AMANAH DAYA NUSANTARA

Together, Guarding Our Sacred Trust



Focus Group Discussion:

Strategic Opportunities in the Agricultural Ecosystem

Knowledge Partner

SBMITB School of Business & Management

SBMITB Center for Policy & Public Management



1. Executive Summary

This project report formulates a strategic framework based on an assessment of the agricultural ecosystem through a Focus Group Discussion (FGD) entitled “Identifying Strategic Opportunities in the Agricultural Ecosystem,” held on 11 June 2026 in Jakarta. The study aims to provide comprehensive recommendations for the development of the Desa Berdaya, Tani Amanah (Empowering Villages through Responsible Farming) program, grounded in the values of local leadership, amanah (trust and responsibility), and strong community networks (gotong royong).

Through a stock-taking process and multi-stakeholder discussions, the FGD identified a complex structural crisis at the village level, with climate change acting as an economic stress multiplier. This ecological phenomenon directly intensifies the economic anxiety faced by farming and fishing households, which must bear rigid expenditures such as debt burdens and high land-rental costs amid uncertain harvest outcomes.

Existing community-development initiatives tend to be fragmented and are often perceived as external agendas that have yet to address the real needs of communities and village leadership.

To respond to this multidimensional crisis, the FGD facilitated a stock-taking process to identify key problems, prioritize intervention areas, and formulate opportunities for cross-sector collaboration and implementable quick wins. The program’s main approach shifts from reactive interventions toward structural transformation that places farmers at the center. This strategy is expected to generate tangible impacts by strengthening village leadership, improving farmer welfare and resilience, and enabling collective action that is relevant to and trusted by rural communities.

2. Methodology

This report is based on the Focus Group Discussion (FGD) entitled “Identifying Strategic Opportunities in the Agricultural Ecosystem,” held on Thursday, 11 June 2026, from 09:00 to 12:30 WIB at the SBM ITB Jakarta Campus, Graha Irama, Kuningan, Jakarta. The FGD was organized by Yayasan Amanah Daya Nusantara (AYANA) in collaboration with the Center for Policy and Public Management (CPPM), SBM ITB.

