



Regulation Model of Corn Trade System Based on Farmer Protection

Fauzin

Faculty of Law, Universitas Trunoyojo Madura, Indonesia

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Abstract

Farmers in the trade chain for agricultural commodities, including corn, are in the weakest position compared to other parties. As a result, the trading system often does not take sides or even tends to harm farmers from year to year. Therefore, state intervention is needed in the context of evaluation which will lead to the reformulation of regulations regarding the maize trade system. Farmers are certainly an important element in realizing food security in this country. Therefore, this research was conducted to produce a regulatory model regarding the corn trade system which has unequivocal support for the protection of farmers. The purpose of this research is to identify the advantages and disadvantages of the current regulatory model, both by the central government and by local governments. To the corn trade system and find a model of corn trading system regulation based on protection for farmers. The research method used in this research is qualitative research and doctrinal legal research with several approaches, namely: statutory approach, analytical approach, and case approach with data collected through literature study and combined with empirical research (field research). This research is very important and useful for stakeholders (especially for farmers, entrepreneurs, and the government) as well as legislators in formulating policies on the trading system of agricultural commodities, especially corn which can ensure that farmers get serious attention and protection from the state.

Keywords: *Agricultural Commodities; Corn Trading System; Farmer Protection*

Introduction

Most residents in the four regencies in Madura Island make a living as farmers. However, it is estimated that the number of farmers in Madura from year to year has decreased. Many prefer to find work outside Madura rather than staying in Madura and becoming farmers. Several factors cause work as a farmer to be abandoned. Among them are related to income that is not suitable with expectations, there is no increase in knowledge of modern farming methods, inadequate farming infrastructure, and policies that are less partial and less protective to farmers.

First, income from farming which cannot meet their daily needs and cannot improve life level is the main reason for people who start to leave their jobs as farmers. Farmers almost every harvest time are always faced with the price less profitable for agricultural products. Farmers are not yet sovereign to determine their agricultural product price. Prices are largely determined by the market and the

government. So the income from selling the harvest is often not suitable with the costs that have been incurred by the farmers.

Second, most farmers still lack knowledge related to modern farming methods and which can increase better farming yields. Most of them still use traditional farming methods that have been passed down from generation to generation. The situation today has changed a lot when compared to decades ago. So it needs knowledge on how to farm that suitable with current developments and challenges. This is natural because, in terms of educational background, most of them come from elementary and secondary education graduates, and there are even farmers who do not graduate from elementary education.

Including corn cultivation in Madura is still carried out in a traditional manner which is usually done from generation to generation. It is still difficult for farmers to be invited to make changes and implement farming that can increase their production, both regarding the use of superior varieties, fertilizers, plant cultivation, and planting distance. Until now, the type of corn cultivated still using local varieties whose production levels are still low. Efforts to spread superior seeds still face challenges for various reasons.

The next problem that causes people to leave their jobs as farmers are related to inadequate agricultural infrastructure. Starting from the decreasing agricultural land, poor irrigation, related to fertilizer problems, and various other facilities. The increase of land-use change is one of the causes of land depletion. Many agricultural lands have been converted into places of industrialization, housing, and so on. Meanwhile, irrigation facilities themselves, do not support the need for water needed in agriculture. Many farmers can only farm during the rainy season. So, when the dry season arrives, nothing can be done.

Furthermore, the problem for farmers is related to policies that do not take sides and do not protect the farmers' interests. Among them are policies regarding the trading system of agricultural products. Farmers in Madura generally cultivate crops, food crops such as rice and corn. Therefore, what farmers in Madura feel the most is of course related to the trade system of these food crops. Corn is a food crop that is still chosen by farmers in Madura. One type of food crop is still an option for farmers in Madura with various considerations. Of course, among the considerations is agricultural land that is considered suitable for growing corn. The area that is very suitable for corn cultivation reaches 70,279.5 ha or 15.4% of the Madura area. However, most land in Madura is still used to grow local type corn. In contrast to other areas outside Madura, which is still in East Java, dominated by high-yielding varieties that free pollination and hybrids.

Corn market share in Indonesia is still very good. Corn has so many benefits for both food and non-food, the availability of supporting institutions and supporting government policy, and the easiness in cultivating it. This is influenced by corn use that is not only limited to consumption needs. However, corn has been used for the needs of the feed industry and other industries. Based on several previous research results, it was found that more than 55% of domestic corn needs are used for feed, while for food consumption only about 30%, and the rest for other industrial needs and seeds. Thus, the corn's role as an industrial raw material is much more dominant when compared to its use as a food ingredient.

Another problem, farmers are often faced with corn prices that are not suitable with expectations during the corn harvest season. Corn prices cannot get profits and even cause losses for farmers. So that weaknesses such as inadequate farmer income, lack of product added value, narrow land ownership and the lack of farmer access to market information, and lack of infrastructure and facilities at the farmer level can be minimized. Government intervention is needed to ensure that the corn trade system does not harm

farmers. In other words, regulations related to the corn trade system are needed that can encourage trade to run well.

