



Australian Government



BKPM
Indonesia Investment
Coordinating Board

INDONESIA AUSTRALIA RED MEAT & CATTLE PARTNERSHIP

Newsletter

EDITION 1

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 Indonesian and helps to build awareness of the work and the achievements of the Partnership.

This publication is freely available from agriculture.gov.au/partnership

For further information contact the Partnership secretariat within the Department of Agriculture and Water Resources: IA-RMCP.Secretariat@agriculture.gov.au

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A UNITED VISION

I am delighted to write this foreword for the first edition of the Indonesia-Australia Partnership on Food Security in the Red Meat and Cattle Sector (the Partnership) newsletter.

As close neighbours, and partners in a global supply chain, Australia and Indonesia consider cooperation in the agriculture sector to be vital. The Partnership enables our two countries to forge stronger relations in key areas such as international trade and investment, agricultural skills development, and the exchange of knowledge in the red meat and cattle sector.

Indonesia is one of Australia's most important trading partners. Our two-way agricultural trade with Indonesia was worth nearly \$4 billion in 2015. This demonstrates the importance of agriculture to our bilateral relationship, our economies, and to the livelihoods of farmers, their families and communities in both nations.

Rising incomes and population growth in Indonesia are driving increased food consumption, with research conducted by the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) forecasting that the country's overall food consumption could quadruple by 2050. Increasing beef consumption is part of the change in Indonesian diets.

Australia recognises the strong complementarities between northern Australia's capacity for cattle breeding and raising, and Indonesia's strength in cattle fattening and processing.

To underline the importance of agricultural cooperation between Australia and Indonesia, projects worth over \$16 million have already been established by the Partnership. These projects are in the key areas of breeding, processing, transport and logistics, and skills development.

The Australian Government's funding support for the Partnership extends to \$60 million through to 2024, which underlines our commitment to a positive, long-term collaboration with Indonesia.

Australia's beef producers are world leaders in supplying high-quality cattle and boxed beef. This means that we are well placed to help Indonesia improve its domestic beef production to help meet its increasing demand, achieve national food security objectives and underpin development of export markets.

As was witnessed at the fourth meeting of the Partnership in Jakarta, April 2016, the Partnership allows for regular, consistent and open communication between our two countries. It highlights the commitment of the Australian and Indonesian governments and industry representatives to develop a productive and sustainable red meat and cattle sector.

I hope you enjoy reading about the Partnership's achievements to date, and I look forward to being involved in further Partnership initiatives.

Barnaby Joyce

Deputy Prime Minister and Minister for Agriculture and Water Resources



A BOND FOR THE FUTURE

Thank you to the Partnership members who have asked me to contribute to this first newsletter.

Indonesia and Australia have a long history of collaboration in agriculture. Since 2013, the Partnership has been a logical next step in strengthening the ties between our two nations.

The Australia-Indonesia beef and cattle supply chain is a valuable partnership between Australian producers and exporters, and Indonesian importers, feedlots and abattoirs—with both sides benefiting from their participation.

Indonesia is a major established agricultural market, with a growing economy driven by domestic consumption, and a rapidly growing middle class. A Price Waterhouse Coopers report from 2015 estimated that Indonesia will be the world's fourth largest economy by 2050.

Within this substantial economy, demand for beef is growing at around 4% every year.

To ensure that this demand is met into the future, our Indonesian agricultural policy makers, industry leaders, workers and students are benefiting enormously from key programmes funded by the Partnership.

These programmes focus greatly on skills development, with specialist initiatives and short courses that give those in the Indonesian red meat and cattle industry the opportunity to participate in learning, field work and site visits around Australia. Not only do these programmes build beneficial cross-cultural relationships, they help create a more highly skilled workforce in Indonesia, which will lead to increased productivity and innovation in the sector.

Another programme that is encouraging innovation is the Partnership's Indonesia-Australia Commercial Cattle Breeding (IACCB) Programme. With an investment of up to \$9 million, the IACCB will pilot commercial-scale beef cattle breeding models to determine what works best for Indonesia. A commercial, economically sustainable cattle breeding sector in Indonesia will attract investment, build capability and capacity, create jobs and contribute to the economy.

These programmes will help Indonesia achieve its food security goals in the years and decades ahead. It is hoped that over time, in collaboration with our Australian partners, the Indonesian cattle and meat sector will become its own significant industry, to not only help supply the growing demand for beef in Indonesia, but also to explore the possibility of exporting in the future.

I am excited to be involved in the Partnership, and I hope you enjoy hearing more about the Partnership's work.

Thomas Lembong

Chairman, Indonesian Investment Coordinating Board (BKPM)



PARTNERS IN PROSPERITY

The Indonesia–Australia Partnership on Food Security in the Red Meat and Cattle Sector is setting new benchmarks for international cooperation in agriculture.

Food security and international trade have emerged as vital goals for governments around the globe.

Australia and Indonesia continue to pursue these goals through a unique and innovative bilateral initiative that was established in 2013. The Indonesia–Australia Partnership on Food Security in the Red Meat and Cattle Sector—known simply as the Partnership—is underpinned by a fund of \$60 million committed by the Australian Government through to 2024.

The funding is being used in a variety of ways to help develop a competitive, efficient and sustainable Indonesia–Australia red meat and cattle industry. The Partnership has a commercial focus and promotes the economic development and integration of the Indonesian and Australian red meat and cattle sectors, with this collaboration helping both countries to become more competitive within global supply chains.

Created as a unique forum that brings together Indonesian and Australian decision makers from government and experts from industry, the Partnership continues to foster enduring relations in the sector, and to maximise opportunities for Indonesian and Australian red meat and cattle producers.

