Global Compliance

Weekly Newsletter

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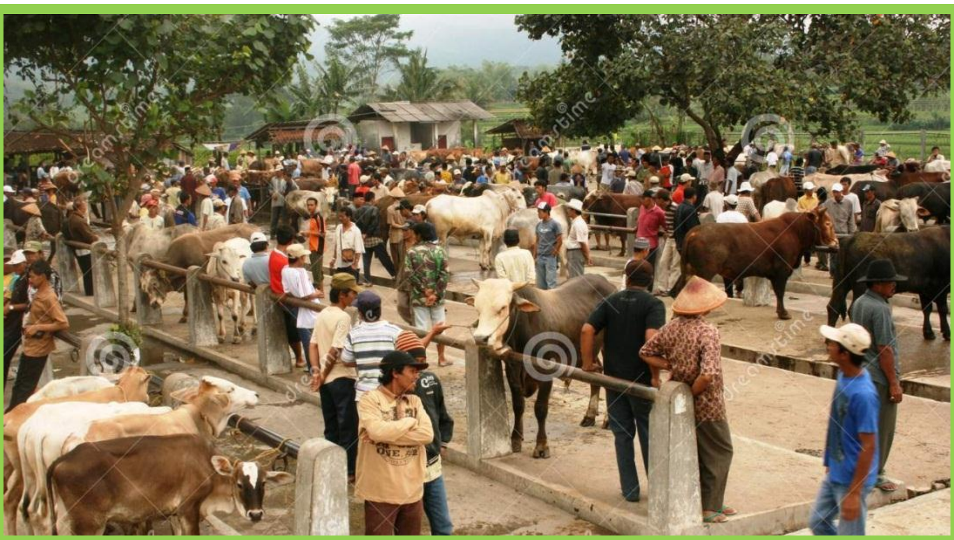
Global Compliance Indonesia Office: Ruko Bidex Blok I/12, Jl Pahlawan Seribu, BSD City, Tangerang Selatan, 15321, Indonesia.

Farmers happier with new cattle prices



Cattle market atmosphere asia indonesia. Photo : thumbs.dreamstime.com

Jakarta (29/1/2016) - Amid soaring beef prices, farmers and businessmen in East Nusa Tenggara (NTT) have finally agreed to use the government-run livestock vessel KM Camara Nusantara 1 to transport their cattle to Jakarta after securing a guarantee that they will be able to sell their stock directly to buyers in Jakarta.

Speaking to The Jakarta Post on Thursday, NTT Cattle Entrepreneurs Association head Decky Budyanto said the commitment had been made during a recent meeting in Jakarta attended by representatives from the provincial administration and the Agriculture Ministry. “According to the agreement, local cattle entrepreneurs will only use KM Camara Nusantara’s services [for livestock shipments]. They, however, are allowed to sell their cattle directly to buyers in Jakarta,” Decky said.

KM Camara Nusantara, operated by state shipping company PT Pelni, first arrived in NTT on Dec. 12 as part of the government’s maritime highway program.

The vessel, serving the Jakarta-NTT route, was initially assigned to transport cattle bought by State

Logistics Agency (Bulog) from NTT farmers and businessmen to Jakarta in order to help stabilize beef supplies and prices.

The second voyage of the KM Camara Nusantara, at the end of December, however, reportedly returned empty after local farmers and businessmen refused to sell their cattle to Bulog at Rp 35,000 (US$2.50) per kilogram live weight, much lower than the price paid by private shippers. *To the next page..*

This week topics

INDONESIA THIS WEEK

The new agreement, Decky said, would allow local farmers and businesses to sell their cattle at market prices, currently ranging from Rp 41,000 to 43,000 per kg live weight.

Cattle supplier PT Bumi Tirta operational manager Buce Frans said his company was prepared to send 120 head of cattle on board the KM Camara Nusantara on Feb. 2.

“We’re only being charged for the shipment services. We will personally handle the cattle sales in Jakarta,” said Buce, whose company manages thousands of head of cattle in Oesao subdistrict, Kupang regency.

Pelni has been assigned by the government to manage sea freight on six routes around the country as part of the maritime highway program, including one connecting Tanjung Perak, East Java, to Timika in Papua, as well as Tanjung Priok in Jakarta and Natuna in Riau Islands.

NTT Livestock Agency head Dany Sumadi, meanwhile, denied that KM Camara Nusantara had returned to Jakarta on Dec. 23, because of a lack of cattle. He said the ship had to turn around as the second consignment coincided with Christmas.

Dany said he was certain that the third cattle shipment to Jakarta would amount to 500 head of cattle, now that local suppliers would only pay for transportation and handle the sales themselves. “There’s no problem regarding price because the dealers will sell their cattle direct to Jakarta according to the market price,” he said.

Indonesian Beef Producer and Lot Feeder Association (Apfindo) estimates that Indonesia needs around 3.4 million head of cattle to fulfil the national demand for beef this year. Local farmers, meanwhile, can only supply some 2.4 million of this total.

Supply shortages and rumors regarding the duty levied on imported livestock have been blamed for the soaring price of beef from Rp 90,000 to around Rp 130,000 per kg over the past couple of weeks. See more at: http://www.thejakartapost.com/news/2016/01/29/farmers-happier-with-new-cattle-prices.html#sthash.PtFYfTsY.dpuf

Govt seeks more beef suppliers

Jakarta (28/1/2016) - Amid soaring beef prices, the government announced on Wednesday its ninth economic stimulus package, which included measures to stabilize beef supplies and prices by diversifying beef import sources and deregulating logistics.

