

PISAgro
Partnership for Indonesia's
Sustainable Agriculture
Supported by Grow Asia



Grow**Asia**
Indonesia

Indonesia has an ambitious program to increase yields and output in order to become self-sufficient and a net exporter of basic food staples. It also aims to strengthen non-staple value chains where it holds a competitive advantage, such as in palm oil. With a growing economy and the world's fourth-largest population, Indonesia offers a robust market for the agriculture sector that currently comprises over 14% of GDP. However, the sector faces significant challenges from climate change and deforestation, and a large workforce of smallholder farmers in need of greater market access.



PISAgro

Partnership for Indonesia's Sustainable Agriculture

In response to these challenges and opportunities facing the agriculture sector in Indonesia, the Partnership for Indonesia's Sustainable Agriculture (PISAgro) was created in June 2011 at the World Economic Forum on East Asia in Jakarta, as a partnership between the Government of Indonesia and 38 partners from international and local companies, international agencies, civil society and farmer organizations. The partnership seeks to provide an innovative, multi-stakeholder model for addressing the nation's agricultural challenges.

The PISAgro partnership is coordinated by a non-profit secretariat with three dedicated staff members. Its primary mission is to improve sustainable production of targeted commodities, strengthen smallholder livelihoods and increase food security.

Vision 20-20-20

PISAgro's Vision 20-20-20 aims to increase farm yields by 20%, reduce poverty by 20% and reduce greenhouse gas emissions by 20%.

To date, PISAgro has reached 445,729 smallholder farmers covering 382,672 hectares through more than \$11m investment from the private and public sector.

Working Groups

To this end, the Partnership has established jointly led public-private working groups around Indonesia's ten priority commodities and an additional working group on agri-finance to implement innovative insurance tools and other risk-sharing approaches across all 10 value-chains (agri-finance, cocoa, coffee, corn, dairy, horticulture, palm oil, potato, rice, rubber, soybean).

Each working group engages the full value chain and has developed tailored work plans that outline capital requirements, production and education targets, and project timelines. Each group has launched pilot activities that range from farmer training to market access.

PISAgro
Vision 20-20-20

PISAgro
Increase farm
yields by

20%

PISAgro
Reduce poverty by

PISAgro
Reduce greenhouse
gas emissions by

20%

20%

Agri-Finance

Activities

This cross-cutting working group was established on rural financing and credit solutions to support all of the commodity group activities. Led by financial services organizations including banks and insurance companies, the group aims to promote smallholder farmer agri-financing through information collection, sharing and best-practice exchange. The group identify gaps and report on potential solutions and models to pilot across all commodities.

Partners

8villages, Bank Andara, Bank Mandiri, BNI, Bank Rakyat Indonesia (BRI), IDH, IFC, Mercy Corps, Rabobank, Swisscontact, Swiss-Re, World Bank.

Cocoa

2020 Target

To increase productivity by 140% and improve income by 133% for 50,000 Indonesian farmers.

Activities

The group develops field schools and demo farms to train farmers on Good Agricultural Practices (GAP), including safe application of pesticides, fertilizer and compost production. It also provides training on plant breeding and post-harvest techniques that include facilitation of fermentation and traceable bean collection centers. The group launched CocoaTrace Web Application to support traceable beans from farmers to processor in a competitive, fair and transparent supply chain.

Results

- 284 field schools established.
- 10,411 farmers trained.
- 9,107 hectares of land worked.
- 45% increase in productivity.
- US\$4,182,544 private investment and US\$4,816,686 donor investment realized.
- CocoaTrace Online Application launched to support the traceability of the produce.

Partners

Governments of South Sulawesi and West Sulawesi; BT Cocoa, Cargill Indonesia, Dutch Embassy, ICCRI, IDH, Nestlé Indonesia, Nestlé R&D Tours, SECO, Swisscontact, Syngenta Indonesia.

Areas of Work

South Sulawesi, West Sulawesi.



Coffee

2020 Target

By 2020, the Nestle led working group will have distributed 3,800,000 plant materials supplied by ICCRI to farmers. This replanting program will continue with training of farmers to develop their own seedlings with materials provided by the working group's 'mother garden' to ensure future plants have higher productivity and better adapt to climate change. 20,000 farmers will have adopted sustainable agriculture practices and be validated as 4C (Common Code for Coffee Community) coffee farmers.

