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The conflicted nature of food security policy: balancing rice, sugar, and palm oil in Indonesia

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Abstract

Given the multiple problems presented by food policy, food security presents a complex dilemma for policy makers. This paper examines the contradictions presented by competing food security, food self-sufficiency, and food sovereignty framings, the challenge of policy making across multiple levels amidst competing agendas of agricultural commodity

production and production for self-provisioning populations, and the need to balance economic development with sustainable food production. From an analysis of rice, palm oil and sugar cases in Indonesia, we conclude that the conflicted nature of food policy needs to be understood in terms of the way specific material and ideational, actor-specific and structural factors working across scale shape outcomes in a highly uneven fashion. We find that this produces a policy field highly resistant to single analytical approaches, opening up the wide range of internally conflicting, related policy questions encompassed by food security related policy

Keywords: Food Security Policy; Scale; Indonesia; Palm Oil; Sugar

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Introduction

Food security has become an umbrella concept used for covering a variety of processes and strategies aimed at improving availability, access, stability *or* utilization of food (FAO 1983). However, given the sectorial nature of policy making, analysts rarely consider these four pillars of food security simultaneously, with many policy discussions concentrating on specific policy measures for achieving one particular policy objective related to food security. Such a partial approach may lose sight of the encompassing dilemmas related to food security.

Food security related policy is further complicated by issues of governance and power. Ambiguities and lack of clarity surround authority over setting policy directions and making decisions in a (legal-) normative way, even though laws specify the institutions and actors who have the legal authority to steer food security policies (Meadowcroft 2007). Furthermore, given the sectorial nature of policy making, in practice policy actors may have limited power to shape the overall policy field, despite the normative assumptions set out by the authoritative legal institutions responsible for steering the policy areas. For this reason food policy governance tends to be fragmented. Moreover, food security is not only a policy field characterized by a gap between national policies and local practices, but also a clear example of the production and politics of scale (Gellert 2008, 44). The global, national and local are not self-evident scales of administration, but instead 'scalar configurations that are the outcome of sociospatial processes that regulate and organize social power relations' (Swyngedouw 2004, 132). In the cases discussed below such sociospatial processes include the decentralisation policies, the growing influence of international market forces and nationalistic politics in the national parliament.

In this paper we will provide a situated discussion of food security policy, analyzing the food security agenda in some specific contexts, and exploring how key factors and actors influence outcomes, contrasting grounded contextual realities with the normative debate.

To illustrate this dilemma we focus on one national context - Indonesia. Here we are concerned with understanding the problem of policy coherence: how do the material and the ideational dimensions of power work together across scale and jurisdictional levels to shape the way food security policy works in practice? We will proceed in two stages. First, we discuss national policies, with their traditional focus on rice, and recent policy developments following the 2012 food law. Second, we present two case studies that contrast local level dilemmas, and the national food security policies and legislation. The two cases concern key commodity production systems in which a cash crop sector competes with staple food cultivation, presenting the problem of balancing economic development with sustainable food production in the cultivation areas. In the first case, generating export earnings from a booming agricultural commodity competes with the need to promote national rice self-sufficiency, together with the self-provisioning of rice farmers. The second case points to the competing aims of achieving national sugar self-sufficiency that competes with the challenge of mitigating food insecurity for the most vulnerable. Here, the autonomous governments of adjacent districts with differing value orientations and priorities further complicate food

security related policies. In the final section we return to the key questions presented by this complex policy problem.

The Conflicted Nature of Food Security Policy

Food security is a 'wicked' policy domain that is highly resistant to traditional linear, analytical approaches, and involves complex policy issues that include a variety of internally conflicting related policy goals (Rittel and Weber 1973). As noted earlier, working in one direction can create new barriers for reaching another policy objective. Moreover, institutional complexity emerges with specialized government institutions or Ministries, each with their own implementation programs and their own criteria for measuring progress. Additionally, particular stakeholders have different understandings of the nature and extent of the problem: in the absence of consensus regarding the nature of the problem and its causes, there can be no agreement over the appropriate solution. The greater the diversity of views, interests and agendas among the various parties, the more complex the attempt to develop coherent policy (Conklin 2006, 14). Acknowledging the wicked nature of food security policy does not make it easier to find solutions to problems; however, considering food security challenges as 'tame' (the opposite of wicked) problems will at best provide short term solutions which will not last.

