

**Annual Report 2019**  
**INDONESIA**



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**Belgium**

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# **Annual Report 2019**

## **INDONESIA**







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# Introduction

**A**griculture is one of Indonesia's most vibrant and dynamic sectors; the latest value of Indonesia for 2019 share of economic sectors in the gross domestic product (GDP) in agriculture is 12.81%, and employment in agriculture (% of total employment) is 28.64%. However, it is also a sector that demands more attention.

Attention must be given specifically to smallholder farmers who are more vulnerable to rapid changes in the sector, including price volatility, effects of climate change (drought, pests and diseases) to the plant, land tenure issues, unstable supply and demand, amongst others.

On the consumer side, the Indonesian middle class continues to grow, expected to reach 141 million people by 2020. The middle class displays a new lifestyle. They are not satisfied anymore with low or medium quality rice, coffee, and cocoa and they opt for premium quality.

The government has increased the focus on the agricultural sector with food security as its goal. In light of this, Rikolto's work in Indonesia can positively contribute to triggering changes in the national food system by bringing about policy and sector

level changes to benefit smallholder farmers, while stimulating interest in younger generations to partake in healthy food production and consumption.



Rikolto is an international NGO with more than 40 years of experience in partnering with farmers organisations and food chain actors across Asia, Africa, Europe and Latin America. Until 2019:

- Rikolto runs programmes in **5** countries.
- Rikolto supported **99,438** farmers got a better deal.
- Rikolto funded **129** partners organisations.
- Rikolto works in **8** commodities: rice, coffee, cocoa, fruits and vegetable, sesame, pulses, cinnamon, and seaweed.

## Global Mission

Rikolto envisions a world with sustainable production and consumption systems that allow eradication of poverty and hunger. Rikolto enables and supports smallholder farmers to take up their role in rural poverty alleviation and to contribute to sustainably feeding a growing world population. Smallholder farmers remain one of the key actors we work with, along with supermarkets, retailers, private sectors, policymakers, and consumers, to guarantee affordable, quality food for all. Therefore, Rikolto builds bridges of trust and trade, between the food industries, governments, research institutions, banks and farmer organisations around this one central question: 'What will we eat tomorrow?' It is a crucial question for consumers, farmers, agri-food companies and policymakers alike. For some, it is about the choices they make to improve our food system. For others, facing food shortages, it is a 'literal' question they struggle with every day.





## Rikolto in Indonesia

Rikolto in Indonesia's long-term goal is to support a new generation of farmers with the abilities/capacities to feed consumers in urban areas with healthy food while earning a decent living income without damaging the environment.

Our strategies to achieve this:

- We strengthen partners' capacities for collective action by improving farmers organisations' technical and business skills and linking them with strategic stakeholders in the value chain.
- We foster innovation by promoting inclusive and sustainable business models and approaches that transform the farmers' organisations.
- We support an enabling environment for Indonesian farmers and consumers through multi-stakeholder collaboration and dialogues to influence policy formulation in sustainable food consumption and production.

In every aspect of our work, we pay special attention to the empowerment of women and young people and the environment sustainability.

### Programme Overview

1. Jambi: Coffee, Cinnamon and Payment for Ecosystem Services
2. Central Java: Organic rice, Premium Rice, Food Smart Cities
3. West Java: Organic Rice and Food Smart City
4. South Sulawesi: Coffee, Cocoa
5. West Sulawesi: Cocoa
6. Bali: Seaweed
7. East Nusa Tenggara: Coffee, Cocoa, Seaweed

## Our Network

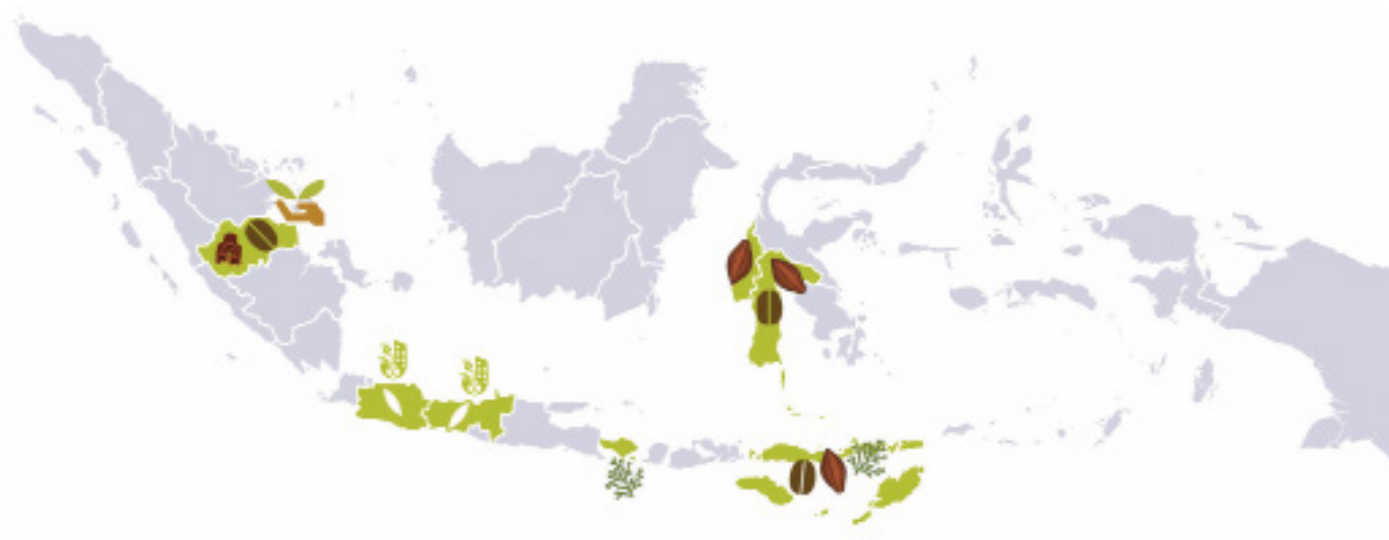
In Indonesia, Rikolto has been operating for more than 40 years. In 2019, Rikolto ran programmes in seven provinces. Rikolto's Regional Office in Indonesia is strategically located in Denpasar, Bali that supports the implementation of programmes carried out through field and virtual offices in Jambi, Jakarta, Central Java, East Nusa Tenggara, West Sulawesi and South Sulawesi. A dedicated, multi-cultural, diverse and gender-balanced team of 28 people supports Rikolto's operation across Indonesia.

### RIKOLTO IN INDONESIA

More than 40 years.  
Financially supported 24  
partners.  
14 of them are farmer  
organisations.



Last year, we financially supported 24 partners. Of these, 14 are farmers organisations, seven are local Non-Governmental Organisations and three are commodity platforms. We also work closely with national and local government institutions, research institutes and private companies.





## Changes we want to see in years to come

By the end of our 2017 to 2021 programme, we hope to see:

- More young farmers are involved in the agriculture value chains.
- More women actively participate in the value chain and decision-making processes in farmers organisations.
- Farmers organisations are able to produce rice, coffee, cocoa, cinnamon and seaweed in sustainable ways and become professional business entities.
- Global Sustainable Rice Platform Standard is acknowledged to be the new sustainable rice standard in Indonesia.
- Cities governments add on sustainable production and healthy consumption to their policies agenda.
- Private sector and government adopt Payment for Ecosystem Services models.
- Smallholder farmers earn improved income.
- Consumers access sustainably produced and healthy food in formal and non-formal markets.





# What we harvested in 2019



## 2019 in numbers

25,110

Number of farmers reached, trained and supported.

42,72%

Women involved in daily activities, becoming staff, governing board of farmers organisations.

47,75%

Young people involved in daily activities, becoming staff, governing board of farmers organisations.

95

Number of organisations Rikolto working with in Indonesia.

12

Number of cooperatives implementing Internal Control System mechanism.



In 2019, Rikolto partnered with the Indonesian Farmers Alliance (API) and other actors like ICCO and GIZ, at the national level to influence governments and private sectors.



In 2019 Rikolto's cooperative partners in Jambi, Barokah and TAKTIK, received an achievement award from the Indonesian Ministry of Agriculture for their commitment in developing downstream business activities.



Participation in a collective action through a national cocoa platform, Cocoa Sustainability Partnership (CSP), Rikolto successfully influenced government policy concerning fertiliser subsidy for cocoa farmers.



We reached out to more than 25,000 Indonesian farmers and helped them increase their capacities and income. Farmers already adopt good agricultural practices to produce sustainable quality products. One of the results is 12 cooperatives have implemented an Internal Control System (ICS) mechanism to ensure product quality and good cooperative management. In total, around 7,000 farmers are already certified for meeting the sustainable agriculture standards.



Rikolto and local partner Gita Pertiwi contributed to formulating Healthy Canteen Standard that has been stipulated under Mayor Regulation in Surakarta.



Rikolto, in collaboration with multi actors, celebrated the 70<sup>th</sup> anniversary of diplomatic relations between Indonesia and Belgium through a symbolic export launching in Kerinci, Jambi. Koerintji Barokah Bersama Cooperative has been recognised as a Registered Exporter of Coffee by the Directorate General of Foreign Trade – Ministry of Trade (02.ETK-02.19.1211), allowing the cooperative to directly export 260 bags of green beans (15,6 tons) to a coffee merchant in Antwerp, Belgium. The event was attended by the First Secretary of the Embassy of Belgium in Indonesia, Director of Rikolto International, Head of Subdivision Cooperation with NGOs and Foreign Private Sector from the Indonesia Ministry of Home Affairs, local governments, local communities and private sectors.



More women and young people participated in agriculture value chains. This was achieved by encouraging farmers organisations to involve women and young people in their daily activities and promote an inclusive workplace. In 2018, 130 women and 238 young people had paid work opportunities through their involvement in the value chain. Women, specifically, took on strategic roles, such as coffee quality grader, ICS chairperson, barista, trainer, and head of cooperative.



Rikolto International regularly held a fundraising event named Classic Bike. From September 20 to September 30, a group of 25 enthusiastic West-Flemish ladies left for Sulawesi for a new biking adventure of around 400 kilometres, so-called Women Power Project. They started the route from Soppeng, and went to Wajo and Masamba, then finished in Toraja.

Rikolto in Indonesia seeks to contribute to 14 of the 17 SDGs and has been working to integrate sustainability into our interventions.

## Our Contribution to the United Nations' Sustainable Development Goals







## Access to Finance

Initially, farmers' organisations faced difficulties in accessing credit. So far, Rikolto has provided bookkeeping training and facilitated farmer organisations in fulfilling all administrative requirements to become a legal business entity. Facilitating access to markets allows farmer organisations to increase the number of buyers and the volume of their sales.

Efforts developed by farmer organisations need to be strengthened to get an excellent organisational profile. Regarding access to credit, lenders often require organisations to meet a minimum income level that will later be used to consider the loan amount and the provision of collateral. Then there is what is called a bottleneck, a situation that prevents farmer organisations from accessing loans.

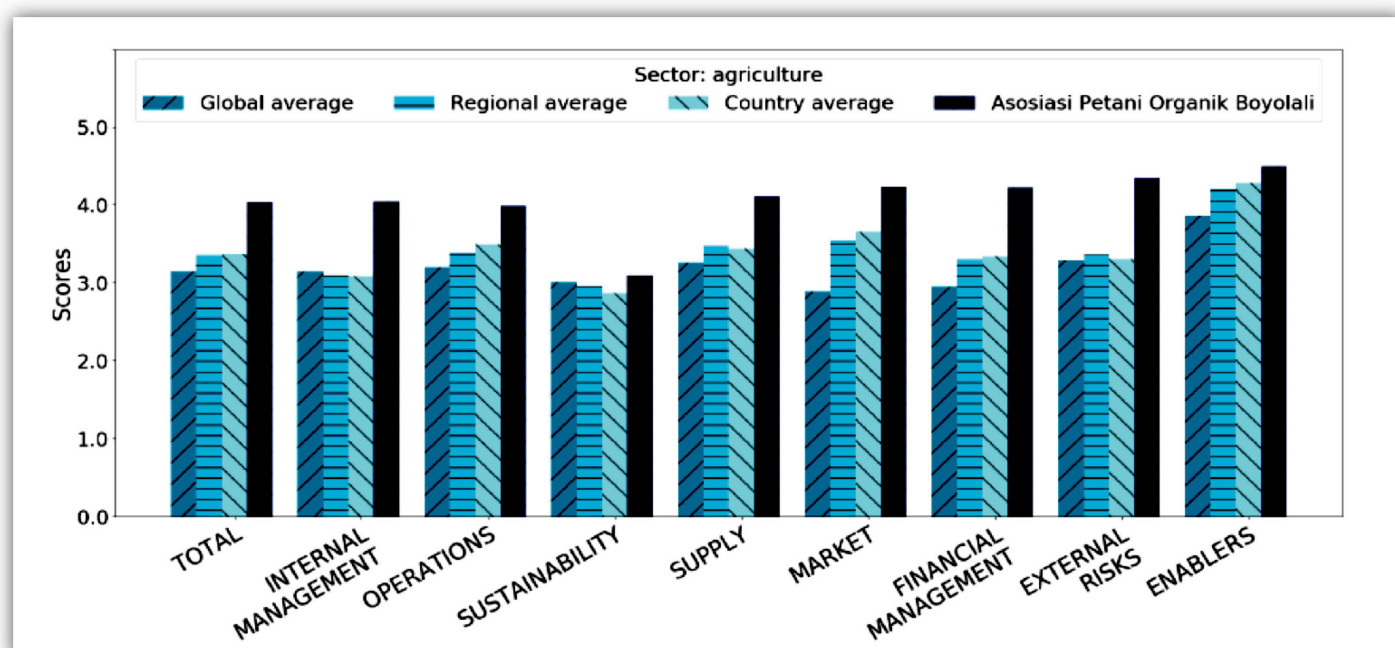
Seeing this fact, farmer organisations still need to improve their financial reports and adjust them to financial institution standards. In 2019, MSA and KOPAPPOLI still needed to focus on strengthening their business profile.

Rikolto's strategy of access to finance is more on strengthening the capacity of farmer organisations in terms of business and financial administration to meet convincing financial performance requirements.

## Rice



Rikolto's Finance Director, Wayan Adiana, provided bookkeeping training in 2019.



SCOPE Insight Assessment conducted in 2019 shows that APOB has higher scores for all aspects as compared to the country, regional, and global average scores of other organisations in the same sector.

## Cocoa

Rikolto empowers farmers with knowledge of sustainable production and postharvest handling. Knowledge like this produces quality agricultural commodities, which, in turn, attracts farmers to join the organisation.

