



Australian Government



BKPM  
Indonesia Investment  
Coordinating Board

# INDONESIA AUSTRALIA RED MEAT & CATTLE PARTNERSHIP

## Newsletter

EDITION 4

FEATURED IN THIS EDITION

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The Partnership bi-annual newsletter is the flagship publication of the Indonesia Australia Partnership on Food Security in the Red Meat and Cattle Sector (the Partnership). The newsletter is produced in both English and Bahasa Indonesia and helps to build awareness of the work and the achievements of the Partnership.

This publication is freely available from [redmeatcattlepartnership.org](http://redmeatcattlepartnership.org)

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## FOREWORD

Welcome to our fourth newsletter covering the activities of the Indonesia-Australia Partnership on Food Security in the Red Meat and Cattle Sector (the Partnership).

With the Partnership entering its second phase in 2019, I would like to congratulate everyone involved in this vital relationship since its commencement in 2013.

The red meat and cattle sector is an important contributor to the prosperity of both Australia and Indonesia, and the Partnership has done a great deal to further strengthen the relationship between our two countries over the past five years.

At the seventh meeting of the Partnership in February 2019, we had the opportunity to reflect on some of the specifics of what has been achieved so far.

This includes the Partnership's ongoing commitment to the Indonesia-Australia Commercial Cattle Breeding (IACCB) Program, with \$9 million allocated for 2016-2021. This program has already produced almost 1,500 calves and developed more than 200 hectares of pasture.

The Partnership has also developed the skills of more than 250 Indonesian red meat and cattle professionals, contributing greatly to building the capacity of the industry.

I am grateful that our two countries can collaborate so closely in transferring skills and exchanging knowledge across the sector.

Of course, the seventh meeting—the first to be conducted in the Partnership's second phase—also had a focus on the program's future direction for the next five years.

As we are in the process of ratifying the recently signed Indonesia-Australia Comprehensive Economic Partnership Agreement, delegates at the meeting agreed that there should be increased two-way investment to improve the red meat and cattle supply chain between Australia and Indonesia.

This newsletter outlines the key outcomes of the seventh Partnership meeting, highlights developments in the IACCB Program as it enters its second phase, and introduces our newest non-government Partnership members from Australia.

There are also findings from our latest studies, which cover Indonesia's beef consumption trends and preferences, the feasibility of a beef processing bonded zone in Indonesia, and opportunities to improve Indonesia's live cattle supply chain logistics.

It is immensely satisfying to read about efforts toward gender equality in the Indonesian cattle industry, advancements in animal welfare and social inclusion as part of this year's breeding and management training, and the successful integration of palm oil production and cattle breeding in Central Kalimantan.

Meanwhile, the Partnership's efforts to assist Indonesia's smallholder farmers are highlighted by the work of IACCB partners such as P4S Karya Baru Mandiri and Partnership training alumni such as Dani Hadipratomo.

The Partnership can thrive only through the contributions and commitment of everyone involved.

Last but not least, on behalf of all Partnership members, I would like to extend our sincere gratitude and appreciation to Ms Louise van Meurs, the outgoing Australian co-chair, for her leadership of the Partnership over the past three years.

Many of the successful outcomes described in this newsletter are the direct result of Louise's passion and strategic direction.

I hope you enjoy this edition.

**Mr Wisnu Wijaya Soedibjo**  
(Indonesian Co-chair)



# THE PARTNERSHIP'S NEW DAWN

The seventh meeting of the Partnership was a landmark opportunity to review the past in order to refine the future.



▲ Indonesian and Australian Co-Chairs led the 7th Partnership meeting in Melbourne

The beginning of 2019 ushered in a new era for the Indonesia–Australia Partnership on Food Security in the Red Meat and Cattle Sector.

The Partnership’s seventh meeting—held in Melbourne, Australia during late February 2019—was the first official gathering to be convened in the second phase of this vital collaboration between Indonesia and Australia.

It provided a unique opportunity to reflect on the key findings of the midterm review of the Partnership, which was conducted to assess the effectiveness of the program’s implementation phase from 2014 to 2018.

The importance of the meeting attracted scores of Indonesian and Australian government representatives, industry stakeholders and observers, academics, journalists and senior bureaucrats from both countries.

In opening the meeting, co-chairs Mr Wisnu Wijaya Soedibjo of Indonesia and Ms Louise van Meurs of Australia, highlighted the need to balance the Partnership’s previous achievements with its future objectives.

Mr Soedibjo, the Deputy Chairman for Investment Cooperation of the Indonesia Investment Coordinating Board, conveyed his appreciation of the mutually beneficial outcomes produced by the Partnership.

Key initiatives acknowledged by Mr Soedibjo included funding the Indonesia–Australia Commercial Cattle Breeding Program, with \$9 million allocated for 2016–2021 to determine commercially viable and sustainable cattle breeding models in Indonesia.

The Partnership has also helped train 252 Indonesians in a range of short courses that develop individuals’ skills and build industry capacity. Meanwhile, it has supported animal welfare through the East Kalimantan Breeder Support Program.

“For the past five years, the Partnership has been very successful in achieving project outcomes, enhancing bilateral dialogue, improving information exchange, and transferring skills and knowledge across the red meat and cattle sector,” Mr Soedibjo said.

