PRISMA Australia-Indonesia Partnership for Promoting Rural Incomes through Support for Markets in Agriculture

Kementerian PPN/ Bappenas

Australian Government

Impact of COVID-19 to Farmers

October 2020

Design & Respondent

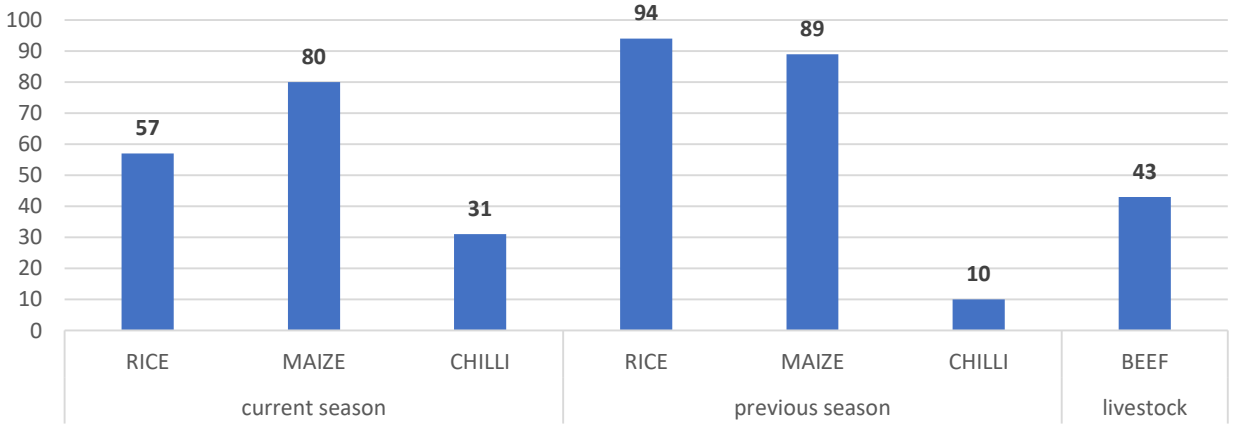
PROVINCE	CROP	LIVESTOCK	TOTAL
CJ	45	15	**60**
EJ	89	30	**119**
NTB	96	0	**96**
NTT	36	12	**48**
WP	24	0	**24**
TOTAL	**290**	**57**	**347**

GENDER	CROP	LIVESTOCK	TOTAL
MALE	221	44	**265**
FEMALE	69	13	**82**
TOTAL	**290**	**57**	**347**

Purpose: This study aims to capture farmer understanding, behaviour changes, & challenges due to COVID-19 in 6 PRISMA targeted provinces .

Method: Data collection conducted from 12th to 22nd Oct 2020. The study held during the end of dry season and the beginning of rainy season.
This survey is conducted using convenience sampling to PRISMA farmers database. (17% Central Java, 34% East Java, 28% NTB, 14% NTT and 7% West Papua).

Respondent characteristics:
Respondents are randomly come from various economic status, age, position in the community and education. Respondent consist of 24% female and 76% male. The average respondent's age is 45 years old. Respondents are categorized into two types: 1) crop farmers and 2) livestock farmers. Crop farmers include various commodities such as rice, maize, chili, vegetables, legumes, tubers, et cetera. Livestock farmers consist of pig farmers and beef farmers.



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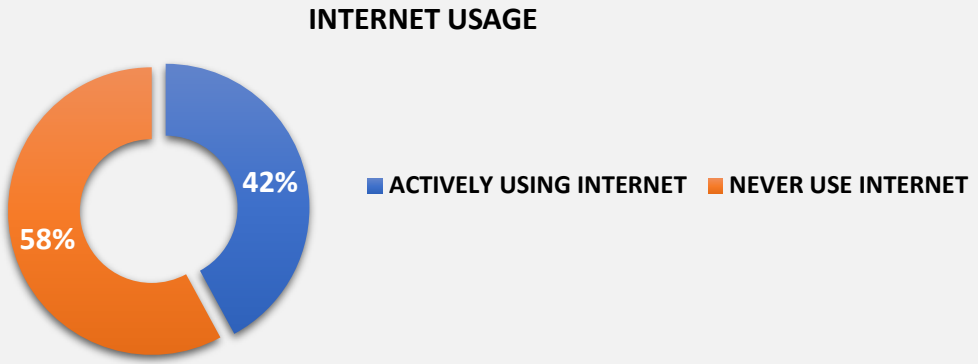
Read Me

There are 2 types of graph that will be included in this report. The difference between those three types are according to the type of questions and pattern of answer

Type 1: single answer question

The first type is a single answer question, and the respondent can only pick one answer. Therefore, this type will be presented in the pie chart, and the total of percentage will be equal to 100%.

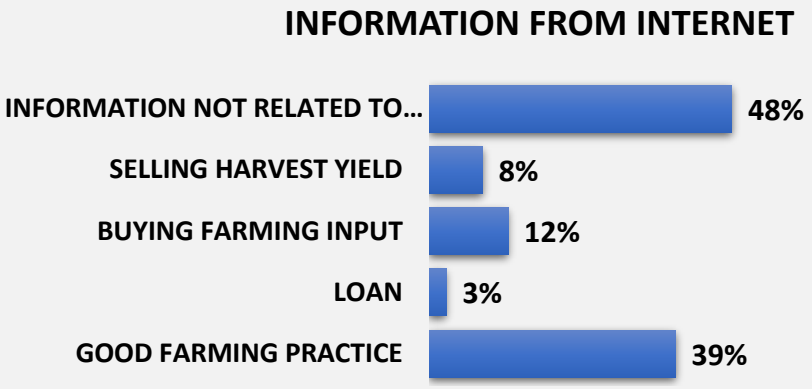
For example:
Do you actively use the internet to find agricultural information?
A. Actively use internet
B. Never use internet



Type 2: multiple answers question.

