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Implementation of Subsidized Fertilizer Policy in Increasing Rice Harvests in Rural Communities

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Abstract

Subsidized Fertilizer policy is a strategic policy to encourage increased production and productivity in the agricultural sector. Fertilizer subsidies encourage agricultural specialization and increase agricultural output, and directly affect farmer income, while income can be increased through agricultural productivity from subsidies. This community service was carried out in Gemba Jaya Village, Sintang, West Kalimantan. In obtaining the data used were observation and literature review. This service activity is an effort to implement the subsidized fertilizer policy in Gemba Jaya Village. This effort was motivated by the unmet need for subsidized fertilizer in Gemba Jaya Village, which resulted in suboptimal rice production results. As a form of the author's thoughts, several efforts and breakthroughs have been offered, that is agricultural intensification is an effort made to increase agricultural output by: 1.) Optimizing available agricultural land will focus on efforts to address problems related to land management, 2.) Procurement of superior seeds, planting, fertilizing, 4.) Eradicating pests and diseases in plants, 5.) Harvesting and post-harvest activities to obtain increased rice production.

Keyword: Fertilizer, Subsidized Fertilizer, Rice

INTRODUCTION

Rice is an important crops in Indonesia because rice is a staple food that is commonly consumed after corn and wheat. Rice is a primary need for the Indonesian people, because it is a source of energy and carbohydrates for the Indonesian people (Ningrat, *et.al*, 2021).

Currently, Indonesia still often faces food problems, such as the conversion of agricultural land into industrial and residential areas which causes a decline in rice productivity. Apart from that, erratic seasonal changes can also cause rice production to decline so that the government has to import rice to meet national needs. This condition was exacerbated by the economic crisis which had an impact on farmers' purchasing power for production inputs, especially fertilizers and pesticides (Purnamaningsih, 2006).

Fertilizer is an important and strategic element in increasing production and productivity and is an inseparable part of the farming system (Darwis, *et al.*, 2013). According to Saimul (2013) Fertilizer is a commodity that is considered to have a strategic role in supporting the agricultural sector and in efforts to improve the welfare of farmers. Even in the context of building a stable national food security system, fertilizer is seen as the

main input in achieving food availability. For this reason, the government continues to allocate fertilizer subsidies to farmers through gas price subsidies to the fertilizer industry. The gas price subsidy to the fertilizer industry is the government's effort to ensure the availability of fertilizer for farmers at prices set by the government.

According to calculations, domestic urea fertilizer production should be able to meet all existing urea fertilizer needs. In fact, every year Indonesia should be able to export urea fertilizer considering that the national urea production capacity is much higher than its needs. There are six fertilizer industry companies in the country, with a total capacity of 7.5 million tons per year, if you deduct the production of PT. ASEAN Aceh Fertilizer, which is a joint venture between ASEAN countries and is aimed more at meeting the need for urea fertilizer in ASEAN, has a total national urea fertilizer production of 5.7 million tons per year. Meanwhile, the national need for urea fertilizer (for agriculture, plantations and industry) reaches 5 million tons each year on average. Thus, there is still excess production of around 700,000 tons each year which can be exported abroad to generate foreign exchange for the country (Saimul, 2013).

Even though the national urea fertilizer production capacity is far above its needs, almost every year, especially before the rice planting season, Indonesia is hit by the issue of fertilizer shortages in various regions, especially at the farmer level. The scarcity of fertilizer will have an impact on high fertilizer prices at the farmer level, including subsidized fertilizer. The issue of fertilizer scarcity, which is then followed by an increase in the price of subsidized fertilizer, is truly a serious threat to farmers. Farmers have difficulty getting fertilizer in time for the planting season (Dzakir, 2022).

The scarcity of fertilizer accompanied by an increase in its price can reduce the amount of fertilizer used by farmers. With insufficient use of fertilizer and soaring production costs on the one hand, while fluctuations in farmers' grain prices continue to be depressed on the other hand, this will have a negative impact on both farmers and the achievement of food security (Dzakir, 2022).

The fertilizer subsidy policy is a strategic policy to encourage increased production and productivity in the agricultural sector. Agricultural subsidies encourage agricultural specialization and increase agricultural output, and directly affect farmers' income, while income can be increased through agricultural productivity from subsidies (Ayu, et.al, 2022).

The effectiveness of providing subsidies itself also starting to be questioned by some groups because so far the subsidies provided are considered to be less targeted. Besides that, the mechanism for providing subsidies through producers (indirectly) has been criticized by many groups because it is considered to only benefit producers, not farmers as the target group. Another problem in fertilizer subsidies has also received a lot of attention is the problem of weak supervision of fertilizer distribution so that almost every year there is a shortage of fertilizer during the planting season. Given these conditions, this article aims to look at the policy and implementation of fertilizer subsidies and provide suggestions on how to effectively and efficiently optimize the use of subsidized fertilizers (Darwis, *et.al*, 2013).

When the author carried out community service in Gemba Raya Village, Sintang, West Kalimantan, the author encountered problems experienced by farmers in the village, that is the lack of information and socialization that the subsidized fertilizer policy was able to increase rice harvest production in the Gemba Raya Village community.

