

Food and Rural Development: A Need for Fundamental Change

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Rural Development Type in The Past

- **The Destruction of rural agriculture**

The process has began for some years but has been accelerated with neoliberal globalization. A new concentration of land; especially for the extension of monoculture, with all the ecological and social consequences. Encouraging rural economies to specialize itself function of exportation needs. the necessity of developing agro-fuels has appeared in the last decade.

- **Growing Urbanization**

The process intensifies very quickly, without control, with heavy consequences at the ecological and social levels. Include incrising demand on energy consumption

- **The problem of the Food**

The right for food is recognized as fundamental by the United Nations. But it is far from being really carried out since more than billions people are experiencing hunger or malnutrition. **The problem is not only quantitative, as superficial economical figures tend to show. It is also qualitative**

continue.... **Indonesia Past Experience**

- **Structural Adjustment Program and Trade Liberalization**

There was a fundamental change i.e privatization (water, state owned company), governance reform, macroeconomic policies that would provide the supportive framework for restructuring the financial sector.

Indonesia was joining as WTO member since the beginning, 1995.
Supply chain controlled by large industry

- **The large-scale land acquisitions and deforestation**

- **Food Prices Crisis 2006-2007**

- **Land and agrarian conflict**

- **Climate change**

- **Changing Social and Rural Culture**

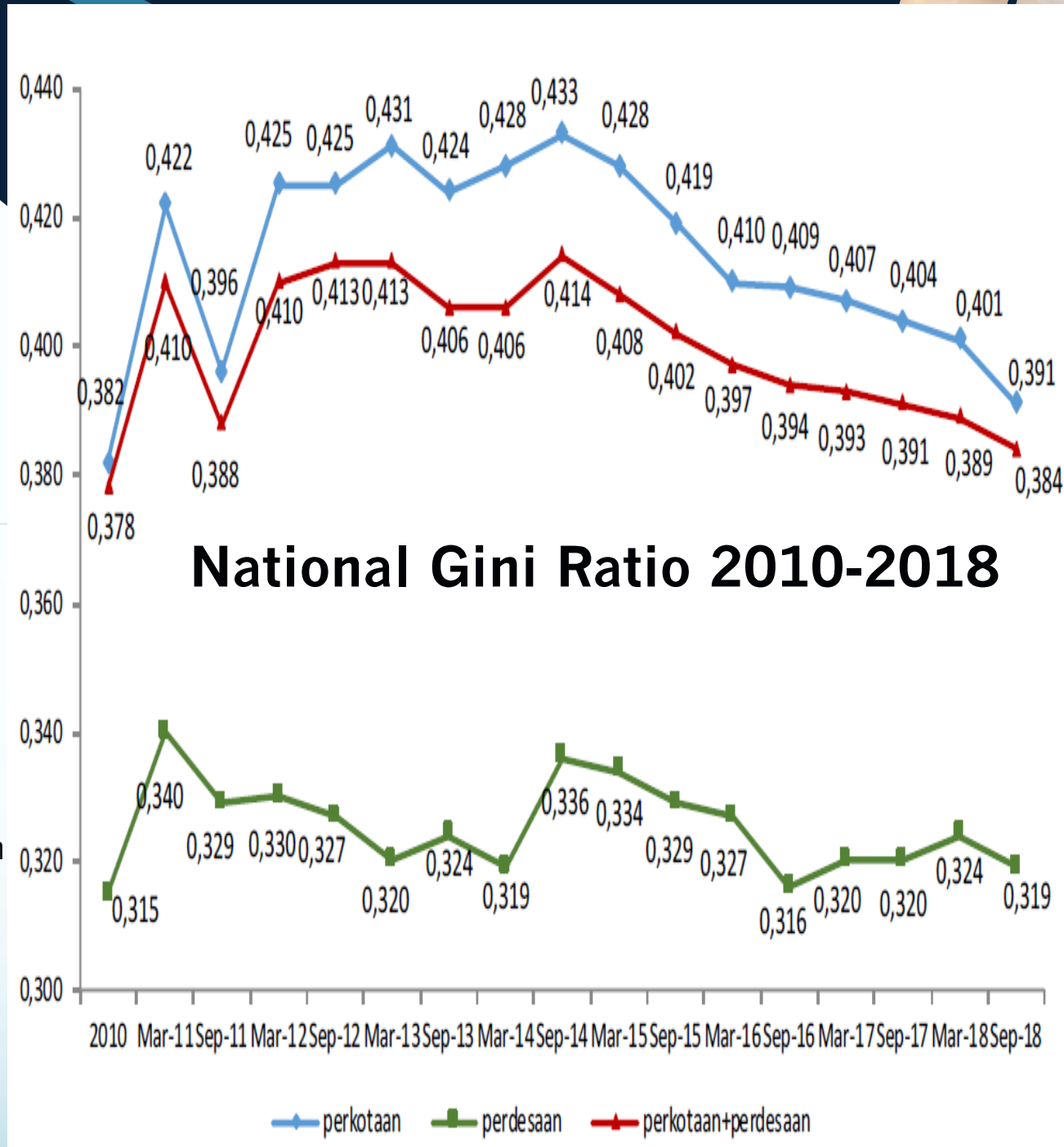
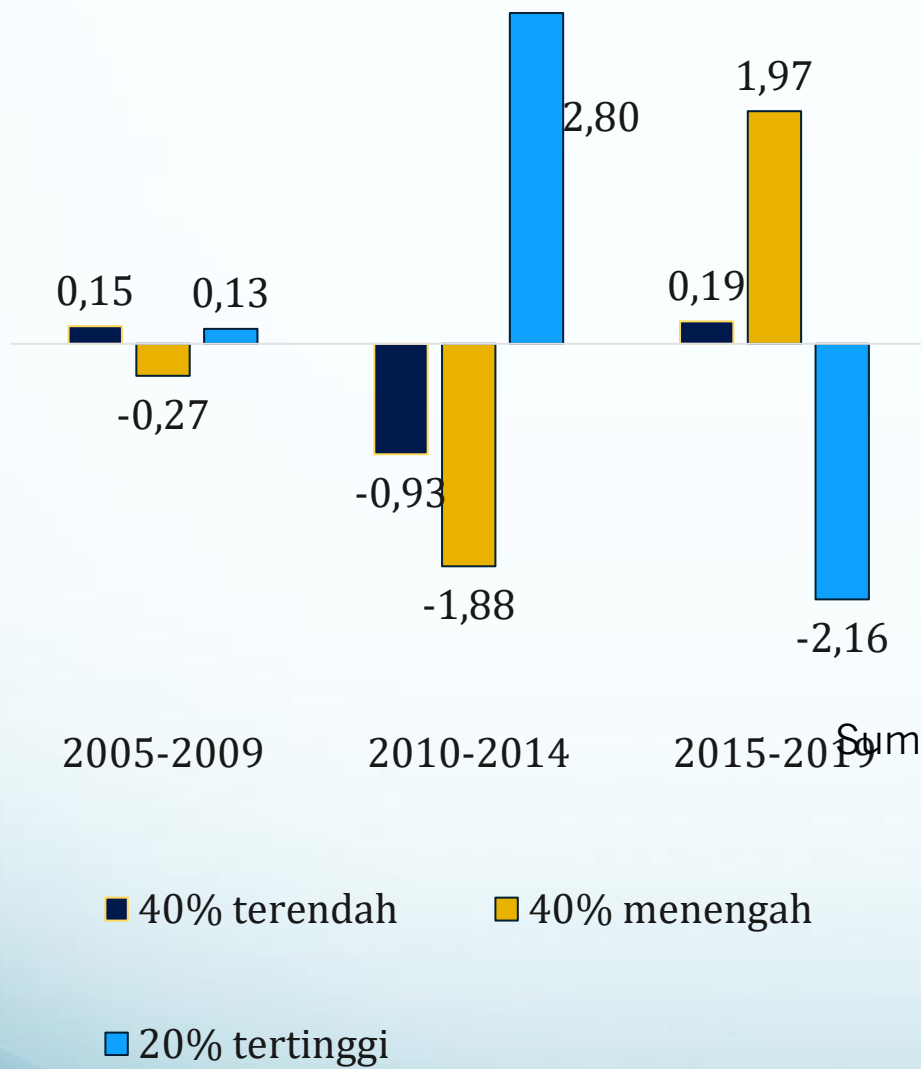
- **Migration**

