

Agriculture Cooperative Development in Indonesia: Digital Transformation for Food Sovereignty



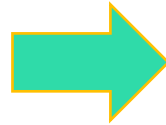
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MANDATE OF NATIONAL MEDIUM TERM DEVELOPMENT PLAN (RPJMN) 2020-2024 TRANSFORMATION STRATEGY OF ENTREPRENEURSHIP, MSME AND COOPERATIVES



"RPJMN'S MANDATE"



The 2020-2024 Policy directions in the context of increasing economic value added which includes strengthening Entrepreneurship, Micro, Small and Medium Enterprises (MSMEs) and Cooperatives with the following strategies:

1. Increasing business partnerships between micro & small enterprises and medium & large enterprises;
2. Increasing business capacity and access to finance for entrepreneurs;
3. Increasing the capacity, scope, and innovation of cooperatives;
4. Increasing the creation of business opportunities and start-ups;
5. Increasing the added value of social enterprises.

"President's Guidance"

(in the Inauguration of the Minister of Cooperatives and SMEs, 2019)

1. MSME SCALLING UP

2. COOPERATIVE MODERNIZATION

"STRATEGY OF TRANSFORMATION"



1

INFORMAL TO FORMAL BUSINESS TRANSFORMATION



3

TRANSFORMATION INTO GLOBAL VALUE CHAIN



2

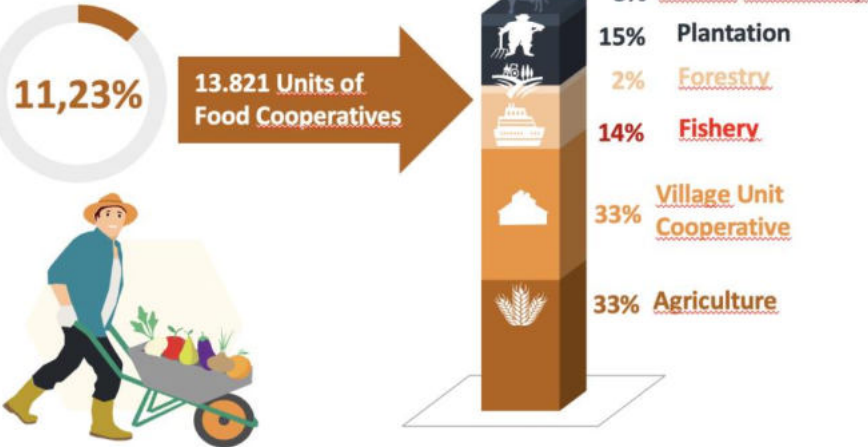
DIGITAL TRANSFORMATION AND UTILIZATION OF BUSINESS TECHNOLOGY INNOVATION

4

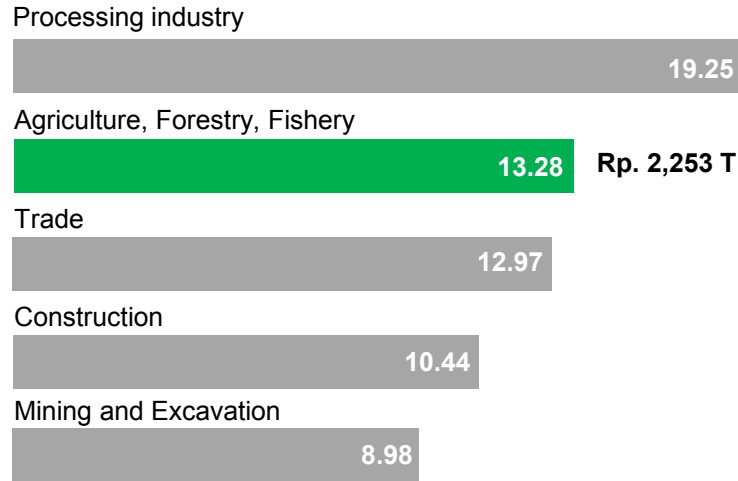
COOPERATIVE MODERNIZATION

POTENTIAL DEVELOPMENT OF DIGITAL BASED-FOOD COOPERATIVES

Total Asset : Rp. 14.728 Trillion
Total Turnover: Rp. 11.251 Trillion
Total Member : 2.830.055 members