Therefore, the author believes that holding socialization regarding the policy of using subsidized fertilizers can help farmers increase rice harvest production in Gemba Jaya Village, Sintang, West Kalimatan.

METHODS

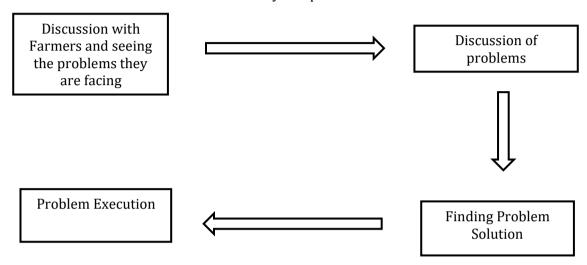
When discussing with members of the Farmers Group in Gemba Jaya Village, Sintang, West Kalimantan, the method of activity carried out was theory and guidance to local farmer groups and introducing the benefits of subsidized fertilizer which can increase production yields. From the observations made, it can be concluded that the public doesn't fully know that the benefits of subsidized fertilizer can increase crop production. The problems

presented in this method are such as:

- 1. Benefits of using subsidized fertilizer
- 2. Solutions on how to increase rice production in the village

The important role of fertilizer in increasing the productivity of rice plants to obtain maximum results, so that it can provide knowledge and input using subsidized fertilizer, so that village residents don't carelessly give doses or apply fertilizer to rice plants.

Figure 1. Problem discovery and problem solutions



RESULT AND DISCUSSION

Rice is a strategic food commodity and a political commodity. The availability, price changes and quality of rice are always monitored and paid attention to by all levels of society, from the lowest level to the highest level in government, legislative and community circles. Demand for rice continues to increase along with the rate of population growth. Another thing that causes rice to become a strategic commodity is that rice is still the main contributor to inflation, so the price of rice must be "controlled". The Indonesian population's per capita/year rice consumption is still large, namely above 100 kg/capita/year (Maman, et.al,2021).

Opportunities for Indonesian agriculture are the increasing demand for rice, large government support, ongoing improvements in facilities and infrastructure, and a climate that supports agriculture. Meanwhile, the existing threats are high land sales values, global climate change, lower international rice prices. Existing opportunities must be exploited by looking at the agricultural strengths we currently have, so that the existing strategies will complement each other. The strategy that we can take is to expand the area and use technology to increase productivity and improve facilities and infrastructure (land and water) to increase IP. Threats must be suppressed as much as possible by utilizing appropriate and location-specific technology to obtain profitable results followed by increasing IP. Obstacles in increasing rice productivity, ricefields and fields, are increasingly complex due to various strategic environmental changes and developments outside the agricultural sector which have an impact on increasing food crop production and decreasing productive land area. One of the challenges faced in increasing rice productivity is subsidies in the agricultural sector (Maman, *et.al*, 2021).

In order to support efforts to achieve agricultural production targets that continue to increase, the government facilitates various agricultural infrastructure and facilities, including fertilizer subsidies for the agricultural sector. The fertilizer subsidy policy that has been implemented since 2003 until now is intended to help farmers to procure and use

fertilizer in their farming so that they can apply balanced fertilization, according to location-specific conditions, so as to obtain optimal agricultural results (Darwis, *et.al*, 2013).

The effectiveness of the use of subsidized fertilizers to increase crop yields is directed at the balanced use of fertilizers, organic and non-organic in accordance with recommended location specifications and technical standards for the use of fertilizers. (Ramlayana, *et.al*, 2020). in accordance with government regulations in the Decree of the Minister of Agriculture of the Republic of Indonesia Number 04/Kpts/RC.210/B/02/2019 concerning Technical Guidelines for the Implementation of Provision and Distribution of Subsidized Fertilizer for the 2019 Budget.

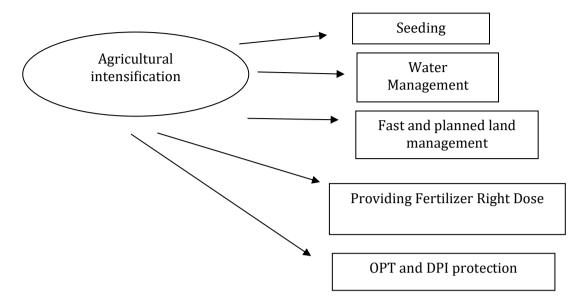
As with the implementation of subsidized fertilizer, it must be oriented towards the use of fertilizer to farmers which is distributed well, namely: 1.) In accordance with the type of fertilizer used, 2.) The large amount of fertilizer needed, 3.) Affordable fertilizer prices and timely use. carried out by farmers to increase crop productivity. However, farmers always consider optimal fertilizer implementation to get maximum results. The effectiveness of the results in its implementation with subsidized fertilizer application activities is said to be effective if the use of the fertilizer produces results that are in line with expectations. This means that the results of using subsidized fertilizer can increase the production of larger crops (Ramlayana, et.al, 2020).

