

The State of Indonesia's Food Security

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Presentation Outline

1. Refresh: The Indonesia's agricultural development
2. Self sufficiency of strategic foods in 2014
3. Java remains important target for food self-sufficiency
4. New dimension of food security (post 2008)
5. Concluding Remarks: Policy recommendations

Food Security? Beyond Self-Sufficiency



Brief Overview of Indonesian Agriculture

- The current growth rate of agricultural sector is 3.4 percent, which is simply not adequate to shape the economic growth and to improve the growth quality of Indonesian economy;
- Declining farm households of 500,000 per year has serious consequences of the growth performance and the future of structural transformation in the country.
- The majority of food-crop farmers is smallholders, facing problems of economies of scale, even for innovation in production technologies.
- New approach on agricultural biotechnology and corporate farming and food-energy estates, especially outside Java, to boost food production has yet to implement in the field.

Major Food Production Centers in Indonesia

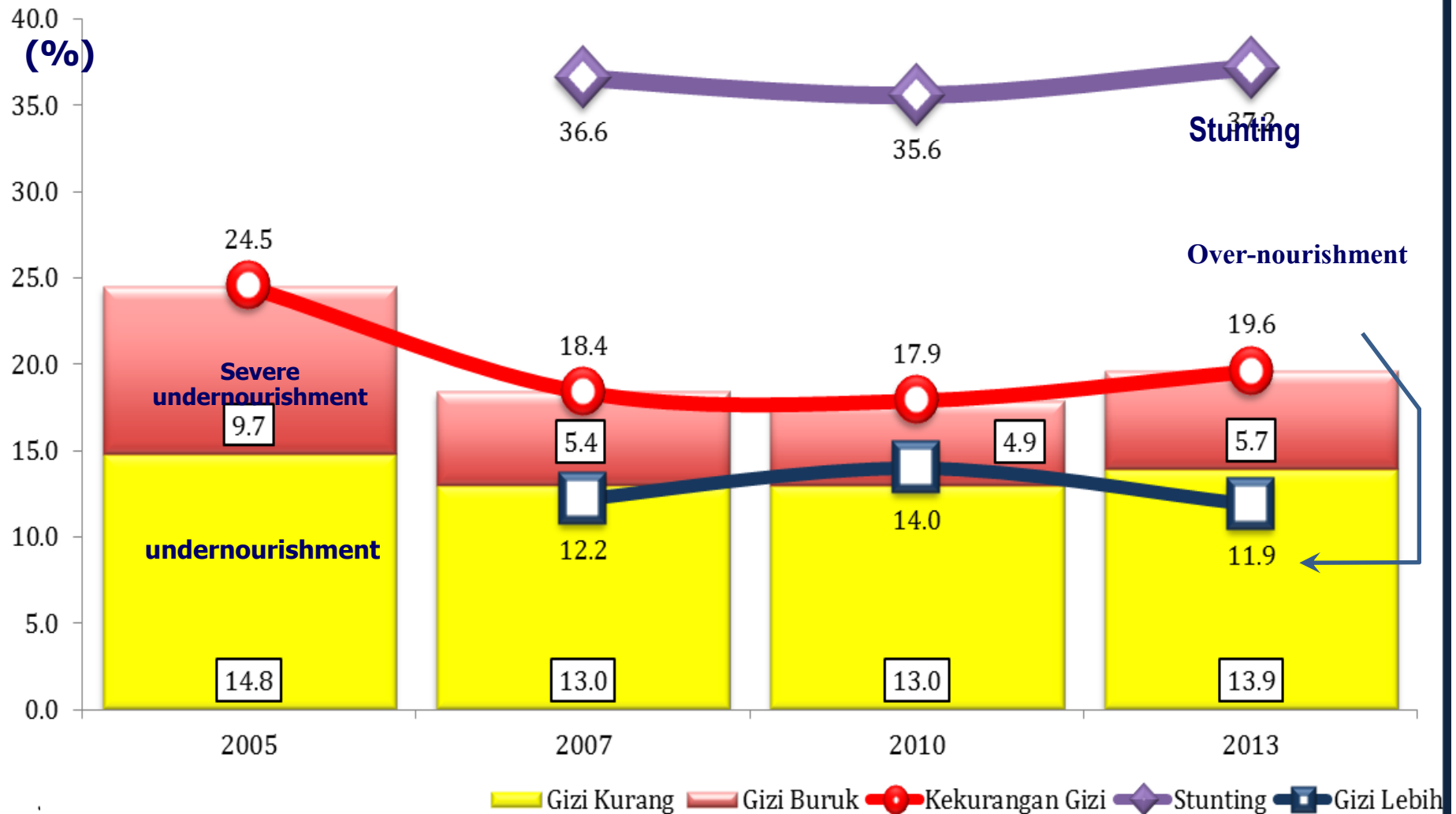
Food	Regional Food Production Centers
Rice	West Java+Banten (20,7%), East Java East Java (17,8%), Central Java (16,3%), South Sulawesi (7,1%), North Sumatra (6,7%), West Sumatra, South Sulawesi, Lampung >3%).
Corn	East Java (36,0%), Central Java (17,7%), Lampung (11,6%), North Sumatra (6,9%), South Sulawesi (6,5%); West Java, Gorontalo, and East Nusa Tenggara (each >4%)
Soybean	East Java (37,9%), Central Java (20,1%), Aceh (7,0%), West Java (5,4%), South Sulawesi (4,2%), and Lampung (2,2%)
Sugarcane	East Java (44,1%), Lampung (33,3%), Central Java (7,5%), West Java (4,2%), and North Sumatra (3,9%)
Oil Palm	North Sumatra (39,9%), Riau (21%), West Kalimantan (6,1%), Aceh (6,1%), and West Sumatra (5,4%)
Meat	West Java (21,1%), East Java (15,6%), Central Java (12,0%), Bali (8,1%), Jakarta (7,7%), North Sumatra (6,3%)
Groundnut	East Java (24,4%), Central Java (21,7%), West Java (14,8%), South Sulawesi (6,5%), North Sumatra, and West Nusa Tenggara (each >3%)
Vegetables	West Java (36,6%), North Sumatra (19,6%), Central Java (15,1%), East Java (9,6%), West Sumatra, Bengkulu, Bali, South Sulawesi (each >3%)
Fruits	West Java (26,9%), East Java (21,1%), Central Java (12,6%), North Sumatra (5,9%), South Sulawesi (5,5%), South Sumatra+ Babel, Lampung, East Nusa Tenggara (each >3%)
Fisheries	Sumatera (27%), Java (25%), Sulawesi (18%), and Eastern Indonesia regions

