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Agriculture and Technology

PPP in Agricultural R&D
Agriculture and Climate Change

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Content

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Letter from Editor

A Very Happy Eid Mubarak to you. May the Mercy and Blessings of the Almighty be with us.

Agricultural research and technological improvements are and will continue to be prerequisites for increasing agricultural productivity and generating income for farmers and the rural work force. However, agriculture R&D spending in this country is one of the lowest in the region. There is a need for public and private partnership in this matter. That's why we chose agricultural technology as the angle of PISAgro NEWS this edition.

At the headline we raise the issue of agricultural technology in which the members of PISAgro share their experiences. Please have a look at PPP in Agricultural Research part, where you can find the profile of the agricultural research institutes that work in partnership with PISAgro's members. At the features page, we wrote two pieces of story on Agriculture and Climate Change. Don't forget to take a peek at the news flash, we have a lot of activities there.

PISAgro's membership is growing constantly. We would like to greet DuPont, Gunung Sewu Agro, Kirana Megatara and Rabobank as PISAgro's newest members. Find their brief profiles in welcome new members page.

To all stakeholders, as you explore this newsletter, we hope you will consider becoming an active participant in shaping the Indonesian agricultural future. Please think about the positive impact you can make through PISAgro. The future is ours to create!

Sincerely,

The Editor

Headline
Agriculture and Technology

"The cost of agricultural farming in the villages is getting higher and higher, one of the reasons is the lack of labour. As a result, there are many stages in good agricultural practices that are skipped by farmers due to the lack of labour. For example: for mowing weeds, even if the labour is available, the fee is three times the fee of two years ago," said Purwidyanto, Project Officer Black Soybean Program, Unilever Indonesia.

"As mentor, we need to ask ourselves: what can we do to help the farmers overcoming these kind of problems? We need to be creative and understand what technologies and best practices actually exist to help us? For example we could teach the farmers to cover the soil with straws to suppress the weed growth thus suppress the need of hiring labour," added him.

Demand for agricultural labour is high but the supply of labour is decreasing. Data of Central Bureau of Statistics shows the number of agricultural workers in Indonesia has declined by 1.4 per cent from 39.33 million in August 2011 to 38.88 million in August 2012. More troubling, their age average is 45 years old. It means, the sector is dominated by workers with over 40 years old of age. Agriculture is no longer attractive to young people and this has affected the agricultural educational institutions. Agricultural school is now widely avoided. Number of students in this field is shrinking that it left only 210 agricultural vocational schools out of 8,000 vocational schools in Indonesia.

Furthermore, the gloomy situation in labour market is exacerbated with the low R&D budget.

The World Bank Report on Agriculture Public Spending and Growth in Indonesia (2012) mentioned, Indonesia currently ranks near the bottom of Asian countries in R&D public spending. Public spending on R&D as a share of agricultural GDP was 0.22 per cent in 2003. It is much lower than in neighbouring Malaysia (1.92 per cent) and the Philippines (0.46 per cent).

However, despite the low public R&D budget, we cannot lose our hope. Co-funding of R&D with the private sector is common in Indonesia. The Agricultural Science and Technology Indicators' (ASTI) 2007 Country Report found, compared to many other countries in Southeast Asia, private sector accounts for an important share of agricultural R&D in Indonesia. Five per cent of Indonesia's total agricultural research staff and 11 per cent of its agricultural R&D spending was attributed to the private sector. It is estimated that 19 per cent of total (public and private) spending in agricultural R&D was contributed by the private sector.

Raoul Oberman, CEO of McKinsey Indonesia thinks 50-60% of the benefit of technology lies not on which one we use but rather on how we use it. "Therefore using the concept of best practices is critical in unleashing the agriculture potential in Indonesia," he said.

In line with that, Kukuh Ambar Waluyo, the leader of PISAgro Rice Working Group, and the Head of Development and Regulatory Affairs of Bayer Indonesia said: "The success of a technology is dependent upon the guidance of its application in the field by the extension workers. Due to the complexity of the problems in the fields, farmers need to discuss with extension workers and to lead them to stay focused in implementing new technologies." Based on the first pilot project of PISAgro's Rice Working Group, new technology coupled with an intense mentoring were proven to increase yield by 15-20% and to increase the quality of the crop as well. Tri Koentjoro, Program Manager of Syngenta Indonesia confirmed that the intensive mentoring for progressive farmers could increase their yield by 10-20%. While intensive mentoring to subsistence farmers would be able to increase the yield by 30-50%.

