# FOREWORD: COOPERATION IN ACTION

**Projects conducted under the Indonesia-Australia Partnership on Food Security in the Red Meat and Cattle Sector are having a very real impact at ground level.**

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

The Partnership is a fine example of the spirit of cooperation that exists between Indonesia and Australia. Backed by $60 million from the Australian Government through to 2023, it is about laying the foundations to improve the productivity, sustainability and competitiveness of the regional red meat and cattle supply chain, and to build long-term trade and investment between Indonesia and Australia.

These objectives were reiterated by President Joko Widodo and Prime Minister Malcolm Turnbull during the Annual Leaders Meeting in Sydney on 25-26 February 2017. Both leaders underlined the importance of maintaining a stable supply of affordable food, reaffirming their commitment to strengthen cooperation in the red meat and cattle sector. President Widodo and Prime Minister Turnbull recognised the progress made through the Partnership, and agreed that open trade and constructive dialogue are the best means to enhance productivity, stabilise prices and grow markets[[1]](#footnote-1).

The Partnership continues to deliver tangible results through specific projects that share knowledge and resources between the people of Indonesia and Australia. We are delighted to be able to highlight some examples of this cooperation throughout the pages of this newsletter.

It is wonderful to read the stories of women such as Ibu Sabarita Ginting and Ibu Frieska Ayu Pamela, both of whom have benefitted enormously from the Partnership’s Skills Development Programme and the opportunities it is opening up for women in the sector. Similarly, the experiences of processing workers Pak Sumanta and Pak Agung Bakti provide inspiration for others interested in developing their industry skills.

Mr Dick Slaney’s update on the Indonesia-Australia Commercial Cattle Breeding (IACCB) Programme demonstrates that genuine progress is being made to engage Indonesian corporate enterprises and smallholder cooperatives on sustainable breeding methodologies. The work in places such as Benkgulu and East Java sheds light on how nutritional advice and resources can be tailored to achieve varying results in cattle breeding and productivity.

Meanwhile, the interview with Mr Greg Smith, project manager of the East Kalimantan Breeder Support Programme, clearly demonstrates the challenges smallholder producers face in pursuing breeding projects.

These are just a few examples of the Partnership at work. The governments of Indonesia and Australia, along with industry representatives from both countries, remain committed to funding further projects that are mutually beneficial in the development of a productive and sustainable red meat and cattle sector.

We also remain committed to the continued strengthening of the broader ties between our two great nations, fostering relationships and working collaboratively across both government and industry to enhance our focus on economic and development policies that deliver positive outcomes for both countries.

We look forward to working together towards the continued success of the Partnership.

**Ms Louise van Meurs (Australian Co-chair) and Dr Himawan Hariyoga (Indonesian Co-chair)**

INVESTMENT, PRICING A FOCUS AT FIFTH MEETING

**Bilateral investment, agricultural financing and global beef prices were among the many issues discussed at the fifth Partnership meeting held in Perth, Australia.**

On 16 and 17November 2016, Indonesian and Australian government officials and industry leaders of the red meat and cattle sector came together in Perth, Australia to participate in the fifth meeting of the Partnership.

In opening the meeting, both the Indonesian Co-Chair, Dr Himawan Hariyoga, and his Australian counterpart, Ms Louise van Meurs, emphasised the Partnership’s objectives in working to promote two-way investment between Indonesia and Australia. This mutual investment is essential to developing a competitive, efficient and sustainable red meat and cattle sector across the two countries, as well as supporting food security in Indonesia.

Both co-chairs acknowledged the Partnership’s role in strengthening the Indonesian-Australian red meat and cattle industry as part of a globally competitive supply chain.

This recognition of global opportunities extended to the meeting’s policy dialogue sessions, which covered the topics of agricultural financing and the impact of global supply chains on beef prices.

The first policy dialogue provided an overview of the different models of agricultural financing in Australia and how these models could be adapted to deliver inclusive financing for red meat and cattle production in Indonesia. This session included presentations from Mr Andrew Clarke (State Manager Agribusiness, National Australia Bank, Western Australia) and Mr Daniel Marshall (Manager, New Markets and New Supply Chains, Department of Agriculture and Food, Western Australia). The presenters explained the Australian model of providing minimal government assistance to farmers to ensure commercial sustainability. This presentation sparked dialogue on how the Government of Indonesia might approach financial incentives to support the country’s red meat and cattle production sectors.

The meeting’s second policy discussion addressed the impacts of global red meat supply chains on price sensitivity in Australia and Indonesia. To help Partnership members explore these impacts, Dr Brian Fisher (Managing Director, BAEconomics) and Dr Scott Waldron (Senior Research Fellow, University of Queensland) delivered a presentation on global trends that may affect the Indonesia-Australia cattle and beef trade. The policy dialogue considered the global drivers for the Indonesian beef industry and explored policies that could be implemented to capitalise on Indonesia’s comparative advantage in global and regional supply chains. Discussions also turned to current pricing levels in the Indonesian beef market and what measures might be taken to reduce these levels.

VALUABLE UPDATES PROVIDE CLEAR DIRECTION

At the fifth meeting of the Partnership, members reviewed progress of the Indonesia-Australia Commercial Cattle Breeding Programme (IACCB), one of the flagship initiatives funded under the Partnership. The programme’s team leader, Mr Dick Slaney, provided an update on pilot projects already established and gave an outline of further pilots expected to be underway by mid 2017 (see article on page XX for more details).

Partnership members were also updated on the development of a Monitoring and Evaluation Framework to guide the Partnership’s strategic oversight and the implementation of its individual projects. The framework is being designed to help ensure the Partnership is progressing towards its vision and intended outcomes. It will provide clear protocols for sound management and accountability, avenues for continued learning and improvement, and approaches to replicating and scaling up successful Partnership activities.

