

PSR PROVINCIAL SITUATION REPORT

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DISCLAIMER

PRISMA and Palladium attempt to verify the data and/or information in this report but, due to the rapid nature of the COVID-19 response, there may still be errors, inaccuracies, or omissions. Subsequently, PRISMA and Palladium assume no responsibility or liability for the content of this report.

ISSUE OF THE WEEK



EID AL-ADHA AMID THE PANDEMIC: THE UP AND DOWN OF BEEF SUPPLY CHAIN

Approaching the Eid al-Adha this year, demand for cattle at the farmer level have risen. The price for selling cattle is also increasing. One of the breeders from Badas Village, Sumobito Subdistrict, Jombang admitted that in the past month, he had succeeded in selling 51 cattle. Beef cattle of Bali, Limousine and Simental varieties lately began to be sought after for the Qurban purpose. Not only fellow farmers for re-sell purpose, some buyers also come from the administrators of mosques, schools and offices. In order to meet the demand in Java island, especially Jabodetabek, cattle are being delivered from outside Java. The NTT Animal Husbandry Office noted that the number of cattle demands for Eid al-Adha in Jakarta has continued to increase and reached 1,800 heads. It is predicted that the number of cattle to be delivered to Jakarta can reach 11,000 heads, as in previous years. This does not include requests from Kalimantan region. The increasing demand for cattle ahead of Eid al-Adha feast this year also occurred in NTB. The Head of Livestock Office of Dompu said that during the last three months, thousands of cattle were ready to be delivered by local entrepreneurs to outside the region, especially to Lombok Island. In May, 400 heads had been delivered to Lombok Timur and Lombok Tengah. While in June there were additional 420 heads plus 150 heads were delivered at the beginning of July.

However, the increasing demand at the farmer level is not followed by the transactions in the livestock market. A number of livestock traders reported reduced orders for sacrificial animals as sacrifices must adapt the COVID-19 protocol. Towards Eid al-Adha, Ambarawa Market usually becomes a transaction center of sacrificial animals. However, the livestock traders in the market are speculating about declining demand for sacrificial animals due to the COVID-19 pandemic. Likewise, traders in the Sunggingan Livestock Market in Boyolali District, as one of the production centers in Central Java, are also experiencing the same case as the supply of cattle before the Eid al-Adha decreases compared to before the pandemic. The decline in transactions occurred due to the decrease in the number of cattle traded as well as the falling price of cattle in the livestock market.

<https://bit.ly/2Zr64HN>; <https://bit.ly/3epmtk7>; <https://bbc.in/305C97f>; <https://bit.ly/31oPqK9>;
<https://bit.ly/2VrZhuZ>; <https://bit.ly/3emnwBn>; <https://bit.ly/32eb4kQ>

POLICY INSIGHT



1. National Level

- According to the Director General of Agriculture Infrastructure and Facilities (PSP) of the Ministry of Agriculture, Sarwo Edhy, there are four minimum requirements in establishing Agribusiness Microfinance Institutions (Lembaga Keuangan Mikro Agribisnis/LKM-A), namely: (i) must have a Statute and Bylaws (Anggaran Dasar dan Anggaran Rumah Tangga - ADART); (ii) must have a manager with bookkeeping and balance sheet financial statements separate from the Association of Farmers Groups (Gapoktan); (iii) must have registered members and businesses in the field of agribusiness both on farm and off farm; and (iv) must have an office or place of business and equipment, including name board, stamp, and so on. <https://bit.ly/38RoiW2>
- The Ministry of Cooperatives and Small and Medium Enterprises (UKM) said that cow milk production managed by cooperatives fell to 4 tons within a month due to COVID-19 pandemic. In order to reduce the loss rate, the Minister Teten Masduki calls on all individual farmers to immediately join the cooperative as the government is preparing access to financial support for cooperatives affected by the pandemic. <https://bit.ly/3fp6u6W>
- President Joko Widodo will establish a national food estate development management agency where the agency can work together with investment patterns, SOEs, or other schemes. The President has appointed Minister of Defense, Prabowo Subianto as the leading sector of food estate development which will coordinate with Minister of Agriculture Syahrul Yasin Limpo and Minister of Public Works and Public Housing Basuki Hadimuljono. <https://bit.ly/3fn0OdX>
- The Ministry of Agriculture continues encouraging the regeneration of farmers, one of which is through the Youth Entrepreneurship and Employment Support Services (YESS) program. The implementation of YESS in 4 provinces, namely West Java, East Java, South Sulawesi and South Kalimantan involves millennial generation who have been successful in agriculture and have been named Ambassador of Millennial Farmers (Duta Petani Millenial - DPM). The Head of Agricultural Education Centre (Kapusdiktan) and the Minister of Agriculture believe that the efforts and credibility of millennial ambassadors in agriculture are able to engage young people to develop the agriculture. <https://bit.ly/306iEeF>