“It has played an active role in assisting trade liberalisation and contributed to greater collaboration between our two countries.

“This meeting is a very important milestone to discuss the Partnership’s future direction for the next five years.”

Ms. Louise van Meurs, who is First Assistant Secretary for the Trade and Market Access Division of Australia’s Department of Agriculture, reiterated Mr Soedibjo’s remarks.

She emphasised the anticipated signing and ratification of the Indonesia–Australia Comprehensive Economic Partnership Agreement (IA–CEPA) as a major step forward in relations between the two countries.

“The trade and investment outcomes from the implementation of IA–CEPA will be significant for the Indonesian and Australian red meat and cattle sector,” Ms. Louise van Meurs said.



▲ The Partnership’s seventh meeting was the first official gathering to be convened in the second phase of this vital collaboration between Indonesia and Australia

## JOINT ACTION THE FUTURE FOCUS

Upon ratification, IA-CEPA will provide opportunities for red meat and cattle producers in Indonesia and Australia. It will see reductions in tariffs, and mechanisms to support the removal of non-tariff barriers, along with increases in capacity building, skills development and labour exchange across the agriculture sector.

The Partnership's strategic priorities are to add value to the agreement by improving the business and investment climate, supporting the commercial sector, and promoting two-way investment.

To advance these priorities, two key collaborative events were held in the days prior to the main session of the Partnership's seventh meeting.

On 20 February 2019, Meat and Livestock Australia conducted a joint industry workshop, where particular consideration was given to the Indonesia and Australia Joint Industry Action Plan.

The plan has identified and prioritised actions to achieve a competitive, productive and sustainable red meat and cattle sector, and the work to develop these actions has fostered strong relationships between Indonesian and Australian industry groups.

Participants in the joint industry workshop applauded the four key pillars of the Joint Industry Action Plan: policy stability, supply chain efficiency, informed consumers, and a capable workforce.

They recommended that the Partnership's communications be strengthened as a key priority to ensure maximum awareness of the benefits, investments and achievements of the Partnership.



▲ Joint industry workshop conducted by Meat and Livestock Australia, where particular consideration was given to the Indonesia and Australia Joint Industry Action Plan

On 21 February 2019, the Indonesia Investment Coordinating Board (BKPM) conducted an investment roundtable facilitated by Dr Risti Permani, Senior Lecturer in Agribusiness at Deakin University.

During the roundtable, delegates shared the ongoing experiences of Australian companies investing in Indonesia, and discussed the potential of future investment platforms for Indonesia's red meat and cattle sector.

These two interactive and highly constructive events made a major contribution to establishing broad agreement on the future direction of the Partnership.

By the conclusion of the seventh meeting, delegates were united in the view that the Partnership should focus on improving the red meat and cattle supply chain across Indonesia and Australia through increased two-way investment and enhanced breeding models, transportation, distribution, logistics and processing.

For more information about the Partnership and the official communique of the seventh Partnership meeting, visit [redmeatcattlepartnership.org/partnership-meeting](http://redmeatcattlepartnership.org/partnership-meeting)

## RESPONDING TO THE RECOMMENDATIONS

Conducted from December 2018 to January 2019, the midterm review of the Partnership delivered a number of key recommendations covering the program's governance and management; communications and community engagement; monitoring, evaluation and knowledge management; and potential projects.

Central to the report's recommendations was a call to improve the governance and management of the Partnership by developing a program design document that could clearly communicate the purpose, objectives, scope and implementation of the Partnership going into the second phase.

Delegates at the seventh Partnership meeting unanimously supported the development of such a document to provide clarity to stakeholders and to set the future strategic direction of the Partnership. There was also consensus that the priorities articulated in the Joint Industry Action Plan should be considered for adoption as part of the program design process.

As a result, a Partnership program design workshop was held in South Tangerang, Indonesia on 12 April 2019.

The workshop comprised five sessions covering the Partnership's objectives and intended outcomes, measures of success, monitoring and evaluation systems, meeting structures, and implementation arrangements.

Workshop participants broadly supported the Partnership's goal of joint cooperation between Indonesia and Australia to support food security in the Indonesian red meat and cattle sector, but they also sought to facilitate access to the global supply chain for red meat and cattle products through trade and investment.



▲ Partnership program design workshop discussed future Partnership's design and guidance for phase 2 implementation

The longer-term objectives agreed in the workshop were:

- To increase domestic and foreign investment in the red meat and cattle supply chains
- To improve the security, prosperity and productivity of the Indonesian and Australian red meat and cattle industries
- To build a trusted relationship between Australian and Indonesian red meat and cattle industries and governments
- To increase the Indonesian cattle population to meet local demand and food security targets
- To be able to respond to the increased demand for beef products in Indonesia, across differentiated market segments, with pricing meeting consumer demands

The program design document also provided clearer guidance for Phase 2 implementation, including clearer roles and responsibilities for Partnership stakeholders, more structured and transparent project establishment process as well as better-structured meeting, reporting and implementation schedules.

The program design document was finalised in June 2019, and formally endorsed at the Partnership Co-Chairs meeting on 12 July 2019.



