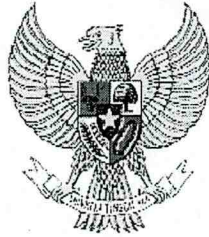


AUTHORIZED TRANSLATION



Minister of Trade of the Republic of Indonesia

**REGULATION OF THE MINISTER OF TRADE OF
THE REPUBLIC OF INDONESIA
NUMBER: 07/M-DAG/PER/2/2009
REGARDING**

**AMENDMENTS ON THE REGULATION OF THE TRADE MINISTER OF THE
REPUBLIC OF INDONESIA NUMBER 21/M-DAG/PER/6/2008 REGARDING THE
PROCUREMENT AND DISTRIBUTION OF SUBSIDIZED FERTILIZERS FOR
AGRICULTURAL SECTOR**

BY THE GRACE OF ALLAH THE ONE SUPREME GOD

THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA,

- Considering :
- a. that by the stipulation of Subsidized Fertilizers distribution pattern based on a requirement planning by Farmers' Groups in the form of Group Requirement Definitive Plan, then it needs to make an amendment to the Regulation of the Minister of Trade of the Republic of Indonesia Number 21/M-DAG/PER/6/2008 regarding the Procurement and Distribution of Subsidized Fertilizers for Agricultural Sector;
 - b. that based on such considerations as referred to in letter a, it needs to stipulate a Regulation of the Minister of Trade;



- In view of : 1. Emergency Law Number 7 of 1955 regarding the Investigation, Prosecution, and Trial on Economic Criminal Act (State Gazette of the Republic of Indonesia of 1955 Number 27, Supplement to the State Gazette of the Republic of Indonesia Number 801) as amended several times lastly by Law substitute Governmental Regulation Number 1 of 1971 (State Gazette of the Republic of Indonesia of 1971 Number 55, Supplement to the State Gazette of the Republic of Indonesia Number 2966);
2. Law Substitute Governmental Regulation Number 8 of 1962 regarding the Trade of Goods Under Supervision (State Gazette of the Republic of Indonesia of 1962 Number 42, Supplement to the State Gazette of the Republic of Indonesia Number 2469);
3. Law of the Republic of Indonesia Number 11 of 1965 regarding the Stipulation on Law Substitute Governmental Regulation Number 5 of 1962 regarding the Amendment on Law Number 2 Prp of 1960 regarding Warehousing to become Law (State Gazette of the Republic of Indonesia of 1962 Number 31);
4. Law of the Republic of Indonesia Number 12 of 1992 regarding Plants Cultivation System (State Gazette of the Republic of Indonesia of 1992 Number 46, Supplement to the State Gazette of the Republic of Indonesia Number 3478);
5. Law Number 32 of 2004 regarding Regional Governments (State Gazette of the Republic of Indonesia of 2004 Number 125, Supplement to the State Gazette of the Republic of Indonesia Number 4437) as amended several times lastly by Law No. 12 of 2008 (State Gazette of the Republic of Indonesia of 2008 Number 59, Supplement to the State Gazette of the Republic of Indonesia Number 4844);



6. Governmental Regulation of the Republic of Indonesia Number 11 of 1962 regarding Trade of Goods Under Supervision (State Gazette of the Republic of Indonesia of 1962 Number 46, Supplement to the State Gazette of the Republic of Indonesia number 2473) as amended by the Governmental Regulation of the Republic of Indonesia Number 19 of 2004 (State Gazette of the Republic of Indonesia of 2004 Number 68, Supplement to the State Gazette of the Republic of Indonesia Number 4402);
7. Governmental Regulation of the Republic of Indonesia Number 102 of 2000 regarding National Standardization (State Gazette of the Republic of Indonesia of 2000 Number 199, Supplement to the State Gazette of the Republic of Indonesia Number 4020);
8. Governmental Regulation of the Republic of Indonesia Number 8 of 2001 regarding Plants Cultivation Fertilizers (State Gazette of the Republic of Indonesia of 2001 Number 14, Supplement to the State Gazette of the Republic of Indonesia Number 4079);
9. Governmental Regulation of the Republic of Indonesia Number 45 of 2005 regarding the Establishment, Management, Supervision and Dissolution of State-owned Enterprise (BUMN) (State Gazette of the Republic of Indonesia of 2005 Number 117, Supplement to the State Gazette of the Republic of Indonesia Number 4556);
10. Governmental Regulation Number 38 of 2007 regarding the Division of Governmental Affairs between the Government, Regional Government of Province, and Regional Government of Regency / Municipality (State Gazette of the Republic of Indonesia of 2007 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 4737);
11. Decree of the President of the Republic of Indonesia



Number 187/M of 2004 regarding the Establishment of the Cabinet of United Indonesia as amended several times lastly by Presidential Decree Number 171/M of 2005;

12. Regulation of the President of the Republic of Indonesia Number 9 of 2005 regarding the Position, Duties, Functions, Composition of Organization and Working Procedure of the State Ministries of the Republic of Indonesia as amended several times lastly by Regulation of the President of the Republic of Indonesia Number 20 of 2008;
13. Regulation of the President of the Republic of Indonesia Number 10 of 2005 regarding the Organization Unit and Duties of Echelon I of the State Ministries of the Republic of Indonesia as amended several times lastly by Regulation of the President of the Republic of Indonesia Number 21 of 2008;
14. Regulation of the President of the Republic of Indonesia Number 77 of 2005 regarding the Stipulation of Subsidized Fertilizers as Goods Under Supervision;
15. Regulation of the Minister of Trade the Republic of Indonesia Number 01/M-DAG/PER/3/2005 regarding the Organization and Working Procedure of the Ministry of Trade as several times amended lastly by Regulation of the Minister of Trade the Republic of Indonesia Number 34/M-DAG/PER/8/2007;
16. Decree of the Minister of Agricultural of the Republic of Indonesia Number 465/Kpts/OT.160/7/2006 regarding the Formation of Subsidized Fertilizers Supervisory Team at Central Level;
17. Regulation of the Minister of Trade Number 14/M-DAG/PER/3/2007 regarding the Standardization of Services in Trade Sector and the Mandatory Indonesian