Members endorse Joint Industry Vision

During 2016, a broad range of Indonesian and Australian red meat and cattle industry stakeholders worked towards a Joint Industry Vision for the two countries. These consultations once again demonstrated the positive outcomes that can be achieved through open and positive dialogue between Indonesia and Australia.

At the fifth meeting, Partnership members were presented with the overarching Joint Industry Vision statement:

‘*A prosperous Indonesian and Australian red meat and cattle industry built on competitive advantage, strong relationships across the supply chain, and mutually beneficial investment, trade and innovation.’*

Partnership members noted that the Indonesian and Australian industries would now focus on developing a more detailed Joint Industry Strategy (see article on page XX for more details). The strategy will outline how the Australian and Indonesian governments, industry participants, business representatives, and the Partnership itself can contribute to achieving desired long-term outcomes.

Critically, the Joint Industry Strategy will help the Partnership identify priority areas of focus and funding from 2017–18 onwards. It is due to be tabled at the sixth Partnership meeting in August 2017.

For more information about the Partnership, and the communique from the fifth meeting, visit [agriculture.gov.au/partnership](http://www.agriculture.gov.au/partnership)

Feature Box

FINDING NEW WAYS TO WORK TOGETHER

At the Perth event, the Partnership trialled a new format whereby working groups met directly with project leaders prior to the commencement of the official Partnership meeting.

This allowed working groups in the priority areas of breeding, processing and logistics

to cover off on specific details of their particular projects funded.

Each working group then made a presentation to the Partnership meeting, outlining progress made on individual projects, key issues identified, and future priorities to be considered. These presentations covered the following Partnership projects currently being funded:

* development of standard operating procedures in Indonesian abattoirs
* promoting sustainable, commercial-scale cattle breeding in Indonesia
* cattle breeder support activities for East Kalimantan smallholders
* development of best practice guidelines for cattle-handling from port to feedlot
* short courses under the Skills Development Programme
* the Northern Territory Cattlemen’s Association Pastoral Student Programme.

The new meeting format was well received by members and provides yet more evidence that the Partnership is constantly evolving to enhance cooperation between Indonesia and Australia.

STEPPING FORWARD ON NEW PATHWAYS

**Through a selection of short courses, the Partnership’s Skills Development Programme is providing new opportunities for women in agriculture.**

For over 12 years, Ibu Sabarita Ginting has worked as an agricultural education officer throughout Deli Serdang in North Sumatra, providing ongoing support to farmers in small villages across her district in Indonesia.

In 2016, Ibu Sabarita seized the opportunity to participate in the Animal Husbandry and Cattle Production short course in Australia, as part of the Partnership’s ongoing efforts to exchange knowledge and enhance industry skills.

The course is conducted out of the University of New England, with a large practical component at agricultural colleges in Longreach and Emerald in Queensland, where participants can observe cattle husbandry first hand.

Through a combination of field visits, work placements and extracurricular activities, participants meet with a wide range of Australian beef industry professionals including cattle producers, feed lot operators and representatives from industry bodies.

For Ibu Sabarita, the six weeks of training was invaluable.

“The learning system is so different in Australia,” she says. “They bring to life what is being taught.”

Ibu Sabarita gained extensive knowledge of Australia’s advanced cattle system, attending the university, making field trips and visiting cattle farmers, colleges and special education facilities.

On returning home from the short course, Ibu Sabarita became something of a celebrity among the group of cattle farmers she supports. She says the experience has, more importantly, enhanced her credibility among her farmers and co-workers.

“The course has enhanced my status and now I am the go-to person for all cattle projects,” she says.

Using her training from Australia, Ibu Sabarita has been helping Indonesian cattle farmers improve things like feed systems and the quality of their livestock. She has found that a collection of photographs taken on her course has enabled her to connect with both men and women about better farming practices.

“I talk to my farmers about the farming systems and now I get invited back to talk on my experiences and show my photos,” Ibu Sabarita says. “I also have 90 colleagues that I now share my new knowledge with.”

Ibu Sabarita says that, by showing farmers pictures of healthy Australian cattle, she has been able to raise expectations that Indonesia can also produce high quality cattle.

“Together we can change mindsets,” she says.

Ibu Frieska Ayu Pamela is another who believes Indonesia can take many positives from learnings provided in Australia.

Ibu Frieska is a junior policy officer in the Feed Directorate, Directorate-General of Livestock and Animal Health, within Indonesia’s Ministry of Agriculture. She participated in the Policy Development for Livestock Production and Supply Chains short course in 2015.

The course is conducted out of the University of Queensland, and 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.

Ibu Frieska joined the course because she wanted to learn specifically about livestock policy in Australia, a world leader in the red meat and cattle industry and one of Indonesia’s key trading partners in the sector.

Ibu Frieska was impressed by the course, in which participants were given the chance to sit with high-level officials who play a key role in the Australian livestock industry. She found that, throughout the course, her input was respected and appreciated, with differing opinions and healthy debate actively encouraged by her Australian hosts.

This is an attitude Ibu Frieska took with her when she returned to Indonesia after the six-week course.

“I can now freely express my opinions,” she says. “In the past, I tended to keep quiet in meetings.”

Ibu Frieska is now able to share her first-hand experiences of the Australian cattle industry, pointing out that Indonesia generally has cattle farming conditions similar to, or better than, those in Australia. She has also been able to follow through her course project on how to encourage more cattle farmers to use legumes as a quality source of feed. Starting this year, Indonesia’s Ministry of Agriculture has launched an initiative to plant 13,000 hectares of legumes across the country.

As a graduate of the Partnership’s Skills Development Programme, Ibu Frieska is now asked to be involved in all matters related to her ministry’s foreign cooperation, particularly with Australia. With her increased knowledge of the red meat and cattle industry, she is also better placed to support key policies on increasing Indonesia’s beef production.