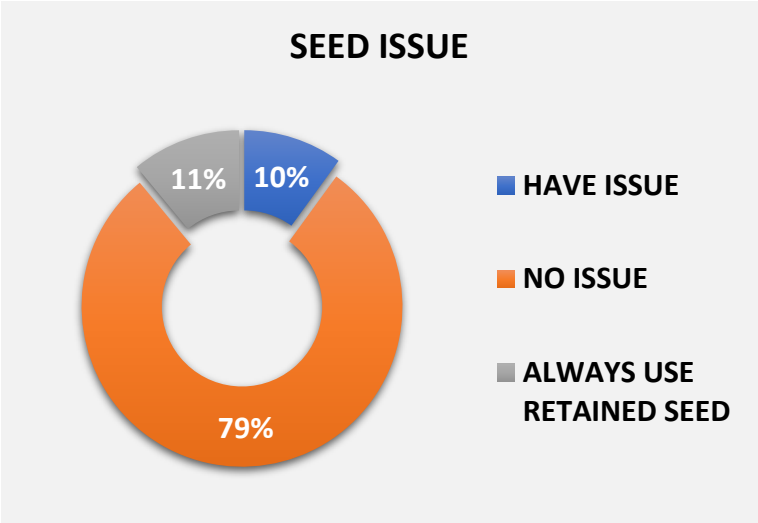
Multiple answer questions allowing the respondent to have more than one option, this type will be presented in a graph bar. Total of percentage will not be equal to 100%

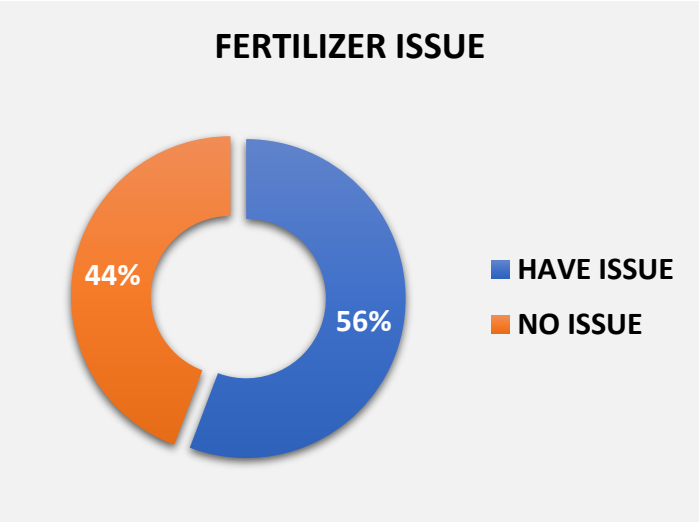
For example:
What are the type of information that you look from the internet?
A. Information not related to farming
B. Selling harvest yield
C. Buying farming input
D. Loan
E. GAP

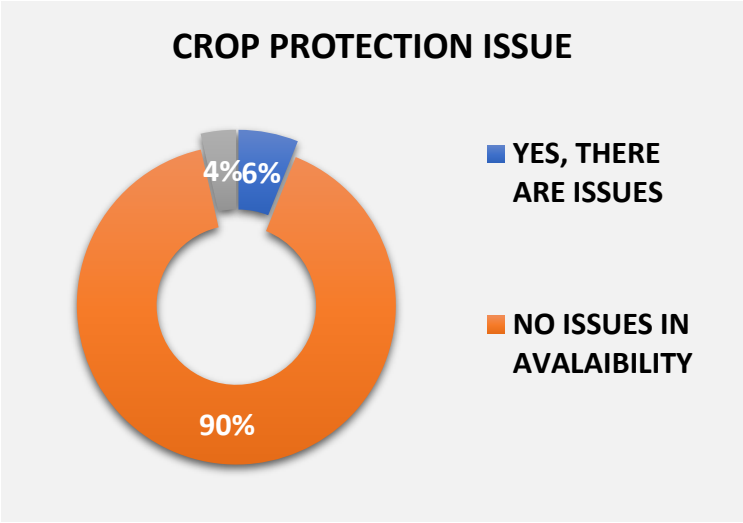


Challenge in Agriculture Input

Challenge in Agriculture Input







In October, most farmers are in preparation for the planting in rainy season where they usually stock up agriculture inputs.
The majority of farmers claimed that they have difficulties in getting fertiliser due to stock availability at the local store. There are 34% of farmers experiencing increased fertiliser cost particularly for urea fertiliser due to limited stock of both commercial and subsidised fertiliser, reasons could be:

- *Reduced subsidized fertilizer quota from the Government: In 2020 there is a reduction on fertilizer quote by 10% from last year allocation. The highest reduction is for Central Java and East Java.*
- *Disruption on logistic that have contributed to delay and unavailability of agricultural inputs.*
- *Prolonged financial pressure from the pandemic has made it difficult for kiosk owners to maintain sufficient stocks.*

However, it is essential to look at the underlying cause of the subsidized fertilizer issues specifically related to the season timeline, commodities, type of farmers, provinces / geographic location, condition during the research, and local regulation & policy.