Purwidyanto, from Unilever Indonesia agreed that intensive mentoring is needed to ensure new standards are properly implemented and to be able to monitor potential problems so the extension workers can provide quick preventive solutions for farmers. According to him, extension workers need to live in the location where the farmers live, and the intensity of the mentoring sessions can be tailored to the needs in the field. Based on the black soybean experience, Nugrahenny Setya Prabandari, Field Assistant Black Soybean Program, Unilever Indonesia said: "Currently we hold 2 to 3 meetings a week with the same farmers. But in the case we encounter problems in the field, we usually have a weekly meeting with farmers to discuss and to find solutions to the problems."

While for corn, Tri Koentjoro from Syngenta shared that they need the help of agronomists to accompany and educate farmers with at least 7 to 10 times in-person meeting during one life cycle of corn in the farmers' field.

Purwidyanto, Project Officer Black Soybean Program, Unilever Indonesia.

Purwidyanto further added that actually intensive coaching couldn't be done in one planting period, if the objectives are to change the old habit of the farmers and to make the farmers able to independently analyse the problems. "Based on our experience in Bantul with the black soybean farmers, we needed 3 to 4 years or 3 to 4 planting seasons to change the old habit of farmers."

"Seeing is believing, that's the motto for farmers", said Tri Koentjoro. "Farmers need visual proof that can be seen on the field before believing and thus willing to adopt the new technology. Farmers also tend to follow anything that is communal and is becoming a trend to do by the community in the village. That's why such intensity of meetings is needed," added him.

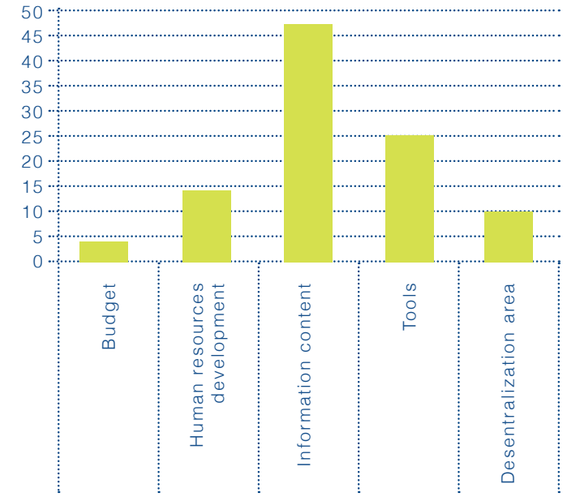
Despite the importance of the extension service in technology dissemination, statistics show Indonesia only has approximately 29,000 government extension workers and 15,000 private extension workers. In total, these 44,000 workers have to serve 39,96 million farmers. In average, one extension worker has to serve 900 farmers.

The lack of extension service workers is one of the challenges faced by working groups under PISAgro in order to be able to replicate the program into a much bigger scale. According to Kukuh Ambar Waluyo, the leader of PISAgro Rice Working Group, replicating the pilot project on a larger scale requires more extension workers and the challenge lies in the availability of the workers. "Total area of rice fields in Indonesia is 3,5 million hectares. Most rice farmers are small-scale farmers. With the assumption each farmer owns 1 hectares, we need to do mentoring to 3,5 million rice farmers," he said.

He further added: "On the other side these rice farmers already have decades of farming experience, so the extension workers need to have high level of knowledge to be able to discuss with farmers confidently. In short, we need qualified field assistants."

A study by Tri Margono and Shigeo Sugimoto published in International Journal of Basic & Applied Sciences Vol: 11 No: 02, April 2011 revealed 47% problems faced by extension workers are in the knowledge content (such as: on-farm and off-farm technology) and market information (such as: market price for agricultural products and business partner). While 25% are the lack of tools/equipment, including computer and Internet and 14% are the lacks of human resource development in terms of training.

Problems for Extension Services in Indonesia (%)



Source: Tri Margono and Shigeo Sugimoto, 2011

The study indicated that knowledge intensive products and services for empowerment of extension workers are urgently needed.

Since 1999, under the Law No 22/1999, Indonesia has decentralized almost all sectors, including agriculture, to province and district level. Following this, many provinces and districts closed their Agricultural Training Centres and Rural Extension Centres, as local government did not provide appropriate budget for agricultural development. The Law No 16/2006 on Agricultural Revitalization and Agricultural Extension Revitalization was expected to give hope. Under this Law, provinces and districts have to revitalize their agricultural extension service. However, Professor Djuara P. Lubis from Bogor Institute of Agriculture thinks this law is insufficient. “Agriculture does not contribute directly to local government revenue. Thus, they give priority to manufacturing and non-agricultural industries, which give direct revenue. Take an example of one district in which 35% of its people live in agricultural sector, but the local government allocates only 3% of its budget for agricultural development,” he said.

