

INDONESIA AUSTRALIA RED MEAT & CATTLE PARTNERSHIP

Newsletter

EDITION 6



Australian Government



BKPM

BADAN KOORDINASI PENANAMAN MODAL



FEATURED IN THIS EDITION

**Informing
the Industry**

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**Skills Training Powers On
Through Digital Interfacing**

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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

For further information contact the Advisory and Support Group (ASG) of the Partnership: info@iapasg.org

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FOREWORD

The Indonesia-Australia Partnership on Food Security in the Red Meat and Cattle Sector (the Partnership) is responding to COVID-19 challenges with resilience, collaboration and innovation.

Welcome to this sixth edition of the Partnership newsletter.

The Indonesian and Australian red meat and cattle sector is demonstrating its resilience in the face of ongoing challenges from the coronavirus pandemic.

Mutually beneficial relationships and genuine friendships always prevail, and we are proud to have seen these attributes clearly displayed among Partnership members during the COVID-19 crisis.

Strong member collaboration has been evident in the use of digital platforms to deliver vital industry updates for stakeholders in both Australia and Indonesia.

We are seeing the benefits of long-term planning and cooperation between our two countries, primarily in the form of the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA), which took effect in early July.

By removing tariffs and gradually expanding quotas for Australia's live cattle and beef exports to Indonesia, among other measures, IA-CEPA will improve profitability in a growing and important sector.

Increasing awareness about the benefits of our partnership is the focus of the Partnership's new communications strategy, which also aims to further promote bilateral trade and investment to audiences in both countries.

The Partnership is finding new and innovative ways to deliver its skills development courses. With opportunities for traditional learning limited by travel and social distancing restrictions, the use of digital interfacing has provided a bridge to educate more of Indonesia's emerging cattle experts, many from remote locations, about animal handling, livestock reproduction, and business management theories and techniques.

These adaptive approaches go hand in hand with the Partnership's commitment to developing new technologies and new markets. We are pleased to have approved and

commenced projects that consider beef processing and market options for Indonesia, and to explore the role that digital platforms can play in production monitoring and livestock marketing.

The future of cattle breeding in Indonesia is very dependant on attracting investment. The Indonesia-Australia Commercial Cattle Breeding Program has worked tirelessly to develop commercially viable cattle breeding business models for Indonesia. The results, reported in June, are very promising for industry growth. This information, along with annual publications such as the Joint State of the Industry Report, will assist the private sector to invest with confidence in the Australian and Indonesian red meat and cattle sectors.

The work of the Partnership is all about building a sustainable, profitable, and vibrant red meat and cattle sector for young people like Aris Nurtumitah, who features as our training program alumni. Aris' growing passion for animal science provides us all with a beacon of hope in otherwise challenging times.

We hope you enjoy this edition of our newsletter.

Mr Chris Tinning
(Australian Partnership Co-Chair)



Mr Fajar Usman
(Acting Indonesian Partnership Co-Chair)





▲ Cattle being loaded from trucks in Darwin onto a ship bound for Indonesia
Photo Credit: Live Corp

ECONOMIC AGREEMENT CREATES HOPE BEYOND THE PANDEMIC

Partnership members in both Australia and Indonesia are working to ensure a swift and smooth recovery from the impacts of COVID-19 in the red meat and cattle sector.

With the coronavirus pandemic impacting profitability for Australian cattle producers and Indonesian feedlots and abattoirs, the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) presents an opportunity for more focussed collaboration in the red meat and cattle sector.

To monitor market conditions and provide much-needed insights on COVID-19 impacts, Meat and Livestock Australia, in conjunction with the Partnership, are conducting a series of monthly webinars on key industry issues.

To date, three webinars have been held—in early May, June, and July— with a combined attendance of around 400 government and industry representatives. During these sessions a number of issues affecting profitability in the red meat and cattle sector were identified.

Indonesian feedlots are facing historically high prices for Australian feeder cattle, exacerbated by the disruption of export shipments from Australia, causing landed cattle prices to increase by up to 30% during 2020.

During the pandemic the value of the Indonesian Rupiah also dropped to its lowest level in over 20 years.

Unfavourable exchange rates have severely reduced the purchasing power of Indonesian cattle importers and beef consumers.

Meanwhile, social distancing and other restrictions have disrupted the logistics and transportation supply chain, causing longer delivery times and substantially increased cattle feed prices.

FIGURES CONFIRM CHALLENGES AND OPPORTUNITIES AHEAD

In his June presentation, Mr David Goodwins, Monitoring and Evaluation Specialist for the Partnership's Advisory and Support Group, provided updates on beef consumption and demand over Eid al-Fitr.

"Demand for fresh beef in Jakarta was high during May, despite COVID-19, social restrictions and business closures," Mr Goodwins said. "Feedlots were able to sell off most of their fattened stock, but the margins were slim. The cattle being sold were purchased when the price was high in Australia and exchange rates were not favourable."

Mr Goodwins said that the results for the industry over the year to date were more sobering.



“The industry has reported a drop of around 10% to 20% in beef sales compared to the same time last year,” he said. “Feedlots expect imports to reach around 500,000 for 2020, well down on the 676,000 head imported in 2019.”

Profitability for Indonesian beef producers is expected to be further impacted by the resumption of the importation of Indian buffalo meat, which had been suspended due to COVID-19 related trade barriers.

An estimated 70,000 tonnes of Indian buffalo meat had been imported into Indonesia across late May and June, with consumer prices for fresh beef expected to fall as a result.

“Generally, the feedlot industry expects to suffer losses in coming months,” Mr Goodwins said.

