

INDONESIA AUSTRALIA RED MEAT & CATTLE PARTNERSHIP



BKPM
Indonesia Investment
Coordinating Board



Australian Government



BRIEFING PACK

Indonesia – Australia Partnership on Food Security in the Red Meat and Cattle Sector (the Partnership)

The Indonesia – Australia Partnership on Food Security in the Red Meat and Cattle Sector (the Partnership) was developed by the Indonesian and Australian governments in response to global supply trends indicating increasing domestic demand for beef in Indonesia, decreasing domestic production, reduced availability of imports, and high prices from exporting countries.

Through the Partnership, Indonesia and Australia combine their strengths to improve the red meat and cattle sector supply chain in Indonesia and to promote a stable trade and investment environment between Indonesia and Australia.

The 10-year Partnership will span until 2023, with AUD \$ 60 million in funding from the Australian Government and co-contributions from project Partners.

THE PARTNERSHIP'S OBJECTIVES



Improving Indonesia's Food Security: improving the long-term sustainability, productivity and competitiveness of the sector



Strengthening Relationships: supporting Indonesia-Australia red meat and cattle sector investment and trade ties by facilitating closer and more meaningful engagement



Sharing Knowledge: establishing regular meetings with governments and the red meat and cattle sector to ensure effective and efficient cooperation and understanding



Increasing Skills: supporting the exchange of expertise and learning opportunities within the red meat and cattle sector



THE PARTNERSHIP'S PROGRAM

How the Partnership is helping address the needs of the Indonesian red meat and cattle supply chain:

Red Meat & Cattle Supply Chain in Indonesia

	Production (breeding)	Processing	Distribution	Consumption
Challenges	<ul style="list-style-type: none"> • Small cattle population and low population growth • Poor cattle genetics • Slow growth of the smallholder and commercial industries • Low numbers of skilled workers & management • Low levels of investment 	<ul style="list-style-type: none"> • Not export competitive • Limited funding and resources • Increased competition from cheaper imported beef • Minimal value add 	<ul style="list-style-type: none"> • Inefficient transport increases costs • Supply chain challenges across the Indonesian archipelago • Hard to attract investment required for systems and infrastructure upgrades 	<ul style="list-style-type: none"> • High retail beef price • Low consumption per capita compared with other SEA countries
Goals	<ul style="list-style-type: none"> • Commercially viable cattle breeding models identified • Greater investment in cattle breeding • Improved cattle population, production practices and genetic base 	<ul style="list-style-type: none"> • Potential export markets identified • Improved hygiene and SOPs in abattoirs that leads to export-accreditation • Increased investment 	<ul style="list-style-type: none"> • Reduced logistics costs • Infrastructure upgraded to support industry expansion • Logistic and transportation investment requirements identified 	<ul style="list-style-type: none"> • More competitive beef price • Increased beef consumption per capita
Partnership Program	<ul style="list-style-type: none">  Indonesia-Australia Commercial Cattle Breeding Program  East Kalimantan Breeders Support Programs  Skills Development Programs 	<ul style="list-style-type: none">  Developing Standard Operating Procedures in Indonesian Abattoirs  Skills Development Program  Feasibility Study of a Cattle Bonded Zone in Indonesia  Processing Sector Gap Analysis 	<ul style="list-style-type: none">  Best Practice Guidelines for Cattle Handling and Transport  Indonesia Supply Chain and Logistics Study  Feasibility Study of a Cattle Bonded Zone in Indonesia 	<ul style="list-style-type: none">  Survey of Indonesia's Beef Consumption and Preference Trends  Information sharing on trade, competition and price, through policy dialogue and discussions

Planned Roadmap to Assess Evidence-based Policy Gaps and Guide Future Policy Decisions

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

THE PARTNERSHIP MEMBERS

The Partnership is co-chaired by a representative of the Indonesian Government - Deputy Chairman for Investment Promotion of the Indonesia Investment Coordinating Board – BKPM, and the Australian Government - First Assistant Secretary, Trade and Market Access Division in the Department of Agriculture and Water Resources - DAWR.