The Partnership has membership from Indonesian and Australian national governments, experienced leaders of the red meat and cattle industry, and representatives of the wider business and investment community. The non-government members of the Partnership contribute a wealth of knowledge in areas such as cattle processing and livestock production, livestock exporting, breeding, and broader commercial skills and strategies relevant to Australia and Indonesia, as well as globally.

Partnership members come together twice a year (alternating between Indonesia and Australia) to discuss issues and opportunities for the red meat and cattle industry. Each Partnership meeting allows government and industry stakeholders from both countries to make recommendations on the Partnership’s work programme, as well as confer on policy matters, domestic and regional market trends, global supply chain issues and areas of improvement for the Indonesia–Australia sector.

As of April 2016 more than \$15 million had been committed by the Partnership to priority programmes in areas such as breeding, transport and logistics, processing and skills development.

The Australian government agencies involved in the Partnership include the Department of Agriculture and Water Resources, which is the policy lead, the Department of Foreign Affairs and Trade, and Austrade. Indonesian government agencies contributing to the Partnership include the Investment Coordinating Board of the Republic of Indonesia (BKPM), which is the policy lead, the Ministry of Agriculture, the Ministry of Trade, the Coordinating Ministry of Economic Affairs, and the Ministry of State-Owned Enterprises.

The Partnership reports to Australia’s Minister for Agriculture and Water Resources, and to the Chair of Indonesia’s Investment Coordinating Board, as the leading ministers for the Partnership.

The Partnership’s funding comprises \$50 million of official development assistance (ODA), administered by the Department of Foreign Affairs and Trade, and \$10 million of non-ODA funding, administered by the Department of Agriculture and Water Resources.

For more information about the Partnership, visit agriculture.gov.au/partnership



PARTNERSHIP MEMBERS: AUSTRALIA



Louise van Meurs (Australian Co-Chair)

Louise is the First Assistant Secretary, Trade and Market Access Division, in Australia's Department of Agriculture and Water Resources. The division provides policy and strategic leadership for the department's international activities, which include improving and maintaining market access, reducing international trade distortions, assisting in the development of standards for trade, and administering cooperation activities. Louise has worked in various roles across the department over the past 25 years, most notably heading the department's Biosecurity Plant Division.

Louise has been the Australian Co-Chair of the Partnership since February 2016.

Kym Hewett

Kym joined Austrade when it was first established in 1986. Kym has since held a number of international roles including Senior Trade Commissioner and Minister (Commercial) to the Republic of Korea, Malaysia, China, and Middle East and North Africa. Kym is based in Jakarta and has been the Senior Trade Commissioner and Minister (Commercial) to Indonesia since 2012.

Kym has been the Austrade representative to the Partnership since its inception in 2013.

Tom Connor

Tom is the Assistant Secretary of the Indonesia Political and Economic Strategy Branch in Australia's Department of Foreign Affairs and Trade (DFAT). Tom first joined DFAT in 1984, and has held a number of positions, including as Minister and Deputy Head of Mission at the Australian Embassy in Tokyo, and as Australia's Consul-General in Shanghai. Tom holds a Master of Business Administration from Deakin University and a Master of Laws (International Law) from the Australian National University.

Tom has been a member of the Partnership since March 2016.

Kenneth Warriner AM

Ken is recognised as a leader in the beef cattle industry, with over 55 years of experience in both Australia and Indonesia. Ken created Consolidated Pastoral Company in 1983, and has held the positions of Chief Executive Officer and Chairman of the company. Ken's previous positions include Chairman of Australian Rural Exports, as well as executive roles with the Northern Territory Cattlemen's Association, the National Farmers' Federation, and the Asian Cattlemen's Association. He is currently Chairman of Palladium Group.

Ken has been a member of the Partnership since its inception in 2013, and is a member of the breeding working group.

Gary Stark

Gary is the Managing Director of Stark Engineering Pty Ltd, which incorporates Warwick Cattle Crush Company. Having worked in the cattle industry for more than 40 years, Gary has extensive experience across the sector, especially in the design and supply of cattle crushes and yard systems to feedlots, graziers and exporters in Australia as well as to overseas markets in Indonesia, Africa, Asia, the Middle East and Europe. Gary also manages a stud farm for Murray Grey cattle.

Gary has been a member of the Partnership since its inception in 2013, and is a member of the transport and logistics working group.

Terry Nolan

Terry is a Director of Nolan Meats Pty Ltd, a family-owned, meat processing company with interests right along the supply chain, including livestock breeding, feedlotting and meat exporting. Nolan Meats focuses on producing high-quality, grain-fed beef for world markets. Terry has been the Chairman of the Australian Meat Industry Council and Red Meat Advisory Council, and continues to be actively involved in many industry bodies that advance the capability of the beef industry.

Terry has been a member of the Partnership since its inception in 2013, and is a member of the processing working group.

Dr John Ackerman

John is an independent industry expert, based in Jakarta since 2006. John's previous roles include Regional Manager for Meat and Livestock Australia as well as Counsellor, Agriculture for Australia's Department of Agriculture at the Australian Embassy in Jakarta. John played a major role in the development of Meat and Livestock Australia's 2013 Indonesia Strategy, and is currently the Deputy Secretary General of the Australia-Indonesia Business Council. He has a background in biology and ecology, obtaining his PhD in 2004 from James Cook University.

John has been a member of the Partnership since January 2016.

Jacqui Cannon

Jacqui is the Chief Development Officer of Consolidated Pastoral Company. The company is Australia's largest private cattle producer, with 375,000 head capacity on 19 stations covering 5.6 million hectares across Northern Australia. It also owns 80 per cent of two Indonesian feedlots. Jacqui's role includes the management of human resources and workplace health and safety, as well as overseeing legal functions as Company Secretary.

Jacqui has an extensive knowledge of agribusiness operations, with over 24 years of experience in the business.

Jacqui has been a member of the Partnership since April 2016.