▲ One of IACCB trainings to trial the use of iSIKHNAS, MoA's recording system to measure animal health and productivity

# STICKING WITH THE PROGRAM

Following a first phase that saw nearly \$5 million invested in eight projects across five Indonesian provinces, the Indonesia-Australia Commercial Cattle Breeding (IACCB) Program has been approved through to 2021.

Established to foster investment, innovation and expansion in the Indonesian beef cattle industry, the Indonesia-Australia Commercial Cattle Breeding (IACCB) Program commenced its second phase in early 2019.

Since beginning in 2016, the program has explored various approaches to making cattle breeding in Indonesia both commercially viable and sustainable.

The three models assessed include cattle integration with palm oil production (where cattle graze and breed within oil palm plantations); open grazing (where cattle graze on open pastures during the day and are yarded in the evening); and the more traditional cut-and-carry method (where feed is cut and carried to yarded cattle).

According to Mr Dick Slaney, the IACCB Team Leader for phase one, the extension of the program reflects the progress made in developing viable models.

"The IACCB Program is playing a central role in the transfer of knowledge about cattle breeding," Mr Slaney says. "It's an important platform to share the lessons we're learning with the broader commercial beef cattle industry in Indonesia."

During its first phase, the program engaged eight project partners across five provinces to pilot the three cattle breeding models. This comprised four projects to implement integrated oil palm and cattle production (SISKA), one project undertaking open grazing, and three projects based on smallholder cut-and-carry.

From February 2016 to February 2019, the IACCB program distributed 1,315 heifers and 113 bulls to the eight projects, resulting in the successful breeding of 1,452 calves and the development of 203 hectares of pasture.

The program has also delivered 113 days of technical assistance, conducted four major learning workshops, helped train 86 people, and played a pivotal role in the employment of 78 women in the cattle industry.

At the end of 2018, the IACCB Program carried out commercial viability assessments on six out of its eight projects, five of which were assessed as being potentially commercially viable.

Herd numbers at the end of phase one totalled 2,362, an increase of 65% on 2016 levels, driven in large part by the provision of high-quality IACCB technical assistance focussed on improving weaning rates.

## SECOND PHASE TO FINALISE PROGRAM OBJECTIVES

The progress achieved in phase one has spurred the continuation of the IACCB program out to February 2021. This extension will conclusively determine the commercial sustainability of the program's three cattle breeding models.

The second phase will also focus on promoting commercially proven cattle breeding models to the broader beef cattle industry, including investors from Indonesia and Australia as well as the governments of both countries.

Specific objectives of phase two include strengthening the capacity of staff at partner sites to sustain good project performance; developing the institutional capacity of smallholder operations through specialist consultancy; encouraging pasture development to ensure an abundance of cheap and nutritious cattle feed; and conducting research to establish the commercial impact of palm oil and cattle breeding integration models.

The IACCB team will give considerable focus to innovation in knowledge management during the second phase of the program.

It will work to finalise four technical manuals delivered in the form of smart apps that can be easily accessible through mobile phones. These apps will cover key functions required to plan for, and manage, a sustainable breeding herd in Indonesia. Topics covered include the economics of cattle breeding in Indonesia, herd management, pasture management, and enterprise monitoring and evaluation. The smart apps capture

lessons learned through IACCB activities during phase one, and are supported by robust data and guidance materials written specifically for investors.

During phase two, the IACCB team will also complete the development of robust herd management software for Indonesian cattle breeders. Providing integrated features to manage productivity and link outputs with key financial and operational data, this software will support the day-to-day management of cattle, specifically breeding, fattening and feed milling.

"We will continue to encourage innovation, drive expansion, and promote investment in the sector," says Mr Paul Boon, the Team Leader for phase two of the program. Such promotion includes the IACCB's planned participation in the 11th Asia Sustainable Oil Palm Summit in September 2019. IACCB is also

planning to conduct workshops disseminating the results of their SISKA and smallholder projects in October 2019 and February 2020, respectively.

"We will need to consider various industry challenges including the development of experienced cattle-breeding managers and supervisors, suitable vaccines, quality cattle-shipment services between islands, commercial pasture seed suppliers, and laboratories to analyse feed concentrates" Mr Boon adds.

For more information on the IACCB Program, visit [iaccbp.org](http://iaccbp.org)



▲ Cattle grazing under palm trees at PT.Buana Karya Bhakti, South Kalimantan

# INVALUABLE INSIGHTS FOR INDONESIA

Entering 2019, the Partnership published three reports that are pivotal to developing the red meat and cattle industry in Indonesia.



▲ Unloading of cattle at Panjang Port in Lampung

## Feasibility Assessment of a Beef Processing Bonded Zone in Indonesia

This study detailed the economic feasibility and viability of establishing a bonded logistics zone as a means of improving Indonesia's beef production, processing and exporting.

In theory, a bonded zone could enable an enterprise to leverage Indonesia's low labour costs, consistent feed availability and high returns for beef by-products into a more competitive offering for the domestic market. The report looked at the costs and benefits of establishing such a zone for cattle production and processing, as well as key factors that would determine its ongoing commercial success.

The study also assessed the potential to sell cuts from imported Australian cattle to third-party markets overseas. It explored

the financial viability of constructing facilities to feed, slaughter and debone Australian cattle in Indonesia, with the intention of exporting a percentage of the product.