At the organisational level, Rikolto increased their capacity in business planning, marketing and financial management. Rikolto also helps to build networks. The capacity development provided by Rikolto enables farmer organisations to meet sustainability certification standards so that they can obtain certificates. Farmer organisations are also involved in strategic partnerships with other players in the value chain such as Mars, Mason, and Olam. They have an interest in securing a supply of quality inputs.

Rikolto's partners in Sulawesi can now conduct transactions directly with significant buyers and are better prepared in financial administration. Meanwhile, in Flores, Rikolto still needs to facilitate and support intermediary actors, including farmer organisations. The government's cocoa programme can be utilized as a potential source of funding for farmer organisations. While agreements or orders from buyers can be used to guarantee loans from financial institutions.



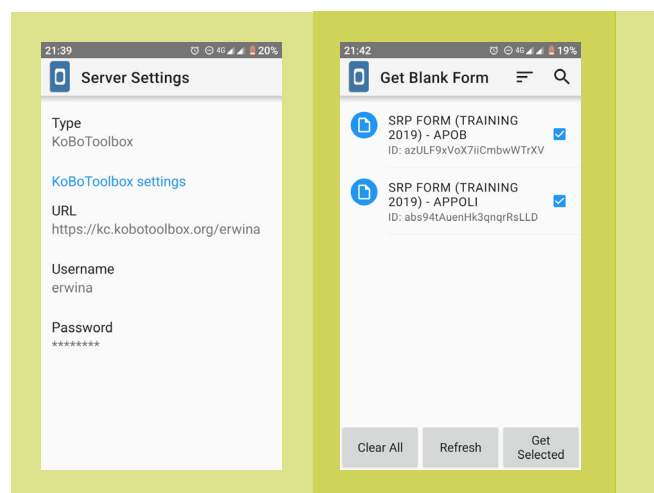
Rikolto provides canvas business training for AMANAH in 2019.

## Coffee

Rikolto involved several application developers in supporting farmer organisations in managing finances. Three farmer organisations, such as PPKT, ASNIKOM and Barokah, use two different applications. At present, the two applications cannot be used, especially by PPKT and ASNIKOM, because they are still constrained in training. While Barokah recently received from Bank Indonesia, a piece of software to help them with their financial records. Barokah itself continues to develop its accounting policy.

In general, financial records are always carried out both with computers and with conventional books. Financial records are reported annually to members, and recorded data is used to calculate the distribution of profits to members. Members who benefit are those who pay fees and sell their products to the organisation.

All farmer organizations in the Rikolto programme, except for the recently established one in Merangin, have been trained to make business plans and reasonable annual targets. These organizations still need to do a lot of business planning practices with strict implementation.



For information, PPKT, ASNIKOM and Barokah have been able to access credit from the KOPKARDIOS Credit Unit, Bank Rakyat Indonesia (BRI) and Bank NTT. Other organisations have actually received offers from financial institutions. However, they have not been able to take it because it is still difficult to meet collateral. The small sales volume also affects the organisation's ability to pay interest. Thus, farmer organisations can rely on capital from existing businesses, including membership fees or prepayments provided by buyers.

It is not easy to encourage organisational members to invest and pay contributions unless they have seen tangible benefits. Farmers' low income also contributes to this situation.

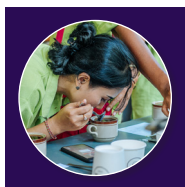


# Seaweed

In 2019, the seaweed programme was still in the initiation phase. It focuses on the mechanization of aquaculture, namely:

- Selection of the best seeds.
- Good cultivation training skills for farmers.
- Determination of cultivation tools, and
- Socialisation of seaweed cultivation for coastal residents.

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# Business Capacity

The main job of the cocoa business unit at the organisational level is to market dried fermented beans to cocoa companies that will process them into chocolate products. Farmers will get additional value if they sell dry fermented beans.

From Rikolto's observations, women and youth will be more comfortable to be involved in the value chain when they see more benefits from a business. In addition to topics related to cultivation, cocoa business management usually also attracts the attention of youth and women. Therefore, capacity building related to cultivation and business management needs to be developed.

So far, Rikolto has encouraged individual farmers to make collective efforts to improve their livelihoods and bargaining power with cocoa chain operators, especially buyers. When the business goes well, and social relationships are created, the farmer organization will last longer.

## Cocoa



Farmer drying up cocoa beans.

### Kenalkan, Baramang Sang Dokter Kakao

Vita Ayu Anggrani 16 Maret 2018 11:49 WIB 5 menit



### "Cocoa Doctor" Mars Tingkatkan Produksi Cokelat Berton-ton

© Minggu, 19 November 2017 20:59 WIB



Salah satu Cocoa Doctor PT Mars, Alex di kebun kakao di Lompo Ulu, Minggu (19/11). (KORPRIKAT/Red Paddy)

Home • New Economy • Entrepreneur

Serini, 20 November 2017 01:59 WIB

"Cocoa Doctor" Terbukti Ampuh Tingkatkan Produksi Hingga Berton-Ton

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Rikolto's partner, like Mars, has a program called Cocoa Doctor. The program intensively trains youth with agronomy, processing, and business. Later, the Cocoa Doctors will continue Rikolto's work related to planting and improving the quality of cocoa beans. At present several farmer organisations in Sulawesi have shown the results of the program. Meanwhile, in Flores it still takes more time. The difference in results is primarily influenced by the dynamics of the different cocoa sectors on each island.

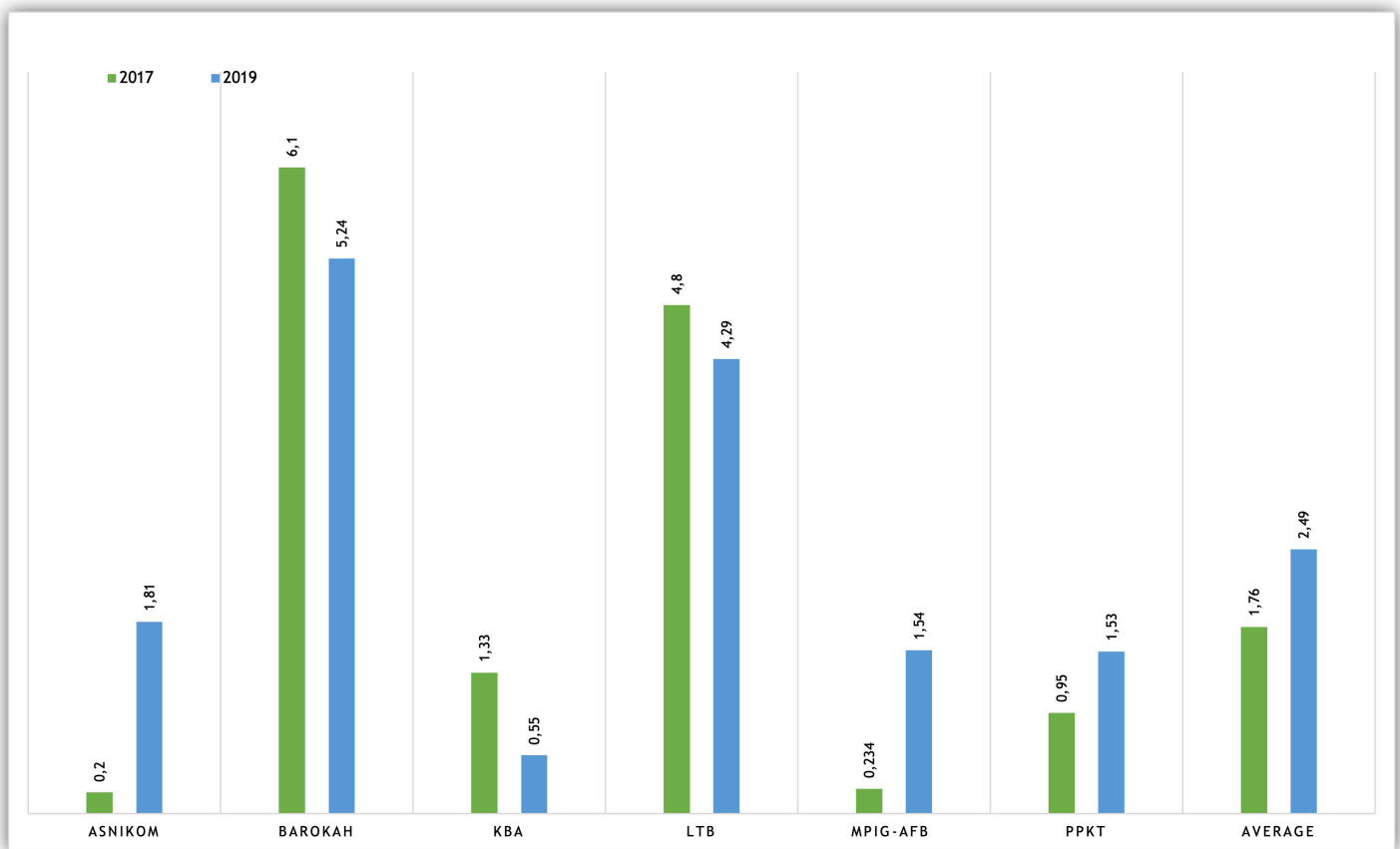
The main cocoa buyers operating in Sulawesi such as Mars, have routinely provided information to local farmers and traders about how to plant, harvest, and handle cocoa beans. Infrastructure in Sulawesi is indeed better, making it easier for farmer organisations to sell and transport seeds to purchase stations. While farmers' organisations in Flores still have to sell beans at lower prices because of the path they are taking. Cocoa beans are first brought to local traders in the district. After that, they are taken to processing companies outside Flores, such as Sulawesi or Java.

Farmer and buyer organisations need to continue to maintain business relationships that have been facilitated by Rikolto. The Internal Control System (ICS) in farmer organisations must also work well because ICS helps farmers to increase production while maintaining the quality of cocoa beans. Also, ICS helps increase the willingness and confidence of buyers towards farmer organisations.

# Coffee

The Ngada Regency issued Regulation No. 6/2016 to protect the identity of Flores Bajawa Arabica coffee, which ultimately had a good impact on farmers. The local government also discouraged traders to bring cherries outside the district, so that the addition of value can be done by farmers. Currently, farmers are still waiting for the government to ratify the recommendation to become a district regulation. The goal is that secondary cooperatives such as MPIG-AFB can oversee the regulation.

Meanwhile, credibility has been built to deliver farmer organizations into profitable and feasible business units. As a result, in recent years, primary cooperatives that are members of MPIG-AFB have received loans from the Bank NTT. Purchase contracts between buyers and farmer organizations can be used as collateral for the bank.



Average crop productivity in one year (ton of red cherry per ha).

Now coffee entrepreneurs do not mind giving advances for farmers to use as working capital. The high trust of companies such as Sucafina to the Barokah cooperative in Kerinci, finally led to a down payment of up to 75%, a very high number.



## Cinnamon and PES

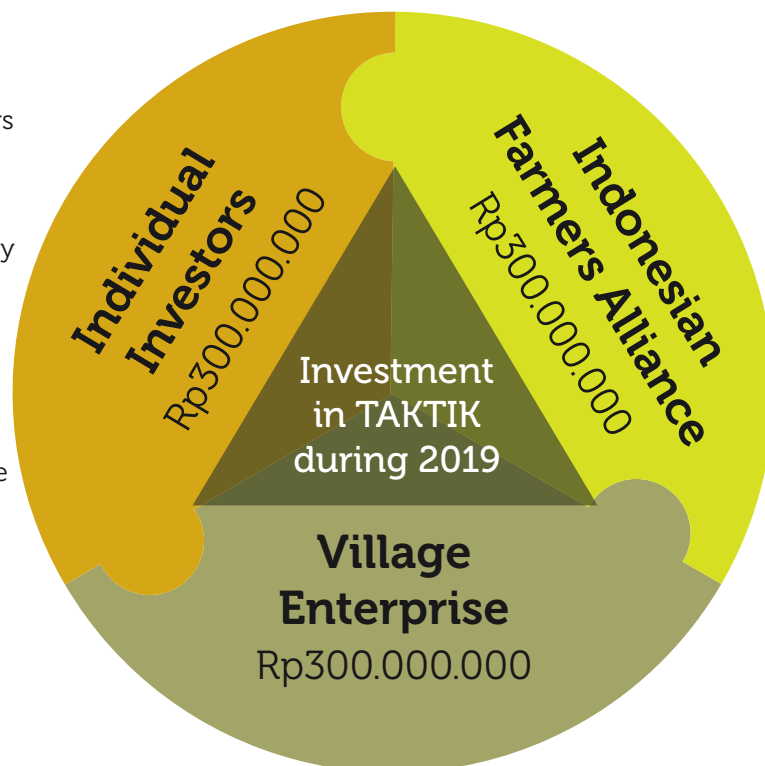
**T**AKTIK developed their business plan with BUMDes Talang Sakti. Now they have run the business plan together. Besides, TAKTIK always discusses with partners and representatives of members about price-fixing. This transparency is vital to building trust with partners and farmers. With this information, partners and farmers can estimate their profits, while farmers can set targets for themselves. In 2018 and early 2019, there was a shortage of buyers which resulted in the loss of farmers' trust and expectations.

Responding to this, Rikolto tried to facilitate meetings between TAKTIK and financial institutions. Unfortunately, the meeting did not run smoothly because of the inability of the organisation to meet one of the credit requirements. The financial performance of TAKTIK itself has been measured and proven stable, at least six months before financial institutions approve credit applications. However, due to the lack of buyers in 2018, TAKTIK's financial flow has stalled, which has hampered access to credit.

Even so, TAKTIK managed to get individual investors who were willing to invest as much as Rp300,000,000. The Indonesian Farmers Alliance also gave TAKTIK a loan of Rp300,000,000, thanks to TAKTIK's membership in the alliance. Additional loans were also successfully obtained from BUMDes for Rp300,000,000.

The TAKTIK effort resumed in mid-2019. Two buyers, Tripper and Haldin, each ordered 200 tons and 40 tons of cinnamon. To meet this demand, TAKTIK invited 50 farmers to participate in collective marketing. However, because the business was just running again, there were only 47 farmers actively participating in marketing. Unlike other plants, cinnamon farmers only harvest entire plots every 10 to 15 years. So, not all farmers have cinnamon throughout the year.

Besides, TAKTIK must compete with local traders who have considerable working capital that can affect local market prices. "On several occasions, farmers received good prices offered by TAKTIK. But when local traders offered prices that were a little higher or were able to pay an advance, farmers could suddenly cancel their sales to TAKTIK," said Madral, Head of TAKTIK.



