



#### An Anthology of Lessons Learnt















## An Anthology of Lessons Learnt 2018 Volume I

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#### **Foreword**

#### Dominique Vanderhaeghen

Regional Director of Rikolto in Indonesia



We proudly present you `Food for Thought`, an anthology of lessons learnt. We launch this book at the same time with our partners meeting, a platform for dialogue and learning where we evaluate our programmes and progress. In light of this, this book serves as an important medium for learning, especially because all of the stories are written by our very own staff and partners.

As an organisation with 40 years of experience in Asia, Africa, Europe, Latin America, learning has always been essential to Rikolto's work in creating a sustainable, inclusive and fair food system, together with farmers and all food chain actors. We reflect it in our organisation where we foster a working environment that nourishes learning processes and practices for staff and partners.

The learning process is also key to our monitoring and evaluation system in our efforts to enhance the impact and performance of our programmes. Rikolto's interventions and programmes to improve rural livelihoods and village institutions in Indonesia can succeed due to the cooperation with The Ministry of Home Affairs, and technically with the Directorate General of Village Governments.

In the context of Indonesia, we are cognizant of the fact that we need to learn and adapt to the complex and ever-changing environment where Rikolto operates. This will ensure us to remain relevant and be able to quickly respond to challenges in the field. There is an opportunity to address and overcome these challenges through our partnership with village governments, in a bid to create a sustainable agriculture and food chain that considers social, economic, and environment aspects. Some lessons in this book give evidence of the role of village governance in leveraging the impact of Rikolto's programmes.

We realise that learning is not an overnight process. On the contrary, lessons are truly learnt after a series of trials and failed attempts. There are four elements of learning: curiosity, failure, reflection and sharing. Based on our experience, all of these require openness and flexibility for an organisation or an individual who invests in learning to gain a desired and significant impact.

I hope you enjoy and learn from this book.

#### **Foreword**

Dr. Nelson Simanjuntak, SH., M.Si.

Head of the Center for Cooperation Facilitation - Ministry of Home Affairs



The new development paradigm of Indonesia, as stated in the Nawacita (Jokowi's nine-point development programmes), focuses on developing Indonesia from villages and peripheries by strengthening rural areas and communities within the context of the Unitary State of the Repubic of Indonesia.

This new direction also underpins the cooperation between the Indonesia Ministry of Home Affairs and Rikolto to implement a village empowerment programme in 7 provinces in Indonesia. Technically, the programme is supported by the Directorate General of Village Governments. Government support to this programme is in line with the Law No. 23 of 2014 on Local Government, in conjuction with Government Regulation No. 28 of 2018 on Regional Cooperation, and Government Regulation No. 59 of 2016 on Social Organisations Established by Foreigners.

Government support to Rikolto is part of the joint agreement to: (1) develop the capacities of village institutions, (2) provide regional government with technical assistance aiming to build socio-economic resilience through the institutionalisation of an inclusive and sustainable food system, and (3) develop sustainable agriculture value chains by involving village institutions.

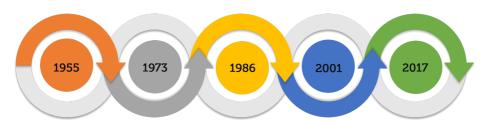
The existing cooperation has been going well in which both parties learn from each other and share the same vision to improve rural people's livelihoods, by strengthening village governance. Therefore, the Ministry of Home Affairs appreciates the publication of 'Food for Thought' as the learning spirit of this publication is aligned with the Indonesia's sustainable development agenda which are based upon social, economic, and evironment pillars. Learning lessons in this book inform readers the importance of learning and adapting to achieve development goals.

Programme implementation undoubtly will succeed with the facilitation and collaboration of all stakeholders who are committed to finding the right solution to development problems. Having said that, readers can also learn from and replicate the recipe of success written in this book, or to extend its positive impact.

I applaud for the publication of this collection of lessons learnt. The Ministry of Home Affairs on behalf of the Government of Indonesia hopes that the cooperation with Rikolto will continue and be based on the principles of mutuality, openness, trust, and accountability.



#### Historical Milestones of Rikolto in Indonesia



A Belgian priest René Daem, started an embryo of Rikolto through a health care and poverty alleviation project in Waerana Village, Manggarai-Flores.

VZW Floresvrienden/ Friends of Flores was set up.

Friends of Flores was renamed FADO (Flemish Organisa-Development).

FADO, Vredeseilanden, and Coopibo merged. Since the merger. tion for Assistance in the organisation was called Vredeseilanden (Belgium) while in Indonesia it was called VECO (Vredeseilanden Country Office) Indonesia.

VECO was rebranded into Rikolto.



Rikolto in Indonesia operates in 7 provinces and focuses on five commodities (rice, coffee, cocoa, cinnamon and seaweed) and two thematic initiatives (Food Smart Cities/FSC & Payment for Ecosystem Services/ PES)

- Jambi Coffee: Koerintji Barokah Bersama & Lembaga Tiga Beradik (LTB) Cinnamon: TAKTIK PES: LTB
- West Java Organic rice: MSA FSC: Perkumpulan Indonesia Berseru & The Indonesian Consumers Foundation (YLKI)
- Central Java Organic rice: APOB, KOPAPPOLI Premium rice: FDOV Consortium FSC: Gita Pertiwi

- Seaweed: Kalimajari
- West Sulawesi Cocoa: Amanah
- South Sulawesi Cocoa: Cahaya Sehati & Masagena Coffee: PPKT & Benteng Alla
- East Nusa Tenggara Cocoa: Kopan Sikap & Romeo Coffee: ASNIKOM & AFB Seaweed: Kalimajari

#### Introduction

#### The Role of Learning in Rikolto's PLA System



As captured by its name, Rikolto's Planning, Learning and Accountability (PLA) system goes beyond accountability requirements to assess why certain results were not achieved and what could be changed to ensure Rikolto reaches its objectives. As such, learning is central to Rikolto's monitoring and evaluations system and should contribute to the revision of organisational strategies and practices.