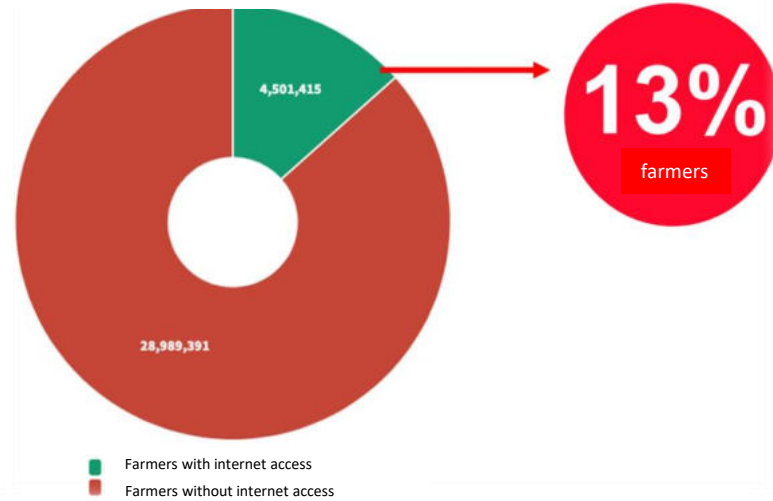


Contribution of the five largest sectors to GDP in 2021



Source: <https://aplikasi2.pertanian.go.id/pdb/rekappdbkontri.php>

Internet Usage in Agricultural Sector

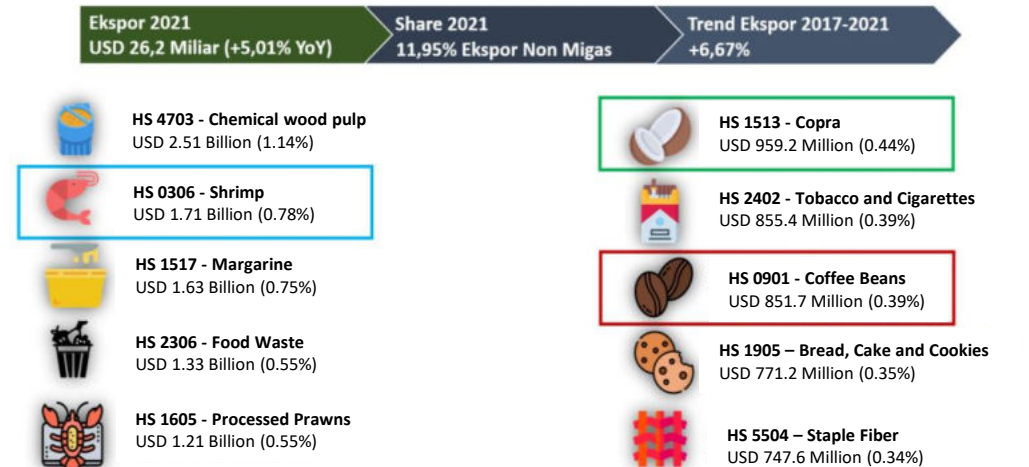


Source: Agritech Report 2020

Source: Online Data System, Ministry of Cooperatives and SMEs



POTENTIAL EXPORT COMMODITIES



Sumber: BPS, processed by Dit P2IE

STRENGTHENING BUSINESS GUARANTEE AND 350 FARMERS AND FISHERMAN COOPERATIVES

Background	<ul style="list-style-type: none"> There is no business model of a farmer corporation with an economy of scale that applies the concept of Society 5.0. The available 1,029 agricultural production base commodity clusters has not been integrated with market access. Access to productive resources is low: access to KUR for the fisheries sector is only 23% and fishermen are limited in accessing credit schemes, capital, technology and markets. Long commodity supply chain and expensive logistics costs: the price of rice at the consumer level is 2.1-2.7 times higher compared to the price of farmers (4 times the price of oranges). Development of 1,000 Indonesian Farmer Shops as distribution points for trade in food and agricultural commodities. The number of active fishing cooperatives is around 1907 units with the number of fishermen reaching 2.6 million (2016). 					
Benefits	<ol style="list-style-type: none"> Increase in farmers' income by an average of 5% per year and fishermen's income by an average of 10% per year (SDGs target) Increased commodity productivity of 5% per year Changes in community behavior in the management of agriculture and fisheries from being dependent to the government (subsidies) to being independent (investment and business) 					
Duration	2020-2024 (5 years)					
Target Indicator and Financing	Target Indicator					Financing Indicator
	2020	2021	2022	2023	2024	
	<ul style="list-style-type: none"> Commodity productivity increase: 5% Value added per agricultural workforce: IDR 49.20 million/labor Increase in fishermen's income: IDR 45.0 million/fisherman/year 5 pilot projects for farmer corporations are formed 	<ul style="list-style-type: none"> Commodity productivity increase: 5% Value added per agricultural workforce: IDR 51.70 million/labor Increase in fishermen's income: IDR 50.4 million/fisherman/year 33 farmer corporations are formed 	<ul style="list-style-type: none"> Commodity