

IACCB Quarterly Update

September 2020



Rest in Peace Bapak Yully Pudjianto

The Red Meat and Cattle Partnership, IACCB and partners, family and friends, are mourning the loss of a treasured friend, a dear colleague and a tenacious cattleman, Bapak Yully Pudjianto, who passed away on September 13, 2020.

Pak Yully had a passion for the cattle industry and was a pioneer in implementing the SISKAs breeding model using Australian Brahman Cross cattle in an Indonesian oil palm plantation. This innovative work commenced when The MedcoAgro Group, PT Kadilla Lestari Jaya and their Aussie exporter, Wellard, joined forces to diversify production in the oil palm plantation in Central Kalimantan.

Pak Yully understood that pasture was the key to profitable cattle breeding, and he played a critical role in pushing the plantation to control weeds and develop good pasture. This has been a major factor in the increasing

success of the cattle enterprise.

Pak Yully shared a lot of experience with the IACCB team and IACCB partners in search of commercially viable SISKAs operations. He provided valuable insights on several SISKAs projects through the delivery of various workshops with the IACCB team.

We will miss you Pak Yully. Rest In Peace

In this edition of the Quarterly Update we will discuss the following.

Pandemic not stopping PT Buana Karya Bhakti's SISKAs Training Center Activities

PT Buana Karya Bhakti (BKB), in South Kalimantan, has an operational SISKAs Training Center. Given the restrictions on movement due to the pandemic, BKB has developed capacity-building events consisting of:

- Webinars to share knowledge on technological innovations which can be applied in the palm-cow integration system;
- Workshops to discuss empirical experiences and strategies for oil palm-cattle integration management; and,
- Tutorials – custom developed – to provide consultancy on the implementation of SISKAs [Click here for more info.](#)

Cattle Production Cooperative KPT in Lampung Attracts Plenty of GoI Attention

IACCB partner **Kooperasi Produksi Ternak (KPT)** in Lampung Province, who already has a successful on-going profit-sharing agreement with the private sector, is attracting attention from the sub-national and national government with recent visits from the Minister of Cooperatives and Small and Medium Enterprises, the Director of the Revolving Fund Management Agency and the Director Processing and Marketing in DG Livestock (MoA). [Click here for more info.](#)



Cattle breeding in oil palm plantations (SISKAs)

SISKAs Partners are actively involved in the promotion of SISKAs in support of MoA efforts to increase the number of SISKAs enterprises as part of the efforts of GoI to increase cattle numbers.

Our SISKAs partners have been involved in several industry and government webinars to disseminate their experiences running SISKAs enterprises. The events provide an opportunity to ensure interested stakeholders are aware of both the opportunities and the challenges. An IACCB-organised webinar involved the DG Livestock and the DG Estates in MoA who are very supportive of efforts to expand the SISKAs-model as a strategy for optimising land productivity and increase cattle numbers. These events also provided an opportunity to inform oil palm industry bodies, such as the Indonesian Oil Palm Association, of opportunities regarding SISKAs.

Read more below >



Open Grazing

Open Grazing Ranch Identifies 'culling under-performing cows' and 'earlier weaning' as key factors to improve ranch performance

PT Cahaya Abadi Petani (PT CAP), our Open Grazing partner located in South Kalimantan, has been reluctant to cull less productive cows to maintain herd numbers which impacted calving rates severely. Late weaning, due to deficiencies in infrastructure, contributed to long calving intervals and weaning rates, impacting commercial viability.

[Read more below >](#)

[Click here for the Open Grazing BX Cattle Breeding Video >](#)



Smallholder Cut and Carry

Small-holder Cut and Carry Breedlots. Access to Markets Influencing Sustainability of Enterprises

Marketing BX cattle encounters different dynamics in different regions in Indonesia. Our partner Koperasi Petani Ternak Maju Sejahtera (KPT-MS) in Lampung benefits from the long-term experience of stakeholders in the sector with BX-cattle. Cattle traders and butchers have decades of experience with processing BX cattle and BX cattle fetch higher prices than local cattle. Our partner in Bojonegoro, Sentra Peternakan Rakyat Mega Jaya (SPR-MJ), on the other hand, encounters an environment where BX cattle are relatively new, and traders do not provide premium prices as the market prefers local or cross-bred, with Limousin and Simmental Cattle.