On a more positive note, Mr Fery Saputra, Deputy General Manager of Aeon Supermarkets, highlighted the optimistic outlook for the retail market in Indonesia.

He cited a 53% increase in meat sales in supermarkets during the pandemic due to consumers being forced to cook and eat at home, and noted a small shift away from poultry, likely due to the perception that red meat builds strength.

Mr Saputra emphasized the importance of educating Indonesian consumers at point of sale, and through marketing programs and social media, particularly around the differences in various cuts of meat and why consumers should be prepared to pay more for certain products.

IA-CEPA PROVIDES A SPRINGBOARD FOR INNOVATION

Four key industry figures in Indonesia—Mr Didiek Purwanto, Chairman of GAPUSPINDO; Mr Suhandri, General Secretary of ASPIDI; Mr Juan Adoe, Deputy Chairman for the Food and Cattle Industry at KADIN Indonesia; and Mr Dicky Adiwoso of Juang Jaya Abdi Alam, emphasized the difficulties faced by Indonesian feedlots and abattoirs.

All four noted that some Indonesian feedlots may fail to survive if the current commercial environment persists. They encouraged supply chain innovation, appropriate policy settings, and a long-term vision to overcome market conditions and to forge a way ahead for a post-pandemic recovery.

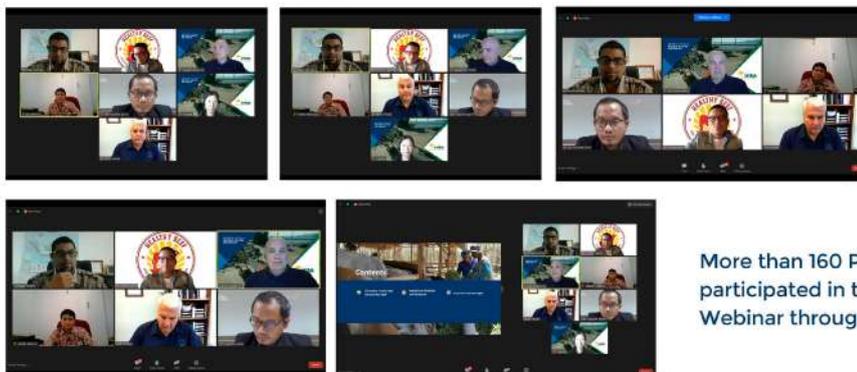
They also noted the need for Indonesia and Australia to continue to work closely together to reinvigorate and strengthen supply chains in both countries, and that consequently, the implementation of IA-CEPA in July has come at a crucial time.

A key benefit for Australian cattle producers and Indonesian feedlots is the Agreement’s removal of the 5% tariff on live cattle imported into Indonesia. This took effect from early July and will help to reduce feeder cattle prices and enhance profitability for Indonesian enterprises.

According to Mr John Karatsoreos, Regional Trade Division Director at Australia’s Department of Foreign Affairs and Trade (DFAT), from its inception the IA-CEPA includes an immediate quota for 575,000 live male cattle with a 0% in-quota tariff.



“Planning for the post-COVID-19 Recovery & Transitioning to the ‘new normal’”



More than 160 Participants participated in the July 9 Webinar through Zoom.

Source : MLA - Partnership Webinar Vol. 3



▲ The 3rd Meat and Livestock Australia / Partnership Industry Update Webinar

“Those quotas will grow by 4% per annum over five years to 700,000 head,” Mr Karatsoreos said.

“Annual cattle import permits will be issued without seasonal restrictions, with a review after five years to consider further increases. Restrictions for female cattle exports from Australia to Indonesia will also be eliminated.”

“In addition, the tariff on frozen beef will be cut from 5% to 2.5% for unlimited volumes, with the tariff being eliminated after five years.”

“There will also be duty-free access for 500,000 tonnes of feed grains into Indonesia in the first year, with a 5% annual increase thereafter.”

Mr Fadjar Sumping, Director of Animal Health at the Indonesian Ministry of Agriculture, noted that

the importation of Australian cattle was essential to provide a rapid response to an increasing local demand for fresh beef.

Mr Sumping added that the post-pandemic period will offer an opportunity to reimagine the red meat and cattle sector, including Indonesia as a centre for re-exporting beef from imported Australian cattle.

His view is shared by the Partnership’s David Goodwins.

“The COVID-19 situation has put significant pressure on the industry, but it is leading to significant innovation and product diversification”. Mr Goodwins said. “This includes a 300% increase in on-line meat sales and the development of new meat products with longer shelf lives that directly respond to new consumer taste preferences and demands”

A SNAPSHOT OF IA-CEPA

The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) entered into force on the 5th of July 2020.

IA-CEPA creates a framework for Indonesia and Australia to unlock the vast potential of the bilateral economic partnership between the two countries.

The Agreement aims to foster economic cooperation between businesses, communities, and individuals, paving the way for expansion and diversification of economic, social, cultural, and political relations.

As strategic partners and the two largest economies in Southeast Asia, Indonesia and Australia will use the Agreement to support their shared interest in fostering a secure and prosperous region.

Speaking as part of the Partnership’s second webinar on the 5th of June, Ms Elisabeth Bowes, Chief Negotiator at DFAT, said IA-CEPA would extend and

expand commercial and social relationships between Indonesians and Australians.

