



FACILITATING SMALLHOLDER FARMERS MARKET ACCESS IN THE COMCEC MEMBER COUNTRIES

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INTRODUCTION TO INDONESIA

GEOGRAPHICS :

- Archipelago country >17,000 islands; 34 Provinces
- Land area : 1.8 million sq km
- 6° North latitude - 11° South latitude
- 95° West longitude - 141° East longitude

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CLIMATE :



Tropical Climate with Dry (April-Sept) and Wet season (Oct-March) .

Rainfall : Avg. 996 – 4927 mm/year

Temperature : 24° – 35°C

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Indonesia Time Zone

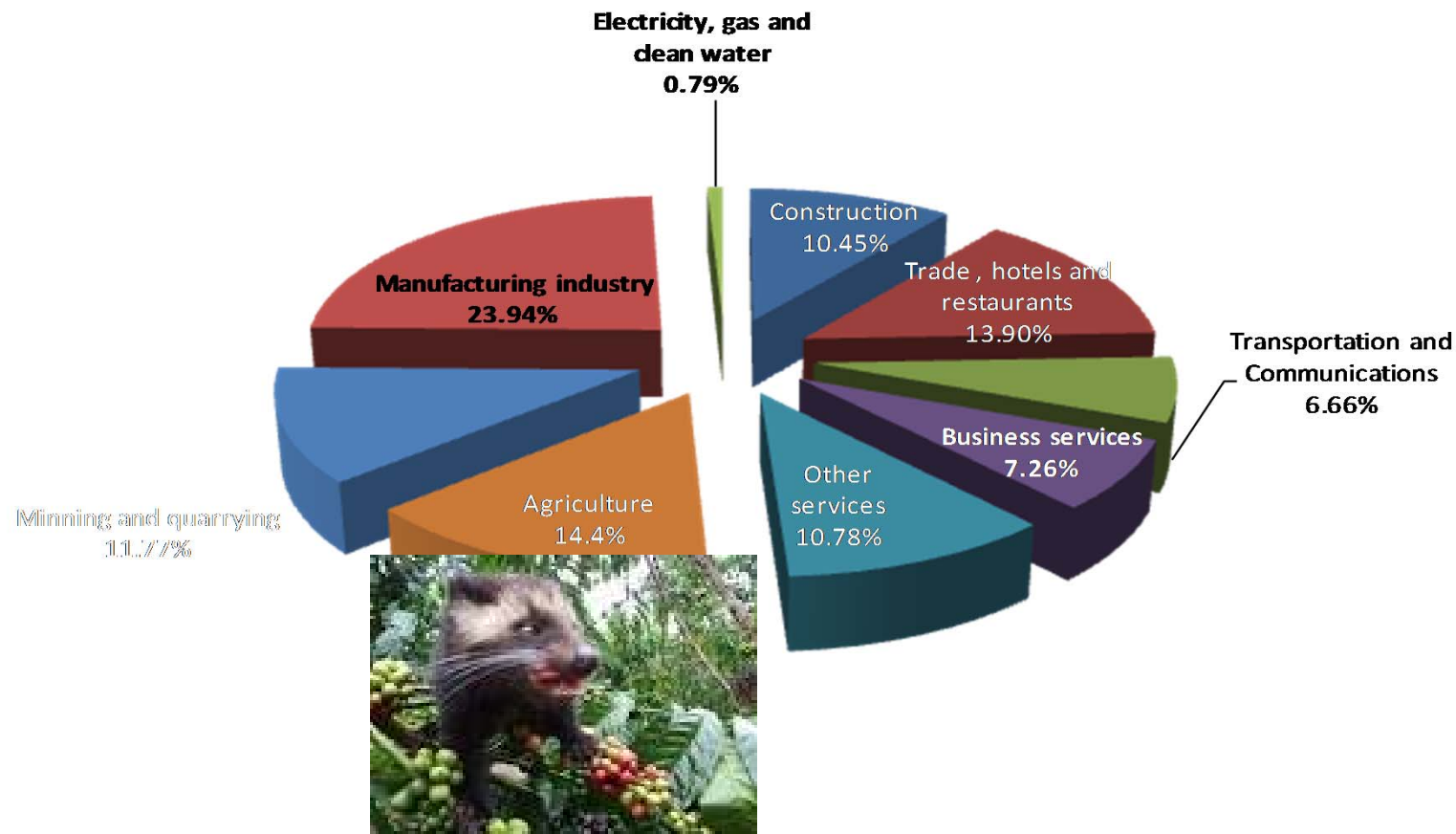


INDONESIA ECONOMY (2012) :

