



PROVINCIAL SITUATION REPORT

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DISCLAIMER

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ISSUE OF THE WEEK



Surabaya, Sidoarjo and Gresik will enter a transition phase to new normal condition started from 9 June 2020. The leaders have proposed to the Governor to end the PSBB started from 7 June 2020 and have already prepared draft of decrees to promote COVID-19 mitigation protocols during the transition phase. Governor Khofifah aware that rate of COVID-19 transmission in Greater Surabaya is still very high and therefore Sidoarjo, Gresik and Surabaya are expected to improve COVID-19 protocol implementation during the transition phase. Mayor Risma said that many Surabayan can't continue their livelihood during PSBB. Separately, Head of Indonesia Association of Online Driver of East Java confirmed that their income decreased by 50% to 70% during the PSBB. A group of protesters representing coffee and culinary business owners, online drivers, and labour have visited the Surabaya parliament building, asking the end of PSBB while arguing that PSBB in Surabaya is not effective in reducing COVID-19 transmission, but increase poverty rate instead. <https://bit.ly/2BHrQgY>; <https://bit.ly/3h34fHX>; <https://bit.ly/30tXSHT>; <https://bit.ly/2UpoC8h>; <https://bit.ly/2UnsLtm>

POLICY INSIGHT



1. National Level

- Second revision to state budget expected as government expands COVID-19 relief package. Febrio Kacaribu, the head of Fiscal Policy Agency (BKF) at the Finance Ministry, said President Joko Widodo will soon issue another presidential regulation to formalize a second revision to the 2020 state budget. According to Febrio, state revenues are expected to drop to Rp 1,699 trillion from the projected Rp 1,761 trillion. The Village Fund budget has also slightly increased to Rp 764 trillion from Rp 763 trillion. <https://bit.ly/2Ah1v95>
- Head of the Central Statistics Agency (BPS), Suhariyanto said that based on the sector, agricultural is the only sector experienced an increase in exports on a Year of Year (YoY) basis in Indonesia. Agricultural exports in April 2020 were recorded at USD 0.28 billion, growing 12.66% compared to the same period in 2019 (YoY). Suhariyanto also said that the nominal wages of farm laborers are among those that have increased. It is noted that nominal wages in April 2020 rose by 0.12% from the previous month 55,254 to 55,318 in Month on Month (MoM). <https://bit.ly/3cK8rJ6>
- Ministry of Agriculture is preparing three strategies as new normal commences. The first strategy is the SOS agenda or emergency response. For example, when the chicken price dropped some time ago, the chickens will be bought by partners and refrigerated storage will be facilitated by government. Another solution is to develop markets and farm shops, social safety nets for farmers and maintain price stability. The second strategy is the medium-term agenda of maximizing exports by intervening in the agriculture industry to avoid employees' layoffs. The third strategy is the long-term agenda of increasing agricultural production, including a threefold increase in exports, 5% reduction in crop failure and encouraging millennial farmers to grow by 2.5 million people. <https://bit.ly/2XJRytN>
- The Directorate General of Sea Transportation at the Ministry of Transportation has ensured that the logistics delivery program through the sea highway program must continue to run in the new normal period, by applying a strategy of using a logistic communication system (LCS). In addition,

the cargo data with LCS will be tightened so as to eliminate SOP deviations from the operation of the sea toll program. LCS developed by PT Telekomunikasi Indonesia (Telkom) will continue to be updated in an effort to assist and facilitate the public in accessing ship schedule information, vessel tracking position, container availability, shipping orders, manifests and shipping costs, cargo shipping statistics, up to the selling price of goods basic and important needs. <https://bit.ly/30oihkh>

- The Indonesian government has issued a circular letter stipulating requirement for people seeking to travel within or into the country during the transition to the so-called "new normal" period so as to prevent further spread of COVID-19. The circular letter No. 7/2020, issued on Saturday by the national COVID-19 task force, specifically regulates "people's movements from one region to another within the country, as well as international arrivals, using private vehicles or public transportation". In general, travelers are required to abide by and implement health protocols, including wearing face masks and following physical distancing measures during their trips. <https://bit.ly/37f0qLm>
- According to researcher from the Center for Indonesian Policy Studies (CIPS), COVID-19 pandemic has affected farmers' exchange rates (NTP). Farmers in Indonesia are increasingly depressed and cornered following the decline in NTP as of May 2020 by 99.47 or 0.85% lower compared to April of 100.32. The decline that has been going on since the beginning of this year has become increasingly concerning, especially in the midst of the harvest season, which was supposed to take place during May 2020. The COVID-19 pandemic caused crops not fully absorbed in the market. This can be caused by community income decrease or due to large-scale social restrictions imposed by the government. <https://bit.ly/2APclxw>
- Researcher from the Center for Indonesian Policy Studies (CIPS) said that the government needs to focus on improving public consumption as an effort to restore the national economy. Improvements in terms of consumption need to be the government's main concern to immediately find a solution. An increase in consumption will encourage production and distribution in a variety of sectors so that the impact of moving the wheels of the economy. In addition, based on expenditure groups, household consumption is still a factor supporting economic growth. For the first quarter of this year, data from BPS recorded economic growth of 2.97% y-o-y with the contribution of household consumption to economic growth of 1.56%. This figure dropped sharply when compared with conditions in the first quarter of 2019 which reached 5.02% y-o-y. <https://bit.ly/3fcBx5N>