Limited working capital like that makes TAKTIK only rely on members who are still loyal. TAKTIK needs time to prove that joining collective marketing will bring more benefits to members. In this connection, TAKTIK explained their situation to Tripper. The company agreed to shorten the payment term after the product is shipped.

In 2019 TAKTIK received an award from the Ministry of Agriculture of the Republic of Indonesia for their commitment in developing downstream business activities. The award marks an essential milestone for the organization on their journey to building a sustainable value chain.

The head of the TAKTIK Cooperative, Madral, also received an award at the 2019 Plantation Day celebration. Through the award, the Ministry of Agriculture views and appreciates farmers who are turning to value-adding and product enhancement activities, especially downstream.

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## Seaweed

Capacity building and introduction of seaweed business in Sikka Regency were packaged in training attended by:

- The village heads supported by the Rikolto programme.
- Seaweed farmers, and
- Management of BUMDes in each assisted village.

The capacity building featured two speakers, Mrs Fitritina as Head of the Sikka Regency Community and Village Empowerment Service, and Mr Kandidatus Angge as Provincial Coordinator for the Region V NTT, Development of the Village Fund Programme.





# Environmental Sustainability

Farmers in Boyolali (Central Java) and Tasikmalaya (West Java) are increasingly interested in switching from conventional rice farmers to organic farmers. They joined as members of the APOB and APPOLI agricultural cooperatives in Boyolali and Mentari Sinari Alam in Tasikmalaya. Farmers receive training in organic rice cultivation, and the yields are marketed using the collective marketing model by farmers' cooperatives, so that cooperative members benefit more from the organic rice cultivation that they do. "We can access the organic rice market and get better benefits from the rice business run by farmer organisations," said Wartini, Secretary Board of APOB.

Rikolto's environmental sustainability in helping rice farmers cooperatives is by inviting conventional rice farmers to become organic farmers, so that in addition to increasing ecological sustainability, farmers can get other benefits from organic rice cultivation. The cooperative has obtained an organic certificate from the Indonesian National Standard (SNI) for the advancement and marketing of natural products.



Wartini.

Farmer cooperatives also implement the Sustainable Rice Platform (SRP) to gradually invite farmers to improve the environment in rice fields with a model of Good Agricultural Practices (GAP) and the application of better post-harvest practices and processes to obtain the quality of rice needed by the market.

Climate change has changed the pattern of rice planting; rain has also shifted considerably from September to December. Rainfall is also getting less and less so that many farmers have difficulty getting irrigation water. "Rice cultivation is getting more expensive because farmers have to get water from the ground by buying water pumps, and trying to prepare a reservoir to collect rainwater," said Muhdi, chairman of the APPOLI cooperative.

## Rice

Another joint effort is the conservation of water sources around the area. In this context, the application of the SRP standard will ensure that the carrying capacity of the environment for rice cultivation can be maintained.

The **monoculture** system implemented by farmers contributes to reducing the value of land conservation indicators that were previously above the critical limit of two.

**High input** is given to increase productivity obviously affects soil nutrition, in addition to drought, which decreases soil quality on production land.

Concerning landscape management, there has also been a decline due to the influence of **land-use policies**.



Muhdi flows water into his fields.



# Food Smart City

Rikolto in Indonesia works with several partners, particularly with Gita Pertiwi, the Indonesian Consumers Foundation (YLKI), and the Persatuan Indonesia Berseru (PIB). Rikolto's scope of work is to support these partners to advocate for the government and influence the public about a process. The main objective of advocacy is that the city government and the private sector in three cities are stimulated to create policies or regulations that support sustainable production and healthy consumption.

In 2019, an initiative to develop healthy school canteen standards finally began after a series of multi stakeholder meeting involving the Surakarta City Government. This initiative includes the Education Agency, the Health Agency, the Women and Community Empowerment and Child Protection Agency, and the Environment Agency. Gita Pertiwi, who is Rikolto's main partner in this initiative, is tasked with monitoring the School Canteen programme from which Gita Pertiwi received recognition from the National Food and Drug Monitoring Agency.

Still, in 2019, Rikolto then conducted meetings with multi stakeholders in Depok and Surakarta to discuss healthy food consumption, waste food management, and healthy canteen programme. Meanwhile, in Bandung, after completing a study of consumption habits, and how the community handled

Another sustainable strategy adopted by Rikolto and its partners is urban farming. Through this strategy, people, especially those on low incomes, are encouraged to reduce expenses of food purchase by growing vegetables and fruit in their own yards. By 2019, total 14 demo plots of urban farming were established in Depok and Surakarta. "Apparently, the pilot plots inspired 50 households nearby to start their own vegetable farms. As many as 80 types of plants, vegetables and fruits were seen planted by these families," said Titik Eka Sasanti, Director of Gita Pertiwi.

Then Rikolto took part in a food distribution action involving all stakeholders to encourage sustainable practices. The action takes the form of

- By 2019, total 14 demo plots of urban farming were established in Depok and Surakarta.
- The pilot plots inspired 50 households nearby to start their own vegetable farms.
- As many as 80 types of plants, vegetables and fruits were seen planted by these families.



Director of Yayasan Gita Pertiwi,  
Titik Eka Sasanti.

collecting excess food from suppliers or individuals, then distributing it to low-income communities, nursing homes, and orphanages. With this action, food producers can reduce waste while contributing to people, food that is still proper and nutritious. "Gita Pertiwi usually receives from the breeder, chickens whose weight does not meet sales requirements. We also usually get broken rice which actually still has the same nutrition as ordinary rice," said Drastiana Nisa, Project Officer at Gita Pertiwi.

When sustainable food production and consumption policies at the city level are implemented, and the food industry and consumers follow suit, environmental sustainability will be achieved. Producing enough food and reducing waste will directly reduce the use of natural resources and greenhouse gas (GHG) emissions. Maintaining the nutrition of food consumed by the community also plays a role in reducing GHG emissions. Also, efficient distribution will reduce the cost and consumption of fossil fuels. Consuming responsible amounts of food will reduce food waste, and ultimately reduce carbon footprints.

their food waste, Parahyangan Catholic University (UNPAR) held a multi stakeholders meeting and public awareness raising activities as a follow-up.

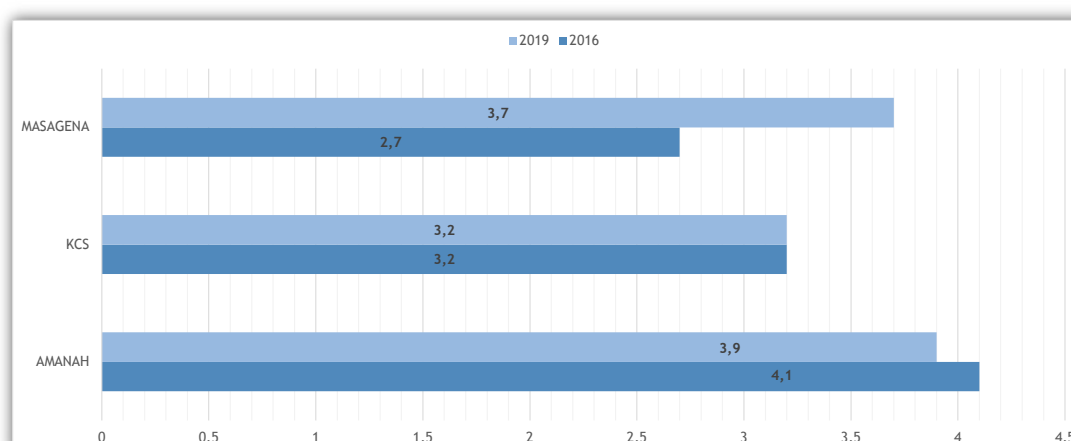
## Cocoa

Most farmer organisations in the Rikolto intervention have met sustainability standards, especially organisations in Sulawesi and Flores. This is evidenced by the certificates they already have and the cultivation system that meets environmental requirements. In Flores, farmers stop using chemicals in controlling pests, diseases or weeds and start using natural ingredients. Now farmers also use decomposers to make compost. "Decomposers contain the fungus *Trichoderma*, this fungus can kill the growth of the fungus *Phthoptora phalmivora*, the cause of rot disease," said Peni Agustijanto, Rikolto Cocoa Sector Coordinator. Farmers also adopt terrace technology to collect groundwater.

Terrace technology aims to prevent erosion and help preserve groundwater and maintain soil fertility. Farmers are also now adopting agroforestry and using superior clones to deal with climate change. In 2019, an increase in the volume of cocoa beans sold collectively was seen in the farmers' organisations Masagena and Romeo. The increase in volume shows that the internal

At the same time, Rikolto introduced the intercropping system, in which farmers must plant other crops around the cocoa farm. In the agroforestry concept, a combination of woody plants, fruit species and shade trees is planted to create a forest-like environment. Such an environment is the natural habitat of cocoa. By implementing intercropping, farmers benefit from non-cocoa products such as spices, fruits and vegetables that can help increase their income.

Many parties acknowledge that Rikolto is one of the institutions that have the best model in empowering farmers at the grassroots level. Rikolto also plays a vital role in representing farmer organisations. When Rikolto becomes part of this commodity platform, it clearly shows the potential and interest of Rikolto to empower to a higher level. We do this by working with stakeholders from different backgrounds, such as the private sector, knowledge institutions, and government.



SCOPE Insight's score of sustainability dimension for cocoa cooperatives.

control/monitoring (ICS/IMS) system implemented by farmer organisations is running well.

Furthermore, regarding climate change, in 2019, extreme weather anomaly resulted in reduced production. It led to a decrease in sales volume. At the same time, the number of cocoa farmers selling through farmer organisations also declined due to changes in prices set by cocoa processors or buyers. The situation makes farmers suddenly turn to traders even though the price difference is not significant. Tight competition usually takes place at the village level, where competitors generally offer prizes and advances.

Regardless of the situation, in 2019, four private actors, namely Mars, CV Bumi Hijau, Vania 88, and Mason, agreed to sign a contract with farmer organisations. "When farmer organisations sell certified products and meet quality standards, companies that can pay premium prices, will be interested in buying," said Agustijanto.

Besides, the decreasing carrying capacity of the environment needs to be anticipated with good cultivation practices. Climate change, prolonged drought, decreased water availability, land slope and deforestation, make conservation efforts increasingly important. Cultivation practices are reflected in Rikolto's promotion of good agricultural practices (GAP), good engineering practices (GEP), adoption of agroforestry concepts, and landscape approaches.

Rikolto's programs also advocate for local governments to support conservation efforts. The availability of appropriate technology, such as drip irrigation can contribute to solving the problem of water availability. The application of the agroforestry concept is clearly a solution to overcome environmental issues around the cocoa farm.

# Coffee

The practice of coffee cultivation suggested by SCOPI's National Sustainability Curriculum (NSC) can help environmental sustainability around coffee plantations. Farmers who manage well can increase agricultural productivity more sustainably. One example of sustainable agriculture is the implementation of *rorak* (holes between coffee plants), which is used not only to spread organic fertilizer, but also to prevent rapid loss of water in the soil. The application of the bio-pore system is also very effective in improving water and air circulation in soil.



The *rorak*.

Rorak filled with pruning waste.



The integration of livestock with coffee is another example. Through the integration scheme, coffee waste is turned into animal feed, and livestock manure is used as fertiliser. Thus, the use of chemical fertilisers will decrease, and farmers can meet the demand for sustainable products.

Farmer organisations encourage their members to implement good agricultural practices

(GAP), good engineering practices (GEP), and good participatory practices (GPP). All three are done to increase coffee production and quality while preserving the environment. On the other hand, if we look at the results of a survey conducted by Rikolto, there has been some decline in coffee production in several regions, except Jambi. The trigger factors are:

- Lack of knowledge of farmers about sustainable production.
- Coffee trees are increasingly shady and old. There are no rejuvenation plans.
- There was a long dry season in Flores, making coffee trees unable to produce seeds. Whereas in Toraja the rainfall is very high, which triggers the spread of pests and damages the flowers.
- Farmers have not been able to fully adapt to climate change. It is necessary to empower farmers so that they can read information written on the Meteorology, Climatology and Geophysics (BMKG) website.
- Poorly maintained soil conditions and lack of stands on slopes. Erosion becoming hard to prevent due to the lack of terraces and buffer trees, as seen in North Toraja.
- Farmers never count how much water is used for farming and processing coffee.
- Farmers applying the best agricultural practices are still on a small scale so that changes cannot yet be seen. Some innovations are still in the experimental stage, such as the use of water to make pulp and liquid fertiliser.
- Farmers live in remote areas, so they still depend on fossil fuel. The use of renewable energies are still rare in Indonesia.
- Farmers use chemical fertilisers for horticulture and do not plant buffer trees. On the other hand, income from horticulture is essential to meet daily needs, especially farmers in Enrekang and Kerinci.

From these factors, coffee farmers are encouraged to practice agroforestry and pruning to increase their production, in addition to adjusting the farm to extreme weather changes. Pruning is highly recommended so that the farm is not too moist. Implementing a bio-pore system to improve water and air circulation on the ground must also be implemented immediately. In the dry season bio-pore system will help trees to get water supply.



## Cinnamon and PES

Rikolto introduces a selective harvest strategy and accommodates TAKTIK cooperative to build sustainable capacity. The ongoing training of organic fertilizers and pesticides has proven to be relevant. It influences soil fertility in the Talang Kemuning area. Rikolto also facilitates TAKTIK members with technical improvements in the form of good agricultural practices (GAP) and good engineering practices (GEP).

In terms of institutional strengthening, Rikolto supports TAKTIK to promote sustainability standards, including strengthening the Internal Control System (ICS). Thus, TAKTIK can carry out its functions and comply with organic certification standards. "As many as 340 TAKTIK members have received organic certificates, which means they have met the sustainability requirements," said Madral, Head of TAKTIK. In 2019, TAKTIK successfully received organic certification from Europe United (EU) and the United States Department of Agriculture (USDA).



Cinnamon forest that bordered the Kerinci National Park.

Organically produced products bring positive impacts, both economically and environmentally. Cinnamon growers see the benefits of applying organic methods and want to be involved in local forums to preserve the Kerinci Seblat National Park (TNKS). Rikolto's own strategies and activities are in line with national park needs, such as maintaining a buffer zone balance through good engineering practices (GEP).

The Tripper company recognises TAKTIK organic certification and combines TAKTIK efforts with payment for ecosystem services (PES). Also, in Talang Kemuning, the village and district governments work closely with TAKTIK through the Village Owned Enterprises (BUMDes) to market organic cinnamon.

Rikolto, with its institutional strengthening strategy, directs TAKTIK to understand the concept of PES as a whole and institutionally. PES is known as an initiative to balance the economy with the environment. This strategy can be proven through TAKTIK economic achievements, both those that produce profits and those that contribute to protecting environment. Rikolto also convinced TAKTIK's business partners to participate in maintaining the balance of the ecosystem through the PES concept.