Private sector in this case can play the role to fill in the gap with full backup and support from government. Kukuh Ambar Waluyo envisions, “The private sector expects to get full support of local government and Coordinating Agency of Agricultural Extension (Badan Koordinasi Penyuluhan Petani / Bakorluh). Together public and private sector can cooperate to jointly assisting farmers in applying good agricultural technology.”

Agricultural R&D strategy requires cooperation by all stakeholders. Collaboration between the public and private sectors is essential. This cooperation should ensure that limited resources in agricultural research are used in the most effective way to strategically address the issue of food security in Indonesia by optimizing the comparative advantages of the public and private sectors.

Headline

PPP in R&D

Meeting the challenge of food security requires partnerships in agricultural R&D between the public and private sectors that optimize the comparative advantages of each in pursuit of mutual objectives. These public-private sector partnerships would promote the most effective use of limited resources for the development of sustainable agricultural systems. Under PISAgro, there has been a growing awareness, in both the public and private sectors, of the significant benefits that can be derived from such collaboration.
PISAgro NEWS features an overview of the Indonesian Agricultural R&D institutions that develop partnerships with the private sector members of PISAgro.

BPTP (Balai Pengkajian Teknologi Pertanian) - AIAT (Assesment Institutes for Agricultural Technology)

L to R: Tri Koentjoro (Syngenta Project Manager), Laksmi Prasvita (PISAgro Executive Director), Tri Sudaryono (AIAT Chairman) dan AIAT Staff during Syngenta Corn Learning Center Inauguration

There have been widespread complaints that agricultural research in Indonesia does not properly address farmers’ problems and that technology transfer is slow because of weak linkage among research, extension, and users. To rectify this situation, since 1995 the government has been conducted farm trials and demonstrations involving researchers, extension workers, government officials from agriculture-related offices, and farmers. These efforts resulted in the creation of AIATs in 31 provinces.

AIAT is implementer unit of Indonesian Agency for Agricultural Research and Development (IAARD), Ministry of Agriculture and working under the supervision of Indonesian Centre for Agricultural Research and Development (ICATAD). AIAT in each province is tasked with doing research on location-specific agricultural technologies, gathering and channelling feedback from clients to researchers to improve agricultural research programs, and disseminating research results as extension material. AIAT’s main strength is the integration of researchers and extension personnel under one umbrella at the provincial level.

In May 2013, AIAT Central Java signed a MoU with Syngenta, the leader of PISAgro’s corn working group. In this partnership, Syngenta is providing pilot project grants of corn learning centre development in 2 locations in Central Java: Purworejo and Kendal. Syngenta also provides training to approximately 1,000 farmers in the area, 80% of which is mid-tier or subsistence farmers. AIAT will replicate and escalate the pilot on national scale.

BALITSA (Balai Penelitian Tanaman Sayuran) - IVEGRI (Indonesian Vegetable Research Institute)

IVegRI is a technical implementation office on vegetables R&D under the coordination of Indonesian Center for Horticulture Research and Development (ICHORD), Ministry of Agriculture. The objective of IVegRI is to create effective technology to support the development of vegetable agribusiness. The focus of the research is on several strategic crops that include: potato, pepper, shallot, tomato, beans, cabbage, and mushroom.

PISAgro Potato Working Group is working on developing Atlantic potato nurseries. It is a potato variety with excellent chip and french-fry quality to supply the industrial chips processing. The Agricultural Research Service of the United States Department of Agriculture released Atlantic in 1976. As it is not a tropical crop, it is quite challenging to grow it in Indonesia. The reason why, in this country, in satisfying the demand of Atlantic potato, one will need to overcome challenges in the availability of qualified seed and in increasing the productivity. With strong support from Director of Seeds, Directorate General of Horticulture, Ministry of Agriculture, PISAgro's Potato Working Group works with seed breeders to supply Atlantic plantlets to Indofood. Indofood is the leader of PISAgro's potato working group that play the role as off-taker in the potato supply chain. Regardless the hard work in breeding the Atlantic variety, it is equally important to find a new potato variety as alternate to Atlantic that is more suitable for Indonesian climate. In this regards, IVegRI helps PISAgro in the research to find new potato variety as the alternate to Atlantic yet having the same quality.