How are the problems related to food security defined? In the academic debate about food security we can broadly distinguish four approaches. The first emphasizes the urgency of the subject by stressing that, worldwide, we face a food crisis. This policy narrative frames this as a problem of supply and demand at the international and national scales, and focuses on proximate factors of supply. It presents a production-oriented approach emphasizing the need to increase production, characteristically by applying technical capital intensive solutions in agriculture (Jarosz 2014, 169). Often there is an emphasis on market-driven approaches to the achievement of policy goals, with advocates of this approach assuming that the government just has a supporting steering or enabling role. This approach can support free trade, allowing cheap food commodities import to secure affordable prices for urban consumers. National governments may also provide enabling policy for agribusiness – for instance creating incentives for investment. Yet, for critics, supporting corporate, large scale approaches to food system development and research runs the risk of downplaying the social and ecological impacts of market based food policies in the Global South (Via Campesina 2001, Jarosz 2011). Moreover, when taken to its extreme this approach may neglect inequities in distribution and access to increased food production across various layers of society.

A second approach accepts the premises of the productivist paradigm, but privileges food self-sufficiency. As we will discuss further below, this approach emerges from concerns regarding food in-security within a national context. Responding to fears that individuals will not have sufficient access to food, and that the nation will depend on unreliable international markets, food self-sufficiency can be a policy objective at various levels: national, district and household.

A third set of approaches, building on the work of Sen, emphasizes the contextual, situational nature of food insecurity at the household level (Swift 1989, Sen 1997). This approach focuses on the need to understand how household level entitlement failures shape the inability of the poor to access sufficient food, taking into account a range of factors that affect rural livelihoods including the political economy and social structures, natural resource endowments and climatic factors that shape agricultural production systems. This third approach suggests an agenda for assuring food security for vulnerable, poor populations – focused at the household level, including protective measures for securing the income of small farmers and providing safety nets for those who spend the highest proportion of their budget on food.

Fourth, La Via Campesina and other NGOs including their Indonesian network partner WALHI (Friends of the Earth Indonesia) advocate food sovereignty. They have criticized the fact that 'access to food is seen as only the people's ability to purchase food, not their right to food' (Jakarta Post 2011). A declaration of Via Campesina (2001) states that 'the basic human right to food can only be realized in a system where food sovereignty is guaranteed, meaning the right of peoples to define their own food and agricultural policies as well as the right to produce their basic foods in a manner respecting cultural and productive diversity.'

These four approaches have emerged partly in opposition to each other, but also as a consequence of the specific interests of institutions in the field of food production and policy. Jarosz (2014, 175) signaled that recently the discourses on food security and food sovereignty have been converging. She also argues that in order to understand the actual food policies in place in a specific context requires analysis of the dynamic operation of power through and across the political economy of food networks (Jarosz 2014, 177). In pursuit of this, this paper presents two case studies from Indonesia. While both cases take place under the shadow of the same national policy regime, each is affected by the specific actors and political-economic dynamics that encompass two major export crops. The focus of the case studies is on identifying the powerful actors, investigating their discourses and activities in the field, and explaining the outcomes related to the various goals of the food security debate.

Actors and power

The resolution of food security questions is not in the hands of a single actor: it is of concern to non-state, supra-state, and sub-state actors, in particular civil society, international governmental organizations, and transnational corporations (Fuchs 2007, 1). Although the Indonesian Food Law (discussed below) might grant the ultimate authority for food policy to a national agency, in practice agribusiness, district government agencies, land owners and users shape food production. Their power to effect land use decisions varies across scale, with outcomes for vulnerable households often shaped by a mixture of structural and contextual factors. On this note, Fuchs and Glaab (2011) emphasize 'the impact of material and ideational, actor-specific and structural sources of power and their interaction on the ability of actors to influence agri-food governance' (Fuchs and Glaab 2011, 230). Material

sources of power include financial means to invest in the project but also to hire expertise. For instance, a company or international NGO can use its material resources to shape political agendas, when those who take the formal decisions depend on employment opportunities and financial support or investment. When a company is the single buyer of a crop, as in the case of a sugar mill, it has structural material power with respect to other stakeholders. At the same time we need to account for 'ideational sources of power' which include:

> the normative dimension of power and identifies an actor's ability to influence the framing of political issues as a crucial asset. Accordingly, an actor can exercise discursive power on the definition of policies, actors, and norms and procedures (Fuchs and Glaab 2011, 731).

