



**INDONESIA
DEVELOPMENT
FORUM 2019**
INSPIRE · IMAGINE · INNOVATE · INITIATE



*Kementerian PPN/
Bappenas*



Australian Government

TRANSFORMING EMPLOYMENT IN AGRICULTURE BY ENABLING SOCIAL FORESTRY COFFEE MARKET

Dimas Fauzi, Umi Purnamasari, Satrio Wicaksono
World Resources Institute (WRI) Indonesia

Jakarta, 23 July 2019



HAVE YOU DRUNK A CUP OF COFFEE IN THE PAST 24 HOURS?

1.2M Ha

coffee plantations,
doubled from 1980s

96%

of which are owned by
smallholders

1.7M

smallholders managed
these lands

42%

them are spread across
Sumatra

-1.3%

10-year average annual
decrease in agriculture
employment

0.3%

growth of coffee farmers
between 2016-17



WHILE THE STATISTICAL DATA IS LACKING, AS MANY AS 60% OF SOCIAL FORESTRY GROUPS IN SOUTH SUMATRA GROW COFFEE IN THEIR LANDS

2.4M
Social Forestry Farmers

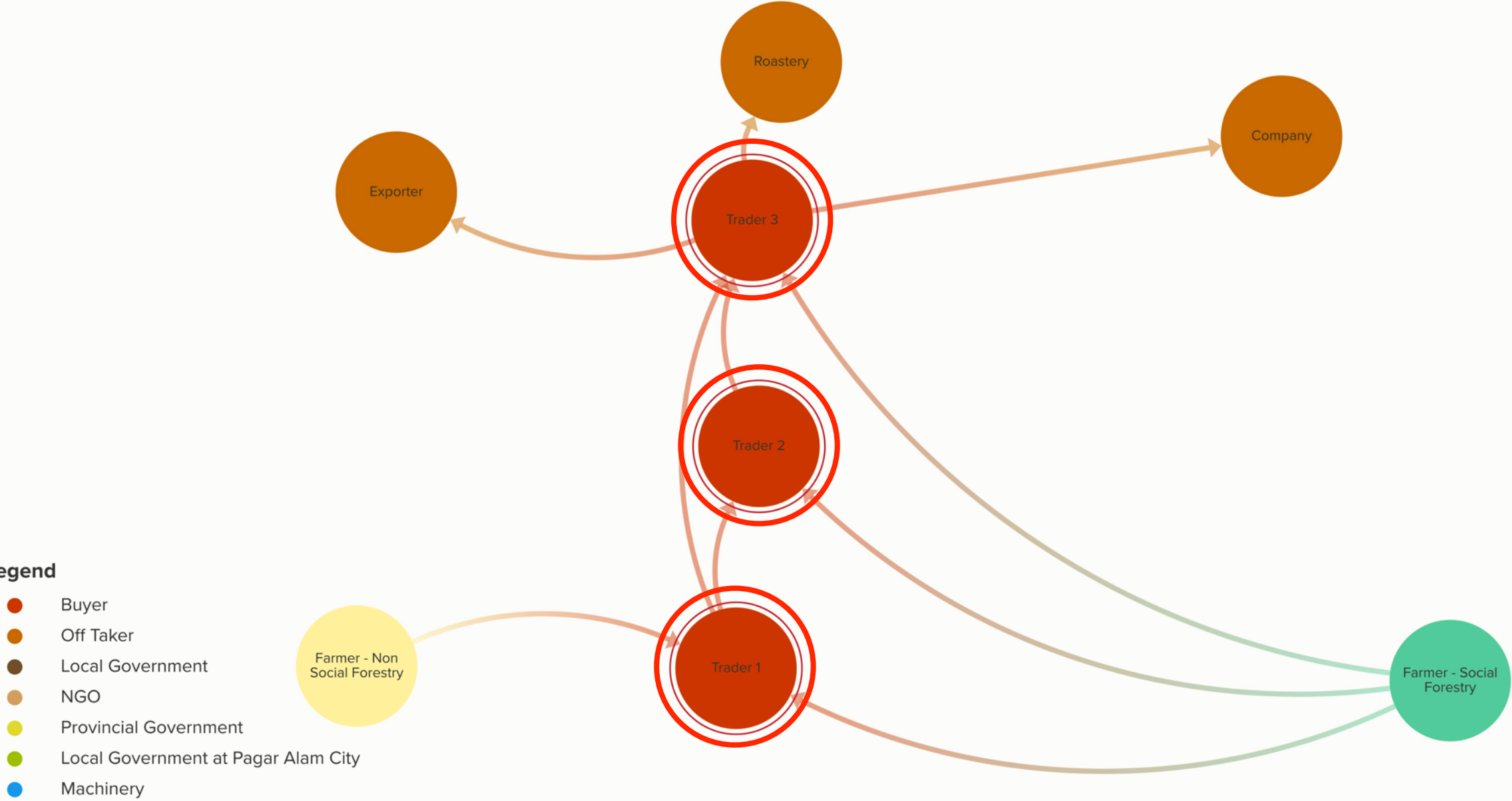
5.8K
Social Forestry Groups

18%
of deforestation by 1988
was caused by agricultural
expansion, including coffee
(Brechin et al., 1994)

WHICH ONE OF THESE TWO COFFEES ARE FOREST-GROWN?

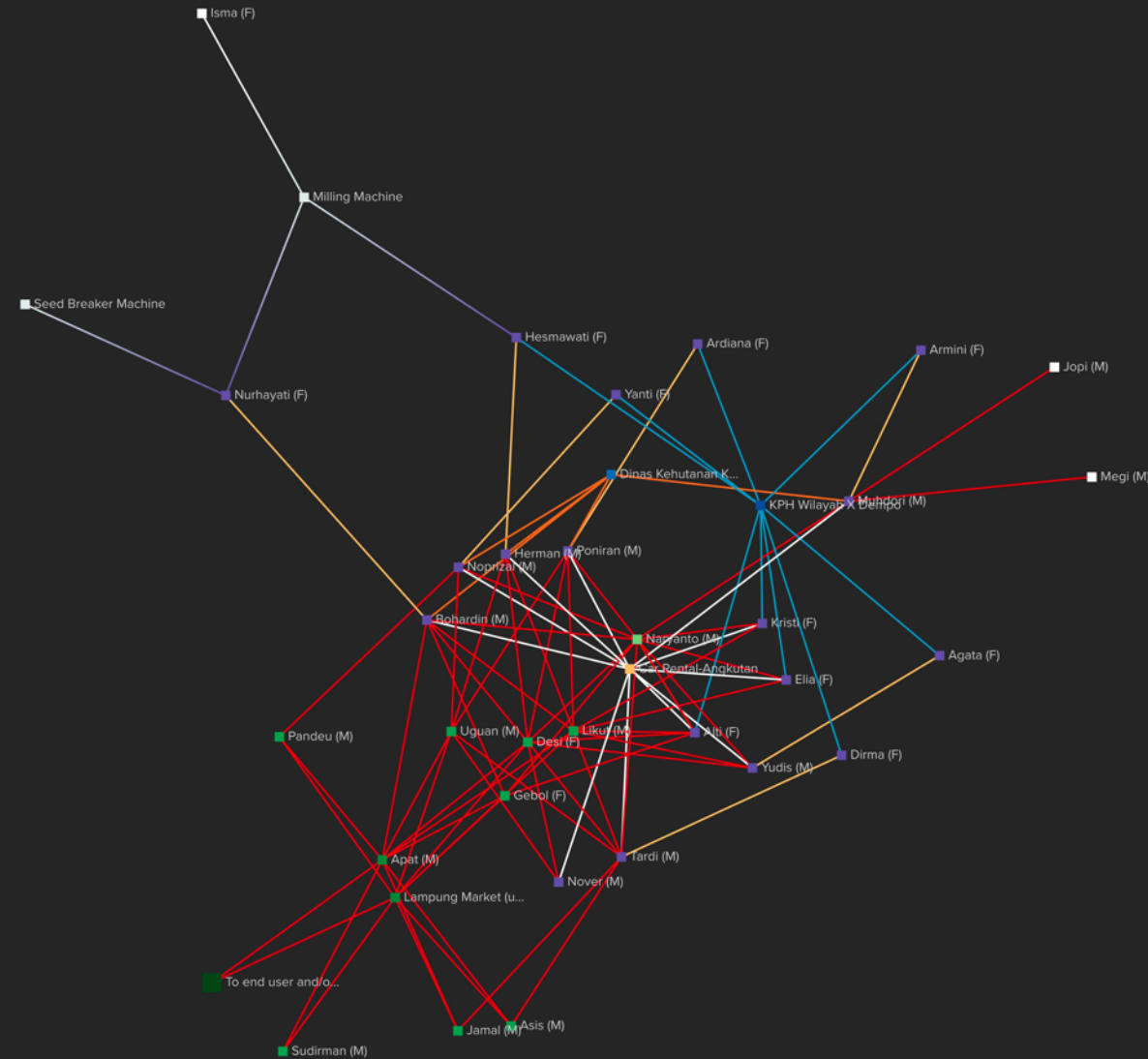
- 
1. DOES SOCIAL FORESTRY COFFEE RECEIVE RESISTANCE TO ACCESS THE MARKET?
 2. WHAT CAN BE DONE TO IMPROVE ITS MARKET OUTCOME?

