AGRISOCIO
EMPOWERING RURAL HOUSEHOLDS
THROUGH SUSTAINABLE AGRICULTURE

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ABSTRACT

Indonesia has more than 72,000 villages with unique potential in each village. These potency cannot be optimized because the villagers lack access to technologies, capital, and market. AgriSocio was established to overcome these challenges. AgriSocio is an Indonesian social enterprise in food and agriculture. It was founded in 2013 with the goal to create products and services in an environmentally and socially responsible system, while empowering rural households. We do social mapping, schedule of planting and harvesting, risk control, marketing, post harvest management, and community development. In September 2018, we already have 44 products, working together with 55 group of farmers whose multiplier effect has created an impact to more than 12,138 people. We believe by improving Indonesian agriculture, we can also improve Indonesian economy.

Keywords: Social Enterprise, Rural Households, Sustainable Agriculture

INTRODUCTION

AgriSocio produces a line of commercial, social, and sustainable cultivation products. We used organic integrated Starting Business as traders for potato and chilies. In February 2012, I created instant profit in only one month. I take products from farmers in Bumi Ayu, Central Java and distribute them to Jakarta. I only take 300 Rupiah/kg (about 3-4% margin) and send a minimum of seven (7) tons per day. After five months of trading, I got bankrupt. In Indonesia’s main markets such as Kramat Jati Jakarta, there are big players who can control the prices of agricultural commodities. They do not only have big capital, but they also have big stocks that can easily influence the prices of commodities. In just several hours, prices can be lower or higher because of stock control. If I expect to take 300 Rupiah/kg margin, after my products enter the market, I can also lose 900 Rupiah/kg. After I discovered this stark reality of agriculture’s supply chain, I got more interested to know about agribusiness in Indonesia.

In January 2013, I observed 100 farmers, 100 women, 350 students and asked them several questions. From those observations I got as the following facts:

1. Eighty-two percent (82%) of farmers lack capital to run their farms. They get capital loans from collectors, so after harvest, there is a kind of obligation to channel the loans to the collector. For cases like this, the collectors have a strong bargaining position so they can determine the lowest possible price.
2. It takes two-hundred fifty percent (250%) margin from farmers to reach the end users. Before going to the final consumer, there are six major actors in the agricultural trade chain. They are farmer groups, collectors, agents, distributors, the main market, traditional markets and small shops. Each actor takes 15-35% of the margin.
3. Less than 2.5% of agricultural invention can be adopted on a wide scale. In 2013, there are at least 101 inventions from the agricultural sector base, and only three inventions can be adopted on a wide scale.
4. Ninety-two percent (92%) of women are unemployed. Eight percent (8%) of them work as helpers in the fields doing farming chores like harvesting and sorting, while the others do practically nothing, sitting at home, and being unproductive.
5. Eighty five (85%) of college students underestimate their careers in the agricultural sector. They have limited perspective about agricultural development. Most of them describe Indonesian agriculture in three “poor”, “buffalo”, “village” beyond the expectation like “tractors”, “profit”, and “technology”.

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**AGRISOCIO**

AgriSocio is an Indonesian social enterprise in food and agriculture. It was founded in 2013 with the goal to create products and services in an environmentally and socially responsible system, while empowering rural households. AgriSocio’s vision is to become a leading social enterprise for sustainable agriculture. AgriSocio’s missions are:

1. Creating sustainable harvest through integrated farming system;
2. Empowering and increasing competitiveness of rural households, through the implementation of new technologies in combination with local knowledge;
3. Generating young leaders in the agricultural and food industry; and
4. Producing fair trade products and services in agriculture and food

**Activities**

1. **Social Mapping**
   Before we create a program (On Farm or Off Farm) in a village, we do social mapping to make sure our program suits the local wisdom. Some information that we need such as commodities are readily available and those farmers usually plant, have a track record of the cultivation process and post harvest management practices.

2. **Schedule of planting and harvesting**
   Most of our customers want products that are of good quality and ready when they need them. So, it is important to make a schedule of planting and harvesting to make sure that the supply of products have a good quality, sufficient in terms of quantity, and has a continuous supply.

3. **Risk control**
   To minimize the risk on farm activities, we collaborate with several institutions such as insurance companies, government offices, and group of farmers.

4. **Marketing**
   We sell our products in hotels, restaurants, catering services, minimarkets, supermarkets, exporters, and on and offline end users.

5. **Post harvest management**
   We do grading to make sure we have the best quality to get the best price. We found that in fresh products, wastage is very high, that’s why we also created value-added products.

6. **Community Development**
   We have an incubator for small farmers and do capacity building for them such as managerial training (human resource management, marketing, production, financing) and technical training (on farm)

**Products**

Right now we have forty-four (44) products such as

1. **IndoRempah** : IndoRempah is a beverage that comes from red ginger and indigenous herbs in Indonesia. Produced in Benteng Villages, Bogor. The beverage is made from pure raw materials and processed with the best quality ingredients. Every sachet contains gingersal, oleoresin, piperine chavicine to keep our bodies healthy. Each pack of IndoRempah contains five (5) sachets @20grams.

2. **KingChips** : KingChips is a healthy and delicious traditional snack food from West Java. Produced in Cibanteng Villages Bogor, Kingchips contains 50 grams of chips without any preservatives.

3. We grow forty-two (42) types of fresh products such as vegetables, fruits, and spices

**Resourcea**

We have four 4 learning centers which we use for research and development :

1. Ciamaea District, 1 production house and 2.7 Ha Farm
2. Megamendung District, 50 Ha farm
3. Lembang District, 1 packing house and 25 Ha Farm
4. Cipanas District, 180 Ha Farm
We also collaborate with fifty-five (55) groups of farmers separated in several provinces in Indonesia.

**Advantage**

*Food traceability*
When customers buy fresh products from the market, usually they do not know where they come from. When were they planted? How good are these products in terms of health? Are they environmentally friendly? AgriSocio products have QR codes that will provide all information or story behind the products.

**CONCLUSION**

Indonesian agriculture is facing challenges related to capital, market, and technology access for farmers. On the other hand, we still have consumers who have high purchasing power. They need producers who can provide them continuously with good quality products. AgriSocio was established to connect these potent reality by empowering rural households through sustainable agriculture.