Activities

The group initiated a program on raising awareness among Indonesian coffee farmers on the need for systematic replanting of coffee trees. The group also launched a program to upgrade the farmers' practice by training them to comply with international coffee standard of 4C.

Results

- 18,000 farmers already validated as 4C farmers having productivity 60% above national average.
- 1,600,000 'elite clones' distributed.
- 35,0000 m² of nurseries to support the Nescafé Plan's Replanting Program.
- 3,000 farmers trained on seedling.
- 16,000 farmers trained at 400 field schools.
- 1 Experimental and Demonstration Farm to showcase GAP and provide materials for seedling.

Partners

Government of Tanggamus; ICCRI, Nestlé Indonesia, Rabobank Foundation, Rainforest Alliance, Syngenta Indonesia, Yara.

Areas of Work

Regency of Tanggamus in Lampung Province.

Corn

2020 Target

The group plans to conduct training program for 5 million corn farmers on 1.25 million hectares of land. With a productivity target of 8 tons/hectare, this group will provide additional corn production of 3.2 million tons to Indonesia.

Activities

The working group has successfully tested integrated corn supply chain partnership models in East Java and West Nusa Tenggara. The partnership allows the group to improve the farmers' livelihood by providing loan with reasonable interest, access to technology and GAP to increase yield and the quality, as well as access to market. The group also tested a new model on coconut-corn intercropping to find a solution to poverty reduction through farmers' income diversification.

Results

- 320,281 farmers trained at 15 field schools and 1 demonstration plot of good agricultural practices.
- 288,963 hectares of land impacted.
- 33% average productivity increase.
- 43.75% average farmer income increase.
- US\$500,000 private investment generated.
- US\$305,000 working capital credit channelled to farmers.

Partners

Indonesian Ministry of Agriculture Directorate General of Food Crops, Governments of East Java (Mojokerto), West Nusa Tenggara (Bima & Dompu), North Sulawesi (South Minahasa) and Aceh; Bank Andara, BPR Pesisir Akbar, Bank Rakyat Indonesia (BRI), Cargill Indonesia, Monsanto, Mercy Corps Indonesia, Syngenta Indonesia, Winrock International.

Areas of Work

Aceh, Central Java, East Java, North Sulawesi, West Nusa Tenggara.

Dairy

2020 Target

Train 5,000 graduates from un-professional to 'progressive' farmers (increase cow ownership from average 3.5 to 8) and productivity improvement by 40%. 1000 farmers to run profitable medium size farm with 20 cows and productivity of 18 lt/d/cow (over 5,000 lt/cow/lactating). 100 'agripreneur' dairy farming with over 50 cows/farm, applying TMR as feeding system. A total of 200 hectares of profitable fodder agriculture models across East Java (initial crowding to drive future scaling up).

Activities

The group has been providing support to over 25,000 smallholder farmers, and are creating centers of excellence on better farming practices to transform more farmers to become progressive farmers with 40% productivity improvement. Innovative solutions are being implemented to address Indonesian dairy farming chronic issues on short supply of fodder by driving fodder agriculture in the forest and developing profitable fodder farming to increase supplies.

This group also installs bio-gas system in farmers' houses which will help farmers get gas as alternative energy source for households as well as give solution for the environment cleanliness issue in the village.

Results

- 25,000 farmers being supported.
- US\$500,000 annual investment generated for development program.
- 153 hectares of high protein grass planted.
- 64 farmers trained to produce and use corn silage.
- Facilitating basic farms requirement such as fodder chopping machines, drinking water systems, and milking machines
- 7,200 biogas system installed at individual farm resulting in greenhouse gas emissions equivalent to 28,000 herds.
- 300 farmers have slurry recycled to fertilize fodder farming.

Partners

East Java Government; Cargill, Cooperatives, CSIRO, DuPont, Nestlé Indonesia, SNV, University of Brawijaya.

Areas of Work

East Java Province



Horticulture

2020 Targets

The group's objective is to leverage growing demand for world production of tropical fruit to benefit smallholder farmers in Indonesia, creating jobs, increasing income, providing nutrition and reducing overall poverty levels.