THE SKILLS DEVELOPMENT PROGRAMME:
SHARING KNOWLEDGE TO STRENGTHEN TIES

Australia and Indonesia have recognised that, to accelerate the development of the red meat and cattle sector in Indonesia, both countries must help prepare industry professionals to identify and address emerging challenges and opportunities.

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 cattle farmers, red meat processors, policy makers and government officials.

Australia’s successful cattle and beef export industry, along with its globally recognised educational institutions, can make a vital contribution to the long-term sustainability, productivity and competitiveness of the red meat and cattle sector in Indonesia.

The platform for sharing sector knowledge between Australia and Indonesia has been established through the Skills Development Programme, a flagship initiative of the Partnership.

With an investment of $3.3 million over 2015 and 2016, the Skills Development Programme has, through four tailored short courses conducted in Australia, enhanced the vocational skills and expertise of 121 people from the Indonesian industry.

Backed by four separate Australian tertiary institutions, the programme covers a range of industry needs including: animal husbandry and cattle production; policy development for livestock production and supply chains; meat production, processing and supply chain management; and sharing good practice in Australian and Indonesian livestock industries.

For more information on the Skills Development Programme, visit [agriculture.gov.au/partnership](http://www.agriculture.gov.au/partnership)

Small changes create HIGH hopes

**Having participated in the Partnership’s Skills Development Programme, Indonesian meat processors are learning that simple operational changes can have a big impact on attitudes.**

Pak Aswar is a veterinarian who oversees animal welfare at Cibinong abattoir in West Java, Indonesia. In 2015, he travelled to Australia to take part in the Partnership’s Meat Production, Processing and Supply Chain Management short course.

Conducted by TAFE Queensland South West, the six-week course is designed for staff working in Indonesian abattoirs that have the desire and potential to reach global export standards. Participants develop skills in animal welfare, food safety, hygiene and commercial production standards.

The first week of the course is theoretical learning and instruction in the TAFE classroom, with the remaining five weeks spent training at Nolan Meats, a world-class beef processing facility in Gympie near Brisbane.

Coming from a government-operated abattoir that processes only 20 to 40 head of cattle each day, Pak Aswar was amazed by the modern equipment used at Nolan Meats, where over 500 head are processed every day.

While he acknowledges that it is unrealistic for operations in his abattoir to be fully automated, Pak Aswar is not discouraged about making improvements to current practices.

“We focus on producing better quality halal meat using the resources we have,” he says.

On his return from the short course, Pak Aswar shared his learnings with his colleagues and the abattoir’s management team, particularly on the need for improving hygiene and sanitation.

Measures implemented by management on Pak Aswar’s recommendation include using an existing water heater to sterilise knives and the introduction of knee-operated water taps to minimise hand contact. The abattoir has also recently received government funding to improve its railing system and gangway.

The improved conditions at Cibinong abattoir have not gone unnoticed. In October 2016, the facility won the national award as the best government abattoir in Indonesia.

“This award not only acknowledged the improvement of our physical facilities, but also good implementation of standard operating procedures,” says Pak Ade Kusmawati, manager of Cibinong abattoir.

following through on operating PROCEDURES

The development and implementation of standard operating procedures (SOPs) in Indonesian abattoirs has been a particular focus of Partnership course coordinators at TAFE Queensland South West.

The coordinators have initiated a special project that sees Australian experts working with owners and managers of select Indonesian abattoirs, to develop SOPs that aim for global best practice in meat processing.

The SOPs, which are tailored to the needs and capacities of each individual abattoir, include a focus on processes that are hygienic, humane and efficient.

Only those Indonesian abattoirs that commit to the SOP project are entitled to send employees to the Meat Production, Processing and Supply Chain Management short course in Australia.

One such abattoir is PT Cianjur Arta Makmur, which sent two members of its production team, Pak Sumanta and Pak Agung Bakti, to join the course in early 2016.

Both men were impressed by the course, particularly with the hands-on training at Nolan Meats, where they were taken through all the fundamental skills used for meat processing in Australia. These skills included pre-mortem and post-mortem beast inspection, boning and deboning.

Another highlight for the Indonesian visitors was the chance to observe the work ethic and discipline of the processing workers at Nolan Meats, and this impacted on the development of the SOPs for PT Cianjur Arta Makmur.

“I believe that we also have sufficient technical skills, however we have been lacking the discipline in following procedures,” Pak Sumanta says.

Using their experiences gained during the course, Pak Sumanta and Pak Agung began identifying areas for improvement at PT Cianjur Arta Makmur. Their immediate focus was on improving the hygiene and sanitation of the facility. They modified hand-operated taps into knee-operated ones, created a basic sprinkler system to shower cattle prior to slaughter, improved the lighting in the plant to enhance visual checking of carcasses, and strengthened the double railing systems in the facility.

In total, there were 11 upgrades to equipment in the abattoir to improve hygiene and sanitation. Pak Sumanta and Pak Agung believe that these changes have improved the shelf life of the meat processed at PT Cianjur Arta Makmur.

“We were all impressed by what we saw at Nolans, but it would be too expensive if we buy the same equipment that Nolans have,” Pak Agung says. “Hence, we asked a local workshop to build similar equipment for us at a fraction of the price.”

The SOP project includes Australian experts making follow-up visits to Indonesian abattoirs, to observe whether or not any additional training or assistance is required to modify the plant or its work practices.

During the follow-up visit to PT Cianjur Arta Makmur, the Australian project coordinators expressed great satisfaction with the improvements made in the abattoir.

“I was really impressed with how far they have come,” says Mr Glen Eckhardt, Leading Vocational Teacher (Meat Processing) at TAFE Queensland South West.

