

## Key changes in the Omnibus Law Job Creation related to food and agriculture

(Note: analysis is taken from the final draft discussed in plenary)

Impacted regulations:

- Law No. 39/2014 on Plantations
- Law No. 29/2000 on Protection of Plant Varieties
- Law No. 22/2019 on Sustainable Agriculture Cultivation System
- Law No. 19/2013 on Protection and Empowerment of Farmers
- Law No. 13/2010 on Horticulture
- Law No. 18/2009 on Husbandry and Animal Health as amended by Law No. 41/2014
- Law No. 41/2009 on Protection of Sustainable Food and Agriculture Land
- Law No. 18/2012 on Food
- Law No. 33/2014 on Halal Product Assurance
- New Law on Land Bank

Issues	Old provisions	Omnibus Law
Food import	<ul style="list-style-type: none"> <li>- Import is intensely restricted, granted only if domestic production is insufficient. Import acts as an instrument to protect farmers.</li> <li>- Penalize actors who import agricultural commodities when the national stocks are still sufficient</li> <li>- Import for horticulture products, livestock and animal products are only allowed when domestic production and supply is insufficient to fulfill the domestic need</li> <li>- Import of feeder cattle is limited to certain weight</li> <li>- The import of horticulture, livestock and animal products, and food require permit from the ministry</li> <li>- Import restrictions as a strategy to protect farmers</li> </ul>	<ul style="list-style-type: none"> <li>- Import is acknowledged as a legitimate source for food security, 'with consideration of farmers/fishermen/micro and small food actors interests through tariff and non-tariff measures'; the government focuses on boosting agricultural growth, as a strategy to protect farmers.</li> <li>- Remove the article which penalizes actors importing agricultural commodities when national stocks are sufficient</li> <li>- Import of horticulture, livestock and animal products are allowed</li> <li>- Weight limitation on import of feeder cattle is removed.</li> <li>- The import of horticulture, livestock and animal products, and food require a business license from the central government</li> <li>- Boosting agricultural productivity as farmers' protection strategy</li> </ul>

Access to input (import of seeds, raw materials, veterinary drugs, etc.)	<ul style="list-style-type: none"> <li>- Import licenses needed to import horticultural seeds</li> <li>- Seed importation can be commenced after obtaining licenses from the Minister</li> <li>- Import of livestock seed and/or breed requires compliance to quarantine regulations and other sanitary-phytosanitary measures</li> <li>- The provisioning and development of livestock seed and breed is undertaken by prioritizing domestic production</li> <li>- The provisioning of veterinary drugs prioritizes domestic production</li> </ul>	<ul style="list-style-type: none"> <li>- Provisions on horticultural seed import licensing is removed</li> <li>- Seed import can be done by private sectors after obtaining business licenses from the central government. Governmental bodies have to obtain importation licenses from the central government before importing seeds.</li> <li>- Article 15(2) Law 41/2014 regarding compliance to sanitary-phytosanitary measures on import of livestock seed and/or breeder is removed</li> <li>- Import is allowed to fulfill the need of livestock seed and breeder</li> <li>- Import of veterinary drugs is allowed</li> </ul>
Export	<ul style="list-style-type: none"> <li>- The export of livestock seed, breeder, and feeder cattle requires permission and recommendation from the ministry</li> <li>- The export of superior seeds requires permission and is regulated under the ministry</li> <li>- Export of plants, plant seed, animal and animal can only be commenced if domestic stocks are sufficient with permission from the Ministry</li> </ul>	<ul style="list-style-type: none"> <li>- The export of livestock seed and breeder requires business licensing from the central government</li> <li>- The export of superior seeds requires business licenses from the central government</li> <li>- Export of plants, plant seed, animal and animal seeds can only be commenced if domestic stocks are sufficient with permission from the central government</li> </ul>
Foreign investments	<ul style="list-style-type: none"> <li>- Foreign investment is limited in plantation and in livestock/animal husbandry, foreign investors must work with domestic partner</li> <li>- Foreign investment capped at 30% in Horticulture</li> </ul>	<ul style="list-style-type: none"> <li>- No foreign investment limit for plantation, horticulture, and livestock/animal husbandry</li> </ul>
Land	<ul style="list-style-type: none"> <li>- Middle- and Large-scale horticultural businesses need to request land utilization rights (HGU) from the government</li> <li>- Prohibition to convert irrigated agricultural land for national strategic projects (Law 22/2019)</li> </ul>	<ul style="list-style-type: none"> <li>- Middle- and Large-scale horticultural businesses do not have to propose HGU from the government</li> <li>- Irrigated agricultural land can now be converted for national strategic projects</li> <li>- Creation of Land Bank, at least 30% of the Land Bank asset are allocated for agrarian reform purposes</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>- Plantation businesses must submit environmental</li> </ul>	<ul style="list-style-type: none"> <li>- Environmental requirements and its sanctions are</li> </ul>

protection	<p>impact assessment, risk analysis and management for genetically modified commodities, and mechanism to prevent wildfire as requirement for permit; and must comply with said requirements</p> <ul style="list-style-type: none"> <li>- Land acquisition for public purposes must submit an environmental impact assessment</li> </ul>	<p>removed, will be clarified in Government Regulation</p> <ul style="list-style-type: none"> <li>- Environmental impact assessment is no longer a requirement for land acquisition</li> </ul>
Business registration	<ul style="list-style-type: none"> <li>- Micro and small horticulture businesses have to submit their data to the regional government while middle- and large-sized businesses have to obtain their licenses from the central government</li> <li>- The production of animal feed for commercial purposes, livestock farming, plantation processing business, horticulture business, require a business permit</li> </ul>	<ul style="list-style-type: none"> <li>- All horticultural business units have to be recorded and obtain their licenses from the central government</li> <li>- Production of animal feed for commercial purposes, livestock farming, plantation processing business, horticulture business must obtain business licensing from the central government</li> </ul>
Other business requirements	<ul style="list-style-type: none"> <li>- Plantations must provide/facilitate community plantation at least 20% of its area</li> <li>- Plantation processing business must source its raw materials from its own plantation</li> <li>- Foreign horticultural business actors have to provide internship and transfer technology</li> </ul>	<ul style="list-style-type: none"> <li>- Requirement to provide community plantation of at least 20% of plantation area now only applies to plantations with areas outside the cultivation rights (HGU) and areas that was previously released from forest areas</li> <li>- Requirement to source raw materials from own plantation is removed</li> <li>- All Mid- and Large- sized horticultural business actors have to provide internship and transfer technology opportunity</li> </ul>
Halal certification	<ul style="list-style-type: none"> <li>- Micro and small enterprises are not required to have a halal certification</li> <li>- Halal Inspection Body (<i>Lembaga Pemeriksa Halal/LPH</i>) must be accredited by Halal Product Assurance Agency (<i>Badan Penyelenggara Jaminan Produk Halal/BPJPH</i>)</li> <li>- Halal Auditor must have a permit from Indonesian Ulema Council (MUI)</li> <li>- Business actors who do not separate the production of halal and non-halal products will be</li> </ul>	<ul style="list-style-type: none"> <li>- Micro and small enterprises are now required to have halal certificate</li> <li>- BPJPH certification requirement for LPH is removed</li> <li>- Halal Auditor no longer obliged to have a permit from MUI</li> <li>- Business actors who do not separate the production of halal and non-halal products will only be subject to administrative sanction</li> <li>- Halal certificate will be issued one day after halal fatwa</li> </ul>

	subject to administrative sanctions and fines - Halal certificate will be issued seven days after halal fatwa	
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