RESEARCH PARTNERSHIP BUILDS ECONOMIC COOPERATION

The impacts achievable through collaborative research-for-development activities in the agricultural sector are capable of opening doors that bring people, and countries, together.

BY DR GIO BRAIDOTTI

Indonesia is a significant economic and regional partner for Australia. Two-way trade in goods and services reached $14.8 billion in 2011, making Indonesia our 12th largest trading partner and 11th largest export market.

Austrade estimates that there are more than 400 Australian companies operating in Indonesia across the mining, agriculture, construction, infrastructure, finance, healthcare, transport, and food and beverage sectors.

Australian investment in Indonesia was worth an estimated $5.4 billion in 2011.

Since 2010, Indonesia and Australia have been cooperating on an agreement to strengthen and expand trade, investment and economic cooperation through IA-CEPA—the Indonesia–Australia Comprehensive Economic Partnership Agreement.

The aim is to bring the region’s two largest economies closer together and will form a key part of Australia’s regional and economic integration as part of Asia.

To support the negotiations, the Australian Government has established a technical assistance and economic cooperation facility to fund activities to be jointly agreed between Australia and Indonesia. These activities include pilot projects, information sharing, technical assistance and support for capacity building and policy research.

As part of that facility Indonesia requested assistance through ACIAR to establish pilot research on improving cattle breeding. That research has led to a joint project, supported by industry and governments in both countries, on scaling out past research findings.

BEEF PILOT PROJECT

Following extensive consultations initiated in 2010, a beef pilot project to improve Indonesia’s cattle breeding performance was conceived—‘Strengthening village-based Brahman cattle production systems in Indonesia’.

This is the first project under the IA-CEPA technical assistance facility and responds to the high priority the Indonesian Government accords to strengthening Indonesia’s domestic smallholder beef sector.

The project draws on ACIAR activities from the past decade in which Indonesian and Australian researchers developed an integrated village management system (IVMS) for beef production. With the participation of more than 2,000 farmers in Nusa Tenggara Barat, the project showed that the productivity of Bali cattle systems can be doubled with simple management improvements.

Additionally, research with farmers in Nusa Tenggara Timur found that simple management changes can also reduce calf mortality from over 30% to less than 2%. These outcomes demonstrated the possibility of at least doubling the outputs and incomes of smallholder beef producers in eastern Indonesia. But it is not just the smallholder beef sector that has received Australian support.

In recent years, a close relationship has developed between northern Australian cattle producers and the Indonesian livestock industry, with trade worth more than $300 million in 2010. Since the beginning of this feeder trade and the development of Indonesia’s feedlot sector in the early 1990s, there has been substantial technical transfer from the Australian industry.

Meat and Livestock Australia (which represents livestock producers) and LiveCorp (representing livestock exporters) work together to deliver in-market programs in Indonesia through the Live Export Program. This
technical support is focused on improving the performance of Australian cattle in Indonesia, including assistance to breeding programs conducted in feedlots.

The new pilot project is expanding the partnership, including the application of IVMS, to Brahman cattle in feedlot out-grower breeding systems. The idea is to test whether similar improvements can be obtained with Brahman cattle as were obtained with the Bali cattle system. Brahman cattle were selected for the project because of their faster growth rate and higher feed conversion compared with local Indonesian breeds.

The gains possible are multi-faceted. The pilot project offers opportunities to improve the productivity and husbandry of the local herd, increase calf output and the number of the productivity and husbandry of the local herd, increase calf output and the number of the local producers, and create a stronger trilateral relationship.

This pilot project brings Australian and Indonesian producers, researchers and government officials closer together in the promotion of increased domestic cattle production and, ultimately, increased beef supply for the Indonesian market. The relationship with Australian industry will also enhance Indonesia’s food security, which will become increasingly important as Indonesia’s economy continues to grow and demand for beef is expected to increase significantly. As that occurs, Australia, as a close neighbour with longstanding natural supply relationships, can continue to be an important partner with Indonesia as its growing beef demand is met through both an increase in local production and continued supplies of imported cattle and beef.

The three-year pilot project has broad-based private and public sector stakeholder support in both Indonesia and Australia. It was launched in April 2011 and is jointly funded by Meat and Livestock Australia, LiveCorp and the Australian Government.

It also highlights the power of agricultural R&D to build inter-governmental relationships and create linkages that build regional stability and promote understanding and cooperation. The value of these outputs can be described as ‘scientific diplomacy’.

There are also substantial in-kind contributions from key Indonesian institutions—the Indonesian Centre for Animal Research and Development (ICATAD), the Indonesian Feedlotters Association (GAPPSI), the Beef Cattle Research Institute (BCRI) and the Assessment Institute for Agricultural Technologies of South Sumatra.