PUSLITKOKA (Pusat Penelitian Kopi dan Kakao Indonesia) - ICCRI (Indonesian Coffee and Cocoa Research Institute)

Pioneering in coffee and cocoa research, functionally ICCRI is under the R&D Department of Ministry of Agriculture. Structurally, it is managed by Indonesian Research Institute of Plantation, a subsidiary of State Plantation Firm (PTPN). ICCRI holds a mandate to conduct research and development activities on coffee and cocoa, as well as to provide relevant data and information for smallholders, private and state companies, national and regional government, associations and other stakeholders.

ICCRI supports PISAgro's Cocoa and Coffee Working Group. For Cocoa Working group, ICCRI helps the procurement of Somatic Embryogenesis (SE) seedlings for farmers in Mamuju, South Sulawesi. ICCRI gives training on producing high quality seedlings and on producing organic compost. For Coffee Working Group, ICCRI supports the formation of trainer team to train and guide 7,000 coffee farmers in following 4C validation test. On Wednesday (26/6) MoU between Nestlé and ICCRI was signed regarding the provision of 18 million coffee seedlings and training of superior seeds breeding to farmers in Tanggamus, Lampung, South Sumatra.

Interview
Technology with Commercial Value on Sale

Technology has become a key force for the development of agribusiness. R & D institutions are required to master science and develop strong, modern, competitive, and efficient technology that can be applied by farmers and business community to compete in the market. Indonesian Agency for Agricultural Research and Development (IAARD) works to produce innovative agricultural technologies.

In 2013, IAARD budget is IDR1,683 trillion that includes research funding, salary and the development of research infrastructures. That budget is approximately 9% of the total budget of the Ministry of Agriculture. IAARD employs 1,681 people, 109 of them are professors and 409 are PhD graduates.
The agricultural technologies innovations produced by IAARD that are quite phenomenal are the work to support the national rice production through the provision of high yielding precocious rice seeds and location-specific production technologies.

In April 2013, PISAgro NEWS had the chance to meet Erizal Jamal, the Head of IAARD Office for Technology Transfer or Office for Agricultural Technology Transfer and IPR Management (BPATP) in his office in Bogor, West Java.

In that occasion, Erizal Jamal explained the role of BPATP and the difference of BPATP compared to BPTP/AIAT. BPTP/AIAT is to produce technology to be transferred to farmers and public in general, while BPATP is carrying out the obligations of intellectual property technology transfer of the R & D results by selling high value technologies to private companies. In return, the monetary value received will be used to compensate and motivate researchers to produce more innovative technologies.

Erizal Jamal, Head of BPATP

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PISAgro NEWS: How many innovative technologies have you produced?

Erizal Jamal: In the last three years, our researchers have produced about 300 innovative agricultural technologies. That ranges from maps, production inputs, seeds, fertilizers, agricultural machineries, bio-energy to food products. Please have a look at our book "300 Innovative Agricultural Technologies" for all the details of our products. This book is expected to be able to accelerate the process of technology transfer and to attract business entities to develop them in a large scale for the welfare of the farmers.

PISAgro NEWS: What are the obstacles that have been faced by BPATP?

Erizal Jamal: First is the competition with foreign companies. They have better equipment and sufficient financial resources to support them undertaking various studies. Second, we have difficulty in monitoring companies that bought the rights. Many companies are still using and producing our products even when the license has expired. Sometimes they manipulate their sales report.

PISAgro NEWS: What's the strategy to tackle the competition?

Erizal Jamal: We will focus on the development of products that cannot be developed by private sector. That way, we minimize the competition. We actually look forward to work together with the private sector. Private sector or market can provide information so we can produce technologies that are desired by them.

PISAgro NEWS: What's your plan for the future?

Erizal Jamal: We have a target to reach IDR 475 million revenue from royalties this year. We expect there will be increasing revenue from royalties. We will then distribute the return as incentives for our fellow researchers to motivate them to expand their research coverage area. Our current incentive system gives benefit of IDR1.1million for young researchers to IDR5.2 million for principal researchers on top of their basic salary. In addition, performance benefits are provided depending on the workload and level of responsibilities. This current incentive system works relatively well to stimulate the creativity and to boost the spirit of researchers. We still need to improve the functional allowance to be able to further motivate them. Going forward BPATP will continue to lead the commercialization of research results of IAARD, by more actively communicating with the private sector, so that private sector can use more of our research products and we can established research collaborations with the private sector.

