



Breakthrough
outcomes

PRISMA's stories of
systemic change

All Ears

How PRISMA helped maize farmers in Madura adopt good quality maize seed | February 2022

PRISMA tripling maize productivity in Madura and building a more resilient commercial maize market.

The source is the seed

Maize is one of Indonesia's leading food crops driven primarily by the livestock feed market, which absorbs around 70 percent of production. The import of maize for livestock feed is restricted, so domestic demand is high, pushing up the price of maize. But poor farmers in Madura are not reaping the benefit of this market potential because seed companies do not see Madura as a viable market.

Due to the importance of maize to the Indonesian economy, the government facilitates the provision of seed through subsidised and free seed programs. While

the seed provided by the subsidy program is good, farmers use poor agricultural practices, so productivity remains low.

To improve maize productivity in Madura, PRISMA needed to convince seed companies that Madura had good market potential and to promote good agricultural practices when selling the seeds. At the same time, PRISMA needed to convince the local government to improve its subsidy system and collaboration with private seed companies to enable the commercial market to establish itself.

Getting the word out

In 2015, private seed companies were pulling out their resources from the Madura market due to slow adoption of hybrid seed and high government intervention. At this time PRISMA started working with one seed producer, PT AHSTI, to promote their hybrid seed with information on GAP in Madura. The success of this pilot gave the push for the three largest maize seed producers, BISI, Corteva, and Syngenta, to partner with PRISMA in 2016.

The marketing and promotional activities proved successful. Over a period of four years, farmers who purchased seeds in the open market increased production from 1.3 tonnes per Ha to 4.8 tonnes per Ha. As more farmers started to buy good quality seeds from kiosks, two other seed companies, BCA and GARS, independently entered the market. This provided positive signs that the commercial seed market in Madura was viable and gaining traction.

What to do about the ‘S’ word?

In MSD, ‘subsidy’ is often considered a negative word because on-going subsidies can distort the market. Subsidies in Indonesia are not going away. This is because of the long-term government goal of food sovereignty and self-sufficiency. Rather than ignore the subsidy program, PRISMA developed strategies to promote public private collaboration. PRISMA hoped that collaboration would better target the maize subsidy program and ensure that the open market for hybrid seed could survive and grow.

In 2017, PRISMA partnered with the district government of Sumenep along with seed producers to map and coordinate the distribution of hybrid seed in the open market. The goal was to ensure that the free-seed program did not overlap areas where the commercial market worked well. This proved successful, with the previous overlap of 90 percent in 2016 reducing to 40 percent in 2018. Despite the central government’s increase of free seed to Sumenep district by six-fold in 2019, the overlap only increased slightly to 53 percent.

As part of the public-private collaboration, the seed companies provided Training of Trainer (TOT) courses to government extension workers in using GAP. This meant that farmers using hybrid seed from the free seed program could get technical assistance from the government extension workers and hopefully achieve a higher level of productivity. Following the first round of training, 60 percent of farmers using free seed said they had received and implemented the training from the extension workers.

As a result of the success in Sumenep, the neighbouring district government of Pamekasan replicated the model. The government partnered with Syngenta in 2019 to provide TOT to the government extension workers. Unfortunately, the government scale-up plans were interrupted by COVID-19, and the budget was diverted. This only highlights the importance of building the commercial market for hybrid seed.

Systemic change so far

Since PRISMA began partnering with maize seed companies and the government in Madura, adoption of hybrid seed has increased to 30 percent from a meagre four percent in 2015. Before PRISMA, there were only two seed companies active in Madura, and these were primarily supplying the government free-seed program. There are now five seed companies¹ selling hybrid seed to the commercial market. Two of these

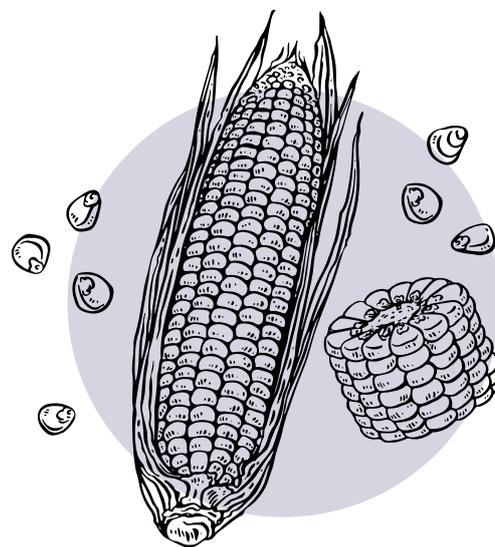
entered the market independently based on the success of PRISMA-supported partners. In 2021, two seed companies – BISI and Syngenta – have sold over 100 tonnes of commercial maize seed, despite many farmers not investing in 2020-21 due to COVID-19. Around 30 percent of the non-hybrid users receiving the free-seed program planned to purchase hybrid seed from commercial market in 2021.



¹ The companies include Corteva, Syngenta, BISI, BCA and GARS.

Impact on farmers

The raison d'être for PRISMA is to improve productivity of smallholder farmers. Since PRISMA began its interventions in Madura, more than 144,177 farming households have used quality hybrid seed with improved farming techniques. Since doing so, farmers have increased their maize production from 1.3 tonnes per Ha to 4.8 tonnes per Ha. This has resulted in an increased income of more than 363 percent.



Next steps

In Madura itself, PRISMA will collaborate with the local government to encourage more seed producers to expand to Madura. To build further resilience in the market, PRISMA will explore options to promote other agri-input companies (fertiliser and crop protection) to expand their distribution channels to Madura.

However, for PRISMA to truly impact the commercial maize seed market in Madura, the “S” word needs to be further addressed. PRISMA will take the lessons learned from Madura and use these lessons learned in a pilot program to be implemented in Central Java (the maize seed-bowl of Indonesia). Lessons learned from this pilot will be used to influence the government decision-makers regarding the most effective way to distribute the maize subsidies so the commercial seed market can continue to grow.



About PRISMA

PRISMA is an innovative partnership between the Government of Indonesia and the Government of Australia to grow agricultural markets in rural Indonesia. Our strategic aim is to address food security and poverty by making rural markets more inclusive. We do this by partnering with businesses, government and investors to remove market barriers and introduce product and production innovations.

PRISMA is supported by the Governments of Australia and Indonesia and implemented by Palladium, with Technical Assistance from Swisscontact, Zurich.

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