- The Ministry of Agriculture (MoA) programs for the next 5 years were being discussed at the Agricultural Development Conference (Musrebangtan) at the MoA office, Jakarta, Monday, 13 July 2020. The Directorate General of Food Crops, Suwandi said that so far six priority activities refer to the MoA's long-term program, i.e. (i) development of rice, maize and other cereal production; (ii) management of soybeans and various tuber; (iii) seed management; (iv) crop protection from pests and PDI; (v) post-harvest, processing and marketing of food crops; and (vi) salaries, office operations, work unit management, honorarium for field as well as monitoring and evaluation officers. <https://bit.ly/3eqQTmf>
- The Ministry of Agriculture through the Agricultural Research and Development Agency (Balitbangtan) releases superior rice varieties named Biobestari Agritan. Biobestari is an upland rice which has an average productivity of 5.8 tons per hectare with a potential yield of up to 7.5 tons per hectare. Balitbangtan researcher, Iswari Dewi, said that the use of upland rice had been developed in Indramayu and will subsequently be developed in South Sumatra, West Sumatra, North Sumatra, West Java, Central Java, East Java, Bali, NTB, NTT, South Kalimantan, Central Kalimantan, East Kalimantan, Southeast Sulawesi, Central Sulawesi, Maluku and Papua. <https://bit.ly/3h1r2Tp>

2. Provincial Level

- **EJ:** During his visit to Surabaya on 25 June 2020, President Jokowi requested East Java Provincial Government to lower the COVID-19 transmission rate significantly within 2 weeks. Two weeks after the visit, number of positive COVID-19 cases in the province is still high within the range of 240 cases/day to 441 cases/day. About 82% of the new positive cases comes from Greater Surabaya area. In Surabaya City only, the attack rate has already reached 119.8/100,000 population. Separately, the National Task Force for COVID-19 Handling Acceleration said that the implementation of massive rapid test should not be an excuse for the continuing high rate of COVID-19 in East Java. The national task force concludes that if the local population obeyed the health protocols, there would be lower number of positive COVID-19 cases in East Java. <https://bit.ly/2CrWhbp>; <https://bit.ly/308sAUS>
- **EJ:** The Provincial House of Representative of East Java will formally ask for explanation from Governor Khofifah about a very long vacant positions of General Director and Retail Director at PT. Bank BPD East Java. <https://bit.ly/3iYpvzm>
- **EJ:** Corporate Secretary of PT. Bank BRI closes its regional office in Malang for sterilization, after 7 of its managerial staffs are confirmed with positive COVID-19. BRI has moved all operational & service activities to the new building at the same address. <https://bit.ly/2OgAqX6>; <https://bit.ly/2CvqMx0>
- **CJ:** The Poverty Laboratory, a poverty alleviation program owned by the Government of Pekalongan District, has been able to alleviate 70% of the target population for 2.5 years. The working principle of this program is to capture, collect, and handle data of poor population. The laboratory performs quick steps in collecting valid data and then verifying to capture how poverty occurs, starting by name, job, and the factors that cause poverty. <https://bit.ly/3exJTEk>
- **NTB:** According to the Vice Governor of NTB, Dr. Ir. Hj. Sitti Rohmi Djalilah, M.Pd, one of the concepts and strategies of the NTB Provincial Government to maintain food security amid the pandemic is by empowering local products for JPS Gemilang and for distribution to outside the region. These local products include agricultural products, livestock, plantations or other home-based businesses. <https://bit.ly/2AVKEJo>
- **NTB:** According to the Head of NTB Provincial Food Security Office (DKP), Fathul Gani, 141 farmer groups (Gapoktan) in NTB were involved in the rice supplies of 1,200 tons for JPS Gemilang phase III. <https://bit.ly/3es6im4>
- **NTT:** The NTT Provincial Government has prepared a budget of Rp 100 billion in the provincial budget (APBD) to support the work of medical personnel involved in handling COVID-19. The

