CHALLENGES IN INDONESIA
In Indonesia the demand for rice is increasingly growing, while the production area is decreasing. With 240 million people and a population growth rate of 1.7%, food security and agricultural development are main issues for the country. The shortage of rice and the low quality produce of many Indonesian rice farmers result in the ASEAN free trade region threatening local rice farmers, since rice from e.g. Thailand and Vietnam is often of better quality and a lower price. The position of local farmers in the supply chain is weak, and therefore they face difficulties to enter new markets. The existing business organizations of rice farmers (LDPM’s), are not functioning well, since they lack financial and marketing capabilities. Moreover, women’s work in harvesting and post-harvesting is heavy hand-labor and largely unpaid.

The key challenges addressed in this program are the shortage of rice in Indonesia, and food insecurity of rural farmers in Central Java, Indonesia.

PROGRAM OBJECTIVE
This partnership will motivate, train and coach 10,000 farmers in Central Java to improve the production and marketing of high premium rice, using certified seeds and organic fertilizers and pesticides.

- Increased production of high premium rice by the farmers, to meet the increasing national demands.
- Improved market efficiency and sustainability of the rice supply chain, through capacitated LDPM’s.
- Inclusive business and increased access to financial services with impact on small farmers, LPDM employees and entrepreneurs.
- Improving the position of women as entrepreneur, farmer, laborer and member of the LDPM’s.

“My own machinery gives me a stronger voice and more independency in my work, but also in my household!”

THE PUBLIC-PRIVATE PARTNERSHIP MODEL LINKS RESOURCES AND EXPERTISE OF BOTH THE PUBLIC AND PRIVATE SECTOR, TO INCREASE THE SOCIO-ECONOMIC IMPACT OF THE PROGRAM.
RESULTS

- 10,000 farmers have increased their rice production by 8%, resulting in an income growth of 42%.
- 58 local LDPM’s are functioning as effective and efficient rice farmer enterprises.
- 58 LDPM’s have access to sufficient capital to finance the growth of the rice sector.
- Women improve their position as entrepreneur, farmer, laborer and member of the LDPM’s.

PROGRAM ACTIVITIES

The program started in July 2015 and will end on December 2019. It will concentrate on the following activities:
- Development and implementation of training and production modules on Good Agricultural Practices and LDPM facilities.
- Provide access for farmers to certified seeds and organic fertilizer for high premium rice.
- Participative development of business plan for the marketing of high premium rice.
- Market development research on high premium rice.
- Training and coaching of the LDPM representatives on internal management and accountability, institutional relations, and entrepreneurship.
- Identifying existing and developing new financial services for the farmers and LDPM’s.
- Develop women departments of the LDPM’s into service providers, to increase the involvement of women in decision making processes.
- Providing threshers, harvesting- and weeding tools for the women departments.

ICCO’S APPROACH

The program is based on the PPP-model, Public-Private Partnership, in which resources and expertise of both the public and private sector are linked; private sector, governmental institutions, financial institutions, and local communities work together to scale-up and increase the socio-economic impact of this program. Working from a business approach on development combined with a pro-poor focus, the position of the most vulnerable (farmers and laborers, men and women) will be improved in the rice value chain. And especially for women; by becoming owners of (post-)harvesting equipment they will improve their position in the LDPM’s and increase their income.

PARTNERS

ICCO Cooperation carries the overall responsibility for the organization of the partnership, project management, market analysis, value chain and sector mapping, intervention design, capacity building of LDPM’s and monitoring & evaluation.

The seven agencies work as a consortium, contributing manpower, expertise and funds worth of 1.9 million euros for the program (4.5 years).

SUPPORTING PARTNER

MORE INFORMATION

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