

Stories from the Field



“I am very proud to have been chosen by NASA to be a distributor.”

- Hery Sulisty Bekt, distributor



Hery, who received technical support and mentoring from PT. NASA and SNV, is now confident enough to train his farmer customers in using the products himself. (Photo: PRISMA/Nina FitzSimons)

Hery Puts It All on the Line for Cassava

Increasing cassava production in Trenggalek district by partnering with private enterprise

It's a bone rattling hour-long ride from the town of Trenggalek to Hery Sulisty Bekt's house. Hery's house is nestled in the picturesque highland village of Timahan in East Java. A large canvas sign flaps from the veranda - 'NASA Products Available Here' it reads boldly.

The private company, PT. Natural Nusantara (NASA) has partnered with the NGO, SNV Netherlands Development Organisation (SNV), as part of a program supported by the Australian Government through PRISMA to improve farmer incomes by increasing cassava production. This will be achieved by providing access to fertilisers not available to farmers under government subsidies and improved farming methods.

Hery is one of the four new distributors for NASA products in Trenggalek, a new market for the company. “I am very proud to have been chosen by NASA to be a distributor,” says Hery. “I attended an SNV and NASA product workshop as a representative from one of the local 25 farmer groups that were invited.”

One of the criteria set by NASA for being a distributor was being prepared to invest in the business. As Hery was unable to access credit through a bank because of lack of collateral, but his wife, Dwi Sulistyarningsih, took out a loan of

Rp.12.5 million (approximately AU\$1,200) from her women's savings and loan group. “When Hery discussed this business opportunity with me I decided it was something we could try,” says Dwi.

Joni Rianto, NASA's Technical Services Manager, who has been giving Hery training in product application and good farming practices, feels very positive about Hery's business prospects.

“The great thing about Hery is that he is very dedicated and has a very proactive attitude. These qualities are the makings of a successful distributor,” Joni says.

Hery admits it is not easy, “Most farmers in this area do not grow cassava commercially.” Despite this and the great pressure on him to make the business work, he is relishing his new role.

Joni agrees that the traditional culture of the local farmers makes it difficult to get new ideas adopted. “The farmers in Trenggalek are multi-croppers,” explains Joni. “Cassava is not their primary crop, so to get them to focus on applying products and new farming methods for something they think as supplementary takes time.”

Hery is trying to overcome this by using a number of innovative approaches. “I heard a radio advertisement for some



Traditional farmer in Trenggalek.
(Photo: PRISMA/Nina FitzSimons)

farming products and I thought that was something I could do. So, in early 2015 I contacted a community radio that covers six sub-districts in my area to see if they would be interested to help me produce a professional advertisement. And they were keen!" says Hery, smiling broadly.

"This is the first week it has aired and I have already had two enquiries for my products," he tells us.

To date Hery has made Rp. 2.6 million worth of sales in the two months since late 2014. Most of the sales resulted from trainings he gave to farmers in good planting practices and application of the products.

"At the moment I am reinvesting all profits I make in advertising and buying more stock," Hery explains. "I have already put in two re-orders to NASA, which shows the model is working."

As part of his investment Hery receives technical support from NASA for a full cassava season (10 months) while he delivers his trainings.

"I received mentoring from NASA and SNV during the first three trainings but now I am confident to do it myself," Hery says.

NASA's distribution model is based on the training-up of their distribution agents. Once the distributors are trained, they will then pass this knowledge on to the farmers.

"As the distributors in Trenggalek are new to sales, we are also giving them training in business management," explains Joni. "In this way they are better placed to succeed."

The NASA business model also allows for the training of sub-agents, who work

as a sales network for the distributor. Hery now has four local farmers who work as his sub-agents after they invested a modest amount (Rp.60,000 or approximately \$6) to become NASA members. They receive a commission on the products they sell and have set up demo-plots to show farmers how to apply the training they receive. By using this networking approach SNV estimates that by the end of 2016, up to 23,600 farmers will have increased production of cassava in the Trenggalek district.

NASA is happy so far with the progress shown by Hery and his fellow agents. "This is the first time we have invested in an idea that has been pitched by the non-government sector," says Joni. "But when we were approached by SNV we saw lots of synergies between their business model and our own. It was an easy fit."

Hery starts to rise from his chair. He is in the midst of preparing for an evening meeting at his sub-agent's home.

"The farmer groups in the village meet regularly and so I use these opportunities to spread the word," says Hery. "The first time I did this only 27 people came. The next meeting 40 people came. The next meeting even more attended. It's taking time but people are becoming more interested in my products."

He is also convinced that once the demonstration plots are harvested the farmers will be even more enthusiastic to give the products and new planting methods a try.

"We have put a lot on the line investing in this business," says Hery as he pats Dwi's arm reassuringly, "but I am confident based on results to date that our business will be a success."

PRISMA

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The Australia-Indonesia Partnership for Promoting Rural Income through Support for Markets in Agriculture (PRISMA) is a multi-year program that is part of the Indonesian Government's long term strategy to encourage economic growth. With the support of the Australian Government, the program aims to achieve a 30% increase in the net incomes of 300,000 male and female eastern Indonesian farmers by the program's end by providing innovative solutions to increase productivity and market access.

PRISMA focuses on agriculture sectors that are the main source of income for a large number of smallholder farmers and have strong growth potential in areas of East Java, West Nusa Tenggara, East Nusa Tenggara, Papua and West Papua. Partnering with key market stakeholders, the program help spur growth along the value chain by reducing barriers and constraints within the agriculture sector.