Ideational power is important in local level decision making on food production projects in several ways. First, laws and policy narratives legitimize the authority that actors claim along with access to budgets, land, and other resources. For example, villagers can exert their authority by claiming customary rights to the land and justifying why they are to be regarded as landowners. In this way they assert control over agricultural land, the crucial natural resource in food production. Alternatively, corporate investors can promote their own investment strategies by indicating how the yields to be obtained from capital intensive, high input agriculture will be combined with local subsistence land uses. A key source of power is access to knowledge. Knowledge about the potentials of crops and possible future scenarios of local economic development are important inputs in the decision making process. For farmers, knowledge about farming technologies and market prices highly influences their decisions on what to cultivate. The discussion on the case studies below will explore how analysis of power relations according to the material and ideational dimensions of actors' power and their interaction helps for understanding how food security policy works in practice. With these considerations in mind, let us now turn to the empirical questions. What has been food security policy in practice in Indonesia? How did local actors shape these policies in the concrete cases of districts involved in oil palm or sugarcane cultivation?

National food security policies in Indonesia

Indonesia is the largest country in Southeast Asia, with a population of 253 million in 2014 (CIA 2014). It is an archipelago with a variety of climatic and geological conditions. Some of the areas are wet humid tropics with high annual rainfall, whereas other parts of the country are semi-arid, with rainfall of less than 1000 mm. The main staple food is rice, cultivated on flat land with sufficient access to water. The major cultivation centers of oil palm, the most significant agricultural export crop, lie in the humid areas of Sumatra and Kalimantan. A major regime change in 1998 ended a 32 period of centralized rule by President Suharto and brought a new period of democratization. Administratively, the country is divided into provinces that are subdivided into over 500 districts and municipalities in total (BPS 2015); since 2001, the district governments have a large extent of autonomy for policymaking in the

field of agriculture and food provision and the crucial authority for issuing land permits that agribusiness companies require in their land acquisition process. National food and agricultural policies create the legal framework that directs the actions of actors in the field.

Policy priorities

To understand food security policies in Indonesia it is necessary to go back two or three decades. During the Suharto regime food security and food self-sufficiency were important pillars of economic development, forming a key element of a productivist supply orientated approach that pursued food security related policies to further national stability. To that end the state established institutions to buy and to distribute food to stabilize prices at the farm gate and also for consumers. This was to be achieved by the state logistic agency BULOG (Timmer 1996). During this green revolution period, the state invested heavily in increasing production, by guaranteeing the availability of cheap inputs for rice production, through subsidizing fertilizers and seeds, and establishing credit programs for small farmers (Timmer 2005). The state also developed irrigation schemes and other key infrastructure. A special government agency, Badan Pengendali BIMAS (the Mass Control and Guidance Agency)) coordinated the agricultural intensification programs in a top down fashion. This policy culminated when the nation achieved self-sufficiency for some time in the 1980s (Dawe 2014) not only in rice but also several other foods. It controlled the marketing margin between a ceiling and a floor price, effectively stabilizing price fluctuations in size and over time. During this period BULOG was able to stabilize prices at around the world price (Dawe 2012). The government's policy was popular because both farmers and poor consumers, especially the urban poor, felt that their interests were being protected.

Since the 1990s domestic rice production has not been sufficient to meet the demand for domestic consumption. Imports have been fluctuating, with a peak during the time of the East Asian economic crisis, the El Nino year 1998 when the Suharto regime fell. After an agreement with the IMF, the government liberalized rice policy. BIMAS was abolished, and extension services fell under the jurisdiction of the district government instead of the national Ministry of Agriculture. BULOG changed its function, and village cooperatives no longer functioned as before. At the village level private intermediaries dominated local rice markets in a monopsony fashion, which negatively affected the margins for rice farmers. At the same time state agencies no longer ensured that rice prices tracked international prices. After the imposition of seasonal import restrictions in 2004, rice prices increased by almost 80% (McCollough 2008), moving well above world prices. According to analyses of the trend in real prices as measured in the field, the gap between the farm gate price and the consumer price has been getting wider. Farmers have been receiving less due to lower prices, while consumers simultaneously had to pay higher prices with intermediate traders capturing profits. This increased poverty among farmers and laborers (Zen 2013, 190-197). Consequently, food security remains a highly political issue, particularly during elections.

Currently rice production is lagging, and analysts mention three main reasons: low productivity, a decreasing area of paddy fields due to urbanisation or conversion to more rewarding land use, and harvest failure due to reasons that are often associated with climate change and bad irrigation infrastructure maintenance and development (USDA 2012).