Challenges in Agriculture Input

End of Rainy Season — *Dry Season 1 & 2* — *Peak of Dry Season* — *End of dry Season 2. Beginning of Rainy season*

Agri Input	Apr-20	Jun-20	Jul-20	Aug-20	Oct-20
Farmers have issue in getting **fertilizer**	16%	21%	29%	29%	56%
Farmers have issue in getting **seed**	3%	21%	17%	17%	10%
Farmers have issue in getting **crop protection** Product	2%	13%	13%	13%	6%

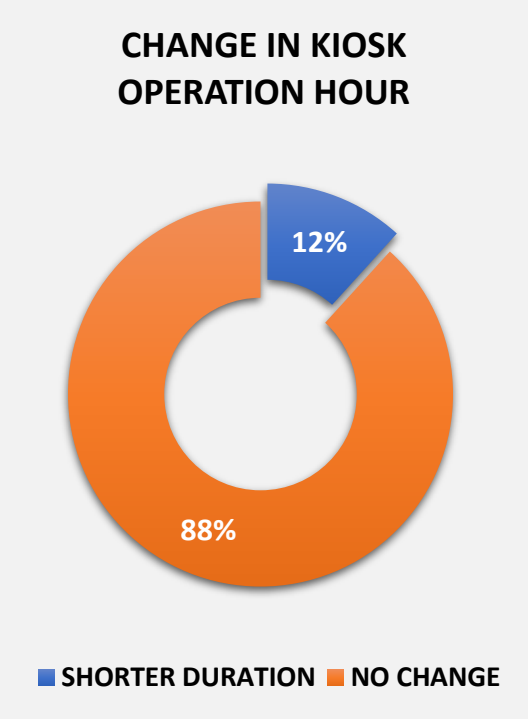
In October, 56% of farmers felt that access to fertiliser was limited, compared with only 16% in April.

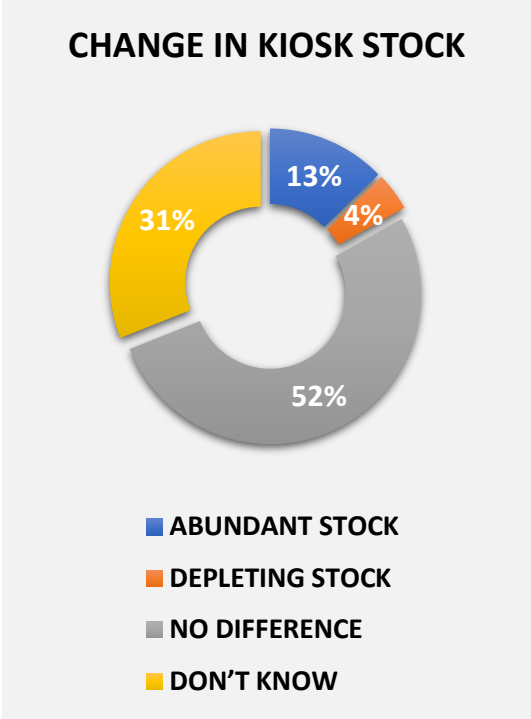
Likewise, the number of farmers who struggled to access seeds in April is only 3%, increase to 21% in June 2020 and slowly down to 10% in October

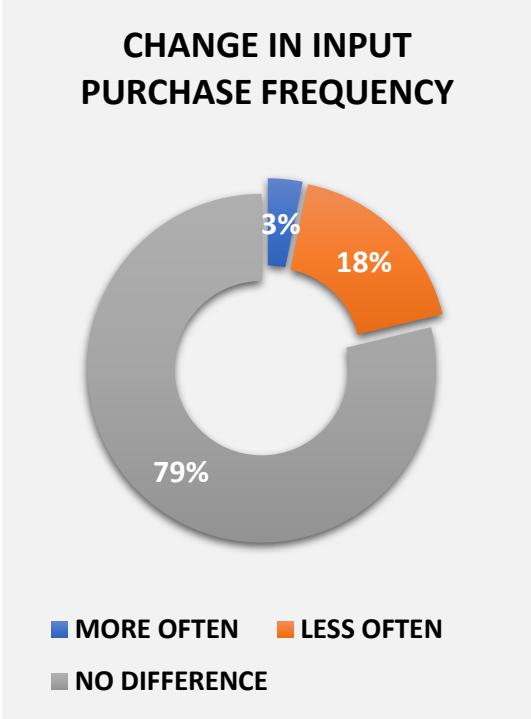
Similar to seed, only 2% farmers has issue on getting crop protection product in April, increase to 13% in June-July-August and slowly down to 6% in October.

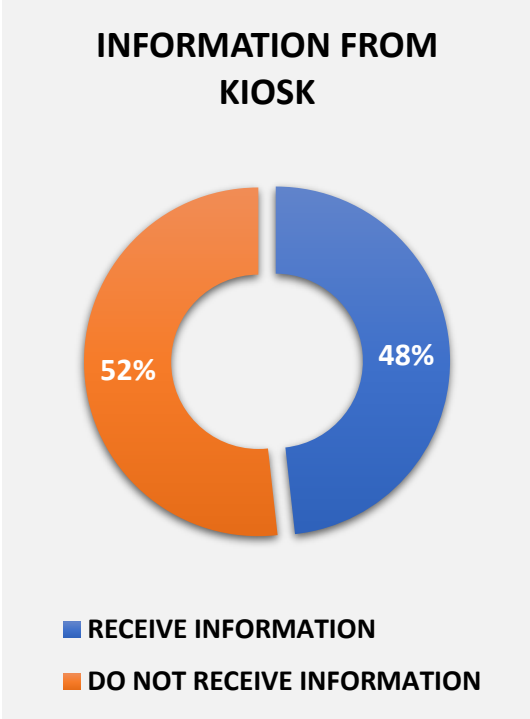
Beside COVID-19 pandemic, planting season would also be another aspect that would affect farmers' perspective in agriculture. Therefore, the table shows different conditions in each month.