Measuring effectiveness using a target approach often experiences obstacles, because of the difficulty of identifying actual effectiveness targets and also because of the difficulty in measuring success in achieving effectiveness targets. This happens because the real target in implementing effectiveness is the continuous increase in results from the use of activities. Effectiveness as a result of achieving targets in accordance with the use of input. Effectiveness increases if the results of achieving targets provide benefits or advantages from potential use activities. The level of target achievement shows effectiveness explaining the concept of effectiveness as a condition that shows the extent to which plans can be implemented to obtain maximum target results (Ramlayana, et.al, 2020).

According to the Directorate of Fertilizers and Pesticides, "The use of balanced fertilizer according to plant needs has proven capable of increasing productivity and better income for farmers." This condition makes fertilizer a very strategic means of production for farmers." To ensure the application of subsidized fertilizer in accordance with the 4 correct principles, namely: 1.) right price, 2.) right type, 3.) right quantity, 4.) right time (Kariyasa, et.al, 2004). The Central Government has an important role in making national policies, while the Regional Government, Regional Agricultural Services and fertilizer producers or distributors play a role in implementing and distributing them. The Department of Agriculture plays a role in determining and determining the amount of subsidized fertilizer needed for each region each year as well as determining the highest retail price (HET) for fertilizer (Ramlayana, et.al, 2020).

Agricultural intensification is an effort made to increase agricultural output by optimizing available agricultural land which will focus on efforts to address problems related to land management, procurement of superior seeds, planting, fertilizing, eradicating pests and diseases in plants, harvesting and activities during post-harvest (Maman, *et.al*, 2021).

Figure 2. steps that the author can take to help village residents and increase rice production



When the author carried out community service in Gemba Jaya Village, Sintang, West Kalimantan, the author discovered the problem experienced by farmers in this village, namely that the balanced application of subsidized fertilizer to village communities was still not distributed well. This results in rice production not being optimal. To increase the balanced use of fertilizer at the farmer level, one of the policies adopted by the government is providing fertilizer price subsidies. With fertilizer price subsidies, the ratio of fertilizer prices to agricultural product prices will be lower compared to without subsidies. This price incentive will then encourage the use of fertilizer to a point where productivity or profits will reach a maximum. Through these incentives, agricultural producers will also be encouraged to implement better production technology (Rambe, et.al, 2022).

According to Secretary of State for International Trade Number 15/M-DAG/PER/14/ Subsidized Fertilizer is fertilizer whose procurement and distribution receive subsidies from the government for farmers' needs which is carried out on the basis of government programs in the agricultural sector. Procurement is the process of providing subsidized fertilizer originating from domestic production or imports. Meanwhile, distribution is the process of distributing subsidized fertilizer from the producer level to the farmer level as the final consumer in the distribution of subsidized fertilizer. In terms of distribution to farmers, subsidized fertilizer sometimes has problems reaching retailers due to limited supplies due to high levels of fertilizer demand. (Rambe, *et.al*, 2022).

To meet the need for fertilizer, an alternative to replace subsidized fertilizer which is difficult to obtain is the provision of non-subsidized fertilizer, which is fertilizer that is traded freely and its procurement does not receive subsidies from the government. Due to this problem, many farmers choose to use non-subsidized fertilizer. This happens because in the marketing of non-subsidized fertilizers there are rarely obstacles in being able to market products to farmers, apart from that the provision of non-subsidized fertilizers only involves a few parties including producers, distributors or agents, traders and consumers without using a definitive proposal for the needs of farmer groups (RDKK) as is done for requests for subsidized fertilizer (Rambe, et.al, 2022).

Non-subsidized fertilizer has a high selling price compared to subsidized fertilizer, but the high selling price isn't the only major problem for farmers in the field. Farmers in the field have very little information about non-subsidized fertilizers, therefore farmers only rely on information provided by agricultural extension workers from the Department of Agriculture. Meanwhile, agricultural instructors only receive training from agencies

organized by companies that provide subsidized fertilizer, usually referred to as collaboration activities between agencies and companies. Companies that produce nonsubsidized fertilizer rarely coordinate with government agencies regarding product introduction and distribution. The company prefers to collaborate directly with 49 plantation companies in the field, in terms of distributing non-subsidized fertilizer. Stages of the purchasing decision process where consumers actually purchase a product (Rambe, *et.al*, 2022). The important role of fertilizer in increasing rice harvest productivity is why the government continues to encourage the use of fertilizer by issuing several policies, including fertilizer subsidies.

CONCLUSION

Based on the explanation above, it can be concluded that this Community Service Activity has increased the insight of local village residents in knowing that the application of subsidized fertilizer can increase rice harvest in Gemba Jaya Village, although there are several things that still need to be improved for the sake of agricultural progress in Gemba Jaya Village. The distribution of subsidized fertilizer in Indonesia currently still has many obstacles, such as:

- 1.Distribution of subsidized fertilizer to parties who are not entitled to receive subsidized fertilizer
- 2.RDKK data collection is not yet complete
- 3.Lack of calculation of fertilizer subsidies, as well as supervision of fertilizer distribution, which causes a scarcity of subsidized fertilizer.

EXPRESSING OF THANKING

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