Based on Law Number 18 of 2012 concerning Food, the regulation issuance is intended to update the previous regulations. If examined in the preamble, it is very clear that the state wants to carry out its obligations to realize the availability, affordability, and fulfillment of food consumption in all regions of the country. So it is necessary to increase the production and productivity of food commodities, especially strategic food, to meet the needs of the community which is always increasing and directly proportional to the population. Therefore, several regulations were issued under the Law which should refer to the Law.

There is a regulation that regulates the agricultural trade system. Among them is the Regulation of the Minister of Trade Number 58 of 2018. The Regulation issuance is intended to regulate the trade system for agricultural commodities, including corn. The Regulation is important because in the corn trade chain there are several parties involved. In addition to farmers, there are other parties such as entrepreneurs, breeders, and the government. All the parties involved certainly have different interests. Starting from these different interests, it creates various problems in the corn trade system.

There are two regulations from two ministries that regulate the same activity, namely Import activities. There is Regulation of the Minister of Agriculture Number 57 of 2015 which is also related to the regulation of the corn trade system. Then there is also the Regulation of the Minister of Trade Number 21 of 2018 concerning Provisions for Corn Imports. Two Ministry Institutions regulate the same thing but are substantially different. As a result, there is legal uncertainty in society.

The corn trade system by creating a national stock and government purchase price (HPP) will solve the commodity problem that always occurs in the country. Director-General of Food Crops at the Ministry of Agriculture, Udthoro Kasih Anggoro, says that corn should be designated as a staple food item that must have stock. If there is corn stock, there must be a government purchase price instrument as the base price. Currently, there is no corn trade system, with the consequence that as a staple food, there must be stock. He says corn imports last year reached 3.2 million tons. Last year's domestic production reached 17.6 million tons of dry shells. According to him, the corn production system has not been profitable for farmers. Many corn farmers are entangled with moneylenders to obtain capital during the planting season.

Agricultural policies since the 1980s have also tended to be distorting. The reason for shortening the trade chain is used to create new marketing institutions. However, instead of increasing efficiency, this effort undermines agricultural management institutions. This institutional weakness is exacerbated by weak law enforcement. Without law enforcement, rent-seeking, both businessmen and bureaucrats, can take advantage of the narrowness of institutional weaknesses. Short trading arrangements and centralized authority in the bureaucracy open up further opportunities for rent-seeking.

Research Method & Legal Materials

Based on the background describe above, the problems that can be formulated in this study are:

1. How is the regulation of the corn trade system starting from the Central to the Local Government?
2. How is the regulation model of the corn trade system based on farmers protection?

The research goal in this article are identifying the advantages and disadvantages of the current regulation model by the Central and Local Governments concerning the corn trade system, and finding a regulation model of a corn trade system based on farmers protection.

A. Agricultural Commodity Trade System Policy

Policies consist of various instruments that governments can use to change agricultural outcomes. An effective policy will change the behavior of producers, traders, and consumers and create new outcomes for the economy. According to Richard Rose, policy should be understood as a series of activities that are more or less related and their consequences for those concerned rather than as separate decisions. While Carl Friedrich views policy as an action direction proposed by a person, group, or government in a certain environment that provides obstacles and opportunities for the proposed policy to use and overcome to achieve a goal or realize a goal (Winarno, 2007:17-18).

According to the KBBI, the trading system is a trading system for certain commodities. So the corn trade system means a corn commodity trading system. The three main components that support the corn trade system are producers, traders, and consumers. Farmers as producers need to be supported by a technology package and production facilities provider institutions that can provide the five rights (right time, type, size, place, and price).

Trade system activities are part of distribution activities. Distribution creates an impression as if the people who work in this section are static, just waiting for what they will get from the producer to be distributed to consumers. The agricultural commodity trade system policy on the national scope seems to be inseparable from the policies formulated by the international community. The trade system problem is a problem for most Indonesian people whose lives depend on agriculture. Supposedly, the essence of the trading system, in general, is regulated in law. So far, the provisions that govern the trading system are generally regulated in the form of a decree of the Minister of Industry and Trade, the highest stipulation in the form of a Presidential Decree. If you see the urgency of the content material regulated in the ministerial decisions, it should be aggregated or regulated in the form of a law. From a juridical point of view, this situation naturally raises legal issues, namely the issue of authority and the issue of benchmarks for regulating commodities that can be traded.

In addition to the lack of strict legal regulatory authority in the field of the agricultural products trade system, in terms of the substance or material regulated, government policies made so far have not reflected the principles of social justice as mandated in the preamble and body, particularly Article 33 paragraph (3) The 1945 Constitution which requires that the management of state assets be used for the greatest prosperity of the people.

