

# The Essence of the Implementation of Subsidized Fertilizer Distribution Based on the Regulation of the Minister of Trade in the Jurisdiction of South Sulawesi

Sufirman Rahman<sup>1</sup>, Bastian Mas<sup>2</sup>, La Ode Husen<sup>3</sup>, Kamal Hidjaz<sup>4</sup>

## Abstract

*The distribution of subsidized fertilizers in the jurisdiction of South Sulawesi is a strategic effort by the government to increase agricultural productivity and national food security in accordance with the Regulation of the Minister of Trade Number 17/M-DAG/PER/6/2011 Article 2 concerning the Procurement and Distribution of Subsidized Fertilizers for the Agricultural Sector. This research aims to evaluate the implementation of the policy and identify the obstacles faced in the field. Based on the analysis, it was found that the implementation of subsidized fertilizer distribution experienced various problems, including delays and irregularities in distribution, quota deviations by farmers and distributors, and lack of understanding of farmers' procedures. Factors affecting these constraints include ineffective coordination and communication, poor logistics infrastructure, and weak supervision and law enforcement. To overcome this problem, it is suggested that there should be improvements in coordination between parties, improvement of logistics infrastructure, strengthening supervision and law enforcement, as well as intensive socialization and the use of information technology in distribution monitoring. With these steps, it is hoped that the policy goals of subsidized fertilizer distribution can be optimally achieved, support agricultural productivity, and ensure national food security.*

**Keywords:** *Distribution of Subsidized Fertilizers, South Sulawesi, Regulation of the Minister of Trade, Agricultural Productivity, National Food Security.*

## INTRODUCTION

The Government of Indonesia, in an effort to realize independence and state goals as stated in Paragraph IV of the Preamble to the 1945 Constitution, carried out various developments in various sectors, including agriculture. Although many efforts have been made since the independence era, national agricultural development still faces significant challenges, such as the inability to lift the status of farmers from the traditional pattern that tends to decline, as well as rural poverty and food security which are central issues. The fertilizer subsidy policy, which has been in place since the 1970s, aims to increase agricultural productivity and national food security, but its implementation often faces problems such as fertilizer scarcity and ineffective distribution. The case of fertilizer scarcity in Bone Regency in 2022 shows that the problem is often caused by quota misappropriation and distribution delays, not a physical shortage of fertilizer. This research focuses on the implementation of subsidized fertilizer policies based on the Regulation of the Minister of Trade Number 04 of 2023 in Bone, Jeneponto, and Gowa Regencies, in order to assess the effectiveness of distribution and observe problems in achieving policy goals with the right type, quantity, price, place, time, and quality.

This study aims to evaluate the implementation of subsidized fertilizer distribution in accordance with the Regulation of the Minister of Trade Number 04 of 2023 in Bone, Jeneponto, and Gowa Regencies, with a focus on the effectiveness of distribution and policy implementation. Although fertilizer subsidies are designed to increase agricultural productivity and support food security, field practice shows various obstacles, such as fertilizer scarcity caused by quota misappropriation and distribution delays. This study will identify problems in policy implementation, including discrepancies in the type, quantity, price, place, time, and quality of fertilizers available to farmers. By conducting an in-depth analysis of the distribution mechanism and factors affecting policy effectiveness, this study aims to provide valuable insights into the improvement of the subsidized

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<sup>1</sup> Universitas Muslim Indonesia, E-mail: [sufirmanrahman@umi.ac.id](mailto:sufirmanrahman@umi.ac.id)

<sup>2</sup> Universitas Muslim Indonesia, Email: [bastianmas45@gmail.com](mailto:bastianmas45@gmail.com)

<sup>3</sup> Universitas Muslim Indonesia, E-mail: [laode.husen@umi.ac.id](mailto:laode.husen@umi.ac.id)

<sup>4</sup> Universitas Muslim Indonesia, Indonesia, E-mail: [muhkamal.hidjaz@umi.ac.id](mailto:muhkamal.hidjaz@umi.ac.id)

fertilizer distribution system. The results of this study are expected to guide the formulation of more effective policies, support the success of food security programs, and improve the welfare of farmers in the region.