productivity increase: 5% Value added per agricultural workforce: IDR 54.30 million/labor Increase in fishermen's income: IDR 55.4 million/fisherman/year 65 farmer corporations are formed 	<ul style="list-style-type: none"> Commodity productivity increase: 5% Value added per agricultural workforce: IDR 57 million/labor Increase in fishermen's income: IDR 61 million/fisherman/year Formed 150 farmer corporations are formed 	<ul style="list-style-type: none"> Commodity productivity increase: 5% Value added per agricultural workforce: IDR 59.80 million/labor Increase in fishermen's income: IDR 67.0 million/fisherman/year Formed 350 farmer corporations are formed 	Rp 226.4 Trillion National: Rp 200.9 Trillion Private: 25.5 Trillion
Implementing Agency	Ministry of Cooperatives and SMEs, Ministry of Agriculture, Ministry of Marine Affairs and Fisheries, Ministry of Industries, Universities, NGOs/Private sectors					
Project Highlight	<ol style="list-style-type: none"> Application of Good Agricultural Practices and Precision Farming/Agro-Maritime 4.0 Strengthening farmer institutions Investment, financing, insurance for the agricultural and fishery sectors Partnership of MoCSMEs with agriculture and fishery entrepreneurs Marketing Facilitation 					

Modern Cooperatives



Modern food cooperatives is cooperatives that adopt technology, has potential on industrial scale, has an access to capital sources and market as to generate high value added and benefit for its members by prioritizing the value and principles of cooperatives.



7 CRITERIAS



1. Connected to the *off taker*
2. Adopting technology/innovation
3. Access to capital sources
4. Industrial scale/huge production capacity
5. Collaboration among entities/ecosystem framework
6. Professional management and system
7. Member based of high value added



***Best Practice:
Digitalization
of KUD Mino Saroyo***

MINO SAROYO

 BH : 2479/12-67-6174/BH/VI  NIK : 3301710020005

 **Kec. Cilacap Selatan, Kab Cilacap, Jawa Tengah**

Engaged in the fisheries sector by jointly managing fisheries for the welfare of fishermen. It is a place for fishermen with 8,425 members (8 groups) and 104 employees. Fishermen's production is 214,000 tons/week or 857,154 tons/month

Main Business

Fostering members in producing fish catch derivatives such as crackers

Products are managed hygienically with cold storage and the provision of facilities and infrastructure

