SUPPORT FOR THE 2018 INDONESIAN BREEDER IMPORT PROGRAM

This document summarises reporting from LiveCorp to the Australian Government on the welfare of breeding cattle exported to Indonesia under the Indonesian Government’s 2018 national breeding program. It has been prepared to ensure transparency about the project findings while remaining respectful of the important and valued diplomatic and trading relationship between the two countries. The photographs used in this report have been sourced from both Australia and Indonesia to depict representative cattle condition benchmarking.

Summary

With a growing middle-class population, the Indonesian Government has a long-standing policy to improve food security, including boosting its beef industry to provide greater access to affordable meat. One of the initiatives is the national cattle breeding program.

Australia is a key trading partner and the main supplier of cattle to Indonesia. There are several aid and partnership agreements in place to advance Indonesia’s goals, with the Australian Government and livestock export industry providing a range of support programs for many years.

While many larger lotfeeding and commercial breeding operations are highly skilled in the management of Australian cattle, smallholder farmers and cooperatives are generally acknowledged as requiring more support in the form of training to manage animal health and welfare issues.

Following the commercial purchase of Australian cattle in late 2018 by the Indonesian Government for distribution to cooperatives and smallholders across two regions, the Australian Government and industry agreed to engage LiveCorp to develop a project to observe and report on their welfare and capture learnings to inform future programs. Indonesian authorities recognised the potential benefits of the project.

Local Indonesian field officers, supported by technical and veterinary experts, visited 132 cooperatives, many of them multiple times, to observe the condition of the cattle and provide advice and assistance to the smallholders where needed. Information was gathered on the resources available, such as labour, feed, clean water and shelter; the skills of those managing the cattle, including their husbandry and nutritional knowledge; and the condition of cattle along with any mortalities.
The results were mixed. Of the cooperatives observed by the program, approximately 42% of cooperatives were considered ‘well-performing’ (requiring no support), 29% ‘mid-performing’ (requiring some support) and 29% were ‘poor-performing’ (requiring considerable, immediate support), based on body condition score (Figure 1). At the completion of the program, 72 mortalities had been recorded (2.9% of the more than 2500 cattle observed). Several issues that compounded the challenges of managing cattle in smallholder cooperatives were identified, including severe drought conditions, remote access, limited access to appropriate feed and water supplies, competing priorities (such as other work or businesses the farmers managed), limited resources (including finances) and limited ability to access regular technical support.

Generally, cooperatives were open to support and receptive to advice and practical guidance. The project found that the provision of training and knowledge resulted in positive outcomes for both the cattle and farmers in smallholder cooperatives. However, the development of a longer-term strategy, with official and operational frameworks which can capture and take forward learnings, is required for improvements to continue. This presents an opportunity for respective industries and governments to provide programs that improve the skillset of smallholder Indonesian farmers and in turn help to meet the Indonesian Government’s longer-term goals and Australian community expectations.

The learnings from this project provide the basis for further discussions between industry, the Australian and Indonesian governments regarding how they can work together. These learnings fall into the following broad areas:

- People and their capacity
- Preparation and support through co-investment
- Program governance and administration.

Figure 1. Real examples of northern Australian breeding cattle with different body condition scores. a) Body condition score 1; b) Body condition score 3; c) Body condition score 5. Fat reserves are important for reproductive performance and milk production, and to enhance cow health and welfare. Images by Jo Miller, formerly Queensland Government; sourced from FutureBeef https://futurebeef.com.au/knowledge-centre/body-condition-score-for-beef-cattle/
Introduction

Beef consumption in Indonesia is growing due to a large population, expanding middle-class, rapid urbanisation and robust economic growth. Domestic production (from local cattle and those imported from Australia) accounts for around 65% of beef demand. To reduce reliance on imports and increase Indonesia's cattle population through breeding in order to provide consumers with access to affordable meat, the government has introduced policies aimed at increasing the domestic herd. These include importing breeding cattle, artificial insemination, preventing the slaughter of productive females, cow insurance schemes, and improving credit facilities for farmers.