[Read more below >](#)

[Click here for the Cut-and-Carry BX Cattle Breeding Video >](#)

In this Quarterly Update we also examine **the promotion of IACCB's breeding models and investor support tools**, as well as **upcoming events in the sector**.

IACCB News



Pandemic not stopping Buana Karya Bhakti's SISKA Training Center Activities

PT Buana Karya Bhakti are dedicated to disseminating and distributing their SISKA knowledge to interested public-private sector stakeholders through on-line discussions and webinars.

In collaboration with IACCB, a series of webinars and workshops will take place between now and December 2020.

1. Webinars - These events are held by BKB and IACCB in collaboration with private companies and research institutes and provide information on specified technical issues of interest to investors and operators of cattle breeding centres and include the sharing of knowledge on technological innovations in the sector.



WEB01	Portable solar fence for control of cow colony's in palm oil plantations. Webinar partner: Gallagher Pty Ltd.	5 Augustus 2020
WEB02	Mineral supplementation to maintain weaner performance in cattle breeding in oil palm plantations. Webinar partner: Alltech Mineral Management.	9 September 2020
WEB03	Feed Technology. Bio conservation and utilisation of palm fronds as a source of feed in palm-cow integration systems.	14 October 2020
WEB04	Animal welfare. Cattle handling and animal health control of cattle herds.	10 December 2020

2. Workshops - Monthly on-line events, offering the opportunity for discussion regarding Siska management strategies. Key-note speakers include practitioners in Siska, industry representatives, academics as well as government officials.



WOR01	Brahman Cross cattle rearing strategy in oil palm plantations. Workshop partners: Meat and Livestock Australia and the Indonesian Center for Animal Research and Development (ICARD)	26 August 2020
WOR02	Pasture management: how to manage understory of palm plantation as a pasture for cattle grazing.	28 October 2020
WOR03	KPI analysis and productivity: business feasibility analysis and	26 November 2020

	the benefits of palm-cow integration systems.	
WOR04	Human resources and management synergy: capacity building of stockman's skills and synchronisation activities between plantation and livestock activities.	29 December 2020

National Recognition for the Lampung Cooperative KPT-MS

KPT-MS has been named Livestock Food Security Ambassador by the Bank of Indonesia and Lampung Provincial Government in recognition of its achievement in expanding their BX cattle breeding business and acting as a learning point for interested farmer cooperatives. Additional value was gained from the expansion of their business into meat processing, producing beef floss, as well as their government recognition as P4S.



Bank Indonesia Lampung director and the Head of Lampung Cooperative Agency discussing investment issues with KPT-MS head Suhadi in the BX Cattle Breeding Unit.

The Ministry of Agriculture has selected KPT-MS as one of just 5 sites in Indonesia to establish pilots in cattle breeding and fattening under the '1000 cattle villages' program. The program is addressing priorities under the Medium-term National Development Strategy (RPJMN) and is part of the Ministry of Agriculture Strategic Plan 2020-2024. Under this program, announced by the Minister Syahrul Yasin Limpo, KPT-MS will potentially be given the responsibility of managing 500 breeders and 500 feeders in South Lampung. MoA will provide locally

bred cattle and some investment support to start the program. IACCB has been supporting KPT-MS through financial modelling and addressing technical issues to prepare for implementation.