In this context, the question of domestic rice availability has become very urgent. Indonesia has a large and growing population, with an average annual income of 5200 US dollar per capita in 2013 (CIA 2014). According to the World Bank (2014) 43 per cent of Indonesians live below $2 a day. Around 40 per cent of the population is dependent directly on agriculture. Although the country is the world's third largest rice producer, it is also the world's seventh rice importer (USDA 2012). Soon it will be the world's largest sugar importer, larger than the EU (GAIN 2014).

In 2012 the OECD published a report about agricultural policy in Indonesia, recommending opening up agriculture for (foreign) business investment, which it argued would contribute to expansion of the cultivated areas, increasing the efficiency of production and the use of improved technology that might be adapted to face climate variability and climate extremes (OECD 2012). This accords with a free trade analysis that suggests Indonesia should export where it has comparative advantage – for example in oil palm production – and import where it is disadvantaged or faces limitations – for instance in rice production. The problem for policy makers is that this leaves the country dependent on the international market where rice is only a thinly traded commodity.

In addition, a populist nationalist discourse suggests that Indonesia is an agrarian nation that should not have to import rice. Therefore, the Indonesian government avoids pursuing policies that would make rice provision dependent on the international market. By advocating a market based approach, the OECD report heated the political debate in Indonesia around food security. The suggestion that Indonesia, an ‘agrarian country’, might depend on imports of basic food commodities insulted national pride. Populist politicians rallied against these ‘western neo-liberal’ solutions for improving food security and instead appealed to their constituency by emphasizing national food sovereignty. In the run up to the general elections in 2014, rice farmers constituted a large bloc of voters, and politicians expected their populist appeals about food security to be highly effective. Conversely, in the past urban protests against high food prices have toppled political regimes.

Food Law aiming at National Self-sufficiency

After the re-election of President Susilo Bambang Yudhoyono in 2009, the national cabinet established 11 priorities for his second term, listing food security as the fifth priority. Subsequently the president established national targets, and state planners then set out targets for five key commodities, including a target to increase rice production by 10 million tons and almost double sugar production by 2014 (see table 1). Such an increase would require expansion into production areas.

Table 1. Projected growth of the five priority food commodities for national self sufficiency.

Commodity	**Production in 2009 (million ton)**	**Target 2014 (million ton)**	**Average growth per year (%)**
Rice	64.4	75.70	3,5
Corn	17.6	29,00	12.9
Soybean	0,97	2,70	35.4
Sugar	2,6	5,70	23.4
Beef	0,41	0,55	7,0

Source: OECD (2012, 135).

Pursuant of this objective, in November 2012 the Parliament passed the new Food Act. In general, such a piece of legislation is a product of a complicated process of horse-trading, with the consequence that the text is a compromise, presenting a rather general policy framework that reflects the concerns of the key stakeholders. The chairman of the parliament's commission that prepared the bill noted:

> The OECD's view is incorrect. The formulation of this bill shows that we are still committed to food sovereignty, independence and resilience. We are an independent country that can determine our own policies without intervention from other countries or organizations. (Jakarta Post 2012)

Also from the order in the articles in the Law we can read the political priorities.[1] First is national food sovereignty (*kedaulatan*) defined as the right of the state and nation to establish an independent food policy; second is (*kemandirian pangan*) food self-sufficiency used as argument for import substitution. Third is food security (*ketahanan pangan*), defined as availability and including the quality criterion that it should not conflict with religion, belief or culture. Fourth is food safety (*keamanan pangan*). Only later articles consider the problem of food insecurity (*kerawanan pangan*), framed in terms of the shortages caused by logistics, or natural or incidental factors, for which food aid is seen as the natural solution.

Thus the law incorporates competing and mutually incompatible frameworks: the food sovereignty concept advanced by critics of the world food system, the food security concept

[1] Bill of the Republic of Indonesia, number 18 of 2012, concerning Food. Available from: http://www.doa.go.th/psco/images/News/FOOD-LAW-NO-18-2012_ENG_PRESIDENT-SIGNED.pdf, accessed on 6 August 2014.

embedded in mainstream aid and development frameworks, and the nationalist food self-sufficiency agenda widely criticized by the advocates of market based approaches. Further, the law does not reflect an analysis of structural political-economic causes of food insecurity for certain categories within the population.

In the cases that we will now discuss it will become clear that local level (district) governments have become more powerful since decentralisation in 2001. They have a crucial role in granting companies permits to start a business or a plantation in their territory. The district governments are eager to attract investments hoping they will provide employment opportunities, increased economic activity, and consequently increased tax income for the government. Given their control over agricultural budgets, extension services and other key implementing agencies, district governments also have primary responsibility for implementing agricultural development policy. The case studies examine the gap between local level dilemmas, and the national policies and legislation that are supposed to address those dilemmas.