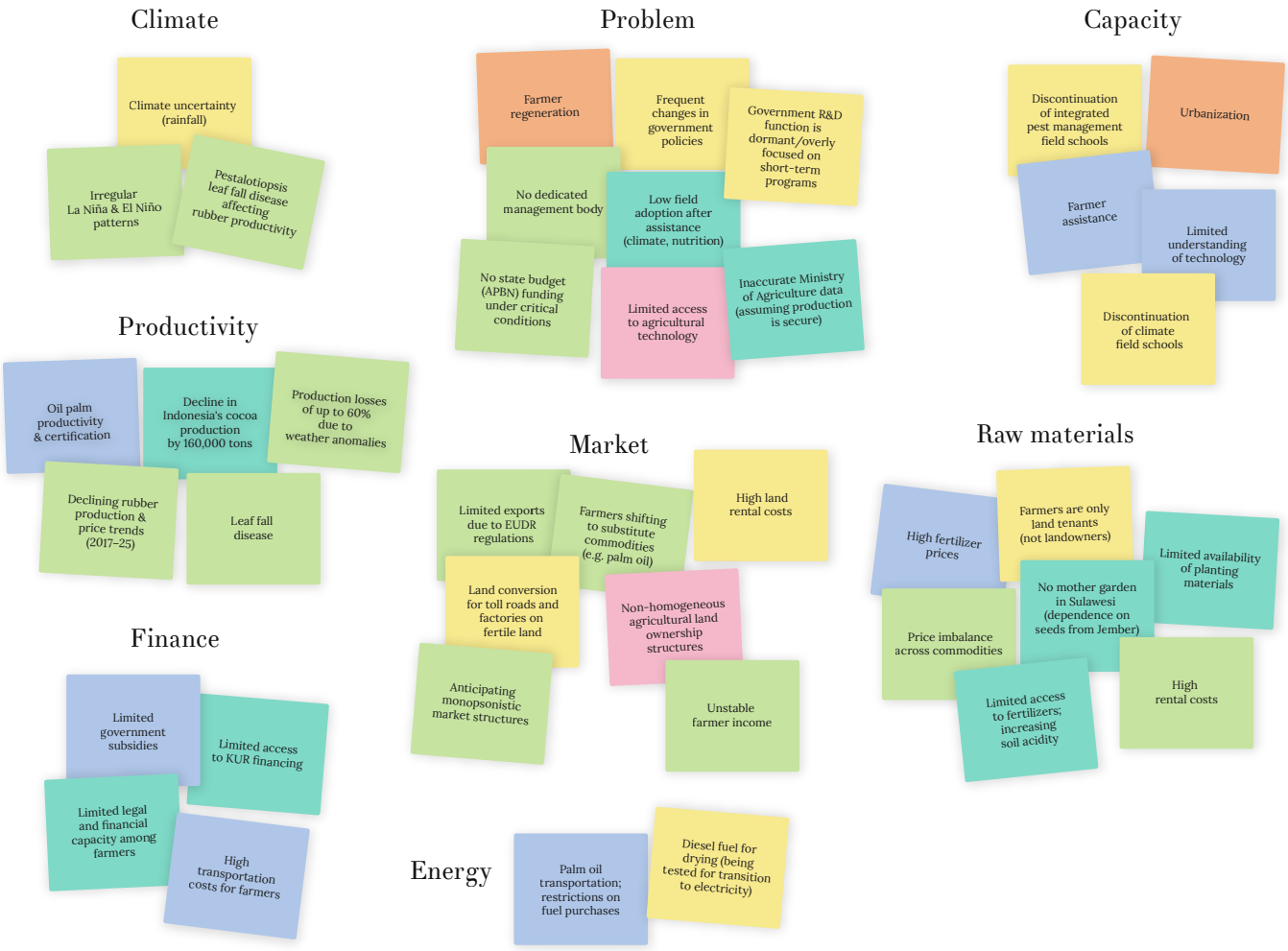
The FGD involved 24 institutional leaders representing the agricultural ecosystem as a whole, including farmer and industry associations for palm oil (APKASINDO, FORTASBI, SPKS, GAPKI), rubber (GAPKINDO, Indonesian Rubber Council), cocoa (CSP, ASKINDO), coffee (ASKI), rice (PERPADI, ASBENINDO), cross-commodity partners (PISAgro), knowledge and development partners (FAO, INDEF, IPMI Business School, Solidaridad Network Indonesia, Swisscontact), as well as civil-society organizations (Kitabisa, Sharing Happiness).

The session was divided into three main parts: Session 1 (Stock Taking) mapped existing problems and initiatives across six domains; Session 2 (Prioritizing Interventions) filtered the findings into the most strategic intervention areas, facilitated by Bayuningrat Hardjakaprabon; and Session 3 (Identifying Opportunities) formulated collaboration opportunities and quick wins, facilitated by Rama Permana. The overall process was facilitated by the CPPM SBM ITB team led by Yudo Anggoro.