A stable farmer organisation is an organization that has good relations with members and buyers. Also, guarantees are needed for the procurement of products to support their businesses. Buyers will be interested in buying if farmers can provide sustainably produced products. As for the application of environmental services, TAKTIK needs to build partnerships with other supporting actors, such as the Kerinci Forest Management Unit and other local conservation-concerning organisations.

➤ By 2019, as many as 340 TAKTIK members have received organic certificates, which means they have met the sustainability requirements.

➤ In 2019, TAKTIK successfully received organic certification from Europe United (EU) and the United States Department of Agriculture (USDA).

Environmental sustainability is the most critical factor in 'forest farming' activities. The nature of the activity is to maintain the carrying capacity of forests for as long as possible. This cannot be done individually as the determination to preserve the forest should be in the minds of all stakeholders, especially those having the potential to maintain a balance between the welfare of farmers and environmental sustainability.

Therefore, Rikolto is promoting PES model by approaching the village government with the hope of the adoption of environmental protection in the village's medium-term development plan so that the village can also become an enabling actor in ecological conservation.

## Seaweed

**T**raditional seaweed cultivation in Indonesia generally uses plastic bottles as buoys. Every two meters, it is given a bottle to keep seaweed floating. Seaweed seedlings are also tied using raffia ropes which are unfortunately easily damaged, potentially poisoning the waters.

Rikolto's seaweed programme introduces the cultivation technique using environmentally friendly materials, namely floating net cages made of bamboo and PVC pipes. Rikolto also reduces the use of plastics as buoys and replaces seaweed binders with more durable ropes.

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## Gender

**R**ikolto encourages women's involvement in both on-farm and off-farm activities, including involvement in the management of farmer organisations. Women are normally organised themselves in women's farmer groups. In 2019, Rikolto has trained them to make organic rice-cracker from the organic broken rice. In their business, farmer organisations have leftover broken rice which cannot be sold. The production and sale of this rice by-product will be a new business unit from which women farmer groups can earn additional income.

There were several prominent female cadres. However, they cannot be immediately promoted or officially involved in the management of farmer organisations because the board members' official term are four to five years. Therefore, Rikolto encourages these female cadres to develop businesses as a way to increase their own capacity before joining cooperative management.

Meanwhile, women who took part in microbusiness training were also satisfied. They finally could plan their agribusiness. Farmer organisations realize that they need to link agriculture with the business world since women will be more interested in being involved. In addition to supporting women to generate better income.

## Food Smart City

**R**ikolto's advocacy efforts so far have resulted in the adoption of healthy canteen standards in 10 schools in Surakarta. The program also integrates the green circle economy program component with the Village Responsive Gender Program initiated by the Surakarta City Government. Together with the Surakarta Children's Forum, Rikolto and the city government also ran a healthy food consumption campaign.

In all the FSC activities, the involvement of women is prominent such as becoming the operators of the healthy school canteen, volunteering in the food sharing initiatives and becoming the pioneer for the urban farming initiatives. Also, many of the food operators involved in the FSC program in Surakarta and Depok are women, who make the decision to adjust the company's policies and contribute to the more sustainable food consumption practices including the responsible use of food surplus to feed the poor city population.

## Rice



Organic rice crackers produced by women farmers..



Winarsih, Surakarta Muhammadiyah I Primary School healthy canteen operator.





Ayu Antariksa, the chairperson of Masagena.

## Cocoa

Gender mainstreaming topic in the cocoa value chain had attracted a postgraduate student from Wageningen University and Research, The Netherlands, to conduct research on the Masagena Cooperative. The findings show that women successfully use their strengths, not only to take advantage and opportunities but also to manage situations according to their abilities. Also, the study states that Rikolto's intervention in facilitating access to key stakeholders, such as buyers, influences positively gender roles and relationships in the field.

Furthermore, Rikolto helped create new situations and opportunities for women in the value chain. For example, the Masagena cooperative provides opportunities for women to practice their abilities by joining farmer organisation management. The chairperson of Masagena since 2016 is a young woman.

## Coffee

In Toraja, women are involved in the PPKT board, working in the processing facilities and becoming key trainers for other farmers. The latter is also applicable in the other coffee partners. In Ngada, Flores, MPIG-AFB benefits from the matriarchal culture so that more women involved in the management and operation of the coffee business. It remains a challenge in the neighboring area, Manggarai, whereby the involvement of women is limited due to the strong patriarchal culture. In program areas where farmers grow Arabica trees, less women are involved in the on-farm activities due to the geographical challenges as the tree grow in the highlands.

At present many female farmers have shown a strong commitment to training other farmers. Some positive results from the participation of women include:

-  In Toraja, a women's group developed a new business to make natural fabric dyes from coffee waste. Some colouring training has also been carried out. The next step is to find a market and make a business calculation.
-  Mama Lina, a member of MPIG, has become a Q-Grader. Likewise, Mama Sherly, almost passed the general exam.
-  Three female farmers representing Barokah, MPIG, and Merangin, participated in several national coffee exhibitions in 2019. Their participation is expected to encourage other women farmers to be active in farmer organisations' activities.

With Rikolto's intervention, awareness began to emerge about the significant role of women in the coffee value chain. Now we can see good progress in the women's groups in Sungai Tenang Village, in Renah Pelaa Village, Pulau Tengah Village, and Merangin. The results of this intervention also prove that women have great potential in coffee cultivation and business.

In Merangin, robusta coffee business is led by women's groups. They process coffee cherries into fine robusta green beans with three different processings (natural, fullwashed dan honey) and produce coffee end product with Robusta D'angkat Sungai Tenang brand.



Women have great potential in the business.

## Cinnamon and PES

One of Rikolto's strategies is to strengthen and increase the business capacity of farmer organisations by increasing the interest of women and youth in inclusive cinnamon businesses. This can be seen through TAKTIK, a farmer organization that focuses on the cinnamon business. This effort succeeded in attracting the interests of women and youth to be involved in the value chain. Also, in capacity building activities, Rikolto always encourages women and youth to join activities so that they can learn firsthand about inclusive business practices.

Experiences like these give women a better understanding of business. What happened then, women want to be actively involved and have responsibilities in TAKTIK.

**In 2019 23 out of 34 TAKTIK farmers are women.**



In 2019, TAKTIK has signed a contract with Tripper and Haldin to supply organic cinnamon as soon as the certification was obtained. To meet the increasing market demand, TAKTIK began to employ more female employees in its production unit. In 2019, 23 out of 34 TAKTIK staff are women. Most of them work in the processing facility and quality control. The organization's own regulations support women's involvement by providing a policy of working hours from 08:00 to 15:00," said Madral, TAKTIK chairperson. By implementing this policy, women have time to take care of their households.



## Seaweed

The role of women is vital in seaweed cultivation. The success of farming as a whole is a collaboration between husband and wife. The husband works on the installation and taking of seaweed from the waters. While his wife plays the role of sorting the seeds and tying the seeds on a rope. Rikolto also involved women in various training in seaweed derivative products.

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# Inclusive Business

## Rice

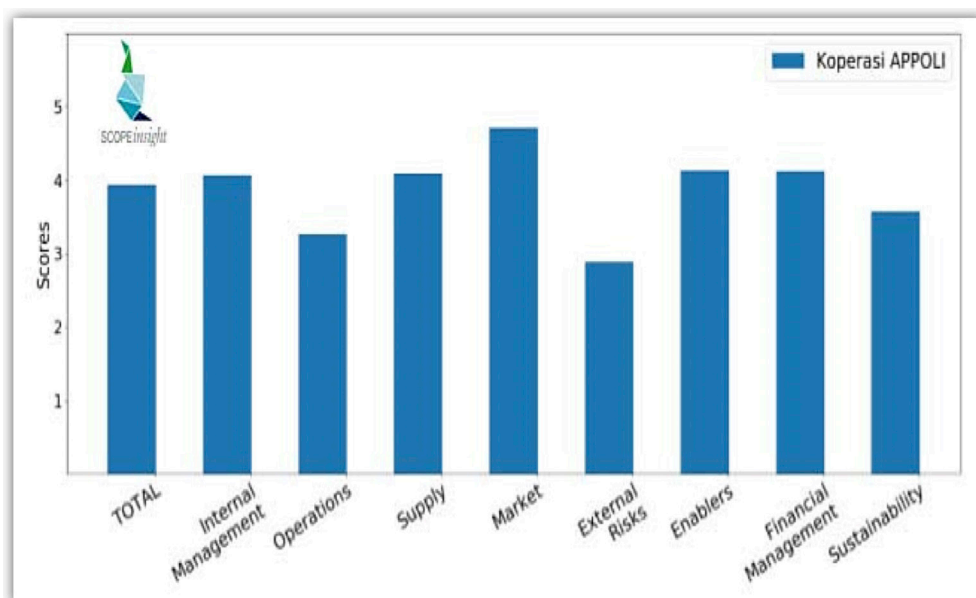
Rikolto encourages farmer cooperatives to market rice and other products (mung beans, soya beans, crystal corn, etc.) to buyers who have concerns for farmers. Each farmer cooperative has more than three buyers who routinely buy organic rice from farmer cooperatives. In the initial stage, the buyer gives a contract to the farmer's organisation. After running for one year, farmers' organisations and buyers sit together to determine the purchased quota. Furthermore, buyers only send purchase orders to cooperatives on every purchase.

The farmer cooperative also informs the buyer that the price they are offering includes organic farmer training for trainers, ICS implementation and certification costs. This calculation is conveyed to the buyer so that the buyer feels that the higher price given by the farmer cooperative is also to help many farmers in producing quality rice.

During the rice harvest, members of the APOB, APPOLI and MSA cooperatives also received higher rice prices compared to market prices. Also, farmers benefit from the training provided by organisations; and at the

Until now, Rikolto still encourages APOB and KOPAPPOLI to continue to increase the capacity of its members. In addition to facilitating farmers to conduct good cultivation, Rikolto also encourages farmer organisations to market their products. For example, marketing and managing micro businesses. It is relevant if Rikolto helps farmer organisations to build networks with other stakeholders, especially business networks. Thus, the organisation can increase its sales volume and absorb more products produced by farmers. Strengthening such a system will also attract more farmers to join the organisation.

Some buyers provided input on how to produce quality rice and provided training to farmer cooperatives for rice products. One of the buyers in Semarang, in addition to providing training on rice-



general assembly, cooperative members will get the remaining business results (SHU) from the cooperative business process.

Regular discussions and buyer visits to farmers or vice versa, strengthen the relationship between farmers and buyers. They share experiences in rice cultivation and marketing so that farmers understand the quality needs of buyers; buyers also understand the difficulties in organic rice cultivation.

derived products, they also connected APOB farmers' organisations to the Ministry of Agriculture at the provincial level to get a rice mill. Thus the products produced by APOB are more efficient and have better quality.

SCOPE Insight also aims to assess the management maturity and professionalism of an agribusiness farmer or cooperative (SCOPE Insight Module, 2019). "From this assessment, we see that APOB

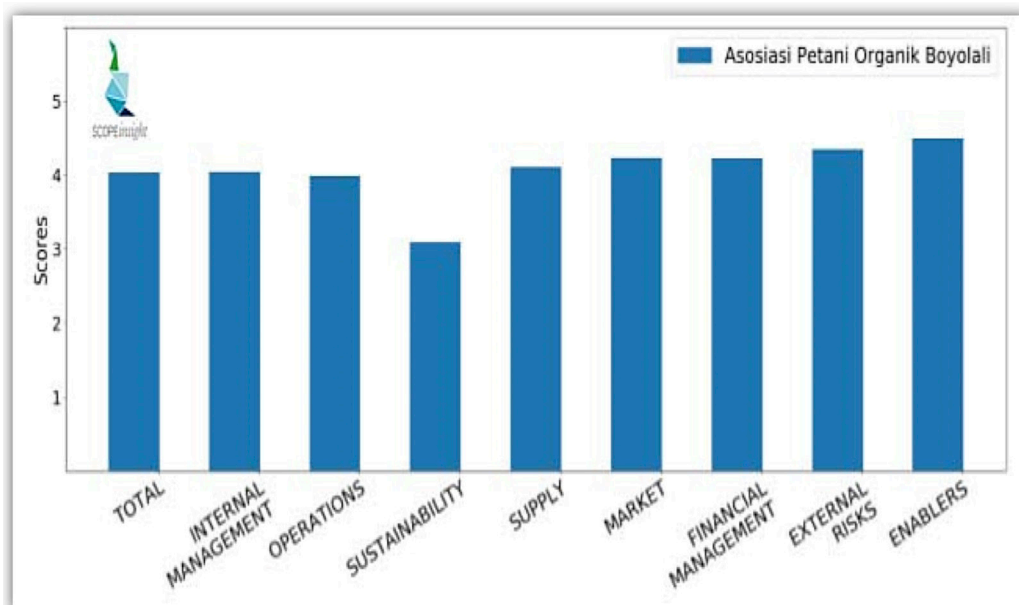
is diligent in preparing itself to become a professional business organisation through Rikolto's intervention," said Dewi Santi, SCOPE Insight Assessor. From the perseverance, APOB finally succeeded in receiving the credit from local financial institutions such as the Bank of Central Java for the period 2018-2020.

Professionalism in sales is proven to increase buyer confidence. Some buyers said that the two cooperatives promoted by Rikolto were able to deliver quality products on time. "When there is a delay in delivery, the cooperative will immediately notify and will send the product in stages," said a representative from JAVARA. The professionalism paid off in the form of a 15% increase in sales to six buyers.

pages show SCOPE Insight 2019 results of KOPAPPOLI and APOB.

Also, Rikolto encouraged farmer organisations to equip facilities and infrastructure so that they could produce good quality rice. At the same time, Rikolto actively encouraged farmer organisations to continue to communicate with potential buyers and expand the market. Thus, farmer organisations no longer only depend on buyers, but can also sell products on their own behalf.

Ownership of rice milling units helps farmer organisations in product development, controlling



Direct purchases to farmer organisations indicate that buyers rely on them. A good business relationship like this has been going on for more than three years and is continuing. At the same time, some buyers offer cooperation for rice-derived products, such as rice crackers and rice powder. Only, cooperatives and business units have not been able to meet the required standards. Even so, we can see that with the Rikolto intervention, cooperatives began to expand products outside of rice cultivation, and began to look at market needs and developments.