The abattoir’s management are now working on rolling out in-house training on the new SOPs to all workers. This training will be delivered by the abattoir’s quality assurance team, members of which have also participated in the processing short course in Australia. The team has developed a basic video to show meat production trainees how to properly perform each process.

Pak Sumanta and Pak Agung are confident that these incremental changes can make a lasting impact on their business.

For more information on the Skills Development Programme, visit [agriculture.gov.au/partnership](http://www.agriculture.gov.au/partnership)

BULLISH PROSPECTS FOR EAST KALIMANTAN

**The East Kalimantan Breeder Support Programme is providing invaluable training and resources for almost 50 farmer groups across the Indonesian province.**

Established by the Partnership in April 2016, the East Kalimantan Breeder Support Programme aims to assess, improve and document the economic viability of the province’s smallholder breeding cooperatives, clearly outlining and addressing the challenges faced by these cooperatives.

The Government of East Kalimantan, with financial support from the Indonesian Ministry of Agriculture, allocated 1,926 Australian heifers into 47 farmer groups in the districts of Paser Penajam Utara and Paser.

With the imported cattle on the ground in Indonesia, the support team—backed by the resources of the Partnership, Australia’s Northern Territory Government, Meat and Livestock Australia, and Austrex—has spent the past 12 months providing practical advice and hands-on training to farmer groups across the two districts.

The programme’s project manager, Mr Greg Smith, firmly believes the groundwork has been laid to see smallholder breeding prosper in East Kalimantan.

“This programme has enormous potential if it receives the assistance it needs over an extended period,” Mr Smith says emphatically.

“Many of the farmers here are very enterprising and motivated people. These are the ones who do a good job and get a return on their efforts.

“The farmers who have wanted to do well have done amazingly well.”

Mr Smith says that, despite some setbacks at the commencement of the programme, positive results are becoming an everyday reality.

“We had some initial issues with the condition of the animals coming out of quarantine and there were some hiccups with the local artificial insemination (AI) programme,” he says. “But since these issues have been fixed, production rates have risen dramatically.

“In time, we won’t be so reliant on AI.

“The astute farmer groups have pooled their money and outlaid the capital to buy their own bulls.

“The breeding programme has also produced its own bulls and some of these are beautiful animals. In another 12 months’ time, these young bulls will be of working age, so the potential is unbelievable.”

The progress made by the East Kalimantan Breeder Support Programme can be largely attributed to an ongoing commitment to improving animal productivity at the grassroots level.

Since its inception, the programme has commissioned a range of training courses, workshops and seminars, encompassing fundamental issues such as mating techniques, animal health improvements and supplementary feeding concepts.

“We are constantly working to bring the farmers who are not switched on up to speed,” Mr Smith says.

“We’ve identified problems on the ground and we’ve responded with training and education to address these issues. In the past 12 months, Dr Ross Ainsworth has conducted a total of about 50 seminars for farmers, government staff and anyone else who’s interested.

“We then follow up to see which farmers are on track and which ones aren’t, and we focus our assistance on the ones who seem to be struggling.

“Using this approach, we’ve had many, many positive results.

“We’ve had situations where we’ve identified animal productivity issues and—with the assistance of the local Dinas—we’ve seen body condition scores go from one to three inside two months, as well as higher pregnancy rates.”

Mr Smith says the challenge ahead lies with continuing to educate the farmer groups and encouraging local government representatives to understand and embrace new methods.

“What we need is education, education and more education,” he says.

“We need to find new and better ways to communicate basic breeding principles to the farmers through the local Dinas.”

The ability to communicate such information will have flow-on benefits for other provinces of Indonesia that are new to receiving Australian breeder cattle. Lessons from the East Kalimantan Breeder Support Programme will be compiled into practical documentation that will help guide Indonesia’s future breeder importation and smallholder breeding programmes.

For more information on this programme, visit www.agriculture.gov.au/partnership

COOPERATION MEANS CALVING IN BABULU

Pak Mursyid is a 47-year-old farmer working in Babulu, a subdistrict of Paser Penajam Utara in East Kalimantan. He lives in a small village about 75 kilometres southeast of the city of Balikpapan.

Ever since he was in elementary school, Pak Mursyid has been involved in breeding local Balinese cattle. However, as a member of the Lestari farmers group, which is working with the East Kalimantan Breeder Support Programme, Pak Mursyid is one of 23 farmers now looking after 50 Australian Brahman Cross cattle.

“They are much bigger than Balinese cattle,” he says. “They eat a lot, twice as much as local Balinese cattle.”

Pak Mursyid’s feeding regime includes collecting forage and using supplementary feed such as by-product from the local tofu factory and concentrate he occasionally receives from the local Dinas.

To date, Pak Mursyid’s group has collectively produced 43 calves. Overall, there are 17 farmer groups in Babulu looking after 513 cattle, which have produced 252 calves.

Most of the farmer groups in Babulu are using an intensive breeding system, whereby they keep their cattle in a communal pen.

“It is better for the farmers to look after the cattle in the communal pen,” says Ibu Tri Widayanti, a veterinarian from UPTD Puskeswan, an animal health centre in Babulu. “It motivates each farmer to do as good as, if not better than, other farmers in the group.”

Local participants and officials agree that collaboration is critical to the success of the East Kalimantan Breeder Support Programme.

“In managing this breeding programme, if we don’t make personal approaches to the farmers, it won’t work,” says Pak Prayogo, a local para veterinarian in Babulu. “If we do not visit the farmers regularly, we won’t know the real progress.”

“We are very grateful for the support that has been provided by Mr Greg Smith and Dr Ross Ainsworth,” adds Pak Joko Tri Fetrianto, head of the Agriculture and Livestock Department, Dinas Pertanian dan Peternakan, Paser Penajam Utara.