PARTNERSHIP MEMBERS: INDONESIA



Dr Himawan Hariyoga (Indonesian Co-Chair)

Himawan is the Deputy Minister for Investment Promotion of the Indonesia Investment Coordinating Board (BKPM). Himawan gained his Doctorate of Agricultural and Resource Economics at The University of California Davis in 2004. Prior to joining BKPM, Himawan held a number of positions at the Bappenas, most notably as the Director for Regional Autonomy and Director for Regional Economics.

Himawan has been the Indonesian Co-Chair of the Partnership since its inception in 2013.

Musdhalifah Machmud

Musdhalifah is the Deputy of Food and Agriculture at the Coordinating Ministry of Economic Affairs. In this role, Musdhalifah manages food and agriculture policy for a number of agricultural commodities. Her previous experience includes roles with the Ministry of Forestry, where she was responsible for forestry policy development and implementation. Musdhalifah holds a Masters degree from Bandung Institute of Technology in Indonesia, and postgraduate education in The Netherlands for evaluation and monitoring of environmental change.

Musdhalifah has been a member of the Partnership since June 2015.

Wahyu Kuncoro

Wahyu is the Deputy for Agro and Pharmaceutical Industries at the Ministry of State-Owned Enterprise. He was previously the Deputy Minister for Business Infrastructure.

Wahyu has been a member of the Partnership since February 2016.

Nurimansyah Iman

Nurimansyah holds an MBA and is the Indonesian Trade Attache for the Indonesian Embassy in Canberra. He has held numerous positions with the Ministry of Trade since 1996, most notably as the Head of the Research and Development Agency, and as the Deputy Director for the Indonesian Trade and Promotion Centre in Los Angeles.

Nurimansyah has been a member of the Partnership since 2015.

Dody Edward

Dody was appointed as Director General of Foreign Trade at the Ministry of Trade in July 2016.

Dody has been a member of the Partnership since July 2016.

Kris Sulisto

Kris is the President of the Indonesia Australia Business Council. He is also the President Director of Sijiro Indonesia, PT, a centre of excellence for red wagyu based in Temanggung, Central Java. The company focuses on investment in the field of genetics and red wagyu livestock breeding. Since 1980, Kris has co-founded many successful companies, including the Satmarindo Group of Companies, which has a strong focus on agribusiness.

Kris has been a member of the Partnership since its inception in 2013.

Juan Permata Adoe

Juan has been the Vice Chairman of the Indonesian Chamber of Commerce (KADIN) for Food Processing, Farm Agribusiness and Tobacco Industry since 2014. He founded the National Meat Processors Association-Indonesia (NAMPA), the Indonesian Producer and Feedlot Association (APFINDO) as well as PT Bina Mentari Tunggal, which is a vertically integrated beef business.

Juan has been a member of the Partnership since its inception in 2013.

Dicky Adiwoso

Dicky is the Chief Executive Officer of Juang Jaya Abadi Alam, PT, an Indonesian-Australian joint venture with Consolidated Pastoral Company. The company operates live cattle feedlots in Lampung and North Sumatra, with a total capacity of more than 30,000 head of cattle. Part of this operation includes a breeding program that produces Brahman Cross cattle, which are then distributed to several areas in Indonesia. This supports the Government of Indonesia's objective to improve the country's capability for local beef production and supply.

Dicky has been a member of the Partnership since 2016.

Dhimas Brahmantya

Dhimas is the Vice President for Investment, Procurement and Business Development of PT Widodo Makmur Perkasa. He has been working for the company since 2014. Dhimas' previous experience includes roles with Elders Nutri, where he managed the logistics of importing cattle into Australia, as well as with the MLA and Livecorp, where he was an animal welfare taskforce officer working with feedlots and abattoirs to educate about welfare standards. Dhimas obtained his Masters degree from Monash University.

Dhimas has been a member of the Partnership since 2015.

Jody Koesmendo

Jody is the Secretary General of the Dewan Daging Sapi Nasional. He currently holds several positions as the President Commissioner of PT Rumpinary Agro Industry, and President Commissioner of PT Mulia Rahayu Mitra. Jody obtained his degree from the University of Gadjah Mada.

Jody has been a member of the Partnership since 2016

Samuel Wibisono

Samuel is the General Manager of JAPFA Beef Division and President Director of PT Santosa Agrindo. JAPFA is a vertically integrated business in animal protein production (breeding, fattening and processing) with a focus on poultry, cattle, swine and aquaculture. JAPFA owns cattle operations in the Northern Territory, and is one of the major importers of Australian cattle into Indonesia.

Samuel has been a member of the Partnership since its inception in 2013, and is a member of the breeding working group.

FOURTH MEETING PUTS THE FUTURE FIRST

On 27 April 2016, Indonesian and Australian government officials and industry leaders gathered in Jakarta for the fourth meeting of the Partnership.

The future seems bright for the Indonesia–Australia Partnership on Food Security in the Red Meat and Cattle Sector.

As they gathered for just the fourth meeting of the Partnership, members from both Indonesia and Australia were keen to place an emphasis on the long-term outlook of the collaboration.

The Partnership's co-chairs, Dr Himawan Hariyoga from Indonesia and Ms Louise van Meurs from Australia, noted the importance of developing long-term objectives for the Partnership.

Partnership members discussed progress on the development of a joint Indonesia-Australia Industry Vision for the red meat and cattle industry. The Joint Industry Vision will be an overarching document that includes an agreed vision statement and highlights the key aspirations of the Indonesia-Australia red meat and cattle sector. The Joint Industry Vision will be developed throughout the remainder of 2016, then tabled at the fifth Partnership meeting.

The vision document will be underpinned by a more detailed Joint Industry Strategy, which will outline how the Australian and Indonesian governments, industry participants, business representatives, and the Partnership can contribute to achieving the desired long-term outcomes. The strategy document will specify an agreed set of priority areas of development for all stakeholders.

