Japan's Second Kennedy Round (SKR) Program in Indonesia: Case Studies on Shallot and Wheat

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Abstract

Many agricultural assistance programs are provided by local governments and foreign donors. However, even with such active support for agriculture, the impact of the programs still falls short of the expected results. This study focused on shallot and wheat projects in Indonesia funded by Japan's Second Kennedy Round (SKR) program. A survey was conducted in March 2013; to determine farmers' perceptions of such projects by observing the following: the socioeconomic characteristics of the farmers, the farmers' assessments of the projects benefits and obstacles, and farming feasibility as the comparison and to argue the in-depth interview result. Japan's grant aid through SKR Program claimed by Japanese and Indonesian side, has been effectively implemented resulted from the benefits gained by the underprivileged farmers. However, based on the assessment of farmer's perception, there are many obstacles faced by the farmer as beneficiaries of the program showed by cross-tabulation analysis and compared by its farming feasibility.

Keywords: SKR Program, farmers' assessments, grant aid

INTRODUCTION

Discussion about poverty in Indonesia will certainly lead to the small farmers, who are always in a weak position. As of March 2010, the number of poor people in Indonesia is as high as 31.02 million, and 19.93 million in rural areas are engaged in agricultural activities (Central Statistics Agency/BPS, 2011). In general, farmers in the countryside cultivate their plants on small scale land, less than 0.3 hectares. Moreover, most farmers face difficulties in accessing capital resources to finance their farming; this is due to their inability to meet the requirements set by the banks.

Many agricultural assistance programs are provided by government and foreign donors. However, even with such active support for agriculture, the impact of the programs still falls short of the expected results. A wide range of programs and assistance has been provided. Ministry of Agriculture of Indonesia has launched several assistance programs for agriculture.

The Bimas (*mass guidance*) Program in 1965 was an early milestone in the government's efforts to help farmers cope with financing problems. Agricultural assistance continued to expand with other credit programs such as Inmas (*mass intensification*) in 1977, Farm Credit (KUT) in 1985–1999.

Food Security Credit in 2000, and Rural Agribusiness Development Program (PUAP) in 2008.

However, the implementation of such funding programs has not met expectations. Some observers claim that the failure of agricultural credit programs is caused by various institutional issues, including credit funds being used for businesses other than farming (Irianto et al. in Mucharam, 2011).

Supporting those government programs, Japan's Official Development Assistance (ODA) program for Indonesia called the Second Kennedy Round (SKR) program started in 1977. Through this assistance, the government of Indonesia has gained sevenfold with a total grant of US\$4,720,000,000 in the form of KCL fertilizer and FMP (SKR 2000 only). Indonesia has gained economic benefits from the funds collected from the sale of fertilizer (CF-SKR). Fifty-seven projects/activities were funded by CF-SKR up until 2012.

The studies are expected to fill gap of examination toward funding program for agriculture by using several stakeholders opinion and being compared with farmers' assessment.

RESEARCH METHOD

Data Collection

Qualitative and quantitative methods used in this study to obtain a complete picture of the implementation of the SKR program in Indonesia obtained from interviews with the Japanese

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(JICA) as the donor country, Indonesia (Ministry of Agriculture and related agencies) as receiver and administrator of the aid and farmers as the aid beneficiaries.

In detail, primary data is obtained and collected through:

- a. In-depth interviews to several persons and institutions as follows: Coordinator of SKR secretariat; Head of Bilateral Division; Head of Asia and Pacific Sub Division; PT Pertani as the end user; and JICA Representative in Jakarta.
- b. Questionnaire surveys distributed to four farmer groups involved in two SKR-funded projects in March 2013: the Development of Dry Terrain Shallot Seed Cultivator Project in Polagan village, Galis, Pamekasan district, East Java; and the Farmers' Revenue Improvement through the Wheat Plant Development Project in Tosari and Podokoyo villages, Tosari, Pasuruan district, East Java.

and secondary data obtained from: official documents, notes, reports, and records.

Data Analysis

The data collection to obtain farmers' perception in this research was assisted by extension workers, which may result in biases in the interpretation of survey results. In such cases, farmers tend to express the positive aspects of the projects and are reluctant to discuss the negative aspects. Spearman's rank correlation coefficient, farming feasibility, and cross-tabulation analysis are used to factually describe the farmers' perceptions.

