director, Dr. Sudi Mardianto, participated in this event as PIC for Assistance Activities for implementing the Ministry of Agriculture's Strategic Program in Banyumas regency.

This harvest event was followed by an open discussion with the farmers. The problems raised by farmers, in particular, were irrigation systems, fertilizer prices, and the availability of agricultural machinery. Farmers also hope that the price of grain during the main harvest will remain stable and provide profits for farmers.

Regarding grain purchase, the Indonesia Logistics Agency (BULOG) is ready to accommodate the price of dry unhusked grain at IDR 5,750/kg and rice at IDR 9,000/kg with certain terms and conditions, such as a moisture content of 14%. BULOG is also working with partners who are willing to buy grain from farmers in the form of wet unhusked grain for IDR 4,450/kg with cash payment. Favorable prices for farmers, sufficient fertilizer on the market, and accessibility to agricultural machinery are expected to increase farmers' enthusiasm for rice farming. This also means efforts to maintain national food security consistently.

A similar event was also held on March 11, 2023, at another location, Sumberejo village, Purwodadi district, Purworejo regency, Central Java province. The total harvested area in this area is 140 ha, with an average yield of 7.44 tons/ha. Harvesting is done using modern equipment, namely a combine harvester. At this precious moment, several agricultural tools and machines were also displayed, such as the Indo Jarwo planting machine, threshing machine, and tractor. A strong message was conveyed in the context of this big harvest: Cooperation from all parties is certainly needed to continue improving farming performance, contribute rice production to the national stock, and improve farmers' welfare. Appreciation is given to all extension workers who work directly with farmers in the field and support farmers in various ways. They are considered solid fighters for national food security.

PEOPLE'S REPRESENTATIVE COUNCIL OF BENGKULU PROVINCE VISIT ICASEPS

On March 9, 2023, ICASEPS was visited by the Commission II of DPRD (People's Representative Council) of Bengkulu province. The 12 DPRD delegations coming from several political parties led by the Chairman of Commission II were received by ICASEPS management. During this visit, the head of the delegation conveyed their specific discussion on different topics of agricultural development policies, especially the

Ministry of Agriculture's role in agricultural development at the regional level, like Bengkulu province.

Prior to the discussion, ICASEPS introduced the mandate, duties, and functions of ICASEPS as an institution under the coordination of the Secretariat General of the Ministry of Agriculture through a video show and presentation. The discussion was mainly related to the problems faced in agricultural development in Bengkulu province. Some of the substances discussed include (a) the decline in the price of agricultural products during the harvest season due to limited market access, (b) there was a tendency to decrease the number of workers working in the agricultural sector, (c) the limited number of government-assisted agricultural machinery (alsintan) distributed in Bengkulu province, and (d) the high price of inputs, especially fertilizers for oil palm cultivation which causes the profits received by farmers to decrease relatively.

The discussion lasted for three hours with the satisfaction of the delegates. They said they would follow up on the discussion results accordingly, especially regarding various suggestions for the benefit of the farmers in Bengkulu province.

G20 INDIA'S PRESIDENCY: THE 1ST ADM AGRICULTURE WORKING GROUP, INDIA

The First Agriculture Deputies Meeting of the Agriculture Working Group under India's G20 Presidency was recently held in Indore, Madhya Pradesh, India, February 13−15, 2023, with the theme "One Earth, One Family, One Future". Indonesia delegates led by the Secretary General of the Ministry of Agriculture, Dr. Kasdi Subagyono, shared Indonesia's position on the Stock Taking G20 Initiatives in Agriculture and the Global Forum on Climate Smart Agriculture for Food Security. At this event, the Secretary-General was also accompanied by the Head of the Foreign Cooperation Bureau, Dr. Ade Candradijaya, and the Director of the Indonesian Center for Agricultural Socio-Economic and Policy Studies (ICASEPS), Dr. Sudi Mardianto.

Indonesia emphasized, firstly, the need to strengthen and build stronger synergies among the Global Agriculture Initiatives launched since the Agriculture Ministerial Meeting in 2011 to support the achievement of the Sustainable Development Goals (SDGs) 2030 targets. Secondly, regarding the Agriculture Market Information System (AMIS), a comprehensive evaluation is needed to assess the benefits and impacts of AMIS on global food stability. The aspects covered in the evaluation include the stability of food supply and prices, market efficiency reflected by the reduction of transaction costs, and the reduction of trade barriers between countries. As the representative of the government, Indonesia encouraged the G20 member countries to intensively utilize the data and information from AMIS in formulating national food policies in their respective countries. Thirdly, regarding food loss and waste (FLW), various efforts are needed to reduce the potential for FLW. The delegates introduced the concept of Food Rescue. This term, also known as Food Banks, many developed countries have implemented this program and accelerated this initiative by involving private sectors, NGOs, CSOs, and communities. Indonesia also highlights the importance of integrated and inclusive handling of various FLW initiatives, which can play an important role in achieving food and nutrition security.

The presence of Indonesia in this meeting will oversee the balance of three main agricultural development issues agreed by AWG-G20 during Indonesia's presidency in 2022, namely (a) a resilient and sustainable food and agriculture system; (b) open, transparent, and predictable food trade to ensure food availability and affordability for all; and (c) innovative agricultural entrepreneurship based on digital agriculture to improve the livelihoods of farmers in rural areas.

The 1st ADM Meeting in Indore has successfully discussed the main issue notes, namely (a) food security and nutrition, (b) sustainable agriculture with a climate-smart approach, (c) inclusive agricultural value chains and food systems, and (d) digitalization for agricultural transformation. As the TROIKA, India successfully continued the AWG discussion by aligning the themes with the agreement on the Agriculture Working Group Chair's Summary during Indonesia's G20 presidency. These efforts were highly appreciated by the members, and the continuation of the issue notes will accelerate the achievement of the agreements that have been endorsed by all the G-20 members in 2022.

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