The report's main findings concluded that the construction of facilities to feed, slaughter and debone Australian cattle in Indonesia, with the intention of exporting a percentage of the product, is unlikely to be financially viable. There is currently no significant business driver to establish a bonded zone for this purpose in Indonesia.

## Indonesia's Supply Chain and Logistics Study

This report looked at opportunities to improve supply chain logistics for live cattle imported from Australia and transported across Indonesia. It analysed the international supply chain delivering live cattle to the port in Lampung and onwards to feedlots and abattoirs, as well as the domestic supply chain transporting live cattle from farms in East Nusa Tenggara to ports in Java and onwards to feedlots.

The study comprised a literature review, on-the-ground observations and meetings with key stakeholders, with a focus on improving handling, logistics and animal welfare. Key findings included insights on the macro supply chain environment and constraints to improving the supply chain.

The report's recommendations fell into three broad categories. Recommended capital expenditure included loading and unloading infrastructure for the international supply chain, and docking infrastructure for the domestic supply chain. Operational improvements for the international supply chain included the need for better stockhandling skills and use of higher-capacity trucks, while workers in the domestic supply chain require skills training to increase liveweight sizes and breeding capabilities. Recommendations for industry regulation and compliance covered berthing, quarantine and customs procedures in the international supply chain, and simplification of documentation in the domestic supply chain.

### ▼ Transporting cattle from the ports to feedlots or abattoirs





▲ Indonesians purchase beef for in home cooking

### Indonesia's Beef Consumption Trends and Preference Study

The purpose of this study was to better understand how and why Indonesian consumers purchase beef (including processed goods) as well as ascertaining current and future demand for both local and imported beef.

Using quantitative and qualitative methodologies, the study looked at consumption trends and preferences of Indonesians living in Jakarta (with its wide range of ethnicities and religions) and Medan (culturally distinct from Jakarta and closer to Malaysia and China).

The report's findings cover consumption patterns and beef-purchasing habits, identifying six significant clusters of demand for beef in Indonesia.

Beef was found to be purchased weekly for home cooking by 34% of respondents in Jakarta and 28% of respondents in Medan, with limited awareness of the meat cuts available to consumers. Beef consumed outside the home is mainly purchased in stalls (Warungs), with 93% in Jakarta and 88% in Medan visiting them at least once a month.

For the reports listed and other Partnership publications, visit <http://redmeatcattlepartnership.org/publications>. For more information about the Partnership's programs, visit [redmeatcattlepartnership.org](http://redmeatcattlepartnership.org)

## PARTNERSHIP ADDS EXPERIENCE

The Partnership is benefitting from the business and industry expertise brought by the inclusion of two new non-government members.



### Dr Christine Pitt, Chief Executive officer of the Food Futures Company

Dr Pitt joins the Partnership as a non-government member, with her tenure commencing in January 2019. Focusing her work on global food technology and innovation to drive productivity in the red meat industry, Dr Pitt is the Founder and Chief Executive Officer of the Food Futures Company, which aims to foster entrepreneurship and investment in the Australian agri-food sector. With extensive commercial experience at senior management levels across health, finance, retail, manufacturing and food, she holds a Bachelor of Science, a Master of Health Administration, and a Doctor of Business Administration.



### The Honourable Lawrence Springborg, former political leader and farmer

A former politician in Australia, Mr Springborg joined the Partnership as a non-government member in January 2019. His political career began in 1989, when he was elected as the youngest person to enter the Parliament of Queensland. Mr Springborg has led the National Party in the Parliament of Queensland as well as the merged Liberal National Party. He has also held the offices of Minister for Health of Queensland, Deputy Leader of the Opposition of Queensland, and Minister of Natural Resources of Queensland. Mr Springborg retired from politics in 2016 and now focuses his energies on farming in Queensland.

# MANY PERSPECTIVES, ONE OBJECTIVE

The Partnership's signature training program continues to share knowledge on a range of issues—from animal welfare to social inclusion—to promote profitable cattle breeding.



▲ The course allows professionals from the Indonesian cattle industry to learn more about sustainable and commercially feasible breeding and production methods in Indonesia and Australia

In line with its objective to increase Indonesia's cattle population, the Partnership conducts the Commercial Cattle Breeding and Management Training Program twice a year.

Part of the broader Skills Development Program, the course allows professionals from the Indonesian cattle industry to learn more about sustainable and commercially feasible breeding and production methods.

Lidwina Chandra, a technical support officer at PT Austasia Stockfeed in Lampung, joined 19 other cattle industry participants from across Indonesia as the third group to undertake the training program.

The Indonesian leg began on 1 April 2019 in collaboration with Universitas Gadjah Mada (UGM) in Yogyakarta. It featured classroom training at the university as well as site visits held across Central Java, East Java and Central Kalimantan through until 20 April 2019.

For Lidwina, who graduated from university with a major in animal husbandry, the site visit in Central Kalimantan left a strong impression. She was particularly interested in the integration of cattle breeding and palm oil production at PT Astra.

"I think it is interesting that the cattle breeding and the palm plantation can coexist with each other," Lidwina says.

"The plantation can synchronize its schedule, so cattle and palm oil production work together. In Indonesia, such model has a lot of potential."

While at UGM, participants were involved in a series of workshops and discussions on various topics, from technical aspects of cattle breeding—including animal health and reproduction, feed management and financial management—to emerging issues in the industry such as gender equality and social inclusion.