With a thorough analysis of subsidized fertilizer distribution policies and practices, this study will identify weaknesses in implementation and provide recommendations for improvement. The main focus will include the development of a more transparent and accountable distribution system, improved monitoring mechanisms to ensure compliance with quotas, and improved communication between relevant parties such as local governments, distributors, and farmers. The study will also assess the impact of subsidy policies on agricultural productivity and food security at the local level, taking into account the perspectives of farmers and other key actors. The results of this study are expected not only to improve the distribution mechanism of subsidized fertilizers but also to contribute to better and strategic policy formulation in the agricultural sector as a whole. With data-based recommendations and in-depth analysis, this study will help in overcoming fertilizer distribution problems and increasing the effectiveness of subsidy policies, thereby supporting the national goal of food self-sufficiency and farmer welfare in the South Sulawesi region.

## **THEORETICAL FRAMEWORK**

The theoretical framework for this research integrates policy implementation theory and resource dependency theory. Policy implementation theory examines the gap between policy design and its practical outcomes, focusing on how well the Peraturan Menteri Perdagangan Nomor 04 Tahun 2023 for fertilizer subsidies is executed, and identifying barriers to effective implementation. It highlights the roles and coordination required among stakeholders—government agencies, distributors, and farmers—to ensure successful policy execution. Resource dependency theory, on the other hand, explores how organizations manage their reliance on external resources, such as subsidized fertilizers, and the impact of resource management on agricultural productivity and food security. This theory helps analyze how the distribution system's efficiency affects farmers and how shortages or surpluses are handled. Together, these theories provide a comprehensive lens to understand the complexities of fertilizer subsidy distribution, revealing inefficiencies and suggesting improvements for better policy outcomes.

## **METHODOLOGY**

In this study, the author combines two types of legal research, namely normative law research and empirical law research, with a qualitative approach. This approach is used to gain a comprehensive understanding of the problem being studied. Normative Law Research is research that focuses on the analysis of applicable legal rules. This method includes the study of legal documents, such as laws, regulations, and court decisions. The purpose of this study is to understand the existing legal norms and how they are applied in practice.

## **RESULTS AND DISCUSSIONS**

### **The Essence of the Implementation of Subsidized Fertilizer Distribution Based on the Regulation of the Minister of Trade in the Jurisdiction of South Sulawesi**

The distribution of subsidized fertilizers in the jurisdiction of South Sulawesi, in accordance with the Regulation of the Minister of Trade, aims to meet the criteria of the right type, quantity, price, place, time, and quality in order to increase agricultural productivity as stipulated in Article 2 of the Regulation of the Minister of Trade Number 17/M-DAG/PER/6/2011 concerning the Procurement and Distribution of Subsidized Fertilizers for the Agricultural Sector. However, its implementation in the field has experienced various obstacles such as delays and irregularities in distribution, quota deviations by farmers and distributors, and lack of understanding of farmers' understanding of the procedure for obtaining subsidized fertilizers. Factors influencing this implementation include ineffective coordination and communication between related parties, logistical constraints due to poor infrastructure, and weak supervision and law enforcement. In addition, the existence of administrative obstacles in the preparation and validation of the Definitive Plan for Group Needs (RDKK), as well as the problem of delays in the redemption and distribution of fertilizers by distributors and retailers are also the main obstacles in the distribution of subsidized fertilizers. To overcome this challenge, there needs to

be improvements in coordination between parties, improving logistics infrastructure, and strengthening supervision and law enforcement. In addition, more intensive socialization is needed to farmers regarding the procedures and rules for obtaining subsidized fertilizers so that they can take advantage of this program more effectively. The use of information technology for fertilizer monitoring and redemption can also be an effective solution to improve the transparency and efficiency of subsidized fertilizer distribution. With these steps, it is hoped that the goal of the subsidized fertilizer distribution policy to increase agricultural productivity and national food security can be achieved. Moreover, given the importance of the role of fertilizers in supporting food security programs, these improvement efforts must be carried out comprehensively and continuously so that the benefits of this policy can be felt optimally by farmers in South Sulawesi and other regions in Indonesia.