Partnership members consist of senior government and industry officials, as follows:

Government of Indonesia

Indonesia Investment
Coordinating Board (BKPM)

Coordinating Ministry of
Economic Affairs

Ministry of Agriculture

Ministry of Trade

Ministry of State Owned
Enterprises

Australian Government

Department of Agriculture and
Water Resources (DAWR)

Department of Foreign Affairs
and Trade (DFAT)

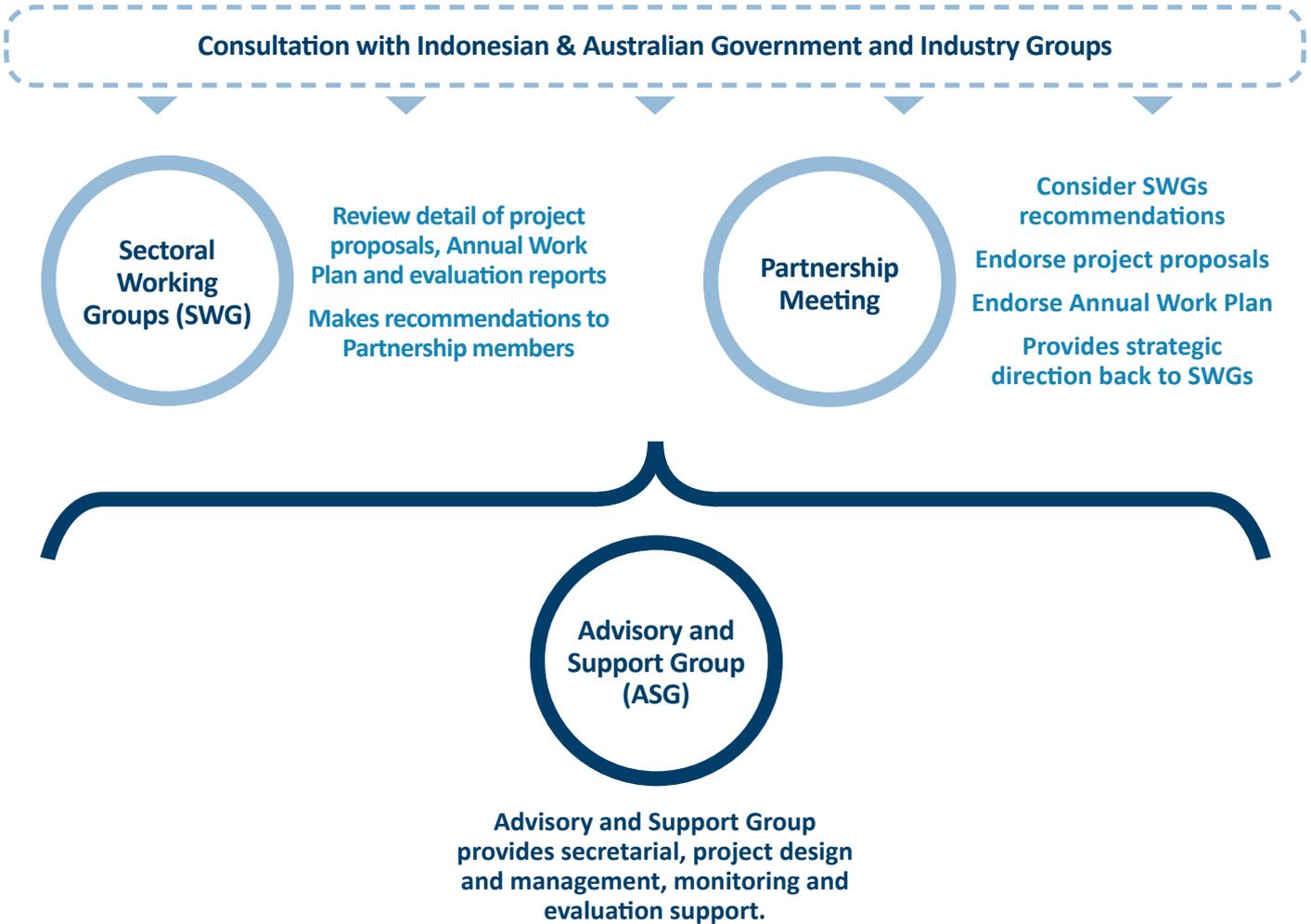
Austrade

Australia and Indonesia

Industry representatives from
the processing and production,
export, and cattle breeding
sectors.