Critically, the Joint Industry Strategy will help members to agree to priority areas for funding from 2017–18 onwards. The Joint Industry Strategy will be tabled at the sixth Partnership meeting (April 2017, TBC).

As part of developing a long-term vision, the meeting also discussed the finalisation of the Partnership's joint communication plan.

New Programme Proposals Endorsed

More immediate Partnership activities were also addressed at the fourth meeting.

Dr Hariyoga and Ms van Meurs applauded the Partnership's achievements in facilitating closer relations between industry and government, as well as its role in strengthening the Indonesian-Australian red meat and cattle industry as part of a globally competitive supply chain.

Partnership members reviewed the progress of current programmes, while also providing in-principle endorsement of five new proposals.

These proposals included:

- a programme of government-to-government and industry-targeted policy and problem-solving visits to address topical issues that require specific or immediate attention
- a proof-of-concept study to determine the feasibility and viability of a bonded logistics zone for cattle and beef processing in Indonesia
- an investigation into the existing logistics chain for the supply of cattle from Australia to smallholder farms in Indonesia
- an expansion of the Partnership's Skills Development Programme to train at least 100 Indonesian participants in both Australia and Indonesia
- an examination of beef consumption trends and patterns of Indonesian consumers.



Partnership Members at the fourth Partnership meeting, 27 April 2016

Cattle Breeding In The Spotlight

The fourth meeting of the Partnership featured a policy dialogue session on the cattle breeding production systems of Australia and Indonesia.

The session included presentations from the Ministry of Agriculture, on their policy vision for developing the Indonesian cattle breeding herd to improve food security.

Presentations were also provided by Australian representatives, including from the Northern Territory Government on its experiences in developing a successful cattle breeding and production sector in Northern Australia. The Australian Centre for International Agricultural Research (ACIAR) also provided insights on their activities for Indonesian smallholder cattle farmers.

The policy dialogue assisted members from both countries to understand the complexities surrounding the development of an efficient cattle breeding industry, specifically Indonesia's cattle breeding ambitions and issues for maximising productivity and profitability. It also highlighted gaps in information and how the Australian and Indonesian industry can work more collaboratively, which resulted in follow-up action.

Drawing on the Partnership and previous import programmes, Meat and Livestock Australia, with the support of the broader Australian industry, later provided additional information to the Ministry of Agriculture, to assist the Government of Indonesia in planning and preparing for future breeder import programmes.

This included cattle breeder guidelines to assist in monitoring the health and productivity of breeding livestock. The information was well received by the Indonesian sector, and the process provided a guide for future interaction between the two countries.

The next formal meeting of the Partnership will take place in Perth, Australia in November 2016. The Partnership's co-chairs will review the progress of Partnership activities on an ongoing basis.

For more information about the Partnership, and the communique from the fourth meeting, visit agriculture.gov.au/partnership

Australia's Head of Mission to Indonesia, Paul Grigson, addresses the Partnership



BREEDING GROUND FOR SUCCESS

With Indonesia's beef consumption projected to increase by over 1300 per cent by 2050, there is huge potential to investigate and assess cattle breeding models that may be commercially sustainable for Indonesian producers.

When it comes to commercial cattle breeding in Indonesia, members of the Partnership are willing to explore every option that could yield results for this vital part of the sector.

Viable and internationally competitive beef cattle breeding in Indonesia would expand the domestic herd, enhance food security, and boost Indonesia's capacity to meet domestic demand.

Although numerous attempts have been made, commercial breeding programmes in Indonesia have, to date, not been economically viable on a sustainable basis due to a range of challenges.

However, with the global cost of cattle at record high prices and domestic demand for beef set to rise, there is renewed economic incentive to explore commercial cattle breeding in Indonesia.

The Partnership is dedicated to exploring breeding models that boost productivity and generate sufficient profit, providing the incentive for Indonesia's large-scale landowners to invest in cattle breeding.

There have, in the past, been difficulties associated with increasing herd productivity while keeping the cost base low. Doing so requires specialist know-how and experience in controlling each component of beef cattle breeding. Specifically, it calls for a deep understanding of how to develop a low-cost pasture and feed supply strategy. This is an area that deserves far more focus.

To create a positive environment to address these issues, the Partnership has established the Indonesia-Australia Commercial Cattle Breeding (IACCB) Programme.

The IACCB, funded with up to \$9 million from 2016 to 2019, is a unique public-private partnership.

Over the next three years, the programme will partner with the Indonesian industry and business community to investigate several cattle breeding models that will be piloted across various geographical and climatic regions of the country. The aim is to understand which systems and processes might be the most economically viable, be sustainable, and have a significant commercial impact.

If particular models are found to be successful, the best of them will be promoted to farmers and investors right around Indonesia, encouraging replication of their systems and processes. This will drive increased participation, investment and productivity in the country's cattle breeding sector. The results of this process will also be promoted to the Government of Indonesia, as a way of promoting the expansion of the commercial cattle sector to meet food security demands in the future.

THINKING OUTSIDE THE SQUARE ON LAND USE

Successful cattle breeding in Australia generally requires a lot of available land.

According to Dick Slaney, the team leader of the IACCB Programme, one of the biggest challenges has been finding enough available land in Indonesia.

'The average Northern Territory cattle station in Australia is approximately 3 000 square kilometres, with 8 000 head of cattle,' Dick says.

'In comparison, 98 per cent of the Indonesian cattle population is held by small landholders in groups of just two or three cattle.'

Business models to be explored include grazing cattle within oil palm and forestry plantations, because these plantations can generally offer the large expanses of land that will accommodate cattle production.

Opportunities for small landholder engagement in the IACCB Programme are through both the farmer cooperative (SPR) model encouraged by the Government of Indonesia and other farmer cooperative models.

