

# Indonesia-Australia Partnership on Food Security Communique 21 August 2015

On 21 August 2015, His Excellency Franky Sibarani, Chairman of the Indonesia Investment Coordinating Board, and the Hon Barnaby Joyce MP, Australian Minister for Agriculture, as well as His Excellency Nadjib Riphath Kesoema, Indonesian Ambassador to Australia, and the Indonesian and Australian government and industry Partnership members met in Sydney for the third meeting of the *Indonesia-Australia Partnership on Food Security in the Red Meat and Cattle Sector* (the Partnership).

Chairman Sibarani and Minister Joyce both noted the Partnership's achievements in facilitating closer dialogue between Australia and Indonesia to underpin food security and strengthen our relationship as part of a globally competitive supply chain.

Their messages also noted the Partnership's work to encourage and promote joint investments within the red meat and cattle sector and the positive outcomes delivered through the Partnership's programmes.

Partnership members considered the outcomes of the Skills Development Programme and the Northern Territory Cattlemen's Association Pastoral Industry Student Programme and endorsed ongoing support for the Skills Development Programme for the next two years. Members of the working groups also reported on the outcomes of the scoping visits for the processing and logistics working groups conducted in late 2014 and early 2015.

Partnership members noted that since its inception in 2013, the Partnership has funded \$2.2 million of skills development activities, supporting 80 Indonesian professionals, future leaders and students of the Indonesian beef and cattle sector to complete industry and policy training in Australia.

Partnership members noted the significant progress made in strengthening the priority focus areas of the supply chain - processing, breeding and logistics. Scoping visits to Indonesia were completed by each working group, which led to the development of a paper outlining the training needs for Indonesian establishments (abattoirs) by the processing working group; recommendations for the development of a cattle breeding project by the breeding working group; and recommendations for activities to improve the competitive beef and cattle supply chain in Indonesia by the logistics working group.

Co-chairs agreed that each meeting of the Partnership will include a policy dialogue session. To begin discussion at the third meeting, the Australian co-chair tabled the draft discussion paper on 'food security in the beef and cattle sector supply chain' which focussed on domestic and imported live cattle, feeder cattle, slaughter cattle and breeders, and discussed the current challenges facing both countries such as price stability and beef and cattle supply and demand. Members agreed to further contribute to the development of the discussion paper to inform the next policy dialogue and the work of the Partnership.

Members agreed that more consistent and reliable data is needed to inform policy decisions, particularly in the lead-up to Indonesia's live cattle census in 2016. Members agreed for the Partnership to consider the development of work to collect and analyse data focussing on the demand (consumption) of beef in the Indonesian supply chain.

Agreement was also reached on a 'Strategic Framework' (Framework) which articulates the expected outcomes of the Partnership, and how the Partnership funds will contribute to those outcomes. The framework details the objectives of the Partnership and identifies four types of assistance to be provided from the Australian Government funding allocation to achieve those objectives. The 'Strategic Framework' is enclosed at [Attachment A](#).

The Partnership also agreed to develop a long-term vision, describing how the ideal Australia-Indonesia red meat and cattle industry would look by 2024, and how the Partnership can contribute to achieving this vision. The Partnership will use the vision to set future priority areas of focus.

The Partnership meeting concluded with agreement to an Annual Work Plan that included endorsement of three new projects valued at \$12.175 million which will deliver benefits for both countries. The \$12.175 million will be used to implement the

following activities:

- A three-year, \$8 million 'promoting sustainable commercial scale beef cattle breeding in Indonesia' project which aims to pilot a range of breeding partnership models and investment opportunities with private sector partners to assess commercially sustainable approaches that can be up-scaled to facilitate investment, innovation and expansion of the beef cattle breeding industry in Indonesia;
- Continuation of the 'Skills Development Programme' short courses for Animal Husbandry and Cattle Production; Meat Production, Processing and Supply Chain Management; and Policy Development for Livestock Production and Supply Chains for 2016 and 2017. The programme will also be expanded to include an additional course for senior Indonesian Government officials for 2016 and 2017. The total value of the Programme is \$4 million over two years (2016 and 2017); and
- The development of 'Standard Operating Procedures in Indonesian Abattoirs' that will develop and translate practical hygiene standards for hygienic production of meat in Indonesia (\$175,000 in 2016). The project aims to assist selected slaughterhouses to act as 'champions' of the industry by developing on-plant SOP's and working towards industry best practice. The programme will work with the alumni of the Skills Development Programme's short course on 'processing', which in the long term will assist the Indonesian meat industry to work towards export readiness.

The Partnership co-chairs will meet inter-sessionally to review progress. The next formal meeting of the Partnership will take place in late 2015 / 2016.

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## Attendees

### Minister

- The Hon. Barnaby Joyce MP - Minister for Agriculture.

### Australian delegation

#### Government

- Vanessa Findlay (Co-Chair) – First Assistant Secretary, Trade and Market Access Division, Department of Agriculture
- Angela Corcoran – Assistant Secretary, Indonesia Economic and Political Strategy Branch, South East Asia Division, Department of Foreign Affairs and Trade
- Kym Hewett – Minister (Commercial) & Senior Trade Commissioner, Austrade

#### Non-Government

- Terry Nolan - Director, Nolan Meats PTY LTD
- Gary Stark - Managing Director, Stark Engineering Pty Ltd & Warwick Cattle Crush Company
- Ken Warriner - Chairman, GRM International.

#### Observer

- Dean Merrilees - Minister Counsellor (Agriculture), Australian Embassy in Jakarta
- Andrew Simpson - Regional Manager Indonesia, Meat and Livestock Australia
- John Ackerman - Board Member, Australia-Indonesia Business Council

#### Secretariat and other members of delegation

- Ian Mortimer - Director, Indonesia Partnership Unit
- Robin Flint - Assistant Director, Indonesia Partnership Unit
- Brindon Garcia - Senior Policy Officer, Indonesia Partnership Unit
- Ade Johansyah - Program Manager, Department of Agriculture
- Christine Shannon - Director, Indonesia Economic and Trade Section, DFAT
- Brianna Page - Policy Officer, Indonesia Economic and Trade Section, DFAT

## Minister/Ambassador

- His Excellency Franky Sibarani - Chairman of the Indonesia Investment Coordinating Board.
- His Excellency Nadjib Riphath Kesoema - Ambassador to Australia.

## Indonesian delegation

### Government

- Himawan Hariyoga (co-chair) – Deputy Chairman for Investment Promotion, Indonesia Investment Coordinating Board
- Musdhalifah Machmud – Deputy Minister for Food and Bioresources, Coordinating Ministry for Economic Affairs
- Syukur Iwantoro – Special Advisor – Agricultural Investment, Ministry of Agriculture
- Nurimansyah Iman - Indonesian Trade Attaché to Australia - Indonesian Embassy
- Muhammad Yani - Ministry of Trade
- Irwan Sinaga - Economic Counsellor - Indonesian Embassy

### Non-Government

- Kris Sulisto – President, Indonesia Australia Business Council
- Dimas Brahmantya - Vice President Investment and Procurement, representing
- Achmad Fadhiel - Director of Finance - PT Pupuk Indonesia
- Juan Permata Adoe – Deputy Chairman for Food and Cattle Industry, Indonesia Chamber of Commerce and Industry (Kadin)

### Observer

- Dicky Adiwoso – President Director, PT Agro Giri Perkasa
- Siti Marwa – Director of Finance and Administration, PT Berdikari
- Andre Omar Hadi - Indonesia Consulate General for Darwin
- Ade Padmo Sarwono - Indonesia Consulate General for Perth
- Yayan GH Mulyana - Indonesia Consulate General for Sydney

## Secretariat and support staff

- Ikmal Lukman - Director of Sectors Investment Promotion, BKPM
- Ahmad Faisal Suralaga - Section Head for Services and Industrial Zone, Directorate of Sectors Investment Promotion – BKPM
- Muhammad Mawardi
- Jafi Alzagladi
- Gunawan Pramono
- Fadriza Sentosa
- Abdul Haris Much Achmad
- Afiyah Rosalina
- Satria Nusantara

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## Attachment A

### Indonesia- Australia Partnership on Food Security in the Red Meat and Cattle Sector- Strategic Framework

#### Purpose of the Strategic Framework

This document articulates the expected outcomes of the Partnership, and how the Partnership funds will contribute to those outcomes.

#### Purpose, objectives and outcomes of the Partnership

The Partnership Terms of Reference state the following purpose and objectives:

### **Purpose**

To synergise Australian and Indonesian strengths and potential in order to develop the Indonesian cattle sector and improve joint competitiveness and prospects for long term investment and trade between Indonesia and Australia as part of a globally competitive supply chain in red meat and cattle

### **Objectives**

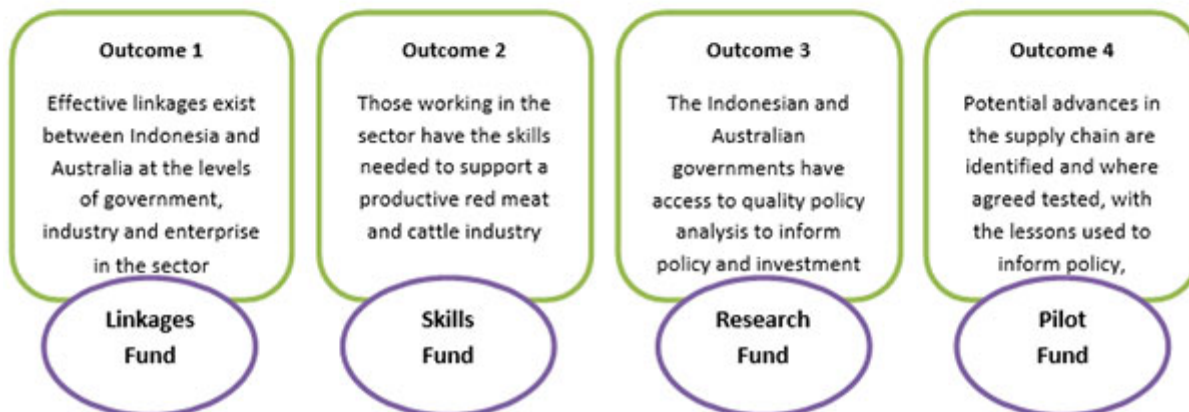
Underpinning Indonesia's food security by improving the long-term sustainability, productivity and competitiveness of the sector

Strengthening Indonesia-Australia bilateral business, investment and trade ties and supporting close engagement with the red meat and cattle sector

Building and improving understanding and the effectiveness and efficiency of cooperation between parties by establishing regular meetings between governments and the red meat and cattle sector

Supporting the bilateral exchange of expertise, capacity building and technical assistance related to the red meat and cattle sector

From the purpose and objectives, the following measurable outcomes have been distilled, and funding assigned to each one:



## **Partnership funds**

While the main role of the Partnership is to recommend policy and behaviour change of the relevant actors in the supply chain, it does have a small annual allocation of funds which can be used where the Partnership is in a unique position to assist. These funds have been broken into four categories of assistance:

### **Linkages Fund**

The Linkages Fund will be used to support exchanges to create greater understanding between the Indonesian and Australian governments, industries and enterprises, of the relevant constraints and opportunities that are present in the sector.

### **Skills Fund**

The Skills Fund will be dedicated to improving the capacity of Indonesians working in the red meat and cattle sector, including through training programs in Australia and in Indonesia.

### **Research Fund**

The Research Fund will be used by the Partnership to commission discrete pieces of research and analysis that will identify opportunities for overcoming impediments to the growth of the sector. This analysis could inform policy recommendations or

investment ideas.

## **Pilot Fund**

The Pilot Fund will be used to test commercial ideas, to encourage investment in the sector.

## **Role of the Partnership Members**

At their biannual meetings, the Partnership members will use relevant research findings and policy analysis to increase joint understanding and to identify opportunities for overcoming challenges impeding the growth of the sector. The Partnership members will also discuss ideas or concepts aimed at developing a commercially viable and sustainable supply chain and may recommend discrete areas of commercial investment, skills development, linkage building and research which may help to provide a solution. The Australian Government will then facilitate the funding or co-funding, detailed design, reporting and evaluation of endorsed projects. More detail on this process can be found in the Operational Guidance.

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