**POLICY BRIEF**

**FARMERS FORUM FOR POLICY,**

**Jakarta 27-28 march, 2012**

1. **Statement of Issue**:

About half the population lives just above the national poverty line. These ‘near poor’ households are vulnerable to shocks such as food price increases and ill health, which can easily drive them into poverty. Approximately 70 per cent of the population lives in rural areas, where agriculture is the main source of income. Poverty is increasingly concentrated in these areas; 16.6 per cent of rural people are poor compared with 9.9 per cent of urban populations. Millions of small farmers, farm workers and fishers are materially and financially unable to tap into the opportunities offered by years of economic growth. They are often geographically isolated and lack access to agricultural extension services, markets and financial services (IFAD, 2011). Food production is still largely focused on meeting subsistence needs. Although the country produces crops with a potentially high market value such as cocoa, nutmeg and cloves, there has not been the level of investment in management, processing and marketing systems necessary to expand production and take full advantage of this demand.

A large-scale land acquisitions “Land Grabbing” by agriculture investment, by domestic investors as well as foreign contribute significantly to a process of land concentration and growing inequalities. Research, (OECD, 2010) given that many large-scale land acquisitions occur in countries with weak land governance. This land grabs competing land users such as pastoralist, small holder crop farmers. Most of large scale acquisitions have not met expectations and, instead, have had negative impact.

Indonesian Statistic Bureau (2012) announced that as of September 2011 there are 29.89 million people are in poor condition with the composition of the rural poor as much as 18.94 million and 10.95 million urban poor. The population of the vulnerable poor as much as 27.82 million people. While the agrarian conflict as the excesses of the practices of the people of land evictions in the name of the development of agriculture, plantation, mining, housing and tourism development has led to fatalities and also criminalization of peasant farmers.

Instead of the challenging treat of the small family farmers in Indonesia, the Indonesian house of representative, have initiated to provide and propose **a bill for protecting and empowering the farmers.** This bill will systemized the regulations to support the farmers to solve the problems of inequality in using the resources, increasing productivity, decreasing the uncertainty in marketing and getting the fairness form farmers.

1. **Policy Options**
   * The objectives of this bill are to protect and empower all farmers, planters, ranchers, and agribusiness, by legislation with a comprehensive, holistic and systemic.
   * The goal of this bill is to provide all farmers, ranchers, planters and agribusiness to secure with agricultural infrastructure and facilities include agricultural production, business certainty, the pricing system of agricultural commodities, agricultural insurance, the elimination of the high cost of economic practices and development of early warning systems of climate change impacts.
   * In this bill include empowering farmers in education and training, extension and advisory services, agricultural marketing, consolidation and security of agricultural land area, facilities and capital financing, access to science and technology and information as well as institutional strengthening. It also arranging financing for farmers to include bank financing to farmers and farmer organizations.
   * The bill regulates the supervision, community participation, administrative sanctions and criminal provisions.
2. **Policy Recommendation**:

With respect to the policy dialogue and its synthesis, the farmers' organizations demand to strengthen policy action and its measures to eradicate poverty and to establish the food sovereignty. The bill should consider as the following:

* + 1. **Aspects of Farmers' Rights to Land, Food and Protection of Farmers :**

1. Carry out the mandate of the Constitution and Agrarian Reform in accordance with the mandate of the BAL no.5/1960, immediately distribute 9.2 million hectares as planned in PPAN.
2. Ensuring land to farmers as an instance of the Land Protection Act No.44/2009 on Sustainable Agriculture for Food. Included in this is land located in urban areas to increase food production
3. Setting a maximum limit of land holding by the private area of ​​2 ha to change the structure of land ownership that is not fair
4. Prevent fragmentation of land ownership and land sales in the mechanism of redistribution of land to farmers
5. Use of land for farmers displaced by reference to the PP No11/2010
6. The establishment of agrarian conflict resolution committee
7. Agrarian tribunal for the settlement of the conflict in the province
8. Draft of the governance of agricultural land use to avoid the conversion of land for public interest and bias towards the interests of the People's Peasant. Because of its refuse and we will do the Judicial Review on Law No.2/2012 on Land Procurement for Development for the common
9. Ensuring Protection and Empowerment Bill for Farmer and the Food Act Revision Bill no.7/1996 not conflict with BAL
10. The bill proposed name is Bill Farmer Empowerment and Protection, Protection of Farmers for the already better than the helpless and powerless to protect farmers
11. Principle and the principle of protection of farmers in the bill should be social justice, rather than the efficiency of justice
12. The addition of the principle of Godhead and Nationalism in principle and principle of the bill Protection and Empowerment of Farmers
13. Ensure the Government as a state apparatus that empower and protect farmers
14. Food as a human rights rather than a commodity should be the spirit of the Food Law Revision Bill
15. Stopping the estate and corporate food program for Food & Agriculture
16. Support agro ecological farming folk
17. Provide social security as insurance the Revised Draft Food Law to avoid the usual premiums bill in the insurance mechanism
18. Implement Presidential Instruction no. 8/2011 particularly regarding pricing flexibility
19. Encourage the diversification program to reduce dependence on rice consumption and to utilize the wealth of biological resources
    * 1. **Aspects of Policies on strengthening for agriculture trade in domestic market**
20. Implement food protection policies, is associated with the importation of food from agricultural liberalization adopted by the WTO and FTA
21. Implement policies to ensure price protection benefits to farmers after the harvest, and in case of crop failure due to certain factors, such as natural pest no.8 with reference to the Presidential Directive of 2011 concerning the policy of food security reserves
22. Amend the Seed Act concerning the production, distribution and certification of seed for large companies.
23. Form a cooperative bank farmers and fishermen
24. Strengthening farmers' cooperative
25. The inclusion of farmers' organizations in determining the benchmark price
26. There needs to be subsidized post-harvest technology to improve the value-added agricultural products of farmers
27. Improvement of infrastructure, especially transport and irrigation
28. Standardization of agricultural products that do not lead to the marginalization of farmers due to the inability to meet these standards
29. Access to market information (database)
30. Provide agricultural information and production data is correct, complete and regular so as not to confuse the people and stakeholders in the agricultural sector
31. Traditional agricultural market development
32. Improve the quality of logistics management at the district level are able to predict and meet the needs of agricultural products and the provision of district residents.
33. Encourages communication between farmer groups for the dissemination of market information to farmers
34. Create agricultural trade system that does not concentrate on agribusiness firms to avoid price speculation game and agricultural products
35. Provide easier access to capital to small farmers and provides a bailout for farmers to delay selling.
    * 1. **Strengthening the policy aspects of the organization and Farmers**
36. To form a communication forum for Indonesian farmers organizations
37. The Government should strengthen and support the agency business unit formed by farmers organizations, including through support scrolling and other stimulus
38. The Government should provide training to the youth that are interested to become farmers
39. Rebuild the agricultural extension system in collaboration with farmer organizations
40. Agriculture should be the basis of national development that can give young people to become farmers as their profession
41. Create a policy that encourages the strengthening of farmer organizations and involvement in development, ranging from the planning stage of program, process, through monitoring, (to date there are no rules for)
42. Review the institutional policies of farmers who choose Farmers Association as a conduit to receive and distribute aid only, while the existing farmers' organizations at village and district
43. Implement policies and targeted subsidies to fully investigate if there is abuse of the subsidy.
44. Implement the policy of indirect subsidies through infrastructure construction and repair
45. Create a policy that encourages the strengthening of farmer organizations and involvement in development, ranging from the planning stage of program, process, through monitoring, because to date there are no rules
46. Dissemination of information on climate change and adaptation to climate change in agriculture
47. Organize educational programs and training of farmers for agricultural strengthening of human resources

**Sources:**

* Indonesian Statistic Bureau, 2011
* Private Financial Sector investment in Farmland and agricultural infrastructure, OECD food, working papers no.3, 2010
* Responding to “land grabbing’ and promoting responsible investment in agriculture, IFAD, 2011
* Rural poverty in Indonesia, “http://ruralpovertyportal.org, December, 2011