Source: Agency for Food Security, Ministry of Agriculture, 2012

Self Sufficiency of Strategic Foods in 2014

- **Rice**: Production 69,9 million ton GKG (40 million ton of rice, using 0,57 conversion). If rice consumption is 113,5 kg per capita, total rice consumption for 250 population: 29 million ton. Theoretically, Indonesia has a **surplus** on rice. Why import?
- **Maize**: Production 18,5 million ton of dried grains, mostly for feed industry. Similar to rice, maize import last year was 3 million ton.
- **Soybean**: Production 893 thousand ton, growth flatten, far away to achieve 2,5 million ton. Soybean imports are mostly from US.
- **Sugar**: Production 2,4 million ton, below the target of 2,8 million ton. Consumption is 4,5 million ton (2,5 million ton is from cane sugar and 2 million ton from refined sugar).
- **Beef**: Production 470 thousand ton (?), consumption 550 million ton, about 80 thousand ton import from Australia. However, beef self sufficiency is not yet achieved as targeted.

Nutrition Status of Children Under 5 Years



Source : Ministry of Health, Indonesia

Java: remains important in food security target

- **Rice 2009:** 34.9 mil.ton-54,2% → **2013:** 37.5 mil.ton (52.6%)
- **Maize 2009:** 9.5 mil.ton-53,6% → **2013:** 10,1 mil.ton-54,5%
- **Soybean 2009:** 645 thou.ton-66,4% → **2013:** 521 thou.ton-66,9%
- **Sugar 2009:** 1,5 mil.ton-67,3% → **2013:** 1,6 mil.ton-67,4%;
- Next 5 years, new government **would not** take the risks by shifting the basis of strategic food production to Outside Java;
- Preventing land conversion in Java by enforcing the law & regulations;
- Strengthening the foundation of food production of Outside Java.



New Dimension of Food Security (post 2008)

- Beyond the old (availability, accessibility, price stability and utilization). More complex, multi-scale interconnected.
- Food security is a part of human security, sometimes called *non-traditional food security*
- Cross border or regional dimension—Collaborative?
- The F-nexus (Food-Feed-Fuel-Finance): Trade off?
- At macro level--FEWS: Food, Energy and Water Security
- Governance, traceability, food safety, private sectors
- New jargon--Food sovereignty: mistrust of global market?
- Management of food demand: From growing middle class to misfortune the bottom of the pyramids—Nutrition nexus

Closing Remarks: Policy Recommendation

- Develop innovation system and technological change to improve the productivity and efficiency in agriculture, capacity building in R&D, strategies for rural development and employment creation;
- Increase budget allocation for R&D and R4D at least 1 percent of the GDP, from the public funds, SOEs and private sectors, empower food-innovation networks, involving ABGC.
- Remove local regulations that hinder food distribution by improving infrastructures, developing food stocks at local level, and focusing on Eastern Indonesia and some remote regions.
- Provide incentives for regional and local government to develop early warning and monitoring system for environmental risks and climate change and improve water infrastructure management;
- Reduce poverty (subsidizing the needy and empowering the active poor) and remove food insecurity, by implementing concrete actions to combat children malnutrition in the country.