Kiosk Operation







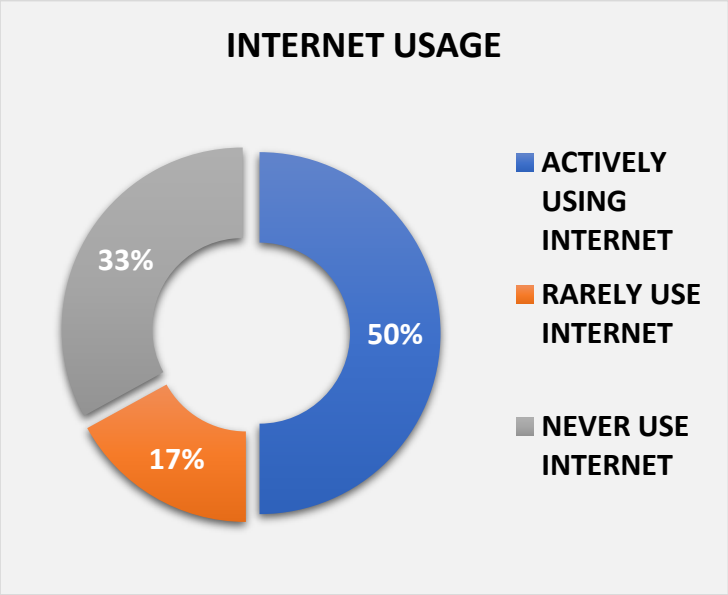


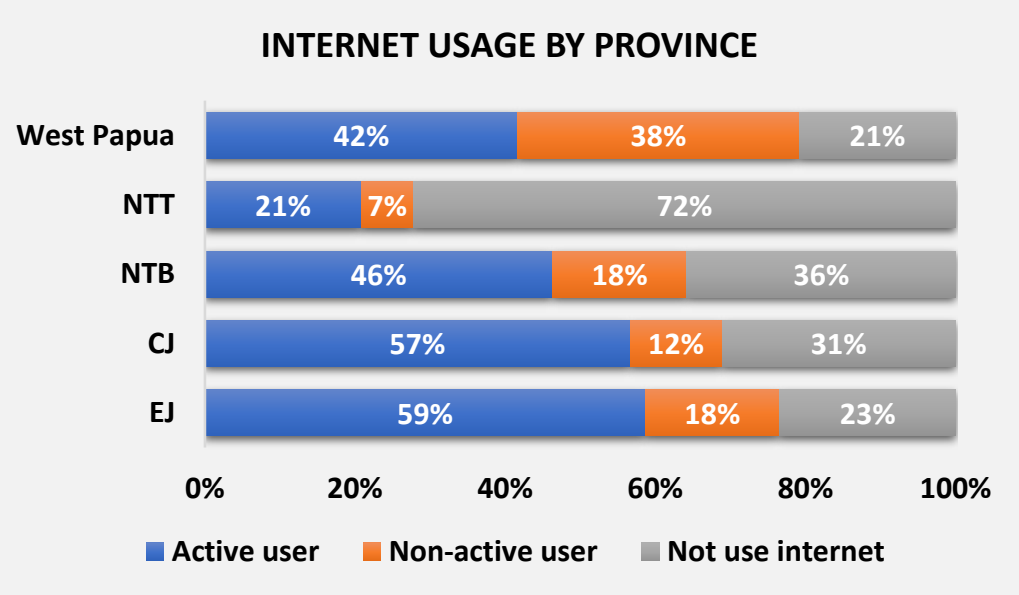
Only 2% of farmers said that kiosks closed their store and 12% of farmers said that kiosk changed their operating hours. However, there is no significant change in stock at kiosk level. In summary, at most 18%, of the kiosks experiencing disruption stock management and kiosk activities.

Access to Information

Ways of farmer receiving information

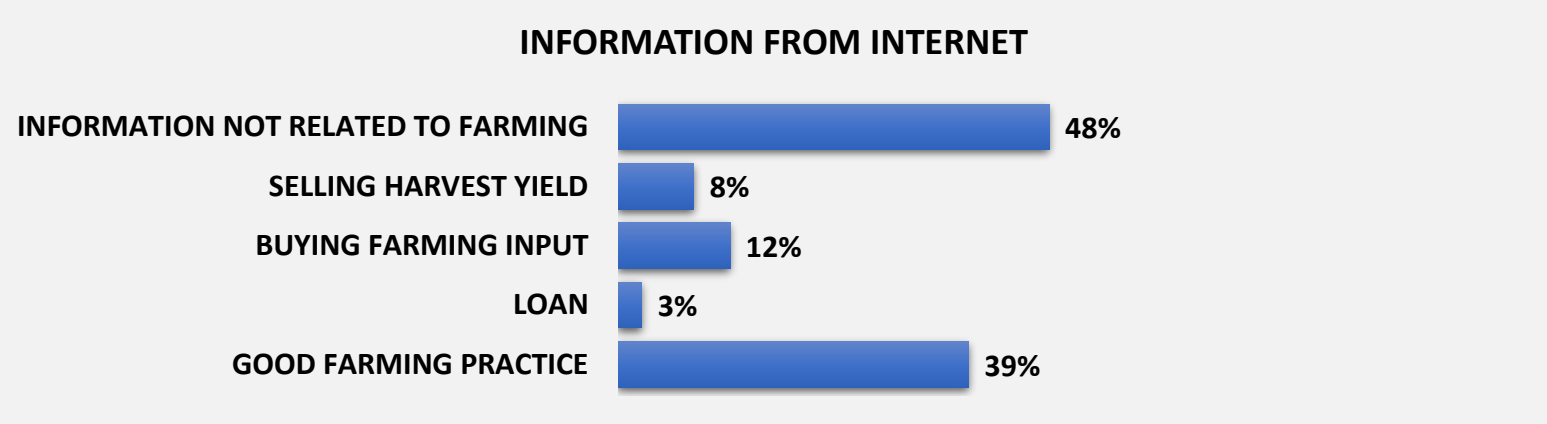
Internet Usage





50% of interviewed farmers stated that they are active internet user.