Within Rikolto's monitoring and evaluation activities, learning happens throughout the result chain and leads to three main changes:

- Output level: improvement of output delivery by changing/adapting the activities when needed.
- Outcome level: innovation through a redesign of delivery by refocusing outcomes.
- Impact level: development of new strategies and revising partnership and assumptions.

The process of carrying out PLA itself can also help staff and stakeholders to develop new skills such as critical awareness and analytical capacity, while increasing their motivation to be involved in Rikolto's planning and implementation activities. As such, Rikolto tries to involve staff, partners, beneficiaries and stakeholders, as much as possible in its PLA activities.

Food for Thought, an anthology of lessons learnt, is one of the media Rikolto uses to manage and share lessons and knowledge. Through this book, readers can also document their own experience and learning processes.

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#### **About Food for Thought**

Managing programme is like cooking food, both require a recipe to ensure success. To have a 'perfect' recipe, we need to test and adjust in order for us to get the result that we expect. Rikolto in Indonesia publishes 'Food for Thought' with the spirit of peer learning and knowledge-exchanging. In Food for Thought, our staff and partners share their learning processes and their recipe for success in implementing programmes and overcoming challenges. Success stories can inspire us while failure is the best teacher for us to improve and refine our approaches and strategies.

#### Each learning content in this book consists of:



#### Lessons Learnt

In this part, writers can reflect on their success/failure by identifying contributing factors that lead to success/failure, how they address and overcome challenges and problems to meet a desired outcome.





#### Main Ingredients

In this part writers can make a list of desired capacities and attitudes needed to meet a desired outcome.



#### How to Prepare

In this part, writer can tell, step by step action to be done to meet a desired outcome.



#### **End Results**

In this part, writers can tell about a desired outcome they want to achieve.





## **Empowering Farmers with Premium Rice**



Hery Christanto
FDOV Rice Programme Coordinator



Aside from being staple food, rice is also main livelihood for most Indonesian, especially farmers, producers, and farm workers. In case of production, Java Island plays an integral role as the center for rice production, more importantly, Central Java. Since 2016, Rikolto has been part of the Central Java Premium Rice Consortium in implementing Public-Private Partnership, with the support of The Facility for Sustainable Entrepreneurship and Food Security (FD0V) of the Netherlands. Through this consortium, we strive to increase farmers' revenue in 29 districts in Central Java by improving premium rice production through the utilisation of certified seeds and organic fertilisers, as well as improving market accessibility and collaborating with various private parties and financial institutions.

The collaboration brings about 58 joint farmer groups (Gabungan Kelompok Tani/Gapoktan), who are ready to initiate premium rice businesses. Each gapoktan has different business capacities. There are groups specialising for brokering harvested, dried paddy. Other groups process their own dried paddy into ready-to-market whole-grain rice, in order to distribute their own brand of premium rice. To help farmers create a sustainable business, the consortium help them improve rice productivity, develop business plans, open market access, and link the farmer groups to Central Java Government and the Bank of Central Java as a loan provider.

However, until 2018, no Gapoktan has followed through with the process of obtaining loans from Bank Jateng for their rice business activity. Other challenges that Gapoktan face are:

- 1. Gapoktan still struggles to produce rice consistently in regards to both quantity and quality
- 2. Gapoktan has no access to market to sell their premium rice
- 3. Gapoktan has no administration or accounting system in place as per Bank requirements.

Learning from this, we assist farmers by:

- Providing farmers with GAP-AGPI (Good Agriculture Practices Agriculture Promoting Innoculant) training to improve rice quantity and quality
- Introducing Gapoktan to private sector
- Supporting Gapoktan to be able to access funding and post-havest facilities from the Government
- Helping Gapoktan to receive an administrative and bookkeeping system training provided by the Bank of Central Java
- Mediating the communication between Gapoktan and the Bank
- Assisting Gapoktan management to nurture strong business motivation in the organisation

We are aware that intensive communication is necessary in driving collaboration between Gapoktan and Bank of Central Java. We will continue to assist and empower Gapoktan in operating their premium rice businesses. Through the consortium activities, we build bridges between the government, private parties and farmers.



- Good administrative and bookkeeping system for business transaction
- Trust and motivation shown by Gapoktan management
- Practical know-how for applying loans from the Bank
- Confidence on advancing their farming business
- Eagerness and independence in nurturing their premium rice business

#### How to Prepare

- 1. Buy paddy from the farmer postharvest time
- Process into quality rice
- 3. Sell the rice as a wholesale product or as an independent brand
- 4. Regularly record all paddy and rice sales
- 5. Calculate profit gathered meticulously and in great detail
- 6. Draft the joint planning for premium rice business
- 7. Create good communication strategy with financial institutions
- 8. Prepare required documents for loan application
- 9. Apply for loans to the Bank in accordance with the number of capital needed in the business plan

- Gapoktan can access loans from the financial institution
- Gapoktan acquires more capital to buy paddy from the farmers
- Business activity is more streamlined and flourishing
- Increased profits from the premium rice business



# The Recipe for Success with Cocoa Seedlings



Cahaya Sehati Cooperative



The municipality of East Luwu, South Sulawesi is known as one of the cocoa-producing regions in Indonesia. All this time, however, East Luwu has to procure the seedlings from other regions, forcing the farmers to apportion transportation cost and cover for dead seedling risk during shipping.

In light of this situation, Cahaya Sehati Cooperative (CSC) recognises the drawback as a chance for innovation: a seedling plantation business in East Luwu. Taking place in 2017, this coincides with East Luwu government's plan to implement cocoa regeneration programme by incentivising the cocoa farmers with 354,716 cocoa graft seedlings. CSC welcomes the initiative by collaborating with the Regional Government of East Luwu as the seedling supplier. The seedlings then are nurtured by the CSC-coached farmers.

In operating the seedling plantation, CSC applies for Seedling Production Business Permit to the Department of Plantation of South Sulawesi. The document is required for the legality of the seedling plantation business. Upon acquiring the permit, CSC reserves the right to produce and distribute the cocoa seedlings, as well as to sell them to East Luwu cocoa farmers.

This mutually benefits both the cooperative and the East Luwu cocoa farmers, as they no longer have to ship cocoa seedlings from other regions. This proves that a cooperative needs to spice up innovatively and creatively, as the ability to seize business opportunities is crucial for their success and sustainability.