While commercial operations are regarded as highly skilled in the management of cattle, including those from Australia, smallholders and cooperatives require support to grow their knowledge, skills and access to resources. These farmers own or manage relatively small plots of land, often depending on family labour.

The export of breeding livestock sits outside of the Exporter Supply Chain Assurance System (ESCAS) as the Farmer Review recognised that it is not ‘practical or reasonable’ to maintain a ‘line of sight’ arrangement, given the ‘many years that breeders may live prior to being sold for slaughter’. However, Australian livestock exporters have publically stated their commitment to supporting best practice and ensuring all animals they transport overseas are well cared for at their destination. Considerable government and industry resources are mobilised to support improvements in knowledge and understanding of good animal husbandry practices for farmers in countries that import Australian cattle.

In late 2018, the Indonesian Government imported 1,225 head of cattle from Australia into Java (and Kalimantan) and 1,450 into Sumatra, distributing them to cooperatives and smallholders as part of the national cattle breeding program.

Following the commercial purchase of Australian cattle in late 2018 by the Indonesian Government for distribution to cooperatives and smallholders across two regions, the Australian Government and industry agreed to engage LiveCorp to develop a project to observe and report on their welfare and capture learnings to inform future programs.

Advice provided to upskill smallholder cooperatives

Local Indonesian field officers were engaged to support the observation of Australian cattle in smallholder cooperatives, coordinated by a project team in Indonesia in close consultation with LiveCorp.

They visited approximately 132 cooperatives across Java and Sumatra, which accounted for more than 2,500 head of cattle; some on multiple occasions. Observations were made on animal housing, access to clean water and feed of sufficient quality and quantity, as well as the knowledge of husbandry and skills of the farmers.

1The Independent Review of Australia’s Live Export Trade, carried out by Bill Farmer AO for the Department of Agriculture and Water Resources, August 2011
The program also considered farmers’ overall preparedness to manage seasonal changes, including fodder supplies going into the dry season. The field officers were provided with basic veterinary supplies and an online, real time communication system that allowed instant access to technical experts and veterinary advice if required.

The health of the cattle was recorded using a common management tool known as ‘body condition score’ – a visual assessment of the amount of fat and muscle covering each animal’s bones. A score of ‘1’ indicates poor condition and ‘5’ is considered fat (Figure 1). Mortalities were also recorded. Poor performing cooperatives were considered to have greater than two herd mortalities from the time the cattle arrived and/or greater than 20% of cattle with a body condition score of ‘1’.

71% of cooperatives observed required only some, or no support

A total of 42% of all cooperatives observed were considered ‘well-performing’ as their herds had no mortalities recorded and no cattle with a body condition score of ‘1’ during the time the two projects were running. Farmers managing these cooperatives were enthusiastic and eager to engage with the cattle, provided adequate feed and water, had a clear understanding of good animal husbandry practices, and did not require further training or support to improve animal welfare.

An additional 29% of all cooperatives observed required some level of support and were considered ‘mid-performing’ farms. The support required primarily related to cattle nutrition, because while these cooperatives did not have mortalities, up to 20% of the cattle had low body condition scores during the first visit. Farmers managing these cooperatives had a desire to learn more and improve practices, but the capacity to improve was impacted by a lack of funding and resources to support workloads and improvements to yard design and shelter. Repeat visits demonstrated that the support and information provided by field officers was adopted by the farmers, as the body condition scores of the cattle was observed as improving during subsequent visits.

Lack of funding impacted farmers’ ability to improve yard design and provide shelter

Approximately 29% of cooperatives experienced challenges in managing the health and welfare of their cattle. Support to increase the skill and capacity of the farmers involved in these cooperatives was prioritised by the project management team. While some had a lack of understanding of good animal husbandry practices coupled with little desire to increase their understanding, others took on the support and information provided and improvements were observed in subsequent visits.