"The topic of gender equality and social inclusion is new for us who work in the Indonesian cattle industry," says Galank Miphaldo from Great Giant Livestock, Lampung. "I think it's very useful to involve everyone—regardless of their sex, physical condition or status—to improve the industry."

The training program then shifted its focus to Australia, where activities were conducted from 21 to 30 April 2019 in Queensland.

Participants again engaged in various classroom discussions, covering important topics such as an overview of the Australian livestock sector, nutrition and supplements for better performance of herds, and efforts to maximize fertility for productive cattle.

These topics provided a new perspective for the Indonesian students. They learned how the Australian cattle industry has maintained and improved its productivity over a number of years, overcoming difficult scenarios such as floods, droughts and economic downturns.

The participants were also taught strategies that could be applied to face similar industry obstacles in the Indonesian context.

For Lidwina Chandra, however, the most exciting aspect of the Australian training was a site visit to a cattle production facility in Gympie, Queensland, where she learned about product diversification.

"I realised that a farm can focus on different opportunities at the same time, to support the cattle breeding program," she says.

"For example, the farm can develop excess pasture, then sell the fodder and seeds to other farms. This is a business model that could be applied at PT Austasia Stockfeed."

Despite a hectic schedule, Lidwina says that she would definitely recommend the Commercial Cattle Breeding and Management Training Program to her colleagues and peers in the cattle industry.

"At university, it was only theory I learned on campus. This training program gives you practical knowledge and a whole new perspective."

## COLLABORATING FOR COMMERCIAL SUCCESS

From 2014 to 2017, the Partnership allocated \$4.2 million to capacity-building programs in the red meat and cattle sector. Under the second phase, covering 2018 to 2020, a further \$3 million has been allocated.

"Through this training, we promote the transfer of knowledge and exchange of experiences between academics and industry players," says George Hughes, Agriculture Counsellor at the Australian Embassy in Jakarta.

"This helps us to find the skills and knowledge that are most suitable for Indonesia's cattle sector in achieving global competency and competitiveness."

As a collaborative partner and facilitator of the training program, Professor Ali Agus, Dean of the UGM Faculty of Animal Husbandry, emphasises that cooperation between universities, industry, and the government is vital to strengthen the livestock sector in Indonesia.

"This collaboration is a contribution from the academic community to improve the cattle sector in Indonesia, especially in the commercial cattle breeding sector," Professor Agus says.

According to Petrus Widyantoro from the Advisory and Support Group, the highlight of the Commercial Cattle Breeding and Management Training is not only the classroom learnings but also site visits, where participants can observe best practices from different cattle production systems.

"We want to show the participants how commercial cattle breeding [in Australia] works," Mr Widyantoro says. "They get to see the facilities, the infrastructure, the human resources and the management techniques."

For more information about the Partnership's programs, visit [redmeatcattlepartnership.org](http://redmeatcattlepartnership.org)

## NEW SCHEME OFFICIALLY RECOGNISES BREEDING MANAGERS

The Partnership and GAPUSPINDO (the Indonesian Beef Cattle Business Association) have come together to initiate an official Breeding Manager Competency Certification scheme.

The scheme is being implemented by the Indonesian Livestock Professional Certification Agency, with certificates awarded to all participants who complete the Partnership's Commercial Cattle Breeding and Management Training Program (including those who undertook the 2018 courses).

Fully endorsed by the National Professional Certification Agency, the competency certification will be the first professional recognition for breeding managers in Indonesia.

Joni Liano, Executive Director of GAPUSPINDO, expressed his appreciation to the Partnership for pursuing the idea of the scheme.

"Cattle breeding has become a very important business sector in promoting food security in Indonesia," Mr Liano said. "Therefore, the competency certification scheme is very important to maintain the qualifications of our workforce in the field of cattle breeding."

Muhamad Isradi Alireja, Team Leader of the Advisory and Support Group for the Partnership, echoed Mr Liano's sentiments.



▲ Breeding Manager Competency certification is the first professional recognition for breeding managers in Indonesia

"The Partnership is committed to improving the competency and qualifications of Indonesian workers in the red meat and cattle sector," Mr Alireja said. "This certification will become an integral part of our training scheme."

The certification will provide added value for the alumni who complete the Commercial Cattle Breeding and Management Training Program, allowing them to be officially recognised and advance their careers in the cattle breeding sector in Indonesia.

# CALVING OUT A FUTURE

A key development program under the Partnership is providing new experiences, and opening up new opportunities, for smallholder farmers in Central Kalimantan.

▼ Syahrian the head of P4S—Karya Baru Mandiri next to his cow shed



The lowing of cows can be heard coming from a neatly built cow shed in peaceful Kubu village in Central Kalimantan.

The shed hosts 20 cows and several calves, with the hungry youngsters being fed by their mothers. A devoted cattle breeder, Syahrian, looks intently at the infant cows, making sure they are eating well.

“Sometimes I stay until one in the morning, just to check on the calves, so I know they’re healthy—even though my wife complains about it,” Syahrian says with a laugh.

Syahrian is the head of Pusat Pelatihan Pertanian dan Perdesaan Swadaya—known more simply as P4S—Karya Baru Mandiri, an agricultural training centre in Kubu village.