- **Population** : 250 million people
- **GDP** : US\$ 849.6 Billion
- **GDP per Capita** : US\$ 3,306
- **Economic Growth : 6.81% (the largest economic growth in Southeast Asia)**
- **Inflation rate 4.3%**



COMPOSITION OF INDONESIAN GDP BY SECTOR



Source: Indonesian Statistics of Republic Indonesia, 2012

THE ROLE OF AGRICULTURE SECTOR OF INDONESIA



- Accounting for 14.4 % of GDP.
- Absorb around 36 % of the labor force.
- Producing food, raw material for industries, feed, and bio energy.
- Earning Foreign Exchange.
- Reducing poverty and unemployment.



World Rank of Some Indonesia Agricultural Products

Commodity	Production 2012 (million ton)	World Rank
Paddy	69.05	3
Corn	19.38	10
Soybean	0.85	7
Pepper	0.08	2
CPO	23.52	1
Rubber	3.04	2
Cocoa	0.94	3
Coffee	0.66	5
Tea	0.14	7
Coconut	3.18	4

Export - Import of Agricultural Products of Indonesia 2012

(US\$ 000)

Sub sector	Export	Import	Balance
Food Crops	150.705	6.306.808	- 6.156.103
Horticulture	504.538	1.813.405	- 1.308.867
Estate Crops	32.479.157	3.112.181	29.366.976
Livestock	556.527	2.698.100	- 2.141.573
Total	33.690.927	13.930.494	19.760.433

Source : Data Centers and Agriculture Information System, MOA (2013)



Export Value of Main Agricultural Products of Indonesia 2012

Palm Oil : US\$ 20.84 Billion

Rubber : US\$ 7.86 Billion

Cocoa : US\$ 1.05 Billion

Coffee : US\$ 1.25 Billion

Source : Directorate General of Processing and Marketing of Agricultural Products, MOA (2012)