Rice or Oil Palm in North Sumatra

While North Sumatra is a historical center of plantation development in Indonesia, there are also large areas of lowland rice in the province. However, over recent years farmers have gradually converted rice land into oil palm gardens despite government policy that prohibits this (Law 41/2009). In addition, thousands of small scale rice producers are selling their land to planters for growing oil palm. The net effect of these two developments is that rice production in this area has been declining. Even the Simalungun district government's regulation forbidding the conversion of rice lands could not prevent such developments in practice. One farmer noted that the water was becoming insufficient for growing two rice crops per year, while 'oil palm farmers can harvest every two weeks'.[2] However, after he had converted three quarters of a hectare of irrigated rice land to oil palm, he could not afford to buy rice all through the year from his oil palm production. Since 2001-2007 the price of inputs such as fertilizer has increased, increasing the net cost of production. At the same time farmers obtain low prices at the farm gate. Indeed, the terms of trade (the prices of agricultural outputs relative to the prices of agricultural inputs) for rice cultivators have deteriorated. Meanwhile farmers have witnessed the palm oil boom, where the terms of trade of palm oil remain much higher.

[2] Interview with author 3 during workshop in 2012

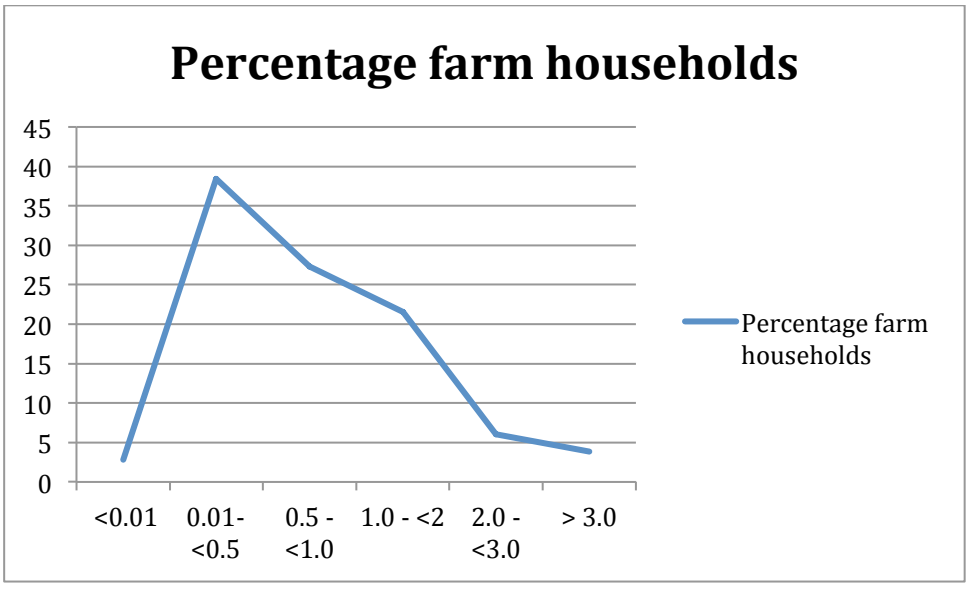
Table 2.Terms of trade index for farmers in North Sumatra

	2008	*2009*	*2010*	*2011*	*2012*	*2013*	*Average (%)*
Net terms of trade for food crop cultivation	93.1	96.2	98.4	99.9	99.5	100.3	97
Net terms of trade for small holder oil palm cultivation	105.4	101.7	105.6	107.9	106.6	100.2	105

Source: BPS North Sumatra (2014, 48).

Farmers are becoming increasingly vulnerable to extreme climate events. Degraded watershed systems and poor irrigation exacerbate the problems of floods and droughts causing rice harvests to decrease. As figure 1 based on data concerning 701,330 households indicates, the majority of farmers possess small areas of land, less than 2 hectares.

Figure 1: Division of land ownership (hectares) among farm households (percentage) in North Sumatra, in 2009.



Source: BPS North Sumatra (2011)

At present only 40 percent of rice producing areas are irrigated, leaving farmers susceptible to the vagaries of the climate (BPS North Sumatra (2011). This also reduces the frequency of planting. Meanwhile the price stabilization system does not work effectively to protect prices at the farmer level. These factors have affected the ability of farmers to plant during the dry season. Consequently the planting index has stagnated on a level of 1.6.