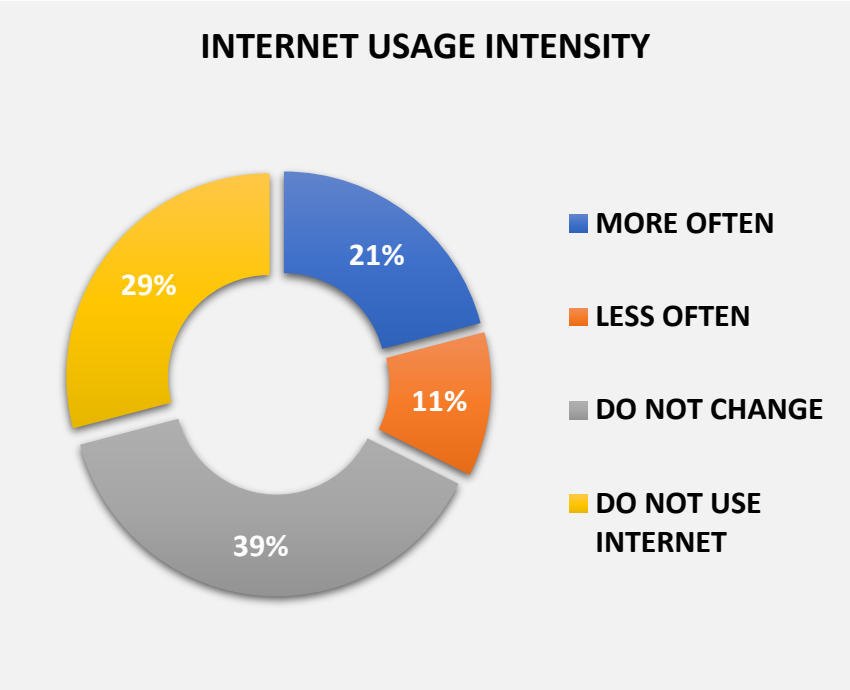
Based on the provincial chart, East and Central Java have the highest number of internet user for both crops and livestock farmers.

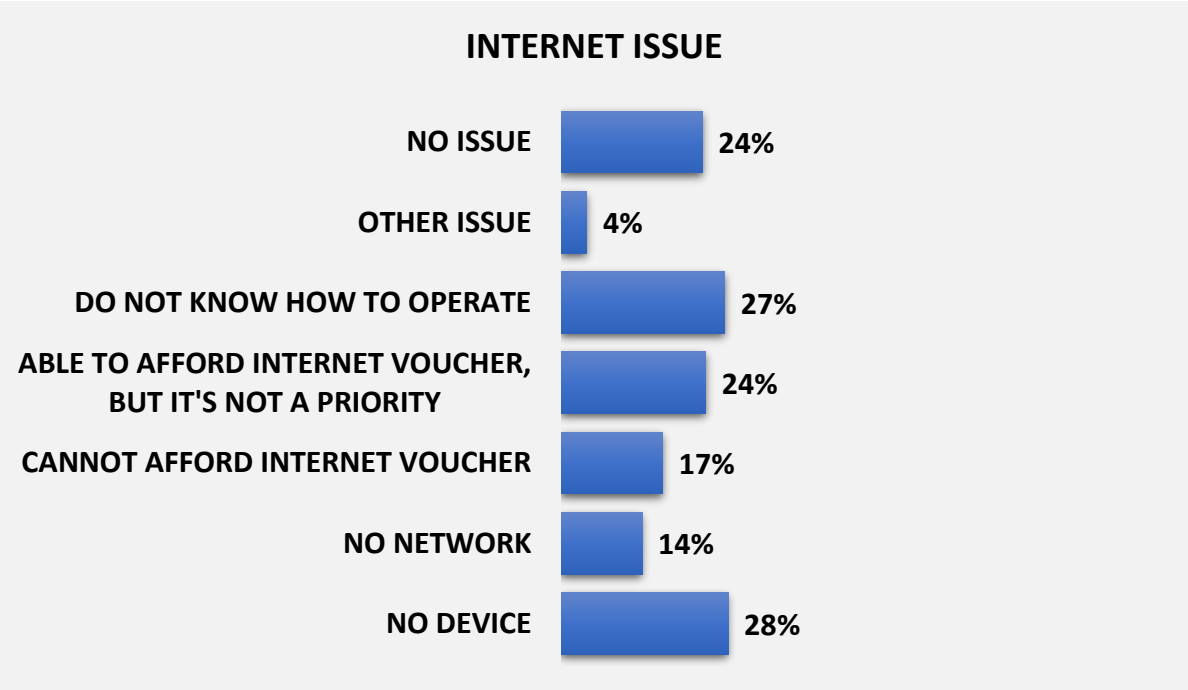


Farmers use the internet mainly for general information and communication (48%).

39% of farmers use the internet to find information about farming and agriculture.