RESULT AND DISCUSSION Aid Effectiveness Versus Its Minor Impact

To answer the question "Has the Japan's grant aid to Indonesia through SKR program been effectively implemented?" is not easy to be explained. SKR program is very unique, and differs from the other Japan's assistances which are implemented in project base. Japanese side emphasized that SKR is a program not a project which is easier to be evaluated in terms of its effectiveness and its impact. In addition, Japanese side could not decide whether this program has been effectively implemented or not due to lack of reporting system by Indonesian side. It is expected by Japanese side wants to be more involved in project monitoring activities.

Conversely, compared with other grant projects, Indonesian side as the recipient and administrator country declared that the assistance through the SKR is already effectively implemented. The bottom up proposal system is claimed as the main factor. With this system, the implementing agency at central level proposes the activities based on input from the districts and provinces level accordance with farmers' need.

The policy change of aid scheme which was originally in the form of agricultural machinery, fertilizers and pesticides (direct-use distribution) to the grant in the form of KCL fertilizer (indirectuse distribution) that provides multiple benefits, makes SKR program in Indonesia run more effectively. Indonesia gained three benefits: from affordable fertilizer price; from the fund collected from fertilizer sale project financing, and the revolved fund from the previous beneficiary farmers.

The second big question also arises resulted from the minor impact of this program. The projects on SKR program are implemented in a very small scale and sporadic way without any correlation among the projects.. Dealing with this issue, Indonesian side argued that to determine SKR program is effective or not depends on its main purpose, not from the scale. As revealed by both side, the projects, in general, are relatively small, sporadic and divided in many spots as in the field of livestock, crops, horticulture, etc. compared to the vast of agricultural sector in Indonesia. Those small projects directly delivered to the underprivileged farmers as the main target. it may declare the project has been effectively implemented and the objectives of the SKR program have been achieved when the target farmers already received the benefits to improve their capacity.

In line with this idea, Radelet (2006) expressed that country size matters as well. Large countries, such as Bangladesh, Indonesia, Nigeria, and Pakistan receive relatively small amounts of aid on a per capita basis, even though Hundreds of millions of people live in poverty in these countries. By contrast, some small countries receive very large amounts.

Farmers' Perception

1. Case Study of Shallot

a. Overview

The shallot projects in this study were located in Polagan village, Galis district, Pamekasan district, East Java. This regency is located on Madura island, approximately 6–350 m above sea level. its temperature range is 28–30° C with an average rainfall of 176 mm/year. The Pamekasan district was chosen as the research area since it is one of the most productive areas for shallot seed cultivation in East Java. Shallot is a very special commodity based on its high economic value and its intensive-care cultivation. This plant is also known for its price fluctuations, which are caused by interactions between supply and demand. Indonesia is now the largest shallot producer and consumer.

Per capita consumption in 2006 amounted to 4.56 kg/year; total consumption reached approximately 1.16 million tons in 2012. However, that high demand is not supported by improvements in shallot productivity, including certified seed availability. The availability of certified seeds only meets 0.68% of the total seed demand in East Java; the total need is as much as 25,557–37,500 tons per year. The use of certified seeds in Pamekasan can increase shallot productivity from 7.5 tons/ha to 12–15 tons/ha. With the support of the SKR program, the Sri Kuning farmer group released Manjung as the national shallot variety in 2009.

b. Farmers' Demographics

Table 1 shows the average age and education of the shallot farmers was 42.25 and 10.83 years, respectively. The average participating shallot farmer had completed nine years of compulsory primary education. The average family size was 4.4 persons in one household. Family income and assets were Rp 2,086,927 and Rp 166,957,500, respectively.

Table 1. Shallot Farmers' Demographics

	Shallot Project
Item	(average)
	SK (n = 12)
Age (years)	42.25
Education (years)	10.83
Family Size	4.4
Family Income (IDR)	2,086,917
Assets (IDR)	166,957,500
Farm Size (own + rent in ha)	0.29
Family Members Working in	2.58
Agricultural Sectors	

Source: Author's survey (2013)

Note: Land ownership type is omitted due to the small amount of rented land.

In General the farm size of farmers involved in shallot project is relatively small (less than 1 Ha). In contrary, the family members engaged in farming of shallot project is relatively high (58.63%). The result of survey shows that most of farmers in shallot projects implementing crop rotation.

c. Farmers' Perceptions of the Project

Six advantages were determined based on farmers' perceptions of the project. Table 2 shows that most farmers agreed that after

project implementation they were able to produce certified shallot seeds (91.67%). In addition, 83.33% of farmers benefited from the short period of shallot cultivation (2–3 months), and 41.67% said they produced their own shallot seeds for the next cultivation season.