SCOPE Insight assessment results in 2019 show that KOPAPPOLI and APOB have a performance with an average value of 3,9 and 4,0. The score obtained in 2019 is higher than the basic assessment in 2017 (APPOLI: 3,5 / APOB: 2,9). "The assessment reflects the effectiveness of the strategy implemented by Rikolto in improving business management and the performance of farmer organisations," said Santi. However, Rikolto still needs to concentrate on existing issues, such as operational issues and external risks for KOPAPPOLI and sustainability issues for APOB. The graphics on both

supply, and anticipating market needs. In the rice supply chain, the existence of a grinding unit becomes the main link between on-farm and off-farm activities. The milling unit will provide technical information about what farmers need to do with their land. Thus, the milling unit becomes the starting place where strategic business calculations can be created.

From rice marketing process and cooperation with old buyers that have lasted for more than three years, farmer organisations must continue to invest by establishing relationships with new buyers. For example, Village-Owned Enterprises (BUMDes). Through these business entities, farmer organisations are expected to be more progressive in developing new business strategies.

Business relationships that have been well established between farmer organisations and buyers need to be fostered and further developed. New mutually beneficial schemes can be applied in an increasingly dynamic business world. Improving product quality will be the key to getting better prices, even to get a larger down payment and cover working capital significantly.

## Coffee

The PPKT cooperative in Toraja still applies a centralized processing unit and one-stop collective marketing. Thus, the product will have the same quality because it can be easily controlled.

The PPKT cooperative markets finished products in the form of unique green coffee beans, roasted beans, and ground coffee. PPKT also establishes active communication with existing buyers and continues to search for new buyers through exhibitions and various activities. To create inclusiveness, PPKT markets seven exceptional coffee and sells it as a single origin, namely Gasing, Sesean, Batu Gandang, Kapala Pitu, Sapan, Pulu-Pulu, and Perindingan. The coffee brand itself is Saleco.

PPKT exceptional coffee products.



## Cinnamon and PES

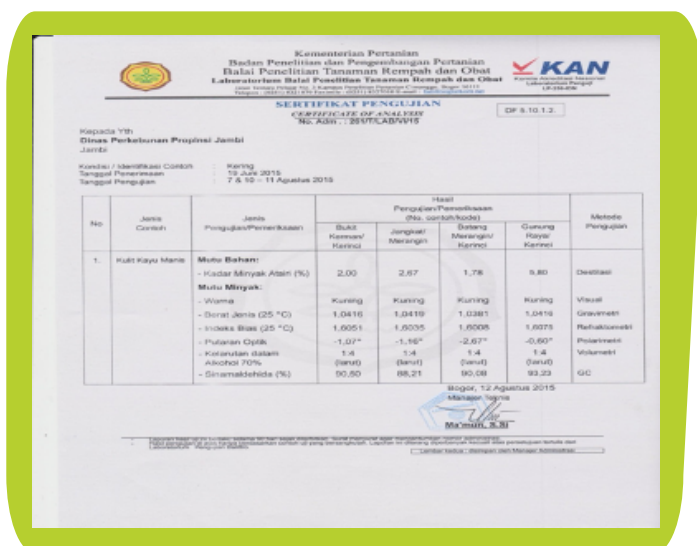
The Internal Control System (ICS) at TAKTIK has been active since 2014. It is able to manage external audits to get organic certification from the EU and USDA. But at that time, the certificate was still held by the buyer. In 2017, the partnership ended because the buyers experienced financial problems which caused business stagnation. At the end of 2018, Rikolto successfully connected TAKTIK with the Ministry of Rural Development, which led to the ministry's commitment to supporting TAKTIK to obtain EU and USDA organic certification.

After getting an organic certificate in 2019, TAKTIK signed a contract with three buyers, namely Tripper, Haldin, and AKP. TAKTIK finally resumed production units in mid-2019. Today, more and more TAKTIK members are attending field schools to increase their knowledge of organic cinnamon management.

With a new contract signed in 2019, TAKTIK refocuses on commercial and ecological services. Even buyers, such as Tripper, are involved in the PES scheme by developing intercropping farming. Such farming will lead to sustainable cinnamon production while increasing farmers' livelihoods.

In the aspect of climate change, farmers are still dependent on motor vehicles, such as motorcycles, cars and trucks that consume a lot of fossil fuels. Motorized vehicles are used by farmers to deliver raw materials to the TAKTIK warehouse.

TAKTIK organic certificate.





## Seaweed

Rikolto involved BUMDes in seaweed marketing and brought in direct buyers to meet with farmers and cooperate with BUMDes for the distribution of raw materials.

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## Market Access

**E**mpowering Internal Control System (ICS) in farmer organisations is part of Rikolto's strategy to help farmer organisations meet the standards and demands of a sustainable market. For ICS to function fully, the team must have sufficient knowledge of traceability and sustainability standards. Every year, Rikolto facilitates training and refreshment to the ICS team in the farmer organisation. Besides, ICS team members must also be able to ensure farmers in meeting sustainability criteria.

Admittedly, the ICS team currently cannot yet produce the supporting documents needed to obtain certification. The ICS team still uses simple Microsoft Excel in documenting member data. Whereas farmer traceability is vital for sustainability-based certification. Since 2019, Rikolto has begun to develop a farmer database system, which is suitable for use by farmer organisations in tracking the data of their members.

The data has been collected, but there is still work that needs to be done to validate the data. The authorization application will be disseminated and internalized with the ICS team in the farmer organisation.

Other challenges in strengthening ICS are inadequate leadership of farmer organisations and lack of commitment among farmer members. In Luwu, Rikolto held several meetings with Cahaya Sehati, board members, and local government agencies. In these meetings, Rikolto acted as an advisor in solving internal management problems. As a result, cocoa farmers in East Luwu and North Luwu succeeded in meeting sustainability standards by receiving a sustainability certificate from the Rainforest Alliance. With this certificate, cocoa products from both regions meet market demand because farmers have reduced chemical pesticides and paid attention to environmental aspects.

Meanwhile, in Flores, after a mediation process between Rikolto and local government institutions for almost a year, the management of JANTAN has not been able to reach an agreement to proceed further. This forced Rikolto to end cooperation with this organisation. Regarding sustainability, although Sikka cocoa farmers reduce the use of chemical pesticides, agriculture in this area cannot be categorized as sustainable agriculture. There is not yet a guarantee system.

Access to markets is closely related to carbon emissions. We have to admit that Indonesian cocoa farmers do not yet have sufficient knowledge regarding

## Cocoa

the use of renewable energy, engine and electricity fuel efficiency, and distribution methods. In fact, most Rikolto farmers live in remote areas. They are highly dependent on vehicles, such as motorcycles, cars and trucks that consume a lot of non-renewable energy.

The use of renewable energy and electricity is still rare in Indonesia, especially in villages. Farmers

ICS	CHALLENGES
<b>Documents</b>	<ul style="list-style-type: none"> <li>› Still using simple Microsoft Excel</li> <li>› Data validation</li> </ul>
<b>Personel</b>	<ul style="list-style-type: none"> <li>› Inadequate leadership</li> <li>› Lack of commitment</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>› There is no guarantee system</li> <li>› Farmers live in remote areas</li> <li>› Highly dependent on diesel</li> <li>› Subsidized chemical fertilizer</li> </ul>

have no choice but to use diesel to produce power, in addition to old vehicles with limited maintenance. Therefore, farmer organisations facilitate collective marketing by asking farmers to collect cocoa beans in one place to reduce the distance they must travel.

Cocoa is a plant that is sensitive to extreme weather changes. This situation can threaten the availability of cocoa. At the same time, demand for cocoa that is produced sustainably at the global level is increasing. Not to mention the subsidized fertilizer policy issued by the Indonesian government tempting farmers to increase cocoa production with chemical fertilizers.

Farmer organisations that hold sustainable certificates play an essential role in supplying sustainable products to the market. At present, the farmer organisation still needs to improve its mitigation strategies in environmental preservation, especially approach in dealing with climate change. Rikolto continues to promote climate-smart agriculture practices while building the capacity of farmers so that they can be more resilient to climate change.

# Coffee

The trust that Barokah has built for buyers has realized, thanks to the consistent quality so that buyers are willing to pay a significant amount up-front. Three financial institutions were also keen to continue lending to Barokah.

Farmer organisations can build trust and guarantee the interests of farmers through a bid strategy that is higher than market prices. Building trust is also vital to provide annual benefits. Even so, Barokah does not have financial policies, so SCOPE gives a value of 3,2 in the first assessment for the organisation. Over time, Barokah, which was founded in 2018, has increasingly shown promising business performance.

For the assessment of market dimension, Barokah has a score of over four, triggered by the high demand for Barokah's speciality coffee. Barokah's name was built thanks to marketing strategies through coffee competitions and auctions. Self-introduction through coffee exhibitions at the local, national and international levels, as well as through social media, contributed to the rising dimensions of the market.

Meanwhile, the PPKT cooperative received a value of 4,1 for its financial management. PPKT and its members are committed to continuing to run the collective marketing of Toraja Arabica coffee. At the fourth annual member meeting, PPKT agreed that in 2019 they would no longer access credit. Members also decided to invest through membership fees to overcome capital shortages. PPKT then decided that for each transaction, they would reduce by Rp6,000 per litre of wet parchment. The transaction would be paid at the end of the year.

The capacity building enables farmer organisations to become professional business entities. Rikolto connects farmer organisations with major buyers which ultimately stimulates the organisation to meet market demand standards, in addition to innovating to follow existing trends. Without Rikolto's support, partners will experience network limitations. Positive and negative impacts that occur after this capacity building include:

POSITIVE
Cooperation with various stakeholders, such as NGOs, government, financial institutions, and other farmer organisations.
Increased confidence in farmer organisations to take credit to meet the cooperative's purchase capital, which in turn increases cooperative efforts.
An alternative payment model innovation for farmers has increased the working capital of farmer organisations.
Higher prices and annual profit-sharing encourage member participation in collective marketing (compared to profits paid to non-members).

NEGATIVE
Human resources capable of managing a business are still limited. Only Barokah and PPKT have permanent employees to manage their businesses.

The number of buyers is still consistent, including significant buyers such as MTC and buyers under 500 kg per order, such as domestic roaster and coffee shops in the city. Buyers like this willing to pay higher than market prices to get quality coffee.

Price negotiations and terms with main buyers usually occur before the main harvest. While buyers with smaller amounts, usually immediately accept the price offered without much bargaining.

The involvement of buyers with farmer organisations varies, from written contracts, commitment letters, to orders via WhatsApp or telephone. Regular buyers like this rely heavily on the taste of the coffee.

Coffee consumption in Indonesia has been quadrupled since 1990. Indonesia is currently experiencing the third wave of coffee consumption,

where the number of artisan coffee shops has doubled in the last five years. The shops mostly serve consumers who are interested in the speciality, single, and local coffee. Such a market is expected to increase every year by 11.1% (CAGR 2019-2023).



Barokah coffee products displayed in an exhibition.



## Seaweed

Rikolto connects the seaweed market from Sikka with PT Algae Sumba Timur Lestari (ASTIL) in East Sumba Regency. Rikolto also connects the market with PT Bantimurung Indah in Maros Regency, South Sulawesi. Rikolto brings farmers together with direct buyers in the form of business meetings.

The development of seaweed cultivation in Sikka Regency began to show proper stretching. Although it is still in its early stages, the potential for growth clearly exists. The desire of the community to re-cultivate seaweed is still quite strong, in addition to the very promising sea potential.

The seaweed programme was initiated in a collaboration between the Kalimajari Foundation and Rikolto. It runs in five villages in Sikka Regency, namely Kolidetung, Reroroja, Magepanda, Kojadoi, and Kojagete. These villages have now begun to enter the second stage of seedling, where there is a combination of development methods, namely the KJA method and the longline.



Rikolto took the initiative to build a market network since the programme began. Also, farmers together maintain the quality of their products. With market information like this, farmers and the community are more confident and eager to cultivate seaweed. The market network will begin with a business meeting between the representatives of buyers, farmers and village officials.

A direct meeting of the buyer's representatives with farmers and village officials can also provide opportunities for BUMDes to work together in it. Thus, seaweed farming activities not only have a positive impact on individuals and community groups but also on village organisations.



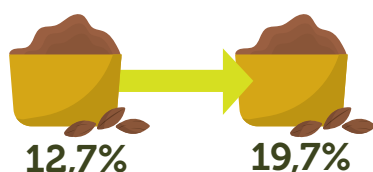


## Multi-Stakeholder Collaboration

**R**ikolto together with ICCO Cooperation, Central Java Berdikari Foundation (local NGO in Semarang), Central Java Bank, PT Sebelas Maret Berdikari (off-taker), PT Unggul Niaga Selaras (seeds and liquid organic fertilizer company) and Food Sovereignty Central Java (provincial bureau of Ministry of Agriculture), formed a premium rice consortium with funding from the Facility for Sustainable Entrepreneurship and Food Security (FDOV).

This consortium built 58 Farmer Groups Combined (Gapoktan) with 9,750 farmers in 15 districts in Central Java. Gapoktan received training in implementing GAP and assisting farmers so that rice productivity increased between 12,7% to 19,7%. Assistance includes strengthening the Gapoktan organization to be able to market premium rice to local off-takers in the form of rice companies and rice millers.

### Gapoktan Productivity Following GAP



At the same time, Rikolto worked towards the Sustainable Rice Platform (SRP) standard by starting a pilot program in Boyolali District, Central Java, by collaborating with many actors. The Sustainable Rice Platform is a multi-stakeholder platform established in December 2011. The SRP was jointly organized by the UN Environment Program and the International Rice Research Institute (IRRI) to promote resource efficiency and the sustainability of trade flows. SRP also encourages production and consumption operations, as well as supply chains in the global rice sector.

In 2018, Rikolto conducted the SRP baseline survey of 170 farmers in three farmer cooperatives (APOB, APPOLI and MSA), which was followed up with the SRP pilot project involving 560 farmers. In this project, farmers received SRP standard training. The results of the study then showed that farmers promoted by Rikolto were at the level score of 67 to 90 (maximum 100).

Then in 2020, cultivation technical assistance and postharvest SRP standard training will be provided to farmers. The SRP standard encourages farmers to apply 48 requirements in the SRP standard and every year inspection is carried out to see the development

## Rice

of the score obtained by the farmer. Meanwhile, other stakeholders, such as the Indonesian Farmers Association (API), conducted advocacy to the national rice policy

In 2019 as many as 140,597 Indonesian farmers had become members of the Indonesian Farmers Association (API). This figure includes Rikolto farmers in Central and West Java. Rikolto's own intervention through the commodity platform in the rice sector is relevant because rice is a strategic commodity in Indonesia. Rice is a staple food for almost all of Indonesia's population of 253 million people. This makes rice not only an economical product but also a political commodity.