- Capacity to map potential collaboration opportunities
- Ability to develop good rapport with the regional government
- Skills for managing a seedling plantation
- Determination in procuring a business permit

#### How to Prepare

- I. Identify collaboration opportunities with the regional government
- 2. Obtain the necessary documents for producing and distributing of cocoa seedlings
- 3. Establish communication with East Luwu Regional Government
- 4. Train members with grafting techniques
- 5. Distribute cocoa graft seedlings to the farmers

- More prospective jobs for cooperative members
- More income both for farmers and cooperative members
- Less risk of withered seedlings





# Raising the Image of Merangin's Fine Robusta Coffee



Lembaga Tiga Beradik



The name 'Robusta' has been closely associated with the stigma of low quality coffee. However, with a more refined post-harvest processing, Robusta coffee can become a better quality coffee, or also known as fine Robusta. To find out more, we'll move to Kecamatan Jangkat Sungai Tenang, Kabupaten Merangin, Jambi to meet a group of coffee farmers who do just this.

Lembaga Tiga Beradik (LTB) has been assisting the community of Jangkat Sungai Tenang in growing coffee since 2016. This activity enables the people in the area to garner more income from coffee without clearing new lands in the forest. Moreover, this also lessens nomadic farming practice that endangers the forest. By introducing coffee plantation, LTB progressively engage the society in environmentally-friendly practices.

The first step we take is to organise Field School (Sekolah Lapang) for three months with the community. People feel motivated to participate and learn about know-how on coffee planting that we deliver during learning, either in classroom or by practicing on the field. Upon the completion of Field School, the participants start to put their lessons into practice. By participating in our support programme, LTB and farmer groups of Jangkat Sungai Tenang also learn about Robusta coffee enthusiasts and Robusta coffee market in Indonesia. Utilising this information, we start to produce fine Robusta.

LTB's support enables farmers to perfect the process of refining Robusta coffee beans, by only handpicking the ripened berry for processing. We also employ the name D'Jangkat Sungai Tenang Robusta Coffee to market and promote the coffee to various places in Indonesia. A golden opportunity lands before us when D'Jangkat Sungai Tenang Robusta Coffee participates in a coffee auction held by Specialty Coffee Association of Indonesia (Asosiasi Kopi Spesial Indonesia) in Bali in August 2018. The coffee was sold at IDR 300,000/kg (around 19 Euro/kg), which was the highest price paid for Robusta coffee in the auction.

This success lifts our spirit and inspires Jangkat Sungai Tenang farmers group to keep on improving their Robusta coffee practices, both in planting or postharvest. From our experience, we learn that regular and committed support, as well as consistent promotion, has opened up avenues for Merangin Robusta coffee to compete in national coffee arena.



- Motivation to learn
- Eagerness to practice any lessons learnt
- Curiosity for new information
- Good coffee farming know-how
- Capacity in coffee sorting processes

#### How to Prepare

- 1. Identify available natural resources
- 2. Conduct training related with good Robusta coffee farming techniques
- 3. Put the knowledge to field practice
- 4. Keep updated with the development of Robusta coffee in Indonesia
- 5. Learn to produce fine Robusta coffee
- 6. Implement innovations in processing Robusta coffee beans
- 7. Participate in fine Robusta coffee national competitions
- 8. Produce and regularly promote fine Robusta coffee
- 9. Market Robusta coffee domestically and internationally

- Farmers are able to produce high quality Robusta coffee beans
- Fine Robusta coffee is recognised in a national competition
- Higher selling price for Robusta coffee
- Farmers receive higher income from their coffee beans
- Sustainable coffee farming practices benefit both farmers and the environment

# Strengthening the Bargaining Power of Coffee Farmers



Fransiska Rengo
Coffee Sector Staff



Arabika Bajawa Secondary Cooperative is a specialty-coffee cooperative which manages to acquire credit from Bank of Nusa Tenggara Timur (NTT). The loan is used as a capital for coffee beans purchase and processing. In 2017, the cooperative successfully sold 33,000 liters of wet parchment coffee to a company at the price of IDR 16,000 per liter. Consecutively, the cooperative also sells dried parchment coffee to a company for the price of IDR 58,800 per kilogram. The total sum of all sales aggregates revenue of IDR 2.8 billion.

Problems brew when the buyer starts to accumulate outstanding payment. The absence of liquid capital forces the cooperative hands to press pause on its sales operation. Nonperforming loans hold back the cooperative as they are unable to pay their credit installment. This case negatively impacts their credibility as the Bank and the cooperative members no longer trust the management. This also upsets the landscape of cooperative business in general.

The foregoing teaches cooperatives on the importance of clearly-defined agreement between a cooperative and its buyers, especially in terms of payment. Additionally, the cooperative should learn to not be dependent on a single buyer in order to avoid the risk of monopsony they have encountered before. Bearing in mind the two lessons, the farmers' cooperative intends to maintain a strong bargaining power against its buyers. To avoid similar downfall, it is best to note the recipe below.



- Ability to analyse risk
- Ability to concoct a good business plan
- Creativity in discovering new, potential markets
- Active communication with the buyers

### **How to Prepare**

- 1. Discover new buyers from various markets
- 2. Communicate transparently and actively with the members of organisation
- 3. Maintain a professional conversation with buyers
- Prepare detailed agreement/contract between the farmer organisation and buyers

- Less risk of business failure as the cooperative no longer depends on a single buyer
- Cooperative gains trust from buyers and financial institutions
- Smoother business cycle



# Collaborative Efforts Towards Solo Food Smart City



Gita Pertiwi Foundation



Solo, similar to other urban cities in Indonesia, receives and is dependent on food supply from its neighboring districts. Data compiled by The Department of Agriculture, Fisheries and Food Security of Solo (2017) indicates that there is in fact a surplus of food in Solo. On the other hand, in the rural area of Solo, some communities experience food shortage. In the attempt to build rural-urban linkage by connecting food producers to consumers, we introduce a Food Smart City initiative in Solo.