National Standard (SNI) Control on Traded Goods and Services as amended by Regulation of the Minister of Trade Number 30/M-DAG/PER/7/2009;

18. Regulation of the Minister of Trade of the Republic of Indonesia Number 21/M-DAG/PER/6/2008 regarding the Procurement and Distribution of Subsidized Fertilizers for Agricultural Sector;
19. Regulation of the Minister of Agricultural of the Republic of Indonesia Number 42/Permentan/OT.140/09/2008 regarding the Requirement and the Maximum Retail Price (HET) of Subsidized Fertilizers For Agricultural Sector in 2009 Budgetary year as amended by Regulation of the Minister of Agricultural of the Republic of Indonesia Number 57/Permentan/OT.140/11/2008;

By taking of : The Results of Limited Coordination Meeting on Fertilizers Revitalization with the Vice President on Securing the Distribution of Subsidized Fertilizers up to the Farmers in 2009 in Jakarta on August 26, 2008.

HAS DECIDED:

To stipulate : **REGULATION OF THE MINISTER OF TRADE REGARDING AMENDMENTS ON REGULATION OF THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA NUMBER 21/M-DAG/PER/6/2008 REGARDING THE PROCUREMENT AND DISTRIBUTION OF SUBSIDIZED FERTILIZERS FOR AGRICULTURAL SECTOR.**

Article I

Some of provisions in the Regulation of the Minister of Trade of the Republic of Indonesia Number 21/M-DAG/PER/6/2008 regarding the Procurement and Distribution of Subsidized Fertilizers for Agricultural Sector are amended as follows:

1. The words "procurement and" or "procurement" as



referred to in Article 10 paragraph (1) and paragraph (3), and paragraph 15 paragraph (4) and paragraph (5) are deleted.

2. The provisions in Article 1 are amended, so they run as follows:

Article I

In this Regulation of the Minister, what's meant by:

1. Subsidized Fertilizers are those fertilizers the procurement and distribution of which are subsidized by the Government for Farmers' requirement which is implemented under the Government's program in agricultural sector.
2. Agricultural sector is a sector that pertains to food plants cultivation, horticulture, people's plantations, livestock food greenery and fish and/or lobster cultivation.
3. Agricultural Special Program is a program implemented by the Government through Agricultural Service of Regencies/Municipalities the budget for which has been allocated by the Government and/or other institutions.
4. Farmer is an individual person of Indonesian Citizen undertaking land for food plants cultivation or horticulture including planters who carry on lands for people's plantation plants cultivation with a business scale not reaching a certain scale, breeders carrying on land for livestock food greenery plants cultivation not required to have a business license and fish and/or lobster cultivators carrying on land for fish and/or lobster cultivation not required to have a business license.
5. Farmers' Group is a group of farmers, planters, breeders or fish and/or lobster cultivators formed on the basis of sameness of interest in utilizing agricultural resources, to cooperate in improving the productivity of agricultural



business and the welfare of its members in collectively carrying on lands for agricultural undertaking on one spread and area, which is legalized by the local Head of Regency/Mayor or appointed officials.

6. Definitive Plan of Farmers Group requirement which hereinafter shall be referred to as RDKK is a calculation on subsidized fertilizers requirement plan developed by a Farmers Group based on the vastness of agricultural undertaking area carried on by the farmers, planters, breeders or fish and/or lobster cultivators being the members of such farmers group with a site specific balanced fertilization recommendation.
7. Producer is a company producing An-organic Fertilizers such as Ammoniac Fertilizer, SP-36, Superphos, ZA, NPK and Organic Fertilizers domestically.
8. Distributor is a private company or enterprise, either in the form of corporate or non-corporate appointed by a Producer to make wholesale purchase, storage, distribution, and sales of Subsidized Fertilizers within the area of its responsibility to be sold to Farmers and/or Farmers' Groups through retailers it appointed.
9. Sale and Purchase Agreement which hereinafter shall be referred to as SPJB is a binding cooperation agreement between Producer and Distributor or between Distributor and Retailer containing their respective rights and obligations in the procurement and distribution of Subsidized Fertilizers for Farmers and/or Farmers' Groups based on the policies and statutory regulations stipulated by the Government.
10. Official Retailer which hereinafter shall be referred to Retailer is an individual person, farmers' group, and enterprise in the form of either corporate or non-corporate domiciled in a District and/or Village, which is appointed



by Distributor with a basic activity of selling Subsidized Fertilizers within the area of its responsibility directly to Farmers and/or Farmers' Groups only.

11. Procurement is the process of providing Subsidized Fertilizers by a producer originating from domestic production and/or import.
12. Distribution is the process of distributing Subsidized Fertilizers from a producer up to Farmers and/or Farmers' Groups as end users.
13. Area of responsibility is a Province and/or Regency and/or Municipality including the Districts and/or Villages assigned to a Producer, Distributor, and Retailer in the procurement and/or distribution of Subsidized Fertilizers to Farmers and/or Farmers' Groups.
14. Maximum Retail Price (HET) is the highest price stipulated by the Minister of Agriculture for cash sales of An-organic Fertilizers such as Ammoniac Fertilizer, SP-36, Superphos, ZA, NPK and Organic Fertilizers in 50 kg, 40 kg, or 20 kg package by Retailers in Line IV to Farmers and/or Farmers' Groups.
15. Line I is the location of fertilizers warehouse within the factory area of each Producer or within the area of destined harbor for import fertilizers.
16. Line II is the location of a Producer's warehouse within the territory of a Provincial Capital city and Fertilizers Pouching Unit (UPP) or outside harbor area.
17. Line III is the location of a Producer's and/or Distributor's warehouse within the territory of a Regency/Municipality appointed or determined by the Producer.
18. Line IV is the location of a Retailer's warehouse or kiosk within the area of a district and/or village appointed or determined by Distributor.
19. Subsidized Fertilizers Supervisory Team of Central Level



is a Supervisory Team the members of which consisting of the relevant instances at Central government which is determined by the Minister of Agriculture.