Coordinating Economic Minister Darmin Nasution said that under the new package, the Agriculture Minister would introduce a zoning system within a cattle-importer country, instead of using a country-based criteria, to help reduce dependence on a single country.

“A country can be declared as not having completely [foot and mouth or other] disease-free zones, but we can import cattle from a certain zone or area [within that country if free from disease],” Darmin added.

Indonesia has become the largest importer of Australian live cattle, with total imports standing at 365,480 head of cattle as of June last year, or more than half of Australia’s total live-cattle exports, surpassing imports from Vietnam and China, according to data from Meat and Livestock Australia.

Meanwhile local farmers and businessmen have complained that the service of the livestock vessel KM Camara Nusantara 1, which was initiated by President Joko “Jokowi” Widodo to cut the cost of transporting cattle within Indonesia, is not viable.

Under the latest economic policy package, the government will now also deregulate five ministerial regulations related to the logistics sector.

For example, the government will introduce electronic single-billing for services related to customs and will improve a national single window for import-export services.

According to Darmin, the government will also boost the use of the rupiah for transportation and logistics. “It’s probably a bit weird but the fact is that there are some transportation services, particularly logistics services, that still use foreign currencies” he added.

Trade Minister Thomas Lembong said the deregulation in the logistics sector would provide extra flexibility for cattle imports. *To the next page…*

"The main factor in the supply chain is logistics. Therefore, the package is expected to be able to increase competitiveness in transportation and logistics," Thomas added.

Wednesday's announcement on the new economic policy package was made following a limited Cabinet meeting earlier in the day in which Jokowi instructed his ministers to introduce a policy that would maintain the balance of costs between producers, traders and consumers.

Elsewhere in the package, the government also decided to speed up infrastructure development related to electricity and the transmission grid, and would prepare a presidential regulation to support state-owned electricity firm PLN in developing electricity infrastructure. "The policy will provide a legal basis for PT PLN so that it can immediately complete infrastructure development in an efficient and transparent manner," Darmin added.

The government, Darmin said, would also support PLN by ensuring its project-financing through state capital investment.

The government has issued eight economic policy packages since early September last year, ranging from the simplification of export-import regulations to electricity price cuts, amid slowing global demand for local commodities and a six-year low in the country's economic growth.

The government expects the non-oil and gas industrial sector to bounce back to a growth level of around 6 percent this year.

Previously, Institute for Development of Economics and Finance (Indef) executive director Enny Sri Hartati said that while a growth target of 5.7 to 6.1 percent next year could possibly be achieved, it would require a lot of time and effort.

"I think the target can be achieved if the government is able to shift the existing [commodity-based] industry toward a processing industry. The thing is, can it be achieved quickly?" she said recently.

Enny said that with the country's existing industry heavily relying on imports, industrial growth might not amount to anything higher than around 5 percent this year.

Meanwhile, the Indonesian Employers Association (Apindo) expects a brighter business outlook this year in spite of continuing external challenges. "The 4.73 percent economic growth, which is higher than the 4.67 recorded in the second quarter, is a turning point," Apindo chairman Hariyadi B. Sukamdani said recently.

According to Hariyadi, the economic policy packages had boosted optimism regarding the country's economic situation as such measures indicated the government's commitment to overseeing growth, especially in the manufacturing industry.

Manufacturing, Hariyadi said, contributed around 20 percent — the largest of any sector — to Indonesia's economy, followed by trade and agriculture. *(jakartapost)*

Strong demand for breeder cattle and Brahman genetics as Indonesia aims to build national herd

Jakarta (24/1/2016) - The Australian Brahman Breeders Association (ABBA) has just returned from a trip to Indonesia and says there is a huge market emerging there for breeder cattle.

ABBA president Shane Bishop said the Indonesian Government's aim to build the national herd was creating plenty of opportunities for Australian cattle producers.

"There's plenty of opportunities and I see a big opening for Brahman heifers and breeding bulls going into Indonesia to help that aim of there's to create some food security," Mr Bishop told ABC Rural.

"There's always going to be demand for feeder and slaughter cattle, but while we're in Indonesia, the Government was talking about how they'd like to import 50,000 heifers.

PHOTO: Cows and calves at the Santori breeding centre in Bandar Lampung (Shane Bishop)

Read more at : http://www.abc.net.au/news/2016-01-28/strong-demand-for-brahman-breeder-cattle-in-indonesia/7119814

VIETNAM THIS WEEK

Northern cold hits farmers hard, killing 8,900 livestock

HA NOI (29/1/2016) - The number of farm animals killed in the record-low cold snap since last week rocketed to more than 8,900 – 11 times the figure released two days earlier, agriculture officials said on Wednesday.

Mountainous Son La Province replaced Quang Ninh Province in the previous report to become the hardest-hit locality with 2,756 animals frozen to death. This accounted for 38 per cent of the total.

Dead cattle, goat, horses and pigs were found across seven communes in Son La, one of which was Van Ho Commune, where snow fell for the first time in decades.