funds are prepared to provide personal protective equipment (PPE) and incentives for health workers. In addition, the NTT Provincial Government is also preparing hotels for medical officers assigned. <https://bit.ly/3elcEnv>

- **NTT:** The NTT Provincial COVID-19 Task Force requires all district/city governments in the area to tighten supervision of the migrant workers' arrival who have just returned from abroad. The early monitoring and detection are carried out to prevent the spread of COVID-19 since the arrival take place gradually. The supervision needs to be conducted at the entrances area, namely Larantuka, Maumere, Kupang City, Waingapu, Sumba Barat Daya, and Manggarai Barat. <https://bit.ly/328VkiZ>
- **NTT:** Representative of Bank Indonesia in NTT is targeting to foster 100 micro and small medium enterprises (MSMEs) in the province through the Young Entrepreneurship School (BI-YES) program. The BI-YES program is a learning program to train MSMEs to be able to have a global and digital perspective. 100 SMEs and workers affected by the COVID-19 pandemic are expected to join the program. <https://bit.ly/2ZiJXDg>
- **Papua:** Papua is the region with the lowest food self-sufficiency in Indonesia with a percentage of only 1.8%, then followed by West Papua at 2.2%. According to President Director of BULOG, Budi Waseso, the eastern part of Indonesia has low food self-sufficiency because it was measured only by the rice commodity. He added that another reason was because rice production in Papua is only in two regions, namely Merauke and Manokwari. <https://bit.ly/3gS7hxy>

FOOD SYSTEM

Impact at food supply continuity; food price; etc



1. East Java

- Yudhistira, Vice Manager of BULOG Branch Tulungagung, argues that his unit does not want to be the rice supplier manager of Gol's non-cash main food aid (BPNT) to the *e-warong* (BPNT distributor kiosks), due to BULOG's need to comply with the existing Gol's related guideline on BNPT distribution. Based on the guideline, all *e-warongs* have right to select the most competitive rice suppliers that could provide rice with best price and quality. He also informs that his unit has already delivered 50% of total 80,000 Beneficiary Household (KPM) need in June 2020 and less from 20% of the total KPM need in this month. However, those transactions were not with *e-warongs*, but rice sub suppliers. Therefore, BULOG Tulungagung suggest *e-warongs* to buy rice from BULOG for its cheaper price (Rp 10,600/kg), so they can sell the rice with better price to KPMs. <https://bit.ly/304ylqX>

2. Central Java

- The COVID-19 protocol is implemented in all public areas, including the Temanggung Integrated Livestock Market in Badran Village, Kranggan, Temanggung, especially ahead Eid al-Adha where the market is increasingly crowded. Several regulations have been prepared by Livestock District Office regarding the implementation of health protocols in order to anticipate the increasing number of market visitors, such as mandatory use of masks, frequent hand washing with soap, disinfectant spraying to every vehicle, and keeping the physical distances. <https://bit.ly/3emnwBn>

- Ahead of Eid al-Adha, the supply of cattle in the Sunggingan Livestock Market in Boyolali District as one of the production centers in Central Java, is lower compared to before the pandemic. According to Bayu – an administration staff of Sunggingan Livestock Market, the current number of cattle supplies reached an average of 700 heads per day or decreased by 200 heads compared to before the pandemic, which was 900 heads per day. In fact, the price of local types cattle has also dropped from Rp 13 million - Rp 15 million per head to Rp 10.5 million - Rp 12 million per head. <https://bit.ly/32eb4kQ>