20. Fertilizers and Pesticide Supervisory Commission, which hereinafter shall be referred to as KP3 is a coordinating umbrella of the related instances in fertilizers and pesticide supervision which is formed by Governor at Provincial level and by Head of Regency/Mayor for Regency/Municipality level.
 21. Head of Regency/Mayor is the Head of Regency/Municipality region as referred to in Law Number 32 of 2004 regarding Regional Governments.
 22. Governor is the Head of Provincial region as referred to in Law Number 32 of 2004 regarding Regional Governments.
 23. Minister is the Minister whose duties and responsibilities are in trade sector.
3. The provisions in Article 3 are amended, to become as follows:

Article 3

- (1) Area of responsibility for the procurement and distribution of each producer's Subsidized Fertilizers is as contained in Attachment I to this Regulation of the Minister.
- (2) Any changes to a Producer's area of responsibility as referred to in paragraph (1) shall be arranged further by the Director General of Domestic Trade, the Ministry of Trade after coordinating with the related instances.
- (3) Producer is obliged to prioritize the procurement of Subsidized Fertilizers to fulfill the need of domestic agricultural sector.



- (4) Producer is obliged to implement the procurement and distribution of Subsidized Fertilizers within its area of responsibility.
- (5) Such procurement and distribution as referred to in paragraph (4) shall be implemented by referring to the requirement plan stipulated by the Minister of Agriculture and its implementation regulation stipulated by Governor or Head of Regency/Mayor.
- (6) Producer is responsible for the procurement and distribution of Subsidized Fertilizers according to the 6 (six) accuracy principles, namely accuracy of type, volume, price, place, time, and quality starting from Line I up to Line IV.
- (7) Distributor and Retailer are responsible for the distribution of Subsidized Fertilizers according to the 6 (six) accuracy principles, namely accuracy of type, volume, price, place, time, and quality starting from Line III to Line IV.
- (8) Such responsibilities as referred to in paragraph (6) and paragraph (7) shall be carried out gradually according to the respective duties and obligations as follows:
 - a. Producer is obliged to implement the procurement and distribution of Subsidized Fertilizers from Line I up to Line III within its area of responsibility;
 - b. Producer is obliged to implement the distribution of Subsidized Fertilizers according to the allocation from Line III up to Line IV within its area of responsibility; and
 - c. Retailer is obliged to implement the distribution of Subsidized Fertilizers to Farmers and/or Farmers' Groups in line IV within its area of



responsibility based on RDKK the volume of which is consistent with the Governor's and/or Head of Regency's/Mayor's Regulations.

- (9) The implementation of Subsidized Fertilizers distribution to Farmers and/or Farmers' Groups based on RDKK shall follow Regulation of the Minister of Agriculture's.
 - (10) Producer is obliged to submit each month the Subsidized Fertilizers procurement and distribution plan for the next 3 (three) month period in each of its areas of responsibility to the Director General of Domestic Trade, the Ministry of Trade, Director General of Agro and Chemical Industry, the Ministry of Industrial, and Director General of Food Plants, the Ministry of Agriculture.
4. The provisions in article 4 are amended, to become as follows:

Article 4

- (1) Should there occur an increased need of Subsidized Fertilizers in a Regency/Municipality territory, a Producer may increase the allocation of requirement at the maximum 20% (twenty percent) of the relevant territory's allocation.
- (2) Such increase of requirement allocation as referred to in section (1) shall not exceed the nation-wide subsidized fertilizers requirement allocation of the relevant producer
- (3) The implementation of the distribution of such additional requirement allocation as referred to in paragraph (1), to be reported to Director General of Food Plants of the Ministry of Agriculture, Governor, and the local Head of Regency/Mayor.



- (4) When the distribution of Subsidized Fertilizers by Distributors and/or Retailers does not run smoothly, producer is obliged to perform a direct distribution to Farmers and/or Farmers' Groups in Line IV after coordinating with the local Head of Regency/Mayor in this matter the Head of Service responsible for Agricultural sector.
 - (5) In the event that retailers fail to carry out the distribution of Subsidized Fertilizers, Distributor by coordinating with the local Regency/Municipality Head of Service responsible for Agricultural sector may for a certain period do the distribution of Subsidized Fertilizers directly to the Farmers and/or Farmers' Groups in its area of responsibility based on RDKK at a price not exceeding the HET
 - (6) In the context of an agricultural special program, Producer may appoint a Distributor to do the direct sale to Farmers and/or Farmers' Groups participating in the program.
5. The provisions in Article 11 are amended, to become as follows:

Article 11

- (1) Retailers are obliged to implement the distribution of Subsidized Fertilizers according to Distributor's terms based on the 6 (six) accuracy principles, namely accuracy of type, volume, price, place, time, and quality in Line IV to Farmers and/or Farmers' Groups based on RDKK.
- (2) Retailers shall only be permitted to buy Subsidized Fertilizers from 1 (one) Distributor that appointed them according to each type of fertilizer as referred to in Article 2.



- (3) A Retailer's duties and responsibilities are as contained in Attachment IV to this Regulation of the Minister.
 - (4) The appointment and termination of a Subsidized Fertilizers Retailer is decided by Distributor upon an approval from Producer, according to the requirements of a Retailer appointment as contained in Attachment VII to this Regulation of the Minister.
 - (5) The working relationship between Distributor and Retailer is governed by a Sale and Purchase Agreement (SPJB)/Contract according to the General Requirements for entering into a Contract/SPJB of Subsidized Fertilizers between Distributor and Retailer as contained in Attachment VIII to this Regulation of the Minister.
6. The provisions in Article 12 are amended, to become as follows:

Article 12

- (1) Producer is obliged to sell Subsidized Fertilizers to Distributor at the Producer's Line III Warehouse at such a purchasing price that takes HET into account.
- (2) Distributor is obliged to sell Subsidized Fertilizers to Retailer at such a purchasing price that takes HET into account and performs the transport up to the Retailer's Line IV warehouse.
- (3) In carrying out the transportation of Subsidized Fertilizers, Distributor shall use a transporting facility registered at the Producer by displaying a special identity as Subsidized Fertilizers transporter.
- (4) Retailer is obliged to sell subsidized fertilizers to Farmers and/or Farmers' groups at Line IV



warehouse based on RDKK at a price not exceeding the HET.

- (5) HET of subsidized fertilizers as referred to in paragraph (1), paragraph (2), and paragraph (4) shall be stipulated by the Minister of Agriculture.

7. The provisions in Article 13 are amended, to become as follows:

Article 13

- (1) Producer is obliged to guarantee the minimum stock of Subsidized Fertilizers at Line III for the next 2 (two) weeks' need according to the requirement plan stipulated by the Minister of Agriculture.
- (2) Producer is obliged to guarantee the minimum stock of Subsidized Fertilizers at Line III for the next 3 (three) weeks' need according to the requirement plan stipulated by the Minister of Agriculture in each peak of planting season between November to January.

8. The provisions in Article 17 are amended, to become as follows:

Article 17

- (1) Producers who violate such provisions as referred to in Article 3 paragraph (3), paragraph (4), and paragraph (10), Article 5 paragraph (2), Article 6 paragraph (3), Article 8 paragraph (2) and paragraph (3), Article 9, Article 12 paragraph (1), Article 13 paragraph (1) and paragraph (2), Article 15 paragraph (1), paragraph (2), paragraph (3), or Article 16 paragraph (2) letter a, shall be imposed with an administrative sanction in the form of a written warning from the Minister.



- (2) Producers who do not obey such written warning as referred to in paragraph (1), within a period of 1 (one) month since the date of written warning, Minister shall recommend to the Minister of Finance to suspend or not pay the subsidy to the relevant Producer.
9. The provisions in Article 18 are amended, to become as follows:

Article 18

- (1) Distributors who violate such provisions as referred to in Article 10 paragraph (1) and paragraph (7), Article 12 paragraph (2) or Article 15 paragraph (4), shall be imposed with an administrative sanction in the form of a written warning from the Head of Regency/Mayor in this matter the service the duties and responsibilities of which are in trade sector.
- (2) Retailers who violate such provisions as referred to in Article 11 paragraph (1), Article 12 paragraph (4) or Article 15 paragraph (5), shall be imposed with an administrative sanction in the form of a written warning from the Head of Regency/Mayor in this matter the service the duties and responsibilities of which are in trade sector.
- (3) Distributors and Retailers who do not obey such written warning as referred to in paragraph (1) and paragraph (2), within a period of 1 (one) month since the date of written warning, can be imposed with a sanction in the form of the suspension on their Trade Business license (SIUP) upon a recommendation from the fertilizers supervisory commission of Regency/Municipality level.



10. The provisions in Article 19 are amended, to become as follows:

Article 19

- (1) A producer who violates such requirements as referred to in Article 3 paragraph (8) letter a, shall be imposed a criminal sanction according to the provisions of statutory regulation.
 - (2) A distributor who violates such requirements as referred to in Article 3 paragraph (8) letter b, or Article 14 paragraph (1), shall be imposed a criminal sanction according to the provisions of statutory regulation.
 - (3) A retailer who deliberately violates such requirements as referred to in article 3 section (8) letter c, or Article 14 paragraph (1), shall be imposed a criminal sanction according to the provisions of statutory regulation.
 - (4) Any other parties deliberately violate such requirements as referred to in Article 14 paragraph (2), shall be imposed a criminal sanction according to the provisions of statutory regulation.
11. Amend such requirements as contained in Attachment I, to become as contained in Attachment I of this Regulation of the Minister and enactment the requirements of letter A in Attachment I to this Regulation of the Minister effective as of March 1, 2009
12. Delete the word "procurement" or "procurement and" as referred to in Attachment II number 10, Attachment IV number 4 and number 5, and Attachment VIII number 5, to become as contained in Attachment II, Attachment IV, and Attachment VIII to this Regulation of the Minister.



13. Eliminate such requirements as referred to in Attachment II number 4, Attachment III number 3, and Attachment VII number 3, to become as contained in Attachment II, Attachment III, and Attachment VII to this Regulation of the Minister.
14. Attachment I, Attachment II, Attachment III, Attachment IV, Attachment VII, and Attachment VIII are an inseparable part of this Regulation of the Minister.

Article II

This Regulation of the Minister shall be in effect as of its stipulation date.

In order to let everyone be aware of, instructing the announcement of this Regulation of the Minister by posting it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On : February 9, 2009

MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

signed

MARI ELKA PANGESTU

Copy corresponds with the original
Secretariat General of
the Ministry of Trade of the Republic of Indonesia
Head of Legal Bureau,
signed and sealed
Widodo



**LIST OF PRODUCERS IN CHARGE AND AREAS OF RESPONSIBILITY FOR THE
PROCUREMENT AND DISTRIBUTION OF SUBSIDIZED FERTILIZERS**

No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
A.	UREA FERTILIZER		
I	PT. PUPUK ISKANDAR	1 NANGGROE ACEH	1. South Aceh
			2. South East Aceh
			3. East Aceh
			4. Central Aceh
			5. West Aceh
			6. Aceh Besar
			7. Pidie
			8. North Aceh
			9. Simeulue
			10. Aceh Singkil
			11. Bireuen
			12. Aceh Barat Daya
			13. Gayo Lues
			14. Aceh Jaya
			15. Naga Raya
			16. Aceh Tamiang
			17. Bener Meriah
			18. Pidie Jaya
			19. Banda Aceh City
			20. Sabang City
			21. Lhokseumawe City
			22. Langsa City
			23. Subulussalam City
II	PT. PUPUK SRIWIDJAJA	1 NORTH SUMATERA	1. Central Tapanuli
			2. North Tapanuli
			3. South Tapanuli



**ATTACHMENT TO THE REGULATION OF THE MINISTER OF TRADE OF THE
REPUBLIC OF INDONESIA**

NUMBER : 07/M-DAG/PER/2/2009
DATED : February 9, 2009

LIST OF ATTACHMENTS

1. ATTACHMENT I : List of Producers In Charge And Areas of Responsibility for the Procurement And Distribution of Subsidized Fertilizers.
2. ATTACHMENT II : Duties And Responsibilities of Distributor.
3. ATTACHMENT III : Requirements for the Appointment as a Distributor.
4. ATTACHMENT IV : General Requirements for the Entering into a Contract/SPJB on Subsidized Fertilizers Between a Producer and a Distributor.
5. ATTACHMENT VII : Requirements for the Appointment as a Retailer.
6. ATTACHMENT VIII : General Requirements for the Entering into a Contract/SPJB on Subsidized Fertilizers Between a Distributor And a Retailer.

[

**MINISTER OF TRADE OF THE REPUBLIC OF
INDONESIA**

signed

MARI ELKA PANGESTU

Copy corresponds with the original
Secretary General of
Ministry of Trade
Head of Legal Bureau,
signed
Widodo



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
			4. Nias
			5. Langkat
			6. Karo
			7. Deli Serdang
			8. Simalungun
			9. Asahan
			10. Labuhan Batu
			11. Dairi
			12. Toba Samosir
			13. Mandailing Natal
			14. South Nias
			15. Pakpak Bharat
			16. Humbang Hasundutan
			17. Samosir
			18. Serdang Bedagai
			19. Batu Bara
			20. North Padang Lawas
			21. Padang Lawas
			22. Medan City
			23. Pematang Siantar City
			24. Sibolga City
			25. Tanjung Balai City
			26. Binjai City
			27. Tebing Tinggi City
			28. Padang Sidempuan City
		2 WEST SUMATERA	1. South Pesisir
			2. Solok
			3. Sawah Lunto/Sijunjung
			4. Tanah Datar
			5. Padang Pariaman



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
			6. Agam
			7. Lima Puluh Kota
			8. Pasaman
			9. Kepulauan Mentawai
			10. Dharmasraya
			11. South Solok
			12. West Pasaman
			13. Padang City
			14. Solok City
			15. Sawahlunto City
			16. Padang Panjang City
			17. Bukittinggi City
			18. Payakumbuh City
			19. Pariaman City
		3 RIAU	1. Kampar
			2. Indragiri Hulu
			3. Bengkalis
			4. Indragiri Hilir
			5. Palalawan
			6. Rokan Hulu
			7. Rokan Hilir
			8. Siak
			9. Kuantan Sengingi
			10. Pekanbaru City
			11. Dumai City
		4 JAMBI	1. Kerinci
			2. Merangin
			3. Sarolangun
			4. Batanghari



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
			5. Muaro Jambi
			6. Tanjung Jabung Barat
			7. Tanjung Jabung Timur
			8. Bungo
			9. Tebo
			10. Jambi City
		5 SOUTH SUMATERA	1. Ogan Komering Ulu
			2. Ogan Komering Ilir
			3. Muara Enim
			4. Lahat
			5. Musi Rawas
			6. Musi Banyuasin
			7. Banyuasin
			8. OKU Timur
			9. OKU Selatan
			10. Ogan Ilir
			11. Empat Lawang
			12. Palembang City
			13. Pagar Alam City
			14. Lubuk Linggau City
			15. Prabumulih City
		6 BENGKULU	1. South Bengkulu
			2. Rejang Lebong
			3. North Bengkulu
			4. Kaur
			5. Seluma
			6. Muko-muko
			7. Lebong
			8. Kepahiang



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
			9. Bengkulu City
		7 LAMPUNG	1. South Lampung
			2. Central Lampung
			3. North Lampung
			4. West Lampung
			5. Tulang Bawang
			6. Tanggamus
			7. East Lampung
			8. Way Kanan
			9. Pesawaran
			10. Bandar Lampung City
			11. Metro City
		8 BANGKA BELITUNG	1. Bangka
			2. Belitung
			3. South Bangka
			4. Central bangka
			5. West Bangka
			6. East Belitung
			7. Pangkal Pinang City
		9 RIAU ISLAND	1. Bintan
			2. Karimun
			3. Natuna
			4. Lingga
			5. Batam City
			6. Tanjung Pinang City
		1 DKI JAKARTA	1. Kep. Seribu Administrative



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY	
		0		
			2.	Central Jakarta Municipality
			3.	North Jakarta Municipality
			4.	West Jakarta Municipality
			5.	South Jakarta Municipality
			6.	East Jakarta Municipality
		1	1.	Pandeglang
		1		
			2.	Lebak
			3.	Tangerang
			4.	Serang
			5.	Tangerang City
			6.	Cilegon City
			7.	Serang City
		1	1.	Tasikmalaya
		2		
			2.	Ciamis
			3.	Kuningan
			4.	Majalengka
			5.	Tasikmalaya City
			6.	Banjar City
		1	1.	Cilacap
		3		
			2.	Banyumas
			3.	Purbanlingga
			4.	Banjarnegara



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
			5. Kebumen
			6. Purworejo
			7. Wonosobo
			8. Magelang
			9. Boyolali
			10. Klaten
			11. Sukoharjo
			12. Wonogiri
			13. Karanganyar
			14. Sragen
			15. Grobogan
			16. Blora
			17. Rembang
			18. Pati
			19. Kudus
			20. Jepara
			21. Demak
			22. Semarang
			23. Temanggung
			24. Kendal
			25. Batang
			26. Pekalongan
			27. Pemalang
			28. Magelang City
			29. Surakarta City
			30. Salatiga City
			31. Semarang City
			32. Pekalongan City
		1	D.I. JOGJAKARTA
		4	
			1. Kulon Progo



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
			2. Bantul
			3. Gunung Kidul
			4. Sleman
			5. Yogyakarta City
		1 WEST BORNEO	1. Sambas
		5	
			2. Pontianak
			3. Sanggau
			4. Ketapang
			5. Sintang
			6. Kapuas Hulu
			7. Bangkayang
			8. Landak
			9. Sekadau
			10. Melawi
			11. Kayong Utara
			12. Kubu Raya
			13. Pontianak City
			14. Singkawang City
III	PT. PUPUK KUJANG	1 WEST JAVA II	1. Bogor
			2. Sukabumi
			3. Cianjur
			4. Bandung
			5. Garut
			6. Cirebon
			7. Sumedang
			8. Indramayu
			9. Subang
			10. Purwakarta



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
			11. Karawang
			12. Bekasi
			13. West Bandung
			14. Bogor City
			15. Sukabumi City
			16. Bandung City
			17. Cirebon City
			18. Bekasi City
			19. Depok City
			20. Cimahi City
		2 CENTRAL JAVA II	1. Tegal
			2. Brebes
			3. Tegal City
IV.	PT. PUPUK PETROKIMIA GRESIK	1 EAST JAVA I	1. Ngawi
			2. Tuban
			3. Magetan
			4. Bojonegoro
			5. Lamongan
			6. Gresik
V.	PT. PUPUK KALTIM	1 EAST JAVA II	1. Trenggalek
			2. Tulung Agung
			3. Blitar
			4. Kediri
			5. Malang
			6. Lumajang
			7. Jember
			8. Banyuwangi



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
			9. Bondowoso
			10. Situbondo
			11. Probolinggo
			12. Pasuruan
			13. Sidoharjo
			14. Mojokerto
			15. Jombang
			16. Nganjuk
			17. Madiun
			18. Pacitan
			19. Ponorogo
			20. Bangkalan
			21. Sampang
			22. Pamekasan
			23. Sumenep
			24. Kediri City
			25. Blitar City
			26. Malang City
			27. Probolinggo City
			28. Pasuruan City
			29. Mojokerto City
			30. Madiun City
			31. Surabaya City
			32. Batu City
		2 BALI	1. Jembrana
			2. Tabanan
			3. Badung
			4. Gianyar
			5. Klungkung
			6. Bangli



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
			7. Karangasem
			8. Buleleng
			9. Denpasar City
		3 WEST NUSA TENGGERA	1. West Lombok
			2. Central Lombok
			3. East Lombok
			4. Sumbawa
			5. Dompu
			6. Bima
			7. West Sumbawa
			8. Mataram City
			9. Bima City
		4 EAST NUSA TENGGERA	1. Kupang
			2. Timor Tengah Selatan
			3. Timor Tengah Utara
			4. Belu
			5. Alor
			6. Flores Timur
			7. Sikka
			8. Ende
			9. Ngada
			10. Manggarai
			11. East Sumba
			12. West Sumba
			13. Lembata
			14. Rote Ndao
			15. West Manggarai
			16. Nagekeo
			17. Central Sumba



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
			18. Sumba Barat Daya
			19. East Manggarai
			20. Kupang City
		5 CENTRAL BORNEO	1. West Kotawaringin
		6 SOUTH BORNEO	2. East Kotawaringin
			3. Kapuas
			4. South Barito
			5. North Barito
			6. Katingan
			7. Seruyan
			8. Sukamara
			9. Lamandau
			10. Gunung Mas
			11. Pulang Pisau
			12. Murung Raya
			13. East Barito
			14. Palangkaraya City
			1. Tanah Laut
			2. Kotabaru
			3. Banjar
			4. Barito Kuala
			5. Tapin
			6. Hulu Sungai Selatan
			7. Hulu Sungai Tengah
			8. Hulu Sungai Utara
			9. Tabalong
			10. Tanah Bumbu
			11. Balangan
			12. Banjarmasin City



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
			13. Banjarbaru City
		7 EAST BORNEO	1. Paser
			2. Kutai Kertanegara
			3. Berau
			4. Bulungan
			5. Nunukan
			6. Malinau
			7. West Kutai
			8. East Kutai
			9. Penajamn Paser Utara
			10. Tana Tidung
			11. Balikpapan City
			12. Samarinda City
			13. Tarakan City
			14. Bontang City
		8 NORTH CELEBES	1. Bolaang Mongondow
			2. Minahasa
			3. Kepulauan Sangihe
			4. Kepulauan Talaud
			5. South Minahasa
			6. North Minahasa
			7. Minahasa Tenggara
			8. North Balmong
			9. Kepulauan Sitaro
			10. Manado City
			11. Bitung City
			12. Tomohon City
			13. Kotamobogu City



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
		9 CENTRAL CELEBES	1.. Banggai
			2. Poso
			3. Donggala
			4. Toli-toli
			5. Buol
			6. Morowali
			7. Banggai Kepulauan
			8. Parigi Moutong
			9. Tojo Una Una
			10. Palu City
		1 SOUTH CELEBES	1. Selayar
		0	
			2. Bulukumba
			3. Bantaeng
			4. Jeneponto
			5. Takalar
			6. Gowa
			7. Sinjai
			8. Bone
			9. Maros
			10. Pangkejane Kepulauan
			11. Barru
			12. Soppeng
			13. Wajo
			14. Sidenreng Rappang
			15. Pinrang
			16. Enrekang
			17. Luwu
			18. Tana Toraja



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
			19. North Luwu
			20. East Luwu
			21. Makasar City
			22. Pare-pare City
			23. Palopo City
		1 SOUTH EAST 1 CELEBES	1. Kolaka
			2. Konawe
			3. Muna
			4. Buton
			5. South Konawe
			6. Bombana
			7. Wakatobi
			8. North Kolaka
			9. North Konawe
			10. North Buton
			11. Kendari City
			12. Bau – Bau City
		1 GORONTALO 2	1. Gorontalo
			2. Boalemo
			3. Bone Bolango
			4. Pohuwato
			5. North Gorontalo
			6. Gorontalo City
		1 WEST BORNEO 3	1. North Mamuju



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY	
			2.	Mamuju
			3.	Mamasa
			4.	Polewali Mamasa
			5.	Majane
		1 4	1.	Central Maluku
			2.	South-east Maluku
			3.	Maluku Tenggara Barat
			4.	Buru
			5.	Seram Bagian Timur
			6.	Seram Bagian Barat
			7.	Aru islands
			8.	Ambon city
			9.	Tual city
		1 5	1.	West Halmahera
			2.	Central Halmahera
			3.	North Halmahera
			4.	South Halmahera
			5.	Kepulauan Sula
			6.	West Halmahera
			7.	Ternate City
			8.	Tidore Kepulauan City
		1 6	1.	Merauke
			2.	Jayawijaya
			3.	Jayapura



No.	TYPE OF FERTILIZER / PRODUCER IN CHARGE	AREA OF RESPONSIBILITY PROVINCE	REGENCY / MUNICIPALITY
			4. Nabire
			5. Yapen Waropen
			6. Biak Numfor
			7. Puncak Jaya
			8. Piniai
			9. Mimika
			10. Sarmi
			11. Keerom
			12. Pegunungan Bintang
			13. Yahukimo
			14. Tolikara
			15. Waropen
			16. Boven Digoel
			17. Mappi
			18. Asmat
			19. Supiori
			20. Memberamo Raya
			21. Jayapura City
		1 WEST PAPUA	1. Sorong
		7	
			2. Manokwari
			3. Fak-fak
			4. South Sorong
			5. Raja Ampat
			6. Teluk Bentuni
			7. Teluk Wondana
			8. Kaimana
			9. Sorong City



B.	PUPUK SP-36, SUPERHOS and ZA		
I.	PT. PUPUK PETROKIMIA GRESIK	All over Indonesia	All Regencies / Municipalities
C.	NPK PHONSKA FERTILIZER		
I.	PT. PUPUK PETROKIMIA GRESIK	All over Indonesia	All Regencies / Municipalities
D	NPK PELANGI FERTILIZER		
I.	PT. PUPUK TIMUR	All over Indonesia	All Regencies / Municipalities
E.	PUPUK NPK KUJANG	All over Indonesia	All Regencies / Municipalities
I.	PT. PUPUK KUJANG	All over Indonesia	All Regencies / Municipalities
	ORGANIC FERTILIZERS		
I.	PT. PUPUK SRIWIDJAJA	All over Indonesia	All Regencies / Municipalities
II.	PT. PUPUK KUJANG	All over Indonesia	All Regencies / Municipalities
III.	PT. PUPUK KALIMANTAN TIMUR	All over Indonesia	All Regencies / Municipalities
IV.	PT. PUPUK PETROKIMIA GRESIK	All over Indonesia	All Regencies / Municipalities
V.	PT. PUPUK ISKANDAR MUDA	All over Indonesia	All Regencies / Municipalities



DISTRIBUTOR'S DUTIES AND RESPONSIBILITIES

1. Distributor is responsible for the smoothness of Subsidized Fertilizers distribution from Line III to Line IV in its area of responsibility under the 6 (six) accuracy principles, i.e. accuracy of type, volume, price, place, time and quality.
2. Distributor is responsible for the correct type and volume of Subsidized Fertilizers when they are delivered and received by Retailers according to the name, address, and its area of responsibility proposed during the purchase.
3. Distributor shall distribute Subsidized Fertilizers only to the appointed retailers according to the price designated by Producer.
4. Distributor shall perform itself the Subsidized Fertilizers purchasing and distribution activities, therefore:
 - a. Distributor is not permitted to sell any Subsidized Fertilizers to any traders and/or other parties not appointed as Retailers of the relevant Distributor; and
 - b. Distributor is not permitted to assign any power for Subsidized Fertilizers purchase to any other parties, except to the concerned Distributor's officers which is proved by a Power of attorney from the concerned Distributor's Managing Committee/Manager.
5. Distributor shall play an active role in assisting Producer to conduct the elucidation and promotion.
6. Distributor together with Producer shall conduct the nurturing, supervision, and assessment on Retailers' performance in implementing the sales of Subsidized Fertilizers to farmers and/or farmers' groups within its area of responsibility as well as reporting the results of its supervision and assessment to the producer



that appointed it.

7. Distributor is obliged to post a signage of 1 x 1.5 meter size as the official Distributor of fertilizers within its area of responsibility.
8. Distributor shall coordinate periodically with the related instances within its area of responsibility.
9. Distributor is obliged to submit the report of distribution and stock of fertilizers in the warehouse it manages, periodically once in every month's end to Producer with a cc to the related instances according to the form of report as contained in Attachment X to this Regulation.
10. Distributor shall define the scope of its area of responsibility in distributing Subsidized Fertilizers to the retailers it appointed.
11. Distributor is responsible for submitting the list of retailers to Producer and the Head of Local Service of Regency/Municipality responsible for trade sector once in every end of year.