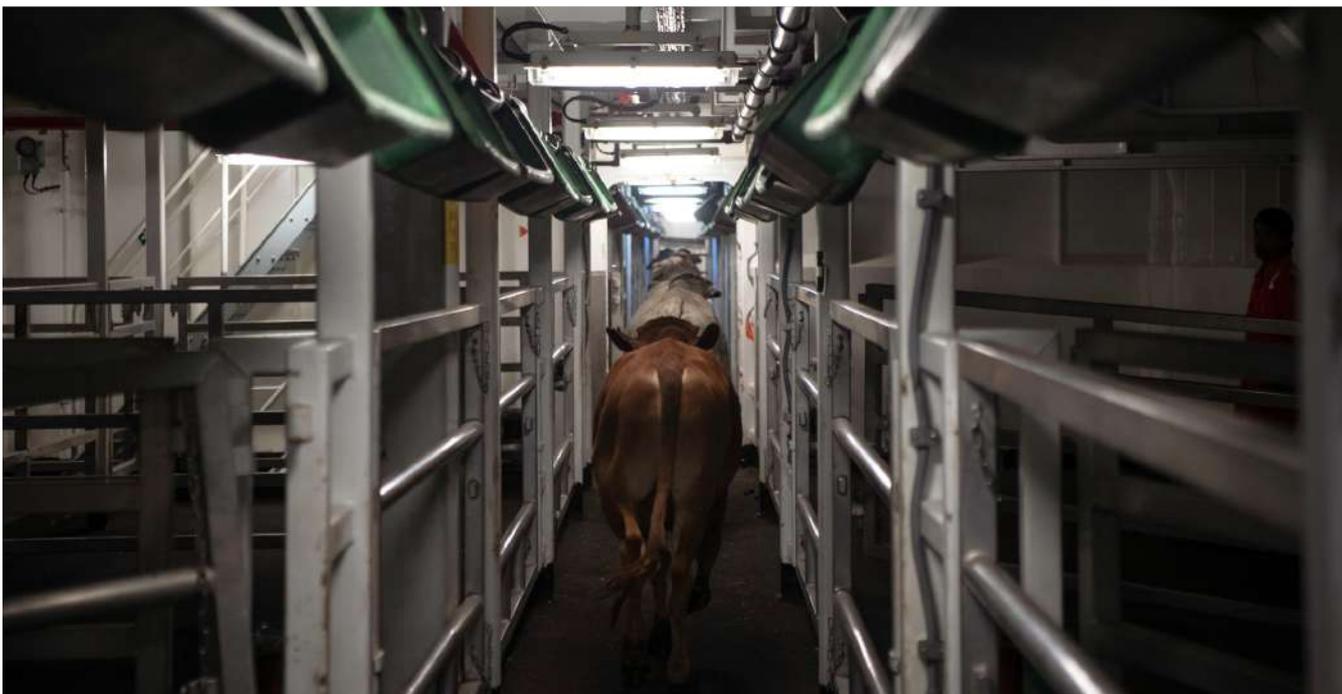
“The Agreement covers more than just trade,” Ms Bowes said. “It includes capacity-building packages and additional working and holiday visa arrangements for Indonesian people.”

Mr Tom Connor, Assistant Secretary at DFAT’s Indonesia branch, said that the Government of Australia was preparing a \$40 million Economic Cooperation Program (ECP) to support IA-CEPA.

“The ECP will focus on agri-food, manufacturing, and services,” Mr Connor said. “The program will support expanding traditional trade as well as deepening industry linkages to develop a second wave of commercial opportunities. These will include cutting-edge areas such as the digital economy and scientific research.”

INFORMING THE INDUSTRY

As part of its commitment to provide industry stakeholders with sound evidence for decision making the Partnership has developed and released the Joint State of the Industry Report for 2019 and a July 2020 Update.



▲ Cattle being loaded from trucks in Darwin onto a ship bound for Indonesia

Photo Credit: Live Corp

The Partnership has long recognised that objective industry information is key to effective investment planning and policy development within the red meat and cattle sector. With this in mind, the Partnership has published its first annual Joint State of the Industry (JSOI) Report for 2019 and a July 2020 Update. The JSOI Report provides an annual assessment of the bilateral trade in live cattle and beef products between Australia and Indonesia and examines factors that affected investment, trade and consumption.

The 2019 JSOI Report highlighted relatively strong export sales of Australian feeder cattle to Indonesia throughout 2019 aided by an ongoing drought across much of northern Australia that led to destocking. The report also noted the ongoing financial challenges faced by Indonesian feedlots due to increasing production costs, flat beef prices and the import of low-cost Indian buffalo meat. Feedlot owners did however obtain some relief from the relative weakness of the

Australian dollar throughout 2019 and comparatively low feeder cattle prices.

The July 2020 JSOI Update covers a very different operating environment from that experienced in 2019. Drought breaking rains in Australia in early 2020 encouraged Australian farmers to restock, resulting in cattle shortages and price increases. This, together with a significant appreciation of the Australian dollar against the Rupiah, led to a 30% increase in landed cattle prices. Australian live cattle exports dropped by 15%, as Indonesian feedlot owners and traders took a 'wait and see approach' to AUD/Rupiah currency fluctuations, cattle prices and the impact from a planned import of 170,000 tonnes of Indian buffalo meat.

The 2020 Update also highlights a change in Indonesian consumer purchasing behaviour due to the COVID-19 pandemic. Many consumers switched from traditional wet



▲ ESCAS approved abattoir in West Java Indonesia

markets to supermarkets and on-line shops. Online beef purchases increased by over 300% with many traders opening online meat stores and partnering with delivery companies such as Gojek. Many smaller operators are now selling products through social media apps such as Facebook, Instagram and WhatsApp.