Activities

There are two initiatives under this group:

- One initiative is led by Gunung Sewu Group. This group works in partnership with smallholder farmers growing horticulture crops to optimize their production techniques, focusing on providing high quality seeds, accompanied with supervision of cultivation, and giving off-take guarantees.
- The other initiative is led by Syngenta Indonesia. The group works to facilitate the availability of early flowering technology, which can help mango farmers enjoy longer harvest months, higher fruit quality, and better prices in the off-season months.

Results

- In total, Gunung Sewu Group's initiative has so far worked together with 144 yellow papaya farmers on 190 hectares of land in Lampung. It also aims to work with 5,500 farmers in West Java and Central Java to grow other horticulture plants (such as watermelon, tomato, potato and shallots) on 3,640 hectares of land using its Liquid Organic Biofertilizer (LOB) technology.
- The mango project has reached 4,500 farmers from 10 districts in East Java and West Nusa Tenggara covering 1,750 hectares of land.

Partners

Directorate General of Horticulture Ministry of Agriculture, Assessment Institute of Agriculture Technology of West Nusa Tenggara & East Java, Provincial Government of West Nusa Tenggara & East Java; DFAT (AIP-PRISMA), Gunung Sewu Group, Local Mango Collectors, PT Suryanusa Agromakmur, Syngenta Indonesia, University of Mataram.

Areas of Work

Lampung, West Java, Central Java, East Java, West Nusa Tenggara.



Palm Oil

2020 Targets

The working group is planning to work on 2 million hectares of land, helping 1 million farmers to increase their productivity by 150%, creating US\$4.5 billion additional revenue per annum to smallholder farmers while reducing impact on the environment.

Activities

There are two initiatives under the group:

- Sinarmas' initiative plans to develop innovative financing scheme for palm oil replanting for smallholder farmers. The financing scheme was developed with the inclusion of farmers' living expenses in the cost components of the replanting, ensuring the implementation of GAP in the farms, organizing farmers into cooperatives, providing loans with favorable interest rates at 8.75% with 12 year loan period.
- The other initiative is led by IndoAgri with IDH as a partner. In this initiative, independent smallholders will be offered training and support to improve farming practices, access inputs, organize into effective cooperatives and become certified under the RSPO (Roundtable on Sustainable Palm Oil) and ISPO (Indonesian Sustainable Palm Oil) certification guidelines. The project is thought to be the largest RSPO independent smallholder certification scheme in the world.

Results

- The Sinar Mas initiative has conducted socialization to smallholder farmers from 10 villages in Kampar District, Riau. It is now working with 269 independent farmers to replant approximately 585 hectares of land in Riau.
- The IndoAgri-IDH project will run across 2015 and 2016, aiming to work with 3,882 farmers on 7,740 hectares to increase the productivity by at least 20% while improving incomes and avoiding deforestation.

Partners

Indonesian Ministry of Agriculture Directorate General of Plantation; BRI Agro, IDH, Indofood Agri, Indonesian Palm Oil Association (GAPKI), Louis Dreyfus Commodities, PTPN III, Rabobank, Roundtable on Sustainable Palm Oil (RSPO), Sinar Mas, SPKS (Palm Oil Smallholders Union), Tiga Pilar Sejahtera, Triputra Agro Persada, Wilmar Indonesia.

Areas of Work

South Sumatra, Riau.



Potatoes

2020 Targets

This group is planning to train 2,500 farmers on 5,000 hectares of land and to increase the productivity by 33%. The project is expected to bring 76% income improvement to the farmers in Indonesia.

Activities

The group has two focuses:

- First, to produce high quality industrial potato seeds. This is done in partnership with the Indonesian Vegetable Research Institute of the Ministry of Agriculture to enhance R&D and training the local seeds breeders.
- Second, to produce high quality potatoes and to promote good potato farming practice by close mentoring of the farmers.

Results

The first harvest of the pilot project has resulted in 30% productivity increase, however due to prolonged drought in 3rd quarter, the commercial production shows less increase at 10%. The seed multiplication program has been implemented in Nusa Tenggara. By October 2015, the group has reached 2,500 farmers on 540 hectares of land.

Partners

Indonesian Ministry of Agriculture Directorate of Horticulture; Bank Mandiri, Indofood, Sarana Tani, Syngenta Foundation.

Areas of Work

East Java, West Java, West Nusa Tenggara.

Rice

2020 Targets

The group aims to train 2.6 million farmers in Indonesia on over 1 million hectares of rice fields to achieve 20% productivity increase and 36% farmers income improvement.