PT CUSO Digital Indonesia is in development

Development Plan



Mino Saroyo
Mobile App



Export
Training



Additional
Cooperative
Business



Additional Cold
Storage is needed

Cooperative's Potential

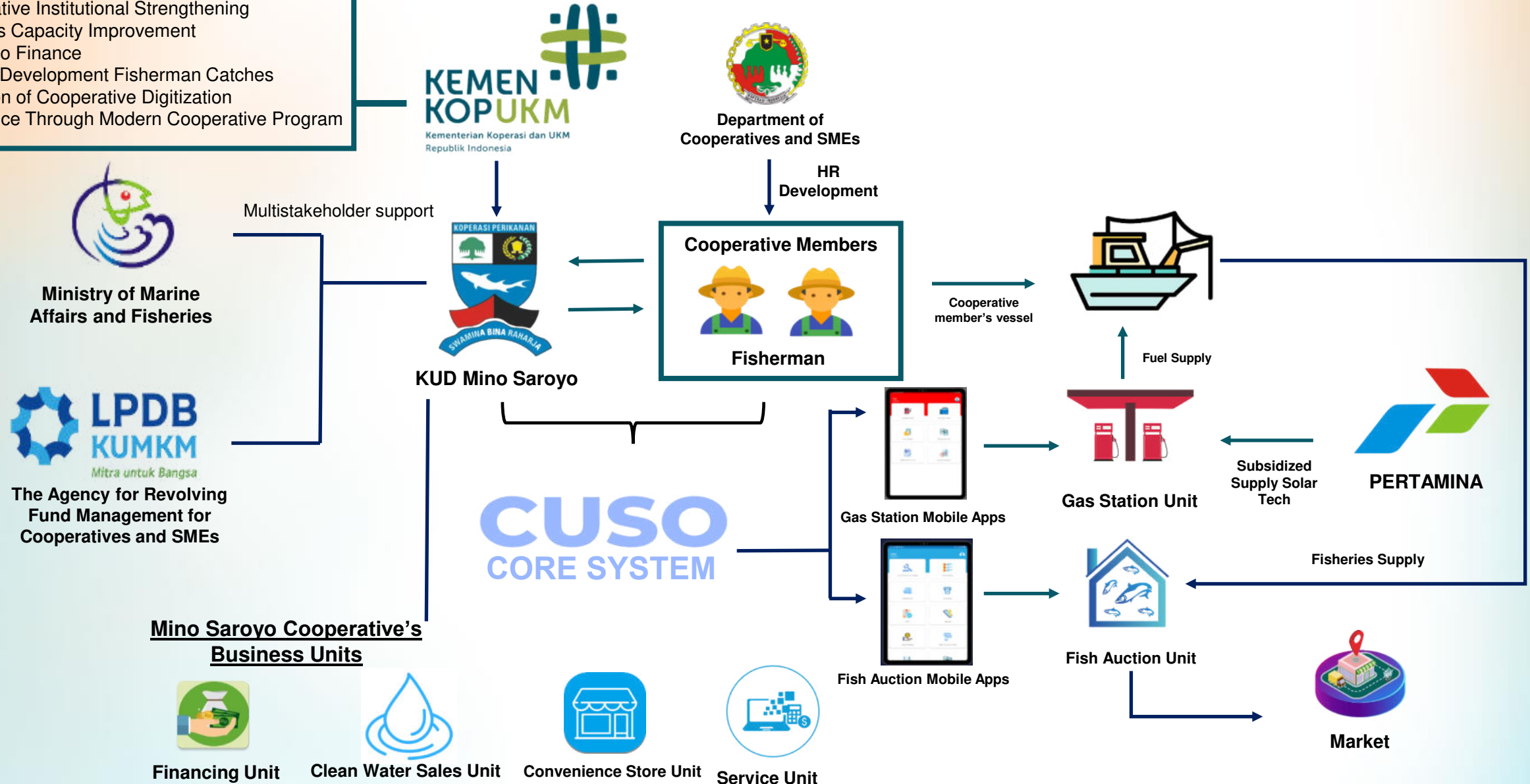
1. Financial Services
2. Convenience Store
3. Fish Auction Place
4. Aquaculture
5. Gasoline and Diesel Station Unit
6. Fishing Equipment Store
7. Clean Water Sales Unit