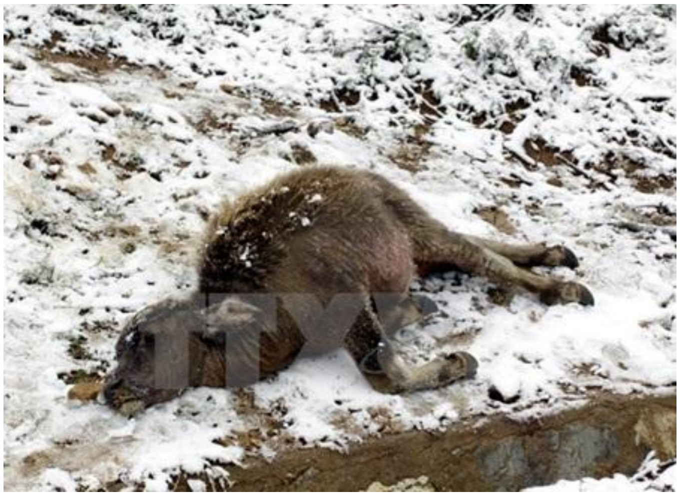
The northwestern province of Dien Bien was the second hardest-hit, with 641 out of 7,134 farm animals killed.

The number of animals lost in the freezing weather this year was three times the number recorded in early 2014 (about 2,000). However, it didn't come close to hitting the record 210,000 farm animals killed in 2008, another uncharacteristically cold year.

Son La Department of Agriculture and Rural Development Director Ha Quyet Nghi told the Phap Luat Viet Nam (Viet Nam Law) newspaper yesterday that the number was not likely to stop there.

"We are still sending officers down to each locality to track down the exact figure," Nghi said.

"After the work is finalised, we will come up with plans to provide support for the affected residents based on state regulations".



A buffalo is found dead due to the chill in Lao Cai Province. — VNA/VNS Photo

Except for Lao Cai Province, which had damages of VND5 billion (US$222,200), there aren't any official records on the estimated losses of other localities caught in the cold spell.

Temperatures in the northern region were expected to rise quickly from yesterday to an average of 10 degrees Celsius. But the Department of Livestock under the Ministry of Agriculture and Rural Development still asked northern provinces to work quickly to protect their animals from the cold and avoid further losses.

Another report by the Central Steering Committee on Disaster Prevention and Rescue on Wednesday evening showed that 10,725ha of paddy fields and vegetables were destroyed in the cold snap, while more than 80,000ha of forest were covered in snow. *(vietnamnews.vn)*

Tariff slashes cause foreign foods surge

Vietnam (27/1/2016) - Vietnam's husbandry sector has begun to feel the heat from the ASEAN Economic Community establishment, expected to prompt a rise in foreign foodstuff imports and livestock investment.

Last week, Danish Farm Concept Company signed the first contracts to supply investors in Vietnam with new turnkey pig production facilities. Representing the cooperative expertise of six Danish companies, Danish Farm Concept is the first business enterprise with the capability to deliver the complete Danish model for pig production.

The pig production facilities on the way to Vietnam will be tailored to local needs and conditions. *To the next page……*

Once in operation, they will both supply safe food to demanding consumers and deliver good returns to investors.

In another case, Thailand's frozen seafood producer PFP Group is reportedly planning to establish a joint venture in Vietnam over the next three to five years.

The group's international marketing director Piyakarn Piyapatana said that PFP was negotiating with several seafood firms in Vietnam about the foundation of this joint venture. It is expected that PFP will hold a major stake.

The new investments in the local husbandry sector are attributed to slashed import tariffs under the ASEAN Economic Community (AEC), plus Vietnam's great husbandry growth potential. Under the AEC, investors may concentrate production lines in a chosen ASEAN country, thus creating economies of scale, and then export the finished product tariff-free to other ASEAN countries as well as to ASEAN's free-trade partners in the region (China, India, the Republic of Korea, Japan, Australia, and New Zealand).

Piyapatana ascribed PFP's investment in Vietnam to the country's higher economic growth within ASEAN, improved business climate and notably a good source of seafood. Vietnam also enjoys trade privileges that will help PFP export to the other regional markets, such as the US and Europe.

According to the Ministry of Planning and Investment's Foreign Investment Agency study on challenges and opportunities in attracting foreign direct investment (FDI) following the AEC establishment, Vietnam will have a big advantage in luring foreign investment to the livestock sector thanks to its abundant materials and land, especially big tax incentives.

For example, a livestock project will enjoy either reduction or exemption of corporate income tax. It will also be exempt from paying tax for importing materials and equipment.

However, Vietnam's livestock sector, home to about eight million farmers, may lose out following the establishment of liberalized trade blocs like the AEC. A Vietnam Institute for Economic and Policy Research survey on impacts of the AEC and the Trans-Pacific Partnership (TPP) on the sector stated that under the AEC and the TPP, consumers and importers would gain, while exporters and producers would lose due to competition with imported products.

Specifically, livestock exports of Vietnam to ASEAN are expected to fall mainly in pork and poultry, by 7% to the Philippines, 82% to Thailand and 3% to Indonesia.

The survey revealed that in both AEC and TPP, tariff cuts by Vietnam in the husbandry sector negatively affect the total production value of the sector mainly due to higher competition from imported products.

For example, Vietnam has been one of Australia's fastest growing export markets for live cattle, rocketing from just 1,441 cattle four years ago to almost 310,000 cattle last year. *(english.vietnamnet.vn)*

VIETNAM Business In Brief

Vietnam joins FAO-funded project on sustainable aquaculture growth

The Prime Minister has approved a proposal for Vietnam to take part in a project funded by the Food and Agriculture Organisation of the United Nations (FAO) to facilitate sustainable aquaculture growth in the country.

