

Indonesia-Australia Commercial Cattle Breeding Program Information Sheet



The Indonesia-Australia Commercial Cattle Breeding Program (IACCB), which commenced in February 2016, is a program established under the auspices of the Indonesia-Australia Partnership on Food Security in the Red Meat and Cattle Sector (the Partnership), with the purpose of promoting sustainable commercial scale beef cattle breeding in Indonesia.

The project aims to pilot a range of different breeding models with private sector partners to assess commercially sustainable approaches that can be up-scaled to facilitate investment, innovation and expansion of the beef cattle breeding industry in Indonesia.

Trends in the global supply and demand of beef indicate that supply continues to diminish, while demand and prices are steadily rising, in many cases dramatically. Prices for live cattle in Indonesia have roughly doubled over the last 5 years, as a result of increasing domestic demand, decreasing domestic production, reduced availability of imports, and high prices from exporting countries.

Consequently, breeding cattle in Indonesia has become an increasingly profitable business proposition.

Whilst there is some appetite from business to invest in breeding, and a few large scale activities are underway, a steep learning curve confronts most interested parties.

To advance the expansion of the beef cattle breeding industry in Indonesia, the IACCB is now seeking to identify, select, and support well-resourced and committed private sector partners to pilot cattle breeding models such as: grazing under oil palm, open grazing on unutilized land, semi-intensive grazing, and small-holder group activities.

Questions and Answers (Q & A) follow for those who are interested in participating in the IACCB.

Questions and Answers

1. How long does the IACCB run for?

It is funded for 3 years and scheduled to end Jan 2019.

2. My company is interested in cattle breeding with IACCB Support. What are the key selection criteria?

- a. Your company must have a transparent business plan and breeding model that has a reasonable chance of success, and which can be scaled up / expanded;
- b. be in a location that allows for a reasonable chance of success, through access to feed, to a market, and technical support;
- c. be able to show commitment at the highest levels, be well resourced, and have the capability to co-invest in the project. Examples of capability include sufficient land to start up quickly, and scale up, the ability to purchase breeding heifers and bulls, build cattle-handling facilities, and purchase other necessary infrastructure to manage a sizeable cattle herd;
- d. a willingness to share data, information and lessons learnt with IACCB and ultimately other interested investors to ensure successful pilots can be replicated and taken to scale; and
- e. a willingness to sign a Partnership Agreement with IACCB, and follow the rules of engagement, which will include the need to manage the cattle in accordance with international animal welfare standards, provide every means possible to ensure pilot success, and follow the monitoring and evaluation plan stipulated by the IACCB team.

3. If we are selected what inputs and assistance can we expect from the IACCB?

- a. This will be dependent on your firms specific needs, what your firm is willing and capable of providing, and the program budget.
- b. Support could include productive Australian heifers and an appropriate number of Australian bulls, provision of equipment such as head bales, electric fencing

materials, veterinary and husbandry tools; and managerial and technical support covering all aspects of your breeding business.

4. What are the steps required to apply and be accepted for the Pilots?

- a. You will first need to complete an Application form.
- b. This will inform us if your firm can proceed to the next step which will entail a visit to the proposed Pilot location to gather detailed information on your operations and the proposed business model.
- c. If your firm subsequently meets all IACCB criteria, representatives from IACCB and your firm will develop a Work Plan and a signed Partnership Agreement. Both set out respective implementation responsibilities and obligations.
- d. Soon thereafter the Pilot can commence.

5. At the end of the Pilot, will I be able to keep all the cattle and the farm equipment provided by the IACCB?

Yes, if the Pilot is deemed to be commercially viable. However, if, after 18 months, the Pilot is deemed to be not commercially viable, or if the Partnership Agreement is not adhered to, then the Pilot can be stopped, and inputs including cattle may be removed from the pilot site.

6. What are the target areas of the Program?

Practicalities dictate that the Program will primarily be in Sumatra, Sulawesi, and Kalimantan, but we will consider other locations.

7. How do I get more information or apply?

Please send us an email at:

contactus@iaccbp.org