One model in East Java, which involves many smallholder farmers collectively managing their cattle on one site, is currently being assessed for potential involvement in the programme. This model appears to lend itself to improved commercial outcomes, while enhancing the livelihoods of smallholder farmers.

Should this model be successful, the scale-up potential is enormous, because smallholder farmers own the vast majority of cattle in Indonesia.

A Sound Commercial Footing For Farmers

Commercial firms generally do not require government assistance to explore new ventures.

In this instance, however, the cattle breeding business models are currently unproven with potential risks. On that basis, partners will need to be encouraged to participate in the IACCB Programme.

The programme will co-invest with business owners to share the risk and provide the necessary expertise to find commercially viable models together.

‘The programme will partner with private businesses in each project to control, monitor and assess the different approaches. We can then work with the business and provide the support that they need,’ Dick Slaney says.

Programme support will include specialist advice on pasture development and nutrition, cattle husbandry herd management, and business management. Partnering businesses may also be provided with physical requirements such as electric fencing, cattle crush and scales, herd recording software and, potentially, some cattle.

The IACCB partners in each project also contribute to the programme, with a co-investment of around 50 per cent made by committing their land, infrastructure, labour and, in some cases, their own cattle. This ensures that they will be fully devoted to making the programme work.

This investment structure highlights the unique nature of the IACCB Programme, by bringing together the Indonesian and Australian industry and business community.

By the end of 2016, there is expected to be six pilot projects up and running, with a further two or three by mid-2017.

In each project, the key area of work will look at how to best feed cattle at low cost. To do this, the programme has recruited tropical pasture specialists to provide the most current advice to the partnering businesses.

‘The old adage rings very true here, as it should with any livestock owner in the world, that if you look after your land and feed, the stock will look after you,’ Dick Slaney says.

For more information on this programme, visit iaccbp.org

Cattle grazing under palm,
photo: Andrian Lutfiady





DEVELOPING TOP END TALENT

The Northern Territory Cattlemen's Association (NTCA) Indonesia-Australia Pastoral Programme (NIAPP) continues to build capacity, knowledge and understanding of the Australian and Indonesian cattle trade.

The Northern Territory Cattlemen's Association (NTCA) Indonesia-Australia Pastoral Programme (NIAPP) has again been a resounding success, with 20 Indonesian undergraduate students taking part in 2016.

The programme, which runs for a total of 10 weeks, offers a rich learning experience in the Northern Australian beef cattle industry. NIAPP provides Indonesian undergraduate agricultural students with a combination of competency-based accredited learning and real industry experience, including over six weeks of placement at select corporate and family-operated cattle stations in the Northern Territory.

These are learnings and experiences that NIAPP participants can share with fellow students and colleagues upon their return to Indonesia.

According to Tracey Hayes, Chief Executive Officer of the NTCA, the programme is unique in its ability to deliver hands-on learning while also building lasting relationships.

'Students participate in station activities including mustering, drafting, processing and loading cattle, fencing, maintaining water infrastructure and feeding cattle,' Tracey says.

'And, depending on the size of the station, they may also be able to get involved in a range of other activities including pregnancy testing, wild dog control and hazard reduction burning.'

'Students are exposed to life on a cattle station in Northern Australia, which builds their understanding of the production systems and supply chain between Australia and Indonesia.'

Importantly, NIAPP is also reinforcing and strengthening cross-cultural relationships between Australia and Indonesia.

'Our two industries have worked closely for over 30 years, and have a very close relationship. We value that relationship and it's important that we continue to grow and develop our future leaders,' Tracey Hayes says.

'Overwhelmingly, those involved in this programme—including students, training providers and hosts—have indicated the greatest benefit they see is the improved understanding of different cultures and relationship building, which occurs during and after the programme is completed.'

This will be further enhanced in the next stage of the 2016 programme, when Australian cattle station staff and industry representatives will make a reciprocal visit to Indonesia.

Since 2014, NIAPP has been funded in its entirety by the Partnership. The programme has been gradually expanded in an effort to enhance the student experience and grow opportunities for pathways into sustainable careers in the red meat and cattle trade in Indonesia and Australia.

For more information on NIAPP, visit ntca.org.au





▲
(L to R) Kamang Montong, photo: NTCA,
Indonesian participants mustering cattle, photo: NTCA

What The Students Say

Kamang Montong

University:
De La Salle Catholic University, North Sulawesi

Host Station:
Brunchilly Station, S Kidman & Co

'I signed up to the programme because I want to run my own cattle business and I was really interested in the Australian cattle industry and how they treat their cattle, particularly around supply chain and station work. I really valued learning about how to handle cattle and make sure of the animal's health and welfare. It is very important to look after your cattle so they are not stressed, and it lessens the possibility of sickness. Learning about Australian stock handling practices will help me when I return to work in Indonesia. The programme was great because we were able to work, rather than just observing, which was a great experience for us.'

Agil Darmawan

University:
Mataram University, West Nusa Tenggara

Host Station:
Cave Creek Station, privately owned

'I heard about this programme from one of my supervisors who had done it before and I decided I would like to learn about how to manage cattle in the different Australian conditions. Before I came on the programme, I really looked forward to learning how to ride a horse for mustering and meeting new people. One of the most interesting things I learned was about Brahman horned and polled animals and I want to apply it on Bali cattle if it's possible somehow. During the programme, I met lots of people and students from other universities. We were able to learn and swap information with each other, including about cattle management and nutrition.'

Veny Joanet Salombre

University:
Sam Ratulangi University, North Sulawesi

Host Station:
Auvergne Station, Consolidated Pastoral Company

'I wanted to sign up to develop my knowledge about animal science and be prepared to work in my family's cattle business. It was so exciting to gain experience working on a cattle station and learn about breeding, nutrition and managing cattle. Learning how to see if cattle were pregnant was very important to me and I'm glad I got to learn this process.'

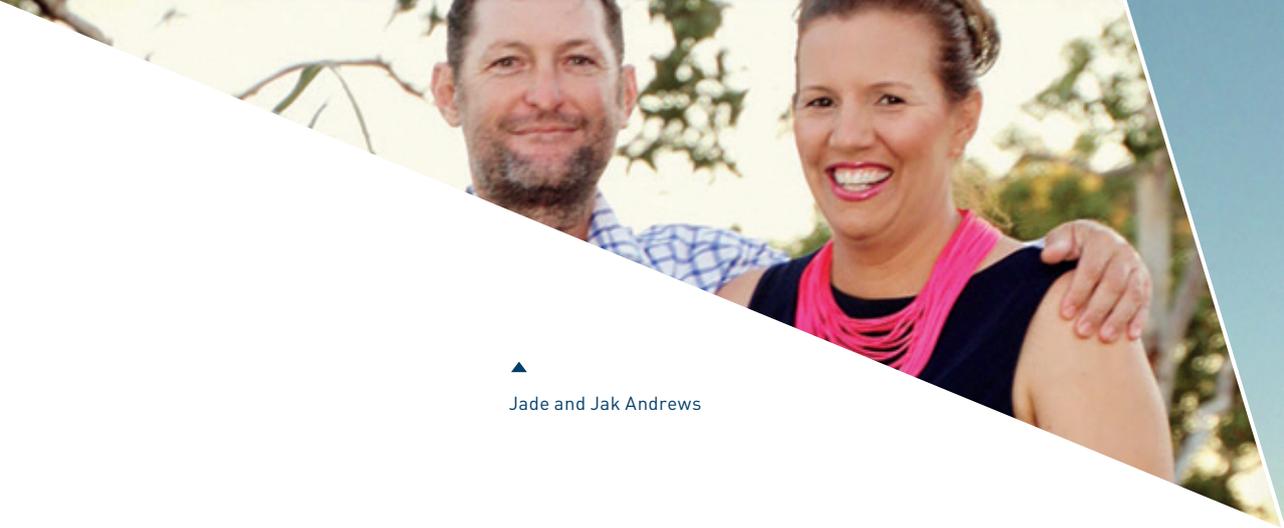
Alifia Imtinatul Fajri

University:
Brawijaya University, East Java

Host Station:
Victoria River Downs Station, Heytesbury Cattle Co

'I signed up to the programme because I wanted to learn about the station work and lifestyle, the landscape of the outback, and the culture. Before I went, I couldn't wait to work in the yard and the stock camp. This programme taught me how to work with different levels of management and personnel, to make quick decisions, and to use my cattle handling lessons from Indonesia. If there is a will, there is a way. The most important thing I learnt is how to work with cattle calmly because I learnt that if I rattle the cattle, it will double my job and I will be exhausted at the end of the day.'

◀ Indonesian participants arrive in Darwin, photo: NTCA



▲
Jade and Jak Andrews

What The Hosts Say

Rohan and Sally Sullivan

Station:
Cave Creek, Mataranka, privately owned

Hosts Since:
2012

'We see the programme as being valuable to us on many levels. We like to be able to offer such an amazing experience to students from Indonesia, often from less advantaged backgrounds, and observe their development as they step way outside their comfort zones. We keep in touch and enjoy seeing the students progress through their studies and careers. We hope they will fulfil their dreams of working in the cattle industry, as some, indeed, are doing. The constant exchange of information fosters much better understanding of each other. Family and staff, including indigenous staff, live and work with the students and learn to appreciate each other, despite differences in language, culture and religion. There are also similarities, and humour is a great leveller. On a business and industry level, both students and other people we meet on return trips to Indonesia provide a network for us across Indonesia. This can prove useful for local knowledge and understanding of our most important market, from feedlots to wet markets to how families live and eat. We believe students who enter the industry or the Indonesian bureaucracy will always be mindful of the effects of Indonesian policy on their Australian friends.'

Jade and Jak Andrews

Station:
Newcastle Waters, Barkly Tablelands, Consolidated Pastoral Company

Hosts Since:
2014

'Jak and I have been involved with this great programme for the past four years. We have enjoyed how it brings different cultures together, and allows the staff and students to experience this in many different ways. The questions asked by the students are both on an industry and personal level. These questions allow the students to not only get to know how we are involved in the station, but how the station affects our lives, including bringing up a family. The staff enjoy asking the students about their communities, their families, and how they live. Having been given the opportunity to participate in the reciprocal trip to Indonesia in 2014, I love the enthusiasm of the students to make us feel welcome and show us all aspects about their universities and their home country, and what the programme means to their involvement in the cattle industry. It was a great experience for me from gaining knowledge of the live export to the feedlot, and the steps taken to run and manage the feedlots. Jak and I are very proud that, with the support of the NTCA and this programme, we are supporting the live export trade for the next generations.'

Veny and Sekar after a long day of work,
photo: NTCA







I LEARNT SO MUCH
ABOUT THE OUTBACK,
STATION WORK AND
THE AUSTRALIAN
CULTURE.

Alifia Imtinatul Fajri

Victoria River Downs Station, Heytesbury Cattle Co

TWO PATHS TO A COMMON GOAL

Australia and Indonesia are taking a dual-action approach to raising standards in cattle and beef processing—with a long-term view to tapping expanding regional and global markets.

The leaders of Australia's cattle and red meat industry recognise the enormous potential of increased beef consumption in Indonesia and beyond. They also understand that, while there is much work to be done, achieving international best practice in Indonesia's meat processing plants is critical to expanding these regional and global markets.

According to Glen Eckhardt, Leading Vocational Teacher (Meat Processing) at TAFE Queensland South West, just a tiny percentage increase in beef consumption in Indonesia alone would require massive additional tonnage of beef.