2. Provincial Level

- **EJ:** Provincial Government of East Java ends PSBB in Greater Surabaya area on 8 June 2020. Surabaya, Gresik, and Sidoarjo will enter a transition phase to new normal situation within the next two weeks. <https://bit.ly/3f8IWEi>
- **CJ:** Central Java Provincial Government continues to make actions by preparing new policies towards new normal. Not only education, a number of guidelines or norms in the implementation of new normal are also being compiled. Although the Provincial Government is preparing norms as a new normal guide, Governor Ganjar stressed that not all districts/cities in Central Java will be allowed to implement new normal in the near future. Only green areas are allowed to implement the policy. <https://bit.ly/2zkdy5g>
- **NTB:** Regencies and cities in NTB are not yet ready to implement 'new normal' because there are 800 positive COVID-19 patients to date. <https://bit.ly/3cHEbyx>
- **NTT:** The NTT Provincial Government will open all public services including land, sea and air transportations, starting 15 June 2020. Referring to the latest regulation, transportation between regions or districts within the NTT Province will no longer require a rapid test or swab information (certificate) from the passengers. This is due to high cost of obtaining a COVID-19 free certificate through rapid tests and swabs, as complained by the public. In accordance with NTT Governor Regulation No. 25/2020 concerning health service tariffs issued on 2 June 2020, the cost of a rapid

test is Rp. 350 thousand per test while a swab test costs Rp. 1,5 million per test. <https://bit.ly/2Y5Oibe>

- **NTT:** A total of 422 villages in the NTT Province have channeled cash transfers in the second stage of village funds (BLT Dana Desa) to handle the impact of the COVID-19 pandemic. The village fund BLT distribution was carried out in various districts with a value of Rp 600,000 per beneficiary. The total number of villages in NTT is 3,026 villages. There are still many villages that have not yet distributed the assistance because the village government is still waiting for the final data on the integrated social welfare data (DTKS) from the Ministry of Social Affairs. <https://bit.ly/2YbbYuH>
- **West Papua:** The Agriculture and Food Service Office of Teluk Wondama District, West Papua, has completed the distribution of the first phase of cash social assistance for April period. The assistances were distributed to 1,824 farmers and breeders affected by COVID-19. There is a gap between number of farmers who are registered as recipients of 2,279 farmers and actual number of existing farmers in Agriculture Service database of 5,600 farmers. <https://bit.ly/3cMH9BO>

FOOD SYSTEM

Impact at food supply continuity; food price; etc



1. East Java

- Ministry of Agriculture (MoA) acknowledges that chilli oversupply in its production centres, including in East Java, makes the commodity price cheaper than Rp 10,000/kg. Food Security Board of MoA is looking for solution to connect the commodities to chilli deficit regions in Indonesia. <https://bit.ly/2UfntAl>
- Governor Khofifah concludes that in Semester 1-2020, East Java has 1.12 million hectares of rice harvest area, with estimated production of 4.06 tonnes of rice. With potential rice consumption of 2.13 million tonnes, the province would still have 1.9 tonnes of rice surplus by the end of June 2020. <https://bit.ly/372ujhH>

2. Central Java

- The Head of the Meteorology, Climatology, and Geophysics Agency (BMKG) said that currently technological advances can be used by the wider community including the peasants. Now farmers can utilise climate and weather information from BMKG. It is useful prior to farming, so that farmers can adapt to nature especially during extreme conditions. For this reason, in recent years, BMKG has collaborated with local governments to organise climate field schools (Sekolah Lapang Iklim - SLI) for farmer groups. SLI shallot on this occasion is the government's effort to increase food production. This SLI aims to improve farmers' knowledge and skills in utilising climate, weather information for agricultural purposes. <https://bit.ly/2YfgZ5u>
- Amid COVID-19 pandemic, Tegal District Government will conduct a "Secure and Buy Farmers Products" program. This program is a movement to buy local products produced by farmers in