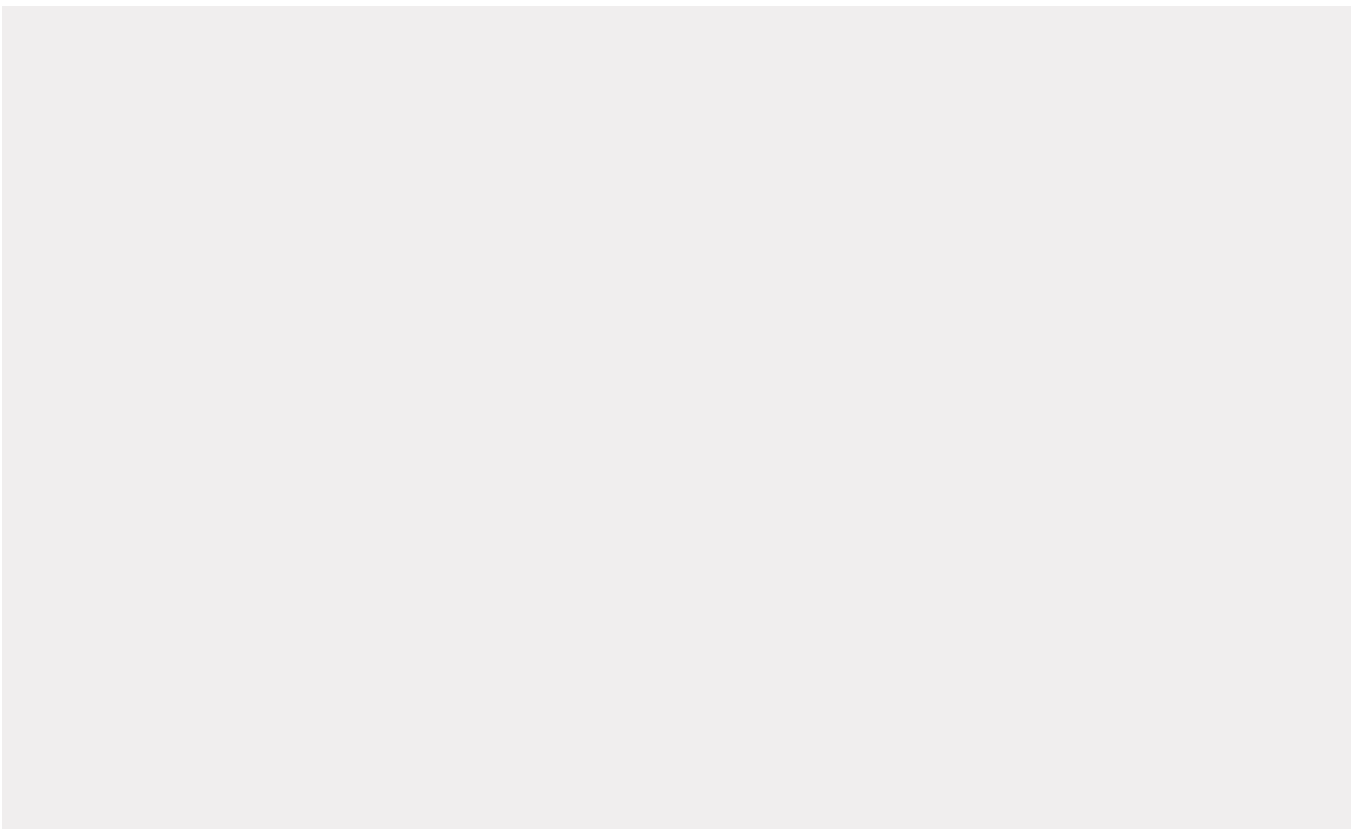
Director Processing and Marketing in DG Livestock MoA visiting KPT-MS

The Minister of Cooperatives and Small and Medium Enterprises and the Director of the Revolving Fund Management Institute visited KPT-MS to receive lessons learned as part of the Ministry's efforts to expand the livestock sector. KPT-MS was offered a loan of AUD 200,000 to further expand their cattle breeding business. This loan may go towards supporting the above mentioned '1000 cattle villages' program.



Minister UMKM, Teten Masduki, in discussion with KPT-MS members

Cattle Breeding Model Updates





Cattle at PT KAL's facility in Central Kalimantan

IACCB Siska Partners Update

PT Buana Karya Bhakti (BKB), in South Kalimantan, is rescheduling their 2020 acquisition of additional heifers as part of their scaling-up plan. The Covid-19 pandemic restrictions put in place by the Indonesia Government provides logistical problems in transporting productive cattle from Java or Lampung to South Kalimantan. With the budget approved by company owners the plans will be executed in 2021. As part of next year's planning management is studying the market penetration of live cattle and beef (fresh, chilled or frozen) in South Kalimantan in order to enter the market and supply premium beef in supermarkets and hotels.

BKB has started to sell the first progeny from the imported BX cattle. Sixty bulls have been sold during the lucrative Qurban market at a price of IDR 52,000 - 55,000/kg liveweight with provides for a good return given the production cost per kilogram of liveweight sits in at around IDR 33,000

PT Kalteng Andinipalma Lestari (KAL), in Central Kalimantan, and IACCB discussed the outcome of the different scaling-up strategies which attracted attention from the General Manager of the plantation. There is interest to increase the herd by acquiring 50 additional heifers but executing the plan will depend on the decision of the joint venture ownership.