Challenge in Internet Usage



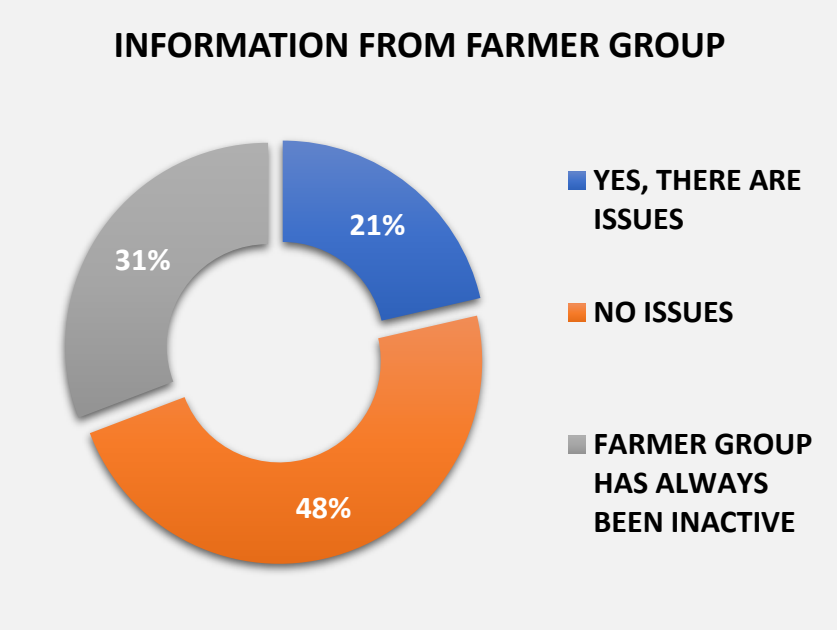


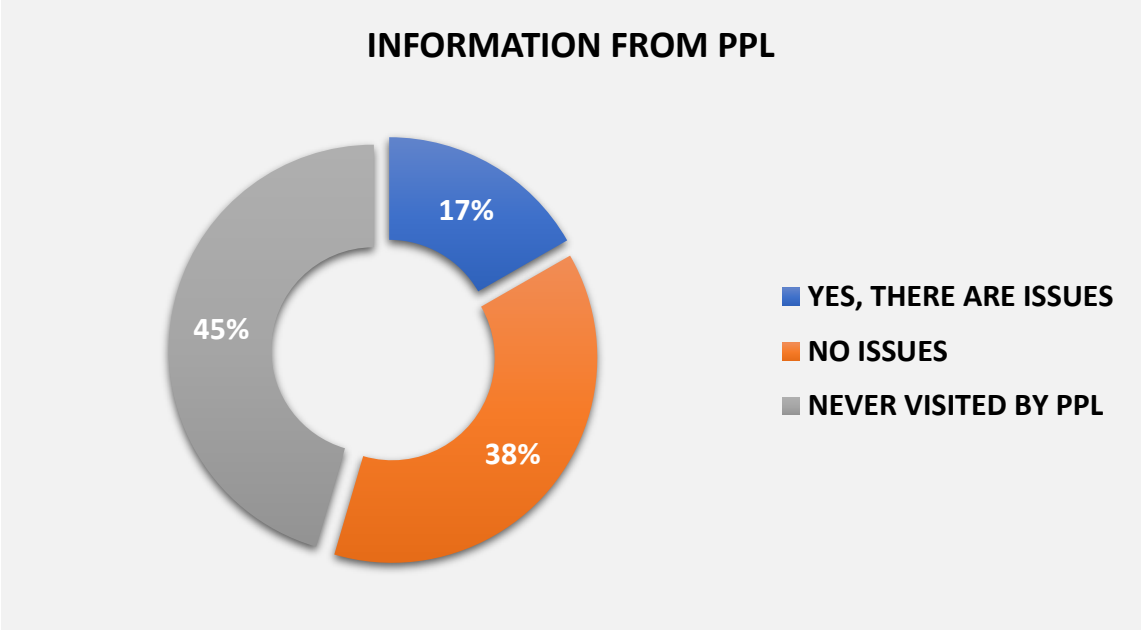
The internet provides good services for farmers, e.g. as communication media and to finds agriculture information. However, not all farmers can access or enjoy this facility.

Main challenges for farmers to use internet are:

- *28% said that they do not have a smartphone, farmers only own feature phone,*
- *27% said that they do not know how to utilise the smartphone and internet,*
- *14% said they have problems with the network in their area,*
- *and 17% said that internet bill (credit) could be costly for them.*

Challenge in Information Sources





In some areas, restriction for social gathering may remain in place. This led to the disruption of farmer groups activities and information flow among farmers.
Acknowledging this situation, some farmers started to shift from regular farmers group discussion to WhatsApp group.

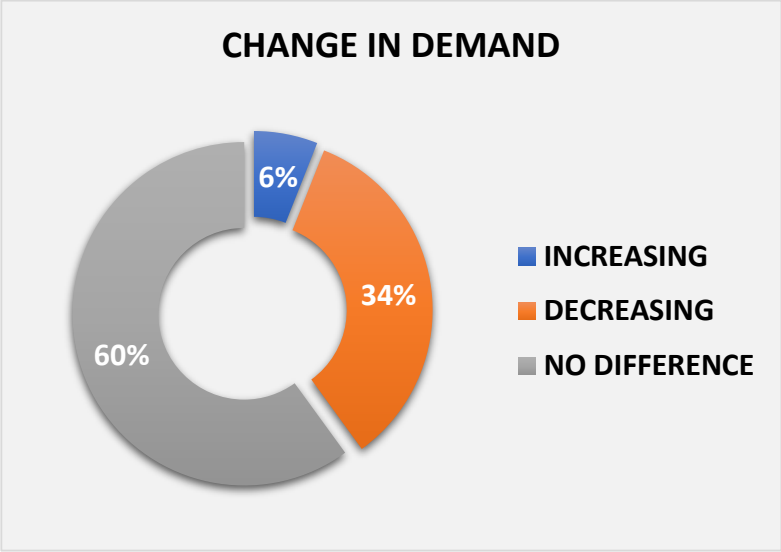
Visitation of PPL to farmers also experienced disruption: becoming shorter in duration and smaller in number of participants.

