Faculty of Economics and Management (FEM) Bogor Agricultural University held a Public Lecture on “Agricultural Fiscal Policy” for students of the School of the Graduate Studies, on Thursday, 24 February 2011, at Darmaga Campus. Mr. Askolani, SE, MA, Head of State Budget Policy (APBN), Ministry of Finance of the Republic of Indonesia, was invited to speak for this special event.

"The increase in world food prices has been the determinant of the increase of domestic inflation. Some countries have taken responsive steps, either through monetary policy and fiscal policy," said Askolani. Currently, the world food security becomes the most crucial issue. Some producing countries have reduced its exports to maintain domestic supplies.

Further, according Askolani, the increase of oil prices and climate changes, have escalated the inflation in Indonesia. "Inflation in 2010 has reached 6.98 percent. In some areas such as Mataram, Lampung, Bengkulu, Bandar Lampung, Kupang, Pontianak, Banjarmasin, and Ambon, their inflation index have reached above the national inflation. In 2011 inflation is estimated to be 1-5 percent," said Askolani.

The current food crisis is very complex, because it relates with the consumption and production problems. Consumption problems that include: increased demand due to population growth, use of food for fuel, and the rising demand of food commodities due to increasing welfare. Production problems such as: the land degradation, low productivity, reduction of irrigated land, conversion of land for non-agricultural business, the changes of agricultural waters for the urban consumption, and the issue of the global warming. This event was moderated by Chairman of the Department of Economics, Dr. Dedi Budiman Hakim. (Wied)