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# Who Benefits from Food Redistribution? Economic Justice and Local Supplier Participation in Indonesia's Free Nutritious Meals Program

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## Abstract

Large-scale food assistance programs can serve both social protection and economic redistribution objectives. Indonesia's Free Nutritious Meals Program represents an important policy intervention designed to improve nutritional outcomes while potentially generating economic opportunities throughout local food supply chains. This study examines who benefits economically from the program, focusing on the participation of local suppliers, small enterprises, farmers, cooperatives, and other community-based actors. Using a qualitative policy-analysis approach, the study examines program governance, procurement arrangements, supplier eligibility, and mechanisms for local economic participation. Secondary evidence from government regulations, implementation documents, and relevant socioeconomic literature is used to assess whether the program creates broadly distributed economic opportunities or concentrates procurement benefits among larger and better-capitalized suppliers. The study conceptualizes food redistribution as a multidimensional form of economic justice encompassing both access to nutritional benefits and access to economic opportunities generated by public expenditure. It argues that the distributive impact of the program depends substantially on procurement design, institutional capacity, and the inclusiveness of local supply-chain arrangements. The study contributes to debates on social policy by examining how public food expenditure can simultaneously address welfare deprivation and local economic inequality. It also provides policy considerations for strengthening inclusive procurement mechanisms within large-scale social programs.

[*Program bantuan pangan skala besar dapat berfungsi untuk mencapai tujuan perlindungan sosial dan redistribusi ekonomi. Program Makan Gratis Bergizi di Indonesia merupakan intervensi kebijakan penting yang dirancang untuk meningkatkan hasil gizi sekaligus berpotensi menciptakan peluang ekonomi di seluruh rantai pasokan pangan lokal. Studi ini meneliti siapa yang* *mendapat manfaat ekonomi dari program tersebut, dengan fokus pada partisipasi pemasok lokal, usaha kecil, petani, koperasi, dan aktor berbasis komunitas lainnya. Dengan menggunakan pendekatan analisis kebijakan kualitatif, studi ini meneliti tata kelola program, pengaturan pengadaan, kelayakan pemasok, dan mekanisme partisipasi ekonomi lokal. Bukti sekunder dari peraturan pemerintah, dokumen implementasi, dan literatur sosioekonomi yang relevan digunakan untuk menilai apakah program tersebut menciptakan peluang ekonomi yang tersebar luas atau memusatkan manfaat pengadaan di antara pemasok yang lebih besar dan bermodal lebih baik. Studi ini mengkonseptualisasikan redistribusi pangan sebagai bentuk keadilan ekonomi multidimensional yang mencakup akses terhadap manfaat gizi dan akses terhadap peluang ekonomi yang dihasilkan oleh pengeluaran publik. Studi ini berpendapat bahwa dampak distribusi program sangat bergantung pada desain pengadaan, kapasitas kelembagaan, dan inklusivitas pengaturan rantai pasokan lokal. Studi ini berkontribusi pada perdebatan tentang kebijakan sosial dengan meneliti bagaimana pengeluaran publik untuk pangan dapat secara bersamaan mengatasi kekurangan kesejahteraan dan ketidaksetaraan ekonomi lokal. Studi ini juga memberikan pertimbangan kebijakan untuk memperkuat mekanisme pengadaan inklusif dalam program sosial berskala besar.*]

**Keywords:** food redistribution, economic justice, public procurement, local suppliers, Indonesia

## Introduction

Food assistance is conventionally understood as a mechanism through which governments transfer resources to populations experiencing nutritional or economic deprivation. This interpretation captures the consumption side of redistribution but overlooks another distributive process embedded within food programs: government purchasing. When the state purchases food for large-scale social programs, public expenditure creates demand for agricultural commodities, processed food, transportation, catering, storage, and other services. The allocation of this demand determines which economic actors obtain access to public markets and consequently who captures income generated by government expenditure. Public food procurement literature has increasingly recognized this dual character, showing that procurement can influence both food consumption and production patterns and can generate social, economic, nutritional, and environmental benefits when appropriately designed (Swensson and Tartanac 2020). The central issue is therefore not only whether food assistance reaches intended beneficiaries, but also whether the purchasing system distributes economic opportunities broadly. This article applies that distributive perspective to Indonesia's Free Nutritious Meals Program, or Makan Bergizi Gratis (MBG).

MBG provides an important case because it combines a large social-policy intervention with substantial public purchasing power. The program is governed institutionally by the National Nutrition Agency (Badan Gizi Nasional, BGN), whose establishment was formalized through Presidential Regulation No. 83 of 2024. Its governance framework was subsequently strengthened by Presidential Regulation No. 115 of 2025 concerning the implementation of MBG, including monitoring, supervision, evaluation, financing, and procurement of goods and services (Indonesia 2024; Indonesia 2025b). The inclusion of procurement within the formal governance architecture matters because it establishes the possibility that purchasing decisions can be aligned with broader socioeconomic objectives. BGN has also explicitly stated that MBG is intended to absorb products from local MSMEs and village-owned enterprises (Badan Usaha Milik Desa, BUMDes), with local food products prioritized where they meet applicable safety and quality standards (Badan Gizi Nasional 2026). The program therefore possesses an institutional basis for connecting nutritional redistribution with local economic development, although policy intention alone cannot establish actual distributive outcomes.

The economic significance of MBG arises from the scale and regularity of institutional demand. Unlike ordinary household food consumption, public meal programs create repeated purchasing requirements that can influence supplier investment, production planning, logistics, and local market organization. International evidence indicates that predictable public demand can strengthen market access for smallholder farmers and reduce some of the uncertainty associated with fragmented agricultural markets (Cervantes-Zapana et al. 2020). More importantly, recent causal evidence from Brazil demonstrates that participation in a public food procurement program increased family farmers' production value by 13.1 percent, with particularly strong effects among smaller and lower-income establishments (Casagrande, Emanuel, and Freitas 2024). These findings suggest that public procurement can generate economic effects beyond the immediate provision of food. However, the Brazilian experience also shows that such benefits arise from institutional arrangements connecting farmers to public demand rather than from government purchasing alone. MBG should consequently be examined as a potential market-making institution whose distributive effects depend on how procurement opportunities are structured.

The concept of "local procurement" nevertheless requires careful qualification. Geographic proximity does not necessarily mean that economic value remains within local communities. A local distributor may be legally registered in the same district as an MBG service unit while obtaining commodities from external wholesalers and retaining substantial margins. Conversely, a cooperative operating across several villages may aggregate products from local farmers and distribute a larger proportion of procurement value directly to producers. Public food procurement scholarship consequently emphasizes the importance of examining relationships among producers, intermediaries, procuring institutions, and other actors rather than focusing exclusively on the contracting supplier (Gaitбn-Cremaschi et al. 2022). This distinction is particularly relevant to MBG because the economic question is not simply whether procurement occurs "locally," but whether public expenditure creates meaningful opportunities for producers and enterprises that would otherwise have limited access to institutional markets. Locality must therefore be evaluated through participation, sourcing, and value retention.

Previous studies provide substantial evidence that procurement design determines whether public food programs benefit small producers. Swensson and Tartanac (2020) demonstrate that regulatory frameworks can determine what governments purchase, from whom they purchase, and what production systems they indirectly support. Their analysis of Brazil, Paraguay, and the United States shows that preferential and reserved procurement mechanisms can translate social objectives into purchasing rules. Gaitбn-Cremaschi et al. (2022), meanwhile, emphasize the importance of actor networks, showing that intermediary and brokerage relationships can either stimulate innovation or obstruct food-system transformation. More recent evidence from Brazil strengthens this argument. Fonseca et al. (2025) find that state capacity, technical assistance, financing, formalization, and agricultural characteristics significantly affect family-farmer participation in public procurement. The literature therefore suggests that procurement inclusion is not produced by legal preference alone; it requires institutional capacity capable of converting formal eligibility into substantive participation.

The existing literature also reveals an important gap relevant to Indonesia. International research has extensively examined public food procurement as an instrument of agricultural development, sustainable food systems, and social inclusion, while empirical evidence from Brazil has increasingly demonstrated measurable effects on family-farmer production (Casagrande, Emanuel, and Freitas 2024; Fonseca et al. 2025). Yet less attention has been devoted to the distributive architecture of newly emerging large-scale food assistance programs in Southeast Asia, particularly the question of which actors capture economic value created through public food expenditure. Indonesia's MBG offers a distinctive setting because its objectives combine nutrition, public expenditure, local economic participation, and a highly decentralized food-production landscape. The analytical gap is therefore not simply the absence of research on MBG, but the absence of a systematic framework for examining how its procurement architecture may distribute economic opportunities among differently positioned actors.

This study addresses three questions. First, how does the institutional design of MBG shape opportunities for local suppliers, MSMEs, farmers, cooperatives, and BUMDes to participate in public food procurement? Second, what institutional and market conditions may cause procurement benefits to be broadly distributed or concentrated among larger suppliers and intermediaries? Third, what policy mechanisms could strengthen the economic-justice dimension of MBG while maintaining food safety, nutritional standards, fiscal accountability, and operational reliability? These questions are examined through qualitative policy analysis rather than causal impact estimation. This approach is appropriate because MBG remains an evolving program and comprehensive national transaction-level data are not yet available to establish causal effects on supplier income. The study therefore uses regulatory documents, official program materials, and comparative international evidence to identify mechanisms that are likely to shape distributive outcomes.

Methodologically, the article employs structured documentary analysis. The primary sources consist of Indonesian regulations governing MBG, BGN, and government procurement, complemented by official BGN policy statements concerning local supplier participation. Secondary sources include peer-reviewed studies of public food procurement, family farming, school feeding, and inclusive food-system governance. The analysis organizes the evidence around four dimensions: supplier access, productive capacity, value retention, and institutional accountability. This framework distinguishes formal participation from substantive economic benefit. A supplier may be eligible but unable to compete because of capital or documentation requirements; an MSME may receive a contract but capture little value because of costly intermediation; and a local procurement target may be achieved without substantially benefiting local farmers. By examining these distinctions, the study seeks to move beyond descriptive analysis toward an institutional explanation of how procurement can become either redistributive or concentrative.

The article develops the concept of double redistribution as its principal theoretical contribution. The first redistribution occurs through the transfer of nutritious food to program beneficiaries. The second occurs through the transfer of public purchasing power to suppliers and producers. Conventional social-policy analysis tends to focus on the first mechanism, while procurement studies frequently treat the second as an administrative issue. Bringing these processes together makes it possible to examine food assistance as a distributive institution operating simultaneously through consumption and markets. The article further introduces procurement justice, defined as the substantive capacity of economically disadvantaged actors to access public markets, satisfy procurement requirements, participate in contractual relationships, and retain a meaningful share of the value created by public expenditure. Drawing on the broader literature on distributive justice and substantive capabilities, the argument is that formal equality of procurement rules is insufficient when suppliers possess unequal economic and institutional capacities (Rawls 1999; Sen 1999).

## MBG and the Redistribution of Public Purchasing Power

MBG should first be understood as a market-creation institution because the program converts public fiscal resources into recurring demand for food and related services. This creates a second channel of redistribution alongside nutritional assistance. Beneficiaries receive food that improves their access to nutrition, while suppliers receive market opportunities generated by government expenditure. The latter mechanism can be economically significant because repeated institutional demand may reduce uncertainty and encourage producers to invest in production capacity. Evidence from Brazil demonstrates this potential: participation in the Food Acquisition Program increased family farmers' production value by 13.1 percent, with larger effects among smaller and lower-income producers (Casagrande, Emanuel, and Freitas 2024). Such evidence supports the proposition that public food procurement can function as a development instrument. However, the effect is conditional on institutional arrangements. The mere existence of MBG purchasing demand does not establish that farmers or MSMEs will capture the resulting economic opportunities.

The distributive question consequently shifts from "how much does the government spend?" to "through whom does government spending circulate?" Public procurement can generate income for farmers, food processors, caterers, transport providers, distributors, cooperatives, and other actors. The distribution among these groups depends on contract structures and supply-chain organization. Swensson and Tartanac (2020) argue that procurement rules can deliberately determine from whom governments purchase and what production systems they support. Gait6n-Cremaschi et al. (2022) similarly demonstrate that actor networks shape whether public procurement strengthens or constrains food-system transformation. In MBG, therefore, procurement is not a neutral administrative process. Decisions about contract size, supplier eligibility, aggregation, and geographic sourcing determine which actors can participate. The same expenditure can generate substantially different distributive outcomes depending on whether it is concentrated in a small number of large suppliers or distributed through producer organizations and qualified local enterprises.

The legal architecture of MBG creates an important opportunity for this redistribution. Presidential Regulation No. 115 of 2025 explicitly places financing and procurement within the governance framework of the program, while BGN has stated that local MSMEs and BUMDes are intended to participate in the MBG supply chain (Indonesia 2025b; Badan Gizi Nasional 2026). These provisions indicate that local economic participation is not merely an external expectation imposed by academic analysis; it is consistent with the program's institutional objectives. Nevertheless, legal recognition should not be confused with economic realization. The effectiveness of such provisions depends on whether smaller suppliers possess the financial, technical, logistical, and administrative capacity required by procurement procedures. Comparative evidence demonstrates that state capacity and technical assistance are particularly important. Fonseca et al. (2025) find that municipalities with stronger institutional capacities are more successful in achieving family-farmer procurement targets. Thus, Indonesian procurement policy must connect affirmative rules with supplier-development mechanisms.

A critical implication is that MBG should not define local participation exclusively through the identity of the contracting supplier. A local distributor, cooperative, or BUMDes may perform valuable aggregation functions, but the distributive effects of its participation depend on how revenue is transmitted to primary producers. This is especially important because smallholder farmers frequently face weak bargaining positions in conventional agricultural markets. Institutional procurement can strengthen their market access without necessarily increasing their bargaining power if intermediaries retain control over prices and information. Gait6n-Cremaschi et al. (2022) demonstrate that intermediaries can occupy both enabling and constraining roles in public food procurement networks. The policy objective should therefore be to distinguish productive intermediation from extractive intermediation. Aggregators that provide transportation, quality control, storage, and market coordination can expand inclusion. However, where intermediaries primarily function as gatekeepers and capture disproportionate margins, public procurement may reproduce existing inequalities rather than reduce them.

The concept of double redistribution therefore provides a useful framework for evaluating MBG. Nutritional redistribution asks whether the program improves beneficiaries' access to nutritious food. Economic redistribution asks whether the purchasing power used to provide that food creates opportunities for economically disadvantaged suppliers. The two objectives should not be treated as competing by default. Properly designed procurement can support both simultaneously because local and smallholder participation may strengthen food-system resilience while creating economic opportunities. Nevertheless, there are circumstances in which the objectives may conflict. Fragmented procurement may increase administrative costs, while concentrated procurement may improve logistical efficiency but reduce supplier diversity. The relevant policy question is consequently not whether procurement should be centralized or decentralized in absolute terms, but how institutional arrangements can minimize unnecessary concentration while preserving reliable food delivery. This is the central challenge of procurement justice under MBG.

## Who Can Actually Participate? Supplier Capacity, Transaction Costs, and Local Value Retention

Formal eligibility does not guarantee substantive participation. Small farmers and MSMEs frequently face constraints that are structurally different from those experienced by large suppliers. These include limited working capital, fragmented production, inadequate storage, transportation constraints, limited administrative capacity, insufficient certification, and difficulty maintaining consistent quality and volume. Procurement procedures can intensify these disadvantages when contracts require high minimum volumes, extensive documentation, strict delivery schedules, or significant upfront investment. Swensson and Tartanac (2020) emphasize that the regulatory framework is central to determining whether public food procurement becomes genuinely inclusive. The experience of Brazil further demonstrates that technical assistance, financing, formalization, and state capacity influence family-farmer participation (Fonseca et al. 2025). For MBG, the implication is that supplier inclusion must be understood as a capacity problem as well as a legal problem.

Contract size is particularly important because large contracts create economies of scale for government but may simultaneously create barriers for small enterprises. Large suppliers can spread compliance costs over substantial volumes and often possess better access to credit, logistics, storage, and professional administration. Smaller suppliers may be fully capable of producing the required food but unable to satisfy the financial and logistical risks associated with a large contract. This creates what may be termed an efficiency paradox: procurement arrangements designed to reduce administrative complexity can unintentionally increase economic concentration. Public procurement research suggests that successful family-farmer participation depends on adapting institutional arrangements to local capacities rather than imposing uniform market structures (Fonseca et al. 2025). MBG should therefore consider modular contracts organized by commodity, geography, or function. Such arrangements can retain standardized nutritional and safety requirements while creating entry points for smaller suppliers.

Producer aggregation offers a potentially effective solution to this problem. Individual farmers may not possess sufficient production volume or administrative capacity to contract directly with SPPGs, but cooperatives, farmer groups, and BUMDes can aggregate supply. Aggregation reduces transaction costs for both sides: procurement institutions manage fewer contractual relationships, while farmers gain access to a market that would otherwise be inaccessible. Evidence from public procurement research shows that networks and intermediary organizations can facilitate coordination between fragmented producers and institutional buyers (Gait6n-Cremaschi et al. 2022). Yet aggregation must be accompanied by transparency. A cooperative or intermediary can strengthen producer participation only if farmers understand prices, fees, payment arrangements, and contract terms. Otherwise, aggregation can create another layer of asymmetrical bargaining. The appropriate objective is therefore not direct procurement at all costs, but fairly governed aggregation that reduces transaction costs while preserving producer value and bargaining power.

Food safety represents another potential tension between inclusion and procurement reliability. MBG cannot compromise food-safety requirements because the program serves large populations and foodborne illness could create substantial public-health consequences. BGN’s requirement that local products meet applicable safety and quality standards is therefore legitimate (Badan Gizi Nasional 2026). The economic-justice challenge arises when small suppliers must bear compliance costs that are disproportionately large relative to their scale. The appropriate response is not to lower standards but to provide institutional support for compliance. Shared processing facilities, technical assistance, quality-control systems, certification support, and cooperative infrastructure can allow smaller suppliers to meet the same substantive standards as larger enterprises. Public food procurement research supports this approach because inclusive procurement requires alignment between regulatory standards and producer capabilities (Swensson and Tartanac 2020). Safety and inclusion should consequently be treated as complementary objectives when the state invests in the capacity required for smaller suppliers to comply.

Payment conditions constitute a further determinant of participation. Small enterprises and farmers typically possess less working capital than large corporations and are therefore more vulnerable to delayed government payments. A formally inclusive procurement system may still be economically exclusionary if small suppliers must finance production for extended periods while waiting for payment. Predictable and timely payment can instead transform institutional procurement into a mechanism for investment and productive upgrading. The Brazilian evidence that public procurement can increase production value among smaller and lower-income farmers illustrates the importance of stable institutional demand (Casagrande, Emanuel, and Freitas 2024). MBG should therefore treat payment performance as a component of supplier justice. Monitoring should examine not only contract allocation but also payment periods by supplier category. If small suppliers systematically experience longer payment delays than larger suppliers, the program could reproduce financial inequalities even while meeting formal local-procurement targets.

These considerations demonstrate why the concept of "local supplier" should be operationalized through several indicators rather than a single geographic criterion. First, policymakers should identify the legal contracting entity. Second, they should identify the origin of major food commodities. Third, where feasible, they should identify primary producers behind the transaction. Fourth, procurement monitoring should estimate the share of procurement value retained within the local production economy. This distinction is essential because a local supplier can purchase externally produced commodities, while a cooperative can distribute substantial value to local farmers even when the cooperative operates across administrative boundaries. Public food procurement should therefore measure local value retention rather than locality alone. This approach would provide a more accurate assessment of whether MBG is strengthening local economies or merely relocating procurement contracts geographically.

## From Local Procurement to Procurement Justice: Policy Design for Inclusive Redistribution

The central policy challenge is to reconcile three objectives that can appear contradictory: operational efficiency, food safety, and economic inclusion. MBG must deliver meals reliably and safely, which creates legitimate incentives to work with suppliers possessing substantial organizational capacity. Yet if these requirements systematically exclude smaller producers, public expenditure may reinforce market concentration. The solution is not to privilege small suppliers irrespective of capability, but to create institutional mechanisms that enable qualified smaller actors to participate. This distinction is consistent with the literature on inclusive public food procurement, which emphasizes that preferential mechanisms must be accompanied by an enabling regulatory and institutional environment (Swensson and Tartanac 2020). Procurement justice should therefore be understood as proportionate inclusion: procurement design should remove unnecessary barriers while retaining requirements that are substantively necessary for food safety, continuity, and accountability.

One practical mechanism is modular procurement. Instead of awarding a single large contract covering multiple commodities and services, procurement can be divided into functional modules. Agricultural commodities may be supplied through cooperatives or producer organizations, while specialized processing and logistics may be contracted to firms with appropriate infrastructure. This approach allows different supplier categories to participate according to their comparative capabilities. It also reduces the risk that one supplier captures multiple stages of the value chain. However, modularization must be based on evidence concerning local market capacity. Where local production is insufficient, regional suppliers may be necessary; where producer organizations are strong, more localized contracts may be viable. The Brazilian experience demonstrates that regional differences and institutional capacity matter significantly for procurement outcomes (Fonseca et al. 2025). Contract design should therefore be adaptive rather than uniformly decentralized.

A second mechanism is the institutionalization of producer aggregation. Cooperatives, farmer groups, and BUMDes should be supported not merely as eligible suppliers but as market institutions capable of connecting fragmented producers to large public demand. Support should include financial management, procurement documentation, food-safety compliance, logistics, digital procurement systems, and contract negotiation. Such interventions address the structural capabilities that determine whether smallholders can actually use procurement opportunities. The literature on public food procurement emphasizes the importance of networks and intermediary actors in facilitating coordination between producers and institutional buyers (Gait6n-Cremaschi et al. 2022). However, these organizations should also be subject to transparency requirements. Producer members should have access to information about procurement prices, intermediary margins, payment schedules, and contract performance. Aggregation should increase collective bargaining power rather than merely relocate bargaining power from large distributors to local intermediaries.

A third mechanism is the development of a procurement-monitoring system that measures distributional outcomes. Current procurement discussions frequently focus on expenditure, compliance, and meal delivery, but economic justice requires additional indicators. MBG could monitor the proportion of procurement value awarded to MSMEs, cooperatives, BUMDes, and farmer organizations; the proportion of commodities originating from local producers; average payment periods by supplier category; and the estimated proportion of procurement value retained by primary producers. These indicators would enable policymakers to distinguish between formal inclusion and substantive economic redistribution. The approach follows the broader logic of public food procurement research, which emphasizes multiple beneficiaries and multiple outcomes rather than treating procurement solely as a cost-minimization exercise (Swensson and Tartanac 2020). Transparent measurement would also enable future researchers to assess whether MBG's economic objectives are actually being achieved.

A useful analytical instrument would be an MBG Supplier Justice Index, designed to combine supplier inclusion, producer participation, local value retention, payment fairness, contract accessibility, and supplier concentration. Such an index would shift evaluation from the number of contracts awarded toward the quality of economic participation. For example, a district could record high MSME participation but still perform poorly if those firms act primarily as subcontractors for large distributors. Another district could have fewer direct contracts but stronger producer outcomes if cooperatives channel substantial procurement value to farmers. An index would make these differences visible. It could also provide a basis for comparing procurement models across provinces and identifying institutional practices associated with stronger economic inclusion. Importantly, the index should be used as a policy-learning mechanism rather than another rigid compliance requirement.

The broader theoretical implication is that food assistance should be understood as a form of economic governance. Government does not simply determine who receives food; it also determines which producers gain access to a large institutional market. This makes procurement architecture relevant to economic justice in ways that conventional welfare analysis may overlook. Rawls's (1999) concern with the institutional distribution of opportunities and Sen's (1999) emphasis on substantive capabilities both suggest that formal access is inadequate when individuals possess unequal capacities to convert institutional opportunities into actual benefits. Applied to MBG, this means that supplier eligibility should be evaluated alongside access to finance, information, organization, logistics, and bargaining power. Procurement justice consequently requires institutional arrangements that expand the capabilities of disadvantaged actors rather than merely declaring them eligible.

The evidence from Brazil reinforces this theoretical proposition. The 2024 study of public food procurement found positive effects on family-farmer production, particularly among smaller and lower-income producers, while the 2025 study found that state capacity, technical assistance, financing, and formalization were significant determinants of procurement participation (Casagrande, Emanuel, and Freitas 2024; Fonseca et al. 2025). These findings demonstrate that economic redistribution through procurement depends on institutional mediation. Public demand can create opportunities, but public institutions must provide the conditions under which disadvantaged producers can use those opportunities. Indonesia's MBG therefore has the potential to become a significant economic-redistribution instrument, but only if procurement policy is designed around substantive participation rather than nominal local sourcing.

## Conclusion

Indonesia's Free Nutritious Meals Program represents more than a large-scale nutritional intervention. Its procurement system creates a parallel channel through which public resources circulate among farmers, MSMEs, cooperatives, BUMDes, processors, logistics providers, and other economic actors. This article conceptualizes the process as double redistribution: nutritional resources are redistributed to program beneficiaries while purchasing power is redistributed through government procurement. The international literature demonstrates that public food procurement can improve market access and generate measurable economic benefits for smallholder farmers, but these effects depend on procurement rules, institutional capacity, technical assistance, financing, producer organization, and transaction costs (Swensson and Tartanac 2020; Gaitбn-Cremaschi et al. 2022; Casagrande, Emanuel, and Freitas 2024; Fonseca et al. 2025). For MBG, the critical question is therefore not simply whether procurement is local, but whether public purchasing power creates substantive opportunities for economically disadvantaged actors and whether meaningful value is retained within local production systems.

The policy implication is that MBG should move from a narrow concept of local sourcing toward procurement justice. Modular contracting, producer aggregation, transparent intermediary arrangements, prompt payment, supplier-capacity development, and distributional procurement indicators can help reconcile economic inclusion with food safety and operational efficiency. The proposed MBG Supplier Justice Index offers a possible framework for monitoring these outcomes. Future empirical research should test the framework using transaction-level procurement data, supplier surveys, and regional comparisons. The broader lesson is applicable beyond Indonesia: whenever governments purchase food at scale, they simultaneously create markets and distribute economic opportunities. Whether those opportunities reduce or reproduce inequality depends on institutional design. MBG can therefore become an instrument of economic justice only when its procurement architecture is deliberately constructed to ensure that the benefits of public food expenditure extend beyond the immediate supplier and reach the producers and communities whose participation sustains the food system.

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