Table 2.	Respondent	Assessment	of the	Advantages	of
the Shallo	t Project				

Farmers' Perceptions about the benefits of the Project	Farmer Groups	_ Percentage	
	SK (n=12)		
New farming experience			
and knowledge	4	33.33%	
Can produce their own			
seed	5	41.67%	
Certified seed production	11	91.67%	
Pest and disease control	7	58.33%	
Short time period for			
cultivation	10	83.33%	
Good and stable price	4	33.33%	

Source: Author's survey (2013)

Table 3 reveals three obstacles based on the questionnaire responses. Climate—mainly the lack of water supply during the dry season and low rainfall intensity—was a major problem identified by shallot farmers (91.67%).

Table 3. Respondent Assessment on the Complexity ofthe Shallot Project

Farmers' Perceptions about the obstacles of the Project	Farmer Groups SK (n=12)	Percentage
Climate	11	91.67%
Lack of capital	5	41.67%
Pests and disease	2	16.67%

Source: Author's survey (2013)

Shallot farmers did not have significant problems in terms of post-harvest handling, marketing, and selling prices. The farmers already had good network marketing, and when prices were low, they could save for 2–8 months until the seed stock was at a good price. The price of shallot seed is higher than that of shallot for consumption (Rp 45,000/kg and Rp 30,000–35,000/kg, respectively). It is comparable with the level of complexity needed to produce a qualified seed.

According to Baswarsiati (2010), the lack of water supply due to the unfavorable climate resulted in a low frequency of plant watering. In general, plant watering was done only once a day (below the recommended two times per day), resulting in a decline of shallot seed quality. Under these unfavorable conditions, farmers faced many complexities in passing seed-certification inspections.

As shown in table 3, the shallot farmers were aware that the project provided many benefits and increased their welfare. Farmers experienced other benefits from improvements in communication between them, local government, and extension workers. Farmer group meetings were scheduled once a week back to back with their religious activities (Yasinan).

2. Case Study of Wheat

a. Overview

The wheat project took place in Tosari and Podokoyo villages, Tosari, Pasuruan district, East Java. Tosari is located approximately 1,800 m above sea level and 50 km from Pasuruan, East Java, with temperatures averaging around 18oC and an average rainfall of 2,200 mm/year. This area is also the entrance to Mount Bromo in the tourist area of Bromo Tengger Semeru National Park. The Pasuruan district was chosen because it successfully introduced wheat as a new cultivated crop, and it is one of the national wheat seed stock production areas.

Wheat consumption per capita has grown substantially—approximately 8.1 kilos in 1980 to 21.2 kilos in 2010—and it is expected to continue growing, potentially reaching 22.4 kilos by 2050. Indonesia is now the largest wheat importer in South Asia. The quantity of imported wheat—5.5 MMT in 2010—could potentially reach 7.1 MMT by 2050 (Weigand, 2011). With this consideration, the government tried in 2001 to develop wheat plants in Indonesia.

In Indonesia, wheat can be grown in areas with an altitude of 400-800 m above sea level and temperatures of $10-25^{\circ}$ C. The suitable lands for wheat development reached 1.972 million ha, competing with vegetable commodities as the main crops. There are still opportunities for wheat development in an area of 706,500 ha that spreads across Sumatra, Sulawesi, Kalimantan, and NTT (Puspita, 2009).

b. Farmers' Demographics

As shown in table 8, wheat farmers were on average slightly older than shallot farmers (44.8 years old). Wheat farmers' education levels were relatively low (less than 9 years). The remote mountainous location explains this statistic.

The family size of wheat farmers (3.11 persons) was smaller than that of shallot farmers. However, the family income and assets of wheat

farmers were higher than those of shallot farmers (Rp 2,374,800 and Rp 240,113,000, respectively).