Tegal District as an effort to ensure the availability and affordability of food during the pandemic. As an outcome, farmers continue to work and produce agricultural products i.e. rice, vegetables and horticulture. <https://bit.ly/2YfbnrW>

- Shallot and chicken meat contribute to inflation in Central Java in May 2020 due to its prices. The BPS Central Java noted that in May 2020 inflation reached 0.07%. Whereas the main anchors to inflation in Central Java were the decreased prices of eggs, garlic, red chili, cayenne pepper and cooking oil. <https://bit.ly/3cBcUOM>
- Chili farmers from Central Java are currently entering the harvest period. Quarantine certification application activities for domestic or inter-area shipments have also begun to increase. The Ministry of Agriculture through the Cilegon Agricultural Quarantine noted an increase in quarantine action requests for this commodity to supply needs in Sumatra via Sunda Strait Crossing Port in Merak. In addition, to ensure the chillies from Central Java are healthy and safe, the Quarantine Agency carries out a series of quarantine measures such as visual inspection with loop aids to ensure there are no signs of disease caused by target quarantine plant disturbing organisms. <https://bit.ly/3dIXWXY>

3. West Nusa Tenggara (NTB)

- The NTB Regional Division of Bulog was assigned by the central Bulog to support food reserves of neighbouring provinces, Bali and NTT. According to the Deputy Head of the NTB Regional Logistics Agency, 5,000 tons of rice will be sent for the first phase. <https://bit.ly/3dNSNhd>
- During the COVID-19 pandemic, the demand for hydroponic plants in Mataram is very high. Products such as mustard greens, pakcoy, green and red lettuce are in high demand. The farmers usually receive 4 - 5 orders with a turnover of around Rp 100,000 per day. <https://bit.ly/2Xlz0dq>

4. East Nusa Tenggara (NTT)

- A number of rice farmers in Nagekeo District complained about the current price of rice which tends to decline during the COVID-19 pandemic. As a result, farmers lose money because the operational costs of processing rice plants are greater than its benefits. In fact, farmers in the area rely on the sale of rice to meet other needs. Farmers explained that the downward trend in rice prices is experienced by farmers almost every year when the harvest season arrived, but it is different from this year. Due to the pandemic, several market actors offering lower prices for various reasons. This condition has been resulted in continues fall of the selling price of rice, from the standard price of Rp 10,000/kg drop to Rp 8,500/kg. Due to the lower selling price, farmers will face difficulties in covering rice processing costs. Not to mention the cost of credit installments and other costs that are increasingly difficult to meet. This is because the income of farmers from that region relies on rice yields. <https://bit.ly/3cHw19t>

SECTOR'S ISSUE

Specific issues related to the agricultural sectors PRISMA works in.



1. East Java

- **Coffee:** The pandemic has weakened market demand of coffee from East Java due to coffee shop operation restrictions. Coffee selling price has also fallen from the range of Rp 7,000 to Rp 9,000/kg in 2019 to Rp 4,000 to Rp 5,000/kg. As response to the problem, 15% to 20% of coffee farmers try to sell their commodity to online markets. <https://bit.ly/2AKdbBp>
- **Fertilizer & Rice:** Governor Khofifah requests six district government's readiness to accelerate the start of rice planting season in June 2020, including to ensure that Forest Village Community Groups (LMDH) are registered as subsidised fertiliser beneficiaries as well as to make sure that farmers received the government's seed assistance on time. Those six district governments are Bojonegoro, Jember, Ngawi, Nganjuk, Tuban and Tulungagung. <https://bit.ly/2zVZTSl>; <https://bit.ly/372ujhH>; <https://bit.ly/2AD2TTs>
- **Maize & Mung Bean:** MoA distributes 53.40 tonnes of hybrid maize seed to 115 farmer groups, to target a total planting area of 3,560 hectares in 15 sub-districts and 67 villages in Pasuruan this year. Bupati Pasuruan informed that the average of maize productivity in the district is 6.3 tonnes/hectare in 2019 or has increased 14.82% compare to maize productivity in 2018. The district also receives 6.25 tonnes of mung bean seed assistance and will allocate the seed to Tani Rejo farmer group in Randuati village, Nguling subdistrict. <https://bit.ly/3eQdlG0>; <https://bit.ly/3qXzYKA>