PARTNERSHIP GOVERNANCE



Partnership members play an active role in overseeing and governing the Partnership's program through Sector Working Groups (SWG) of which there are currently three: Breeding, Processing and Transport/Logistics. The SWGs work closely with BKPM and DAWR Partnership Secretariat, and are provided technical and facilitation support by the Advisory and Support Group (ASG) - the Partnership's program management contractor.

The Partnership members meet twice a year to discuss issues of mutual concern and identify opportunities to improve Indonesia's red meat and cattle supply chain. In addition, the Partnership members also liaise with Australian and Indonesian industry groups through workshops and feedback sessions. The Australian industry groups are Red Meat Advisory Council (RMAC), Australian Meat Industry Council (AMIC), Australian Livestock Exporters' Council (ALEC), Australian Lot Feeders' Association (ALFA), Cattle Council of Australia, Goat Industry Council of Australia (GICA), Sheepmeat Council of Australia, Australian Meat Processor Corporation (AMPC), Livecorp, and Meat and Livestock Australia (MLA).

The Indonesian industry groups are the National Meat Council, Meat Importer Association (ASPIDI), Meat Industry and Distributor (ADDI), Beef Committee, Animal Protection Indonesia (APPHI), Meat Processing Association (NAMPA), Association of Beef Cattle Business (GAPUSPINDO), Indonesian Cattle Breeders Association (GAPPSI), Indonesia Cattle and Buffalo Farmers Association (PPSKI), Indonesia Meat Traders Association (APDI), Indonesia Farmers Union (HKTU), Indonesia Farmers Community (KSI).

April 2014
Jakarta, Indonesia

Agreed on “**Early Harvest Program**” to commence Phase 1, focusing on a skills development program for policy makers and producers to improve Indonesia’s supply chain in the cattle sector.



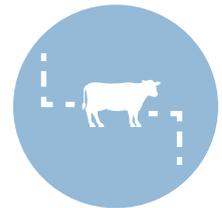
August 2015
Sydney, Australia

Discussed “**Food security in the beef and cattle sector supply chain**”. The policy dialogue focused on domestic and imported live cattle, feeder cattle, slaughter cattle and breeders, and discussed the current challenges facing both countries such as price stability and the beef and cattle supply chain.



August 2014
Brisbane, Australia

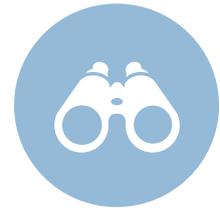
Endorsed the **Partnership’s Phase 1 Strategic Framework** that focussed on the sectors of breeding, processing and logistics (transport).





November 2016 Perth, Australia

Discussed “**Global supply chains and their impact on price sensitivity**” including global trends on the Indonesia-Australia cattle and beef trade and the global drivers to improve Indonesian beef industry and policies.



April 2016 Jakarta, Indonesia

Discussed “**Cattle breeding production systems of Australia and Indonesia**” including achieving efficiencies, Indonesia’s cattle breeding ambitions, and issues to consider to maximise productivity.



August 2017 Yogyakarta, Indonesia

Discussed “**Future direction for the Partnership Phase II**” including, evidence based policy making to underpin the long-term objectives of the sector related to skills development, processing, breeding and logistics; and the use of the Partnership as a forum to discuss emerging issues of mutual concern.

Detail decisions of each Partnership meeting can be found on:
<http://www.agriculture.gov.au/market-access-trade/indonesia-australia#partnership-meetings>



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The Indonesia–Australia Partnership on Food Security in the Red Meat and Cattle Sector is a Heads of Government initiative underpinned by a \$60million fund provided by the Australian Government. The secretariat and policy lead is the Department of Agriculture and Water Resources in Australia and the Indonesia Investment Coordinating Board (BKPM) in Indonesia.



Australian Government



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