Rikolto and API have been working together since 2011 to address the issue of rice policy. While SRP offers a comprehensive range of standards, that internationally recognized.



Premium rice produced by FDOV farmers.



## Food Smart City

In 2019, nine cities in Indonesia, namely Denpasar, Gresik, Surabaya, Medan, Kepulauan Seribu, Cimahi, Kota Bandung, Depok, and Bandung District, have agreed to run a zero-waste program. The program, called Zero Waste Cities, aims to develop a model of waste management that is environmentally friendly, sustainable and decentralized in urban areas. The program will also reduce the financial burden of the city government, especially in waste management, and help the central government in achieving its targets.

Presidential Regulation No. 97 of 2017 contains the National Policy and Strategy (JAKSTRANAS). In it, there is an invitation to all stakeholders to carry out integrated waste management, from the source to the final processing. The main waste is solid waste, including organic waste, plastic, paper, metal, rubber and glass. Half of the total waste is food waste, the organic waste which has become a concern of the global community. Only at this time, managing food waste has not yet become a priority for Indonesian municipalities.

The Bandung City Government began to be involved in a stakeholder discussion on food waste management in December 2019 initiated by Rikolto and Parahyangan University (UNPAR). The Bandung City Government welcomes the idea of participatory food waste management proposed by Rikolto and its partners. We also want to work together in the Bandung Food Smart City initiative to address the problem of food waste in this city.

**The Bandung city government intends to sign the Milan Urban Food Policy Pact, which is an international pact on urban food policy in 2020. This signing will contribute to the achievement of the Bandung Regional Development Strategic Plan target to reduce waste by 35% by 2025.**

Food waste management is indeed a challenge for the City Government of Bandung, especially the Environment Agency, which is responsible for managing organic and non-organic waste. In the discussion, the agency finally agreed to work together to compile a food waste management road map to realize Zero Waste City.

Stakeholders who participated in raising awareness about food waste in the city of Bandung,

Mayor of Montpellier, Philippe Saurel, Anna Scavuzzo Vice-mayor of the city of Milan, opened the plenary session of the 5th Annual Gathering of the Milan Pact.



namely, Agriculture and Food Safety Agency, the Environment and Hygiene Agency, the Communication and Information Agency, and the Education Office. From the business world, there is the Santika Hotel, Cipaku Garden Hotel, and Sushi No Mori Restaurant.

Meanwhile, the Surakarta Community Development Agency showed their interest in this intervention. They began working with Gita Pertiwi in designing activities, estimating budgets, and targeting 100 urban agriculture by 2020. This program is funded by the Gender Responsive Village Program, where the implementation will use a circular economic approach.

The approach is carried out in collaboration with retailers who are donors of vegetable and fruit waste which will later be processed into compost. The Agriculture Agency and the City Environment Agency are supporting this program through technical counselling, as well as providing transportation to collect waste from retailers.

In Depok, some activities in the Smart Food City (KCP) program are aligned with the activities of the Depok City Secretariat and the Food, Agriculture and Fisheries (DKP3) Agency. The city government also subsidizes the activities of stakeholders related to KCP, such as the campaign to eat fruit and vegetables.



SECTOR	STAKEHOLDERS INVOLVED IN SURAKARTA
<b>Government</b>	<ul style="list-style-type: none"> <li>› Surakarta Health Service</li> <li>› Surakarta Environmental Agency</li> <li>› Surakarta Environmental Agency Education Office for Women and Children</li> <li>› Surakarta Food and Agricultural Safety Agency</li> <li>› Surakarta Office of Food and Drug Inspectorates</li> <li>› Community Empowerment Protection Agency (P3APM)</li> </ul>
<b>Non-government</b>	<ul style="list-style-type: none"> <li>› Food Expert Association (IKA-BOGA)</li> <li>› Care Food</li> <li>› Kala Canda</li> <li>› Kusuma Shares</li> <li>› Surakarta Children's Forum</li> <li>› Association of Legal Journal Managers</li> <li>› Surakarta Healthy Food Consumer Group</li> <li>› KOMPAK</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>› LPPM Slamet Riyadi University</li> <li>› LPPM Sebelas Maret University</li> <li>› LPPM Islamic Batik University</li> </ul>

Previously in 2018, Rikolto had participated in a series of learning activities for Food Smart City at national and international levels. Three international activities were held respectively by the Food and Agricultural Organization (FAO) in Italy, UN-Habitat in Malaysia, and the Responsible Business Forum on Food and Agriculture in Jakarta. While the national meetings were held respectively by the Indonesian National Planning Agency on Food Security in Jakarta, natural resource discussions with the World Resources Institute, the Jakarta Food Systems Dialogue with the National Planning Agency and the EAT Foundation, and urban agriculture workshops for kindergarten students and intern student.

Then in 2019, Rikolto conducted learning activities in Surabaya and Yogyakarta. Rikolto also attended the Milan Pact annual meetings in France, was involved in SDGs meetings in Jakarta and Bogor, and participated in the Food Smart City Workshop in Belgium. Participation in activities such as this not only increases Rikolto's visibility among food system actors in Indonesia but also allows Rikolto to seize opportunities and obtain new information and strategies to be implemented in pilot cities. Rikolto also used the activity to share experiences with other pilot cities. In the end, Rikolto provided concrete evidence in influencing the international agenda on food smart cities.

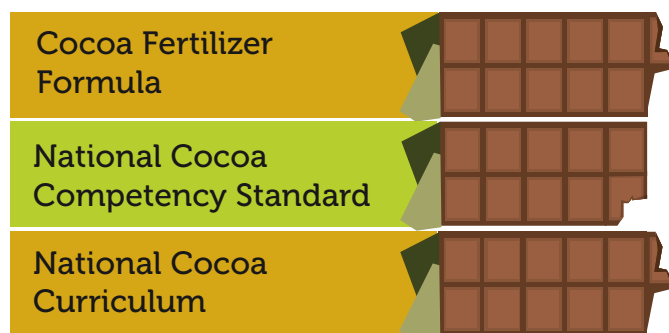
SECTOR	STAKEHOLDERS INVOLVED IN DEPOK
<b>Government</b>	<ul style="list-style-type: none"> <li>› Food Security, Agriculture and Fisheries Agency</li> <li>› City Government Secretariat</li> </ul>
<b>Non-government</b>	<ul style="list-style-type: none"> <li>› Indonesian Food Services Association (APJI)</li> <li>› D'Mall Management Office</li> <li>› Chef Association</li> <li>› Madame Elly Farida (wife of the Depok Mayor)</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>› Pembangunan Jaya University</li> </ul>

# Cocoa

**R**ikolto supports the Cocoa Sustainability Partnership (CSP), a national commodity umbrella whose members consist of various actors, including government, the private sector, research institutions, and NGOs. As a member of the supervisory board, Rikolto participated in quarterly meetings to give guidance to CSP on improving the cocoa sector. Rikolto does that by aligning the industry with key stakeholders.

In the last three years, CSP has launched three recommendations, namely the Cocoa Fertilizer Formula, the National Cocoa Competency Standard, and the National Cocoa Curriculum. At the end of 2019, the central government even implemented CSP recommendations on more effective fertilizer subsidy formulas and distribution channels.

## CSP Three Recommendations



Another stakeholder working with Rikolto is WWF-Indonesia, which provides training to farmers in East Kalimantan.

Rikolto's partners from the private sector such as Mars, run a program called Cocoa Doctor which increases the capacity of Koperasi Cahaya Sehati. This program also empowers young farmers to produce cocoa sustainably in East Luwu Regency. While government agencies such as BUMDes, work together with the AMANAH cooperative in Polewali Mandar Regency by involving young people to develop the cocoa business while encouraging village transformation. Rikolto's intervention is relevant to the needs of stakeholders because it attracts youth and maintains a value chain in the cocoa business.

Furthermore, Rikolto's intervention in the field is to increase the business capacity of farmer organisations to meet sustainability standards and meet market demand. Such welfare improvement is relevant to the needs of stakeholders.

Many attempts were made by Rikolto to improve the welfare and bargaining position of cocoa farmers. Certification is one of them. Rikolto works closely with farmer organisations to set up an effective Internal Management System (IMS). In 2018, Rikolto commissioned Bridgewater to conduct a study of the impact of certification on farmer's income and increase the efforts of farmer organisations.

Studies show that strong organisational management and effective marketing are crucial. Certified farmers must also have the confidence to market value-added commodities to different buyers. Good organisation and marketing are a recipe for creating sustainable businesses while increasing environmental and social awareness. The study also recommends that farmer organisations continue to improve their bargaining position, either by certification or by carrying out value-added activities. Farmer organisations could strengthen their position by implementing fermentation or integration between livestock and plants.



KCS demo plot in Luwu Timur.

The results of a study on the impact of certification and internal management systems on farmers' livelihoods were briefly presented to CSP during the National Plantation Workshop in 2019. In the presentation, it was shown that Koperasi Cahaya Sehati (KCS) in East Luwu succeeded in developing a demo of organic cocoa plots. KCS got its support from La Galigo, an NGO based in the Netherlands. In addition to Cahaya Sehati, it was also explained about a joint venture developed between the Amanah Cooperative and the Inaya Village-Owned Enterprises (BUMDes).

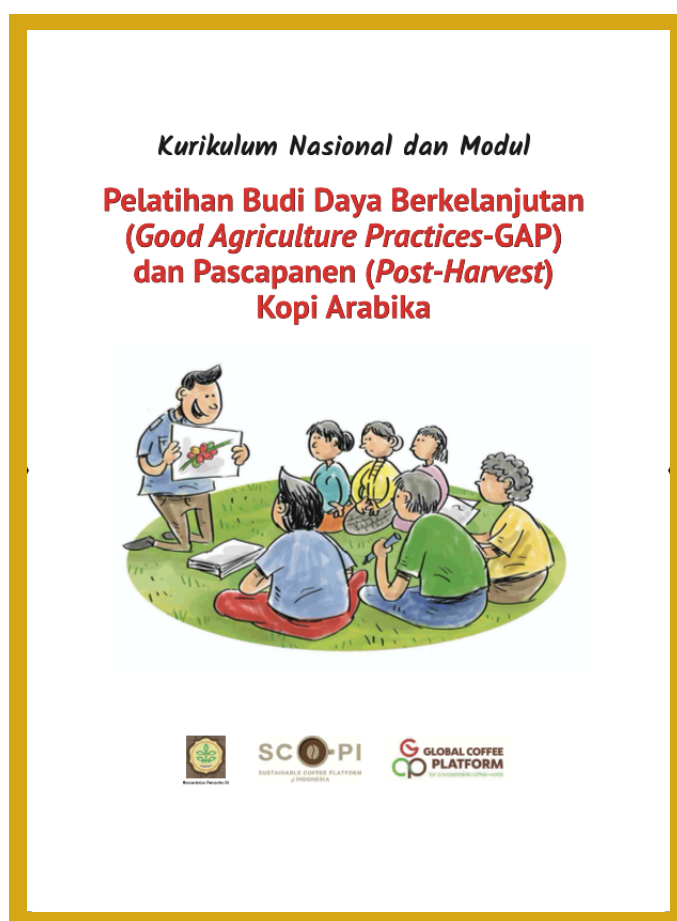
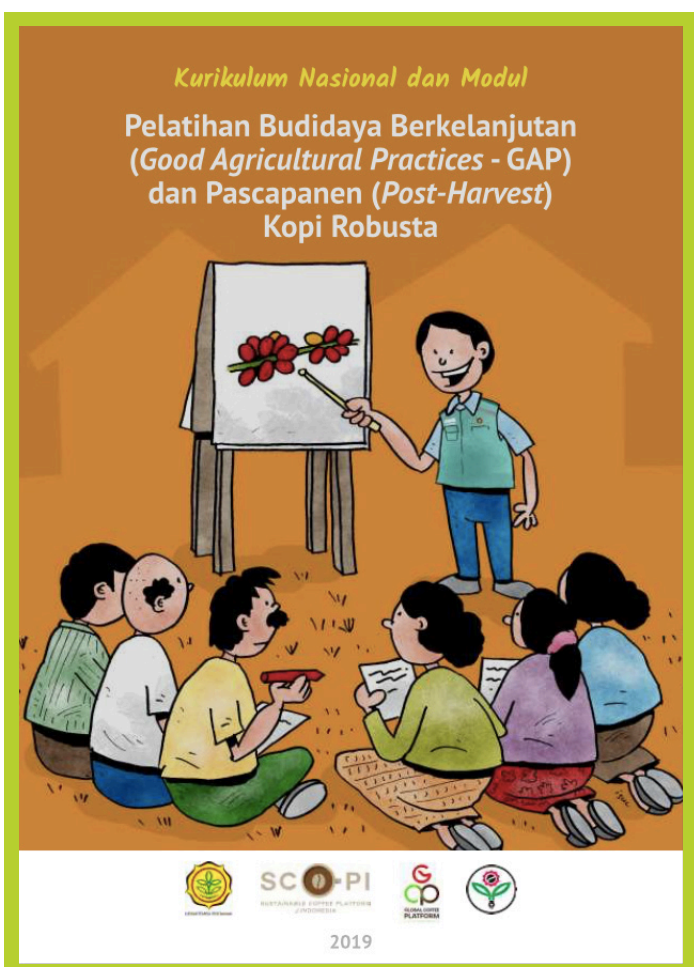
# Coffee

Commodity umbrella organization works together with stakeholders in the value chain to support farmer organisations to practice farming and the best coffee business models. This collaboration will benefit all parties in the value chain.

Rikolto was instrumental in the development of the National Coffee Curriculum for Arabica and Robusta. The curriculum describes the good agricultural practices (GAP), good engineering practices (GEP), and good participatory practices (GPP). Members of SCOPI farmers also receive various training and capacity building that are relevant to the needs of farmers today.

The quality assurance system helps enable farmer organizations to interact with coffee businesses at the national and global levels. Farmer organisations have even been connected with various stakeholders through events organized by SCOPI and SCAI. In a short time, farmer organisations are increasingly building their credibility in the eyes of business people, NGOs, governments, financial institutions, and research institutions.

In the farmers' organisation itself, there is a system that maintains coffee by market requirements. Farmers' organisations also have key farmers, both women and men, who train other members on proper coffee cultivation. This training is supported by the Curriculum and Training Manual for Robusta and Arabica Sustainable Coffee Cultivation (NSC-R and NSC-A). The results of the training eventually became one of the crucial pillars in the coffee quality assurance system by farmer organisations. The training also resulted in the trust of the stakeholders.