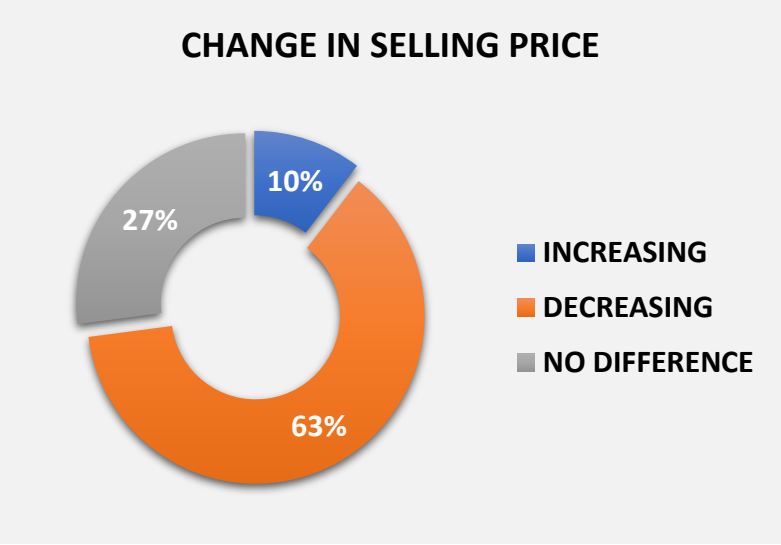
Based on farmers perceptions, 45% farmers never received direct information from PPL. It is possible that PPL only visited the head of the farmer group so that many farmers did not receive information directly from PPL. This constraint could be affected by the large coverage area of PPL and his/her heavy workload.

Market Situation

Demand & Price

**Farmer's perception for demand is referred to the crops that they planted and harvested in the Dry Season (June – Sept).*

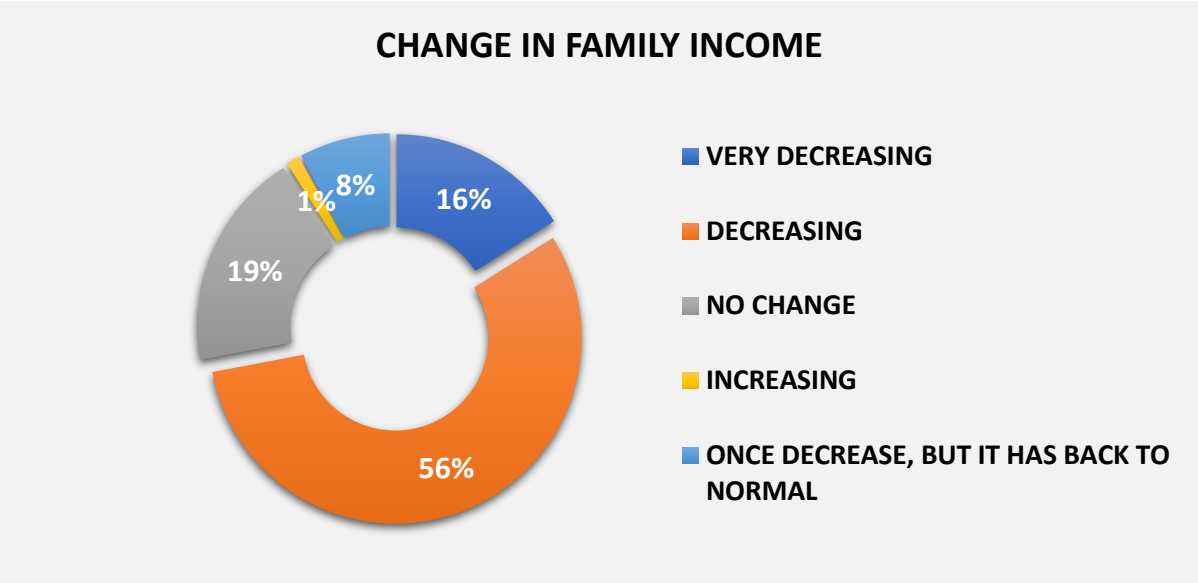




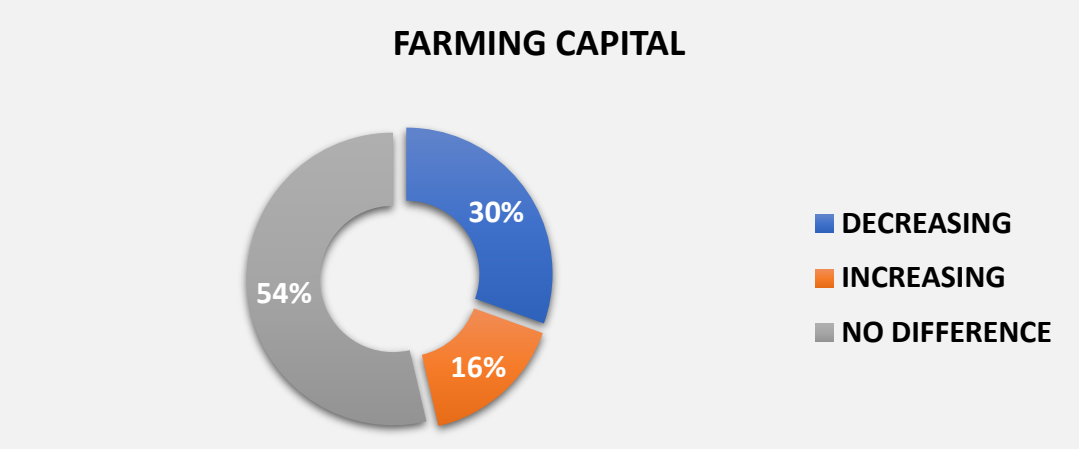
34% respondent experienced decreased demand during COVID-19. This problem is caused by the following issues:

- *Less off-takers coming to the village,*
- *Off-takers reduced their buying volume,*
- *Difficulties to sell harvest yield to other cities (such as to Jakarta and Bali),*
- *Less social event (such as parties and religion event),*
- *Food vendors or restaurants closed down,*
- *Government subsidies, particularly on rice led to decreased demand for commercial rice,*
- *Traditional market is not as active as in normal condition.*

Household Income



Due to reduced selling price and demand, and some unemployment of household member, 71% farmers have less income during pandemic.