The lucrative Qurban market opportunity was successfully taken and thirty bulls were sold at premium prices of between IDR 60,000 - 63,000/kg liveweight. The bulls were fattened for 3 months prior to selling with ADGs reaching 0.8 kg/head/day and a cost-gain of only IDR 33,750/kg, a promising strategy for future local sales.

Semi-breedlot/semi-Siska partner, PT Superindo Utama Jaya (SUJ) in Lampung Province is preparing to implement their scaling-up strategy of adding an additional 500 productive cows to their herd in the Nakau plantation. Several issues have delayed the execution of the plan including the construction of the new calving pens and issues related to the Covid-19 pandemic with restrictions on transportation.



Cattle Grazing in PT CAP in South Kalimantan

Open Grazing - Partner Updates

Badan Usaha Milik Petani PT Cahaya Abadi Petani (PT CAP) in South Kalimantan failed its commercial viability assessment even though feeder production cost is low and well below the cost of Australian imported feeder cattle. Annual weaning rates have been consistently low especially because of late culling of unproductive heifers and late weaning of calves due to infrastructure issues that made it impossible to keep weaned calves away from their mothers. A new strategy has been put in place where newly weaned calves have been placed on another property. This strategy will hopefully result in quicker pregnancies which should improve overall performance.



A calf at KPT MS, Lampung

IACCB Cut and Carry Breedlot Partner Updates

Koperasi Petani Ternak Maju Sejahtera (KPT-MS) in South Lampung has successfully and profitably completed the first profit-sharing agreement of 20 heifers with the Juang Jaya feedlot. KPT-MS has already received an additional 27 pregnant heifers under the same profit-sharing agreement. PT Juang Jaya Abdi Alam selected the BX cattle breeding unit of KPT as the best-performing small-holder partner and is actively promoting them to other interested cooperatives.

KPT-MS is planning their third “Brahman Cross Grower Auction” to sell their 2019 progeny. Auctions have proven to result in premium prices for the growers as it attracts private sector customers from feedlots and farmer cooperatives, as well as individual breeders.

Sentra Peternakan Rakyat Mega Jaya in Bojonegoro (SPR-MJ), East Java, is recognising the challenges of running a communal commercial-size BX cattle herd within their mixed traditional farms. During this period, they downscaled the enterprise to about 30 head, all of them pregnant, which proved positive for the interested buyer. IACCB is supporting them to reduce herd numbers as part of their strategy to switch to local and other crossbreeds possessing Limousine or Simmental blood which are more easily traded on the local market and fetch better prices than BX cattle.

P4S Karya Baru Mandiri in Central Kalimantan is benefiting from the Covid-19 pandemic as more people are getting involved in horticultural and agricultural activities which provides for an increased demand in compost. Between July and September, P4S sold 27 tons of compost at a price of IDR 1,000 – 1,500/kg.

Internships of vocational high school students have resumed after being put on hold for 4 months due to COVID-19. 61 students (of which 18 are female) from different vocational schools including SMK 2 Arut Selatan, SMK Muhammadiyah, SMK Pangkalan Banteng and SMK Kumai are undergoing an internship for 3 months. Of the original 20 heifers, 2 have been sold and 14 have given birth for the second time. Total herd is 46 head, consisting of 18 cows, 1 bull, 9 calves, 5 weaners and 13 growers

Promotion to Industry and Government

Online Discussion **The Integrated Cattle and Oil Palm System (a Perspective from Plantation)**

Opener

- Dr. Ir. Kasdi Subagyono, M.Sc.**
Director General of Plantation, Indonesian Ministry of Agriculture
- Dr. Drh I Ketut Diarmita MP**
Director General of Livestock Production and Animal Health, Indonesian Ministry of Agriculture

Speaker

- Muhammad Zainuddin S.TP**
General Manager for Agronomy PT Buana Karya Bhakti
- Prof. Dr. Ir. Decliyanto Soetopo, M.S**
Plant's Pests and Diseases Researcher at Centre for Plantation Research and Development, Ministry of Agriculture, Republic of Indonesia
- Ir. Paul Boon M.Sc**
Strategic Advisor, IACCB Program (Indonesia-Australia Commercial Cattle Breeding)