Along with the increase in the population, the need for food that must be provided also increases. Indonesia is a country with a large population. with a high growth rate. Indonesia's population in 2022 is estimated to reach 251 million people. In 2022, BPS data shows that the rice consumption rate reached 139 kg per capita, higher than Malaysia and Thailand which only ranged from 65 kg to 70 kg per capita per year. Rice as the main staple food of the people of Indonesia since 1950 has become increasingly irreplaceable. One of the efforts that can be made to achieve food self-sufficiency is to increase national rice production through intensification and extensification activities. The implementation of this intensification and extensification program cannot be separated from the support of the availability of production facilities, especially fertilizers. Fertilizer as one of the means of production needed by farmers needs to be available appropriately, both in time, quantity, type, quality and price that is appropriate at the farmer level. This is based on the fact that the use of fertilizers has become an inseparable part of the agricultural production process. Therefore, it is not an exaggeration if many people in Indonesia identify the scarcity of fertilizers with the threat of declining agricultural production, in fact, it is not uncommon for the scarcity of fertilizers to be used as a national issue as one of the causes of disruption in food availability. Given the importance of the role of fertilizers in increasing agricultural productivity and production to realize national food security, the handling of fertilizers starting from the level of production, distribution and use at the field level needs to receive serious attention from all parties involved.

In the Regulation of the Minister of Trade Number 17/M-DAG/PER/6/2011 of 2011 concerning the Procurement and Distribution of Subsidized Fertilizers for the Agricultural Sector, it is determined that to ensure the availability of fertilizers at the farmer level in order to increase productivity, and agricultural production to meet the 6 (six) precise criteria, namely:

1. Exact type;
2. Sum;
3. Price;
4. Place;
5. Time; and
6. Quality.

For the smooth distribution of subsidized fertilizers, the Government then issued a subsidized fertilizer policy for the sub-sectors of food crops, horticulture, plantations, fisheries and peternakan (agricultural sector).

The policies in question are outlined in several ministerial regulation policies, including:

1. Regulation of the Minister of Trade of the Republic of Indonesia No. 171/M-DAG/PER/6/2011 concerning the Procurement and Distribution of Subsidized Fertilizers for the Agricultural Sector;
2. Regulation of the Minister of Trade No. 15/M-DAG/PER/4/2013 concerning the Procurement and Distribution of Subsidized Fertilizers for the Agricultural Sector.
3. Regulation of the Minister of Trade of the Republic of Indonesia Number 04 of 2023 concerning the Procurement and Distribution of Subsidized Fertilizers for the Agricultural Sector

Based on rules and policies related to fertilizers that are urgently needed by farmers, it becomes a serious problem, when there is a shortage of fertilizers, for example, a shortage of fertilizers occurred in Bone Regency in 2022. The Bone Regency Government then traced the cause of the fertilizer scarcity, by gathering farmers in a meeting to find a solution. From the results of the meeting, information was obtained that the cause of the fertilizer scarcity was actually because a number of farmers took more fertilizer quotas than had been determined, resulting in other farmers not getting rations.

The reality of fertilizer scarcity is not due to the unavailability of fertilizer, but the result of farmers who take their allotments in excess of the quota. The farmer group can get a maximum of subsidized fertilizer for only two hectares, or around 400 kilograms of fertilizer or 8 zak, so that a number of other farmers do not receive subsidized fertilizer. However, basically farmers can take more than the quota, but it is no longer subsidized or non-subsidized fertilizer, which of course the price is very different from the price of subsidized fertilizer.

This empirical fact causes problems because in fact it is mostly due to farmers requesting fertilizers that exceed the quota set in the Definitive Plan for Group Needs (RDKK), which should get 200 kg or 4 zak of subsidized urea fertilizer in 1 Ha, and the maximum farmer who receives subsidies, is with a maximum land area of 2 Ha or as much as 400 kg per 8 zak. Thus, if you still feel the need to add fertilizer, you must buy it at the price of non-subsidized fertilizer, so that the plant grows and produces optimally according to the dose needed by the plant. In addition, there are still many farmers who have not yet joined farmer groups, so they are not included in the RDKK which is an absolute requirement for the distribution of government-subsidized fertilizers.