- **Local seed Vs Market**

- **Increasing chemical use**

Expenditure and Gini Ratio

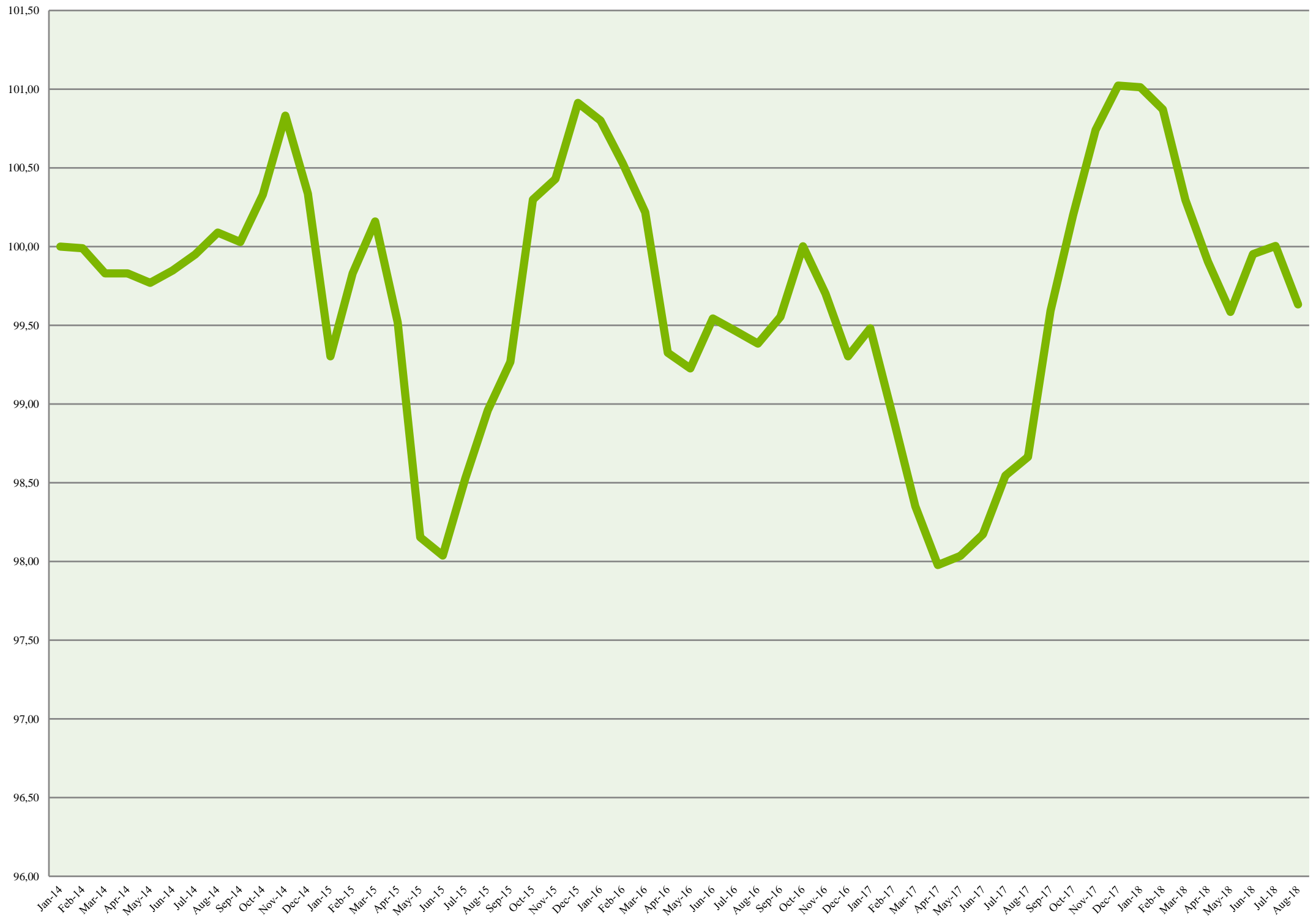
Distribution Exchange of Indonesian People Expenditure (%)



Import of Rice 2014Q4-2018Q2 : 4,08 million tons, Rp 25,8 T

Tahun	Volume (kg)	Value (US\$)
2014 Q 4	503.324.559	239,439.407
2015	861.601.001	351,602.090
2016	1.283.178.527	531,841.557
2017	311.524.673	143,206.447
Q 1	45.898.090	26,097.625
Q 2	85.094.509	39,467.397
Q 3	67.567.991	29,333.446
Q 4	112.964.083	48,298.979
2018 (Q2)	1.119.797.804	524,299.495
January	13.176.000	5,801.609
February	272.898.212	130,081.585
March	97.634.186	44,738.117
April	165.348.422	76,045.267
May	346.978.889	161,045.436
June	223.762.031	106,334.220
Impor Total	4.079.426.564	1.790.388.996

Farmer Exchange Rate (NTP) Indonesia 2014-2018



Current Indonesia Rural Development Policy

- Village Law (UU Desa no. 6 / 2014)
- Food Law (UU Pangan No. 18 / 2012)
- Sustainable Agriculture System (UU No. 22 / 2019)
- Presidential Decree on Agrarian Reform (Perpres No. 86/2018)
- Presidential Instruction on Moratorium and Evaluation of Licensing for Palm Oil Plantations and Increasing Productivity of Palm Oil Plantations (Inpres No. 8 / 2018)
- Implementation of Food Estate project
- On going for finalization Job Creation Law

Rural and food development in the future?: Small farmer and community based

- **Ensure sustainable family farming model --→ job creation. Learn from various crisis most of the people and many government have strong believe that small or medium business model is more resistance and have a strong survival capacity. But why is not happening for family farming (as small economy entity) to have the similar approach and policy?**
- **Increasing value added in the hand of small farmers and rural peoples.**
- **Increasing capacity on rural development and food production based on district or across sub-district level**
- **Supply Chain: development of sustainable supply chain**
- **Strengthening cooperative, small and medium agriculture business model. Increasing Institutional capacity**
- **Supporting research, education and set up the technology that affordable for peasant, small farmer, and small business model**
- **Price quarantee for strategic agriculture product (basic food)**