



Editorial

Dear Readers,

This is the last Newsletter issued in 2019. As usual, we have several important information for you. First, soybean self-sufficiency has been long time discussed among the policymakers. Our research team, led by Dr. Bambang Sayaka, concluded that self-sufficiency in soybean could be met through restructuring production and marketing aspects. Second, policy to face regional markets through AEC and RCEP economic cooperation. Dr. Saktyanu K. Dermoredjo led research on this topic and come up with strong suggestions, among the others, to improve farmer's institutions and to strengthen cooperation with local marketing partners to enhance the quality of products and hence to achieve higher products competitiveness.

In addition, information about policy development, our publications, and research activities are included in this issue. We welcome two of our colleagues who have been defended their dissertations at their respective universities. The excerpts of their work are provided for your reference.

Thank you

The Editor

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CONTENT

Policy Design and Alternative to Achieve Soybean Self-Sufficiency	1
Strategic Agricultural Development Policy Facing AEC and RCEP Economic Cooperation	3
Agricultural Investment and Export Regulations Review	5
Research Reports	6
Publications	7
Welcome	7

Research Findings



POLICY DESIGN AND ALTERNATIVE TO ACHIEVE SOYBEAN SELF-SUFFICIENCY

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Introduction

Soybean-based food industry development, along with population growth, boosts this commodity demand. Soybean balance deficit is fulfilled by import. The gap keeps increasing, and the government deals with this matter through the implementation of the Special Effort (*Upsus*) program. It is necessary to design the policy concept and strategy to encourage farmers such that they will increase soybean production toward self-sufficiency.

The study was conducted in 2018 in the soybean-producing provinces, namely West Java (Bandung and Tasikmalaya Regencies), Central Java (Grobogan and Blora Regencies), Lampung (South Lampung and Central Lampung Regencies), West Nusa Tenggara or NTB (Central Lombok and eastern Lombok Regencies), and South Sulawesi (Bulukumba and Bone Regencies). Primary data collected from farmers and farmer groups through interviews using structured questionnaires and focus group discussion (FGD) at ICASEPS and some Agricultural Service Offices. Data were processed descriptively.

Research Results

Soybean Self-Sufficiency Concept

Principally, soybean self-sufficiency is realized when domestic production meets national demand. Soybean production kept decreasing during the last 23 years, from 1.82 million tons in 1992 to 0.98 million tons in 2015 (1.74% per year). Harvested area shrank from 1.66 million hectares in 1992 to 0.62 million hectares in 2015 (3.91% per year). Soybean sharply decreased since 1997 when Bulog's role in soybean marketing channels was removed. From 2008 to 2009, soybean harvested area and production improved as both local and import soybean prices increased by more than 50% compared to the previous year. The highest production was achieved in 2015 (963.239 tons), and the lowest took place in 2017 (543.517 tons). Soybean demand increased from 2,104,543 to 2,383,907 tons for the 2015-2017 period. Indonesia experienced the most significant soybean import volume in 2015, i.e., 2,256,932 tons.

Domestic soybean balance was a deficit of 1,183,907 tons in 2017. Some constraints of domestic soybean production enhancement were: