



The Model of Local Wisdom as an Effort to Realize Food Security in the Regulation of the Warehouse Receipt System

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Abstract. The Legal Policy in Law Number 18 of 2012 concerning Food mandates that food administration is carried out to meet basic human needs that provide benefits in a fair, equitable, and sustainable manner based on food sovereignty, food independence, and national food security. Food security through agricultural products is one of the efforts that must be realized for the community's welfare. Great agricultural products causing the price of grain to fall is the initial idea for the birth of the warehouse receipt system as regulated in Law Number 9 of 2011 concerning Amendments to Law Number 9 of 2006 concerning the Warehouse Receipt System. With the issuance of the Warehouse Receipt System regulation, it is hoped that it will provide benefits, certainty, and justice for the community, especially farmers so that their lives are prosperous. Still, farmers have not optimally utilized the Warehouse Receipt System in its implementation. Various obstacles and inability of farmers to implement the Warehouse receipt system regulation. The purpose of this study is to examine and analyze the model of local wisdom to realize food security in the regulation of the Warehouse Receipt system. This research is normative juridical research with a philosophical, conceptual, and statutory approach. Philosophically, this research will harmonize the concept of local wisdom and food security in the warehouse receipt system. This study was analyzed qualitatively. The study results show that local wisdom as a cultural subsystem originating from Indonesia had become a model for farming communities in the past when the harvest season was great to achieve food security. The need for local wisdom as a model can be a reference in implementing the Warehouse Receipt System but is not optimal for realizing food security.

Keywords: Local Wisdom · Food security · Warehouse Receipt System

1 Introduction

Indonesia is an agricultural country, but currently, Indonesia's agricultural products are lagging behind other countries. Great agricultural products at the time of harvest, causing the price of grain to fall and farmers do not have a proper storage place to store grain. The Warehouse Receipt System is an alternative for farmers to keep their agricultural products (grain) in the WRS Warehouse for a certain period of time (delayed selling).

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A. Endah Kusumaningrum et al. (Eds.): ICLEH 2022, ASSEHR 723, pp. 623–629, 2023.
https://doi.org/10.2991/978-2-38476-024-4_62

The Warehouse Receipt System, as regulated in Article 1 (paragraph 1) of Law Number 9 of 2011 concerning Amendments to Law Number 9 of 2006 concerning the Warehouse Receipt System, is an activity related to the issuance, transfer, guarantee, and settlement of Warehouse Receipt transactions.

The government had begun to promote again in the agricultural sector to restore food security in this country, as in the 1980s when Indonesia was a powerful country for its agricultural products (Media Harian Rakyat, Tuesday, 09 May 2017). The concept of the Warehouse Receipt System promoted by the government is one of the efforts to realize food security through the agricultural sector where farmers can sell their agricultural products to prevent intermediaries and the decline in the price of agricultural products (grain). Food security through agricultural products is one of the efforts for the welfare of the community. The Warehouse Receipt Law explains that a warehouse receipt is a document of title on goods that can be used as credit guarantees because warehouse receipts are guaranteed with certain commodities under the supervision of an accredited warehouse manager. A warehouse receipt is a document used in the futures market to ensure the quantity and quality of specific commodities stored in the warehouse by agreement [1].

The Warehouse Receipt System is regulated by several rules, starting with the enactment of Law No. 9 of 2006 concerning the Warehouse Receipt System (WRS), which was later changed by Law No. 9 of 2011. After the enactment of the WRS Law, some supporting regulations were born, including Government Regulation (PP) No. 36 of 2007 concerning the Implementation of Law No. 9 of 2006 concerning WRS; Minister of Trade Regulation Number 26/M-DAG/PER/6/2007 concerning Goods that can be stored in Warehouses in WRS Implementation; Regulation of the Head of the Commodity Futures Trading Supervisory Agency regulates the technical implementation of the WRS; and Bank Indonesia Regulation Number 9/6/PBI/2007 concerning the second amendment to Bank Indonesia Regulation Number 7/2/PBI/2005 concerning Asset Quality Assessment for Commercial Banks.

Researcher Sustyaningrum (2014) states that in the face of intense competition in the digital and global era, it is necessary to prepare the business world, including farmers who face financing problems due to limited access to product marketing and credit guarantees. Listiani and Haryotejo (2013) state that the Warehouse Receipt System (WRS) is a breakthrough in business financing for farmers with guaranteed commodities stored in the warehouse. In addition, farmers who use the WRS Warehouse will further increase the productivity and quality of the products produced by farmers. In fact, it will be good management for farmers' businesses in determining the planting schedule strategy and marketing [2].

Sri Mulyani's (2015) research results show that farmers and farmer groups have not optimally utilized the Warehouse Receipt System. First, in legal substance, the regulation of warehouse receipts in its implementation has not been able to provide legal protection and legal certainty. Law No. 9 of 2011 concerning Amendments to Law No. 6/2006 concerning the Warehouse Receipt System has been unable to provide clarity. Second, the legal structure has not supported the implementation of the warehouse receipt arrangement because the institutions related to warehouse receipts are still weak. Its implementation failed to provide legal protection. Third, the legal culture factor has

not supported the existence of Warehouse Receipts as an alternative to financing as bank credit guarantees [3].

Data from the warehouse receipt system (WRS) conference in Amsterdam on 9–22 July 2001, developing countries that are recorded to be quite successful in implementing this warehouse receipt system include Romania, Hungary, South Africa, Zambia, Ghana, Russia, Slovakia, Bulgaria, Cesnia, Poland, Kazakhstan, Turkey, Mexico (<http://id.wikipedia>) [3].

Legislative purposes have three values: justice, certainty and expediency. The presence of government-built WRS (Warehouse Receipt System) warehouses is highly valuable for farming communities to improve their welfare. Nevertheless, the implementation of regulations on warehouse receiving systems has led to the fact that farmers tend not to use WRS optimally due to various influencing factors, among others; availability of drying locations, transportation to bring grain from the rice fields to the WRS Warehouse, in addition to having to carry out the stages of the drying process which costs a lot of money. This is what makes the Warehouse Receipt System not running optimally. There is still reluctance from the community to take advantage of the WRS provisions. The benefits of the Warehouse Receipt System (WRS) can facilitate the provision of credit for the business world with collateral for goods stored in the Warehouse Receipt System (WRS), besides that externally, the benefits of using the WRS can stabilize market prices by facilitating sales methods that can be carried out throughout the year.

For this reason, the model of local wisdom in agriculture is needed to facilitate the work of laws or regulations regarding the Warehouse Receipt System that synergizes to realize food security to anticipate food difficulties and the high price of food needs, in this case, grain/rice.

2 Research Method

The purpose of this study is to examine and analyze the model of local wisdom to realize food security in the regulation of the Warehouse Receipt system. This research is normative juridical research with a philosophical, conceptual, and statutory approach. Philosophically, this research will harmonize the model of local wisdom and food security in the warehouse receipt system. This study was analyzed qualitatively. Secondary data were taken from research results and journals related to this research.

3 Findings and Discussion

A. Warehouse Receipt Concept in Law Number 9 of 2011 concerning Amendments to Law Number 6 of 2006 concerning Warehouse Receipt System

The concept of warehouse receipt as a security is proof of ownership of goods stored in the warehouse, issued by the warehouse receipt manager, providing legal protection and certainty in Law Number 9 of 2011 concerning Amendments to Law Number 6 of 2006 concerning the Warehouse Receipt System. Warehouse receipts as securities can be transferred or traded, used as debt collateral, or documents for delivery of goods (Article

4 paragraph (1) of the Warehouse Receipt Law). Warehouse receipts help farmers manage their crops. Farmers can delay crop sales, increase farmer bargaining power, and fund the land planting process. Through Warehouse Receipts, farmers can especially carry out transactions related to goods in the warehouse without physical transfer.

Conceptually, the term warehouse receipt in a foreign language called warehouse receipt is a document of proof of ownership of goods stored in the warehouse issued by the Warehouse Manager (Article 1 paragraph 2 of the Warehouse Receipt System Law in conjunction with Article 1 (paragraph 1) of PP No. 36 of 2007 concerning the Implementation of Warehouse Receipt System Law). The legal basis which stipulates that Warehouse Receipts can be encumbered with Guarantee rights for repayment of debt is Article 14 of the Warehouse Receipt Law. In Article 46 of Bank Indonesia Regulation or PBI Number 9/6/PBI/2007 concerning Second Amendment to PBI Number 7/2/PBI/2005 concerning Asset Quality Assessment for Commercial Banks, Bank Indonesia recognizes the existence of Warehouse Receipts as one of the objects of bank credit guarantees which specifically for collateral in the form of agricultural, plantation and fishery products.

There are two (2) forms of Warehouse Receipts: (1) A warehouse receipt containing an order for the delivery of goods on the order of a transferable warehouse receipt, the person holding the warehouse receipt, or a particular party. (2) Non-negotiable warehouse receipts, namely non-tradable Warehouse Receipts, Can only be sent to specified recipients. Related to the WRS (Warehouse Receipt System) institution as regulated in Law Number 9 of 2006 consisting of the Warehouse Receipt Supervisory Agency, Warehouse Management, Conformity Assessment Institute, Registration Center as well as Central and Regional institutional relations, but in its development, there are several weaknesses in practice; dramatically hampers the development of Warehouse Receipts, namely the unavailability of a guarantee mechanism that is relatively affordable for business actors, if the WRS Warehouse Manager (Warehouse Receipt System) goes bankrupt or commits negligence in management so that it cannot carry out its obligations to return goods stored in the WRS Warehouse following the quality and the quantity stated in the Warehouse Receipt [4].

The SRG's (Warehouse Receipt System) warehouse was born philosophically to improve the welfare of the farming community, where when the harvest is abundant, the government provides space/WRS Warehouse, unlike an ordinary warehouse. Inside it is equipped with airtight facilities so as not to cause the grain in tons of sacks not to rot. Agricultural products in the form of grain are stored in the WRS Warehouse with a time limit of 3 to 6 months. In other words, delay selling if, within the next 3–6 months, the farming community needs to be able to sell it.

B. The Basic Concept of Food Security in Law Number 18 of 2012 concerning Food

In Law Number 18 of 2012 concerning Food, it is stated that food administration aims to increase the ability to produce food independently, provide food that is diverse and fulfills the requirements of safety, quality, and nutrition for public consumption, to realize the level of food sufficiency, especially staple food at reasonable prices and affordable according to the needs of the community.

The concept of food security is an integrated system consisting of various sub-systems. The main sub-systems are food availability, food distribution, and food consumption. The realization of food security is a synergy from the interaction of the three sub-systems. The food availability sub-system covers aspects of production, reserves, and the balance between food imports and exports. Food availability must be managed so that although food production is seasonal, limited, and spread across regions, the volume of food available to the community must be of sufficient quantity and type and its supply stable from time to time.

The food distribution subsystem equally covers the physical and economic access aspects of food. Distribution systems are not only about the physical aspect of getting food where it is needed, but also about communities. Food surpluses at the local level do not guarantee adequate nutrition for individual communities. This distribution system must be optimally managed. It does not conflict with the open market mechanism to achieve efficiency in equitable access to food for the entire population.

The Food Consumption Subsystem includes efforts to improve the knowledge and capacity of communities to understand good food, nutrition and health so that they can best manage their consumption. Regarding food intake, care should be taken to ensure adequate and balanced food intake that meets the needs for forming healthy, strong, intelligent and productive people. In the consumption sub-system, there is another crucial aspect, namely the aspect of diversification. Food diversification is a way to obtain a variety of nutrient consumption while reducing people's dependence on one particular type of staple food, namely rice. High dependency can trigger instability if the food supply is disrupted [5]. Food security is a condition related to the sustainable availability of food [6].