Economic globalization and free trade greatly affect all aspects of life in the world, including the agricultural sector. Sectors that are the mainstay of developing countries, including Indonesia, must also participate in the flow of globalization and free trade. The AoA's agricultural liberalization began with a desire to eliminate poverty by enabling countries to obtain cheaper products. Meanwhile, at the same time, poor countries can increase their income, especially farmers, by exporting to developed countries (Ibrahim, 2015).

Thomas R Dye as in his book entitled (1976:3) "Policy Analysis: What Government Do, Why They Do it, and What Different it Makes", defines public policy as "Whatever government chooses to do or not to do", i.e. anything the government chooses to do or not to do. In addition, Dye says that if the government chooses to take any action, then the action must have a purpose. In this context, the purpose of social protection policy is to provide guarantees for salt farmers to anticipate and facilitate all changes caused by their life cycle.

AoA is an agreement on agriculture that is part of the World Trade Organization (WTO) which officially came into force on January 1, 1995. Indonesia is a WTO member. Even Indonesia became part of the founding countries of WTO. The agricultural agreement initiated by WTO contains three things

that are very principled and have a big influence on the trading system of agricultural commodities. First, the agreement requires the expansion of market access.

This demand leads to the necessity of reducing tariff barriers in the destination country and demands to remove non-tariff barriers. Second, this agricultural agreement contains cuts in domestic support which are usually manifested in the form of domestic subsidies. The provision of subsidies by WTO is seen as a barrier to market access. Revocation of subsidies is considered to cause domestic agricultural products to become more expensive so that imported agricultural products can expand to other country's markets. Third, the WTO requires a cut in export subsidies. In terms of objectives, it is no different from the two previous provisions, namely to increase market access in other member countries.

These three things are very important for WTO because subsidies and domestic support are seen as the cause of distortions in international trade. Subsidies in various forms are usually carried out by the state to protect the domestic agricultural sector. The provision of subsidies has succeeded in increasing both the quantity and quality of agricultural products. As a result, domestic needs can be met and even exceed domestic needs concerning agricultural commodity needs. Such conditions are seen by WTO as the cause of the absence of requests for imports of similar products from abroad.

According to Sunyoto Usman (2004), there are 3 (three) important problems as a result of the agricultural development system that has been developed in the last 4 (four) decades. (1) regarding the damage to the rural environment. Farmers have been faced with the policy problem of increasing agricultural productivity through fertilizers and chemical drugs which not only create dependence but also damage agricultural land. (2) problem of Farmer's Human Rights, Farmers tends to be exploited by the control of the government on prices that tend not to favor the Farmers and the increasing prices of agricultural facilities. (3) problem of the function weakening of local institutions. Even though the Government has given the flexibility to the Local Government as one of the policymakers for the Farmers' welfare some of the policies taken are actually in favor of the Investors who engaged in Agricultural capitalization, not the Farmers.

According to Tito Pranolo (2000), the national policy of agricultural development in a country also cannot be separated from the influence of external factors, especially in the globalization era which is characterized by economic openness and free trade, it will be difficult to find a national policy of agricultural development that is sterile from the influence of external factors. External factors that influence the national policy of agricultural development in Indonesia include; (i) international agreements, such as WTO, APEC, and AFTA; (ii) policies on trade in agricultural commodities in Indonesia's trading partner countries; (iii) international institutions that assist Indonesia especially in times of crisis.

The issuance of an agricultural agreement and where Indonesia is part of the agreement became the beginning of the liberalization policy of the agricultural sector in Indonesia. As a result, Indonesia is obliged to liberalize the food commodity market, remove tariff barriers and other barriers. Food policies are no longer sovereign and must follow the policies set by WTO. The stages in the public policy-making process Dunn in Alisjahbana (2004:19) consist of; (1) agenda setting, (2) policy formulation, (3) policy adoption, (4) policy implementation, and (5) policy assessment.

Implementation is the stage of determining public policy, namely the process of bringing to a result or it can be the result of completing and finishing. The implementation also provides the means or tools to carry out something, giving practical results to something. Pressman and Wildavsky (1978:21) suggest that "implementation as to carry out, accomplish, fulfill, produce, complete".

Furthermore, according to Wahab (2002:37) implementation is the actions taken by actors (individuals, officials, government groups, or the private sector) which are directed at achieving the goals that have been set in policy decisions. Thus the policy implementation is the entire process and action taken by the actors implementing the policy to achieve the targeted goals.

To produce effective policies according to the goals and objectives, the policies implementation needs to be studied starting from the policy concept, formulation process, implementation system, target group data system, access to policy facilitation, community and stakeholder participation, monitoring to evaluation.