3. West Nusa Tenggara (NTB)

- The farmers filed an insurance payment claim for covering crop failure of 98 hectares area in Lombok Timur District. Due to the drought of the 2020 planting season, especially in the southern part, the intensity of land damage has reached 75%. The number of claims to be received by farmers is around Rp 6-7 million per hectare. <https://bit.ly/2AZMQja>
- The current chilli business in the Lombok Timur District is starting to improve. Although they have not been able to ship outside the region, the price of chili, especially local chili, is starting to increase at Rp 20,000/kg in the market level and Rp 14,000/kg at the farmer level. <https://bit.ly/2Dwgeyf>

4. East Nusa Tenggara (NTT)

- The NTT Development Planning & Research Agency (Bappelitbangda) conducted a survey of household food security in the province using the google form application. The survey was conducted in 22 districts. The objective is to get an overview of the food security conditions of households in NTT during the COVID-19 pandemic situation. There are four recommendations based on the survey, namely: (i) the Agriculture, Plantation & Food Security Office (DISTAN) of the NTT Province needs to reactivate and develop household food security programs/activities by utilizing the yard; (ii) food supply and distribution monitoring activities as well as food prices through market operations from related institutions must be carried out continuously during the pandemic period to avoid price increase; (iii) the government needs to conduct food and nutrition diversification training; and (iv) channeling government assistance from the center to the village must be targeted to households affected by COVID-19 with close supervision. <https://bit.ly/3ekNyF5>

5. Papua

- The Tolikara District Government ensured that local foods provided by traditional farmers in the area are sufficient amid the COVID-19 pandemic. According to the Head of Tolikara District Agriculture Office, several commodities that have been planted are sweet tubers, cassava, sweet corn, and some vegetables. He ensured that several farmer groups in the area were even able to produce certain commodities and earn income to meet their family needs. <https://bit.ly/30b9L3k>

SECTOR'S ISSUE

Specific issues related to the agricultural sectors PRISMA works in.

1. East Java

- **Coffee & Finance.** Head of Commission B of Provincial House of Representative of East Java estimated that farmers will not be able to sell a total of 1,000 tonnes Arabica Coffee at the end of coffee harvest season (July to August 2020), especially in Bondowoso, Situbondo, Jember and Banyuwangi. In response to that concern, Provincial Plantation Office of East Java has just signed a partnership agreement with Bank UMKM Jatim and Maju Mapan Farmer Group Association on revolving loan and coffee bean selling postponement scheme. The partnership is also aimed to motivate the farmers to continue coffee harvesting and processing activities amidst the pandemic. <https://bit.ly/2ZY77Ow>
- **Irrigation and Finance.** Ministry of Agriculture (MoA), through Integrated Participatory Development and Management Irrigation Program (IPDMIP) organized a 5-days online training focusing on financial literacy for Public Extension Service Workers from its 16 IPDMIP working area provinces, including East Java. The training modules cover rural financial product & service, farming finance management, farming financing planning, and financial literacy training facilitation to farmers. In East Java, BPPSDMP Ketindan in Malang delivers the training to participants from Lumajang, Tuban, and Ngawi. <https://bit.ly/3fq7uHZ>; <https://bit.ly/32eL2Om>; <https://bit.ly/308pEaO>



- **Rice and Soil Treatment.** Mr. Takdir Mulyadi (Seeding Director of Ministry of Agriculture) monitors the implementation of Rice Cooperation Zone Development Program in Sragi village of Blitar on 8 July 2020, after visiting other 8 rice production districts in Indonesia, including Bojonegoro. Head of Agriculture and Food Office of Blitar appreciates the ministry's decision to include Blitar in the program. He also reports that the district has already established pilot villages/cluster for organic rice production, Seed Self-sufficient Village, and mechanisation. <https://bit.ly/301akwR>

2. Central Java

- **Rice:** Farmers in Jagan Village, Bendosari, Sukoharjo have successfully applied agricultural patterns with a Planting Index (IP) of 400. IP 400 of paddy is a promising choice to increase national rice production without requiring additional irrigation facilities and new land clearing. The concept is that paddy field which has irrigation throughout the year can be planted with rice four times within one year. Heri Sunarto, the farm manager who implements an integrated farming system, explained that there are number of factors to support the successful implementation of the IP 400 of paddy, such as the use of very low-yielding 70-90 days rice varieties, integrated management of agricultural systems and efficient crop and harvest management. <https://bit.ly/2Zrt3CM>