The project "Regional Initiative Blue Growth – Pilot application of aquaculture planning and management tools for sustainable growth in selected Southeast Asian countries" in Vietnam will be funded by non-refundable aid from the FAO.

It aims to support sustainable growth of aquaculture in the region through improved planning and more effective management at different levels and help boost seafood supplies to meet rising demand and improve livelihoods and economic development in Asia.

The Prime Minister has instructed the Ministry of Agriculture and Rural Development to prepare all project documents and sign them with related parties.

The project's main activities involve selecting tools to solve key issues in aquaculture planning and management, providing training on planning and management tools for trainees and farmers, and piloting these tools in reality.-

Ministry urges precautionary measures to control bird flu

The Ministry of Agriculture and Rural Development (MARD) has warned of a possible outbreak of avian influenza, commonly called bird flu, caused by complicated weather patterns. The warning was made at a meeting of the national steering committee for cattle and poultry epidemic prevention, held in Ha Noi on Wednesday.

Vu Van Tam, Deputy Minister of Agriculture and Rural Development, said the blue-ear pig disease had reappeared after 26 months, along with the return of H5N6 avian flu and the high-risk spread of the H7N9 virus from China, so localities shouldn't neglect disease prevention initiatives, especially in border provinces.

Tam has ordered local authorities nation-wide to roll out precautionary measures against the spread of the disease as the Lunar New Year approaches.

He has asked the People's Committees of cities and provinces to instruct their agricultural and rural development authorities to tighten supervision for early discovery of all bird flu outbreaks and to handle any new outbreaks promptly.

Pham Van Dong, head of the Department of Animal Health under MARD, said last year the number of bird flu hotbeds and the amount of dead poultry, including those forced to be culled, had dropped remarkably compared with the year 2014.

Dong said the disease primarily occurred in poultry birds that hadn't been vaccinated and were being raised in households.

Statistics from the Animal Health Department showed that 27 foot-and-mouth disease outbreaks were reported in cattle from the provinces of Ha Tinh, Lang Son, Son La and Dac Lac, as well as Cao Bang and Bac Giang, as of Wednesday.

As many as five H5N6 avian flu outbreaks were recorded in the provinces of Quang Ngai, Kon Tum, Tuyen Quang and Lang Son, over the last 21 days, with a total of 3,540 poultry infected and 6,720 culled.

EVN seeks to hike power tariffs

Vietnam Electricity Group (EVN) has proposed adjusting up power tariffs by VND21.2-21.4 per kWh this year. EVN said production costs of electricity went up last year due to the depreciation by 5% of the Vietnam dong against the U.S. dollar, higher prices of coal and gas for power generation, and increases in water resource tax and forest environment fee. These factors affected its revenue and profit in the year.

The State-owned group reported that its 2015 revenue increased by 18.5% year-on-year to over VND223.7 trillion (around US$9.96 billion) thanks to the average power price spike of 13% to VND1,629.8 per kWh. This price was higher than the average price of just over VND1,622 approved by the Government in March 2015.

Dinh Quang Tri, deputy general director of EVN, told a conference in Hanoi on January 6 that the parent firm of EVN and its nine corporations posted higher-than-targeted profit last year. The chartered capital of the parent firm had increased to VND160 trillion, up 2.08 times compared to 2010.

Tri said the electricity loss ratio went down by 0.43% last year over the previous year. However, Deputy Prime Minister Hoang Trung Hai told EVN to further reduce the electricity loss ratio, adopt more measures for energy saving and improve service quality.

Despite the good business performance in 2015, EVN still wants to hike the average power price to VND1,651.2 a kWh this year, rising by 1.3% compared to the current price and nearly VND30 over the average price approved by the Government in March last year.

Regarding 2016, EVN plans to generate and buy a total of 175.9 billion kWh, up 10.35% from last year. The volume includes 81.9 billion kWh generated by the group. In addition, the group intends to import 1.2 billion kWh from China and 1.54 billion kWh from Laos as a backup source to meet increasing domestic demand.

Deputy PM Hai was quoted by VietnamPlus as saying at the conference that EVN ensured stable power supply and contributed to the country's economic growth last year.

He noted although EVN is now responsible for 40% of the nation's electricity output and more private firms have got involved in power projects, the State-owned group is still playing a vital role in the sector.

He urged EVN to take the lead in developing new energy and renewable energy sources including wind and solar energy, and improve corporate governance to increase its investment projects.

The group was told to prepare human resources and viable schemes to receive technology and operate nuclear power plants planned to go up in the central region in the coming years.

MALAYSIA THIS WEEK

Opportunities in TPP for Malaysia, Parliament session told

KUALA LUMPUR (26/1/2016) - Malaysia risks facing trade flow changes if it chooses to withdraw from the Trans-Pacific Partnership (TPP) as participating countries would have wider access to markets, said Member of Parliament Datuk Irmohizam Ibrahim.

"The overall impact at national level may not appear large, but the trade flow changes could become very significant for certain industries and for Malaysia's export revenue," the BN-Kuala Selangor MP said at a special session on the TPP at the Dewan Rakyat here today.

The two-day meeting beginning today is expected to be followed by one at the Dewan Negara on Thursday.

Irmohizam said the TPP would give Malaysia lower or zero tariffs on exports, adding that open markets would widen opportunities for exporters wishing to venture overseas.

According to a World Bank report, Malaysia and Vietnam would benefit the most from the TPP while non-participating Asian countries would be cut off from trade flows and post slow growth.