Meanwhile, in contrast to the response from the Agriculture, Food Crops, Horticulture and Plantation Service (PTPHP) of Bone Regency, Jeneponto, Gowa, South Sulawesi, that related to the scarcity of fertilizer that occurred in several areas, it was caused by the scarcity of fertilizer triggered by the lack of capital for distribution, so that the redemption was slow and fertilizer was delayed to reach farmers.

Some distributors are suspected to be slow to redeem to maintain the stock allocated by the producers, because they have to wait for redemption from the retailers, while the retailers themselves wait for order money from farmers. As a result, fertilizer stocks that should have been available at the time of need, turned out to be non-existent and or not enough, the problem is with the distributors, maybe they have not carried out redemption. Fertilizer will not be distributed if it is not paid first,

In Bone Regency in 2023 the fertilizer quota for Bone Regency of UREA fertilizer type is 85,600 tons and NPK is 41,000 tons, for Jeneponto Regency in 2023 the fertilizer quota for Jeneponto Regency is 47,500 tons of UREA fertilizer type and NPK is 10,345 tons and for Gowa regency UREA fertilizer type is 47,075 tons and NPK is 10,000 tons. The realization of fertilizer needs can be met as long as the redemption and distribution run according to the basis of the Group Needs Definitive Plan (RDKK). Therefore, if the realization of use is high and the quota is exhausted in the sub-district, the quota will be relocated from other sub-districts, because the Bone quota is 85,600 thousand tons. In addition, the scarcity of fertilizer can be caused by the simultaneous planting of rice and corn, so that the use of fertilizer is getting higher.

The slow redemption of fertilizer prices has an impact on the lack of fertilizer supply that reaches farmers. To ensure all of this and farmers can get fertilizer, the Bone Regency Government then formed a team from the Bone Fertilizer and Pesticide Supervision Commission (KP3). However, the fact is that the existence of fertilizer has become rare for farmers, as a result of which farmers complain and are threatened with losses.

From the description above, it shows that the implementation of the subsidized fertilizer distribution policy in Bone Regency, Jeneponto Regency, Gowa Regency faces problems in its distribution, so that the target for the provision of subsidized fertilizers is the right type, quantity, price, place, time, and quality is not in accordance with the provisions. To follow up and explore the initial findings related to the distribution of subsidized fertilizers based on the Regulation of the Minister of Trade of the Republic of Indonesia Number 04 of 2023 concerning the Procurement and Distribution of Subsidized Fertilizers for the Agricultural Sector, it is of course very interesting to study more deeply in a study regarding the implementation of subsidized fertilizer

distribution based on the Regulation of the Minister of Trade of the Republic of Indonesia Number 04 of 2023 in Bone Regency, Jeneponto Regency and Gowa Regency.

## CONCLUSION

The distribution of subsidized fertilizers in the jurisdiction of South Sulawesi, which aims to increase agricultural productivity and national food security, as regulated in the Regulation of the Minister of Trade, faces various obstacles in its implementation. These obstacles include delays and irregularities in distribution, quota deviations by farmers and distributors, and lack of understanding of farmers' procedures for obtaining subsidized fertilizers. Factors that affect this implementation include ineffective coordination and communication between related parties, logistical constraints due to poor infrastructure, and weak supervision and law enforcement. To overcome these challenges, improvements are needed in coordination between parties, improved logistics infrastructure, and strengthened supervision and law enforcement. In addition, more intensive socialization to farmers regarding the procedures and rules for obtaining subsidized fertilizers and the use of information technology for monitoring and redeeming fertilizers can also be an effective solution. With these steps, it is hoped that the policy goals of subsidized fertilizer distribution can be achieved, so that agricultural productivity and national food security can be realized optimally.

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