Activities

- The group provides farmers with access to technology through providing on-farm training and access to market through off-take guarantees.
- In 2016, the group plans to introduce direct seeding planting method in Central and East Java. With this method, rice farmers will be able to reduce transplanting labor cost, remove the need for nursery beds, have healthier plant which will produce higher yields and better quality of grains. The method also guarantee 20% water saving and it is proven to reduce 0.04 tons/hectare of methane gas or equal to 4.54 tons/hectare of CO₂.

Results

- Until June 2015, the group has worked with 23,000 farmers on 15,000 hectares of land.
- The project increased yields by 16% and farmers' income by 30%.
- It generated US\$16,700 in private investment.

Partners

Indonesian Ministry of Agriculture Directorate General of Food Crops; Bank Rakyat Indonesia (BRI), Bayer CropScience, Mercy Corps, Tiga Pilar Sejahtera.

Areas of Work

Central Java, West Java.

Rubber

2020 Targets

To work with 20,000 farmers on 40,000 hectares, increase productivity by 33%, improve farmers' income by 39%, and replant 2,000 hectares of rubber farms.

Activities

The group works to improve the rubber value chain by improving the sustainability conduct and producing quality natural rubber through intensive trainings to farmers.

Results

- US\$91,000 of private investment realized.
- 148,972 high-yield clonal seedlings distributed.
- 10,000 farmers trained on 20,000 hectares of land.
- 12% improvement in farmers' productivity.

Partners

Kirana Megatara. The group seeks partners such as rubber processors, intermediate traders, producers and retailers.

Areas of Work

Kalimantan, Sumatera.

Soybean

2020 Targets

To reach out to 4.3 million farmers on 2 million hectares of land with 40% increase in farm productivity.

Activities

The group focuses on farmer capacity building, such as establishing pilot plots to train farmers on GAP, sustainable farming techniques and helping connecting smallholders to better inputs, finance and markets.

Results

- The group has worked with 31,624 farmers on 15,156 hectares of land in Central Java, East Java, and West Java.
- US\$15,000 private investment generated.

Partners

Indonesian Ministry of Agriculture Directorate General of Legumes and Tuber Crops; BASF Indonesia, BNI, Indofood, Indonesian Bureau of Logistics (BULOG), McKinsey, Unilever Indonesia, University of Gajah Mada.

Areas of Work

Central Java, East Java, West Java.



Partners

PISAgro engages over 30 organizations:

Government

- Indonesian Ministry of Agriculture
- Indonesian Ministry of Finance
- Indonesian Ministry of Industry
- Indonesian Ministry of Trade

Donors, International Organizations, NGOs, Academics

- 8villages
- Australian Government's Department of Foreign Affairs & Trade (DFAT)
- CSIRO
- ICCRI
- International Finance Corporation (IFC)
- Mercy Corps
- Rainforest Alliance
- SECO
- SNV
- Sustainable Trade Initiative (IDH)
- Swisscontact
- Swiss Re
- University of Brawijaya
- University of Gadjah Mada
- Winrock International
- World Bank

Private Sector

- Bank Andara
- Bank BNI
- Bank BRI
- Bank Mandiri
- BASF
- Bayer Indonesia
- BT Cocoa
- Cargill Indonesia
- DuPont
- Gunung Sewu Group
- Indofood
- Kirana Megatara
- Louis Dreyfus Commodities Indonesia
- McKinsey & Company Indonesia
- Monsanto Indonesia
- Nestlé Indonesia
- Rabobank Indonesia
- Sinar Mas
- Syngenta Indonesia
- Tiga Pilar Sejahtera
- Unilever Indonesia
- Yara

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Green Giant Pineapple (GGP)
- **Palm Oil**
GAR
- **Rubber**
Kirana Megatara

PISAgro Partnership
Focus Area 1

Aligning on priorities and developing synergies between the government's national plan and PISAgro's operational plans.

PISAgro Partnership
Focus Area 2

Continuing to build and refine the 18 month action plans for all priority value chains.

PISAgro Partnership
Focus Area 3

Broadening stakeholder engagement from global and local partner organizations.

PISAgro Partnership
Focus Area 4

Deepening the supply chain for each working group.

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Engage
www.pisagro.org

Engage
Danumurthi Mahendra
Executive Director,
PISAgro
[dmahendra@
pisagro.org](mailto:dmahendra@pisagro.org)