The programme’s project manager, Mr Greg Smith, underlines the importance of the link between local government and the farmer groups.

“If there is a good relationship and cooperation between the farmers and local Dinas staff, the programme can work well,” Mr Smith says.

logistics programme to

DRIVe PROFITABILITY

**With the release of the *Best practice guideline for the transport of cattle in Indonesia*, the Partnership has completed a vital first phase of its important logistics programme.**

Since its inception in 2013, the Partnership has worked diligently on its logistics programme, with the aim of enhancing cattle handling and transport protocols across Indonesia.

Improvements to animal handling may deliver a raft of benefits to the red meat and cattle industry in Indonesia. These benefits include less stress on livestock, better resistance to disease, fewer injuries or deaths, reduced animal weight loss while in transit, and safer working environments for drivers and handlers.

Ultimately, an improved logistics chain increases productivity, delivering better quality meat and prolonged shelf life of processed product. The result will be a more profitable industry, with increased job security for everyone in the red meat and cattle supply chain.

Pak Jimmy Halim, an Indonesian member of the Partnership’s Logistics Working Group, has been a long-time supporter of these objectives.

“Logistics improvements in Indonesia will contribute to cost efficiencies at the production level,” Pak Jimmy says. “Those cost improvements can translate into savings to be enjoyed by producers, processors, distributors and, potentially, consumers right across Indonesia.

“In addition, the work being done to improve logistics may reveal new business opportunities within the supply chain. The opportunities might come in the form of new services associated with improved methodologies or as services that may be undersupplied within Indonesia’s existing logistics protocols.”

This view is supported by Mr Gary Stark, an Australian member of the Logistics Working Group.

“Good animal welfare and handling techniques are fundamental to maximising productivity and ensuring a safe work environment,” Mr Stark says.

“Optimising handling and transport protocols can deliver very significant increases in productivity through increased efficiency, improved meat quality and reduced weight loss. This is an area of focus of the Partnership, where major improvements can be made.”

NEW GUIDELINE CENTRALISES BROADLY HELD WISDOM

In an essential first step for its logistics programme, the Partnership recently released the *Best practice guideline for the transport of cattle in Indonesia*.

According to Mr Peter Schuster of Schuster Consulting, the firm responsible for coordinating the guideline’s documentation, the project incorporates industry best practice knowledge from around the world with information that fills gaps specifically identified in the current Indonesian logistics chain.

“This guideline is a master document and a single point of reference for anyone involved in preparing, planning and undertaking livestock transportation across Indonesia,” Mr Schuster says.

“It covers cattle handling and welfare protocols during transport, from seaports through to feedlots and abattoirs and everywhere in between. It also encompasses both land and sea transport within Indonesia.”

Produced in both Bahasa and English, the guideline contains principles that can be applied by those responsible for planning journeys, those working on transport vehicles or vessels, and those responsible for loading and unloading livestock.

“The Best Practice Guideline provides practical, hands-on instructions that can be applied in any situation and by people with varying levels of industry knowledge and education,” Mr Schuster says. “It includes an actual case study that can be referenced in a variety of scenarios.

“By following the principles and procedures explained in the guideline, handlers and managers can optimise animal welfare outcomes while also improving worker safety, meat quality and business efficiencies.”

PIPELINE PROJECTS TO REFINE LOGISTICS EFFORTS

While completing its work on the best practice guideline, members of the Partnership’s Logistics Working Group identified further opportunities to enhance Indonesia’s logistics chain.

The Partnership has therefore agreed to fund two significant logistics projects, both of which will be established in the coming months.

The first of these projects will highlight areas of improvement for delivering cattle from port facilities to regencies and breeding sites in Indonesia, identifying transport bottlenecks and other factors constraining the expansion of the Indonesian cattle industry. The project will map current and future cattle flows throughout Indonesia, to determine which ports are critical to the live cattle trade. It will outline ports that are currently implementing best practice and recommend infrastructure improvements required at other ports.

The second project is a feasibility study to explore the potential to create a bonded logistics zone for cattle and beef processing in Indonesia. This study will analyse the current state of the Indonesian processing sector, including a review of the impact of competitor imports and an investigation into the profitability of the Indonesian processing sector in meeting domestic demand and seizing export opportunities.

As Pak Jimmy Halim sees it: “Indonesia, with its 17 000 islands spread across the archipelago, will benefit from continuous improvement in transport and logistics. It is hoped that these projects will continue to support productivity and welfare improvements for the Indonesian red meat and cattle sector.”

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

Feature Box

THE BEST PRACTICE GUIDELINE AT A GLANCE

Animal welfare refers to how an animal is coping with the conditions in which it lives or, in the case of transport, the conditions in which it is temporarily located. According to international standards, an animal is in a good state of welfare if it is healthy, comfortable, well nourished, safe, able to express natural behaviour and not suffering as pain, fear and distress.

Key principles fundamental to ensuring good animal welfare during transport include:

* sourcing appropriate cattle
* planning and preparation
* avoiding pre-transport stress
* the appropriate design, use and maintenance of facilities and equipment
* loading and unloading cattle to minimise stress and optimise movement
* monitoring the health and welfare of livestock before, during and after transport
* preventing or responding to emergency situations.

The *Best practice guideline for the transport of cattle in Indonesia* provides an overview of best practices addressing the above principles. The guideline can be used as a basis for establishing practices or as a checklist against which current practices may be compared.

It’s important to note, however, that the guideline does not present the only way to provide good animal welfare. Other methods and techniques may also deliver good outcomes. Locations outside of Indonesia may also have different regulations that affect the transportation of livestock. These should always be considered to take precedence over these guidelines.

SIZING UP NEW OPPORTUNITIES

**The Partnership’s Indonesia-Australia Commercial Cattle Breeding (IACCB) Programme is fostering sustainable cattle breeding in Indonesian farming enterprises large and small.**

Funded with up to $9 million from February 2016 to January 2019, the Indonesia-Australia Commercial Cattle Breeding (IACCB) Programme aims to promote commercially sustainable cattle breeding in Indonesia.

To ensure its reach and maximise its engagement with Indonesian farmers, the programme has been structured to assist entities of varying sizes and financial resources, ranging from established corporate enterprises to smallholder cooperatives.

According to Mr Dick Slaney, the team leader of the IACCB Programme, different breeding models and investment opportunities are being explored with a range of private sector partners.

“The programme is piloting three broad systems,” Mr Slaney says. “The first is cattle integrated with commercial oil palm plantations, otherwise known as SISKA. The second is breedlots and intensive grazing. The third is working with smallholder cooperatives.”

The IACCB Programme currently has five established projects. IACCB advisors are working with commercial oil palm plantations in the provinces of South Kalimantan (BKB/Santosa), Central Kalimantan (KAL) and Bengkulu (BNT). The programme is also supporting smallholder cooperatives in East Java (SPR Mega Jaya) and Lampung (KPT Maju Sejahtera).

“In selecting these projects, the main criteria we focus on is being able to achieve commercial sustainability, the ability to scale up, and whether or not the model can be replicated in other parts of Indonesia,” Mr Slaney says.

“That requires assessing a range of factors such as location, land area, feed and water availability, finance, management commitment and security. Each proposal has to tick these boxes at a minimum.

“The challenges differ somewhat for a group of smallholders than with a corporate. The smallholders’ weaknesses usually are their group structure, cattle management and access to finance, while the corporates sometimes have issues around productivity and input costs.

“The IACCB team need be able to address all of these factors and they are not always easy issues to resolve.

“At times, we have to be quite strong to see that things are implemented as we require. At other times, we have to genuinely find solutions working as a team with the partner organisation.

“At all times, though, we emphasise with all the project partners, big or small, that the IACCB team is there with them and we are in this together. We are there for one purpose, and that is to achieve commercial sustainability.”

At the end of April 2017, the IACCB Programme announced four new projects (three corporate and one smallholder cooperative) to be launched in the provinces of Lampung, Central Kalimantan, South Kalimantan and West Nusa Tenggara.

“Across all our projects, the programme is providing technical assistance with managing the breeding herd and all that it requires to function well. It’s about herd nutrition, the feed supply, herd management and training the people,” Mr Slaney says.

“The result will be more productive and efficient herds with improved farm management practices.”

The IACCB Programme’s successful business models and lessons learnt will be shared with the broader commercial beef cattle industry in Indonesia. This will drive increased participation, investment and productivity in the country’s red meat and cattle sector, ultimately helping to meet Indonesia’s food security demands in the future.

For more information on this programme, visit iaccbp.org

WORKING WITH CORPORATE PARTNERS IN BENKGULU

Grazing cattle under oil palms is not something new to Indonesian communities. For some years, oil palm plantation workers and local villagers have allowed their own cattle to graze, usually in small numbers, under the palms.

Despite this established practice, very few oil palm companies have considered integrating beef cattle into their plantations as a viable business model.

Pak Rian Alisjahbana, president and CEO of PT Bio Nusantara Teknologi (BNT), an IACCB partner, says the lack of a profit motive may be one reason why such integration is not more prevalent.

“In my opinion, a lot of oil palm companies are still not interested in integrating their business with cattle because the profits they obtain from the oil palms alone are already high,” Pak Rian says.

“Breeding cattle commercially under oil palms is not an easy business,” adds Mr Dick Slaney, the team leader of the IACCB Programme.

“Feeding the cattle sufficiently to promote their health and increase herd performance remains one of the key challenges.”

To help meet this challenge, the IACCB Programme has supported BNT in making use of organic palm oil by-products as supplementary feed for its beef cattle. The company has identified two by-products—palm kernel cake and organic solids—as being of particular value to the cattle.

“Initially, we only spread out the solids around the plantations to fertilize the oil palms,” says Ibu Teta, head of strategic planning at BNT.

“We noticed that the local cattle started eating the solids and this improved their body condition score. Hence, we are now testing the by-products with the Brahman Cross cattle from Australia.”

A lab test conducted by BNT revealed that the palm oil by-products contain considerably high levels of fat, so the feeding regimes remain conservative for the time being. However, there is clearly further opportunity to explore the use of palm oil by-products as supplementary feed in Indonesia’s beef cattle industry.

Through IACCB collaboration and training workshops, owners of other oil palm plantations are becoming aware of BNT’s progress in supplementary feeding practices.

“I have just learnt that cattle like to eat palm oil by-products,” says Pak Zainuddin, General Manager of BKB/Santori, an IACCB partner in South Kalimantan.

“There is plenty of by-product available at my nearby palm oil factory and it’s usually just wasted. Having a use for this by-product will greatly support our cattle breeding business.”

The supplementary feed solution is evidence that IACCB partners are not only benefiting from the technical assistance directly provided by the programme, but that they are also learning from each other’s experiences.

WORKING WITH SMALLHOLDERS IN EAST JAVA

Kasiman is a small community in the Bojonegoro Regency of East Java. Many of the people of Kasiman have been tending to cattle for most of their lives, with almost every family keeping one or two cattle in their backyards.

In January 2017, SPR Mega Jaya, a government-initiated farmer cooperative in Kasiman, partnered with the IACCB Programme to breed Brahman Cross cattle from Australia.

Aside from providing cattle to the community, the IACCB Programme is delivering a range of technical assistance to the local farmers. This assistance includes guidance on animal handling, pasture development and cattle breeding, as well as training in the use of equipment such as loading and unloading ramps, walkways, laneways and cattle crushes.