'We are talking about a country that could have a consuming class of 135 million people by 2030,' Glen says. 'Increasing beef consumption can only be a good thing for the Indonesian and Australian red meat and cattle sector.'

To help Australia and Indonesia drive this demand, the Partnership has implemented two individual projects that will work over the years ahead to achieve globally recognised standards of meat processing in Indonesia. The projects operate in tandem and both are coordinated by TAFE Queensland South West

Raising Standards Through Operating Procedures

The first of the two projects sees Australian experts working with owners and managers of select Indonesian abattoirs, to develop a set of standard operating procedures (SOPs) that aim for global best practice in meat processing.

The SOPs include a focus on processes that are hygienic, humane and efficient. They are designed to meet international expectations and, in the long term, aim to help the Indonesian abattoirs pass audits by third-party countries or corporate customers.

These SOPs, which are tailored to the needs and capacities of each individual abattoir, are written in Bahasa Indonesian and in a format that should be easily understood by the workers in the abattoir.

Glen Eckhardt says the project gives Indonesian processors the opportunity to benchmark their operations against the best in the world.

'Participants have the chance to see Australia's processing standards first hand. We export about 60 to 70 per cent of our beef production to about 80 different countries, so we are the world leaders in this area,' Glen says.

'So far we have had five Indonesian processing plants implement a range of new processing programmes including pre-operational hygiene checks, meat hygiene assessments and quality assurance monitoring.'

'In the long term this will open the possibility for Indonesian abattoirs to start supplying large restaurant chains and international hotels. That will ultimately result in increased demand for Australian cattle. It will also open up future possibilities for the Australian meat industry to expand and invest into Indonesian processing.'

Glen says, after a period of two to four months to allow for implementation of the SOPs, the project team will visit each abattoir in Indonesia, to observe whether or not any additional training or assistance is required to modify the plant or its work practices.

By acting as 'champions' of the industry, the participating abattoirs will lead the way in developing larger domestic and export markets for Indonesian and Australian producers.



▲ Participants get ready to enter the processing facility in Gympie, photo: TAFE Queensland South West

Raising Standards Through Skills Development

The second of the projects under the Partnership is the Meat Production, Processing and Supply Chain Management Short Course conducted by TAFE Queensland South West.

This course targets the people working on the floor of abattoirs, and allows for 10 employees of Indonesian abattoirs to visit Australia each year. These employees are drawn from the abattoirs that participate in the SOP project.

In groups of five or six, the workers undertake a six-week short course. The first week is theoretical training conducted at TAFE Queensland South West, with the remaining five weeks spent training at Nolan Meats, a world-class beef processing facility in Gympie near Brisbane.

Through hands-on experience, theoretical training and instruction from Australian industry experts, the participants develop skills in animal welfare, food safety, hygiene and commercial production standards.

These skills help the workers to better understand and appreciate the SOPs that are implemented at their Indonesian abattoirs.

Terry Nolan, Director of Nolan Meats and a member of the Partnership, believes the short course has benefits for both the Australian and Indonesian sectors of the industry.

‘As with any long term business, so much depends on the relationships,’ Terry says. ‘We believe that any respected supplier’s goal should be to provide solutions for their customers.’

‘The various programmes within the Partnership are endeavouring to do just that—provide solutions and strengthen relationships. It’s all about delivering real skills that can help Indonesia to build a world-class beef industry.’

‘The Partnership has tailored several programmes aimed from the grass roots people actually performing the hands-on tasks, right through to those that may have an input into future policy decisions.’

By working to raise the standards of Indonesian meat processing at both the management and staff levels, these two Partnership projects are underpinning the strategic goal to improve the long-term sustainability, productivity and competitiveness of Indonesia’s cattle sector.

For more information on the projects, visit agriculture.gov.au/partnership



THE PARTNERSHIP'S PROCESSING PROGRAMMES ARE WORKING TO PROVIDE SOLUTIONS AND STRENGTHEN RELATIONSHIPS.

Terry Nolan
Nolan Meats



SKILLS PROGRAMME EXPANDS HORIZONS

The Partnership's Skills Development Programme for 2016 has expanded the knowledge base of 66 Indonesian participants, who took part in a variety of courses in Australia.

Since the commencement of the Partnership in 2013, a major focus has been placed on enhancing the skills and broadening the industry knowledge of Indonesian farmers, meat processors and government officials.

The Partnership aims to utilise Australian expertise to achieve these objectives, with the understanding that investing in the development of the workforce is an investment in innovation and productivity across the region.

'Skills development, with a focus on problem solving, promotes more dynamic, resilient and responsive individuals and organisations in the industry,' says Peter Fitzgerald, a project officer at the University of New England.

The Skills Development Programme, which is managed by Australia Awards Indonesia, provides four different short courses that are delivered in Australia. Participants engage in a mixture of classroom learning, field work and site visits, to gain a greater understanding of the Australia-Indonesia red meat and cattle supply chain.

Each of the four courses targets a different group from across the sector, from farmers to processors to policy makers, enabling the programme to cover all aspects of the industry.

In the producer and junior policy courses, tailoring the training for each participant is achieved through the development of individual 'award projects'.

Each participant identifies a tangible change they would like to make when they return to work, and the course facilitators ensure they are given the right information and support to make that change.

Jaki Mudzakir, a feedlot supervisor at PT BMT in West Java, participated in the Animal Husbandry and Cattle Production course at the University of New England, and found the training directly relevant to his work.

'I gained knowledge on feed mixing, cattle management and breeding, which will help me to do my job better and hopefully get me a promotion,' Jaki says.

Ade Artono, a farmer from Riau, also found the experience very useful.

'The lessons about body condition score, drafting, estimated breeding values, nutrition and determination of cattle breeds appropriate for development in Indonesia were very useful for me. I will share this knowledge with my fellow farmers and apply the things I have learned when I return to Indonesia,' Ade says.