The Institute of Strategic and International Studies (ISIS) says Malaysia's participation in the TPP is consistent with the New Economic Policy and in line with its aspirations to be a high-income country.

"If we do not join the TPP we should be worried, as our economy would be left behind those of regional countries like Vietnam and Singapore," said Irmohizam, who is chairman of the Malaysian Fisheries Development Authority.

"Joining the TPP could make Malaysia a more attractive investment and trade destination."

The trade deal could also make Malaysia's agro-food exporters more competitive in price and product quality while boosting exports of sea food products and livestock, he said.

The session, which ended at 7pm, will resume tomorrow. — Bernama

11 steps laid out under recalibrated 2016 Budget

PUTRAJAYA (28/1/2016) - Prime Minister Datuk Seri Najib Razak has laid out 11 steps under the recalibrated Budget 2016 to ensure the country's economy and financial position remain on the right track.

In a special address, Najib said the recalibrated measures were proactive, transparent and realistic in line with the current global economic challenges.

He said the wellbeing of the rakyat would continue to be a priority with no compromise on government service delivery.

Among the steps taken by the government under the 11 measures include:

1. Reducing employees' contribution to the Employees Provident Fund (EPF) by 3 per cent beginning March to Dec 2017. The contribution rate by employers will remain unchanged.

2. Special tax relief of RM2,000 for individual taxpayers with monthly income of RM8,000 or below for the year of assessment 2015.

3. To reduce the cost of daily basic necessities for the rakyat with the government implementing:

i - Liberalising the control on import or Approved Permits (APs) on eight agricultural produce including, buffalo meat, raw coffee beans, beef and mutton.

ii - Ten MyFarm markets by Federal Agriculture Marketing Authority selling agricultural produce directly priced between 5 per cent to 20 per cent below market price will be opened in towns with first outlet to be opened in Presint 7, Putrajaya in March.

iii- Hardcore poor to receive 20 kilogrammes of rice every month until Dec through MyBeras programme.

iv - Fair price shops to be increased from 640 to 1,000 shops this year and Domestic Trade, Co-operatives and Consumerism to step up enforcement.

More at : http://www.nst.com.my/news/2016/01/124483/11-steps-laid-out-under-recalibrated-2016-budget

CHINA THIS WEEK

China hits mutton prices

China (26/1/2016) - THE Eastern States Mutton Indicator dropped 41c/kg last week finishing at 267c/kg, well below he same time last year, when it was 334c/kg.

Rapidly depleting water and feed has Victoria experiencing the biggest market impact, where last week the National Livestock Reporting Service reported mutton as averaging $61.40, about $4 below NSW.

JM Ellis & Co agent Robert Pike said extra supply and a short processing week because of the Australia Day holiday were behind the dip.

“Because of the dry season, the numbers have come on earlier than normal and a lot of people have feed or water problems, and in some cases both, especially north of Hamilton,” he said.

“Regardless of what prices are doing, I think most people are happy to take the money and move on — they can’t -afford to have old ewes running around and hang onto them if they have young stock that they have to look after.”

Mr Pike said that while the first sale of the year was solid for mutton, prices had dropped for the two weeks following.

“But there were only a few buyers really active in the market with not all processors -operating as they had their numbers for the short term. In a few weeks it will pick up again when the numbers are under control, which is how I would read it.”

Mutton’s longer term drop can’t be explained by a supply glut however, with 14 per cent less mutton produced in Australia from January to November than the same period the previous year.

Meat and Livestock Aus-tralia predict mutton production would drop another 13 per cent by the end of this year. Markets analyst Angus Brown from Mercado said it was the demand, rather than supply, that was pushing prices lower.

“It really could have something to do with the economic issues in China because they take a lot of our mutton, but also some demand issues coming out of the Middle East -because of the lower price of oil,” he said.

Mutton exports to China fell 42 per cent year on year in 2015, although Australia did maintain its market share, with high sheep volumes in cold store blamed for the drop in demand. The Middle East, Australian mutton’s largest market, dropped 7 per cent year on year.

“Seasonality suggests there will be a rise in February to March, and we hope to see that again this year,” Mr Brown said. By the end of January last year, the mutton indicator was at 358c/kg, rising to 363c/kg by the end of February. *(weeklytimesnow.com.au)*

Chinese money makes itself felt in beef

China (27/1/2016) - BIG orders at southern cattle sales this month to restock Queensland stations bought by Chinese investors have sparked plenty of talk on the role the economic powerhouse is playing in beef.

At some Victorian saleyards, agents say the Chinese influence lifted buying averages by as much as $300 a head.

Last year saw the largest ever investment in Australian beef properties by the Chinese, with multi-million dollar deals taking place at a hectic pace.

Some of the biggest were Hailiang Group’s $40 million purchase of a St George, Queensland, holding; Dashang Group buying Glenrock Station near Scone in the Hunter Valley at $45 million; Tianma Bearings spending $47m for Wollogorang and Wentworth cattle stations in the Northern Territory; Elizabeth Downs in the NT going to Yang Xiang for $11.5m and China’s Fucheng Group snapping up 32,000 hectares across five properties in Southern Queensland along with two historic properties near Bendigo, Victoria.

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Chinese business and management expert Hans Hedrischke, from the University of Sydney, said further deals had since been conducted on beef stations in South Australia, with the details still being verified.

Purchases of smaller parcels of land had also taken place but were difficult to trace, he said.