Mighty Crops and Technology for Changing Climate

July in Indonesia was typically hot and dry. However, July 2013 was different. "The rain that heavily falls in southern parts of Indonesia is expected will persist throughout July, even until August," said Hariadi, the Head of Early Warning of Extreme Weather of the Meteorology, Climatology, and Geophysics Agency, which was quoted by Kompas daily.

According to Hariadi, ocean surface temperature in the Indian Ocean was high and causing an active cloud formation that trigger rain.

Dr. Haryono, the Head of the Agriculture Ministry's research and development Center as quoted by Jakarta Globe said: "60 per cent of farming-reliant countries worldwide, including Indonesia, China, India and much of Latin America, would feel the impact of increasingly unpredictable weather patterns that could threaten the food security"

It is inevitable that we are experiencing the challenges of climate change. To achieve food self-sufficiency target by 2014 will require the use of agricultural technology that can produce weather-tolerant crops and at the same time meet industry specifications, food and environmental safety.

Biotech and Independency of Food Sector

The Indonesian government has launched a plan to increase food production by six per cent by 2014, with the target of self-sufficiency in five food commodities: rice, corn, soybeans, sugar and beef.

However, Agriculture Minister Suswono as quoted by VOA on 28/3/2013 said: "Indonesia will not be able to fulfil the ambition of self-sufficiency in those commodities next year so the country

will likely rely heavely on imports". In 2012, corn imports reached 1.7 million tons with a value of US$ 501.9 million. Countries of origin of imported corn are India, Argentina, Pakistan, Brazil and United States. Soyabean imports in 2012 reached 1.9 million tons with a value of US$ 1.2 billion. Countries of origin of imported soybean are United States, Malaysia, South Africa, Uruguay, and Canada.

Most of the soybean and corn that are imported from USA, Brazil and Argentina actually contain a fair amount of Genetically Modified (GM) element. So the reality is, Indonesia uses a fair amount of GM crops.

Government of Indonesia has set a national policy for biotechnology and biosafety that is based on the efforts to achieve food security for the welfare of the people through the increase of agricultural production in quantity and quality using appropriate technology that prevent and minimize negative impacts to the environment and human health.

Lately, a number of senior government decision makers indicated that enhanced agricultural technology would become a broader tool for increasing Indonesia's capacity for food production. Agriculture Minister Suswono was quoted by Kompas daily on Wednesday (13/03) saying: "The development of biotech crops, one of which is a product of GM or transgenic become imperative for Indonesia given the increasing food needs. Therefore, the government continues to develop it."

That view is reflected in more food safety approvals for transgenic products in Indonesia and more recently, Indonesia approved the first feed safety approval for a transgenic corn product.

Don P. Utoyo, the Chairman of Federation of Indonesian Poultry Society hailed the approval as he reckons transgenic application not only provides the opportunity for farmers to increase productivity but also improve the quality of their commodities.

For him, transgenic corn has satisfied the standard qualification of feed. He said: "There are several factors that need to be met in order to satisfy the standard quality of feed, such as low water content, appropriate aflatoxin levels, and sufficient content of beta-carotene. The development of local transgenic maize production will give more advantages for local poultry farmers. First, it is more resistant to extreme weather and pest so yield is higher. Second, the level of freshness of the corn in local market is definitely better as it uses a very limited pesticide. Third, animal feed using transgenic corn will produce egg yolk and chicken meat with better quality, as beta-carotene is higher. Fourth, if moisture content maintained below 15%, it will be able to reduce the aflatoxin growth".

With proper safeguards, applications of modern biotechnology in agriculture have a real potency to contribute in increasing agriculture productivity, decreasing poverty and increasing food security. Just as they would be in any other industry, it is clear that new technologies must be adopted in agriculture, given the demographics pressure of population growth and the challenge to increase yields and reduce rural poverty in Indonesia.

Bayer Technology to Reduce Water and Methane Emission

On the third stage of the project, which will commence in September 2013, PISAgro's Rice working group plans to introduce direct seeding planting method known as Bayer Tabela in Central and East Java.

In traditional rice cultivation, rice is sprouted in a nursery. The sprouted seedlings are then transplanted into standing water.

In direct seeding, rice seed is sown and sprouted directly into the field. This eliminates the laborious process of planting seedlings by hand. Data of Central Bureau of Statistics shows the number of agricultural workers in Indonesia has declined by 1.4 per cent from 39.33 million in August 2011 to 38.88 million in August 2012. Given the emerging issue of agricultural labour-shortages, techniques like direct seeding could become popular.