Established in 2013, P4S Karya Baru Mandiri is supported by 25 farmers’ groups and has more than 250 members from the Kotawaringin Barat Regency. Its goal is to increase the knowledge base, and hone the skills, of farmers in the area.

In November 2018, the centre formed a partnership with the Indonesia-Australia Commercial Cattle Breeding (IACCB) Program, which is working with a range of Indonesian partners to develop breeding plans that reflect each partner’s financial and management capabilities as well as their willingness to expand operations.

“The IACCB team provided us with technical knowledge to care for Brahman Cross cows,” Syahrian explains. “Every two months, they would come for the whole week to give us training.”

On 21 February 2019, P4S Karya Baru Mandiri received 20 pregnant Brahman Cross heifers from Australia, as well as a cattle crush and an electric scale. To Syahrian and the other farmers at the training centre, breeding cows imported from Australia is a new experience. Until now, the concept of raising anything other than local cattle has seldom been given consideration because the costs have been prohibitive.

“We’re just smallholder farmers. We thought it was impossible for us. The imported cows are expensive,” Syahrian says.

## CREATIVE SOLUTIONS, UNEXPECTED BENEFITS

The integration of the imported Brahman Cross breed from Australia has delivered some unforeseen advantages for P4S Karya Baru Mandiri, with the expanded grazing operations improving the training centre’s ability to cover its cattle production costs.

The centre has traditionally generated income from a variety of sources, and has supported itself by producing organic fertilizer, mainly compost, which is sold to other farmers and palm plantations in the area.

Since joining the IACCB Program, the centre has increased its organic fertilizer production and made more than 20 metric tons of compost from cow manure.

“We’ve sold it at 1,000 rupiah per kilogram,” Syahrian says. “So we’ve received about 20 million rupiah from the compost already.”

Despite the farmers of P4S Karya Baru Mandiri already having some experience in integrated cattle breeding with local cows, many also gained new knowledge and found several differences in managing the Brahman Cross cattle.

“The good thing is that they aren’t picky with feed,” Syahrian says. “But we need to manage their feeding very well. The IACCB team trained us to weigh the amount of feed according to the cow’s weight. We also record everything. Any small event, we will note it down.”

The initial challenge faced by the farmers was the constant supply of food for the cows, but Syahrian took the



▲ One of the newly born calves from IACCB Partnership with P4S Karya Baru Mandiri

initiative to use two hectares owned by the centre to grow grass and fodder. The farmers also utilize vacant spaces between their existing crops, planting these areas with corn and other plants that can be used as cow feed.

“We were a little concerned about the feed supply, but now we can cut the grass every day and bring it to the cattle yard,” Syahrian says.

The joint efforts of the centre and the IACCB team have already resulted in 11 calves being born, which paves the way for other farmers in the area to start breeding Brahman Cross cattle from Australia.

## EXPANDING MINDS YOUNG AND OLD

Ida Pandanwangi, the Head of the Livestock and Animal Health Office at Kotawaringin Barat District, says the local government fully supports the partnership between P4S Karya Baru Mandiri and the IACCB Program.

“We want to encourage the supply of red meat by smallholder farmers,” she says. “The farmers have the motivation

and the land. By partnering with IACCB, they can also get the technical skills in cattle breeding.”

Ida says she and her team will continue to facilitate cooperation between the IACCB team and P4S Karya Baru Mandiri to allow smallholder farmers to scale up their cattle breeding operations and become more commercially viable and sustainable.

She also explains that training centres such as P4S Karya Baru Mandiri are important for the development of local youth, with the centre also conducting a training program for vocational school students in agriculture.

“Students come and stay for three months in the village to learn about farming,” Ida says. “And now, with this partnership, they can learn more about cattle breeding.”

For more information on the IACCB Program, visit [iaccbp.org](http://iaccbp.org)



▲ Under a canopy of palm trees, a herd of cows gathers and grazes in one spot

# INTEGRATION THROUGH INNOVATION

How advanced data management processes are helping to transform plantation management practices in Indonesia.

Under a canopy of palm trees, a herd of cows gathers in one spot. Two men are pushing a cart containing a few sacks of cow feed. The men pour the feed into a large blue container, and the herd—most of them mature cows—wanders instinctively toward the container. Among the larger beasts, three small calves can be seen following their mothers closely.

The calves are a result of the breeding program run by PT Kalteng Andinipalma Lestari in Central Kalimantan, Indonesia.

The company has been a partner of the Indonesia Australia Commercial Cattle Breeding (IACCB) Program since 2016, and is now successfully managing the integration of palm oil production and cattle breeding.

Yully Pudjianto, the Cattle Operations Manager for PT Kalteng Andinipalma Lestari, explains that the company has been trying to integrate cattle breeding with their palm plantation business since 2011.

“The initial results were not satisfactory,” Yully says. “The biggest challenge was to convince plantation people that the cows can coexist with the palm trees.”

“People always assume that cows are the enemies of palm trees and that they will disturb the management of the plantation.”

To overcome these perceptions, PT Kalteng Andinipalma Lestari approached the IACCB team for technical support and the potential provision of cattle from Australia.

In 2016, the IACCB team sent 250 heifers and 22 bulls to the plantation in Central Kalimantan. More importantly, these cattle were accompanied by a team of experts in breeding management.

