

## **"MAKMUR" PROGRAM OF PETROKIMIA GRESIK 2021** SUCCESSFUL PROSPER 21,344 FARMERS IN THE COUNTRY

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<u>Petrokimia Gresik</u>, an Agroindustry Solutions company and member of <u>Pupuk</u> <u>Indonesia</u> holding has partnered with 21,344 farmers in the Makmur Program throughout 2021, with a cultivated land area of 19,421 hectares (Ha) or 121% of the mandated target of 16,000 hectares. This was conveyed by the Director of Operations & Production of Petrokimia Gresik, Digna Jatiningsih, during the Makmur Program Field Escort Workshop, Monday (20/12), in Gresik, East Java.

Digna said that the Makmur Program, which was initiated by Pupuk Indonesia and run by all members of the holding company, including Petrokimia Gresik, was an effort to create an ecosystem that supports farmers from upstream to downstream, so that the cultivation process and marketing of agricultural products run optimally.

"This program is proven to be able to increase the productivity of agricultural products in the various commodities we work on, ranging from food crops, plantations to horticulture," said Digna.

The Makmur Program that has been carried out by Petrokimia Gresik during 2021 was target on rice (area 7,781 Ha), sugar cane (5,728 Ha), corn (4,292 Ha), palm oil (948 Ha), kale seeds (532 Ha), shallots (50 Ha), tobacco (50 Ha), porang (35 Ha), and melon (5 Ha).

"The majority are in East Java, which is the area closest to the company. Then Central Java and DIY, followed by Bali-Southeast Nusa, West Java, and Sumatra," added Digna.

Through this program, Petrokimia Gresik provides market guarantees by presenting off takers to protect the price of agricultural products from falling if they are sold to middlemen, then collaborating with insurance companies to protect farmers from potential crop failures, as well as cooperating with banks as capital providers. Petrokimia Gresik itself plays a role in supplying fertilizers and pesticides through its subsidiaries, as well as providing control through balanced fertilization education and Soil Test Mobile services.

"When productivity increases and agricultural products are well absorbed, it is hoped that the welfare of farmers can be boosted and of course the national food stock will also be maintained," he said.

Digna added that the Makmur Program is also an educational tool for Petrokimia Gresik so that farmers are accustomed to using non-subsidized fertilizers, considering that the allocation of subsidized fertilizers provided by the government is limited compared to national needs. As a bonus, sales of non-subsidized fertilizers for Petrokimia Gresik also increased.

In 2021, non-subsidized NPK absorption from the Makmur Program reach 9,656 tons or 201% of the target of 4,800 tons, and non-subsidized Urea absorption as much as 3,812 tons or 119% of the target of 3,200 tons. In addition, the absorption of non-subsidized fertilizers ZA as much as 16,383 tons, SP-36 amounted to 390 tons and ZK 46 tons. The total sales of commercial or non-subsidized fertilizers from the Petrokimia Gresik Makmur Program reach 29,585 tons.



Nevertheless, there are a number of obstacles faced by Petrokimia Gresik in carrying out the Makmur Program, one of which is the limited administrative and field staff who have agronomic qualifications for field control.

"For this reason, we have held a number of workshops as an answer to these problems to ensure that the Makmur Program field control runs optimally," said Digna.

These include Workshop on Food Crops and Horticulture with distributors, then Workshop on Sugarcane Commodities in East Java Province with PTPN X, XI RNI I and Candi Baru Sugar Factory, as well as Workshop on Field Supervisors for the Petrokimia Gresik Makmur Program.

Digna further revealed that the target of the Makmur Program entrusted to Petrokimia Gresik in 2022 is increased to 85,000 Ha. Where for food commodities (rice, corn and soybeans) covering an area of 40,000 hectares, then plantations (sugarcane and oil palm) covering an area of 37,000 hectares, and horticulture (shallots, horticultural seeds, potatoes and chilies) covering an area of 8,000 hectares.

One of the efforts made by Petrokimia Gresik to meet this target is by launching the Mangga Makmur program. It is an integrated agricultural program that integrates the Makmur Program with the Corporate Social Responsibility (CSR) program in the form of a MSBF (Micro and Small Business Funding) loan.

Currently, Petrokimia Gresik is in the middle of discussing proposals from two agricultural institutions which will later be funded by Petrokimia Gresik's CSR. First, the Koperasi Petani Tebu Rakyat (KPTR) Mustika Manis from Central Java, with a total of 450 farmers and an area of 650 hectares, and a total financing of IDR 5.6 billion. Second, Farmer Seed Breeding Partners PT East West Seed Indonesia, with a land area of 591 Ha, and financing of IDR 6.4 billion.

"Reflecting on the realization this year, we are optimistic that the 2022 target can also be exceeded. The wider the scope of Makmur Program, the greater the benefits felt by farmers," concluded Digna.

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