While the NT operations were largely purchased walk-in walk-out, many of the others, particularly in Queensland, were destocked so it has taken until now, with good rain under the belt, to spark the Chinese cattle buying spree.

In ten days, Fucheng Group snapped up 2654 Angus heifers to an average 300 cents per kilogram and 344 steers to an average 310c/kg.

They are all headed for the Westmar, Queensland, properties with the steers to be taken to feeder weights and the heifers to go into a breeding program that will eventually supply a planned on-farm 20,000 head feedlot. In the short-term, the domestic market will be the target but longer-term Fucheng has China's forecast massive middle class protein demand increase in sight.

Read more at : http://www.farmweekly.com.au/news/agriculture/cattle/beef/chinese-money-makes-itself-felt-in-beef/2751341.aspx

Online Chinese beef seller looking to Central Australia to satisfy demand for Australian meat

China (29/1/2016) - As the online parcel trade in China booms, an internet-based boxed beef seller is turning its attention to Central Australia to source meat supply.

Sino-Australia Top Beef already has cattle and sheep properties in Victoria, New South Wales and Queensland and increasing demand for beef in China has led them to the bigger cattle numbers available from the Red Centre.

Speaking through an interpreter, Sino-Australia Top Beef Chairman Mr Zhang Yong said they sold 4,000 tonnes of Australian beef last year and expect that number to skyrocket in the future.

"We think it could double or triple over the next few years," he said.

"It will grow. China is a huge market."

Mr Yong said current average beef consumption for China's population of 1.3 billion is about 3 kilograms per person and he thinks they will catch up with the amount of beef eaten by Australians.

"Chinese people think Australian beef is healthy and we want to increase the annual average beef consumption of Chinese people to 20 kilograms," he said.

Mr Yong said a key component of the company's marketing strategy was promoting Australia's clean green image.

Interest in live cattle as well as processed beef

He said Central Australia and southern regions of Australia were perfectly placed to supply live cattle into the future, because they are outside the Bluetongue disease exclusion zone.

"We are not in Australia only looking for more cattle for boxed beef products," he said.

"Right now, the Chinese Government is open to importing live cattle and we want both. "We want to give the people of China healthy, organic, high quality beef."

David Weir, a Central Australian cattle veteran of more than 50 years, said he would never have predicted Chinese buyers sourcing Australian beef to sell on the internet.

"You couldn't imagine it in my time," Mr Weir said. "It's very good for them to come and have a look at the industry.

Trade potential positive

"Apparently they want a lot of beef so it looks pretty good now and for years to come."

Northern Territory Chief Minister Adam Giles, who undertook a trade mission to China last month which led to Mr Zhang Yong's current visit, is confident cattle processing and packaging opportunities could be established in Central Australia. Read more at : http://www.abc.net.au/news/2016-01-28/online-chinese-beef-seller-turns-to-central-australia/7119376

ASIA PACIFIC THIS WEEK

National beef cattle herd forecast to hit record low in 2017

Australia (27/1/2016) - Australian beef processors will feel the pinch in the next 12 months with estimates national cattle numbers are headed for a record low.

Meat and Livestock Australia (MLA) predicts beef production will drop to 25.9 million head in 2017, its lowest level in 24 years.

MLA manager of market information Ben Thomas said numbers had been forced down by drought and higher production.

Producers in Queensland and New South Wales have experienced significant issues with drought conditions this season.

Mr Thomas said Australia had been through several years of "extremely high cattle turnoff" with processed product and live exports reaching record levels.

"Our estimates are that it's dropped from what was the highest cattle herd in more than 30 years," he said.

"In 2014 it was at just above 29 million head to now what is estimated to be just 26.2 million head."

MLA figures show the slaughter of adult cattle is tipped to slump 16 per cent this year to 7.6 million head, which is one of the largest yearly drops ever recorded.

Mr Thomas said he anticipated production would increase again in the next five years.

"By the time we got out to 2020 we are estimating that the national herd will be back [to normal]," he said.

"[It should return] to about the 10-year annual herd size, which is 27 million head."

Potential for processors to be hit hard

Beef cattle supply affected a New South Wales processor this week as more than 150 workers lost their jobs at a JBS abattoir in Scone.

PHOTO: Beef processors are expected to be affected as national cattle numbers fall. (ABC Rural: Charlie McKillop)

The news comes just two months after the processor extended its shutdown period at a Queensland site.

Mr Thomas said while it was clear herd numbers were in decline, he said it was too difficult to determine whether there would be job cuts or closures at beef processors.

"It's a really difficult question to answer without knowing how this year will play out first," he said.

"[We don't know] exactly the numbers will come forward."

But Mr Thomas said he did not believe production would drop significantly further.

He said the 7.6 million of head cattle estimated for processing in 2016 was "very much in line" with the 10-year average.

Domestic processing to suffer more than live export

MLA 2016 cattle industry projections show there will be a shift to higher proportions of live cattle exported.

Mr Thomas said there would be a year-on-year decline in live cattle exports due to supply issues.

But he said the decline in live exports would be "slightly less significant" than the decline in processed cattle.

"That's simply because of the extremely strong demand we're seeing for our cattle in Vietnam and Indonesia at the moment," he said.

