## PRESS RELEASE



# Specific Work Visit of Commission IV DPR RI THERE IS A BIG GAP BETWEEN THE NEED AND ALLOCATION OF SUBSIDIZED FERTILIZER

Number : 006 / SP / PG / I / 2021 Day / Date : Thursday, January 28, 2021

Place : Gresik

Event : Specific Work Visit of Commission IV DPR RI

Petrokimia Gresik is an Agroindustry Solution company and a member of the <a href="Pupuk Indonesia">Pupuk Indonesia</a> holding company, received a "Specific Work Visit of Commission IV DPR RI" in Gresik, Thursday (28/1). Also attending the visit were the Director General (Dirjen) of Agricultural Infrastructure and Facilities of the Ministry of Agriculture, Sarwo Edhy.

Sarwo Edhy revealed that there is still a difference or gap between the fertilizer needs of farmers in the country and the allocation of subsidized fertilizers provided by the government. This occurs due to limited funds in the State Revenue and Expenditure Budget (APBN), which still have to be shared with other subsidies, such as health, education, fuel oil and others.

Referring to the proposed Electronic Group Needs Definitive Plan (E-RDKK) in 2021, the need for fertilizer for farmers in Indonesia is recorded at 23 million tons. Meanwhile, the allocation of subsidized fertilizer provided by the government is only 9.04 million tons and 1.5 million liters of liquid organic fertilizer.

"This government subsidy ration is only able to cover about 40 percent of farmers' needs," said Sarwo Edhy.

This gap often triggers the issue of fertilizer scarcity in several regions each year. However, he ensured that the government through the Ministry of Agriculture provided concessions by allowing reallocation of subsidized fertilizers if an area was short of fertilizer, while other areas were not optimally absorbed.

In the same place, the Deputy Director of Pupuk Indonesia, Nugroho Christijanto, revealed that the gap or difference between farmers' fertilizer needs and the allocation of subsidized fertilizers each year is quite large.

In 2020, E-RDKK noted that farmers' proposals or needs were 26.18 million tons, while the subsidy allocation was only 8.9 million tons or there was a 66% shortage. Meanwhile, in 2019 there was also a gap of 62%.

"We are aware of the limited budget for subsidized fertilizer allocation. Therefore, Pupuk Indonesia and its members are ready to meet farmers' fertilizer needs through commercial fertilizers," said Nugroho Christijanto.

Meanwhile, the President Director of Petrokimia Gresik, Dwi Satriyo Annurogo, said that his party is ready to fulfill the mandate of distributing subsidized fertilizers in accordance with the government's assignment.

This year, Petrokimia Gresik, which has 31 factories, has the task of distributing subsidized fertilizers of 4.9 million tons or more than 54 percent of the national subsidized fertilizer. In addition, Petrokimia Gresik will also maintain national food security by meeting farmers' fertilizer needs through commercial fertilizers.

## PETROKIMIA GRESIK

## PRESS RELEASE

One of the real efforts made by Petrokimia Gresik, he added, is educating farmers with 5:3:2 balanced fertilization alternatives using NPK <u>Phonska Plus</u>. So if originally 500 kilograms were <u>Petroganik</u>, 300 kilograms NPK <u>Phonska</u> and 200 kilograms of <u>Urea</u> for one hectare of rice fields, farmers could replace NPK Phonska with NPK Phonska Plus, of course with more optimal results.

"This is our effort to reduce farmers' dependence on subsidized fertilizers," said Dwi Satriyo.

Meanwhile, farmers from Dapet Village, Balongoanggang Sub-Dsitrict, Gresik Regency who attended the visit of Commission IV, Siswadi hopes that the government's subsidized fertilizer policy can meet all the needs of farmers as in the E-RDKK. According to him, fertilizer is to support increased productivity. If fertilizer is reduced, the productivity and welfare of farmers will be disrupted.

"One of the bases for the preparation of this E-RDKK is the Tax Return Payable owned by farmers. It is impossible for farmers to manipulate the area of land," said Siswadi, who cultivates one hectare of rice fields.

#### **Subsidy Recipients**

On the other hand, the requirements for farmers to receive subsidies include, among other things, having compiled an E-RDKK and having a maximum land area of 2 (two) hectares. Deputy Chairman of Commission IV DPR RI as well as the head of the group, Hasan Aminudin, plans to change the conditions for farmers who are entitled to receive subsidies.

"Currently, farmers who cultivate 2 hectares of land are classified as rich. Later, we will try to propose that the subsidy recipient conditions are farmers with a maximum land area of 1 hectare," he said.

This is intended to make fertilizer subsidies more targeted and able to cover more poor farmers. Thus the welfare of farmers can be improved and food security can be maintained.

"We have to educate farmers with large areas of land so that they use non-subsidized fertilizers." he concluded.

PT Petrokimia Gresik For further information contact:

Corporate Secretary: Yusuf Wibisono

Office: (031) 3981811 Ext 2218

Yusuf Wibisono Email: wibisono@petrokimia-gresik.com

Corporate Secretary <u>yusufwibie@gmail.com</u>