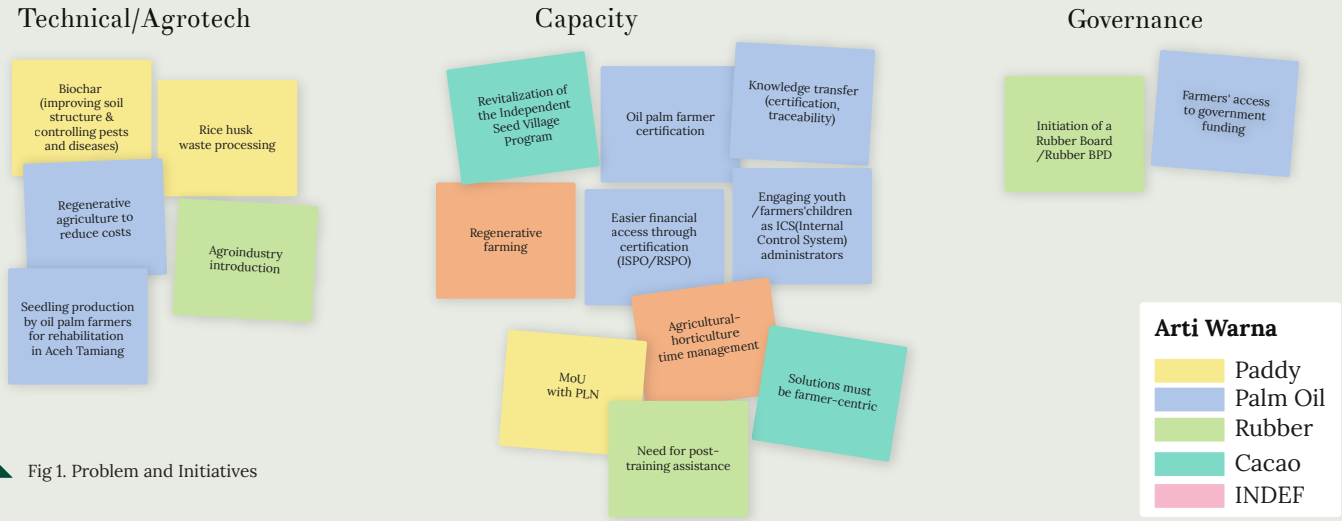
The discussion results were synthesized participatory by the participants themselves on the MIRO digital board, producing three main visual outputs presented in this report as Figures 1, 2, and 3. This approach ensured that the resulting priorities represented the participants’ collective consensus rather than a unilateral interpretation by the facilitation team.

3. Agricultural Ecosystem Situation Analysis

This section maps the structural crisis and commodity-specific problems experienced on the ground, which collectively threaten national food security.



Initiatives



▲ Fig 1. Problem and Initiatives

3.1. Agrarian Structural Inequality

The agricultural ecosystem is currently in an unhealthy condition due to unequal land ownership. In many food-producing regions (such as Central Java), the majority of rice farmers are land tenants rather than actual landowners. This status creates a dual vulnerability.

- First, the massive conversion of fertile land into industrial areas, toll roads, and housing (as seen in Karawang and Bekasi) has driven up land-rental prices, increasingly squeezing farmers' profit margins.
- Second, due to high economic burdens and short-term tenancy arrangements, farmers lose the incentive to invest in long-term soil health. As a result, they often neglect sustainable agricultural practices and instead opt for immediate land exploitation.



3.2. Commodity-Specific Crisis Analysis

Rice: The resilience of rice, as the country's main staple, is disrupted by frequently changing government policies. As a result, the continuity of village-level climate-monitoring programs is interrupted. In the field, the greatest challenge for rice farmers is not the planting process, but the maintenance phase - protecting crops from increasingly persistent pests and diseases caused by climate anomalies.

Palm Oil: There is a very large productivity gap in the palm-oil sector. Independent smallholders produce an average of only 2.6 tons per hectare, far below plasma or company plantations, which can reach 7.6 tons per hectare. Independent farmers are under further pressure due to limited subsidies for production inputs, high logistics costs from plantations to mills, and the impact of restrictions on the purchase of subsidized fuel (BBM).

Rubber: The national rubber sector is also facing a critical situation. In addition to declining global prices, rubber productivity has fallen by as much as 60% due to weather anomalies (La Nina/El Nino) that have triggered persistent outbreaks of leaf-fall disease (Pestalotiopsis). This crisis is compounded by an institutional support vacuum: there is no dedicated body managing a rubber commodity fund (such as BPDPKS for palm oil), no state-budget allocation for replanting aging plantations, and the sector is simultaneously threatened by strict European anti-deforestation regulation (EUDR).

Cocoa: The sector is driven primarily by smallholders, yet Indonesia's global production ranking has fallen sharply to seventh place. A root problem lies in the Ministry of Agriculture's use of inaccurate baseline data that assumed production was secure, resulting in the termination of budget allocations for the cocoa plantation sector. The resulting domino effect has caused shortages of quality seedlings and the disappearance of agricultural extension workers in the field. In addition, the micro scale of cocoa farming makes it difficult for farmers to meet legal requirements for accessing financing facilities such as Kredit Usaha Rakyat (KUR). By comparison, the world's three largest cocoa producers - Côte d'Ivoire, Ghana, and Ecuador - have consistently maintained or increased productivity over the past decade, while Indonesia has experienced a decline. This gap reinforces the urgency of revitalizing R&D, as discussed in Section 4.1.