Encouraging Industry Ties Across The Region

In addition to formal training and hands-on experience in Australia, the Skills Development Programme fosters links between Australians and Indonesians working in the sector.

Australians involved in the programme—including course providers, farmers, industry specialists and government representatives—have the chance to meet their Indonesian counterparts, and to gain a greater appreciation of the Indonesian context and the Indonesian people. This helps participants from both countries to form professional support networks, and to continue their professional development.

Following the return of participants to Indonesia in 2015, a three-day alumni event was hosted in Jakarta, allowing the participants to reconnect with their fellow course members and their Australian course leaders.



▲
Senior Policy course participants,
University of Sydney

These participants were able to discuss their experiences of integrating back into their Indonesian workplaces, and how they implemented the changes they wanted to make at their work sites or on their farms. The event was also a chance for participants to receive additional advice and support from each other and the course leaders.

On the third day of the event, the Red Meat and Cattle Symposium was held, with high-level representation from both the Indonesian and Australian governments. Covering a range of topical sector issues, the symposium allowed for further networking and helped to strengthen regional ties.

In 2017, the Skills Development Programme will expand to bring 80 Indonesian participants to Australia.

For more information on the Partnership, visit agriculture.gov.au/partnership

Junior policy awardees visiting a wagyu cattle farm,
University of Queensland



PARTICIPANTS LEARNT ABOUT DEVELOPING AND IMPLEMENTING LIVESTOCK POLICY ACROSS THE ENTIRE BEEF SUPPLY CHAIN IN AUSTRALIA.

Dr Mal Wegener

Course Leader, University of Queensland



Animal husbandry and cattle production

University of New England

Success Rates:
30 Participants in 2015
30 Participants in 2016

Aimed at cattle producers, this course covers specialist aspects of animal health and husbandry. There is a large practical component at Longreach and Emerald Agricultural Colleges, where participants can observe cattle husbandry first hand.

‘Through a combination of field visits, work placements and extracurricular activities, participants met with a wide range of Australian beef industry professionals including cattle producers, feed lot operators and a range of professionals from industry bodies and industry consultants to learn firsthand about their businesses and experiences.’

**Peter Fitzgerald, Project Officer,
University of New England.**

Policy development for livestock production and supply chains

University of Queensland

Success Rates:
10 Participants in 2015
15 Participants in 2016

This course provides Indonesia’s emerging Ministry of Agriculture staff with an understanding of evidence-based agricultural policy making. Classroom learning is complemented by visits to Australian Government departments, industry groups, and farms.

‘Through sessions delivered on policy fundamentals and the Indonesian strategic policy hierarchy, participants were better able to think of themselves as public servants who contribute to both the policy priorities of the Ministry of Agriculture and the broader policy mandate of the Indonesian Government.’

**Dr Greta Nabbs-Keller, Course Facilitator,
University of Queensland.**

Meat production, processing and supply chain management

TAFE, Queensland South West

Success Rates:
10 Participants in 2015
12 Participants in 2016

This course is designed for staff working in Indonesian abattoirs that have the desire and potential to reach export standards. The course has a focus on hygienic meat processing, with one week of theory complemented by five weeks of working in a meat processing plant in Gympie, Queensland.

‘Our participants have been exposed to cattle production and processing systems that are necessary to bring Indonesia up to export-ready status in the future. These include pre-operational hygiene checks, meat hygiene assessments, and quality assurance monitoring. This training has already had an impact in a number Indonesian processing plants.’

**Glen Eckhardt, Leading Vocational Teacher,
TAFE Queensland South West.**

Sharing good practice in Australian and Indonesian livestock industries

University of Sydney

Success Rates:
9 Participants in 2016

This course allows senior Indonesian bureaucrats in relevant policy-making roles to gain a better understanding of the Australian approach to cattle production and trade policy. The course includes interaction with Australian Government departments and industry groups.

‘The participants felt they were better able to understand the global red meat industry and their place in it. The students in the group were able to consider their organisation’s role and their own role in Indonesia’s livestock processes and systems from a fresh perspective.’

**David Boyd, Course Coordinator,
University of Sydney.**

Participation to reach triple figures in 2017

While visiting Jakarta for three days in August 2016, Australia's Minister for Trade, Tourism and Investment, Steven Ciobo, announced a boost for the Partnership's knowledge-sharing initiatives.

Minister Ciobo announced that in 2017 a total of 100 Indonesians would be trained through the Skills Development Programme and the Northern Territory Cattlemen's Association Pastoral Student Programme.

'We will commit at least \$2 million to ensure this happens,' Minister Ciobo said.

'The courses delivered under these programmes have proven to be incredibly successful at strengthening the bonds between our two countries.

'We are committed to increasing the level of cooperation with the Indonesian red meat and cattle industry, and to help in whatever ways we can to improve Indonesia's capacity in this important sector.'

Graduates of the two programmes have been highly sought after by employers in Indonesia, including by Indonesian industry and government, as well as Australian-based companies operating in Indonesia.

While in Jakarta, Minister Ciobo met with the newly appointed Chairman of the Indonesian Investment Coordinating Board (BKPM), Thomas Lembong and Trade Minister Enggartiaso Lukita. The ministers discussed the Partnership and how it is helping to deliver significant and mutually beneficial economic outcomes for the cattle industries in their respective countries.

'We look forward to continuing our close working relationship with the Indonesian red meat and cattle industry, and to build on this even further by strengthening our broader trading relationship through the Indonesia-Australia Comprehensive Economic Partnership Agreement,' Minister Ciobo said.

Minister for Trade, Tourism and Investment Steven Ciobo (left) meets with the Indonesian Trade Minister Enggartiaso Lukita (centre) and the Chairman of the Indonesian Investment Coordinating Board Thomas Lembong (right)





INDONESIA AUSTRALIA RED MEAT & CATTLE PARTNERSHIP

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