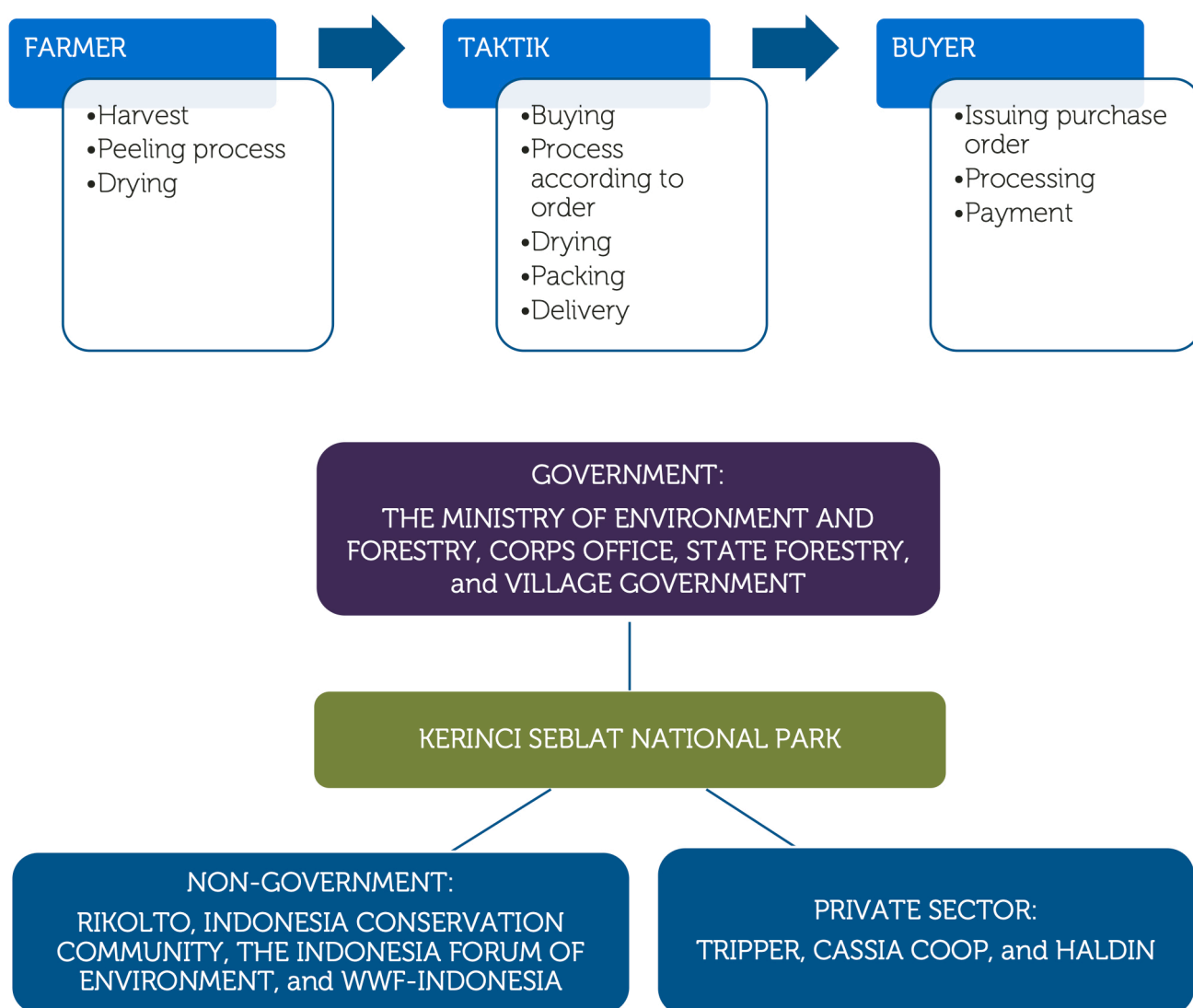
## Cinnamon and PES

Rikolto conducts a selective strategy and accommodates TAKTIK in strengthening its institutions. When the strategy is achieved, TACTIC can become one of the influential actors in the cinnamon chain in the region.

Capacity building includes increasing the capacity of agricultural businesses, managing membership, and the ICS team. Rikolto also supports TAKTIK in building business networks, including encouraging them to think in terms of landscape, and engaging in conservation forums around the Kerinci Seblat National Park (TNKS).

The average private sector has understood the context of PES, so that in 2019 some of them will be actively involved in environmental services to support the sustainability of national parks. Companies like Tripper pay incentives for ecological services from the cinnamon products they buy. The following figure shows the current condition of the cinnamon value chain integrated with the multi-sectoral PES initiative.

TAKTIK has built good relationships with various stakeholders such as Tripper, BUMDes, and the Indonesian Farmers Alliance. This relationship shows that TAKTIK's business capacity has increased significantly.



## Seaweed

Rikolto, in collaboration with the Regional Government of Sikka Regency, has developed a Seaweed Development Synergy. This forum involved several stakeholders. Ranging from related agencies in the Sikka Regency government, academics at the Nusa Nipa University, TNI Naval Base in Maumere, Non-Governmental Organisations, to the ranks of the village government which were the targets of developing the seaweed farmer programme.



Diversification of products and local wisdom in seaweed, is an exciting thing to offer to domestic and foreign tourists. In the past, seaweed was the main livelihood of the people of Nusa Penida for almost 30 years. At present, the development of this sector needs to be strengthened by the integration of tourism.



Synchronize workshop activities to DPMD.

Involvement of various stakeholders has also carried out in the launching of seaweed derivative products and seaweed ecotourism in Nusa Penida, Bali. The launching of seaweed-based products and ecotourism is a follow-up effort to save seaweed in Nusa Penida, which experienced a decline in production. The number of tourists visiting Nusa Penida as many as 3,000 tourists per day, is a great opportunity that must be welcomed to help maintain seaweed cultivation.



The Naval Base Commander in Maumere conveyed the seaweed development programme that was carried out in Kojadoi Village during a workshop.



## Quality Standard

**G**ood quality rice is determined from the seeds, planting, to harvest. Rikolto encourages farmers' cooperatives to lay the foundation for proper rice cultivation so that the products produced will have good quality and following market needs. Rikolto trains cooperative cadres to be able to provide training to member farmers so that more farmers can implement environmentally friendly agriculture while providing benefits for farmers.

At the end of the year, farmers' cooperatives discuss with buyers and calculate the need to purchase rice for the following year. Thus, the cooperative can regulate how much land is devoted to meeting the existing market. The cooperative discuss with the head of the farmer group to select farmers who will plant rice according to market needs while determining the type of rice varieties that will be purchased by the buyer.

There are three members in the farmer cooperative, namely conventional farmers who have not been touched by proper cultivation training, Internal Control System (ICS) farmers who have received training and are included in the ICS organisation. Also, some farmers produce healthy rice products and organic farmers who have passed organic certification. This classification is to determine outcomes and cooperative interventions to be more efficient. The cooperative encourages conventional farmers to increase capacity so that they can sell healthy rice products and enter the ICS organisation.

Currently, the products offered by farmer cooperatives are healthy rice and organic rice. The organisation has not been able to buy all of the members' farmers rice products because of limited capital and a lack of market. For example, in 2019, APOB managed to sell 104,512 tons of organic rice for the domestic market, while APPOLI sold 55,345 tons.

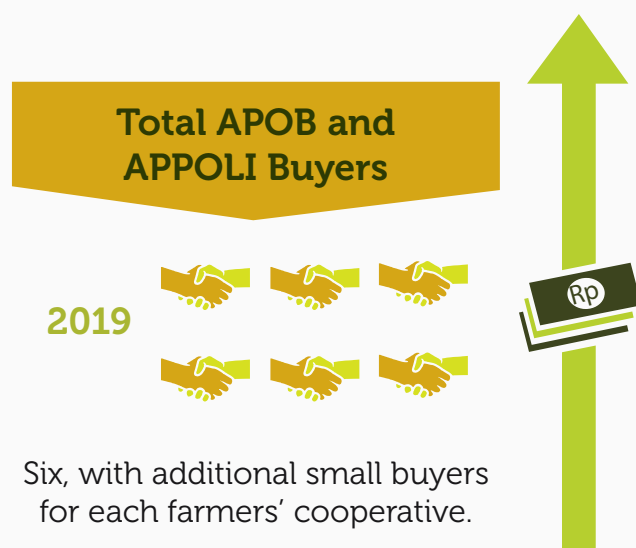
In 2019, APOB and APPOLI each had six organic rice buyers who market organic rice in the modern Indonesian market. Meanwhile, there are additional small buyers for each farmers' cooperative. Rikolto also encourages farmer cooperatives to demand healthy and organic rice in the local exchange to support the health of consumers at the local level.

## Rice

**Q Organic rice sales in the domestic market in 2019 was increased around 10%.**

**Q APOB sold 104,512 tons of organic rice for the domestic market.**

**Q APPOLI sold 55,345 tons of organic rice for the domestic market.**





## Food Smart City

Food insecurity is strongly related to malnutrition. Households with low food security tend to consume food with low quality and diversity as well. Meanwhile, decreased appetite is the cause of malnutrition. On the contrary, more Indonesians are obese, which results in the development of non-communicable diseases (NCD) such as diabetes and heart disease. Based on the World Health Organization report in 2018, NCD is estimated to contribute 71% of total deaths in Indonesia.

Seeing this reality, Rikolto and its partners then carried out three types of activities, namely urban agriculture, food sharing, and food distribution. These three activities are closely related to reducing food waste and are relevant to the needs of stakeholders who want to build access to quality food. Urban agriculture is also designed to convert organic kitchen waste such as fruits and vegetables into organic fertilizer. The organic fertilizer will then be used to fertilize vegetable and fruit plants in the house yard.

### WHO REPORT ON NCD



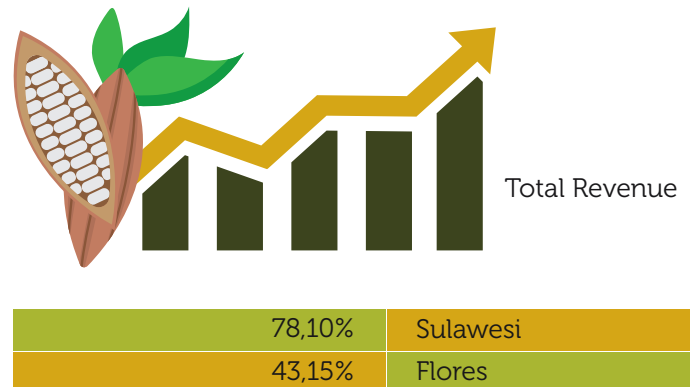
2018  71%

## Cocoa

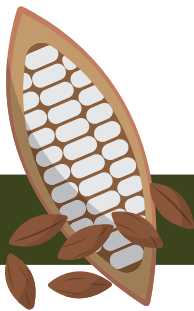
The best farming management, such as the use of superior clones, pruning, sanitation, and frequent harvest, increases cocoa production and benefits for farmers. The results of the Rikolto farmers survey showed an increase in average cocoa production in 2019 (tons per hectare) compared to 2017. Even the results were higher than the national productivity of 0,3 tons to 0,4 tons per hectare per year. On the other hand, there was a decline in production with the SIKAP cooperative because of old cocoa trees and extreme weather. At the same time, the Cahaya Sehati cooperative also declined.

It can be seen from the focus group discussions, besides increasing the quality and number, the ongoing certification program has a positive impact on improving farmers' livelihoods. Because of this increase, it immediately encouraged all parties, such as farmers, local traders, NGOs, and governments at various levels, to support farmers in meeting market demand.

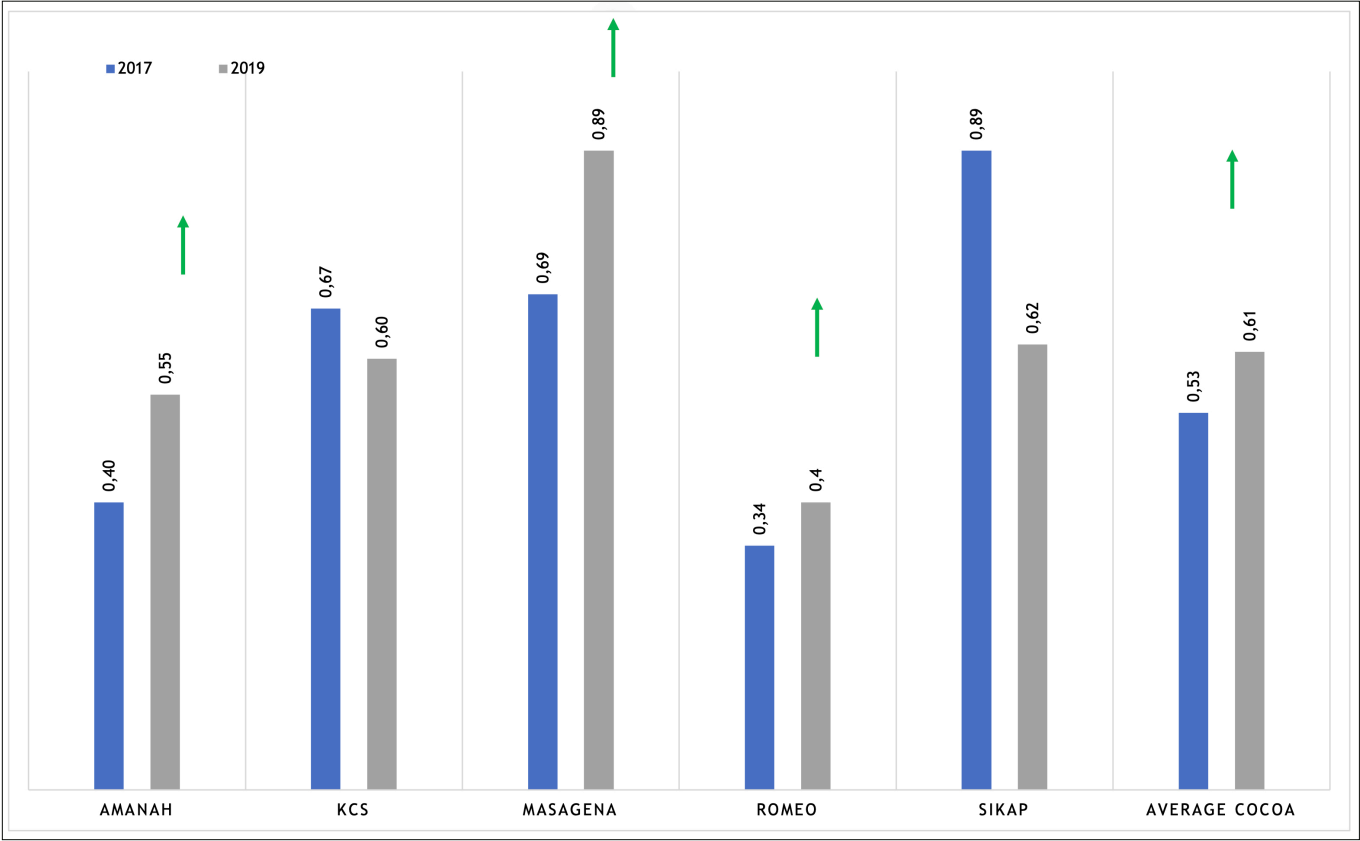
Cocoa farmers in Sulawesi also experienced an increase in income due to selling quality cocoa products, which amounted to 78,10% of total revenue. Meanwhile, in Flores, the cocoa business still contributed 43,15% of total household income. Hence, farmers had to rely on other resources to meet household needs.