Discussant

- Prof. Dr. Ir. Tjepny D Sudjana, M.Sc**
Former Director-General of Livestock (2007-2010), Research and Development Agency, Ministry of Agriculture, Republic of Indonesia
- Dr. Sulaetri**
Centre for Agricultural Production Technology - Agency for Technology Assessment and Application (PTAP-BRPT)

Moderator

- Dr. Ir. Eshawan Budiaantoso M.Sc**
Senior Technical Advisor, IACCB Program (Indonesia-Australia Commercial Cattle Breeding)

Registration Link <https://bit.ly/SawitSapi>

Tuesday, July 28, 2020 | 09.00 - 11.30 WIB

* The Zoom Webinar link will be sent via the registered email
More info: contactus@iaccb.org or visit iaccb.org

The promotion strategy of IACCB is ensuring that stakeholders in the cattle breeding industry have access to information and factual evidence from IACCB and partners that supports the industry to make decisions for expansion through implementing breeding models as assessed by IACCB. Given the uptake of SISKAs by government it also includes working with the plantation sector and government officials handling the plantation sector to convey information on opportunities and challenges expanding SISKAs in Indonesia.

The Integrated Cattle and Oil Palm System - a plantation perspective attracted key-note speakers from the Ministry of Agriculture - Mr I Ketut Diarmita, DG Livestock and Animal Health, and Mr Kasdi Subagyono, DG Plantations. The webinar was well-attended with 191 male and 156 female participants from national and sub-national government, the cattle and oil-palm industry, and universities.

For materials, click <https://bit.ly/MateriSawitSapi28Jul20>
Youtube: <https://www.youtube.com/watch?v=V3oDvi-8tmw>

Information Dissemination and Promotional Activities

The COVID-19 pandemic has forced IACCB to adapt its promotional activities by interacting with industry, government officials and other interested parties through a series of webinars. The running of conventional promotional avenues, such as conferences, would reach a much less diverse audience, and are much less cost effective.

Continuing the webinar series of the previous quarter, IACCB reached another 1,859 participants (46% women) through 8 webinars.



- Three webinars were organised in collaboration with BKB and one with the Ministry of Agriculture. Information about additional webinars are detailed below. Coverage and materials can be downloaded through the links provided. **Options for Young People to Start a Cattle Breeding Business** – 166 male and 136 female participants (22 July 2020). For materials click <https://bit.ly/MateriWebinarMilenial> and for link to the recorded video check YouTube <https://www.youtube.com/watch?v=umBA3cqK5ys>
- Cattle Rearing in Palm Plantations and Ex-Mining Areas – 54 male and 44 female participants (5 August 2020). For the materials click <http://bit.ly/lepwebinar4materi> and YouTube: <https://www.youtube.com/watch?v=BuOpWjjQUsl>
- Digital Recording for Livestock Enterprises and Insurances – 58 male and 48 female participants (31 August 2020)
- Opportunities and Challenges in the Beef Cattle Business for Gen Z – 273 male and 224 female participants (2 September 2020). For the materials click <http://bit.ly/MateriWebinarGenZ>

Technical Guidance

Over the last 3 months IACCB has been offering IACCB expert staff to provide support to new enterprises or government agencies. New enterprises in North Sumatra, West Java and Palembang were provided with technical and modelling advice.

IACCB has shared its modelling for smaller herds of 20 and 50 cattle to MoA cq the Director Production in the DG Livestock. Next quarter these models will be discussed with the ministry.