Table 3. Rice Planting Index (number of crop cycles per year) in North Sumatra

2008	2009	2010	2011	2012	2013	Average
1.5	1.5	1.5	1.6	1.6	1.7	1.6

Source: BPS North Sumatra 2014

The farmers in North Sumatra, who convert to oil palm, are what Indonesian policy makers call *petani gurem*, smallholders with rice field areas of less 0.5 ha. In other words they have insufficient land to attain sustainable livelihoods from rice production alone. At the time they make land use decisions, farmers often do not realise that the price of palm oil fluctuates sharply and that oil palm requires expensive inputs to be cultivated profitably (Zen et al. 2005; McCarthy 2010). As their oil palm lands are so small and their production remains low, particularly during the period before the oil palm comes fully into production, they are highly vulnerable to price shocks and family crises. Farmers who embark on land conversion become highly dependent on the market for buying food, and increasingly susceptible to a reproduction crisis, endangering the continuation of their household farming livelihood, which can force them into selling the land. In the end many sell their lands and are forced into becoming plantation labor or migrating to the city. Consequently the squeeze on rice farming and the transition to oil palm drive land conversion which in turn decreases the extent of harvested land, reducing the effectiveness of efforts to increase net rice production. The local government cannot do much about these developments. While one law (law 12/1992 concerning agricultural cultivation systems) protects the rights of farmers to choose the crop they wish to plant, another more recent law aims at protecting land use for food production (law 41/2009). When farmers choose to cultivate oil palm, the district government does not have the power to enforce law 41/2009 to prevent land use conversion. In this case the market is stronger than the state with its contradictory legislation.

Sugarcane or subsistence crops in Sumba

We now turn to a second case. Here a development involving large scale sugarcane cultivation is replacing subsistence agriculture in Sumba, one of the poorest and most sparsely populated islands of Eastern Indonesia. This development supports the national goal of achieving self-sufficiency in sugar (see table 1). However Sumba is an island the National

Food Security Atlas classified as 'most vulnerable to food insecurity', in terms of nutritional standards (NTT Government et al. 2011). That Atlas indicates that more than half of the children in the planned sugarcane area are chronically undernourished. A World Food Program survey of nearly 600 households in West Sumba has found that 36 percent were 'food insecure', with another 35 per cent classified as 'vulnerable' (World Food Program 2010, 42). Sumba is an island of 11,000 km2, administratively divided into 4 autonomous districts, with a population of approximately 700,000 persons. Although the island has had a long history of plans for plantation development, there are only a few plantations in operation (McCarthy, Vel and Afiff 2012).

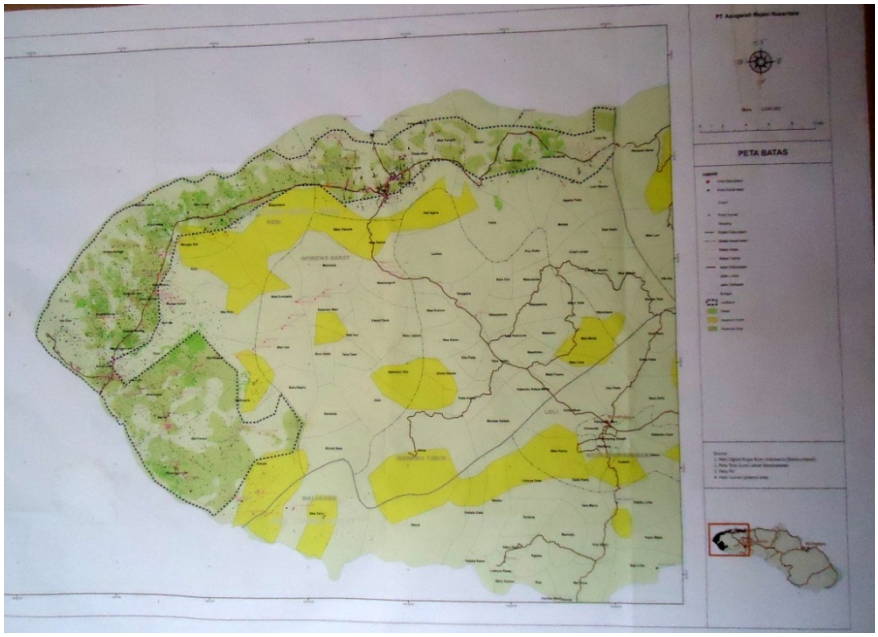
Growing demand from the food and beverage industry provides an incentive for increasing sugarcane cultivation and building new sugar refineries. However, the national government introduced a barrier with Presidential Regulation No. 36/2010 which requires new and expanding sugar refineries to create new sugarcane plantations in order to supply the new capacity. It is against this policy background that the Wilmar Group, a Singapore based agribusiness conglomerate, entered a new production area, Sumba, in 2011. The conglomerate conducted their operations through the Indonesian registered subsidiary company PT ARN. This company's activity is sugar cane cultivation, whereas sugar milling, refinery and trade are principally activities of other subsidiaries within the conglomerate that are not present in Sumba. Milling (technology), for example, is the specialism of the Australian company Sucrogen that the conglomerate purchased in 2011 (Wilmar 2012). Within three years the conglomerate that formerly was known as one of the largest palm oil companies in Asia has become a key player in the highly competitive world sugar market (Terazono 2013). PT ARN is just the small visible part of a very powerful conglomerate. Local actors negotiate with this company's representatives, without further knowledge of the company' background.[3] In the western part of the island the district government issued an initial permit to this company for 25,000 ha of agricultural land. The area destined for sugar cane covers around 40 percent of the district's total area suitable for agriculture. Currently part of it is being cultivated with food crops, for subsistence and for sale, including export to other areas in Indonesia, and partly used as grazing land for livestock. It is home to around 300,000 people, of which more than 80 percent depend on agriculture for their livelihood (BPS-NTT 2012).