- **Rice & Irrigation:** Head of District Agriculture Agency (DISTAN) of Ngawi informed that rice farmers in the district have planted rice started from April 2020, covering a total farming land of 40,000 hectares. The district is targeting to have a 48,000 hectares of rice planting area in the 2nd planting season (MT II). The district has achieved the target by May 2020. In 2019, Ngawi in the second biggest rice producer in East Java, after Lamongan. Many farmers in the district are also using submersible pump for irrigation. <https://bit.ly/3cwPN7y>
- **Rice:** MoA distributes 145,375 tonnes of hybrid rice seeds assistance to Pasuruan District to target a total planting an area of 5,815 hectares and 193 farmer groups, located in 16 sub-districts and 95 villages. Among total allocation, 21 tuberose flower farmer groups impacted by the pandemic in Rembang sub-district will receive 12,250 tonnes of the rice hybrid seed assistance for a total planting area of 490 hectares. Apart of the rice hybrid seed assistance, farmer groups in Pekoren village will also receive 5,000 tonnes of rice seed assistance this year. <https://bit.ly/30ak0GV>; <https://bit.ly/37a5PTS>
- **Rice:** As response to decreasing rate of precipitation in Madura island, Hasanuddin, a rice farmer from Sumber Tani farmer group in Kalianget sub-district of Sumenep, introduces rice seedling approach using multilevel containers in home yard area (RUSUNAWA approach). Considering that approach could lower seedling cost, Public Extension Service workers in Kalianget are promoting this innovation to other rice farmers and received positive response. <https://bit.ly/374LMGs>; <https://bit.ly/2Ud9Npi>
- **Soya Bean:** Head of Provincial Agriculture & Food Security Agency of East Java states that higher production cost compares to selling price makes farmers are less motivated to continue producing soya bean. Therefore, the agency will promote inter-crops cultivation and encourage local industries to absorb local soya beans, to reach the province's soya bean production target of 254,317 tonnes in 2020. <https://bit.ly/2zW6wEd>

2. Central Java

- **Rice:** 680-hectare rice field in Klaten is prone to brown plant hopper pest (WBC) attacks. Monitoring continues to be carried out by monitoring plant pests' officers (POPT) to prevent these pests. The Head of Food and Horticultural Crops Office in Klaten explained that the area of the plant hopper pest in Klaten was only 44 hectares, but the land that was prone to attack or alert status reached 680 hectares and will always be monitored in the field. <https://bit.ly/30mNNw7>

3. East Nusa Tenggara (NTT)

- **Feed:** Following the Feasibility Study (FS) on the development of the animal feed industry in the NTT Province, a virtual public discussion has been conducted last Wednesday. The implementation of the FS itself is referring to the partnership between the NTT Provincial Government and PRISMA. The main agenda of the discussion were to up-date the progress of the FS; to discuss the indicators of selecting locations of the feed industry; to get inputs on the production scale of the feed factories; and also to know expectations and concerns from stakeholders. Beside the FS Team who presented the progress of the FS, Prof. Daniel Kameo (Governor Advisor) who was the resource person, has also provided key inputs from the NTT provincial government side. Several related provincial offices took part in the discussion, such as Bappelitbangda (development planning & research body), Disnak (animal husbandry office), Distan-TP (agriculture & food security office), Disperindag (industry & trade office), DKP (marine & fishery office). The other participants are experts from universities in Kupang, PT. Flobamor (provincial government owned enterprise) and PRISMA. The head of Bappelitbangda, Lecky Koli, opened the discussion and stated that the FS is in-line with the plan of the NTT Provincial Government, where agriculture and livestock development is one of the priorities. Hence, it is hoped that the result of the FS should be ready enough to be used by the government to execute together with the investor. At the moment, the Governor of NTT has a plan to develop 10 thousand hectares of maize fields for food availability and also for supporting the feed industry. Bappelitbangda NTT as the counterpart of PRISMA in the province, therefore, has been so far providing a thorough support during the FS. And the office stated that once the FS result is ready, they will continue with the DED (detailed

engineering design) and AMDAL (environmental analysis), that will be conducted by the provincial government alone or by involving the interested investors. Source: Notes from virtual discussion on FS study on development of animal feed industry in NTT, partnership between NTT Provincial Government and PRISMA, on 3 June 2020.