“Our staff were trained to understand everything about the integration of cows into palm plantations,” Yully says.

With the technical skills provided by the IACCB team, the cattle breeding staff and the managers of the plantation learned to collaborate with each other to sync the requirements of the two production systems.

For instance, PT Kalteng Andinipalma Lestari now uses palm kernel cake and palm oil by-products to feed the cattle, while the cattle in turn supply organic fertilizer for the palm trees.

“Back in 2011, we worked with the cattle and the others worked in the plantation, so we had different interests,” Yully explains. “We soon found out that good coordination is essential and we now integrate our schedules.”

At the centre of this coordinated approach is a carefully administered data management system.

The IACCB team provides training for staff to record data on feed levels, productivity, pregnancy, births, weanings and mortalities, as well as the cost of production.

Stania Yasin, Result Measurement Manager for the IACCB Program, says that formal training is held twice a year, but support missions by the IACCB team to Central Kalimantan are frequent.

“Our capacity building activities include technical guidance on data recording,” Stania says. “This is very important to understand the progress and performance of the breeding program.”

“From there, we can make continuous improvements through the data that has been collected and analysed.”

The compilation of reliable data allows the company not only to analyse the productivity of the livestock—calving rates, calving intervals, daily weight gain of calves, etc—but also to assess the economic value of integration on palm oil production, particularly in areas such as reduced weeding and fertiliser costs as well as fruit yields.

PT Kalteng Andinipalma Lestari now has a herd of 510 cows in its palm plantation, and is pursuing new ways to benefit further from its integrated production model.

“The cattle and palm integration is a system that we will continue to apply in the company,” Yully confirms. “I believe cattle breeding can be a very profitable business for the plantation.”

With the assistance of the IACCB team, Yully and his staff have started to plant vacant areas of the plantation with legumes, which will both increase the nutritional value of the fodder provided to the cattle and add nitrogen to the soil to promote growth in the palm trees.

Fahrudin, the managing director of PT Kalteng Andinipalma Lestari, is impressed with the recent results achieved by Yully and other managers.

He points to the fact that his company is now working with the IACCB Program and the Indonesian Agency for the Assessment and Application of Technology (BPPT) to clearly define the benefits of integrating cattle breeding into palm plantations.

“The benefit we have experienced from our partnership with the IACCB for the past two years encourages us to do more” Fahrudin says. He now aims to continue improving the cattle and palm integration system.

“We are now conducting research to better understand what production levels can be reached under the integration model.”

For more information on the IACCB Program, visit [iaccbp.org](http://iaccbp.org)



▲ Compilation of reliable data at the PT Kalteng Andinipalma Lestari allows the company to assess the economic value of integration on palm oil production

# MORE WOMEN LEADING THE WAY

As market conditions and profitability tighten, Indonesian companies are working to bridge the gender gap in the country's cattle industry.



▲ Satia Pratiwi Head of Business Development at Bio Nusantara Teknologi

Traditionally identified with hard physical work, dirt and unsavoury smells, the cattle industry has generally not been an attractive career option for most Indonesian women.

However, in the face of increasing economic pressures, the industry is now relying on greater innovation, analytical thinking, diversification and more targeted marketing—and more than ever it is drawing on women to deliver these measures.

As Head of Business Development at Bio Nusantara Technology (BNT), Satia Pratiwi is in charge of the cattle and palm integration model for her company.

Being a woman who is required to provide leadership across the male-dominated palm oil and cattle industries, Satia—more commonly known as ‘Teta’—finds her role both challenging and rewarding.

While she graduated with a degree in industrial engineering and has extensive experience in business development, Teta knew almost nothing about cattle breeding when BNT decided to establish a cattle farm within their 6,000 hectares of palm plantation.

“I don’t have a background in cattle farming,” she says. “But company management decided that there had to be intense coordination between business development and the cattle breeding program.”

The company started their pilot project in 2013 with Balinese cattle, but the results did not meet expectations.

Teta and her team refused to give up and, two years later, BNT trialled the integrated breeding model, with 26 Brahman Cross cattle imported from Australia and released to graze in the company’s palm plantation in Bengkulu province.

The trial appeared to deliver positive results.

In 2016, an opportunity arose to partner with the Indonesia-Australia Commercial Cattle Breeding (IACCB) Program to expand the herd at the BNT plantation. The IACCB imported 246 Australian heifers and 13 bulls to BNT, significantly increasing the number of cattle under Teta’s management.

While she admits that there was some

trial and error in establishing the correct model, Teta is proud that the company’s cattle breeding program has persisted.

“The requirements of the cattle industry are very different from the palm oil industry,” she says. “The key is being determined to succeed.”

Teta applies this same determination to changing mindsets about the leadership potential of women in the palm oil and cattle industries.

“Women and men must be given the same opportunities according to their abilities,” she says. “We should never set limits for women to work in this sector as long as they are capable of managing the positions.”

Teta is keen to pave the way for other women to thrive within BNT.

Yulissa Fitriani, a veterinarian working for the company, says she has learned much about livestock management from Teta and is greatly inspired by working directly with her.