Following the business model of the sugar company the local landowners are being dispossessed and will become dependent on the market for buying food. They will receive a yearly harvest payment proportional to their 'land contribution', in which both the yield level and the price per unit is determined by the company. It remains unclear who is entitled to claim land ownership, principally because the land is mostly common clan property. Moreover, due to internal clan differentiation, the landlords receiving compensation payments are not necessarily the farmers who actually depend on access to the land for their livelihood. The local PT ARN staff entered the field and negotiated with the population. They provided information about the proposed activities to the farmers and their families, most of

[3] Observation of author 1 during two field visits to Sumba in 2011 and 2012, not just pertaining to PT ARN, but also to other agribusiness companies that were negotiating about land acquisition on the island.

whom did not have any other source of information. There was no NGO representing the interests of the farmers, or explaining to farmers abstract concepts like 'lease for 35 years', or 'calculated land owner's share of the average sugar cane yield'. The farmers were yet to comprehend the enormous size and capital power of the agribusiness conglomerate that is behind this plantation. Consequently the land transactions did not accord with principles of fair, prior and informed consent as widely promoted by the international policy community for large scale land transactions of this type (Colchester et al. 2007).

Figure 2. For the indicated coastal strip the sugar cane company held a location permit in 2011. Photo: Jacqueline Vel, October 2012.



The company promised that local people would be employed during the harvesting season, and for other casual work that requires manual labour. In June 2012 it employed around 300 people for work on nurseries and land preparation. The company promised to construct irrigation facilities which could also be used by adjacent farmers for their food production; the company would produce electricity from sugarcane waste. It would commence a corporate social responsibility program offering local youth an education trajectory. According to the company's model, the sugarcane plantation would be a motor for economic growth and would lead to a thriving local economy, with the local population using the income they earn as labourers in the sugar sector for investing in productive enterprises. The discursive power of this narrative is strong and it convinced the district government. Key local stakeholders and opinion leaders joined in a field visit to Lampung where PT Gunung Madu Plantations has been operating a sugar cane plantation since 1975. In 2012, the first

landowners in the area planned for sugar cane handed over the rights to their land for 35 years (one and a half generations). They received a compensation payment from PT ARN of 660 US $ per hectare for the total period, which is an amount that, for example, equals 7 times the regional monthly minimum wage.

Despite this successful start, the company encountered serious trouble. First was the refusal by the district government of an adjacent district in Sumba to provide a location permit, which cancelled the option of further expansion. The Head of the Agricultural Service explained that he refused it, because 'they will use all first quality land in the district'.[4] Instead he preferred protecting subsistence agriculture, in particular maize cultivation, which at that time was the provincial priority agricultural policy. The decision to refuse permission to the sugarcane company was also justified with food security arguments. Sugarcane would replace food crops, which is hard to support given that this island is one of the most food-insecure areas of the country. Moreover, as the study of the World Food Programme (2010) indicated, the dry land farmers are among the most vulnerable and food insecure in this province. Here corn and other root crops are critical to family diets. Most farmers own their land, and cultivate as much as they can manage. While this helps greatly, farmers face climate variability, poor soils, and live in a state of rural underdevelopment.