AGRICULTURE DEVELOPMENT PROGRAM

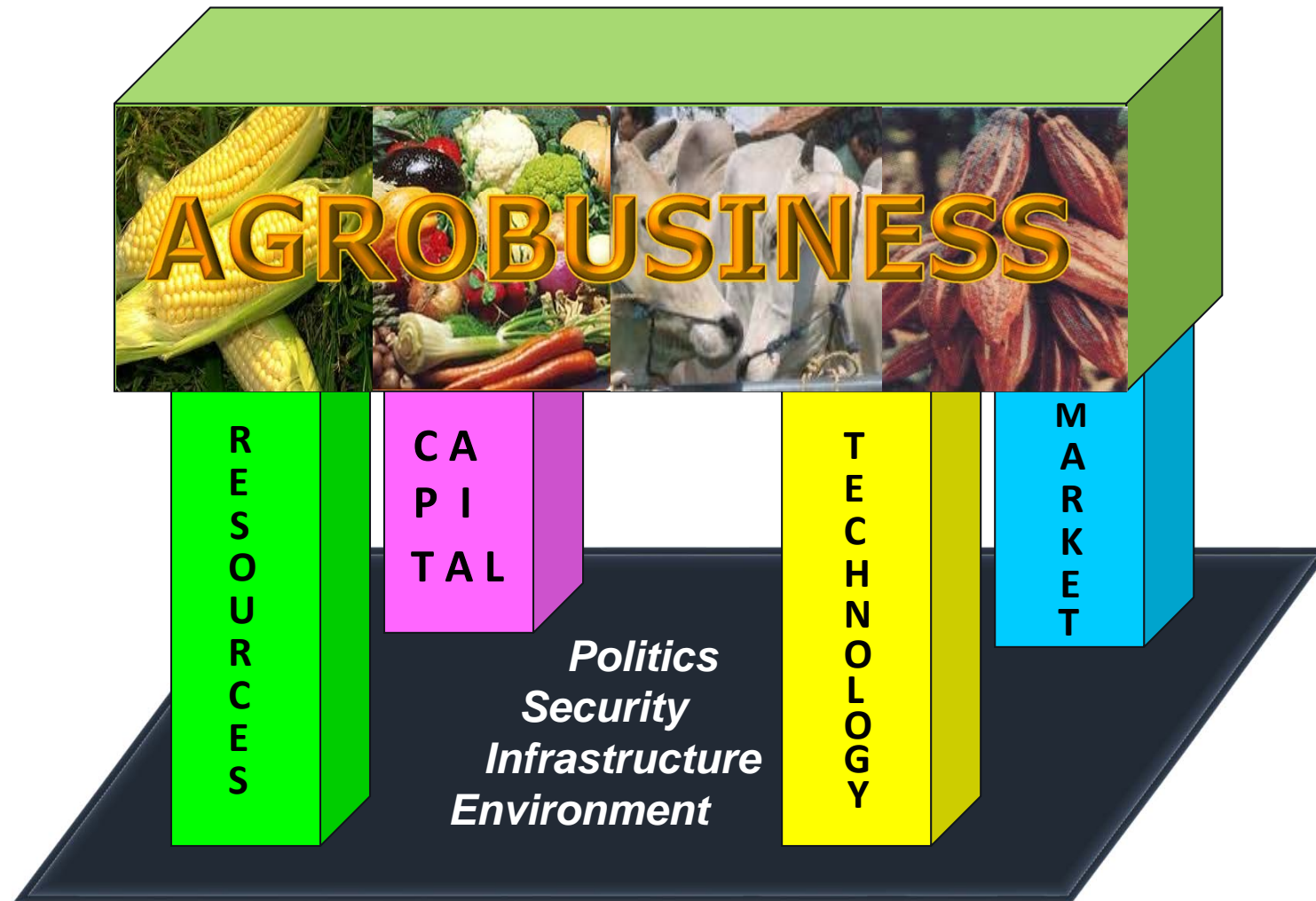
- (1) Sustainability of Food Self-sufficiency**
- (2) Diversification of Food Consumption**
- (3) Increasing Added Value, Competitiveness
and Export of Agricultural Products**
- (4) Improving the Welfare of Farmers**



SOME POTENTIAL AGRICULTURAL EXPORT PRODUCTS OF INDONESIA



THE BASIC PRINCIPLE OF AGRO BUSINESS DEVELOPMENT



INDONESIAN FARMERS CONDITION IN GENERAL

RESOURCES : - land ownership 0.3 ha average

- capacity of human resources: weak in technical as well as in business management.
- farmers organization: not developed yet as a business institution

CAPITAL : - farmers generally do not have enough capital to increase their business capacity.

- farmers generally have no collateral to borrow money to bank.

TECHNOLOGY : - generally traditional, not using mechanization, less efficient

- farmers generally have not implemented a quality assurance system, except that it has partnered with industries or exporters.

MARKET: - long trade chain

- unsymmetric market price information
- farmers are not determine the price of their products
- farmers are not able to access modern market (super market) because of payment system in the rear for 1 to 2 months.
- farmers have no access to international market.

STRATEGIES FOR IMPROVING SMALLHOLDER FARMERS MARKET ACCESS

- 1. Facilitate institutional and capacity building of farmers groups for technical as well as for management skill.**
- 2. Provide training and assistance to farmers in order to increase the added value and competitiveness of agricultural products (including post harvest handling and processing of agricultural products and packing) and to access markets and capital sources.**
- 3. Facilitate partnerships between farmer groups or cooperatives with industries or exporters and strengthen the ability of farmers to meet the partnership agreement continuously.**
- 4. Facilitate product development and promotion of farmers product for domestic market as well as international market.**
- 5. Strengthen the capacity of farmer groups or cooperatives for not just a producers but also to be a new traders/exporters of agricultural product (fresh or processed products).**
- 6. Provide trading houses (Trade and Promotion Center) in some countries for small farmers products of COMCEC member countries.**



Thank You
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