Indonesia, if wants to advance must play a role in the global arena. In this era, opening the domestic market and establishing international partnerships or networks is a "condition sine qua non" for countries to enter the third millennium. If Indonesia does not anticipate this situation, then Indonesia's hope to be counted in global trade is difficult to realize but will be marginalized, even if it is "run over" by other countries. This is a challenge that needs to be observed by all levels of Indonesian society (M.Guntur Hamzah, 2000:339).

This type of research is normative or commonly referred to as doctrinal research that uses a conceptual approach, this approach originates from the doctrine and views of legal science, namely the theory of the principle of legal usefulness initiated by Jeremy Bentham and the theory of legal hierarchy initiated by Hans Kallsen, to build related arguments. principles of benefit as well as the realization of procedures from the regulation of article 72 of the Indonesia Limited Company Law on the distribution of interim share dividends.

B. Regulation and Farmers Protection

Policy formulation is based on various considerations including political, socio-economic, institutional, environmental, resource, feasibility levels, in addition to technical factors. As has been widely understood, agricultural development has a very strategic meaning, not only for developing countries but for developed countries, agriculture still receives very serious attention and protection.

Formulating an agricultural policy is not easy. The position at the intersection of many interests, both economic and political, makes agricultural policy often difficult to escape from various controversies. The thick color of politics in various policies seems to make it difficult to improve this potential sector of the Indonesian economy.

In essence, government policy has three main objectives, namely efficiency, equity, and resilience or stability. Efficiency is achieved when the allocation of scarce economic resources can generate maximum income, as well as the allocation of goods and services that produce the highest level of consumer satisfaction. Equity is defined as the income distribution among community groups or areas that are the target of policymakers. Usually, better equity will be achieved through better or more equitable income distribution. However, because a policy is a government activity, it is the policymakers (indirectly also voters in a democratic system) who determine the definition of equity. Food security will increase if political and economic stability allows producers and consumers to minimize adjustment costs. Food security is defined as the availability of food at a stable and affordable price level. To achieve food security, it can be done by increasing the productivity of agricultural products, namely by introducing superior varieties so that later farmers will get an increase in income.

The constitutional mandate in Article 33 paragraph (3) should be a reference or point of attention for the government and all parties in formulating legal rules or policies in the field of trading agricultural products. How to integrate or harmonizing the interests of the business world with the constitutional

mandate is not an easy thing. Especially in the current era of globalization, competition between countries, nations, and regions is getting sharper, which of course requires mutually beneficial cooperation, but on the other hand, the values of nationalism can become thinner, concern for the fate of many people is also thinning.

One example is regarding the corn trade system, the Director-General of Food Crops of the Ministry of Agriculture (Sembiring Results: 2020) says that until now the Government has not regulated this matter, so that the corn price is fully determined by market mechanisms, thus the government has not taken its role in the corn trade system. If the price is left to the market, the potential for not taking market prices in favor of the farmers is wide open, therein lies the importance of a trade system order as a form of farmers protection.

Based on Article 1 point 1 of Law Number 19 of 2013, that what is meant by Farmer Protection is all efforts to assist Farmers in dealing with difficulties in obtaining production infrastructure and facilities, business certainty, price risk, crop failure, high-cost economic practices, and climate change. Whereas number 2 of the aqua law, explains the meaning of Farmer Empowerment, namely all efforts to improve the farmers' ability to carry out better farming activities through education and training, counseling and assistance, development of agricultural products marketing systems and facilities, consolidation, and guarantee of agricultural land area, easy access to science, technology and information as well as strengthening farmer institutions.

This shows that the protection and empowerment of farmers are aimed at realizing the farmer's sovereignty and independence to improve the level of welfare, quality, and better life. The influence of modern economic activities today has given birth to and developed conglomerations which in various ways are trying to acquire and control agricultural lands. Not only for productive business activities but also for investment objects and not infrequently also for objects of speculation.

In addition, the Protection and Empowerment of Farmers have a mission to protect farmers from price fluctuations, high-cost economic practices, and crop failures. Farmers have not felt such efforts so far, harvest failure is often seen everywhere, unstable prices for various agricultural commodities are also common, this has resulted in the goal of Protection and Empowerment of Farmers far from existing expectations.

Law Number 19 of 2013 provides as much space as possible for the Local Government to determine how the planning will be carried out to provide Protection and Empowerment of Farmers, at least the Planning must contain the Strategies and Policies determined by the Central and Local Government. This shows that whether the farmers are prosperous or not depends on the location of the partiality of the central and local government because the planning through public policy that they will make becomes the main support for the protection of farmers. Of course, the formulation of a public policy cannot be done unilaterally by the Central and Local Government, but some things must be taken into consideration, including (1) alignment with community empowerment programs (2) community participation and/or other stakeholders as partners of the Central and Local Government. Farmers, in this case as objects, are legally obligated to be directly involved in policy formulation; this indicates that the principles of togetherness, openness and the principle of integration have been fulfilled in the policy formulation.