Table 4. Wheat Farmers' Demographics

ltem	Wheat Project (average)
item	TM I, TM II, and BKM (n = 100)
Age (years)	44.8
Education (years)	7.61
Family Size	3.11
Family Income (IDR)	2,734,800
Assets (IDR)	240,113,000
Farm Size (own + rent	1.23
in ha)	
Family Members	1.89
Working in	
Agricultural Sector	
Source: Author's survey (2)	013)

Source: Author's survey (2013)

Note: Land ownership type is omitted due to the small amount of rented land.

c. Farmers' Perceptions of the Project

Table 5 reveals that new farming experience and knowledge were the top answers for wheat farmers (88%). The function of wheat as an alternative/processed food and its flexibility to be grown in the dry season were the second and third highest responses (79% and 70%, respectively). Farmers gave less attention to the minimum inputs required to grow wheat (9%).

 Table 5. Respondent Assessment on the Advantage of Wheat Project

Mileatirojeet							
Farmers'							
Perceptions	Fa	rmer Groι					
about the				Dorcontago			
benefits of the				Percentage			
Project	TM I	TM II	BKM				
	(n=25)	(n=25)	(n=50)				
New farming							
experience and							
knowledge	24	19	45	88%			
Additional capital	1	10	8	19%			
Plant rotation to							
break the cycles							
of pests and							
diseases	7	12	30	49%			
Land use							
optimization	0	3	9	12%			
Can be cultivated							
in the dry season	21	13	36	70%			
Low agricultural							
inputs	0	9	0	9%			
Soil structure							
improvement	0	0	12	12%			
As the							
alternative/							
processed food	25	14	40	79%			
Sourco: Author's survey (2012)							

Source: Author's survey (2013)

Previously, the farmers in Tosari only cultivated horticultural crops such as potato and cabbage year-round. This method certainly is not recommended due to the continued cycles of pests and disease. The effect of allelopathy in wheat root systems is useful for controlling nematodes on potato crops (Tarigan, 2013). Crop rotation increases potato productivity from 12 tons per ha to 15 per ha. In addition, the heavy tillage involved in potato cultivation will ruin soil consistency and result in landslides. Lastly, the benefits of wheat cultivation are related to its low agricultural inputs and its resistance to pests and disease. The application of pesticide to control pests and disease can be reduced to the lowest level.

The wheat farmers experienced many obstacles regarding weather and the market (81% and 75%, respectively). Creating a new wheat market and changing the established market system that has been monopolized by large companies are certainly not easy. In addition, local wheat cannot compete with imported wheat due to its dull color.

 Table 6. Respondent Assessment of the Complexity of the

 Wheat Project

Farmers' Perceptions	Fa	<u> </u>		
about the obstacles of				Percentage
the Project	TM I (n=25)	TM II (n=25)	BKM (n=50)	
Climate	24	18	39	81%
Capital	0	0	1	1%
Pests and disease	0	0	0	0%
The market	22	13	40	75%
Postharvest handling Low	5	11	22	38%
productivity	0	4	15	19%
Low price	3	17	15	35%

Source: Author's survey (2013)

Post-harvest handling was the medium obstacle for the wheat farmers (38%). Wheat plants do not have a dormancy period. Rain during the harvest time resulted in a decrease in harvest quality due to the fast grain germination.

As shown in table 6, all wheat farmers had a similar opinion about their awareness of the project (100%). They absolutely agreed that the project offered many benefits and increased their welfare. In summary, in both the shallot and wheat projects, all farmers, local government,

and extension workers contributed positively to the successful implementation of the projects.

3. Data Analysis

a. Farming Feasibility

Here, we will determine the feasibility of the two projects by using farming analysis. Returncost ratio (R/C) and benefit-cost ratio (B/C) are considered the proper methods for measuring the influence of crop choice on the improvement of farmer welfare.

Return-cost ratio (R/C) is the ratio between sales revenue and cost during the production process. A farm business will gain a benefit if R/C > 1. The greater the value of R/C, the greater the benefits derived from such farming.

$$R/C = \frac{\text{Total product sales revenue}}{\text{Total cost}}$$

Benefit-cost ratio (B/C) is the ratio between the level of benefit obtained and the total cost. A farm business is feasible and beneficial if B/C > 0. The greater the value of B/C, the greater the benefits derived from such farming.

$$B/C = \frac{\text{Net profit}}{\text{Total cost}}$$

Table 7. Farming Analysis					
		Wheat	Potato		
Item	Shallot (IDR)	(IDR)	(IDR)		
Cost	54,895,000	6,555,000	41,180,000		
Revenue	292,500,000	11,875,000	52,500,000		
Net Profit	237,605,000	5,320,000	11,320,000		
R/C	5.33	1.81	1.27		
B/C	4.33	0.81	0.27		
Courses Author's survey (2012)					

Source: Author's survey (2013)

The summary of the farming analysis of shallot seed and wheat is presented in table 7, and the detailed analysis is depicted in annex Potato farming analysis is presented to provide a comparison with wheat farming. Shallot seed cultivation requires the highest agricultural input, however it produces the highest revenues and net profits.