Through the SRG Warehouse (Warehouse Receipt System) it is an alternative choice for the farming community to store their agricultural products in the form of unhulled rice, which can last for some time with the term "delayed selling" so that in the future, the grain will not be sold out. Anticipating the future with natural conditions and prices, storing grain in the WRS Warehouse can realize the concept of food security where the community does not lack food. The state is here to provide happiness to its people by implementing the concept of the welfare state as stated in the Warehouse Receipt System regulation.

C. Warehouse Receipt System in the Perspective of Food Security and Local Wisdom

The concept of local wisdom is the value system or behavior of local people in interacting with their environment wisely. Basically, local wisdom is related to societal values and the balance of nature. Some definitions of local wisdom according to Law No. 32 of 2009, local wisdom is the noble values that apply in the life of the community, among others, to protect and manage the environment sustainably. All forms of knowledge, belief, understanding, or insight, as well as customs or ethics, guide human behavior in life in an ecological community (Sonny Keraf). The intelligence and strategies of managing the universe to maintain the ecological balance have been tested for centuries by various disasters, obstacles, and human negligence (Francis Wahono).

Local wisdom that develops in rural communities is the result of the habits of local people or community culture as a form of adaptation to nature and the environment in

which they live. The prospect of local wisdom depends largely on how the community re-preserved existing local wisdom. Local wisdom is a form of Indonesian cultural heritage. Local wisdom is formed as a process of interaction between humans and their environment in order to meet their various needs. The processes of forming local wisdom are highly dependent on the potential of natural resources and the environment and are influenced by the views, attitudes, and behaviors of local people towards nature and the environment..

One form of local wisdom in agriculture is the existence of a village barn that functions as a food reserve in times of famine. The concept of the village barn comes from the culture of the Indonesian people, especially farmers, to save their grain in mutual cooperation. The Indonesian people abandoned the village barn, but it has been successfully implemented in other countries with high cooperation values. The village granary culture is an ancestral heritage with noble values and increased benefits.

In this modern era, through Law Number 9 of 2011 concerning Amendments to Law Number 6 of 2006 concerning the Warehouse Receipt System, a concept developed by the government regarding the availability of SRG Warehouses (Warehouse Receipt System) aims to improve the welfare of farmers. Farmers or business actors can delay sales due to price fluctuations with this warehouse receipt system. Besides, it controls agricultural commodity prices and supports distribution chains and national food stocks. The warehouse receipt system is a commodity storage scheme in the warehouse by the owner. Then the warehouse manager will issue documents as proof of ownership of the stored commodities.

The results of the study show that the Warehouse Receipt System has not been used optimally (Sri Mulyani, 2015), therefore the importance of studying local wisdom in the form of a village barn in synergy with the WRS warehouse as a place for farmers to store and sell their agricultural products needs to be developed again as an effort to create food security. Local wisdom in the form of a culture of grain storage in the village known as the Village Barn can synergize with the WRS Warehouse facilitated by the government so that no farmer community does not take advantage of the WRS Warehouse provided by the government as a form of successful food security.

4 Conclusion

Philosophically, the regulation of the Warehouse Receipt System (WRS) has a high benefit value for farming communities. The Warehouse Receipt System was created to create prosperity for the people of Indonesia, not only farmers with grain and agricultural products during times of famine or food shortages. Juridically, the provisions governing the Warehouse Receipt System have not provided certainty and fairness for the farming community because the requirements that farmers must meet are not easy, and they pay high fees to enter agricultural products in the form of processed grain.

The local wisdom model becomes an alternative to realizing food security by regulating the Warehouse Receipt System. Local wisdom in agriculture, which has existed for a long time, is known as the Village Barn around the village/urban village area. Reviving the model of local wisdom in the form of a village barn will synergize with the provisions of the Warehouse receipt system, which in the future can realize food security so that people will not experience food shortages.

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