

Dynamics of Smallholder Farmer Adoption of High Value Horticultural Crops in Indonesia

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Abstract : Improving the participation of smallholder farmers in horticultural value chains to benefit from the rapidly growing demand for high-value agricultural products is one strategy for raising farm income. However, smallholder farmer participation in Indonesian horticultural value chains is under-researched. To address this knowledge gap, this study aims to describe the current status of horticultural crop adoption in Indonesia and analyze the motivations and dynamics of smallholder farmer participation in horticultural value chains: why some small farmers join these new and potentially profitable chains and continue their participation. This study also examines the characteristics of farmers who adopted and those who did not adopt a new horticultural crop with respect to the household (farmer), farm and institutional characteristics. The analysis was conducted using unique data from a 2013 survey of 960 Indonesian farmers on Java Island that produce a variety of agricultural products. Basic statistical analysis showed relatively low adoption rates (10%) of new horticultural crops amongst 960 selected Indonesian farmers with different decisions made in terms of number and timing of new horticultural crop adoption. Adopters were motivated mainly by higher profit, higher yield, and more cash opportunities. The result also showed that current low rates of horticultural crop adoption are associated with a variety of factors, such as lower levels of education among farmers, resource constraints, lack of information on horticultural crop production and low participation in farmer groups. These findings will be helpful for policymakers when designing policies and programs to promote greater participation of Indonesian smallholder farmers in horticultural value chains. In other words, a revitalisation of agricultural policy beyond staple food is important to seize potential benefits from the ongoing agricultural food market transformation.

Keywords : farmer adoption, high value, horticultural crops, Indonesia

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