Moreover, the application of direct seeding method will be combined with intermittent irrigation, in which the field is alternately watered and drained. This method, will in turn greatly reducing the crops' water requirements.

The direct seeding planting has been applied by PT Bayer Indonesia on a 6,000 ha land in Central Java in 2012. Kukuh Ambar Waluyo, the leader of Rice Working Group said: "By implementing Bayer Tabela, rice farmers will get several benefits not only reduced transplanting labour cost but also dropping the need of nursery bed, healthier plant, more yields & increased quality of grain. While on the environment side, Bayer Tabela could save 20% water usage and reduce emissions by around 0.04 ton of methane/ha or equal with 4.54 ton of CO2/ha". All in all, the technology supports the Government's programs towards rice self-sufficiency in a sustainable manner.

Paddy Field in Central Java, using Bayer Tabela technology.

Kukuh Ambar Waluyo, Leader of PISAgro Rice Working Group, Head of Development and Regulatory Affairs, Bayer Indonesia.

News Flash

Kick off and First Harvest of Rice Working Group

On Wednesday (17/4) PISAgro Rice Working Group held the first harvest of the pilot project that marked the inauguration of the working group. The yield was 17% higher than the control groups in the same area. The harvest itself took place in Kotasari Village, Pusakanagara, Subang Regency, West Java and was led by the Vice Minister of Agriculture, Rusman Heriawan. President Director of PT Bayer Indonesia Eric Tesson and President Director of PT Tiga Pilar Sejahtera, Joko Mogoginta took part in the harvesting event as well as a number of community leaders in Subang.

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PISAgro 1st Anniversary

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The 1st anniversary of PISAgro was celebrated on Wednesday (29/5) in Malang, East Java. Nestle hosted the event. In a panel discussion entitled "Aligning Partnership for Sustainable Agriculture", participants representing government institutions, private sector, NGOs, and farmers from various places across Indonesia had an interactive discussion on how to align collaboration and partnerships amongst stakeholders for sustainable agriculture in Indonesia.

PISAgro awards were granted to farmers who are most productive, have made innovative approach in their farming, and who are also willing to share their knowledge to their fellow farmers. The event was attended by Rusman Heriawan, Vice Minister of Agriculture, Bayu Krisnamurthi, Vice Minister of Trade and other government officials from Ministry of Agriculture, Trade, Coordinating Ministry of Economics, Ambassadors, International Development Agencies, NGOs, research institutes, private sectors and farmers groups.

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World Economic Forum on East Asia

PISAgro participated in the World Economic Forum on East Asia in Nay Pyi Taw, Myanmar on 5-7 June 2013. Represented by PISAgro's chairman Franky O. Widjaja and Vice Minister of Agriculture Rusman Heriawan, PISAgro was praised to offer promising results for other nations to emulate.


© World Economic Forum

Participants agreed the continuity of commitment from the government and private sector is the key to success and recommended that "Grow Asia" should be established as a regional platform championed by ASEAN, regional governments and global/regional companies. The focus can be to exchange best practices and intensify momentum.

Potato Workshop in Garut

Under the leadership of Indofood, PISAgro potato working group held a workshop in Garut on 17 – 18 June. The objective of the workshop was to gather all the stakeholders to discuss the problems as well as the solutions and to develop working group's action plan.

The workshop began with a field visit to a seed-breeding farm assisted by the Directorate General of Horticulture, Ministry of Agriculture and to visit Atlantic potato farm in Cigedug village. On the second day, the workshop discussed all the technical problems related to cultivation and seed breeding. Followed by the development of work plan to achieve the 20-20-20 targets. It was agreed that working group would conduct 3 pilot projects, to be implemented in Sembalun (Lombok), Garut (West Java) and South Minahasa. The event went successfully and was well attended by a good mix of potato stakeholders, namely: Sri Wijayanti Yusuf, Director of Seeds, Directorate General of Horticulture, Ministry of Agriculture, Dr. Ery Sofiari, Research and Development Agency, Pamela Fadillah, Assistant to Special Staff of President for Food and Energy, Agriculture Office of Garut, representatives of private sector, research institutes, universities, farmers and seed breeders in West Java, Central Java, North Sulawesi, and West Nusa Tenggara.