Many farmers were eager to engage with the cattle
SUPPORT FOR THE 2018 INDONESIAN BREEDER IMPORT PROGRAM

There were several issues that compounded the challenges of managing the cattle in smallholder cooperatives. In the worst dry season since 2015, many regions of Indonesia have been at the highest level of warning during 2019. Farmers also had to deal with remoteness, limited access to appropriate feed and water supplies, competing priorities, limited resources (including finances) and limited ability to access regular technical support. These challenges added social pressures on the cooperative structures as workloads increased. Strong leadership within the group was commonly observed as a key factor for the cooperatives that performed well in the face of these challenges.

Out of the more than 2,500 head of breeding cattle observed, 72 mortalities were recorded. The majority of the deaths were attributed to impacts from drought or health and welfare issues such as illness, birth, accidents and poor hygiene.

Training and support created positive changes in animal health and welfare

During the second project (May to August 2019), the local field officers were provided with training materials to support opportunities for information sessions with local government officials and farmers.

Generally, most cooperatives were open to support and receptive to advice and practical guidance, which resulted in improved outcomes for the cattle observed as part of this project. Field officers noted the farmers were often keen to gain new information and practical skills in order to better manage the cattle and improve animal welfare, often requesting the field officers stay for longer than a day.

One of the learnings from the project was the need for more time to be allocated to farmers to enable the effective transfer of the necessary skills and capabilities. The results also demonstrated that good leadership in the cooperatives was essential to ensuring social harmony and appropriate labour division which, in turn, achieved beneficial outcomes for the cattle.

Opportunities for Australia to support Indonesian smallholders

This project identified important knowledge gaps in various segments of Indonesian smallholder cattle operations regarding:

• the level of skills and workload required to manage body condition score and husbandry of breeding cattle
• feed management and storage, including through seasonal changes and climate challenges
• the complexities of managing husbandry requirements, including exercise and social interaction requirements for cattle which are important for their wellbeing and breeding performance.

Severe drought restricted access to appropriate feed and water supplies.
These issues are compounded by additional challenges, such as access to farm labour and funding to ensure the requisite workload can be managed with the appropriate tools and infrastructure. There are several opportunities to provide additional support and help to direct Australia’s exported cattle to cooperatives that are best placed to manage their welfare and benefit the local community:

- engaging locally based field officers to help smallholders prepare for the arrival of the cattle
- providing training materials on topics such as husbandry and nutrition
- ongoing dialogue between the two governments
- involving industry bodies in both countries.

A longer-term approach is required

The development of a long-term strategy involving industry and government in both countries may improve the ability of Indonesian smallholder cooperatives, and the beef industry generally, to contribute to the Indonesian Government’s food security goals. The outcomes from this project have highlighted the importance of having local field officers capable of providing effective and meaningful transfer of knowledge and skills, and shown that farmers are willing to take on this information and improve their practices.

In addition to existing government support, there is a clear place for the Australian industry to continue its proactive work supporting animal health, welfare and productivity outcomes for cattle that are exported overseas for breeding purposes. The provision of expertise and training will ultimately result in more effective breeding programs.

Further information

The Indonesia Australia Partnership on Food Security in the Red Meat and Cattle Sector (the Partnership) runs until 2023, with AUD $60 million over ten years in funding from the Australian Government. [http://www.redmeatcattlepartnership.org/](http://www.redmeatcattlepartnership.org/)

The Indonesia-Australia Commercial Cattle Breeding Program sits within the Partnership, and is testing three models to potentially expand commercial-scale beef cattle breeding: (1) Integrated Oil Palm and Cattle Production; (2) Open Grazing and (3) Smallholder Cut and Carry. [http://www.iaccbp.org/](http://www.iaccbp.org/)

The IndoBeef program aims to significantly improve beef production and the livelihoods of smallholder farmers across five provinces in Indonesia. Funding is made available through Australia’s Department of Foreign Affairs and Trade (DFAT) and The Australian Centre for International Agricultural Research (ACIAR). [https://www.indobeef.com/](https://www.indobeef.com/)

Acknowledgements

This project was funded through a grant from the Australian Government.