The government should prioritize domestic agricultural production to meet national food needs, this is clearly stated in Article 15 paragraph (1) of Law Number 19 of 2019, besides that the government's import policy must not harm the sustainability of farmer business, increase production, the welfare of Farmers, Fishermen, Fish Cultivators, and Micro and Small Business Actors, is regulated in Article 39 of Law Number 18 of 2018 concerning Food.

This shows that legally the concept adopted by the government is quite good, despite some of the shortcomings it has, but imports are one of the problems that until now have become agricultural development policies that are not in favor of the interests of farmers. The cessation of the agricultural sector was rooted in the government's overly siding with the industrial sector, while agricultural policies since the 1980s have tended to be distorting (Djoko Suseno, Hempri Suyatna, 2007: 269).

The education and Training of Farmers is an obligation for the Government and Local Government. This education and training aim to develop the soft skills of the farmers themselves. The success of agricultural development in the globalization era depends on the mastery of agricultural technology and the competitive ability of farmers from other countries (Anantanyu, 2004), so it is important to prepare farmers to be ready to face existing developments, with maximum education and training ready to face globalization which today is a challenge for farmers.

Restrictions on modern markets as a form of farmer empowerment in terms of developing systems and infrastructure for agricultural products are one of the government's tasks to avoid unfair competition between traditional markets and modern markets, with this limitation traditional market markets that tend to be owned by farmers are not drowned by time, so this is the importance of Farmer Empowerment to improve hard skills and soft skills to be ready to face competition in the agricultural sector in the future.

In addition to the *aquo* Law, protection for Farmers is also present in Law No. 18 of 2012 concerning Food. Food administration is carried out to fulfill basic human needs that provide benefits in a fair, equitable, and sustainable manner based on food sovereignty, food independence, and food security. Fishermen, fish raisers, and food business actors.

With the hope of realizing food sovereignty, food independence, and food security, of course, several factors must be passed, one of which is ensuring the welfare of farmers. Through the welfare of farmers by maintaining price-quality, minimal capitalization of the agricultural sector, Indonesia can thus be free from dependence on imports, and better able to empower local farmers for food needs. This is indeed not easy, but it requires a shared commitment to complement and support each other for the realization of an Indonesia that is self-sufficient in food. In addition, the Government and Local Governments have responsibility for food availability, as regulated in Article 12 paragraph (1) of Law Number 18 of 2012 concerning Food.

Sources of food supply in Indonesia come from 2 (two) things, namely domestic Food Production and National Food Reserves, both of which if it is continuously stable and does not lack then Indonesia can suppress food imports because in Article 14 paragraph (2) of the Law Number 18 of 2012 explains that if the supply of food is not sufficient, the food can be fulfilled by importing according to the need. This means that imports will become unnecessary if Indonesia has become self-sufficient in food, of course, this is accompanied by farmers who are increasingly being considered as the main food producers. This is the obligation of the central and local governments to protect and empower farmers.

The main services provided by the government and other parties are necessary. Services that can support business success such as the ease of obtaining business capital assistance, technology, and counseling. Local/central government regulations that support the performance of farmers from corn cultivation are certainly very necessary. The Government role is indeed very important in the effort to maximize the potential of farmers as the main role for the nation's food needs, including the obligation to stabilize the supply of basic food prices in the hands of producers and consumers as regulated in Article 55 of Law Number 18 of 2012, this is done to protect income and purchasing power of Farmers, and maintain consumer affordability to the staple foods. With the magnitude of the government's responsibility, it is hoped that it can be carried out as well as possible, without manipulation or

exploitation of farmers through the policies issued, the government must be present as a drafter and guardian of the farmers' interests in facing the capitalist interests who are increasingly threatening the farmer's existence.

The government through the Ministry of Trade tries to protect the farmer's interests, through the Regulation of the Minister of Trade Number 58 of 2018 concerning Determination of Purchase Reference Prices at Farmers and Sales Reference Prices at Consumers, which regulates 8 agricultural trade commodities, namely corn, soybeans, sugar, fried mint, shallots, beef, broiled chicken, and chicken eggs. The purpose of the Minister of Trade Regulation is to ensure the availability, stability, and certainty of prices for corn, soybeans, sugar, cooking oil, shallots, beef, broiled chicken, and broiler eggs.

Previously, it was explained about the importance of the agricultural trade system, with a critique of limited regulations regarding the trading system, so in formulating the provisions or legal rules in the field of the agricultural products trade system, one must first formulate the social justice principles in the field of the agricultural products trade system. The absence of social justice principles in the trading system for agricultural products causes farmers and the people at large to always be in a weak position (Muh Guntur: 2007). They are always marginalized and not taken into account in the distribution of income, which they should also have the same rights as other components of society.