The initiative serves two purposes. First, it aims to provide the Government of Solo with inputs on food sustainability policies. Second, the initiative tries to enhance the community's access to healthy food. At the same time, the Regulation of Mayor of Solo No. 23/2016 regarding the Council of Food Security and Solo as Child-friendly City is approved and serves as the reference for delivering this initiative. Well-planned agenda and joint action from various parties are integral in carrying out this initiative. Gita Pertiwi joins forces with private party, the government, the community, as well as the people of Solo in an en masse endeavour to bring to fruition the concept of Solo as a Food Smart City.

Various activities are carried out, such as:

- Advocating policies regarding a healthy canteen standard to ensure healthy food procurement practices in schools
- Encouraging local communities to donate edible leftover food products
- Mobilising young people to join in food-sharing activities, by distributing donated food for low-income residents and vulnerable groups in the community
- Promoting locally-sourced food and urban farming

Campaigns and activities are jointly implemented to build a sense of a shared experience and collective ownership. We learn that creating a sustainable food system requires a sustainable multistakeholder collaboration. Our experience is Solo is a testament to this notion.



- Ability to work as a team
- Shared objectives amongst stakeholders
- Creative and innovative ideas
- Ability to consistently champion joint agenda

#### How to Prepare

- Map all stakeholders involved (donors, regional government, NGO, community and the local people)
- 2. Commence initial communication and establish joint agenda
- 3. Assign duty and responsibility to every stakeholders
- 4. Perform collaborative tasks
- 5. Conduct regular monitoring and evaluation

- Sustainable multistakeholder collaboration in Solo
- People in Solo are aware of the Food Smart City initiative and sustainable consumption practices
- City government agencies receive policy inputs that are based on evidence

# Stepping Confidently into the Online Market



Erwina Putri
Rice Sector Staff



Digital age presents cooperative business the opportunity to expand its market share and improve sales. One feasible strategy to take is by opening online shops. In helping a farmer cooperative get ready for this shift, Rikolto provides them with an online marketing training.

The training participants mostly come from the younger spectrum. In this training, they learn about online marketing. They are introduced to online marketing strategy, procedures for registering their business in online marketplace, and tips on product packaging and promotion. They also receive practical know-how, ranging from how to pick the best photos and videos of the product, and how to write engaging copy to attract customers.

Upon the conclusion of the training, participants own and manage Facebook, Instagram and online marketplace accounts. Unfortunately, the post-training online marketing has not yielded the expected result for a few internal problems arise.

Some of the reasons were the lack of the designated person in charge for online marketing, and the unfinished product packaging. This experience teaches the cooperative on the importance of detailed planning prior to entering the online market.



- Technology awareness
- Understanding on online marketing
- Creative approches in product packaging and sales
- Communicative to potential consumers
- Consistent effort in promoting and selling the products

### How to Prepare

- 1. Equip staff with online marketing and sales capacities
- 2. Prepare product's brand and packaging
- 3. Prepare photos and promotional materials
- 4. Map online market
- 5. Register and upload materials
- 6. Define the online marketing implementation plan and objectives
- 7. Prepare the Standard Operating Procedures for online marketing
- 8. Designate a person in charge who is capable of championing marketing and sales in the online market.

- Local consumers are more informed of the products of the farmers' organisations
- Effective product marketing in online market
- Farmers' organisations communicate directly with their potential buyers
- Increased sales revenue for farmers' organisation

## Cocoa Business Flourishes Thanks to Business Diversity



#### Amanah Cooperative



The saying "Don't keep the eggs in one basket" keeps a relevant message for anyone who runs a business, not least for cooperatives. Through this message, businesses are encouraged not to invest in one type of business and diversify products (diversification) to reduce the risk of business failure.

This was done by Amanah, a cocoa farmer cooperative in Polewali Mandar Regency, West Sulawesi. Until the end of 2017, Amanah only runs a joint marketing business as its core business. However, the audit reveals that the cooperative experiences a loss due to the decrease in selling prices and managerial errors. Strategies are hence made so that cooperative survive, one of which is by conducting an internal evaluation on the staff capacities and business opportunities.

From the results of this evaluation, several decisions were made, including to strengthen other supporting businesses, streamline warehouse employees, and sell several assets to pay off debt. In the end, there are several supporting businesses that were selected to be developed more, such as:

- The savings and loan business. In the beginning, this business was only used to strengthen farmers' capital. In the post-evaluation, some additional investments are allocated for this business so that it can be used to pay employees.
- The organic fertiliser processing unit. The compost production capacity is increased from 100 tons per year to 200 tons per year.
- The cocoa waste livestock feed business. The cooperative partners with the village-owned enterprise (BUMDes) to supply the cattle feed to farmers.
- The cocoa waste organic liquid fertiliser and herbal remedies for livestock business. There is an increased demand for organic liquid fertiliser from non-member farmers.
- The fermented cocoa business. Improvements are made as farmers are directed to produce fermented cocoa beans due to better price.

Learning from the experience of previous failures, the cooperative carries out periodic monitoring and evaluation to monitor the progress of each business. They also learn about the importance of diversification to ensure more stable revenue stream.

The failure in business has taught such invaluable lessons for Amanah, as detailed below:

- 1. Business diversification is integral to sustain the cooperative.
- Monitoring and evaluation processes must not be overlooked to prevent major losses caused by management errors.
- 3. Constant breakthroughs in the cooperative's business development are required.
- 4. It is absolutely essential to involve young people in the cooperative, whether amongst the farmers or the management level.



- Being creative in identifying business opportunities
- Being flexible in keeping up with the dynamics of the market
- Open to feedback
- Being able to identify resources
- Being able to make business plans

#### How to Prepare

- 1. Involve more young people when developing businesses
- 2. Identify new market and available resources
- 3. Identify key actors
- 4. Make innovations on the products you want to sell
- 5. Make a detailed business plan
- 6. Implement attractive marketing strategies
- 7. Conduct regular monitoring and evaluation activities

- Less dependence on one product only
- Increased number of consumers
- Increased revenue for the cooperative
- Less risk of business failure





## Mature Plan Ensures Research Success



## The Indonesian Consumers Foundation



The Indonesian Consumers Foundation (YLKI) have collaborated with Rikolto since 2018 to conduct research that will support Food Smart Cities advocacy efforts. Research findings will inform stakeholders such as policy makers on what action and policies should be taken to create a more sustainable food system at a city, regional and national level. We conducted three studies to investigate: (1) food literacy, consumption patterns, and access to food, (2) food waste management in hotels, restaurants, and catering, and (3) food procurement practices in school canteens. Research will be carried out in the cities of Solo and Depok.

