



GOVERNMENT REGULATIONS

RICE POLICY

(Presidential Instruction Number 1 Year 2008, dated April 22, 2008)

THE PRESIDENT OF REPUBLIC OF INDONESIA,

Considering:

- a. that in order of preserving national economic stability, increasing farmers' income, enhancing food security and developing rural economy, it is necessary to stipulate a national rice policy;
- b. that as a result of national and global developments in the food sector, particularly in rice affairs, it is necessary to adjust rice policy year 2007;
- c. that in relations to the above mentioned matters, Presidential Instruction regarding rice policy needs to be stipulated;

In view of:

Article 4 sentence 1 of the Constitution of 1945
(*BN Number 7152 pages 14A-23A*);

INSTRUCTS:

1. The Coordinating Minister for Economy;
2. The Coordinating Minister for the People's Welfare;
3. The Minister of Home Affairs;
4. The Minister of Agriculture;
5. The Minister of Trade;
6. The Minister of Finance;
7. The Minister of Industry;
8. The Minister of Public Works;
9. The Minister of Social Affairs;
10. The Minister of Forestry;

11. The Minister of State-Owned Enterprises;
12. The State Minister of National Development Planning Board/Head of Bappenas;
13. The Head of National Land Affairs Agency;
14. The Head of the Central Board of Statistics;
15. Governors;
16. Regents and Mayors;

In accordance with their respective tasks and functions to observe the following provisions:

FIRST:

To push and facilitate the use of certified superior paddy seed

SECOND:

To push and facilitate the use of balanced fertilizer in paddy plantation

THIRD:

To push and facilitate the reduction of post-harvest loss

FOURTH:

To prevent irrigated rice field from decreasing.

FIFTH:

To facilitate land rehabilitation and regional reforestation of water catchment area as well as rehabilitation of the main irrigation network

SIXTH:

To apply domestic purchasing policy to milled dry unhusked rice with the government purchasing price as follows:

1. The purchasing price of domestic unhusked dry rice with water content of 25% maximally and waste 10% maximally is Rp2,200 (two thousand and two hundred Rupiah) per kilogram at the farmer level or Rp2.240 (two thousand and two hundred and forty Rupiah) per kilogram in mill.
2. The purchasing price of domestic unhusked dry rice with water content of 14% maximally and waste maximally 3% is Rp2,800 (two thousand and eight hundred Rupiah) per kilogram in mill, or Rp2.840 (two thousand and eight hundred and forty Rupiah) per kilogram in Bulog's warehouse.
3. The purchasing price of domestic domestic unhusked dry rice with water content of maximally 14%, broken 20% maximally, waste content maximally 2% and hulling degree minimally 95% is Rp4.300 (four thousand and three hundred Rupiah) per kilogram in Bulog's warehouse.
4. The purchasing price of domestic unhusked dry rice other than the quality as referred to in number 1, number 2, and number 3 is stipulated a regulation of the Minister of Agriculture.

SEVENTH:

1. The purchase of unhusked dry rice by the government nationally is executed by Perum Bulog.
2. The purchase of unhusked dry rice by the Government in region, is executed by Government Board or Business Board in the food sector, besides Perum Bulog.

EIGHT:

1. Stipulating the policy on supply and distribution of subsidized hulled rice for the group of low income communities and food troubled communities.
2. Stipulating the policy on supply and distribution of hulled rice to mitigate force majeure and disaster.
3. Distribution of the subsidized hulled rice for the group of low income and food troubled communities as well as supply and distribution of hulled rice to handle the force majeure and disaster is executed by Perum Bulog.

NINTH:

Stipulating policy to preserve stability of domestic unhusked dry rice supply.

TENTH:

1. Supply of hulled rice for the need of distribution of rice to low income communities, to overcome force majeure, and stabilize domestic rice price supply is executed by supplying the government hulled rice stocks by prioritizing to the hulled rice supply coming from the buying from domestic farmer as regulated in SIXTH Dictum in this presidential instruction.
2. Management of Government Hulled rice stocks is executed by Perum Bulog.
3. Supply and management of hulled rice stocks by the Government at region are executed by Government Board or Business Board in the food sector, besides Perum Bulog.

ELEVENTH:

1. Stipulating policy on export and import of hulled rice in order to maintain the necessity of farmers and consumers.

2. The import of rice as referred to number 1, shall be executed if the readiness of domestic rice stock does not fulfill the Government Hulled rice stocks, and or to maintain the domestic price stability.
3. The export of rice as referred to in number 1, shall be executed if the readiness of domestic hulled rice has been fulfilled, controlled, and the import does not disturb the domestic price stability.

TWELVETH:

Stipulating supporting policy needed for ensuring the effective implementation of rice policy.

THIRTEENTH:

The Coordinating Minister for Economy shall coordinate the planning, implementation and evaluation of the implementation of rice policy.

FOURTEENTH:

All provisions regarding stipulating the purchasing price of domestic rice by the Government, which have existed before this presidential instruction is issued shall be declared null and void.

This presidential instruction shall take effect on the published date.

Issued in Jakarta

On April 22, 2008

THE PRESIDENT OF REPUBLIC OF INDONESIA,

sgd.

DR. H. SUSILO BAMBANG YUDHOYONO

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