For the farmers, the training courses and technical advice have had an immediate impact on their daily activities. They are now better able to herd and transfer cattle and clean the holding pens.

For Pak Masto, a member of skills committee of SPR Mega Jaya, the efforts of the IACCB Programme have increased his enthusiasm and motivation to care for the cattle.

When the Brahman Cross cattle first arrived in Kasiman, Pak Masto was stunned by their size and it was four days before he felt comfortable interacting with the animals.

“The cattle were huge,” he now says with a laugh. “At first, I didn’t have the courage to go near them.”

With three bulls and 100 heifers in their new IACCB herd, feeding regimes are a significant challenge for the farmers of SPR Mega Jaya. The Australian cattle require more feed than the traditional Balinese cattle, with each beast consuming an average of around 40 kilograms of forage per day.

Using the traditional ‘cut and carry’ method, farmers would need to travel several kilometres to meet the daily feed requirements of over four tonnes of forage, a burdensome process made even more difficult when monsoonal rains make the local dirt roads almost impossible to travel on.

“These farmers are willing to collect lots of grass for the cattle,” says Pak Darwanto, head of SPR Mega Jaya. “However, terrible road conditions and long distances make it more challenging, so we cannot maximize the outcomes.

“We are using the support of IACCB to modify our feeding techniques. We have now started planting forage grass around the pen and hopefully we can harvest in the next three months. Now, any vacant land near the pen will be used to plant grass. This will be easier on the farmers and better for the cattle.”

With the farmers growing greater levels of forage near the cattle yards, and working to improve the condition of access roads around Kasiman, the productivity and welfare of the cattle is beginning to improve, with cows better able to retain weight during pregnancy.

COLLABORATION THRIVES AT strategy WORKSHOPS

**The process of preparing a Joint Industry Strategy is helping to strengthen the alliance between Indonesian and Australian cattle industry representatives.**

In the closing months of 2016, Indonesian and Australian leaders of the red meat and cattle sector were able to finalise a Joint Industry Vision for the two countries (see box for details).

Hailed as an important milestone for relations between the red meat and cattle industries of Indonesia and Australia, the Joint Industry Vision demonstrates the power of open and positive dialogue. The resulting vision statement has helped to crystallise common goals and objectives for industry participants from both nations.

However, as pragmatic people who are focussed on delivering tangible results, industry figures on both sides were eager to get down to the business of putting specifics to the broad vision and its aspirations.

This process is underway with the development of a detailed Joint Industry Strategy.

The strategy will outline practical means to achieving the four key aspirations of the Joint Industry Vision. It will identify what unified actions Australian and Indonesian industry organisations and private enterprises can take to foster stability, innovation and mutual benefit across the red meat and cattle supply chain.

The Joint Industry Strategy will also suggest existing areas in which the governments of Australia and Indonesia may be able to provide assistance, as well as propose priority areas for future research, development, investment and relationship building to be considered by the Partnership.

To help define the parameters critical to the Joint Industry Strategy, the Partnership facilitated a series of industry workshops in Indonesia and Australia. These workshops culminated in a Joint Industry Workshop on 29-30 March 2017 in Jakarta, drawing together senior representatives of industry bodies from the two countries.

“The workshops have emphasised the strong cooperation and relationship between our two countries and sectors,” says Pak Thomas Sembiring, Executive Director of the Indonesian Meat Importers Association (ASPIDI).

“The discussions covered many issues. It gives us the ability to work together to extend cooperation in these matters. It will help industry have a collective agreement on what we want to achieve.”

Mr David Foote, Chair of Meat & Livestock Australia’s Indonesia Taskforce and a representative of the Australian Meat Industry Council, agrees.

“It was highly productive to be able to meet with representatives from Indonesia’s lot feeders, boxed beef importers, meat processors and distributors, and local smallholders,” Mr Foote says.

“All the Indonesian participants I spoke with were committed to working in partnership with Australia to meet the growing demand for red meat in Indonesia.”

The industry representatives at the workshops were unanimous in their support for finding ways to build trust and better support government measures to ensure that Indonesian citizens can have access to affordable red meat. All delegates agreed that the continued exchange of knowledge and skills was vital to improving food security in Indonesia.

According to Mr Anthony ‘Bim’ Struss, a representative of the Cattle Council of Australia and a delegate at the workshops, existing Partnership cooperation is providing a strong foundation for the Joint Industry Strategy.

“Local smallholders are continuing to seek basic training, nutrition advice and management tools to help build a sustainable breeding program in Indonesia,” Mr Struss says. “It confirms the need for Australia to be proactively supporting our friends in Indonesia.

“It was pleasing to hear about initiatives already underway by the IACCB (Indonesia-Australia Commercial Cattle Breeding) Programme, which include grazing Australian breeding cattle within Indonesian palm plantations.

“The IACCB’s work is showing encouraging early signs and provides an excellent platform for joint industry collaboration.”

Increasing awareness of the size and value of the red meat and cattle sector, as well as its strong contribution to Indonesian food security, is another important issue for potential inclusion in the Joint Industry Strategy.

Pak Joni Liano, Director of the Association of Beef Cattle Ranch Business Communities in Indonesia (GAPUSPINDO), says market and product knowledge is vital for policy makers in both Australia and Indonesia.

“We are working together to develop a strategy for sustaining industries from the two countries,” Pak Joni says.

“This process will develop a strategy document that outlines a mutually beneficial and agreed path forward. I hope that a document like this can help inform governments in both countries on how and what we should be implementing to promote the red meat and cattle sector.”

The Joint Industry Strategy is due to be tabled at the sixth Partnership meeting, which will take place in Yogyakarta, Indonesia in August 2017.

