

PRISMA



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Inspiration from
our agripreneurs

#PETANI MAJU
FUTURE FARMER

Encouraging farmers to transition to high-yielding rice seed varieties: What I've discovered.

*Interview with
Mr Khaerul Anam Syah,
CEO of rice seed producer,
CV Fiona Benih Mandiri.*



Climate-smart rice seeds that are either high-yielding, drought tolerant, or both, offering food security for smallholder farmers and the potential to increase incomes. Indonesia's smallholder farmers need access to these seeds through local agri-kiosks and other vendors. However, this is only half the equation; even with access, farmers can be reluctant to switch their seeds to new varieties. We sat down with high-yielding rice seed producer Mr Khaerul Anam Syah, the charismatic leader, CEO and Founder of CV Fiona Benih Mandiri, one of the largest certified rice seed producers in West Java to find out how he has encouraged farmers to make the switch.

The partnership with CV Fiona Benih Mandiri increased the availability of and access to HYV of rice seeds in Indonesia's largest rice-growing area, supporting productivity and food security for more than 26,000 households.



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Please tell us a little about yourself and your interest in agriculture?



Rice field in Subang, Mr Anam's hometown

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As a child, I was obsessed with the world of agriculture. While I was in junior high school, I had the opportunity to take part in a farmer cadet course. Even though the event was intended to foster an interest in agriculture among the village children and adolescents, I was the only child attending the event. This event further ignited my thirst for knowledge about agriculture and my dreams of working in the sector.

After graduating from school, I initially worked for several companies before deciding to become a rice farmer. My family, including my wife, were against this career change. Understandably, the profession of being a farmer is often looked down on, and people in our community believed it was more reputable to work as an employee in a company.

There was a major turning point for me in 1998 when widespread harvest failures occurred from Lampung to East Java. As my rice field was the only one to succeed in Subang, farmers were interested in my harvest as a source of seeds. This prompted me to set up my first rice seed enterprise, UD 69.

Unfortunately, I was too ambitious with this first enterprise and lacked substantial business experience. I was allowing my customers to pay after the harvest, and when many of them failed to pay, I was forced to take out loans from money lenders. Due to mounting debts, the business went bankrupt in 2003, and at that time, we barely had enough savings to even put food on the table.



High-yielding varieties (HYV) rice seeds from CV Fiona Benih Mandiri

But I did not give up on pursuing a business in rice seeds. I knew the rice seed business had good prospects, and I was determined to learn from my past failures. As a result, in 2007, I founded my current enterprise, CV Fiona Benih Mandiri. Similar to UD 69, CV Fiona also sells rice seeds to farmers, but the main difference is that I require my customers to pay on purchase. This adjustment has done wonders for the financial health of my company.

Another milestone for me was when President Susilo Bambang Yudhoyono visited CV Fiona during the main harvest in 2007. This also helped legitimise my rice seed business, and I was finally able to access a loan of 500 million Rupiah from BRI Bank.

In the past, banks were not interested in lending to rice seed businesses as these enterprises were considered to be risky. Now, multiple banks are offering loans for rice seed enterprises. Other rice seed entrepreneurs in Subang are able to access bank loans as long as they have a personal guarantee from me.

How does an ageing farmer population impact the adoption of higher-yielding rice seed varieties?

According to BPS, half of Indonesian farmers are aged 45 to 65 years old. Meanwhile, only 9 percent of farmers are youths. I am concerned about the ageing population in farming and the lack of interest from youths.

When farming is dominated by aging farmers, this can compound the problem of low productivity. Many of these farmers have only graduated from elementary school and a large portion have not even completed elementary school. At the same time, the youth tend to associate farming with poverty and stories of suffering.

To attract youth to agriculture and overturn the stigma around farming as a profession, we need to make agriculture more profitable and dynamic. We need to show youth that there are opportunities for them in modern agriculture, including through innovations such as high-yielding varieties (HYV) of rice seeds.

Despite ageing farmer populations, you've been successful in growing your business and seeing more farmers use higher-yielding seeds. How did you do this?

In 2022, I decided to increase production of HYV of rice seeds, which have the potential to increase rice yields by 50 percent and make rice farming significantly more profitable. At the time, my annual production was 2,500 tonnes of rice seeds, of which 53 percent were older, lower-yielding varieties. I was mainly supplying to West Java and relying on word-of-mouth to market my rice seeds.



Training for 'millennials' rice seed nurseries

Within one year, my plan was to increase production by an additional 1,000 HYV seeds and shift the majority of my product portfolio towards HYV. I was also eager to expand to new geographies, ensuring that HYV seeds would not only be accessible to farmers in West Java but also to those in East and Central Java.

I introduced new promotional materials, including videos, posters, and even a book called *Petani Sultan Bukan Impian* (Becoming a Wealthy Farmer is Not Just a Dream), which shares the processes and challenges around setting up a seed business. As a result, more and more people now know about CV Fiona.

I have also improved my engagement with distributors and kiosks by providing them product knowledge around HYV. As part of this, I began to employ an agronomist to work with kiosks and help market CV Fiona's HYV.

Finally, I developed an apprenticeship program to increase the capacity and skills of young agro-entrepreneurs who are interested in establishing seed nurseries for HYV rice seeds. To date, I have organised trainings for around 30 millennials from various regions, including Central Java.

Following the trainings, several participants have already started new seed businesses, and my hope is that at least one or two of them will succeed in generating healthy profits from rice seeds. Overall, I am heartened by how a number of youth are starting to see rice seeds as a potentially promising entrepreneurial endeavour.

How does your business model differ from other rice seed producers?

I think what most differentiates my business from others is that I've also developed a cooperative, Koperasi Tabur Benih Melati, for CV Fiona's network of seed breeders, labourers, and employees. My hope is that the cooperative and CV Fiona will run hand in hand to promote the rice seed business and that we will be able to provide a shining example of how cooperatives can be, especially since the public image of cooperatives has been tainted by examples of top-down cooperatives that were set up only to access government handouts.

I believe in the spirit of equality in cooperatives—we are all equal and wanting to progress together.



Cooperatives Tabur Benih Melati founded by Mr Anam

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

The cooperative is also a place for me to share business knowledge with other seed breeders. Many people are hesitant to share their knowledge since this may lead to competition. But for me, I believe that kindness will lead to good fortune, and I am not afraid to support my competitors. To date, I have supported the establishment of 9 to 10 CV business entities. In fact, I am now spending more time networking compared to managing CV Fiona.

If managed correctly, agricultural enterprises can be very profitable. I have strong hopes that there will be more millennial farmers and that this future generation of farmers will be more prosperous. I hope that my collaborations with young agro-entrepreneurs can set an example that can be replicated in other areas to create a strong and growing business environment for new seed businesses. Millennial farmers hold the key to helping Indonesia's agricultural sector become more advanced.


The government should encourage farmers to diversify into other carbohydrates-rich crops, such as sweet potatoes, cassava, and potatoes among others. It is important that our society is not solely dependent on rice, especially since we will not be able to increase the area under rice cultivation and Indonesia's population will continue to grow.

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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