- **Irrigation:** Farmers in Kupang Timur sub-district have begun to dig wells in the middle of paddy fields to save maize crops during dry season this year. In Noelbaki paddy field area for instance, from 290 hectares of paddy fields, only 90 ha that could be planted with rice in this second planting season due to water scarcity. The remaining 200 hectares are planted with maize. Farmers said, the 90 hectares land is near a dam which currently has adequate water. However, it is not enough for channeling to the other 200. To solve this problem, farmers who have planted maize have started to dig wells manually. In the last three days, as many as 20 wells have been dug up and have found water at depths ranging from 20 meters to 30 meters. The cost of each well dug is Rp 2.5 million. By digging a well, farmers are sure that their maize crops will not dry out at the peak of the dry season this year, starting from September to November, which results in decreased water sources. <https://bit.ly/2AK4ZB0>
- **Vegetable:** The communities in the NTT Province are asked to garden in their yard to provide organic vegetables for their daily needs. Gardening in the yard does not need big capital and can be done by everyone, such as tomatoes, mustard greens, long beans, water spinach and chilies. However, for those who need capital, it will be prepared by banks through micro-credit forms, and can be used to buy seeds, fertilizers and other inputs. This kind of program has been launched by the Bank of NTT recently. According to the Bank of NTT, the community has been able to apply for loans with different amounts, and can be used for gardening, as part of the empowerment activities carried out by the bank during COVID-19 pandemic. <https://bit.ly/2XEoEey>

RURAL ECONOMY

Impact at rural area such as continuity of farmers' production; agriculture inputs availability; labour availability at rural area; market access; etc



1. East Java

- Indonesian Farmers Forum (HKTI) of East Java expects government to better assist farmers in the area of access-to-market and access to KUR finance, including to raise farmers awareness on COVID-19 risk mitigation protocols. <https://bit.ly/2Y3eza7>
- The provincial government's decision to relax the operational monitoring in Pabean Market of Surabaya during the 3rd phase of PSBB, makes many of traders and visitors in the market start ignoring COVID-19 mitigation protocols. <https://bit.ly/2U7T1YP>
- All culinary business in Lumajang tourist destination area has been closed due to the pandemic. As the impact, the district's Net Regional Income (PAD) from tourism sector during the Eid long weekend fell drastically from Rp 3 billion to Rp 700 million. <https://bit.ly/2XlBjSy>

2. Central Java

- A group of youth farmers in Kopeng Semarang District can be a good example for young people in agriculture. They are Getasan Citra Muda Millennial farmers group whose most of the members are young people aged 19 - 38 years old. More than 70 types of organic vegetables are grown by this farmer group in an area of 10 hectares. During the COVID-19 pandemic, the sales have been increasing. They usually sell only 4 - 5 tons of organic vegetables per month, but currently the sales are increasing by 300% to 14 - 15 tons of vegetables per month. The Governor of Central Java nominates these youth farmers as champions who are expected to inspire many other young people in Central Java. <https://bit.ly/2AQFo9n>

3. West Nusa Tenggara (NTB)

- Tanjung livestock market's activities in Lombok Utara District (KLU) has been in a vacuum since the COVID-19 hit the area in March. A market at Bengkoang Village, Sokong Village is closed until now. In line with the government's plan to restore the economic condition of the tourism sector, the KLU DPRD requested that the concept of new normal to be targeted at agricultural sector,

especially livestock. The COVID-19 Task Force is considering reopening the livestock market. Since the activities in livestock market are carried out directly by the KLU community both breeders and entrepreneurs, the economic access of livestock farmers has been almost paralysed. Livestock transactions are low and have implications for the livelihoods of thousands of people who work as farmers. <https://bit.ly/3cIIrPC>

- The City Government of Mataram will limit the operation of Kebon Roek market and Mandalika market. The Head of Mataram City Trade Office said that the limitation on operating hours was in line with the traders' activities in the market given their tradition to begin their activities after dawn prayer. <https://bit.ly/3f59gOa>
- Mataram City Government allows street vendors to open their businesses amid a transition to a new normal during COVID-19 pandemic. The Commander (Danru) of Satpol-PP Platoon I Operational Team in Mataram confirmed that the opportunity for street vendors to open their businesses amid the COVID-19 pandemic must follow the Mataram City Government's policies. <https://bit.ly/37bgM7s>

4. East Nusa Tenggara (NTT)

- Nearly three months closed due to COVID-19 pandemic, all the traditional markets in the District of Manggarai Timur are back in business as before. According to the District Industry, Trade & Cooperatives Office (Disperindagkop) of Manggarai Timur, a notification letter about this has been sent to all heads of villages as well as the heads of sub-districts, to start reopening local markets in the region. Nevertheless, it is hoped that people will continue to follow the health protocols when conducting trading activities at the markets. <https://bit.ly/3cJZfEF>

5. Papua

- Multipurpose Cooperative Business (KSU) Kamora Abadi has launched two cooperative branches in the coastal area as per request from residents in the area. The goal is to reach people far from the city as well as to limit citizen's mobilisation to go to the city during COVID-19 pandemic. <https://bit.ly/37eM65o>