In the district where the company obtained the location permit, the land acquisition process moved too slowly. By the end of 2013 the company had only around 900 hectares covered by signed agreements with landowners. Company staff explained that they would need at least 9000 hectares to be able to start up their business and meet the requirements of the Presidential Regulation No. 36/2010 about mandatory areas of new production for any new sugar mill. Local informants explained that many landowners started doubting the benefits of handing over their land to the sugar company when critical voices started spreading competing narratives about the future under the sugar company's regime. Political campaigns for the district head elections in 2013 created the context for emerging counter narratives. The company had been collaborating well with the incumbent district head who was therefore associated with sugar industry plans. His opponent won the elections; however his victory was questioned when he was accused of fraud. Then, violence broke out between the supporters of the two camps and some people were killed. This political instability deteriorated the business climate for the sugar company and made them postpone the decision to build a sugar mill.

Conclusions

These cases demonstrate the conflicted nature of food policy, leading to outcomes that vary across scale and space. At the national level, notions of food security, food self-sufficiency and food sovereignty get conflated in a simplified policy discussion. Political players at the center of the political debate mobilize a self-sufficiency concept as an 'ideational source of power' in political debates. For nationalist notions of food self sufficiency remain highly

[4] Interview with author 1 Waihibur, October 2011.

potent within the political domain. Rice and sugar self sufficiency remain issues that give political actors leverage, providing discursive power and setting the terms for the development of policies, norms and procedures shaping agricultural and food policy. As Indonesia's self-sufficiency in rice and sugar becomes a matter of national prestige, other pressing questions are eclipsed. For instance the distinction between successful domestic production of food, achieving local food self-sufficiency, and the need to ensure access to food for poor households: this critical issue is too easily lost from the political debate. Meanwhile, even in rural areas, the majority of people who are net food buyers remain vulnerable to price fluctuations. At the same time, the rice price remains above world prices, while farmers continue to obtain low farm gate prices. In this way, given low state budget provisions for helping the poor and for assisting farming, the question of developing and implementing policies to support vulnerable populations tends to move down the policy agenda. Meanwhile many rural people face encompassing entitlement failures. For instance, the 2009 Food Security Atlas for Indonesia shows that the national prevalence of stunting (chronic malnutrition) remained high at 36.8%, with 167 out of 346 districts having a very high prevalence of stunting (above 40%).[5]

At the same time, powerful investors mobilise ideas and productivist narratives to attempt to set the political agenda. Nationally they assert that sugar plantation development that involves large scale highly capital intense cultivation of the crop will support national goals of self-sufficiency in the most efficient manner, mobilizing the idea of the creativity of the private sector. The sugar and palm oil conglomerate utilizes knowledge about the potentials of crops and possible future scenarios of local economic development to shape the decision making process. Locally, the sugar company legitimizes plantation development by promoting the employment opportunities and financial outcomes that will be provided for by investment, despite the fact that it involves the large scale displacement of farmers. The injection of material resources by these agribusiness investors remains attractive to regional governments in this marginal region.

In contrast, rice farmers in North Sumatra are disadvantaged by their poor knowledge of the economics of oil palm farming. At the same time they lack the capacity to invest in agricultural production, even while they are squeezed by a range of factors including the micro-economic dynamics shaping rice farming, the deterioration of rice irrigation facilities, and the impact of climate change. In contrast, apparently marginal and disempowered farmers in Sumba effectively block the Wilmar behemoth. They claim customary rights to the land, refusing to sign release papers, and extending their control over the most crucial natural resource in food production: agricultural land.

In conclusion we see specific material and ideational, actor-specific and structural factors shaping this conflicted policy field. Food policy is not a single policy field but rather a policy space driven by a range of internally conflicting, related questions that policy makers need to address. The productivist approach of twentieth century food policy focused on food

[5] Food Security Council, Department of Agriculture, World Food Programme (2009) A Food Insecurity and Vulnerability Atlas of Indonesia 2009 http://www.foodsecurityatlas.org/idn/country/fsva-2009/executive-summary.

availability, investment in science, industrial scale inputs, and farm infrastructure to increase production, under state tutelage. Now, food policy necessarily needs to focus on re-establishing the links between ecology, equity and health. As Lang (2010) notes, this entails delivering sufficiency of production in ecological, social and economic terms. The shift towards more equitable and environmentally sound approaches to food will entail moving beyond a single-minded pursuit of self-sufficiency targets to focus directly on addressing the entitlement failures that remain all too common in rural Indonesia.

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