The COVID-19 pandemic has significantly slowed down Indonesia's economic, including the agriculture sector. Lower demand and lower selling price of agriculture product have led to decreased farmers' household income.

As a result, farmers would reallocate their budget, especially for farming activities. Therefore, about 30% of farmers stated that they would reduce their farming capital for the rainy season.

Trend

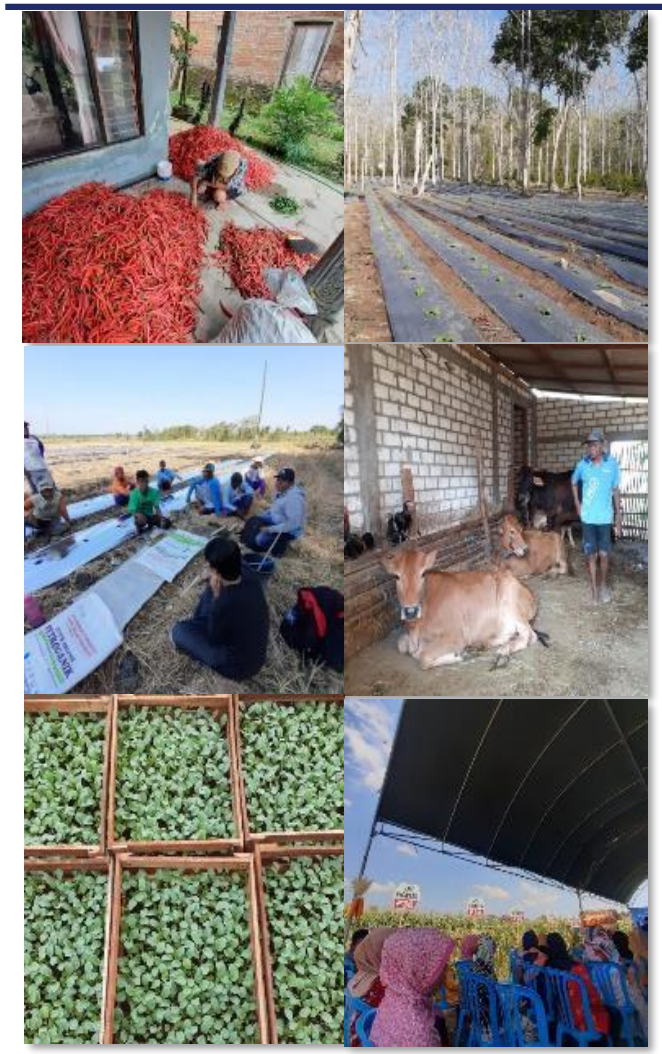
End of Rainy Season — *Dry Season 1 & 2* — *Peak of Dry Season* — *End of dry Season 2. Beginning of Rainy season*

Variable	Apr-20	Jun-20	Jul-20	Aug-20	Oct-20
Planting Time *Farmers changes the next planting time*	15%	14%	15%	15%	10%
Commodities *Farmers adding or reducing commodities*	9%	11%	11%	11%	13%
Land Size *Farmers changes their land size in the upcoming season*	8%	20%	9%	9%	11%
Selling Price *selling price is decreased compared to normal condition*	50%	65%	65%	65%	63%
Labor *farmers has difficulties on finding labor*	27%	14%	17%	17%	15%
Off-taker *less collector come to their villages*	33%	24%	26%	26%	25%
Farmer group activities *farmer groups activities is currently inactive due to restriction of gathering*	43%	45%	36%	36%	21%

From the table above, we can see the trend/fluctuation of each aspect of farming.

- *The most significant number is the selling price. As the Ccovid-19 progressing, more farmers experience a drop in selling price.*
- *However, the off-taker issue is fluctuated, reflecting markets dynamic and seasonality.*
- *Farming group activities issue start to fade out, even though not back to normal yet.*

Summary



Most of farmers still follow and apply COVID-19 Measures. However, farmers still facing some challenges as follows:

- Stock and availability of fertiliser at a local store (both commercial and subsidies) are still rare.
- This season selling price is decreased compared with last season.
- In some location, off-takers are less active during the pandemic. Farmers also perceived that off-takers do not have enough capital to purchase a high volume of commodities from the
- Farmer group still inactive due to COVID-19 and its disrupting the agriculture information flow among farmers.

While 50% of farmers are active internet user, another 50% are considered as an inactive internet user and even not use the internet at all. The absence of the internet for these farmers is mainly due to:

- Farmers do not have a proper mobile phone that can connect to the internet and run apps
- Farmers do they do not know how to utilise the smartphone and internet,
- Unstable network in their area,
- Internet bill (credit) could be too expensive for farmers.

Only a small number of farmers change their commodities, land area, and planting time. Most of the farmers adjust their farming activities based on weather, water availability, and market situation.

Way forward:

If we look at the findings regarding issues on agricultural input, decreased demand, decreased selling prices, reduced income and reduced farming capital, it is likely that there will be a risk on the farmer's productivity and could affect food crop supply in 2021. Therefore, continues observation is needed to capture the progress that is happening at farmer level and actors in the supply chain.

Thank You