4. Capacity and Technology Framework

To address operational problems at the upstream level, a radical transformation is needed in technology provision and human-resource capacity development.

4.1. Revitalizing Government R&D

The essential function of government Research & Development (R&D) in producing superior seed varieties that are adaptive to climate change is considered to have become dormant. This has been driven by a policy bias that focuses too heavily on instant, short-term programs while neglecting sustainability. As concrete evidence, no Cocoa Mother Garden facility was found in strategic production centers in Sulawesi. Consequently, the seed supply chain is vulnerable because planting materials must be transported across islands from Jember, resulting in high logistics costs.

4.2. Human Capacity and Digitalization

Future interventions must shift from merely building physical infrastructure (such as factories or dams) toward developing human resources with financial literacy and digital-technology capabilities. One tactical solution is to empower young people (as part of farmer regeneration), particularly those from farming families, to serve as technology managers/-facilitators and manage Internal Control Systems (ICS) within farmer organizations, thereby making farmer institutions more professional and accountable.

5. Cross-Sector Programs and Governance

Prioritization

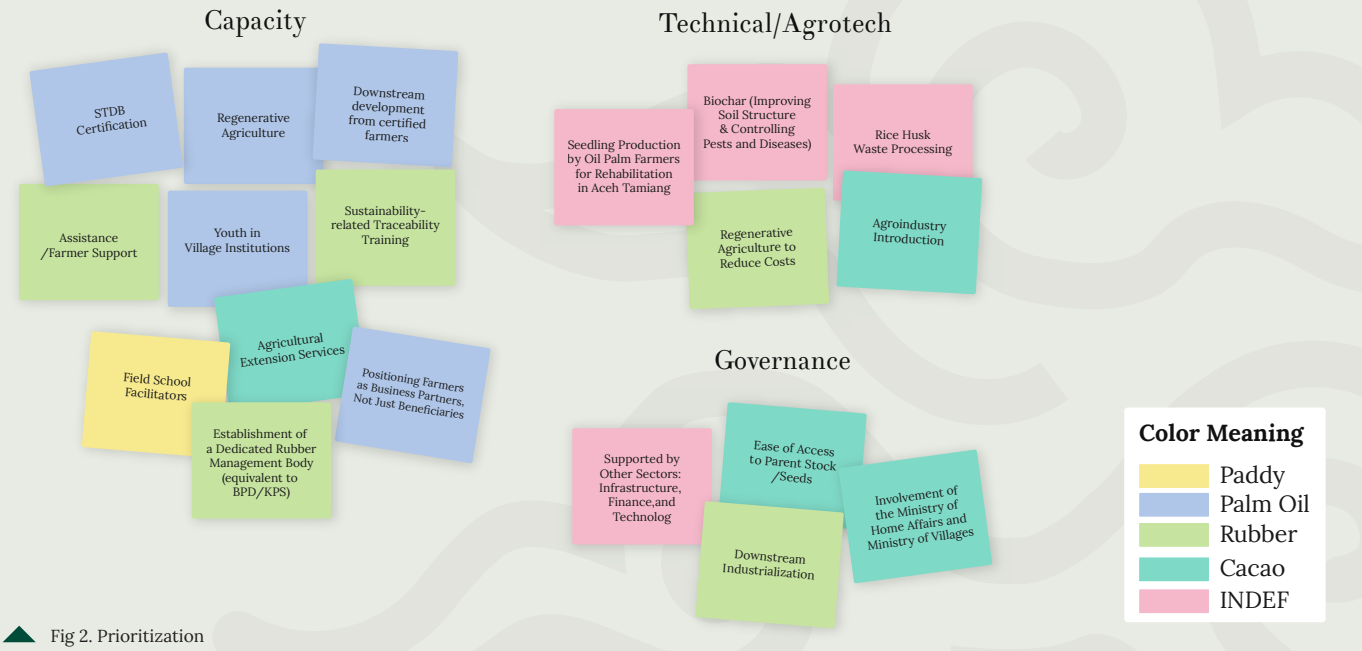


Fig 2. Prioritization

Improving the ecosystem cannot be assigned to a single entity.
It requires governance reform and strong institutional orchestration.