This, of course, reflects the existence of injustice treatment structure among the children of the nation who become farmers that are not small in number. Therefore, it is time for the government to change the paradigm of state functions which have been oriented and only benefiting the upper class with the paradigm of state functions oriented to the interests of farmers and the people. The function of government regulators, especially in the field of trade systems for agricultural products, has not run optimally. Even in some cases, the government does not function as a regulator but as a single actor who monopolizes distribution channels and trades in certain agricultural commodities. This is exacerbated by the unresponsiveness of the legal rules governing the agricultural products trade system in Indonesia.

Research Result and Discussion

This research was conducted in Pamekasan and Sumenep Regencies. These two regencies are located on the island of Madura. Based on secondary data obtained by researchers, these two regencies are the largest producers of corn commodities when compared to other regencies on the island of Madura. Pamekasan and Sumenep Regencies can be called the corn production centers of East Java Province. Pamekasan is one of the regencies on the island of Madura which produces the highest corn. The total planted area of corn in Pamekasan is 38,000 hectares (ha). The corn crop area is spread over 13 sub-districts. Where Larangan and Kadur sub-districts as the sub-districts with the highest corn production in the Pamekasan area.

The land use for the agricultural sector in Pamekasan Regency includes irrigated rice fields covering an area of 1,386 hectares, semi-irrigated rice fields covering an area of 5,213.03 hectares, rainfed rice fields covering an area of 8,569 hectares, while the use of dry land covers an area of 32,966.34 hectares. The amount of land in the form of rice fields is 17,158 hectares and those in the form of fields are 47,762 hectares. Thus, in Pamekasan Regency, there are 64,920 hectares of agricultural land spread over 13 sub-districts. However, based on data from the Food Crops Agency of Pamekasan Regency, the land use category as Irrigated Rice Fields is 7,500 Ha and Rainfed Rice Fields are 11,284 Ha and land with Tegal category is 45,156 Ha. Until September 2020 it was recorded by the Food Crops Agency of Pamekasan Regency that the realization of corn planting had reached 35,666 hectares.

The next research location is in Sumenep Regency. Sumenep Regency is located at the easternmost tip of Madura Island. Its territory is divided into mainland and islands (126 islands). Administratively, Sumenep Regency consists of 27 sub-districts and 334 villages. The population in Sumenep Regency based on BPS data in 2018 was 1,085,227 people. Has a land area of 210,019 Ha. In detail, 169,660 Ha is used for agriculture and 40,359 Ha is used as the land outside of agricultural activities. while the rice field area is 25,681.69 Ha consisting of 4,650.44 Ha technical irrigation, 1,837.95 Ha semi-technical irrigation, 2,028.73 Ha simple irrigation, 173.00 Ha village irrigation, and rain-fed areas 16,991.84 Ha.

The land used as agricultural land is mostly planted with food crops such as rice and corn. Based on data from the Food Security and Livestock Agency of Sumenep Regency, until September 2020, rice and corn commodities include those with surplus availability. Availability of rice commodity as much as 49,049.5 tons and corn commodity as much as 270,768.6 tons. Many sources state that corn is one of the commodities that can be seeded in the Sumenep Regency. Even the Ministry of Agriculture hopes that Sumenep can become the mouthpiece of the agricultural industry in East Java. This hope is based on the consideration that Sumenep Regency has the largest corn cropland on Madura Island, which is 14 thousand hectares so that Sumenep Regency has the potential to become a corn production center. The results of previous studies also state that corn is a favorite crop of the Sumenep community in general, besides being a food substitute for rice, it is needed to meet the animal feed needs.

A. Regulation of Corn Trade System

The study on the regulation of the corn trade system is broadly grouped into two, namely the regulation of the corn trade system in the regulations issued by the Central Government and the regulations issued by the Local Government. The form of regulations can be in the form of Laws, Government Regulations, Presidential Regulations, and Ministerial Regulations. Meanwhile, regulations issued by Local Governments are in the form of Local Regulations, Local Head Regulations, and Joint Local Head Regulations. Based on the data that has been found by the researchers, the regulations regarding the corn trade system can be found in the legislation as follows:

1. Law of the Republic of Indonesia Number 18 of 2012 concerning Food;
2. Law of the Republic of Indonesia Number 19 of 2013 concerning the Protection and Empowerment of Farmers;
3. Law of the Republic of Indonesia Number 23 of 2014 concerning Local Government;

The trading system is a trading system for certain commodities. In the corn trade chain, there are several parties involved in it, ranging from farmers, animal feed entrepreneurs, breeders, and the government, all of which have their interests. Therefore, arrangements are needed that can accommodate or bring together meeting points between all parties. So that the presence of the state is very necessary related to the provision of protection for all parties. The state mandate contained in the 1945 Constitution of the Republic of Indonesia states that the state has a responsibility to protect the entire Indonesian nation and promote the general welfare, educate the nation's life, and realize social justice for all Indonesian people.