Wheat cultivation, on the other hand, not only requires the least agricultural input, but also produces the lowest revenues and net profits. Compared to potato as the main crop, the net profit for wheat farming is significantly lower than for potato farming. Potatoes deliver a double net profit compare to wheat, although potatoes require greater agricultural input in the beginning of the growing season.

Table 7 also shows that the index of R/C and B/C for shallot is higher than for other crops (5.33 and 4.33, respectively). The index shows that each Rp 1 of input will generate as much revenue as Rp 5.33, or 533%, and each Rp 1 of input will earn as much profit as Rp 4.33, or 433%.

While wheat crop has a low profit level, its R/C and B/C indexes are higher than for potatoes. Wheat generates Rp 1.81 from each Rp 1 used and gains Rp 81 in profit from every Rp 1 of input. Potatoes, however, only generate 127% in revenue and gain Rp 27 for each Rp 1 of input. Potatoes are chosen as the main crop due to the greater agricultural profit when compared with the same farming size to wheat. However, wheat could be considered as the alternative or off-season crop by considering the unfavorable weather, limited input, and limited human resources.

According to the above analysis, shallot seed cultivation produces the highest level of profit. As shown in table 3, the average farm size for shallot farmers was very small (0.29 ha). The limited scale of farming can be a problem in gaining adequate farming revenue. However, this issue is easily addressed with a valuable commodity choice like shallot seed.

b. Cross-tabulation

To determine the real conditions of project implementation from the farmer's perspective, cross-tabulation (or *crosstabs* for short) is used to provide a basic picture of the interrelations between two variables (benefit and obstacle) and find the interactions between them.

 Table
 8.
 Shallot
 Benefit
 *
 Shallot
 Obstacle
 Cross

 Tabulation

			Shallot obstacle		
			Yes	No	Total
Shallot	Yes	Count	6	0	6
benefit		% of total	50%	0%	50%
	No	Count	5	1	6
		% of total	41.7%	8.3%	50%
Total		Count	11	1	12
		% of total	91.7%	8.3%	100%

Source: Author's survey (2013)

Based on respondent assessments of the project and the support of local government and extension workers, all farmers agreed that they were aware and obtained many benefits from the projects. However, the cross-tabulation analysis of shallot projects in table 8 shows different results. Fifty percent of farmers agreed that the project gave them many advantages, but they also perceived many obstacles. In addition, 41.7% of respondents thought the project resulted in much complexity.

Overall, 91.7% of farmers said they perceived many obstacles in shallot cultivation, and only 50% of farmers experienced benefits. Farmers might have been aware that the high profit of shallot seed cultivation is in line with its level of complexity. Climate—namely, a lacking water supply—was considered the main obstacle in shallot seed cultivation.

Table 9. Wheat Benefit * Wh	eat Obstacle Cross-tabulation
	Wheat obstacle

			Whea	Wheat obstacle	
			Yes	No	Total
Wheat	Yes	Count	43	43	86
benefit		% of Total	43%	43.0%	86%
	No	Count	7	7	14
		% of Total	7%	7%	14%
Total		Count	50	50	100
		% of Total	50%	50.0%	100%

Source: Author's survey (2013)

On the other hand, 43% of respondents said wheat provided many benefits and had no obstacles at all; another 43% reported both benefits and obstacles. In addition, seven farmers reported no benefits or obstacles, and there were seven farmers who argued that the obstacles outweighed the benefits.

The findings suggest that 86% of the farmers argued for the advantages of the projects, and 50% agreed about the projects' constraints. Climate and market access to local wheat were considered the main complexities for wheat farmers.

In this project, 60% of harvested wheat was used as national stock seed (*opkup* system), and the rest was sold to the wheat processing industry in Bali. In other words, farmers did not face serious problems regarding market certainty. However, if farmers cultivate wheat by their own motivation without any market guarantees, the complexities of the project will be greater.

The data analysis shows that several factors affect the level of benefits and obstacles in SKR program implementation. Although farmers explicitly stated that they perceived many benefits, the results of the correlation analysis and cross-tabulation show that many farmers have unsatisfactory perceptions of the projects.