"As well as other markets such as Philippines, Malaysia and some in the Middle East." *(abc.net.au)*

INDONESIA

Indonesia's FKS targets moderate growth

[27 January 2016] Responding to the slowing growth in the animal feed industry, Indonesian animal feed ingredients trader FKS Multi Agro has moderate growth targeted for this year. Anand Kishore Bapat, Director, said FKS projects sales volume to grow 5-7% from 2.2 million in 2015. FKS is constructing a transit-warehouse in Teluk Lamong Port, East Java with a capacity of 100,000 tonnes. "The warehouse is targeted for operations in the middle of this year and will support our distributions to eastern Indonesia," said Mr Anand. FKS' main customers are Charoen Pokphand Indonesia, Central Proteina Prima and Japfa Comfeed Indonesia. FKS controls around 25% of the market share of animal feed ingredients in the country.

Indonesia to remove VAT on livestock

[26 January 2016] Indonesia this month will reverse a decision to impose a value added tax on most of its poultry and cattle businesses. The country has been struggling to rein in the prices of beef and chicken after a string of self-sufficiency policies backfired. The imposition of a 10% VAT on January 8, on almost all livestock businesses, ranging from cattle and poultry to sheep, but excluding imports of breeding cattle, caught many by surprise. Government officials initially said the move was intended to protect domestic breeders. "To synergise food policy, we will exempt livestock from VAT," said Astera Primanto Bhakti, a special staff of the Finance Minister.

Indonesia's Bulog to import 600kt of corn in Q1

[26 January 2016] Indonesia's State Procurement Agency (Bulog) has said that it plans to import 600,000 tonnes of corn in the first quarter of this year. Wahyu, Bulog Director, said 100,000 tonnes will be shipped in January, 200,000 tonnes in February and 300,000 tonnes in March. "Bulog imported corn many years ago," he said. "This will be the first time in the last 10 years." Bulog will spend around USD 128.5 million on the corn imports, which will then be sold to feed millers in the country at a price set by the government, Mr Wahyu informed.

Mealworm, pkm use expected to develop in Indonesia

[25 January 2016] Mealworm and palm kernel meal (pkm) are local alternative feed ingredients that are expected to develop in Indonesia, according to Dr Nahrowi Ramli, Animal Nutrition Scientist from Bogor Agricultural University. These alternative ingredients contain high nutrient density, are safe for animals, humans and the environment, and do not compete with human needs. Dr Nahrowi explained that mealworm could replace mbm and fishmeal. Meanwhile, pkm is used regularly for ruminant feed, but in small amounts for poultry, fish and pig feeds.

MALAYSIA

QL Resources' subsidiary buys Cargill Malaysia's hatchery

[26 January 2016] A subsidiary of QL Resources Bhd has snapped up a hatchery belonging to Cargill Malaysia for USD 270,000. Cargill Aquaculture is in the business of breeding, genetic selection and hatchery operation, for aquatic species, said QL Resources. It is now a wholly-owned subsidiary of Kembang Subur, which belongs to QL Resources. Last July brokerage firm CIMB Equities Research said QL Resources is aiming to expand its farmed shrimp output and it is also building a new processing plant. The company wants to double its output in financial year 2016 as it builds more ponds. CIMB also said QL Resources wants to expand Kembang Subur's farm capacity by 60%.

INDIA

Shrimp hatchery to come up in Kerala

[28 January 2016] Kerala University of Fisheries and Ocean Studies in India has obtained a licence to set up a hatchery to produce seeds of vannamei shrimp. B Madhusoodana Kurup, Vice Chancellor said that this represents the first such hatchery in the state and it would boost vannamei shrimp farming in Kerala. "Vannamei has not been popular in Kerala as farmers had to depend on other states for the seeds," he said.

Shutdown to hit beef supply in Meghalaya

[27 January 2016] Beef supply is expected to be affected for the next two weeks in India's Meghalaya state as butchers and cattle traders have called for a two-week shutdown to protest cattle smuggling into Bangladesh. The strike, which will end on February 3, was initiated after the Meghalaya government failed to prevent smuggling of cattle into Bangladesh. "All beef shops will continue to remain closed and there will be no purchase of cows from the cattle market till February 3," Vice President of the Butchers Welfare Association, Generous Warlarpih said.

India's broiler meat demand expected to grow

[25 January 2016] India's domestic broiler meat demand is expected to grow at an annual rate of 5-7% in volumes and table eggs at 4-5%. Credit rating agency ICRA in its report also informed that growth in value of the broiler industry is expected to be higher at above 10%. "The transition of the poultry industry from a predominantly live bird and wet market to a chilled and frozen market would be crucial for the future growth of the domestic poultry industry as well as to increase its presence in international trade," the agency said in a statement.

FDI in food processing expected to go up

[29 January 2016] Foreign direct investment in India's food processing sector is likely to go up by 25% as the Food Safety and Standards Authority of India (FSSAI) has streamlined regulations to ease product approvals. Revealing this, Union Minister Harsimrat Kaur Badal said the industry's concerns on product approvals will be addressed to a large extent with the changes in the approval process. According to her, this will ease the process of doing and expanding business in the food processing sector.

THAILAND

Thailand's PFP aims to achieve 15-20% growth in 2016

[27 January 2016] Thailand's PFP Group, a frozen seafood producer, has set its revenue growth target this year at 15-20% to USD 167 million. The firm plans to open new seafood-processing plants in countries in Asean countries including Indonesia and Vietnam. "We are preparing to reach more consumers both domestically and overseas," said Thawee Piyapatana, Chairman of PFP Group, the Nation reported. Around 60% of PFP Group's products are for the domestic market. PFP Group exports to more than 21 countries. In Thailand, Thawatchai Ratanapisit, Executive Director of PFP Group, said that the firm plans to increase sales through modern trade, hotels, restaurants and catering.