SOCIAL FORESTRY FARMERS APPEARED TO HAVE ACCESS TO ALL THREE LAYERS OF TRADER, ALTHOUGH PRICE INFORMATION IS HELD BY ACTORS AT THE TOP OF THE CHAIN



SOCIAL NETWORK OF COFFEE FARMERS IS INFLUENCED BY SOCIAL RELATIONS IN A MORE HOMOGENOUS COMMUNITY

Social Forestry
HKm Semidang Jaya



Legend

- Business Relationship
- Capacity Building
- Family Relationship
- Seed Aid for Land Rehabilitation
- Transportation
- Coffee Farmer- Member of HKm Semidang Jaya
- Coffee Farmer- Non HKm Member
- First Trader at Village Level
- Second Trader at Village Level
- Third Trader at Pagar Alam Market
- Off Taker
- Provincial Government
- Local Government
- Transportation



“The coffees are sold to bigger traders in Pagar Alam market and then to Lampung”

Farmers in Tebat Benawa, Pagar Alam

WHAT'S NEXT?



AWARENES RAISING

is needed to educate the public, especially off-takers and consumers, on the sustainability and legal aspects of forest coffee



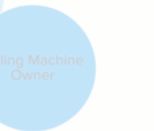
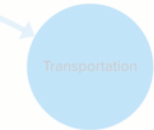
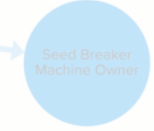
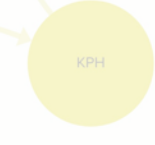
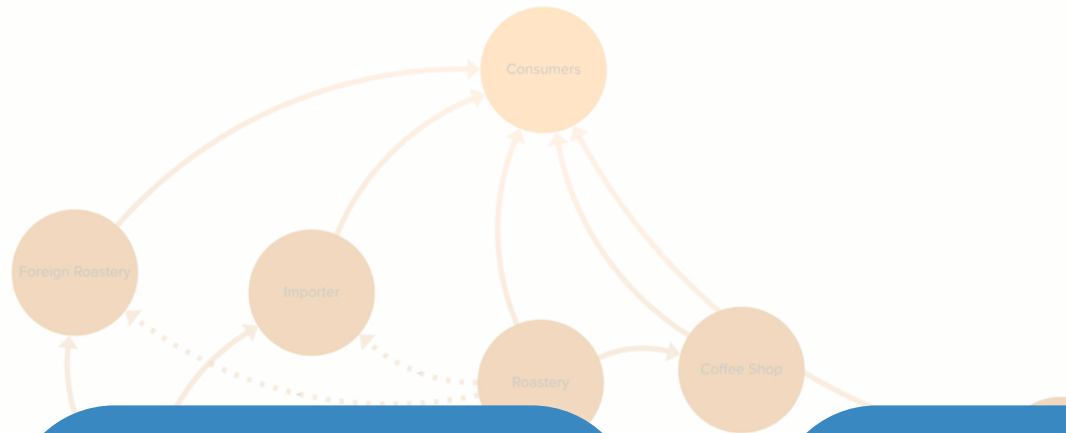
MARKET TARGETING

Targeting on domestic coffee market could better match market requirements with coffee production quality



INCENTIVE MECHANISMS

should be developed, e.g. through vocational and entrepreneurship education, facilitating regeneration



Legend

- Blue: Buyer
- Orange: Off Taker
- Brown: Local Government
- Light Orange: NGO
- Yellow: Provincial Government
- Green: Local Government at Pagar Alam City
- Light Blue: Machinery