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APEC - PPFS

PISAgro participated in the Asia Pacific Economic Cooperation (APEC) – Senior Officials' Meeting on Policy Partnership for Food Security (PPFS) in Medan on 22-24 June. PISAgro's secretary general, Franky Welirang chaired the Working Group 2 on Sustainable Development of Agricultural and Fishery Sectors. The outcome of the meeting was the agreement on a strategic document that can support the achievement of sustainable food security in APEC or the Roadmap for Food Security by 2020.


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Three main content of the roadmap are: 1) Building agriculture and fisheries in a sustainable manner, 2) Facilitation of investment and infrastructure development, 3) Enriching the market and trade for the sake of achieving sustainable food security. APEC members also realize the importance of small farmers' role in the development of food security. Thus small farmers need to be involved in the development of the power of food and to be involved in food supply chain. In this event, PISAgro organized a booth in order to better communicate its activities with the APEC stakeholders.

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Corn Learning Center Launched

Following the launching of corn learning center in Kediri on May 2013, Syngenta marked the success of PISAgro corn working group with the inauguration of Corn Learning Center in Grobogan, Central Java on Wednesday (26/6). Altogether, the two events were attended by 2,050 corn stakeholders, 95% of them were growers, and the rest consisted of dealers, retailers, and grain traders. The event in Grobogan itself was attended by Vice Regent, Chairman of AIAT Central Java and local government officials.


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Coffee Working Group Kicked-off

PISAgro Coffee Working Group kicked-off the project on Wednesday (26/6) in Tangamus, Lampung, South Sumatra. The event began with the MoU signing between Nestlé and ICCRI about the provision of 18 million seeds and training of seed breeding to coffee farmers in Tanggamus. The MoU signing was witnessed by the Deputy Governor of Lampung, the Tanggamus Regent, the Head of Plantation Office of Lampung and Director of Spice and Aromatic Plant, Directorate General of Plantation, Ministry of Agriculture.

During the field visit to a coffee nursery in Sidareja village, Nestlé symbolically handed over superior coffee seeds to farmers. Nestlé's Agronomist team performed Coffee Field School demonstration.


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Training for Trainers of Soybean

Soybean working group held a two days training for trainers on 1-2 July in Nganjuk, East Java. The purpose of the training was to improve the mutual knowledge of soybean agri business, to increase the capacity of extension services, to develop the soybean supply chains in Nganjuk and Madiun. The workshop was organized by Unilever Indonesia as the leader of soybean working group. It was well attended by extension service workers from Nganjuk and Madiun, Head of Agriculture Office of Nganjuk, farmer groups, soybean cooperatives, university, and researchers.


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Workshops on Innovative Financing Model for Palm Oil Smallholder Farmers

As follow up of the launching of "Innovative Financing Module" in February this year, Palm Oil Working Group conducted a series of workshops.

Working together with KADIN, the working group started the first workshop on innovative financing model on Friday (22/3). The speakers were Prof. Hermanto Siregar (Vice Chancellor of Bogor Institute of Agriculture) and Prof. Bustanul Arifin (University of Lampung). Dr. Aviliani, an economist and independent commissioner of BRI, moderated the workshop. Participants of the workshop include officials from Ministry of Agriculture, Ministry of Finance, Director of Askrindo (Credit Insurance Indonesia), Director of Jamkrindo (Credit Guarantee Corporation of Indonesia), APKASINDO (Indonesian Oil Palm Farmers Association) and HKTI (Indonesian Farmers Association).

Afterwards, working together with Center for Information and Development Studies (CIDES), the working group organized the second workshop on Tuesday (2/7), moderated by Dr. Umar Juoro (Director of CIDEs), the speakers include Dr. Aviliani, Dr. Hendar (Deputy Governor of Bank Indonesia) and Herman Khaeron (Chairman of the Working Committee for Farmers' Protection and Empowerment Bill / Deputy Chairman of Commission IV of the House of Representatives). The workshop was well attended by members of House of Representative Commission IV (overseeing agriculture) and XI (overseeing budget). Following that, the third workshop was held on Thursday (18/7). Currently, Sinarmas, the leader of Palm Oil Working Group is leading the preparation of the launching of "Innovative Financing Program for Smallholder farmers", which will be held on 16-17 September 2013 in Riau and Jambi.