At the beginning of the research, the work plan goes well. In its development, however, challenges arise regarding the data collection and processing, causing delays of the pre-planned research activities. This happens because:

- Research locations are in two different cities. The research plan requires that the process
  of drafting the Term of Reference, focus group discussions on pre-research with related
  stakeholders, the process of elaborating ideas and methodology from the researcher to the
  enumerator, peer-review of preliminary data, as well as multi-stakeholder dialogues are all
  conducted in the two research locations, Solo and Depok.
- 2. The existing budget doesn't match with the budget needed for research implementation in two cities. As a result, the pre-research activities, which include stakeholder participation (conducted through pre-research focus group discussion), are carried out only in one city. Because of this, the researchers are unable to dig for more detailed insights as the input is only provided by SKPD (local government unit of work) from one city, while two cities (Solo and Depok) have different characteristics. Researchers are also unable to transfer ideas and methodology to the enumerators in detail. Consequently, we need more time to do data cleaning processes.

From this case, we learn about the importance of more detailed work and budget plans in conducting research, especially in two different cities with a considerable distance. A well-developed plan would allow the research activities that really need to be done in two cities, such as pre-survey FGDs, multistakeholder dialogue and debriefing of enumerators to be carried out.

Moreover, the researcher will be able to make more detailed Term of Reference and questionnaires that suit the characteristics of each city. The researcher will also be more financially flexible in conducting direct supervision in the field in the process of collecting data in the two cities.



- · Ability to map existing strengths, weaknesses, opportunities and threats
- Creative problem solving strategies
- Communicative
- Ability to map key actors

#### How to Prepare

- 1. Conduct a mapping of key actors based on their capacity
- 2. Make detailed work and budget plans
- 3. Improve the coordination and evaluation processes
- 4. Increase the frequency and effectiveness of coordination
- 5. Increase openness within the team

- More mature planning
- Activities are well coordinated and monitored
- Research is available to support advocacy and campaign activities
- Multistakeholder collaboration is well-achieved.





## Ongen, Sikka-style Agroforestry



Tony Suryo Kusumo
Cocoa Sector Staff



In many places in Indonesia, farming practices are highly related to local culture, including in Sikka District, East Nusa Tenggara where farmers apply 'Ongen', a local style integrated cocoa farm model.

The *Ongen* system is considered more suitable for Sikka than a cocoa monoculture system because farmers can grow more than one crop that they can both sell and consume for themselves. In addition to planting cocoa, they also grow coconut, pineapple, banana, taro, papaya, dragonfruit, sweet potato, nutmeg, and cloves to cover the ground, as well as pepper plants which are propagated on the stem of gamal plants and function as a shade for the cocoa trees. They also put livestock such as pigs and chickens in the farm. Moreover, *Ongen* is very suitable for anticipating erratic climate change in semi-arid climates such as in Sikka.

The existence of a nutrition/horticulture garden in the cocoa farm helps farmers to fulfil their family's nutritional intake and simultaneously increase income. With *Ongen*, farmers are motivated to regularly check the farm to harvest the crops. At the same, this allows them to inspect their cocoa trees, thus ensuring their maintenance. On the other hand, banana stems and leaves, taro, sweet potato leaves and water shoots/cocoa beans are all excellent feed sources for pigs. The choice of pigs is based on the continuous needs for the animal in the Sikka community, for customs and tradition purposes. Pigs also reproduce more often than other livestock species. The animal reproduces twice a year, producing many piglets which farmers can sell for an additional income. The animal waste is also quite useful to be used as an organic fertiliser for the cocoa plants. Meanwhile, chickens breed fast and easy to sell to obtain cash.

The benefits of *Ongen* for farmers have been felt by many, including Mr. Herman Hompi and Mr. Polo in Hikong Village. They harvest vegetables and bananas, and sell them to surrounding communities. This business has brought them IDR 2,500,000 from selling eggplants, tomatoes, chillies, and mustard greens.

The horticulture garden is not the only benefit that the *Ongen* system provides for Mr. Herman Hompi, as it also inspires him to apply side-clef grafting on his cocoa trees with the superior clones, allowing the trees to increase in quality. From the crops of his farm, Mr. Herman has made 2,500 superior cocoa seedlings and sold 700 shoots of cocoa grafting at the price of IDR 15,000/seedling. He also reaps the benefits of other plants such as seedless lime cuttings, seeds of Indian spruce, vegetables, and sweet potatoes.

My experience of assisting farmers in Sikka shows that because of *Ongen*, farmers are more motivated to take care of their cocoa farms and obtain an increased income from the sales of cocoa seedlings, vegetables and fruits.



- Perseverance in taking care of the cocoa farm
- Knowledge in selecting suitable plants
- Awareness in protecting the environment
- Ability to manage a business

#### How to Prepare

- 1. Identify the needs of local communities
- 2. Identify the types of plants that need to be developed
- 3. Share knowledge of local cultivation practices
- 4. Combine other fruit trees/agricultural short crops with wood trees
- Approach good agricultural practices by taking the local culture into account
- 6. Develop and carry out the business plan

- Farmers meet their basic needs
- Increase in productivity of cocoa trees and other crops
- Soil and water sources are maintained
- Biodiversity is maintained
- Sustainable income for farmers





## Organic Rice, Inclusive Business



#### Mentari Sinari Alam



Tasikmalaya is known as a producer of organic rice with the SRI (System Rice of Intensification) model with the export market since 2009. Many consumers have visited the city to buy organic rice. Seeing this opportunity, the Mentari Sinari Alam (MSA) Cooperative was established on 5 January 2018 to organise and accommodate the needs of organic rice farmers in Tasikmalaya, especially to access the market.

