

The four decades journey and future prospects of Indonesia to meet its demand for maize

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Abstrak

Increases in consumption of animal products have resulted in an increase of demand for feed, where maize is the major component. In Indonesia, maize occupied about 51 percent of food ingredients. It is because maize has a high energy content. Its nutrition content is appropriate for animal feed, especially for poultry and swine. Maize is also the second important food crops after rice. The growth in domestic maize demand for feed and food, industries exceeded the growth in domestic production. This article is aimed at describing the past and current status as well as the future prospect of maize balance in Indonesia, based on the last 41 years time series data. The result of the study shows that the total consumption of poultry products was steadily increasing, except during the economic crisis (1997-2002). An increase in consumption of poultry products followed by their production growth indicated a rapid growth of poultry industry. This condition has caused a substantial increase in demand for feed and then for maize as a major component of feed. In Indonesia, most maize, accounting for about 64 percent, was used for food, consisted of direct food and manufactured food. The demand for maize as a raw material for the food industry was increasing, in line with an increase in per capita income. Thus, maize is no longer considered as an inferior food, if it is processed into manufactured food. Therefore, as per capita income increases together with population growth, the demand for maize for feed and food industries will be substantially increasing. On the other hand, maize supply from domestic production was growing slower than its demand. However, the growth of production could not satisfy the domestic exploding demand. After 1975, Indonesia has become an importing country. Based on the 1990-2002 growth of production and consumption, Indonesia is projected to have a continuous deficit of maize. To reduce the dependency on maize imports, there should be some breakthroughs, such as: (i) intensive promotion of the use of hybrid seed, (ii) development of a fair partnership between seed growers and seed companies as well as between maize farmers and feed mills and food factories, (iii) provisions of subsidized credit for farmers with a simple administration procedure, (iv) farmers consolidation by strengthening farmers group to improve their bargaining position. Otherwise, domestic maize production will not be able to meet its mounting demand.