DIGITALIZATION ECOSYSTEM IN KUD MINO SAROYO

Intervention of Deputy for Cooperatives:

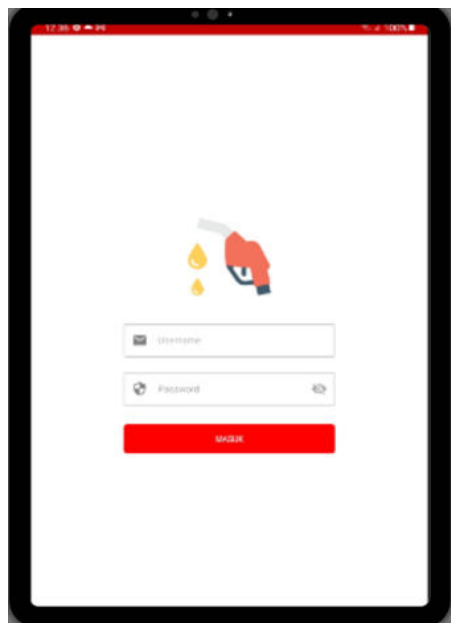
- Cooperative Institutional Strengthening
- Business Capacity Improvement
- Access to Finance
- Product Development Fisherman Catches
- Utilization of Cooperative Digitization
- Assistance Through Modern Cooperative Program



Mino Saroyo Digital Platform

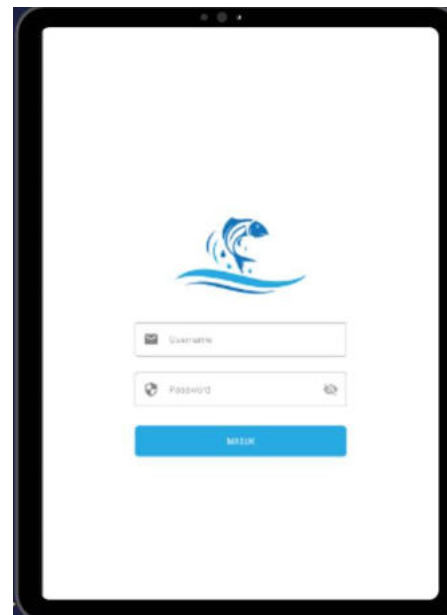
KUD Mino Saroyo Cilacap was appointed to be a role model for the fisherman's corporation program in 2022. The cooperative, which was founded in 1942, is considered to have succeeded in developing its business through business units and prospering fishermen. KUD Mino Saroyo has a business unit for fish auctions (TPI) & there is also a business unit for public fueling stations for fisherman (SPBUN), KUD Mino Saroyo is determined to become a digitalized cooperative both in business development and reporting, to support this the cooperative cooperates with customers as a technology provider.

Gas Station App



Gas Station application is one of the cooperative digitization tools to simplify and speed up the transaction process and accounting books in the gas station business unit

Fish Auction App



The Fish Auction application is one of the cooperative digitalization tools to facilitate fishermen in selling marine catches so that the buying and selling process can be monitored properly

RECOMMENDATION FOR REGIONAL COOPERATION

1

Exchange Information of Digitalization Penetration in Agriculture Cooperatives among ASEAN Member Countries;

2

Improving awareness of ASEAN Member Countries about the benefit of digitalization adoption for farmers and fishermen;

3

Encouraging financial institutions in ASEAN Member Countries to support of digital transformation of Agriculture Cooperatives;

4

Developing business model of Agriculture Cooperatives who use digitalization in their business process;

5

Creating publications of Digital Agriculture Cooperatives in ASEAN Member Countries.



THANK YOU



@asdepkembangbaru



KEMENKOPUKM
Kementerian Koperasi dan UKM Republik Indonesia