Thailand's CPF aims to raise labour standards

[25 January 2016] Thailand's Charoen Pokphand Foods (CPF) said it is determined to raise labour standards for both Thai and migrant's workers. It currently employs 5,200 migrant workers - 4,450 from Cambodian and the rest from Myanmar. CPF said that all of its migrant workers are treated the same as Thai workers with regards to salary, skilled-based pay and welfare. Speaking of CPF's chicken manufacturing plant in Nakhon Ratchasima, Apichart Kaewking, Vice President of CPF said: "The labour practices of the Thai private sector follows international standards."

CPF expects good earnings despite economic slowdown

[29 January 2016] Despite concerns over the global economic slowdown and foreign exchange volatility, Thailand's Charoen Pokphand Foods' (CPF) profit is expected to rise significantly in the first half of 2016. Bualuang Securities said that CPF's 1H profit will be boosted by improved livestock and shrimp margins, bolstered by more balanced supply and demand mechanisms and the low 1H profit base last year. Bualuang Securities estimates CPF's net profit for Q4 2015 at USD 52.87 million, up 135% from the same period in 2014, led by loss reduction in its Thai shrimp unit and improved performance in Russia and Vietnam. Its Turkish unit however, is expected to post a net loss in Q4 2015.

CHINA

First legal Hungarian beef arrives in China

[28 January 2016] China has received its first shipment of legally imported frozen beef from Hungary, according to a report by China Daily. Twelve tonnes of Hungarian beef arrived in Shanghai for sale in the run-up to Chinese New Year on February 8, when China's annual beef consumption peaks. Small amounts of Hungarian beef have previously entered China via the grey channel through Hong Kong. Chinese officials have been trying to expand legitimate supply sources and signed a beef trade agreement with Hungary in October. Only seven other countries have legitimate access to China's beef market: Brazil, Australia, Uruguay, New Zealand, Argentina, Canada and Costa Rica.

CJ Cheiljedang to acquire China's lysine producer MeiHua

[26 January 2016] CJ Cheiljedang Corp, South Korea's largest food company, is planning to buy a controlling stake in China's MeiHua Holdings Group Co Ltd. A CJ spokeswoman said the company wanted to boost the market share of its own animal feed and food additive business through the acquisition. According to an industry analyst, both companies are primary manufacturers of amino acids that have maintained a leading position in the global lysine, threonine and tryptophan markets. "If CJ and Meihua are integrated, they would account for 34.1% of the global lysine supply," said the analyst.

ASIA PACIFIC

HKScan upbeat on premium meat market in Asia

[28 January 2016] Finnish meat manufacturer HKScan is banking on the high-growth Asian countries such as China and Japan. "We have a well-established network of customers in Japan, Singapore, Korea and Hong Kong. Our current sales is largely from cuts which are not consumed in our Nordic home markets such as pork feet, pork and chicken offal, chicken wings and feet," Jukka Nikkinen, Executive Vice President, Away from Home told Asian Agribiz. "We expect the market for imported premium or upper medium products with a true and good story to grow. Good taste, Nordic purity and safe food are clearly relevant to select consumers," he said.

Hong Kong company buys Australian grain producer

[28 January 2016] A company controlled by Hong Kong billionaire Li Ka-shing has struck a deal to buy one of Australia's largest grain producers, according to the Chinese news agency Xinhua. CK Life Sciences International has agreed to pay USD24 million for the Nicoletti Group, which owns 68,000 ha of wheat-growing properties in Western Australia. Nicoletti, which has suffered a series of poor harvests due to drought, will continue farming the land under a sale-and-leaseback arrangement, Xinhua said. CK Life Sciences is a subsidiary of CK Hutchison Group, controlled by Mr Li. The agreement must be approved by Australia's Foreign Investment Review Board.

Trouw Nutrition opens Philippine office

[27 January 2016] Trouw Nutrition opened its representative office in the Philippines on Monday, paving the way for the company to increase its presence in this market. "We have seen significant growth in Asia Pacific, and the Philippines is one of the specific growth markets in the region," Ramakanta Nayak, Commercial Director of Trouw Nutrition Asia Pacific told Asian Agribiz. "It is important that we have a stronger presence here." The focus of the new office is to offer solutions and innovations to customers.

Nutreco completes acquisition of Micronutrients

[26 January 2016] Nutreco has completed the acquisition of Micronutrients which now allows Trouw Nutrition, Nutreco's animal nutrition business, to beef up its Selko feed additives product portfolio. The acquisition makes Trouw Nutrition a global leader in hydroxy trace minerals and will strengthen Trouw Nutrition's global premix business. Hydroxy trace minerals are specialty trace minerals that due to their unique chemical structure improve the stability of premix and feed and the bioavailability (better digestion) in animals compared to inorganic trace minerals.

Aussie beef grows pricier in Japan despite tariff cut

[25 January 2016] The price of Australian beef has risen in Japan, even after the import tariff was reduced under a bilateral trade pact that took effect a year ago. Japan imported 267,000 tonnes of Australian beef between January-November 2015, up just 2% on the year. The 38.5% tariff dropped to 28.5% for frozen meat and to 31.5% for chilled meat. Imports jumped in April, when the levy fell but a sharp rise in prices thereafter in the Australian market curbed imports. In Japan, the retail price of Australian beef sirloin is around USD 3.54 per 100g, up around 10% from a year ago.

Source : Asian-agribiz.com