The Update notes an unpredictable short to medium term outlook for the bilateral trade due to the interplay of various economic factors, all driven by the COVID-19 pandemic. It concludes with a more

optimistic longer-term outlook, driven by strong and enduring Australian and Indonesian government and industry relationships that are ideally placed to leverage the unique complementarities of the two industries, an expanding Indonesian beef market, and very importantly, IA-CEPA, which has already seen the elimination several tariff and quota requirements.

For a copy of the full Joint State of the Industry Report 2019 and 2020 Update go to <https://redmeatcattlepartnership.org/publications>

COMMERCIAL MODELS ATTRACT INVESTOR AND GOVERNMENT INTEREST

Backed by three years of monitoring and assessment, the Indonesia-Australia Commercial Cattle Breeding (IACCB) Program has demonstrated the commercial viability of four breeding models that have been piloted by seven Indonesian partner enterprises.

“We now have evidence that Indonesia can produce feeder cattle at a comparable price to that of the cost of imported Australian feeder cattle.”

That is the unequivocal assessment of Mr Sugiono MP, Director of Livestock Breeding and Production at Indonesia’s Ministry of Agriculture, during an IACCB webinar held on the 4th of June 2020.

Mr Sugiono was joined by Dr Atien Priyanti Sudarjo Putri, the acting head of the Center for Livestock Research and Development; Mr Paul Boon, IACCB’s Strategic Adviser; and

representatives from partner enterprises involved in piloting the breeding models.

Presentations were made on the results and lessons learnt from three years of piloting four cattle breeding models across seven partner enterprises.

The four breeding models covered were Sistem Integrasi Sapi-Kelapa Sawit (SISKA) or integrated oil palm and cattle production; open grazing; smallholder farmer cut and carry; and a combined SISKA breedlot model. These models were implemented across five Indonesian provinces.

▼ Cattle rotation in one of IACCB SISKA partners PT Kalteng Andinipalma Lestari in Central Kalimantan



INTEGRATED OIL PALM AND CATTLE PRODUCTION (SISKA)

Indonesia has 14.3 million hectares of oil palm plantations. There is a great opportunity to increase the productivity of this land through the careful introduction and breeding of cattle—a business model known in Indonesia as SISKA.

Oil palm plantations can be a source of cheap forage used to breed beef cattle, reducing Indonesia’s reliance on imported cattle and beef.

Meanwhile, the cattle act as ‘biological mowers’ for the plantation, lowering weed control costs, reducing dependence on herbicides and other chemicals, and providing organic fertiliser in the form of dung.

The IACCB partners piloting the SISKA model—PT Buana Karya Bhakti (BKB) in South Kalimantan, and PT Kalteng Andinipalma Lestari (KAL) in Central Kalimantan—presented their commercial results and lessons learned.

While both partners cited the mutual benefits for cattle breeding and plantation productivity, they also recognised that SISKAs requires a delicate balance between cattle and plantation management.

“In the beginning, we were a little worried with the increasing number of cattle, as their management requires extra human resources,” said Bambang Suswanto, Agronomy and Pasture Assistant with PT BKB. “We needed to ensure the continued focus on palm tree maintenance and productivity.”

“The IACCB team helped us with practical measures to integrate cattle and oil palm production systems,” explained Zainuddin, PT BKB’s General Manager of Agronomy. “As a result, we are now able to manage both the cattle and palm operations very efficiently.”

Both IACCB partners reported strong commercial results using the SISKAs cattle breeding model.

“We started with 300 heifers and 20 bulls,” said Wahyu Darsono, Cattle Manager at PT BKB. “Now, we have almost all cattle types, from breeder cattle to calves. We have growers, feeder cattle, and almost 150 offspring ready to sell, and all weighing above 450 kilograms.”

Fahrudin, General Manager at PT KAL, echoed these sentiments.

“We now have approximately 500 cattle and are looking at increasing this to 1,000 head, through breeding and cattle purchases. The outlook looks very bright for us,” he said.

OPEN GRAZING

Indonesia has many regions with strong open grazing potential for cattle, including West Nusa Tenggara, East Nusa Tenggara, Sulawesi, and Kalimantan.

One of the advantages of breeding cattle under the open grazing model is very low feed cost. The improved pastures (grasses mixed with legumes) provide quality feed for the cattle, and there are no costs associated with harvesting pasture, unlike the cut-and-carry model.

PT Cahaya Abadi Petani (CAP) discussed their experience in managing their free-grazing herd on 120 hectares of South Kalimantan grasslands.

“In terms of commercial aspects, over the last three years we have been very pleased,” said Husni Thamrin, Director at PT CAP. “We started with a total of 111 head, comprised of 102 cows and nine bulls. Now our cattle herd is over 241.”

Receiving technical guidance from the IACCB team, PT CAP has improved the productivity of their open grazing operations. A large focus has been on improving their pastures by planting high biomass-yielding grasses and legumes that support the nutritional needs of the grazing herd and thereby improve growth rates.

IACCB has also provided PT CAP with Brahman Cross cattle which have higher calf birth weights, shorter weaning periods, and higher average daily gains, compared to local cattle.

PT CAP concedes that one challenge under the open grazing system has been the limited availability of feed during the dry season, when additional feed concentrates need to be provided to maintain cattle productivity.

However, the overall cost to produce cattle in an open grazing system can be 15% to 25% lower than that for Australian imported feeder cattle landed in Indonesia.



▲ Herd of cattle grazing open pasture in PT CAP South Kalimantan



▲ Feeding cattle within a cut and carry system in Lampung

CUT AND CARRY

About 90% of cattle in Indonesia are owned by smallholder farms or farming households, with these smallholder farmers supplying only about 45% of the beef consumed in the country.

Each farming household generally has between one and five cattle, which they often sell when they need cash, for example to pay school fees or for celebrations.

To support the Government of Indonesia's efforts to increase the national cattle herd, IACCB is working with its three smallholder cooperatives to pilot commercial-scale cattle breeding using the cut-and-carry model. Under this model farmer cooperatives collectively own and manage the cattle and facilities. Cooperative members (smallholder farmers) cut and/or procure forage daily and carry it to a breedlot where mating, calving and growing occur.

In addition to helping partners develop their cattle businesses, IACCB is fostering collaborations with surrounding communities, allowing the cut-and-carry enterprises to procure grass and agricultural by-products which are used as cheap sources of cattle feed. The feedback provided by IACCB smallholder partners is very encouraging.

"Now we have an effective farmer partnership and land-leasing system, which means we can cut and bring home enough grass to feed our cattle to meet their nutritional requirements," said Suhadi, head of Koperasi Produksi Ternak Maju Sejahtera (KPT MS).

The IACCB partners have demonstrated that commercially viable cattle breeding can be achieved under the cut-and-carry system. Smallholder farmer cooperatives have maintained good productivity, cattle herds have significantly increased in size, and breeders have provided progeny that have sold for good profits.

"In total, we received 108 head of cattle, comprised of 100 heifers, five bulls, and three calves," Suhadi said. "Within three years, our herd has increased to 215 head and we have held two cattle auctions, selling 169 progeny, resulting in fantastic sales totalling Rp1.7 billion."

The cut-and-carry partners did however note that the key to their success was maintaining strong professional management of the farmer cooperative. The cooperative is generally comprised of several smallholder farmer investors who often need to juggle competing demands on their time and finances. As a result, some of the partners have struggled to maintain an optimal herd condition.

SISKA BREEDLOT

For palm oil plantations with limited land area, or in very high rainfall zones, cattle breeding will often be more successful when combined with a breedlot system.

IACCB is supporting PT Superindo Utama Jaya (SUJ) in Lampung to implement a SISKA Breedlot model in their 2,600-hectare oil palm plantation. Weaners, cows in early gestation, and barren cows, graze in the palm understory pastures, providing a very low-cost production system. Cows in late pregnancy through to weaning, and any sick cattle, are kept in breedlot pens for more intensive care.

For PT SUJ, this model has resulted in increased conception and calving rates and lower calf mortality rates and a faster body condition recovery of cows after calving.

“The breedlot makes it much easier for us to handle the calving cows and weaning calves, and also to look after any sick cattle,” said Sihono, Program Manager at PT SUJ.

“They are well managed in the pen, although the costs are slightly higher compared to when they are grazing freely in the plantation.”

PT SUJ’s robust recording system has highlighted the commercial potential of the SSKA Breedlot model. The business, which started with 247 Brahman Cross cattle in 2017, has grown to nearly 900 cattle.

“Our commercial results are good and we are optimistic that cattle breeding using this model is commercially sustainable,” Sihoni said. “That is why we are putting additional investment into pens.”

“This year we will build four additional calving units with a total 160 calving rooms.”

COMMERCIAL SUCCESS REQUIRES COMMITTED PEOPLE

During the IACCB webinar partners highlighted that strong management is required to achieve sustainable commercial outcomes.

They added that a professional management team also needs to be complemented by skilled stock people with a passion for cattle breeding.

Other factors vital to commercial success include a robust monitoring and data recording system that drives effective decision making, productivity analysis, and cost control, particularly for feed.

The provision of quality feed is also essential. Poor feed will diminish cattle condition, increase calf mortality, and decrease average daily gains, ultimately decreasing grower productivity and profitability.

Dr Sudarjo Putri stated that production of cheap feed using agricultural by-products and optimising the use of locally available natural resources will be critical to the future expansion of the industry.

Despite the challenges, Mr Sugiono said that, based on the experiences of IACCB partners, cattle breeding in Indonesia is very promising.

“It has great prospects,” he said. “Indonesia is rich in feed resources and has regions with enormous potential for cattle breeding expansion.”

For more information on each breeding model and the IACCB Program, visit www.iaccbp.org



▲ Calves and their mothers in a new breedlot owned by PT Superindo Utama Jaya in Lampung

IACCB

Indonesia-Australia Commercial Cattle Breeding Program

BREEDING MODELS

SISKA (CATTLE BREEDING IN PALM OIL PLANTATIONS)



- High commercial potential - three out of the four SISKA-partners are now investing to expand their cattle breeding businesses
- A well-managed SISKA ranch can produce feeders of 320kg at a cost between Rp35,000 to Rp40,000/kg liveweight
- Production costs are equal or below the cost of imported feeders
- IRR of around 10% after 10 years for cattle enterprise
- Reduced use of herbicides and weeding saves AU\$7.50-15.00/ha/year and for organic fertilizer saves AU\$25/ha/year
- Optimises land-use and diversifies income
- Effective cattle and plantation integration is essential to commercial success

OPEN GRAZING (DIRECT GRAZING OF NATIVE AND IMPROVED PASTURES)



- Comparatively low start-up capital (if un-utilized land is available), and low daily expenses per head
- Commercially viable, dependent on good management, pasture improvement, and use of land unsuited to other investment alternatives
- Total costs are Rp6,000 (AUD\$0.6) per head per day - half the cost of SISKA
- Cost of producing a 320kg feeder is approx. Rp35,000/kg liveweight - lower than the cost of imported feeders

SMALL-HOLDER CUT-AND-CARRY



- Excellent conception, calving and weaning rates and short calving intervals
- Reasonable growth rates with strong potential to improve
- Cost of producing a 320kg feeder is approx. Rp39,000/kg liveweight - lower than the cost of imported feeders
- Commercially successful communal breeding systems are challenging to maintain for farmer groups
- Critical commercial success factors include cohesion of the farmer group, solid leadership and transparent management, adequate cash-flow, and cattle breeding experience
- Long-term commercial sustainability is very challenging

SEMI SISKA – SEMI BREEDLOT



- Pregnant cows and mother-and-calves are kept in cattle yard/breedlot pre-calving to weaning
- Better conception and calving rates compared to SISKA
- Reduced calf mortality through more intensive management
- Increased weaning rates
- High operational and feed costs due to yarding pregnant cows and mothers and calves
- Feeder live-weight production cost exceeds cost of imported feeders

SHAPING THE MESSAGE

The Partnership's Co-Chairs have endorsed a new communications strategy that aims to expand awareness and understanding of the program's collaborative work.

At the eighth meeting of the Partnership, held in November 2019, the Communications reference group pledged to review all facets of how the program's endeavours and outcomes are communicated to interested parties.

In response, a new Partnership communications strategy and associated work plan have been finalised, with both documents endorsed by the Partnership's Co-Chairs at their meeting on the 19th of June 2020.

According to Ms Liz Ritchie, Chief Executive Officer at the Regional Australia Institute and member of the Communications reference group, a key aspect of the new strategy is to enhance mutual understanding between Partnership members and to further engage key stakeholders and investors.

"At its heart, the Partnership is about strengthening the red meat and cattle trade relationship between Australia and Indonesia," Ms Ritchie says.

"Our new strategy sets out to ensure a more thorough understanding of the Partnership's benefits to both countries, because this will stimulate more meaningful conversations between our governments and industries on a range of topics."

Ms Ritchie points out that, since communications focussed largely on Indonesian audiences during the first phase of the Partnership, the new communications strategy will further embrace Australian stakeholders and media.

"The strategy will increase awareness of the Partnership and its successes," she says. "It will also improve access to industry information, knowledge products, and networks."

"Our communications aim to position the Partnership as a mechanism that can positively influence policy in the red meat and cattle sector."

The strategy will engage a variety of target audiences, including Partnership members and government officials; industry, research and development stakeholders; and the general public in both Australia and Indonesia.

Communications content will be curated and tailored specifically for specific audiences in each country.

The overarching message for Australian audiences is that:

The Partnership promotes Australia's access to the global supply chain for red meat and cattle products through trade and investment.

"Our aim is to make more Australians aware of the Partnership and that it is working hard to further strengthen bilateral relationships between government officials, red meat and cattle enterprises, and other stakeholders across the two countries," Ms Ritchie says.

"They will also learn that the Partnership is promoting innovation in the sector, as well as driving improved animal welfare throughout the cattle supply chain."

The overarching message for Indonesian audiences is that:

The Partnership contributes to Indonesia's food security goals and access to global supply chains by increasing investment and improving productivity, efficiency, and capacity in the red meat and cattle sector.

"We want more Indonesians to know that the Partnership is fostering trade, investment, and digital transformation in our country," says Mr Kris Sulisto, President and Director at PT Trimitra Hasanah Prima, and an Indonesian representative on the Communications reference group.

"Indonesian stakeholders will be made aware that the program is growing the national herd and improving the efficiency of our supply chains," Mr Sulisto says.

"We will also emphasize that the Partnership is providing innovative solutions, expertise, experience, and skills training to improve the profitability of Indonesian cattle farmers and processors."

At the core of the strategy is a new tagline that will be used to underscore the Partnership's objectives and achievements:

The Partnership – increasing productivity, trade and investment in the red meat and cattle sector.

The work plan that supports the new strategy utilises a variety of communications channels. These include websites, newsletters, monthly updates, briefing packs, printed display materials, social media, events and conferences, and media tours and visits, along with industry updates and investment seminars.

SKILLS TRAINING POWERS ON THROUGH DIGITAL INTERFACING

Through the use of online platforms, the Partnership is forging ahead with its skills development programs in 2020.

From the 16th of May to the 19th the Partnership held an online training program on cattle pregnancy testing in collaboration with the Institut Pertanian Bogor (IPB) in Indonesia.

The four-day program, which used digital interfacing technology to bring students and course facilitators together, was a litmus test for how the Partnership's skills development programs might play out over the remainder of 2020.

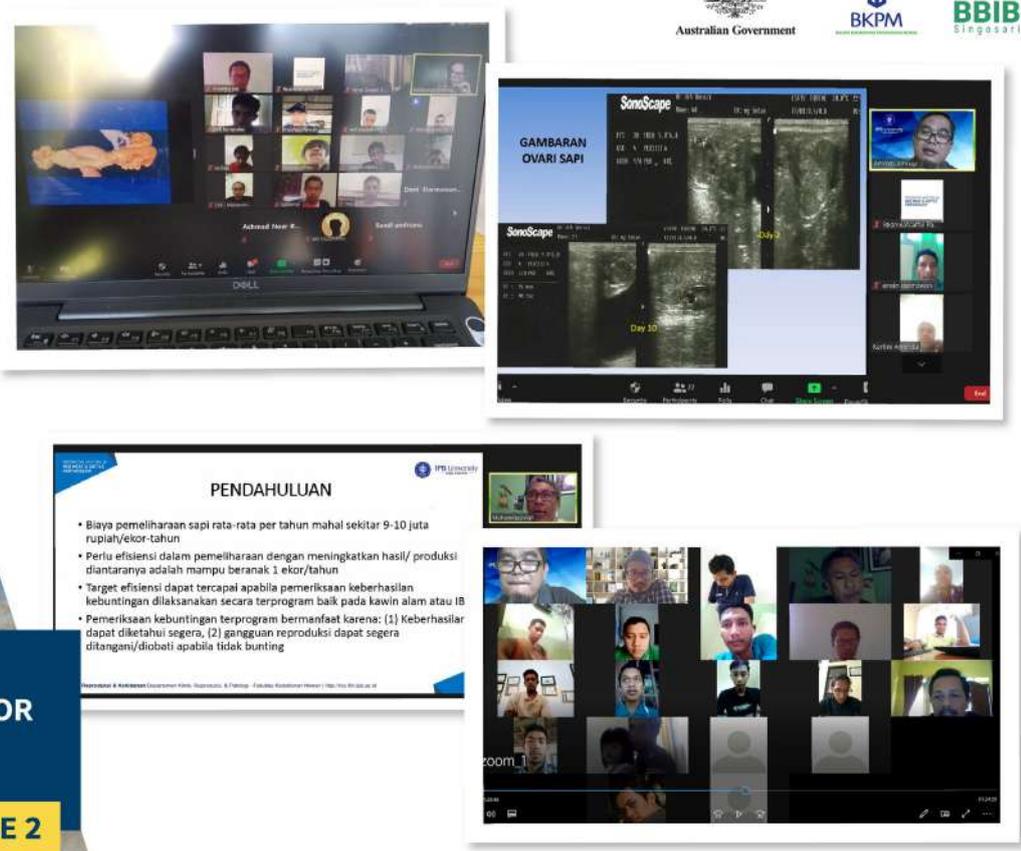
The portion of the course held in May was deemed such a success that the pregnancy testing program was extended into a second phase to be held from the 13th to the 16th of June.

The Partnership also announced plans for similar online courses in reproduction management for veterinarians and livestock business management for smallholder farmers.

- ▼ First virtual training on Pregnancy Testing for Paravets held by the Partnership



PREGNANCY TEST TRAINING PROGRAM FOR CATTLE BREEDING PARAMEDICS
PHASE 2



The pregnancy testing course attracted 20 selected participants from Aceh to Papua, including feedlot employees, independent paramedics working with local animal husbandry offices, government officials, and members of farmers associations.

Facilitators led a two-hour online lecture and discussion in each session, with topics including the theory of reproductive and cattle pregnancy pathology, postpartum and neonatal treatments, and pregnancy testing techniques such as rectal palpation and ultrasonography.

Kartini Awendu, from North Biak District in Papua, the easternmost province in Indonesia, said the online training was particularly useful to learn more about the anatomy and pathology of pregnant cattle.

“And, of course, how to diagnose pregnancy in cows,” she added.

The 34-year-old, who works at the Biak Animal Husbandry Office, said she is grateful to have been selected as a participant because she lives in a remote area and does not get many opportunities to engage in training that can expand her knowledge on animal reproduction.

“Now I can help more farmers in my village to correctly diagnose the cow’s pregnancy and quickly detect any abnormalities,” Kartini said.

Another participant, Muhammad Dahlan, explained that the training was extremely relevant to his job as a local animal paramedic in Boyolali Regency, Central Java, where he deals with artificial insemination.

“It’s really amazing to be able to obtain knowledge no matter what the current situation is,” Dahlan said of the online course. “I received so much new information from the mentors who are experts in their field.”

Each participant was also required to conduct physical pregnancy tests independently, with the results discussed in online group sessions.

Dahlan said that sharing knowledge with other participants was very helpful and made him more aware of the challenges for cattle pregnancy testing in different regions.

Dr Muhammad Agil, one of the course facilitators from the Faculty of Veterinary Medicine at IPB, pointed out that the success of the online program had positive implications for the industry because this model of training can provide access for participants from very remote areas of Indonesia.

“The online discussions went very well,” Dr Agil said. “The students didn’t hold back and asked many questions—not only on pregnancy testing, but also on general cattle health.”

Nevertheless, Dr Agil suggested that online courses should not be seen as a substitute for practical, hands-on training in the longer term. He said such courses should instead be considered as complementary measures that can enhance participants’ knowledge of cattle reproduction prior to any hands-on training.

“With this online training, the objective is to create a better understanding among the participants, so that during hands-on training they already know the terms and the techniques,” Dr Agil said.

Course participant Yustiko, who works at PT Buana Karya Bhakti in South Kalimantan, agreed with Dr Agil’s position.

“I’m happy we can still get training like this, even though we can’t meet face-to-face,” Yustiko said. “But I do look forward to hands-on training so that I can use the theories I have learned in the field, under the supervision of facilitators.”

For more information on the Partnership’s skills development programs, visit <https://redmeatcattlepartnership.org/project/3/capacity-building>

NEW PROJECTS TARGET PROFITABILITY

With the profitability of Australian and Indonesian operators crucial to the sector's economic future, the Partnership has launched two important projects to drive long-term gains.

In response to the coronavirus pandemic, improved profitability for beef producers and processors has been identified as a key issue for the red meat and cattle sector's short-term recovery and long-term prosperity.

Through its specialised industry Reference Groups, the Partnership has pinpointed two critical pathways to secure profitability gains for red meat and cattle enterprises in both Australia and Indonesia - value addition and digital efficiencies.

At a meeting on the 30th of January 2020, the Partnership's Australian and Indonesian Co-Chairs endorsed these new projects that explore market expansion into value-added beef products and how to apply digital technologies to the red meat and cattle supply chain.