▲ Paulina Yuniarsih, Breeding Manager at Great Giant Livestock

## EMPOWERMENT IGNITES PAULINA’S PASSION

Another emerging leader in the cattle industry is Paulina Yuniarsih. She is the Breeding Manager at Great Giant Livestock, holding a senior position that was once traditionally reserved for men.

As one of only 11 women out of 83 people in the company’s breeding department, Paulina believes men and women in the cattle industry can work together to complement each other.

“I like to discuss ideas with my male colleagues and I acknowledge that they can do some of the physical work a lot faster. On the other hand, the women sometimes pay more attention to detail on some of the data work.”

As a senior manager, Paulina believes it is vital to lead by example and be hands-on with cattle management. Although the demands of her position require a good deal of office work, she still spends a lot of time in the field.

“I’d say about 40 percent of my time is spent in the field,” she explains.

Paulina says the support of another woman—Great Giant Livestock’s Managing Director, Dayu Ariasintawati—has helped her to become a passionate leader.

“Dayu’s approach to management is based on empowering people and having mutual respect.

“Although she is the Managing Director, Dayu is willing to help the team with the breeding program. Her positive approach is contagious to everyone and motivates all of us.

“As a woman, it is very inspiring to learn from another woman.”

For more information about the Partnership’s programs, visit [redmeatcattlepartnership.org](http://redmeatcattlepartnership.org)



▲ Great Giant Livestock’s Managing Director Dayu Ariasintawati with her coworkers

# DANI'S DETERMINATION



▲ Dani Hadipratomo from PT Widodo Makmur Perkasa an alumnus of the Partnership's Commercial Cattle Breeding and Management Training

## The first in a series of profiles on alumni of the Partnership's Skills Development Programs.

**Name:** Dani Hadipratomo  
**Age:** 28  
**Company:** PT Widodo Makmur Perkasa  
**Region:** Central Java, Indonesia  
**Course:** Commercial Cattle Breeding and Management Training  
**Program Graduate:** 2018

For Dani Hadipratomo, the knowledge he gained through the Partnership's Commercial Cattle Breeding and Management Training Program has had an ongoing impact on his work.

Dani was able to use the learnings from his training to enhance a smallholder partnership program that he had already designed for the company he works for, PT Widodo Makmur Perkasa.

Dani's program allows underprivileged farmers in the Wonogiri, Cianjur and Boyolali areas of Central Java to buy cows for fattening and subsequent sale, with 100% of the profits going to the farmers.

To date, the program has assisted more than 100 poor farmers and provided them with more than 1,500 cows.

According to Dani, the majority of smallholder farmers in Indonesia generally own only one or two cows, and they have

never thought of selling cows as a primary form of business.

"For these farmers, having a cow is a prestige. So imagine how much their social status in the community will change by having five or 10 cows," Dani says.

The smallholder program was initiated at the end of 2016, but the issue of financing the smallholder farmers remained.

In 2017, PT Widodo Makmur Perkasa signed a memorandum of understanding with Bank Sinarmas to enable farmers engaged in the smallholder program to obtain loans at significantly reduced interest rates.

"At first, we launched the program for farmers in Wonogiri and they could choose a parcel of five or 10 cows," Dani explains.

The program specifically targets farmers who cannot afford to buy cows because they usually do not have the collateral to apply for a loan.

However, these smallholders must meet certain criteria such as having a cow shed, being able to provide cattle feed, and having a waste management system.

"We also check their social background," Dani adds. "Staff from the company and the bank ask their friends, family or neighbours whether this person has ever had any problems."

"We make sure they can, and are willing to, take care of the cows. If both the company and the bank approve, then the farmer can join the program."

"The farmers then spend several months taking care of the cows and sell them when they have fattened."

Dani points out that his company does not provide constant supervision of the farmers, only the financing scheme and the cattle. Nevertheless, he wants all the farmers in his program to succeed.

"I feel like it's my responsibility," he says. "So my team provides training at the beginning, before the farmers

receive the cows, and then we make a guide book for them."

"Then I personally come and visit the farmers every week."

Dani says the breeding and management training provided by the Partnership has allowed him to improve the condition of livestock in the field. He has encouraged the farmers to be creative in making fermented feed to provide adequate nutrition for their cattle.

While training in Australia, Dani also learned about gender equality, and was inspired to make his local community aware that the smallholder program could also benefit women.

"We tell them that this cattle partnership can be done by everyone, not only men."

"Now, in a lot of cases, the whole family is involved and they help each

other in tending to the cows."

This is the case with Purwanto, a 65-year-old retiree who joined the smallholder program last year.

"It's not only me who is taking care of the cows," he says. "My wife and I do it together."

Purwanto used to work at the nearby port, and decided to try fattening cattle because he already had a cow shed next to his house in Boyolali.

He says that Dani and his team made sure he and his wife had the necessary skills in cattle management before they entered the program.

As a result, he was able to sell his cows within seven months, earning a profit of 20 million rupiah.

"Programs like this can really help the farmers in my village," Purwanto says.

"I saw, when I used to work at the port, that the farmers here are poor. So I made the leap to show them we can do better."

Purwanto hopes that, in the future, smallholder farmers in Central Java can make cattle fattening their main source of income, instead of just a part-time job.

For more information about the Partnership's programs, visit [redmeatcattlepartnership.org](http://redmeatcattlepartnership.org)



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