3. West Nusa Tenggara (NTB)

- **Maize:** Maize production in Bima District has increased every year. In order to anticipate the price war at the farm level, a storage warehouse needs to be built. Based on data from the Agriculture and Plantation Office (Disperbun) of Bima District, maize production in Bima District currently reaches 297,989 tons with an area of 40,292 hectares. With this production, Bima District can be considered as one of the main maize producing regions in Indonesia to supply national needs. This was conveyed by a member of Commission II of the Bima District DPRD, Ramdin SH, who was also hoping that the construction of a maize storage shed should be prioritized by the government going forward. <https://bit.ly/3fsytTs>
- **Beef:** The demand for cattle is quite high ahead of Eid al-Adha this year. Many delivery recommendations were issued by the Dompu District Livestock and Health Service Office (Disnakeswan), both for shipping between districts/cities or outside the province. The Head of the Office, Ir. Zainal Arifin, M. Si., said that during the last three months, thousands of cattle were ready to be delivered by local entrepreneurs to outside the area, especially to Lombok Island. In May, 400 heads had been delivered to Lombok Timur and Lombok Tengah. While in June and beginning of July, there were 420 heads and 150 heads have been delivered. <https://bit.ly/32h5j5Y>
- **Poultry:** Towards Eid al-Adha, prices of several basic needs are increasing, including chicken meat. The price increase was allegedly due to a price fixing at the retail level. Frozen and fresh meat stocks are still safe. Chicken meat trader at Mataram Cemara Market, Ibu Maknah said that the increase has occurred since the last two weeks which is Rp 42,000/kg at retailer level and Rp 45,000/kg at seller level. The soaring price of chicken meat is associated with the opening of several hotels, restaurants, as well as the upcoming Eid. <https://bit.ly/2C86lXj>
- **Rice:** According to the Head of Mataram Class I Agricultural Quarantine Center, Arinaung Siregar, the digital quarantine information system (IQFAST) recorded that shipments of rice from NTB to several regions in the country reached 5,000 tons or equivalent to Rp 30 billion during January to June 2020. It is significantly increasing compared to the same period in 2019 which only reached 19 tons or Rp 190.05 million. <https://bit.ly/2Op1NhS>
- **Irrigation:** Agriculture Office of Mataram City said that there are seven farmer groups who have received assistance to drill wells with a total budget of Rp 807 million, sourced from the return of special allocation funds (DAK) for handling COVID-19. The Head of the Office, H Mutawalli said that the assistance was aimed to help farmers' water needs during the dry season. Farmer groups who received the assistance are mostly in less-water areas, such as Rembiga, Sandubaya and Batudawe areas. The assistance is not only for drilling wells but also for supporting facilities such as drains, pumps, reservoirs and others. <https://bit.ly/32epEZJ>

4. East Nusa Tenggara (NTT)

- **Pig:** The NTT Governor, Victor Laiskodat instructed his staffs to conduct massive socialization to the community and improve management of pig farms in order to overcome the African Swine Fever (ASF) outbreak in the province. The government continues striving so that the ASF can end soon. During the visit of the Directorate General of Animal Husbandry & Animal Health of the

Ministry of Agriculture, Governor Laiskodat hopes that there will be good collaboration between the NTT Provincial Government and the central government regarding the outbreak handling. Meanwhile, the Animal Husbandry Office (DISNAK) of Sumba Barat Daya acknowledged the deaths of around 2,000 pigs due to the ASF in the past few months. <https://bit.ly/38SBTwq>; <https://bit.ly/2WcyS4H>