REQUIREMENTS FOR THE APPOINTMENT AS A DISTRIBUTOR

1. Distributor may have the form of a private business or enterprise either those in corporate or non-corporate form.
2. Is engaged in General Trade business field.
3. Having an office and managing committee actively running a trade business in its domicile.
4. Fulfilling general requirements to run a trade business, among others Trade Business License (SIUP), Company Registration Certificate (TDP), Business Establishment Permit (SITU), and Tax-payer Number (NPWP).
5. Distributor is obliged to own and/or control a warehouse facility and transporting equipment which can guarantee the smoothness of Subsidized Fertilizers in its area of responsibility.
6. Having a distribution network within its area of responsibility defined by Producer.
7. Distributor is obliged to appoint at least 2 (two) Retailers in each District and/or Village which constitutes the center of agricultural production within its area of responsibility.
8. Having a sufficient capital and agreed by Producer.
9. Fulfilling other requirements defined by Producer.
10. Having a recommendation letter as Distributor of fertilizers from the Local Industry and Trade Service of Regency/Municipality.



**GENERAL REQUIREMENTS FOR ENTERING INTO A CONTRACT / SALE AND
PURCHASE AGREEMENT (SPJB) OF SUBSIDIZED FERTILIZERS BETWEEN
PRODUCER AND DISTRIBUTOR**

1. A Contract / Sale and Purchase Agreement (SPJB) of Subsidized Fertilizers between a Producer and Distributor shall be made for a period of 1 (one) year. The extension of a contract can be implemented if, according to a Producer's assessment, the relevant Distributor showed a good performance.
2. Basically, the allocation of Subsidized Fertilizers from Producer to Distributor which will be spelled out in a contract / SPJB of Subsidized Fertilizers shall refer to the Subsidized Fertilizers requirement plan in the respective Producer's area of responsibility by taking notes of the Subsidized Fertilizers allocation stipulated by the Minister of Agriculture.
3. In the Contract / SPJB shall be defined the fertilizers delivery price from Producer to Distributor and the maximum selling price of fertilizers from Distributor to Retailers.
4. In the Contract / SPJB shall be defined the area of responsibility for Subsidized Fertilizers Distribution from distributor by mentioning the territory of Regency / Municipality and/or District located within the relevant Producer's area of responsibility.
5. The allocation of fertilizers distributor for 1 (one) year according to the contract/SPJB term shall be mentioned in detail in the monthly allocation per type of fertilizer.
6. A contract / SPJB of Subsidized Fertilizers shall have to contain a sanction for Distributor committing a breach against the applicable requirements of Subsidized Fertilizers distribution.



7. The inclusion of provisions on sanctions in a Contract / SPJB between Producer and Distributor may take the form of a written warning, termination on the allocation of Subsidized Fertilizers and/or the termination of working relationship / contract with the relevant Distributor.
8. The format of a Contract / SPJB composition shall be made according to the generally applicable requirements in each generation of agreement.



REQUIREMENTS FOR THE APPOINTMENT AS A RETAILER

1. Retailer may have the form of a private business, a farmers' group, and enterprise either those in corporate or non-corporate form holding the Trade Business License (SIUP) and Company Registration Certificate (TDP).
2. Is engaged in General Trade business field.
3. Having a managing committee actively running its business activity or managing its company.
4. Owning or controlling facilities for Subsidized Fertilizers distribution to guarantee the distribution of Subsidized Fertilizers in their respective area of responsibility.
5. Having a sufficient capital and agreed by Producer.
6. Fulfilling other requirements defined by Producer.



**GENERAL REQUIREMENTS FOR ENTERING INTO A CONTRACT / SALE AND
PURCHASE AGREEMENT (SPJB) OF SUBSIDIZED FERTILIZERS BETWEEN
DISTRIBUTOR AND RETAILER**

1. A Contract / Sale and Purchase Agreement (SPJB) of Subsidized Fertilizers between a Distributor and Retailer shall be made for a period of 1 (one) year. The extension of a contract can be implemented if, according to a Distributor's assessment, the relevant Retailer showed a good performance.
2. Basically, the allocation of Subsidized Fertilizers from Distributor to Retailer which will be spelled out in a Contract / SPJB of Subsidized Fertilizers shall refer to the Subsidized Fertilizers requirement plan in the respective distributor's area of responsibility by taking notes of the Subsidized Fertilizers allocation stipulated by Producer.
3. In the Contract / SPJB shall be defined the fertilizers delivery price from Distributor to Retailer as well as the Retailer's warranty and obligation to sell in cash the Subsidized Fertilizers to Farmers and/or Farmers' Groups at the Retailer's warehouse according to HET in 50 kg or 20 kg package.
4. In the Contract / SPJB shall be defined the area of responsibility for Subsidized Fertilizers distribution from Retailer by mentioning the territory of District and/or Village located within the relevant Distributor's area of responsibility.
5. The allocation of fertilizers for 1 (one) year according to the Contract / SPJB term shall be mentioned in detail in the monthly allocation per type of fertilizer.
6. A contract / SPJB of Subsidized Fertilizers shall have to contain a sanction for a Retailer committing a breach against the applicable requirements of Subsidized Fertilizers distribution.
7. The inclusion of provisions on sanctions in a Contract / SPJB between



Distributor and Retailer may take the form of a written warning, termination on the allocation of Subsidized Fertilizers and/or the termination of working relationship / contract with the relevant Retailer.

8. The format of a contract / SPJB composition shall be made according to the generally applicable requirements in each generation of agreement.

Translated from Indonesian Language
Jakarta, October 1, 2010
Authorized and Sworn Translator,

FIKRI SAID OBED