Certification has a positive impact on Sulawesi farmers, because thanks to certification, market expansion has taken place. Major buyers such as Mars, Cargill, and Barry Callebaut also want to buy certified products at premium prices. In Flores, there is still homework to be done, because farmers still depend entirely on cocoa farming. Besides the decline in production due to weather changes, the absence of large buyers in this area makes trade-dependent only on local traders.



# AVERAGE CROP PRODUCTIVITY PER ONE YEAR



(Ton per ha).



# Coffee

Sherly, a young woman and a member of the PPKT management team, thanked the Rikolto program for including her in the quality assessment class. By becoming a Q-Grader, Sherly has the potential to become a professional taster who has a network with many quality graders in Indonesia.

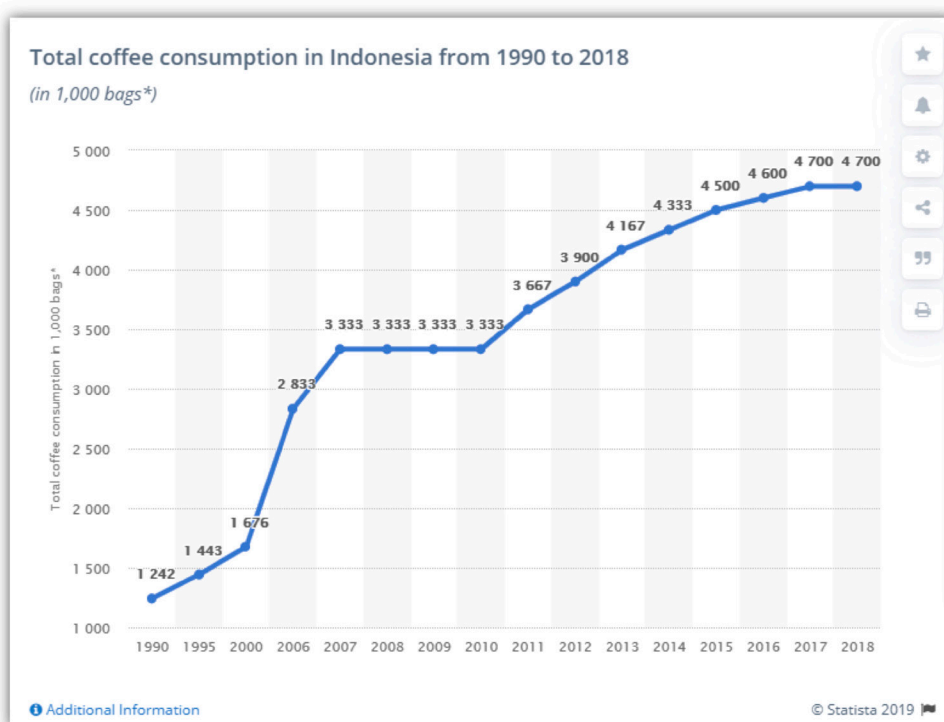
When PPKT has a Q-Grader who can test the taste and quality of coffee, the organization will be trusted by buyers and other coffee players. At the same time, farmers also believe that the quality of their coffee has been guaranteed and buyers will not deceive them.

Farmers will become professional entrepreneurs if they have buyers who buy regularly, can be trusted, and are willing to provide input about business quality improvement. Another requirement is the existence of financial institutions that are willing to give credit to farmer organisations. At present, the bank has considered PPKT to be feasible to increase working capital and fund its business.

Through this approach, coffee processing techniques are shown to attract buyers. As Barokah did in 2019 using five different processing techniques, including the latest ones, 'wet hulled' and 'blue honey'. These techniques have proven to attract much-interested companies, including 32Cup, a Belgian buyer.

Apart from diversifying processing techniques, several farmer organisations have diversified sales in limited volumes, such as roasted coffee, ground coffee, and 'normal' quality coffee. Several business plans have also been disclosed, for example, plans to build a coffee shop business. In the end, farmer organisations must concentrate first on the core business because resources are still limited.

In 2019, Rikolto became a silver sponsor of the Indonesia Roasting Championship, an annual event organized by SCAI to encourage talented roasters to compete with each other on a national scale.



Coffee consumption in Indonesia 1990 - 2018.

Farmer organisations diversify buyers into two types and maintain business relationships with both to increase sales volume and reduce risk. Farmer organisations also build a reputation by developing their brands.

Since the last few years, farmers have been conducting promotion of the best quality through their participation in coffee auctions, coffee competitions, coffee exhibitions, and coffee assessments. Farmer organisations also take a personal approach to potential

The 8<sup>th</sup> Micro-Lot Coffee Auction, also held in 2019, is fully supported by Rikolto. The coffee auction is useful for introducing the best varieties of coffee typical of Indonesia to the coffee community, both at home and abroad. Also, this coffee auction facilitates meetings between Indonesian coffee farmers and exporters so that they can establish business relationships that add to the farmer's economic value.



# Cinnamon and PES

If Rikolto does not intervene in the TAKTIK working area, farmers will not get a better price. As was the case with farmers in Lempur who received Rp500 less than those obtained by TAKTIK farmers per kilogram. Farmers in other areas also cannot produce bark with the same quality as TAKTIK, because there is no transfer of technology from their buyers.

Apart from all that, buffer zones in other areas are also not managed in a TAKTIK way. Several internal and external factors that support Rikolto's intervention in the cinnamon value chain can be seen in the following table.

INTERNAL FACTOR	EXTERNAL FACTOR
Cinnamon farmers have a desire to increase their income, and at the same time preserving the area around TNKS.	Cinnamon prices tend to rise to entice farmers' enthusiasm.
There is a Rikolto strategy that is linear to TNKS needs, such as protecting the buffer zone as an animal corridor by growing plants that are consumed by animals.	Government Regulation concerning the use of TNKS as an economic zone exists and is institutionalised at the various levels ranging from the village, district and national.
There is a regular stakeholder meeting initiated by Rikolto that was used to share information about TNKS. TNKS constraints and problems can be overcome as early as possible.	Strategic planning comes from several conservation partners.
Knowledge transfer from Rikolto to TAKTIK members runs effectively.	



## Seaweed

Rikolto encourages farmers to dry seaweed free of soil and sand by using para-para. Rikolto also trained GAP for seaweed cultivation for farmers.



GAP training in Reroroja Village.



GAP training in Kolidetung Village.



GAP training in Magepanda Village.



## Youth

The MSA cooperative implementing organic cultivation method engages more young people and introduces agriculture as a business through the Organic Youth Camp. On the other hand, most MSA farmers apply the Rice Intensification System (RIS) and fish interspersed with rice which adopts the local culture. The MSA market is largely a local market, while for the national market, the MSA is still in the stage of approaching with several buyers.

Various positive experiences were obtained by Rikolto from several young people who had attended the Organic Youth Camp. Camps like this aim to encourage young people to understand more about agriculture, especially sustainable agriculture and agribusiness systems. An interesting fact is that young people tend to enter the agricultural sector through business development. Pungki Yuniar, an Organic Youth Camp 2016 alumni, organized by APOB, said that the camp had opened his eyes to the potential of the rice business. "I want to contribute to this sector. I have been an intern at APOB and am now a supervisor of the Internal Control System (ICS)," Yuniar said.



Pungki Yuniar.

Meanwhile, the ICS unit owned by KOPAPPOLI has now become a strong unit. Recently KEHATI, a national NGO in Jakarta, agreed to contract KOPAPPOLI to support the management of the certification system, including ICS, for farmers in Sangihe Talaud, North Sulawesi Province. Youth are an essential part of KOPAPPOLI, so they have also received training, from cultivation training to marketing. At the same time, KOPAPPOLI formed a women's farmer group business unit that produces rice crackers from broken rice. "They also sort rice to be sold to buyers," said Muhdi, chairman of the APPOLI cooperative.

Rikolto has encouraged the KOPAPPOLI, APOB, and MSA organisations to more actively involve youth

## Rice



The Organic Youth Camp.

and women in capacity building activities. Rikolto also conducts training such as online marketing, liquid fertilizer, and rice seed development. Rikolto invited youth to be involved in rice marketing, both conventional and online. The activities are carried out to anticipate the involvement of youth in cooperative efforts in addition to regeneration. The three organisations have held Organic Youth Camp for the past four years, where young people from various backgrounds learn about organic farming and business.

In this regard, the development of by-products can undoubtedly provide opportunities to attract young men and women, so they want to be involved in more dynamic businesses. Youth involvement will provide higher certainty for the sustainability of farmer organisations.



## Cocoa

Farmer organisations encourage the participation of youth and women through various exciting activities. In Sulawesi, integration between livestock and cocoa farms attracts youth to be involved in the cocoa value chain. Also, the private sector, which provides capacity building in the form of the Cocoa Doctor program, assures young farmers that the cocoa business is indeed promising. Meanwhile, in Flores, Rikolto involved youth in agriculture through the Youth Entrepreneurship Lab (YEL), which is managed by Rikolto together with the Detusoko Independent Youth Community (RMC).

YEL is a forum for young people who are eager to enter the cocoa value chain and are willing to play a role in increasing cocoa production. Women's participation in value chains is also essential. Rikolto and its partners support women's participation in the daily activities of farmer organisations and encourage women to be able to make decisions. At present most women have contributed to managerial and production tasks in the value chain.



Asrul.



STPM St. Ursula.

Youth in Sulawesi have benefited from the training and introduction of integrated cocoa farms and livestock. Asrul, the data coordinator of the Cahaya Sehati cooperative, joined the Cocoa Doctor program and became one of the young cadres who shared knowledge with fellow farmers. "The cocoa business promises young people if they are fully committed," Asrul said.

In Flores, Rikolto invited youth from universities who were interested in learning cocoa cultivation and business development. The role of the university in encouraging students to learn cocoa is vital to support the development of the cocoa business in Flores. "I gained insight into how young people can start businesses, especially in developing local products such as cocoa," said Petra (21, Participant of YEL and a student of STPM St Ursula Ende). At the national level, measurable road maps have been established to encourage women's involvement in cocoa. All members have even aligned their efforts to achieve the desired results.

# Coffee

The partners have taken steps to promote the participation of youth in the organisation. Partners are integrating youth inclusion in the articles of association of the organisation. In practice, farmer organisations ensure that there is always the participation of youth in all activities. Farmer organisations must also encourage them to get involved in operations. Youth participation, in general, is more active in Sulawesi and Sumatra than in Flores.

The coffee business is on the rise in Indonesia, and this is attracting youth. They are interested in off-farm activities such as processing, quality control and marketing. Therefore, Rikolto encourages partners to include youth in engaging training such as getting to know a coffee cup, making coffee, how to become a barista, and how to assess the quality of a business.

Barokah had a barista training which was attended by 30 young men. This activity became one of the most successful operations, thereby increasing the interest of young people to play a role in the coffee value chain. Before the Rikolto intervention, such involvement had never been carried out. Here are some positive and negative factors that influence youth involvement in the value chain:

So far, youth continue to be actively involved in the field school, both as participants and as trainers. Some farmers who have been appointed as trainers for instance is Yansen in Bajawa. Meanwhile, youth who have attended the Q-Grader class were Yansen in Bajawa and Sherly in Toraja.

In Flores, another activity that the organisation seeks to involve youth is training in vocational schools and the Catholic youth neighbourhood. After this training, the farmer organisation became a place for apprenticeship, training and research for children and school students.

In Jambi, the manager of the Barokah cooperative with Rikolto gave training on Arabica speciality coffee and business development. Rikolto facilitated Barokah to take part in the exhibition so that they were connected with buyers. This facilitation further enhances the youth's commitment to be more advanced in production and marketing management.

POSITIVE
Coffee drinking habits attract the attention of youth.
Activities are designed to be suitable for youth.
NEGATIVE
There are still young people who think that being a farmer is a lowly job.



## Seaweed

Local guide training in seaweed ecotourism in Nusa Penida Bali, which supported by Rikolto involved village youth who were interested in the seaweed farming and tourism sector.

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# 2019 Financial Overview

Source of Income	%
Belgian Directorate General for Development	74,38%
Own Means	6,36%
Legacies	5,89%
FORD Foundation	3,64%
Toraja Rural Development Society	3,27%
FDOV - ICCO Cooperation	2,82%
11.11.11	2,59%
Tripper	0,56%
AGS	0,28%
OVO	0,20%
<b>Total</b>	<b>100%</b>

We thank our donors and partner for their commitment and continued support to create a sustainable and inclusive food system in Indonesia.



Toraja Rural  
Development  
Society

# 2020 at a glance

In 2019, we will continue our main intervention in the commodity value chains through sustainable agriculture practices and start to introduce Rikolto's partners to sustainable food system approach for the following programme periode after 2021. In addition to that, we plan to carry out these below activities.

- Integrating cocoa farming with livestock as an initial model in developing cocoa business for youth and women; promoting agroforestry model and organic cocoa cultivation; facilitating the business linkage between Village-Owned Enterprises, cocoa cooperatives, and the private sectors.
- Establishing a SRP working group that consists of multi actors i.e., NGOs, governments, private actors, and farmer associations and promoting the work through a series of workshops; facilitating technical assistance in SRP standard at the farmer level.
- Ensuring the availability of valid and reliable tools for PES business model through conducting workshop of biodiversity study; training and formulating Environmental Standard for Carbon Measurement by collaborating with third parties and experts.
- Continuing the documentation of sustainable practices of sustainable production and consumption; streamlining Rikolto FSC global strategy; conducting a study of urban food environment.
- Empowering the coffee farmer organisations to become a reliable actor in sustainable coffee value chain through training in financial administration, business management, coffee processing and climate-smart practices.
- Involving more farmers in Sikka in undertaking seaweed cultivation and helping them sell raw dried seaweeds to buyers.
- Supporting and facilitating the farmer organisations to access broader market both local and international.
- Internalising and disseminating Rikolto Global strategies of "Sustainable Food System" to staff and partners to be implemented from 2021 and beyond.







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