In order to enter the organic rice market, MSA is aware of the importance of preparing the organisation. The steps they take to be ready to do business involve:

- Partnering with farmers
- Ensuring the cooperative's legal basis (such as a Notary Deed, etc)
- Establishing intensive communication with government agencies (Cooperative Service, Agriculture Service), the Bank of Indonesia, universities (UNPAD and IPB) and marketing companies
- Ensuring stable rice production
- Obtaining the EU and USDA international organic certifications
- Creating product packaging with the cooperative's vacuum sealer machine
- Facilitating training for farmers and young people, especially in relation to SRI and organic farming

Currently, MSA has 9 partners of farmer groups consisting of 373 farmers in 3 districts. MSA also collaborates with a private sector for milling and storing the rice. Thanks to good communication, MSA also manages to get a buyer with the initial sale of 1,550 kilograms to be exported to Italy. In 2018, MSA was able to sell 4, 65 tons of organic rice produced by its partner farmers. In terms of the price, the organic rice allows farmers to get 10% higher price than the conventional price of rice.

The organic farming model also motivates farmers to plant other healthy food sources. For example, Mrs. Ola, the chairperson of the Mitra 1 farmer group, is inspired to grow organic vegetables in her garden.

MSA continues to learn to become a professional cooperative and help organic rice farmers in Tasikmalaya. This one-year process teaches the cooperative to open up and involve all stakeholders to build a trusted business



- Being open to various rice value chain actors
- Perseverance in building the foundation of the organisation
- Initiative to build networks

### How to Prepare

- 1. Build a plan of establishing a cooperative
- 2. Create an inclusive organic product business plan
- 3. Ensure the cooperative's legal basis and documents
- 4. Provide an organic farming training to farmers
- 5. Build networks with key actors
- 6. Obtain organic rice certifications
- 7. Provide the place and equipment
- 8. Market the product

- The cooperative's business is recognised by other actors
- Partnership with various rice chain actors
- Cooperative can access market
- · Better income for farmers





# Lessons from Certified Cocoa Beans Sales



#### Masagena Cooperative



Many are the efforts taken for strengthening cocoa farmers' bargaining position. One of them is certification. However, certificate constitutes only the initial step out of the long journey towards cooperative self-sufficiency. Our story in North Luwu District proves true the foregoing statement.

In 2014, we successfully obtain cocoa certification from Rainforest Alliance. We learn many lessons from this certification process, one of them being good practice of cocoa cultivation techniques. We consider the certification process integral in incentivising farmers to implement good cocoa farming management, as it enables premium cocoa beans price. This initiative is well received by our farmer members.

Utilising certification, we also successfully enter into contract with our buyers. At the time, we do not pay as much attention as we should to the content of our contract. In retrospect, it dawns upon us that the contract fails to specify several important elements, such as:

- Contract does not set out limits of premium sharing for our farmers and what action is available to take in order to respond to delinquent buyer failing to pay premium.
- Contract does not specify lower limit estimate for cocoa production.
- Contract limits the number of cocoa beans that may be supplied by farmers to the company.

At that time, we are yet to realise the consequences of such contract on the cooperative and our in-training cocoa farmers. We learn about the predicament when one of our in-training farmers receives no additional premium after supplying cocoa beans above the amount specified in the contract to the company. This turn of event is discouraging to our in-training farmers as they do not feel that our certification is beneficial for them. As a result, the level of trust shown by farmers to our cooperative declines as they have not received any premium for their cocoa beans. Ultimately, the number of sales for our certified cocoa beans fails meeting the predefined target and the cooperative does not receive the optimal profit from this endeavor.

This experience drives us to be more thorough and careful in understanding the content of a contract. We also realise how important it is to expand our market and buyer coverage in order to minimise business risks. Currently, we successfully obtain the certification for different cocoa beans, which will help us attract other buyers. Unlike our previous experience, we are now better prepared by performing diversification, providing training for cooperative management to help them navigate the marketing and analytic aspects of business, and preparing other cocoa business units.



- Ability to create detailed business plans
- Ability to analyse business opportunities and risks
- Willingness to actively network and communicate with prospective buyers
- Negotiating skill
- Meticulousness in drawing up contracts

#### How to Prepare

- 1. Create business plans by analysing existing risks and opportunities
- 2. Map prospective buyers
- 3. Train cooperative management in marketing and business analytics
- 4. Support farmers to get through UTZ and RA certification processes
- 5. Communicate with potential buyers
- 6. Perform diversification and reinforce cocoa business units
- 7. Negotiate transparently and fairly with buyers
- 8. Closely examine purchasing contracts between cooperative & buyers
- 9. Execute business contract/deals only if it is beneficial for farmers

- Cocoa business certainty is ensured
- Not being dependent on a single buyer
- Farmers and cooperative have a better bargaining position
- Streamlined collaboration through a written contract





# Tumpang Sari: Intercropping Model in a Time of Climate Change



Maria Patrisia Wata Beribe



In Ende, East Nusa Tenggara, climate change is more than a merely global phenomenon. It is also an issue with tangible effects for cocoa farmers in the region.

Ende is one of the dry land areas in Flores with a relatively low precipitation level. Low rainfall affects more than the availability of groundwater and nutrients as it also disrupts microclimate which results in draught and failed harvest. In the last ten years, weather is unpredictably fickle. In Nangapanda Sub-district, cocoa farmers suffer from extreme heat leading to drying up wells and water sources. As a result, many cocoa plants, both young and mature, died from drought. Consequently, the plantation yields little to no harvest which cost the farmers' livelihood.

In this situation, farmers need to adapt their farming system to avoid prolonging loss. For this reason, we promote a *tumpang sari* method to cocoa farmers. This crop diversification method is suitable for dry land planting, such as in Ende. With this intercropping method, farmers mixand match their crops, amongst which cocoa, legume, coconut, banana, pepper, pineapple and taro, in their farms. Therefore, farmers do not have to depend on a single commodity. These types of plants all have a high economic value during different harvest seasons. Aside from that, these plants serve as good food sources for farmer families (such as chili, taro, banana, pineapple, pepper and coconut).

Environmentally speaking, coconut and banana plants serve as shade trees. Coconut husk and banana stem are rich with kalium (organic fertilisers to use in crop ditch). It also preserves soil humidity. Additionally, legume plants also serve as shade trees, cattle food, source of nitrogen, and climbing platform for pepper crops. Legume plants are also resistant to extreme aridity, which help protect cocoa crops during drought season.