The presence of the state in the form of regulations related to the farmers' protection is marked by the promulgation of the law that governs the farmers' protection on August 6, 2013, namely Law No. 19 of 2013 concerning the Protection and Empowerment of Farmers. It can be read from the preamble of considering in letter c the consideration of why this regulation is made, which is related to a market system that is not in favor of farmers so that farmers need protection and empowerment. The full

formulation of the preamble of considering in letter c of Law Number 19 of 2013 is as follows: “that the trend of increasing climate change, vulnerability to natural disasters and business risks, globalization, and global economic turmoil, as well as a market system that is not in favor of farmers so that farmers need protection and empowerment”.

In the preamble of the next weighing section, there is a clear acknowledgment from the state that so far the prevailing laws and regulations have not regulated the protection and empowerment of farmers in a comprehensive, systemic, and holistic manner. Therefore, it is deemed very necessary for the presence of regulations whose contents are intended to protect farmers. Of course, this is ironic as a country that is referred to as an agricultural country at every opportunity. Agriculture should get serious attention from the state. This is because, in an agrarian country, agriculture plays an important role in maintaining the sustainability of the nation and state.

The agriculture function as a food provider, livestock feed, and so on has placed agriculture in a strategic role to achieve food security, increase competitiveness, absorb labor, and reduce poverty. In addition, encouraging downstream agro-industry growth and spurring exports of agricultural commodities to increase the country's foreign exchange. On the other hand, the provision of community food needs is a major task that is not easy, which is estimated that Indonesia's population in 2050 will reach 322 million people, the fifth largest in the world after China, India, Nigeria, and America (United Nations, 2017).

To provide food for the community as a form of domestic food security which has been stated in Law Number 17 of 2007 concerning the National Long Term Development Plan (RPJPN) of 2005-2025 and Presidential Regulation Number 18 of 2020 concerning the National Medium Term Development Plan (RPJMN) of 2020-2024, the agricultural sector is expected to contribute to quality economic growth in Indonesia. Nationally, it is estimated that economic growth in the next five years is expected to increase to 5.7 - 6.0% per year, which is driven by increased productivity, sustainable investment, improvement in the labor market, and improvement in quality of Human Resources (HR).

During the 2015-2019 period, the agricultural sector became an important sector in supporting national economic development. The priority agenda of the Working Cabinet "NAWACITA" directs agricultural development to realize food sovereignty, including meeting food needs from domestic production, regulating food policies independently, and protecting and prospering farmers as the main actors in the food agriculture business.

As explained by Ariani and Effendi (2005), food consumption and efforts to fulfill it is one of the important agendas in Indonesia's economic development, an indicator to measure the level of community welfare. Corn as a substitute commodity for rice can be consumed in various processed forms. Corn is still an important carbohydrate contributor for people in low-income groups (Suryana et al. 1990). Therefore, the government continues to strive to meet food needs at affordable prices.

Minister of Trade Regulation Number 58 of 2018 concerning the determination of purchases reference prices at farmers and sales reference prices at consumers. There are 8 agricultural commodities whose trade system is regulated, including corn, soybeans, sugar, cooking oil, shallots, beef, chicken meat, and eggs. This rule regulates the determination of purchases reference prices at farmers and sales reference prices at consumers. This is done to stabilize prices from both farmers and consumers so that they are not careless in determining the selling or buying prices for the welfare of the community.

B. Regulation Model of Corn Trade System Based on Farmers Protection

Until 2010, based on the availability of existing production technology (superior varieties and cultivation), efforts to maintain the rate of a production increase of 4.24%/year will rely more on

productivity increase (3.38%/year); while the rate of increase in harvest area is projected to be only 1.0%/year. This can be achieved through the expansion of the use of superior quality hybrid and composite corn seeds, accompanied by the application of advanced cultivation technology. In the period 2010-2015, 2015-2020, and 2020-2025, to maintain the rate of a production increase of 4.24% per year, efforts are made to increase productivity and harvest area. In the three periods, the rate of productivity increase was 2.84%, 2.30%, and 1.76%/year, respectively, with the rate of increase in harvest area being 1.5%, 2.0%, and 2.5% / year (Center for Domestic Trade Policy, 2014)

The current producer price policy is considered to be good enough in terms of protecting product prices at the farmer level, although it is not effective in providing incentives to increase yields. Thus, the policy concept to support grain/rice, corn, sugar, and soybean prices need to be changed from the main instrument become a complementary instrument to increase farmers' income as well as incentives to increase productivity and efficiency of farming and processing industries. Some of the things that can be done include:

1. The HPP/HBP is set integrated with the policy of seed subsidies/ assistance, fertilizer subsidies/assistance, and farm credit subsidies.
2. HPP/HBP is set as an incentive for innovation adoption. For temporary operational reasons, this concept can only be applied to the HPP of sugar because the collectivity of sugarcane farmers is quite good. In the future, adjustments to increase the sugar HPP are not only based on the profitability prognosis of sugar farms/mills but are also related to sugarcane productivity and sugar yield in the previous planting season, and/or to farmers' participation in productivity improvement programs such as replacing certain varieties.

