

PRISMA



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Inspiration from
our agripreneurs

#PETANI MAJU
FUTURE FARMER

Marketing seeds in the challenging markets of the island of Madura has taught me invaluable lessons

*Interview with
Mr Burmansyah from
state-owned enterprise
PT Pupuk Indonesia.*



Program Makmur is a multi-stakeholder partnership to help farmers improve the use of fertiliser and other agri-inputs. Through Program Makmur, more than 160,000 smallholder farmers have access to increased yields and incomes. Mr Burmansyah is the Project Manager for Program Makmur at the state-owned enterprise, PT Pupuk Indonesia. So how did Prtogram Makmur expands its reach? We sat down for a coffee to find out more.

PRISMA, partnered with PKT to support its multi-stakeholder partnership. Initially known as Agrosolution within PKT, it was further developed and expanded into Program Makmur in 2020 by Pupuk Indonesia. Pupuk Indonesia has now replicated this multi-stakeholder partnership model across all of its subsidiaries. Program Makmur has made a significant impact throughout Indonesia, reaching 163,761 farmers by 2022.



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Thanks for meeting with us today, could you start by telling us a little about yourself.

Wow. That's a big achievement. What was the issue you faced marketing fertiliser and what was preventing farmers from using it to increase their yields?

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My journey in the agricultural sector began in 2006 when I joined PT Pupuk Kalimantan Timur (PKT), one of Government of Indonesia's state-owned enterprises (SOEs) for fertiliser production and sales. I was initially the Project Manager for smallholder partnerships.

My career took a turn in 2020 when I began the groundwork for piloting a multi-stakeholder partnership innovation. It was a flagship program for PKT that was later adopted by Pupuk Indonesia, the parent company of PKT, in November 2020. I supported the roll out of the multi-stakeholder partnership business model within Pupuk Indonesia and officially joined Pupuk Indonesia in 2022. This innovation has led to many changes in PKT and Pupuk Indonesia.

As a result, I have been lucky enough to be recognised in several awards, including: The Best Innovation in Social Business Model at the iNews Maker Awards 2021, Outstanding Agricultural Productivity Improvement Program at the BUMN Award 2021 and 1st place in the Pupuk Indonesia Innovation Awards 2022.

At PKT, we found that smallholder farmers were reluctant to buy fertilisers due to a lack of awareness around the benefits of quality fertiliser, limited financing, and uncertainty around the sale of their crop.

Even when smallholder farmers did purchase fertilisers, they were applying the wrong dosage. Farmers tend to overuse fertiliser, which can lead to unnecessary costs for farmers and also damage the soil.

We know at least 30 to 50 percent of crop yields globally are attributable to fertiliser application. To improve farmer productivity, we needed to improve the marketing and distribution of our products.

What did you do to improve the marketing and the use of fertilisers by farmers?

We realised we needed to learn more about the marketing activities that had been successful and see the data from target areas to improve.

To do this, we established a multi-stakeholder partnership business model, which was initially called Agrosolution by PKT and later rebranded as Program Makmur under Pupuk Indonesia. The model brought together non-competing businesses including seed companies, crop protection companies, financial institutions, and off-takers to reach more smallholder farmers. For example, if Pupuk Indonesia, is targeting a new area, they reach out to other agri-input companies already active in the area and establish partnerships to deliver joint field activities. This helps to reduce costs, and leverages the skills and experience of all the actors involved to reach more smallholder farmers.



Signing of Partnership Agreement between PT Pupuk Kalimantan Timur “Agrosolution Program” with Bank BRI

It recognised that there can be synergies across different market actors, and more farmers could be reached through leveraging each partner’s knowledge, human resources, and local networks. This collaborative approach allowed us to gain valuable insights into the needs and challenges of farmers, as well as our partners.

By coming together, it helped everyone in the partnership identify new opportunities for products and market expansion. The knock-on effect was that farmers would have more affordable access to a wide range of quality agricultural products. For PKT/Pupuk Indonesia, it also helped them understand the importance of working with other stakeholders to improve the fertiliser market.

The Ministry of SOEs, which supervises Pupuk Indonesia, now recognises this multi-stakeholder approach as a commendable practice for improving farmers’ livelihoods and ensuring national food security.

Data collection on farmers’ agricultural businesses in Program Makmur has also garnered support from the Ministry of Agriculture, and there are plans to use this information to support data-based decision-making at the national level.

How has the business model been adapted?



Harvest day celebration in Jember, one of Program Makmur's location

As Program Makmur gained nationwide recognition and the support of the Ministry of SOEs, the model's scope has been broadened from crops to fisheries and animal husbandry. The program has also expanded to include plantation farming. Moreover, a number of other SOEs from various sectors (banking, logistics, etc.) have also joined the model. As a result, Program Makmur now has significantly larger outreach targets.

Pupuk Indonesia has organised roundtable forums for its five subsidiaries to share how each of them adapted the business model under Program Makmur.

This enabled subsidiaries to learn from one another and potentially replicate successful practices. Since subsidiaries can complement the existing activities of sister companies by targeting different farmer groups in the same districts or sub-districts and by offering different products that are more suitable for specific crops, these sessions have also enabled subsidiaries to expand to new marketing areas.

These discussions, alongside continuous evaluation of on-the-ground implementation, have helped Pupuk Indonesia to improve its targeting and strategy.

Finally, what do you see as the most exciting thing happening in Indonesian agriculture?

One of the most exciting aspects of Indonesian agriculture lies in the vast untapped opportunities to enhance farmers' livelihoods and business investments. However, as we learned from Program Makmur, it requires agricultural stakeholders to adopt a collaborative mindset and work together towards a common goal.


When all participants in the agricultural value chain, including farmers, government agencies, research institutions, and private enterprises, align their efforts and collaborate effectively, remarkable advancements can be achieved. By harnessing this collective potential, Indonesian agriculture can witness significant transformations that lead to increased productivity, improved farmer well-being, and sustainable development.

PRISMA is a **partnership between the Government of Indonesia (Bappenas) and the Government of Australia (Department of Foreign Affairs and Trade)** to increase the productivity and income of smallholder farmers. A seminal program, the PRISMA partnership has increased incomes for 1.48 million smallholder farming households. Higher incomes increase investment back into agriculture, generating more resilient markets and creating stronger communities as farmers invest in children's education and family well-being.

PRISMA

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