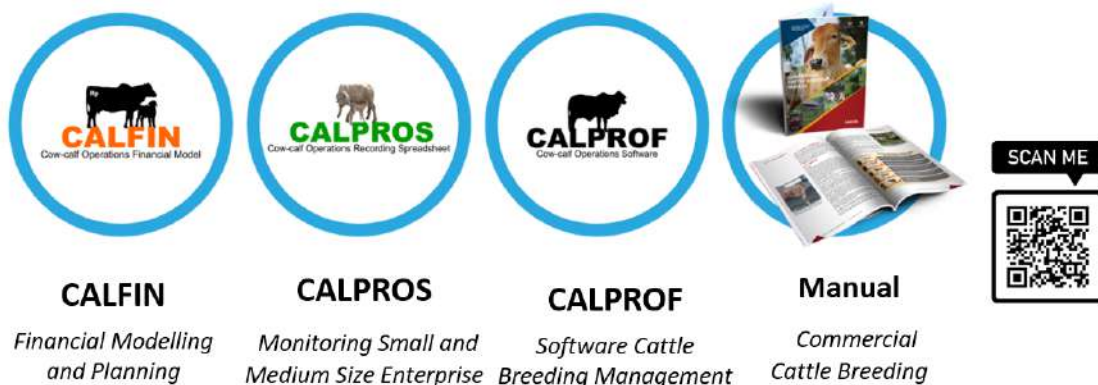
A new version of CALPROS V2 is now available and IACCB is offering free training in both CALFIN (Financial Modelling) and CALPROS (Herd Performance Monitoring) to interested parties who want to improve their herd monitoring skills. On September 23-24, 2020 IACCB introduced the investor tools - CALFIN and CALPROS, to 14 staff of the Directorate Food and Agriculture, BAPPENAS. The introduction included the sharing of knowledge in the cattle breeding business cycle, its key business and productivity parameters, technical operations of IACCB assessed cattle breeding models as well as the objective and usage of CALFIN and CALPROS. Pak Noor Avinato, Sp - Kasubdit Peternakan - BAPPENAS really appreciated IACCB's work and its contribution including in the development of the investor tools which enables the new investor to do financial modelling and monitor herd performance.

IACCB has produced four dual language videos available on Youtube and the IACCB and Partnership websites. The videos together with the manual and tools are currently being used by government and private agencies for cattle breeding educational activities.

The updated IACCB tools, CALFIN, CALPROS and CALPROF and our Cattle Breeding Manual are available, free of charge, from the IACCB website - www.iaccbp.org.

Indonesia-Australia Commercial Cattle Breeding Program

Investor Support Tools dan Manual - Unduh Gratis



CALFIN
Financial Modelling and Planning

CALPROS
Monitoring Small and Medium Size Enterprise

CALPROF
Software Cattle Breeding Management

Manual
Commercial Cattle Breeding

SCAN ME

To access/ download the tools CALFIN, CALPROS, and CALPROF please click [here](#).

To access the Cattle Breeding Manual in English or Bahasa Indonesia, please click [here](#)

Skills Development During (and after) the Pandemic

One component of the IACCB sustainability strategy focuses on providing partners with the necessary information so that they may continue to service the livestock sector once the program is completed. The aim is to enable partners to provide quality support to interested parties in the future and ensure that interested public and private sector stakeholders are given the opportunity to build knowledge and skills to continue expanding cattle breeding.



IACCB is actively working with its partners to establish industry led training and curriculum to support the SISKA Center of Excellence Training Center in South Kalimantan.

IACCB is also supporting several partners who have P4S-status to improve their capacity and capacity building approach, ensuring knowledge, skills and experience from the past 4-years of collaboration continue to be shared with farmer cooperatives and government extensionists, as well as students. IACCB and Gita Pertiwi, a non-profit consultancy company, has provided support to two P4S partners in Lampung and Central Kalimantan who possess an updated capacity development strategy and curriculum. Training in CALFIN has been provided to Gita Pertiwi, an Indonesian

small-and-medium enterprise management consulting foundation, who is now able to provide CALFIN training to other stakeholders.

Upcoming Events

Cattle Auction



IACCB's Cut-and-Carry Breedlot Partner, KPT-MS in South Lampung, will have its third BX Grower Auction in November 2020 following successful auctions in 2018 and 2019. 2018-19 auctions attracted attention from government and the private sector as well as farmer cooperatives in the area resulting in premium prices for the progeny of their Australian imported BX cattle.

Planned face-to-face events to promote the red meat and cattle sector and cattle breeding enterprise development have been postponed due to the COVID-19 pandemic. In

replacement, a variety of webinars in support of the sector will be run.

Keep an eye out for the **final IACCB Quarterly Update in December 2020**

IACCB is managed by Coffey, a Tetra Tech company, as a project within the Indonesia-Australia Partnership on Food Security in Red Meat and Cattle Sector, funded by the Australian Department of Foreign Affairs and Trade.

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