5.1. Transforming the Working-Relationship Paradigm

The first step in improving governance is to change the mindset of corporations and government in how they view farmers. Farmers must be positioned and recognized as equal business partners, rather than being exploited merely as beneficiaries of charitable assistance. To achieve this, the Inclusive Closed Loop partnership model - in which upstream and downstream actors are connected through financing ecosystems and guaranteed market absorption - must be expanded significantly.

5.2. Cross-Ministerial Orchestration

The agricultural crisis is a structural problem whose solution extends beyond the authority of the Ministry of Agriculture alone. Orchestration must actively involve the Ministry of Home Affairs (Kemendagri) and the Ministry of Villages (Kemendes).

This inter-ministerial synergy is particularly crucial for restoring and refinancing the "Desa Mandiri Benih" (Seed-Self-Sufficient Village) program through Village Funds, enabling villages to secure sovereignty over their upstream seed supply chains.

5.3. Measurable Commodity-Specific Initiatives

Rice: Strengthen climate adaptation by reactivating Climate Field Schools (SLI) and Integrated Pest Management Field Schools (SLPHT); transition paddy-drying energy from diesel fuel to electricity; and process rice-husk waste into biochar to reduce fertilizer costs.

Palm Oil: Accelerate compliance with Indonesian Sustainable Palm Oil (ISPO) certification toward the 2029 mandate and Roundtable on Sustainable Palm Oil (RSPO) certification; promote restrictions on forest-cover conversion (deforestation restriction); and facilitate the development of farmer-group-managed nurseries, particularly for post-disaster recovery areas.

Rubber: Implement land-replanting interventions in parallel with agroforestry systems, for example by inter-cropping rubber with local multi-commodities, to safeguard farmers' daily cash-flow resilience.

Cocoa: Facilitate intensive assistance from NGOs/private-sector actors to replace the missing role of ministry extension workers, while providing legal and administrative assistance so that farmer groups become bankable and eligible to access KUR.

6. Strategic Priorities and Threat Mitigation

Priority-setting was carried out tactically by balancing short-term wins with the establishment of foundations for long-term structural improvement.

6.1. Priority Matrix (Impact-Effort)

The matrix was developed by the 24 FGD participants on the MIRO board. The vertical axis represents the level of impact, while the horizontal axis represents the level of effort required. The Big Bets quadrant (upper left) contains fundamental initiatives including land-tenure certainty, EUDR compliance, farmer corporatization, acceleration of ISPO/RSPO certification, farmer regeneration, and village governance. The Quick Wins quadrant (upper right) contains eight initiatives considered high-impact while being executable within a relatively short period.



Fig 3. Impact-Effort Matrix

Big Bets (Fundamental Focus): Interventions in this area have very significant impact but require substantial resource commitments and a long time horizon. Key priorities include resolving land-title certainty as an absolute prerequisite for traceability, meeting global export-regulation compliance standards such as the EUDR, accelerating certification, and strengthening the corporatization and regeneration of farmer institutions. To ensure measurable implementation, these fundamental steps are divided into two strategic phases:

Medium Term (2027) - Governance Consolidation & Institutional Strengthening: The main focus is on developing operational regulatory frameworks and data systems that strengthen collective land traceability. During this phase, farmer corporatization initiatives and managerial-capacity strengthening for farmer groups are integrated so that they are operationally ready for regional-scale expansion before moving toward compliance with global standards.

Long Term (2028+) - Institutionalization & Systemic Sustainability: The main focus is on institutionalizing independent commodity financing mechanisms (for example, establishing a fund-management body for specific commodities) and integrating self-managed certification systems that are internationally recognized. The goal is to create a self-sustaining mechanism in which farmers are financially independent and fully able to meet global sustainability standards without dependence on external interventions.