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

THE JOINT INDUSTRY VISION AND ITS ASPIRATIONS

During 2016, key industry figures from Indonesian and Australian red meat and cattle organisations worked towards a Joint Industry Vision for the two countries. The agreed vision statement is to achieve:

‘*A prosperous Indonesian and Australian red meat and cattle industry built on competitive advantage, strong relationships across the supply chain, and mutually beneficial investment, trade and innovation.’*

Four key aspirations underpin the Joint Industry Vision:

* a stable regulatory and policy environment that provides the certainty necessary for investment and trade
* a secure and profitable supply chain driven by safety and efficiency
* a capable workforce, best practice processes and contemporary infrastructure that can drive sustainability and productivity through innovation and investment
* informed consumers who have access to quality and affordable red meat.

BUSINESS WEEK a boon for beef

**In early March, Australia’s Assistant Minister to the Deputy Prime Minister, Mr Luke Hartsuyker, visited Jakarta for the Indonesia-Australia Business Week (IABW). The visit allowed the minister to reinforce Australia’s commitment to all aspects of the Partnership.**

Indonesia-Australia Business Week (IABW) 2017, held from 6 to 10 March, provided a broad forum for strengthening two-way trade and investment between Indonesia and Australia.

Australian Government minister, Mr Luke Hartsuyker, was part of the Australian delegation to IABW, which was led by the Minister for Trade, Tourism and Investment, Mr Steven Ciobo.

Minister Hartsuyker travelled to Jakarta on behalf of the Deputy Prime Minister and met with Indonesia’s key stakeholders in agriculture, on strengthening existing trade relations and promoting new commercial opportunities.

Several of Minister Hartsuyker’s commitments during the IABW were related to activities of the Partnership, including a networking event for alumni of the Skills Development Programme and a tour of live export facilities, where the minister was able to promote Australia’s world-class livestock industry.

Minister Hartsuyker said the visit had provided an opportunity for Australia to demonstrate its commitment to strengthening agricultural and food trade and investment linkages with Indonesia.

“I attended a number of forums and roundtables to discuss Indonesia’s agrifood supply chain, to help identify opportunities to work together to strengthen trade and also to increase agricultural productivity.

“I was particularly pleased to hear first-hand from participants in the Skills Development Programme about the benefits the Partnership is delivering to individuals and our nations.”

Minister Hartsuyker said Indonesia’s rapidly developing consumer culture and food production systems presented exciting opportunities for Australian and Indonesian agrifood businesses to collaborate.

“Australia will continue to be a reliable supplier of clean and green agricultural produce that can complement domestic supply to support Indonesia’s focus on boosting food security and productivity,” he said.

“This trip also provided the opportunity to underline Australia’s commitment to constructive negotiations as we work towards finalising the Indonesia–Australia Comprehensive Economic Partnership Agreement.”

For more information on the Indonesia-Australia Business Week, visit austrade.gov.au

ANIMAL WELFARE ENSURES HEALTHY TRADE

On 6 March, Minister Hartsuyker spent the day in Bader Lampung, Indonesia, where he visited the Consolidated Pastoral Company’s Juang Jaya Abdi Alam feedlot before touring other local live export facilities.

“Indonesia is Australia’s largest market for live cattle, with our cattle exports to Indonesia valued at $578.4 million in 2015-16,” Minister Hartsuyker said.

“The visits gave me a valuable chance to discuss the importance of this industry with key stakeholders, as well as gaining an on-the-ground insight into Indonesian operations.

“I toured the feedlot to see first-hand the management of Australian livestock, before visiting other facilities to see how our world-class cattle are processed and how the industry ensures strong compliance with our strict animal welfare conditions throughout the supply chain.

“The conversations I had and the places and facilities I visited gave me great confidence in the future of the livestock trade between Indonesia and Australia and the opportunities for future two way investment to strengthen and grow the Indonesian and Australian beef and cattle supply chain.”

Indonesia has recently advised of policy changes to its import conditions for live cattle. The changes include increasing the weight and age limit of live feeder cattle and extending the length of time that permits and recommendation letters are valid.

By increasing the range of Australian cattle eligible for export and allowing better business planning for Australian exporters, these policy changes will provide further opportunities for Australian producers exporting to Indonesia.​

“The Australian live export industry is especially significant for many of our northern farmers and farming communities,” Minister Hartsuyker said. “We are committed to building and sustaining the important and mutually beneficial trade and investment relationships that we share with key international partners, like Indonesia.”

Meeting REINFORCES PARTNERSHIP PRIORITIES

On 7 March, Minister Hartsuyker met with the Chairman of the Indonesia Investment Coordinating Board (BKPM), Mr Thomas Lembong.

“My meeting with Mr Lembong allowed us to discuss the priorities for both Indonesia and Australia to ensure we can work together to deliver better investment outcomes for our countries,” Minister Hartsuyker said.

“The Australian Government understands that Australian businesses want greater certainty in the regulatory environment to support investment and make it easier to do business with Indonesia.”

Minister Hartsuyker said a highlight of the meeting was Thomas Lembong’s confirmation of Indonesia's support for the Partnership.

“The Partnership is a great initiative that is already providing benefits for both of our countries,” the minister said.

“It has played an active role in liberalising trade and easing trade restrictions for Australia to export boxed beef and live cattle to Indonesia. The Partnership has already provided significant benefits for the Australian livestock industry, through increases in weight limits for exported livestock and extending the length of time that permits are applicable.”

Minister Hartsuyker confirmed that Indonesia views the Partnership as a vehicle for mutual benefit to help increase investment in cattle production and red meat consumption.

“The Partnership is helping to underpin Indonesia's cattle breeding aspirations and develop their workforce capability across the red meat and cattle sector.”

1. For a full transcript of the Joint Leaders Statement, please see <https://www.pm.gov.au/media/2017-02-26/joint-statement-between-government-australia-and-government-republic-indonesia> [↑](#footnote-ref-1)