A number of farmers has benefitted from *tumpang sari*. Donatus Jo from Kema Tau Kesa Group of West Ondorea Village and Andreas Odja from Kerirea Village, have implemented this method. They also cultivate cocoa graft saplings planted under the coconut trees on the same farmland. While the green waste is used to make fertilisers. Farmers can survive with the result of pineapple, banana, chili and taro crops while waiting for cocoa harvest season to arrive.

Currently, Kopan Sikap, Rikolto's cooperative partner has introduced *tumpang sari* as one of the innovations in Villagers' Innovative Market Exhibition in the Municipality of Ende. This innovation piques the interest of various parties, including a number of village heads and farmer groups representatives from 265 villages. The Socio-Economic Development Bureau of Episcopal Church of Ende and the Agriculture Faculty of Flores University plans to develop this model in 2019.



- Ability to identify suitable crops to adapt with local environment
- Knowledge on climate change and its consequences on cocoa trees
- Knowledge on how to do tumpang sari intercropping model
- Eagerness to experiment with the soil/land
- Ability to innovate with cocoa plantation

### How to Prepare

- 1. Identify the soil condition and weather in the local region
- 2. Identify types of crops which are of high value and suitable for planting in the local region
- 3. Provide Good Agricultural Practices training in order to mitigate the impact of climate change
- 4. Provide training on transforming green waste into organic fertilisers and crop ditch
- 5. Share information related to innovations on cropping system

- More farmers are accustomed to practicing sustainable farming
- Farmers are able to mitigate the impact of climate change
- Less production cost
- More income for farmers



# Bittersweet Challenges to Build a Specialty Coffee Business



#### Koerintji Barokah Bersama Cooperative



The Koerintji Barokah Bersama (Barokah) Cooperative has officially become a specialty coffee producer of Kerinci Arabika since 2017. Since then, we have been able to slowly build the business and assist farmers to improve the coffee cultivation process with good practices on an ongoing basis with the assistance of Rikolto. However, our journey wasn't always a smooth ride. Through this reflection, we want to share about the achievements and challenges that we still face today.

2018 was a special year for Barokah because we had successfully marketed our Arabica coffee products to domestic and international markets. Unlike the previous years, we only marketed our products through cooperatives in neighbouring districts. Another good news is that we agreed to give a new brand for our product under the name Koerintii Radjo.

In the same year, we set a sales target of 60 tons of green beans. This decision was made by looking into the potential coffee available in the working and assisted areas of the cooperative. Unfortunately, due to poor planning and a lack of personnel at the cooperative, this target was not achieved. Nevertheless, we did not despair and continued to build communication with various parties and promote ourselves through specialty coffee competitions. We ranked second during the 10th Indonesian Specialty Coffee Contest, and won a silver medal at the International Australia Coffee Award. This achievement proves that the quality of our coffee is internationally recognised. Our coffee also received the Bronze Gourmet award in France.

Such international achievements in both national and international events have strengthened our position in the presence of many actors, one of which is the government. The Jambi regional government, for instance, shows their support by providing drying facilities. Meanwhile, the Jambi branch of Bank of Indonesia (BI) provided assistance in the form of a 4 x 100 meter dome and 1 Wetthuller unit. In September, Barokah received an additional 4x50 meter dome from BI.

In spite of the success, Barokah certainly still have many important homework. One of them is how farmers view their partnership with the cooperative, particularly as they are yet to fully join Barokah. Unfortunately, we haven't been able to provide our best service to the farmers. In addition, Barokah lacked personnel to take care of farmers' plantation, as the cadre assigned for the job suddenly resigned and the cooperative did not prepare any replacement beforehand, causing many programs to be abandoned. This allows Barokah to recognise the importance of farmers regeneration to reduce the dependency on a single individual in the future for the sustainability and success of the program.



- Optimism in reaching the sales target
- Networking ability with various parties
- Good relationship with the government
- · High quality coffee production
- Openness in organisation

#### How to Prepare

- Develop the organisational management capacity in business marketing, quality control, and bookkeeping
- 2. Ensure farmer regeneration in management
- 3. Make realistic sales targets in the business planning
- 4. Actively seek partnership opportunities with the government
- 5. Participate actively in coffee competitions
- 6. Encourage farmers to apply well-managed coffee cultivation to improve production
- 7. Communicate actively with coffee buyers in the domestic and international markets

- The organisation and business of the cooperative run well
- Cooperative is able to meet buyer demand
- Cooperative products are known in the domestic and international markets.
- Good sales and purchase balance
- Agricultural land provides additional income for farmers

## The Importance of Quality Control in a Fermented Cocoa Business



#### Romeo Cooperative



Romeo Cooperative was formed in 2016 with the aim of improving the welfare of cocoa farmers in Sikka District. By being a cooperative, we learn to gradually be a profesional business entity, one which by starting a fermented cocoa beans business.

At the beginning of 2018, the Sikka District Government established the Technical Implementation Unit (UPT) for Cocoa Beans Processing, named Chosik (Choklat Sikka). Chosik received supplies of fermented cocoa beans from three farmers' cooperatives in Sikka: Suber Huter, Plia Pliu, and Romeo. Around the same time, Rikolto brought us together with buyers of fermented cocoa in Bali. With the demand for fermented cocoa, Romeo must ensure the supply of cocoa beans from members.

Then, the Romeo's management kept details of farmers who were ready for the fermentation process and training in fermentation techniques, and provided fermentation boxes to farmers. In July 2018 Romeo sent samples which were approved by the buyer. The buyer subsequently requested 50 kg of fermented cocoa from Romeo. It turned out that this first supply did not meet the standards expected by the buyer. There are two things that cause the cooperative's failure in meeting the standards:

- The prolonged storms causing fungus on the fermented cocoa beans
- Cooperative is not fully ready to enter business. While at the farmers level, farmers are reluctant to do fermentation because it requires more time and effort. They are familiar with a conventional method: harvest, dry and sell to get money as soon as possible.