Quick Wins (Tactical Measures): These are pragmatic strategies that can be implemented with moderate effort while generating immediate impact. Measures include activating the inclusive closed-loop partnership model, opening access to alternative financing (blended finance), involving younger generations in managing the digital governance of farmer groups, and adopting simple regenerative-agriculture methods to immediately reduce farmers' daily operating costs.

6.2. Farmer Regeneration Crisis Threat (Exit Strategy Alert)

Among all the challenges above, the greatest existential threat to Indonesia's food future is the farmer-regeneration crisis. Younger generations are increasingly losing interest in farming due to limited technological intervention, strong social stigma (farming being associated with poverty), and high uncertainty in market prices and off-taker supply during peak harvest periods. Referring to global projections by the Food and Agriculture Organization (FAO), if this regeneration crisis is not radically addressed through modernization and market guarantees, Indonesia is projected to face a severe land deficit within the next 15 years and be forced to confront the bitter reality of "importing the farming profession" from abroad.

7. Conclusion



The findings in this report point to one consistent conclusion: the crisis in Indonesia's agricultural ecosystem is not merely a technical or agronomic issue, but a structural and institutional one. Unequal land ownership, extreme productivity gaps (2.6 versus 7.6 tons/hectare in palm oil), the absence of a funding body for rubber, inaccurate baseline data for cocoa, and the threat of a farmer-regeneration crisis within the next 15 years all converge on one root problem: farmers are not positioned at the center of the system that is supposed to serve them.

This is the philosophical foundation of the Desa Berdaya, Tani Amanah program: sustainable rural development can only be achieved when farmers are positioned as equal business partners and agents of change, rather than passive beneficiaries. The values of amanah and gotong royong at the core of the program are not merely cultural rhetoric; they constitute an infrastructure of trust that this FGD demonstrates to be a prerequisite for the success of any village-level intervention.

The Impact-Effort Matrix developed participatory by 24 institutional leaders provides AYANA and CPPM SBM ITB with a collectively validated roadmap, rather than simply a list of recommendations from external parties. Eight Quick Wins can be implemented within the next 12 months; five Big Bets require long-term commitment but are highly strategic for national food security. The remaining question is no longer "what needs to be done" - that has been answered through this FGD process - but rather "who will start, and when." The following section formulates an answer to that question.

8. Recommendations and Next Steps

The recommendations below are based on the Quick Wins and Big Bets priorities in Figure 3, with the addition of responsible leads/partners and estimated implementation timelines.

#	Recommendation	Lead / Partner	Category	Timeline
1	Pilot post-training assistance (not merely training)	AYANA + CSP + Solidaridad	Quick Win	Q4 2026
2	Initiate a feasibility study for a rubber funding body (equivalent to BPDPKS)	CPPM + Indonesian Rubber Council	Big Bet	Q3 2026
3	Reactivate the "Desa Mandiri Benih" program through Village Funds; advocate to Kemendagri/Kemendes	AYANA + CPPM	Big Bet	Q4 2026
4	Conduct field interviews with farmers (40-60 respondents, 8 commodities) to triangulate FGD findings	CPPM SBM ITB + AYANA	Further Research	Q3 2026
5	Pilot the corporatization of palm-oil farmer groups to improve ISPO certification cost efficiency	AYANA + APKASINDO /FORTASBI	Quick Win	Q4 2026
6	Clarify the position of EUDR (Big Bet vs. Fill-in) through field validation	CPPM SBM ITB	Further Research	Q3 2026
7	Integrate women's participation targets across all farmer-regeneration programs	AYANA	Cross-program	Ongoing
8	National seminar: present findings to the Ministry of Agriculture and Bappenas	AYANA + CPPM	Advocacy	Q4 2026

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Recommendation #4 (field interviews with farmers) is recommended as an immediate next step, because all other recommendations will be stronger and more credible to policymakers once they have been directly validated by farmers' voices in the field - including clarification of the empty Money Pit finding (Section 6.1) and the tension surrounding the EUDR classification.



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