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Plant and Grow Potato in Sembalun

On Thursday (18/7) in Sembalun Lawang Village Hall, Potato Working Group led by Indofood conducted socialization on Atlantic seeds to farmers. Sri Wijayanti Yusuf, Director of Seeds, Directorate General of Horticulture, Ministry of Agriculture led the socialization. The team shed the light on how to overcome the challenge of the availability of high quality Atlantic seeds and how to increase the productivity. The target of the working group is to plant 550 ton seeds on 276 hectares land in Sembalun and to increase the productivity from 25 tons to 30 tons per hectare. Following the discussion, the team conducted a field visit. Ministry of Agriculture handed over Atlantic seeds and screen house assistance to farmers.

Finance Working Group Establishment

On Tuesday (23/7) a group of bankers and insurer were gathered to discuss about how to shape up the PISAgro's Agri Finance Working Group. The meeting was held in the context that some working groups under PISAgro are looking to open up for credit components to their projects. They are hoping that the agri finance working group could provide them either with the context to make that happen or with the information how to make it happened. They also hope to learn from different models that have worked in other country, or best practices that give real solution.

CEO and representatives of Bank Andara, BNI, IDH, IFC, Rabobank, Sinar Mas, and Swiss-Re attended the meeting. It was agreed to formalize the Agri-Finance working group and to develop the charter of the working group.

Welcome New Members

It is with great pleasure that PISAgro acknowledges and thanks the following four companies for their new membership in PISAgro.

With the support and participation of more and more companies, PISAgro will be able to achieve the 20-20-20 target faster.

Welcome to PISAgro, and thank you!

PT. DuPont Indonesia, a subsidiary of E.I. DuPont of USA, established its representative office in Indonesia in 1975. Based in Wilmington, Delaware, the Company has delivered science-based solutions and innovations. There are 24 business units in Indonesia with DuPont key businesses in agriculture, food and beverages, automotive, building/construction, packaging, renewable materials and energy. Pioneer Hi-Bred came to DuPont family since October 1999 as a result of global acquisition of Pioneer Hi-Bred International Inc. This company produces hybrid corn and rice seed for animal feed. Pioneer business made additional investments to expand its manufacturing facility in producing rice hyrbrid seed in Malang. Currently DuPont is a market leader in hybrid corn seed industry in Indonesia. Under the umbrella of PISAgro Dairy Working Group, Dupont works to support Nestle, supplying corn silage to the cow farmers. Silage is animal feed made of fermented mixture of green grass, maize and residue of palm oil. It is a good nutritious food intake, which is proven to be able to increase the milk production by 60%. George Hadi Santoso, President Director of PT. DuPont Indonesia said "DuPont is committed to provide support for the achievement of national and global food security. It is in-line with DuPont's mission as a leading science company in the world to contribute to the achievement of global food security"

Gunung Sewu was established in 1953 by its founder, Go Soei Kie or known as Dasuki Angkosubroto. Initially, the company engaged in the trading and distribution of staple commodities. By the 1960s, the Company had grown to become one of Indonesia's largest agricultural commodity traders. In the 1970s, the Company diversified into property, agribusiness and manufacturing. Gunung Sewu will lead PISAgrp Horticulture Working Group, with specific involvement in tropical fruits such as melon, papaya and banana.

KIRANA MEGATARA GROUP
Crumb Rubber Processor

Kirana Megatara Group is the largest group of crumb rubber processors in Indonesia. It produces technically specified rubber (TSR) of the type SIR-10, SIR-20, and SIR-20VK, which is the main raw material for tire making. Nearly all of its products are exported to leading global tire makers of the world. To ensure product quality to meet international standards, the Group uses clean tapped rubber from domestic trees, and fed into a production process under a reliable quality management system. It develops long-term partnership with rubber smallholders and local rubber suppliers. Its mission is to provide green sustainable rubber solutions that prosper with the nation. Kirana Megatara that works mostly with rubber smallholder will lead PISAgro's rubber working group. Indonesian smallholder currently dominates the production of rubber by 73% and the total planted rubber area by 85%. In this country, the rubber sector as a whole is a source of income for more than 10 millions people. "We are happy to join PISAgro to share our experience and best practice in working with the smallholders. We would also like to learn from the other working group" said Martinus Sinarya, CEO of Kirana Megatara.

Rabobank Indonesia is a part of the Rabobank Group, a full-range financial services provider founded on co-operative principles. Headquartered in Utrecht, The Netherlands, the Group employs more than 60.000 staffs in 43 countries, servicing the needs of more than nine million clients worldwide. Food & Agribusiness is the international prime focus of the Rabobank Group. Their solidity and stability is evidenced by being ranked 4th in the World's Safest Bank 2008 list by Global Finance Magazine. Rabobank will join PISAgro Finance Working Group.

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