BEEF PROCESSING AND MARKET OPTIONS FOR INDONESIA

The first project aims to examine more profitable processing and marketing options for supplying Indonesian beef products into domestic markets and select international export destinations.

The Partnership's Supply Chain and Innovation and Export Reference Groups have engaged a specialist advisory company to provide answers to the following questions:

- What are the obstacles and opportunities for Indonesia to competitively produce value-added beef products for both domestic and international markets?
- Can value-added beef products or derivatives be produced and sold into high-value markets, and what is Indonesia's capacity to supply to these international markets?
- Is there unrealised potential for beef products from Australian cattle to be sold into the Indonesia market and, if so, what facility upgrades would be required to achieve this?

The project builds on a study funded by the Partnership in 2017 to assess the feasibility of a beef processing bonded zone for Indonesia.

The work will include detailed analysis of the eight export destinations identified in the bonded zone study—Singapore, Brunei, Cambodia, Lao, Myanmar, Viet Nam, the Philippines, and China—and aims to identify the three most likely target markets for value-added Indonesian beef products.

This assessment will examine the investment required to produce potential products, export challenges, minimum facility and infrastructure requirements expected by the target countries, and the ongoing financial viability of the export program.

The results of this study will be communicated in late 2020.

DIGITAL TECHNOLOGY IN THE RED MEAT AND CATTLE SECTOR

The second project, which commenced in 2020, will assess potential efficiency gains to be made through existing and emerging digital technologies relevant to the red meat and cattle supply chain.

Australia has made significant progress in applying digital technologies to production requirements and live cattle marketing, while Indonesia has progressed rapidly in the online sale of beef and beef products at the retail level.

Under the direction of the Partnership's Innovation and Export Reference Groups, the project aims to improve the profitability of beef producers and processors in both countries by raising awareness of technologies that can deliver production and marketing efficiencies.

The initial focus of the project will be on post-farm-gate innovations in Indonesia, with lessons and innovations from China and New Zealand to be assessed for their applicability to beef enterprises across the archipelago.

The project began with a literature review and the mapping of recent technological innovations in the red meat and cattle sector. Its findings will be communicated in late 2020.

For more information on the Partnership's development projects, visit <https://www.redmeatcattlepartnership.org/project/4/innovation-and-export>

ARIS IS 'COOL' WITH ANIMAL SCIENCE

The third instalment of our series on skills development alumni.

▼ Aris Nurtumitah, participant of the first Partnership internship program



Name : Aris Nurtumitah
Age : 23
Institution : Agricultural Development Polytechnic of Malang
Region : East Java, Indonesia
Course : Partnership ISPI Internship Program
Program Graduate : 2019

When Aris Nurtumitah had to choose a field of study at university, animal science had never crossed her mind.

"I wanted to study something cool," she said. "For me, at that time, animal husbandry was not cool. It was not interesting."

A family member suggested she apply to the Agricultural Development Polytechnic in Malang, East Java.

Aris agreed to apply, but even then she nominated farming as her preferred field of study. She soon found out that she had instead been accepted into animal husbandry.

"At first, I didn't know if I wanted to take it," Aris said. "But I also didn't know what else I would do."

It did not take long for Aris to realise that animal husbandry involves a lot more than just taking care of cows. She loved the subject of biology at high school, and quickly discovered how interrelated the two fields of study are.

Not only did Aris enjoy discovering the science behind cattle farming, she also learned how to communicate with people and be a problem-solver for local farmers.

"I like dealing with people and helping the community," Aris said. "Over time, I fell in love with animal husbandry, especially after I spent a lot of time with the animals."

Aris achieved good results at the university and when she was about to graduate, a lecturer told her about an internship program conducted by the Partnership and the Indonesian Society of Animal Science (ISPI), and encouraged her to apply.

The internship program, which aims to equip participants with hands-on learning and practical working experience, was scheduled to commence in November 2019 and run for three months.

"When I saw other participants coming from prestigious universities, like IPB (Bogor institute of Agriculture) and UGM (Gadjah Mada University), that made me anxious," she laughed.

Under the program, a total of 25 recent graduates in animal science, from universities across Indonesia, were assigned to feedlots, meat retailers, cattle export enterprises, and integrated cattle and oil palm operations in Java, Sumatra, and Kalimantan.

Aris was assigned to PT Nutricell Pacific, an innovative animal nutrition and health company in Tangerang, West Java, where she learned about the business processes behind animal science.

“We also learned a lot about media marketing,” she said.

During the internship Aris was involved in a major project for the company. She was part of a team dedicated to developing a smartphone application called Nuvet, which is designed to facilitate better communications between farmers and veterinarians.

The application aims to assist farmers in remote rural areas who have difficulty reaching out to veterinarians when they encounter health issues with their cattle.

“There are many apps like this for people, where patients can easily consult with a doctor about some symptoms or a sickness,” Aris said. “But there was none in Indonesia for farmers and veterinarians, as far as I know.”

The application has been launched and is now available in the Google Play store.

Aris said her experience with the internship program has reinforced her love for animal science and cattle farming.

“It’s an excellent program for fresh graduates to get work experience at some of the largest cattle companies,” she said. “The training made me want to continue to help people in this field.”



▲ Aris Nurtumitah with PT Nutricell Pacific colleagues

Because of her performance in the program, Aris was asked by PT Nutricell Pacific to join the company following her internship—a fantastic outcome for both Aris and PT Nutricell.

For more information on the Partnership’s Skills Development Programs, visit <https://redmeatcattlepartnership.org/project/3/capacity-building>



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