A. Project Sustainability

A commitment from the local government to maintain the projects with advanced program

and budget support is essential. It is reported that after SKR implementation and the establishment of Manjung as the national seed variety in 2009, the Agricultural Service of Pamekasan district continued to develop shallot breeders in other subdistricts. In 2010, nine new shallot breeders were registered in several subdistricts, namely Galis, Batu Marmar, Palayangan, and Padenanan. This is interesting to compare: Nganjuk and Probolinggo, as the prior shallot centers, only have three registered breeders.

Those breeders joined the Pamekasan Shallot Seed Association (APBMP) and the Indonesian Shallot Seed Association (APBMI). The development of shallot seed breeders is focused under the guidance of the Integrated Service Unit—Quality Control and Certification of Food Crops and Horticulture Seed (UPTPSBTPH) and Directorate of Seed and Horticultural Input Facility. With this system, the shallot seed market is more coordinated, and market uncertainty can be avoided.

Wheat development in Indonesia is still in the stages of introduction and research. Japan's SKR program has supported wheat development at the initial stage by introducing wheat crops to farmers, increasing local wheat planting areas, and providing capital assistance. Meanwhile, the following challenges should be addressed by the government: small plantation areas, limited seed stock, a lack of farmer interest, and the lack of a local wheat market system.

Puspita (2009) found that competitiveness in the local wheat agribusiness in Indonesia is weak. The local wheat agribusiness subsystems in Indonesia do not support and relate to each other. The upstream agribusiness subsystems farming activities cannot support and downstream agribusiness subsystems that are much more developed. In this matter, Indonesia could learn from India's experience as a similar non-subtropic country. India was able to transform from the net wheat importer in the 1900s to the world's second-largest wheatproducing country following China. India, which started to develop wheat crops in the 1960s, implemented several policies such as research and development, market promotion, seed production, fertilizer chain establishment, and factory and processing machinery improvements.

Considering the survey results and the sustainability of the projects, it can be declared that there are still many areas that need to be addressed to cope with the complexities faced by

farmers. However, if we consider the capability enhancements of farmers who adopt the new farming technologies, the projects clearly serve as triggers for improving the overall socioeconomic well-being of the farmers. In addition, it is important to note how the project was able to activate every related element following the unfavorable conditions of extension services and ignored national agricultural policies of the decentralization era. The bottom-up coordination system among central government, local government, and extension workers set by the shallot and wheat projects provide an indication of institutional improvements.

When Indonesian agricultural policy has focused on rice, meat, soybean, sugar, and corn self-sufficiency, Japan's SKR program has contributed actively to achieve those development targets. Japan's SKR program has additionally supported many aspects of the agricultural sector that still lack government attention in terms of budget, such as shallot and wheat projects- the main concerns of this research. Shallot seed and wheat projects are considered risky projects, challenged by their complexities and huge potential for failure.

CONCLUSION AND POLICY RECOMMENDATION Conclusion

- Japan's grant aid through SKR Program started in Indonesia, claimed by Japanese (JICA) and Indonesian (Ministry of Agriculture) side, has been performing well based on the benefits gained by the underprivileged farmers. However, based on the assessment of farmer's perception as beneficiaries, there are many obstacles faced by the farmer as beneficiaries of the program.
- Although the farming feasibility of shallot cultivation is higher than for wheat, crosstabulation analysis shows that most farmers (91.7%) perceived many obstacles. The water supply constraints related to the SOP recommendation is considered the main complexity in this project.
- 3. Eighty-six percent of farmers made claims about the advantages of wheat, contrasting with its low farming feasibility. The *opkup* system resulted in low market complexity for the project. The issue of project sustainability will arise when farmers cultivate wheat by their own motivation without any market guarantees. Wheat crops compete with the main crops, which are more profitable and easier to sell.

Policy Recommendation

- The minor impact of SKR program can be solved by the integration of the projects funded by state budget with projects funded by CF-SKR. Each project can complement each other without a result of project overlapping. This is could be a breakthrough boost a significant impact on agricultural development in Indonesia.
- 2. Considering the significant advantages and high income of shallot seed cultivation, further assistance should be directed toward addressing the irrigation system as the crucial problem in the project.
- 3. Further agricultural assistance should be directed toward the expansion of commercial wheat by improving the local wheat-based industry. Cooperation among related needed ministries is to improve competitiveness the wheat in local agribusiness.

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