This failure negatively affects buyer confidence in Romeo. However, Romeo farmers still hope that in the future, they can meet the standards to ensure market sustainability.

#### What we learn from this experience:

- The lack of sense of ownership among the cooperative's staff members, management, and farmers on Romeo. They also appear to lack faith in the ability of the cooperative to improve the farmers' welfare through marketing cocoa beans.
- Management has not really taken advantage of the opportunities offered by buyers.
- The staff members, supervisors, and management of Romeo have not truly carried out the First and Second Annual Budget in accordance with the agreed Strategic Plan and SOP.
- The importance of a quality control team in Romeo that is in charge of checking the cocoa beans before they are sent to buyers to ensure that the beans are in accordance with agreed



- Ability to conduct quality control
- · Openness and reflectiveness attitudes
- Ability to process fermented cocoa
- Ability to anticipate risk and business opportunities
- Strong leadership in the organisation

#### How to Prepare

- 1. Keep details of farmers interested in collective marketing
- 2. Develop a realistic business plan
- 3. Develop a Company Household Budget in a democratic manner
- 4. Establish communication with various buyers
- 5. Ensure the cooperative's ability in meeting buyers' demands
- 6. Conduct regular monitoring and evaluation
- 7. Perform quality control on the products
- 8. Establish open communication with various chain actors
- 9. Make appropriate adjustments to the strategy to achieve targets

- Successfully-run management and business according to plan
- Increased cocoa beans sales
- Well-established relations between the cooperative and buyers
- Cooperative gains trust from buyers





## Preparing Farmers to Tap Into Premium Rice Market



Dewi Musfika Santi FDOV Programme Staff



Through the Dutch-funded, FDOV Central Java Premium Rice Consortium programme, Rikolto and its consortium partners assist and reach out to 58 farmers organisations in 17 districts of Central Java Province to help them improve their livelihood through premium rice production.

Each farmer organisation (FO) has a different organisational, production and marketing capacities. One of the assistance packages provided by the consortium is Good Agricultural Practices (GAP) and AGPI (Agriculture Growth Promoting Innoculant) cultivation training. The implementation of the training has been proven to improve the quality and production capacity from 15% to 30% depending on the period of application, with an increase in revenue from 20% to 38%. During the rainy season, farmers usually find it challenging to sell paddy, especially those who do not own a drying floor and drying machine to process dry paddy to produce rice. However, now buyers have had full faith and high interest to buy both rice and paddy in either the rainy season or dry season above the market price as the quality of products has been ensured.

Due to the work of consortium, farmers have routinely implemented the Standard Operating Procedures (SOP) of GAP and AGPI and enjoyed the advantages of having fixed buyers and better prices for the sales of wet paddy. However the demand for dry paddy is higher than a demand for wet paddy. Hence, we hope that FOs can help farmers to improve their drying capacities while support them with drying mats, plastic fome and drying machines. These are essential to ensure the quality of rice.

Currently, the consortium has also provided post-harvest training, but it is still in its early stage and integrated with the GAP-AGPI ToT (training of trainers). Hopefully in the future, there will be an intensive post-harvest training for farmers and staff that is integrated with learning activities amongst FOs, one of which through an intership.

Through an internship and field school, FOs acquire knowledge and hands-on skills on post-harvest processes while expand their network. All of these will prepare farmers to enter a premium rice market.



- Willingness to improve rice quality
- Innovativeness in rice production
- Skills in processing paddy
- Willingness to keep learning
- Adequate production facilities

## How to Prepare

- 1. Provide farmers with GAP AGPI training
- 2. Develop a SOP for GAP AGPI
- 3. Provide a post-harvest training
- 4. Develop a post-harvest SOP
- 5. Prepare post-harvest training
- 6. Implement the developed SOP
- 7. Conduct a comparative study with other farmer organisations

- Farmers' increased skills in sustainable rice cultivation
- Efficient production and post-harvest
- Increased quantity of grain production
- Better quality grain production in spite of the season





## Partnership Model Options to Foster Agribusiness Innovations



Peni Agustijanto Cocoa Sector Manager



From the beginning, Rikolto's programmes have focused on empowering small farmers in several sectors, especially coffee, cocoa, organic rice, and cinnamon by strengthening the capacities of farmer organisations. The objective is for farmer organisations to develop into professional business entities so that they can become one of the important actors in the existing commodity value chains. In reality, the current partnership selection method doesn't support this vision. As a result, there are less diverse competencies amongst the new partners which can contribute to Rikolto's outcomes.

This problem stems from the lack of in-depth analysis and the imposition of a bidding method when selecting partners in the initial stage. In the past, any partner who proposed some ideas was immediately approved to be the program implementer within the programme's one-year period. Often these ideas lacked novelty. Consequently, innovative agrobusiness ideas did not emerge.

Internally, the challenge we faced was due to the absence of an ad-hoc team consisting of people from various fields of expertise tasked with analysing the competency and feasibility of partners and developing guidelines and indicators to assess the implementation of a proposed programme. In addition, Rikolto's partnership program is bound by the conditions stated in the Memorandum of Understanding with the Ministry of Home Affairs. Subsequently, this limits the opportunities for partnerships between us and other parties. Another challenge is at the partner level that does not separate business aspects and programme aspects in its institutional structure. What then happens is the person in charge of managing both programme and business matters feels burdened by so many responsibilities, hence restricting him/her to explore other innovative ideas outside

Reflecting on this, the adjustment to be made is to put together an ad-hoc, multidiscplinary team at the end of the year, whose task is to provide input and analyse all incoming proposals. It is also imperative that the institution offer open bidding in order to find other competencies relevant in supporting Rikolto's vision.



- Competent staff
- Competency assessment SOP
- Transparency
- Communicativeness

#### How to Prepare

- 1. Develop an ad hoc team tasked with assessing partner competencies
- 2. Make guidelines and indicators for partner competency tests
- 3. Make open announcements to attract partners
- 4. Analyse incoming proposals and assess them based on the provided indicators and guidelines
- 5. Select partners based on Rikolto's criteria and vision mission

- Competent partners
- Sustainable partnership between Rikolto and partners
- Rikolto and its partners achive its vision and mission
- Partner becomes an independent business entity







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