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Australian Government

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
Pak Khusaeri from
multinational seed company,
PT Syngenta.*



Madura has a reputation among seed companies for being very difficult to penetrate. Meanwhile, its rainfed agriculture makes it tough for farmers to grow essential crops, and increasing access to high-yielding varieties is critical to seeing farmers grow beyond subsistence farming and supporting climate resilience. We sat down with Mr Khusaeri, Regional Sales Manager for PT Syngenta, a leading multinational science-based agtech company focusing on crop protection and maize seeds in Indonesia. In 2019, Mr Khusaeri led the Syngenta team to expand the promotion and sales of its high yielding, hybrid maize seeds to Madura. Not deterred by Madura maize farmers resistance to change, Mr Khusaeri and the Syngenta team have made inroads in the market. So how did he do it? We sat down to find out more.

PRISMA partnered with Syngenta expand its hybrid maize seed business to Madura to increase yields and income. Syngenta is now the most active seed producer in Madura, reaching more than 10,000 farmers with high-yielding maize seed varieties.



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

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My interest in agriculture started quite early. I grew up in a rural area, and my father was one of the village leaders. As a result, I have always been keen to contribute to Indonesia's agricultural development. My initial plan was to become a public extension worker, and I studied at a vocational high school in agriculture.

However, after graduating from university, I decided to join Syngenta and have been with them for 33 years. It was my first professional job, and I have never worked for another company. I started in the general affairs department and then moved to the sales department for crop protection products. In 2018, I was promoted to Regional Sales Manager for maize seed products for the East Java and Nusa Tenggara regions.

What is special about the Madura market, and why is it known to be hard to work there?

Within my working area, East Java mainland and NTB were already highly competitive markets. As a result, we were looking to expand into new regions, and Madura presented a potential opportunity for market expansion.

However, Madura had a reputation among seed companies for being very difficult to penetrate. When I first considered expanding to Madura, numerous distributors warned me that I would fail just like many others had before. It was always the same story—one of lots of investment and no results in sales.



Maize farmers in
Sumenep, Madura

Even within our company, the initial perception of Madura's potential was low. Syngenta had conducted a business development pilot from 2016 to 2017 where the sales result was far below our management's target.

I knew it would be difficult to persuade Madurese farmers to change their behaviour. They had a strong attachment to their local maize varieties, even though these varieties had particularly low productivity.

But I was convinced that if we were to successfully persuade them to shift to our hybrid seeds, they would continue using our higher-yielding seeds and remain loyal to our brand. I wanted to challenge the popular opinion of whether it was truly impossible to convince Madurese farmers to change. Surely, we could find new ways to tailor our marketing campaigns to more effectively penetrate Madura.

I also wanted to target farmers who were not yet accustomed to using hybrid seeds rather than merely targeting existing hybrid users and getting them to shift from one brand to another.

At the time, there was a small number of existing hybrid users in Madura. They were mainly farmers who had been introduced to hybrid seeds through the government subsidy program and were purchasing hybrid seeds on an irregular basis, primarily from another seed company.

By encouraging more farmers to adopt hybrid maize, we could improve the overall profitability from maize farming and ultimately improve the livelihoods of these farmers.

**So, how did you do it?
How did you convince
the Madurese farmers
to try something new?**

We tailored our marketing campaigns to suit the local context. This included testing different forms of promotional activities, such as harvest competitions and door-to-door canvassing in more remote areas. We also capitalised on local festivities and religious social networks and made sure to communicate the benefits of our product using the local language.

We also decided to promote two additional products. By giving diversified options to farmers, we could reach farmers with different preferences. One of the new products was a more affordable option for price sensitive customers.



Training of Trainers (ToT) for public extension workers on hybrid maize cultivation

We also leveraged the new seed subsidy programs in Pamekasan and Sumenep, which were targeting areas yet to adopt high-yielding seed varieties. The goal was to have farmers gain initial exposure to our products through the “free samples” from the government program, which would then incentivise them to purchase our products in the next season.

As part of this, we collaborated with the Dinas of Pamekasan, and at the end of 2019, we conducted a training of trainers to ensure that public extension workers understood the characteristics of our product and could provide maize farmers with information on good agricultural practices.

Finally, as many women control household finances, we also piloted women-targeted marketing activities, which included hiring a woman sales agent and conducting cooking competitions.

What was the response from farmers?

Farmers were convinced that our products could give significantly higher yields, so they continued to purchase and even share their experiences with their friends and relatives. We are still conducting most of the promotional approach and activities but have made some minor adjustments. Out of the three maize products, only two were widely accepted in Madura, and we are now focusing on the two more affordable products.



Harvest competition, one of Syngenta strategies in Madura

We have expanded into more sub-districts in Pamekasan and Sumenep and to the neighbouring district of Sampang. We have also doubled our field staff and now have four field staff in Madura. Overall, we have successfully increased our annual sales by over 200% compared to our 2018 sales figures.

Given our success in Madura, we now have plans to expand to NTT. However, because of its geographical characteristics and infrastructure, we are still assessing the opportunity of collaborating with offtakers to incentivise farmers through the guarantee of a downstream market.

Also, since the results from the women-targeted activities were lower than expected, we have shifted to conducting more inclusive promotional activities in markets and festivities that are attended by both men and women.

On the other hand, the harvest competition proved to be very effective, and we have also added new activities, such as factory tours to expose selected key farmers and public extension workers to maize cultivation practices in more developed areas in mainland Java.

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



Maize, a potential commodity

There are many exciting opportunities to meet the demands of farmers and industry actors. Take, for example, the poultry sector—the demand for maize as a raw material for feed is increasing because of the growing number of poultry farmers.


Large companies have also started to diversify and procure local maize for the food industry. They are using local maize for sweeteners and maize-based snacks, which are becoming increasingly popular. As a result, there is massive scope for the maize sector to expand as demand continues to grow in Indonesia.

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.

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