- **Seaweed:** The NTT Provincial of Marine & Fisheries Office (DKP) identified hundreds of seaweed cultivators in Flores Timur District who would receive cultivation facilities from the NTT Provincial Government. Identification was carried out to ascertain whether the fishing community has seaweed farming facilities such as canoes and drying tables. <https://bit.ly/308Hdl6>
- **Irrigation:** Kupang District Government expects the Ministry of Public Works & Public Housing (PUPR) through the NTT Provincial River Bureau (Balai Sungai) to improve the Noelbaki irrigation network in Kupang District, so that dozens of hectares of rice fields in the area can be planted in the coming planting season. Irrigation channels in the area have been damaged since last year, which resulted in dozens of hectares experiencing crop failure in the current growing season. Repairing irrigation channels in the Noelbaki area is the authority of the central government. <https://bit.ly/2DDfl7n>
- **Coconut:** Sales of virgin coconut oil (VCO) commodities began to increase, after being dropped due to the COVID-19 pandemic. The producers of VCO in Manggarai Timur District admitted that their product sales began to improve after the government imposed a new normal era since early June. According to the producers in Kota Komba Sub-District, their income had decreased when there was still social restriction policy due to the decreasing number of customers. <https://bit.ly/2CpcKNJ>
- **Poultry:** For the past two weeks, broiler chicken commodities have not been sold at markets in Maumere, Sikka District. This is because PT Mitra, the distributor, has not supplied the broiler chicken to traders. As a result, many traders experience losses. In addition, the price of chicken broiler at the market also soared. <https://bit.ly/2Wc1L12>

5. Papua

- **Coffee:** Coffee beans from the mountains of Papua are ones of the most favorite beans in foreign markets, especially coffee Amungme, Bintang Mountains and Moanemani. It is planted at an altitude of 1,400 - 2,700 amsl with relatively low temperature which makes the coffee rich in acid and iron. However, due to the remote location of planting, transportation costs become obstacles in the distribution of coffee yields. For example, the Amungme coffee plantation, which can only be reached by helicopter at costs US \$ 3,000 per hour. <https://bit.ly/3h3iawV>

RURAL ECONOMY

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



1. Central Java

- Brown sugar product from Purbalingga has successfully penetrated the European market including Greece. "This is such a fresh air amid an economic slowdown due to the COVID-19 pandemic," said the Head of Purbalingga District. At the end of June, 13 tons of organic brown sugar produced by farmers member of Sumber Rejeki Joint Business Group (KUB) from Ponjen Village, Karanganyar District were exported to Greece. The local product is valued at Rp 5,000 per kilogram which is higher compared to the local market. <https://bit.ly/2Zr1I9a>
- In order for coffee farmers to increase productivity and produce good quality coffee, Batang Agricultural Office conducts counselling and education. Agricultural Extension Officer of Bawang Sub-District of Batang, Irwan Dwi Hendriyanto said that after having agricultural counselling and education for farmers on good coffee cultivation, coffee farmers now can enjoy their products and earn better income. He also revealed that the productivity of these three-year-old coffee plants have increased compared to previous year. Last year, it could only harvest 10 kilograms of coffee, which now it can produce up to 30 - 40 kilograms. <https://bit.ly/3esMa3i>

2. West Nusa Tenggara (NTB)

- Village-Owned Enterprises (BUMDes) in Sumbawa District are encouraged to produce superior products. Related to this, the Community and Village Empowerment Office (DPMD) as a supervisor, facilitates the BUMDes to conduct an MoU with Sabalong Samawa Regional Company (Perusda). This collaboration was triggered by numerous complaints from BUMDes regarding constraint in product marketing. This was then discussed with several parties including the regional government. In fact, Perusda has the Perusda Mart application, an online-based marketing application, which can be optimized. <https://bit.ly/32bWgmR>

- Labuhan Sumbawa Village, Sumbawa District, looks greener after the COVID-19 hit the area. The green scenery comes from the residents' yard which is now transformed into a gardening area. Various kind of plants are generally vegetables and oyster mushrooms. <https://bit.ly/2ZomlrB>

3. East Nusa Tenggara (NTT)

- A Village-Owned Enterprise (BUMDes) named 'Ina Huk' in the Mata Air Village, Kupang District, conducts community empowerment activities by cultivating tilapia using a biofloc system. Biofloc cultivation system is fish cultivation with the help of good bacteria. To date, there are 10 biofloc that were built and managed by 10 village communities, where one biofloc can benefit around Rp 7.5 million. <https://bit.ly/3iWWbta>