For corn, price security at the farmer level needs to be strengthened with instruments that can support the enforcement of HBP policies through several policy options, including:

1. Provisions on the import license issuance need to be linked to the obligation for importers to purchase farmers' soybeans at the HBP level.
2. Assignment to Bulog to purchase farmers' soybeans at HBP by adopting a mechanism for purchasing farmers' grain for rice commodity.
3. Increased soybean import duty to protect prices at the farmer level.
4. Increased soybean import duty to protect prices at the farmer level and followed by granting import license for tofu/tempe craftsmen through cooperatives to ensure supply and price certainty through a more efficient distribution chain.

The chosen policy option has advantages and disadvantages as the policy consequence. Some of the advantages and disadvantages are presented in the following table.

Table 1. Policy Options to Support Enforcement of Farmers' Soy Purchases at HBP Level

Policy Option	Advantages	Disadvantages	Remarks
1. Provisions for the import license issuance need to be linked to the obligation for importers to purchase farmers' corn at the HBP level	Ensuring the certainty of corn prices at the farmer level at HBP without a budget burden for the government	Challenges in ensuring that importers can fulfill their obligation to buy corn from farmers	The government helps importers by providing information on the availability and prices of farmers' corn
2. Assignment to Bulog to purchase farmers' corn at the HBP by adopting a mechanism for buying farmers' grain for rice commodities	Ensuring the certainty of corn prices at the farmer level at HBP	Requires budget support for the government	
3. Increasing import duty on corn to protect prices at farmer level	(i) Increasing prices at the farmer level; (ii) Increasing state revenue	(i) Effectiveness in increasing farmer prices is low due to intermediation between farmers and craftsmen and consumers; (ii) Can increase the price of craftsmen	For HBP enforcement it needs relatively high Import Duty. This can have an impact on prices at the consumer level which in turn influence inflation rate
4. Increased import duty on corn to protect prices at the farm level and ensure supply and price certainty through a more efficient distribution chain	(i) Can increase prices at the farmer level; (ii) Guarantee the corn supply to craftsmen at low prices	Effectiveness in increasing farmer prices is low due to intermediation between farmers and craftsmen and consumers	For HBP enforcement requires relative higher Import Duty and can have an impact on prices at the consumer level which in turn affects the inflation rate

The government as an institution that has the authority to make regulations to improve the corn farmers' welfare is very much needed and institutional services to farmers are prioritized. The extension worker's existence in the field is very important because it can be accessed by farmers to obtain technological information. In this case, a policy that does guarantee it. The policy support needed to create a conducive climate in the agricultural sector includes:

1. investment incentive development,
2. development of financial institutions and agricultural capital,
3. improving support for technology that is ready to be applied in the field,
4. improving human resources quality,
5. improving agribusiness institutions,
6. improving the marketing support, and
7. regulatory/legislative support.

The government's role is more aimed at preparing the infrastructure and facilities that support the agro-industry development and the preparation of the regulations. Community investment can be investment from entrepreneurs with legal entities (PMA, PMDN, BUMN, BUMD, cooperatives) and farmers. Private investment can be in the form of PMA/PMDN. In this case, the government acts as a stimulator, facilitator, and regulator.

Conclusion

The study on the regulation of the corn trade system is broadly grouped into two, namely the regulation of the corn trade system issued by the Central Government and the regulations issued by the Local Government. The form of regulations can be in the form of Laws, Government Regulations, Presidential Regulations, and Ministerial Regulations. Meanwhile, regulations issued by Local Governments are in the form of Local Regulations, Local Head Regulations, and Joint Local Head Regulations. Based on the data that has been found by researchers, that the regulations regarding the corn trade system can be found in the following laws and regulations: Law of the Republic of Indonesia Number 18 of 2012 concerning Food; Law of the Republic of Indonesia Number 19 of 2013 concerning the Protection and Empowerment of Farmers; and Law of the Republic of Indonesia Number 23 of 2014 concerning Local Government.

The government as an institution that has the authority to make regulations to improve the corn farmer's welfare is needed to make a policy that guarantees this. The policy support needed to create a conducive climate in the agricultural sector includes:

1. investment incentive development,
2. development of financial institutions and agricultural capital,
3. improving support for technology that is ready to be applied in the field,
4. improving human resources quality,
5. improving agribusiness institutions,
6. improving the marketing support, and
7. regulatory/legislative support.

The government's role is more aimed at preparing the infrastructure and facilities that support the agro-industry development and the preparation of the regulations. Community investment can be investment from entrepreneurs with legal entities (PMA, PMDN, BUMN, BUMD, cooperatives) and farmers. Private investment can be in the form of PMA/PMDN. In this case, the government acts as a stimulator, facilitator, and regulator.

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