

Indonesia

Increasing Competition from Indian Buffalo Meat Forces Australian Beef into Premium end of Indonesian Market

The Australian live cattle trade is facing increasing competition in the Indonesian market, with buffalo meat from India and beef from as far away as Spain now infiltrating the wet markets of Jakarta.

Robi Agustiar, who worked in the Northern Territory cattle industry and is now based in Java, said buffalo meat was taking over the country's bakso ball industry. "If we look at the consumers of meat in Indonesia, probably 70 per cent eat meat from bakso balls," he said.

"In the traditional markets, they're still using the Australian meat because of the fat. "But instead of the bakso balls being 100 per cent Australian meat, they're now blending and using around 80 per cent of the [cheaper] buffalo meat to make the bakso balls." Mr Agustiar said the Indonesian Government's recent decision to suspend buffalo meat from India had only affected the trade for a month, with another 6,000 tonnes of frozen buffalo meat due to arrive by the end of March.

Beef carcasses from Spain are being imported for a low price of about Rp45,000/kg (\$4.44/kg). Mr Agustiar said the Spanish beef was showing up in the wet markets and selling retail for about Rp90,000/kg, compared to Rp110,000/kg for Australian beef and Rp80,000/kg for Indian buffalo meat.

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Room for premium product

Mr Agustiar said Australian beef could not compete on price, but there was plenty of room in the market for a premium product. "It won't be easy, but I think Australia must change its strategy to be a premium market," he said. "If you look at the price, it can't compete with the Indian buffalo meat and also the beef from Spain.

"The industry needs to educate the consumer that if they want a cheap price, then buy the buffalo meat, but if you want great quality [beef], from a traceability system and a delicate taste, you can buy Australian meat.

"The middle and upper class Indonesians want to buy meat from Australia, so that's maybe 50 per cent of all the meat customers in Indonesia."

Speaking to ABC Rural last month, veterinarian consultant Ross Ainsworth predicted the Indian buffalo trade had the potential to halve demand for Australian cattle.

"If the demand for Australian cattle is halved and we were bringing in roughly 600,000 head before, it might go to something like 300,000 [head of cattle] a year," Dr Ainsworth said.

www.abc.net.au

Causes Beef prices in RI More Expensive than Malaysia



Thursday, March 2, 2017 - by: Rochimawati, Chandra G. Asmara - VIVA.co.id - Finance Minister Sri Mulyani Indrawati has revealed the price of beef in Indonesia, which is much more expensive 40 per cent compared to neighboring countries such as Malaysia and Singapore as rampant cartel practices of the importers.

Director General of Taxes, Ministry of Finance Ken Dwijugiasteady lays out in detail why the phenomenon occurs. These companies, forming a new center to put their profits. This is the first mode is performed. "So in fact, has the same owners," said Ken, in a press conference in Jakarta on Thursday, March 2, 2017. While the second mode, is the owner of the company also puts on one point the same distribution channels.

Ken looked at, many of which use the classification of businesses that do not match the criteria should be. In this case, of course in the trade sector. "Cluencya trading power tools. For example, feeder cattle import transactions, so his physical remains. Papers run everywhere. Starting from the importer, owner, until feedloter the same person," he said.

Ken explains the tax authorities so far have been sniffing the practices carried out by the cartel. Especially, for the importers who use the practice, and proved to have been absent from their obligations to the state in terms of taxation. "I can be caught all. There are 82 WP (taxpayer), and there have been a clue of her," he said. (one)

www.bisnis.news.viva.co.id

Australia Looking for More Opportunities in Agribusiness, Tourism in Indonesia

Jakarta. Australian Tourism, Trade and Investment Minister Steven Ciobo said Australia is looking for more business opportunities in tourism, agribusiness, services and vocational training in Indonesia.

Speaking at the Indonesia-Australia Business Week (IABW) forum in Jakarta, Steven said the event could create a momentum for both countries to take their business partnership to the next level, especially as part of the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA CEPA).

"There are 1200 Australian business delegates here, this is an opportunity for Australian and Indonesian businesses to come together to boost trade and investment," Steven told reporters on Tuesday (07/03).

Both countries have agreed to finalize IA CEPA's negotiations by the end of this year since they had signed the agreements back in 2013.

Indonesia and Australia also signed an agreement on trade barriers, giving Indonesia lower tariffs on Australian sugar imports. Indonesia imported 887,888 tons of raw sugar worth US\$396 million from Australia last year. Australia will also remove the tariff on pesticides and herbicides from Indonesia, as well as the tariff on long-term permits for cattle exports.

"[The business partnership] has got to be a win-win for everyone. Good for Indonesian businesses and good for Australia. That's the key to a successful partnership," Steven said.

Shinta Kamdani, the deputy chairwoman of the Indonesian Chambers of Commerce and Industry (Kadin) said Kadin, Indonesian Employers Association (Apindo) and Australian Chambers of Commerce and Industry have created a partnership group to study which sectors are beneficial for both countries and to find local partners to join the partnership.

"The main sectors that Australia is interested in are tourism, infrastructure, renewable energy, agribusiness, food security, cattle, financial technology and education, especially vocational training," Shinta said.

According to the Investment Coordinating Board, or BKPM, data, investment from Australia to Indonesia totaled \$174 million last year, a 4 percent increase from \$167 million in 2015. BKPM expects Australian investment in Indonesia to increase to \$3 billion in the next 3 to 5 years.

IABW 2017 runs on March 6-10 in Jakarta, Surabaya, Malang, Denpasar and Mataram, featuring seminars, round tables, site visits, product showcases and opportunities for networking with Indonesian businesses, industry and government.

Price of Staples from The Ministry of Trade on Friday March 10th 2017

Jakarta

Type	Price/kg (IDR)	Price/kg (AUD)
Beef	115.000	11.5000
Chicken Meat	29.260	2.9260
Chicken Egg	19.730	1.9730

National

Type	Price/kg (IDR)	Price/kg (AUD)
Beef	114.590	11.4590
Chicken Meat	28.670	2.8670
Chicken Egg	21.880	2.1880

www.kemendag.go.id



Australia

Brexit, Trump Factor Could Impact Global Red Meat Flows

By Fiona Myers, 10 March 2017

Global political issues like Brexit and the election of Donald Trump in the US could have more influence on red meat producers than they thought.

Read more:

<http://www.beefcentral.com/trade/brexit-trump-factor-could-impact-global-red-meat-flows/>

Anthrax causes Dozens of Cattle Deaths near St George – UPDATED

By James Nason, 08 March 2017

Biosecurity Queensland is working with the managers of a St George cattle property following the death of approximately 80 animals.

Read more:

<http://www.beefcentral.com/news/80-cattle-deaths-near-st-george-attributed-to-anthrax/>

Live Export Sheep Stressed And Seasick In Shipping Pens, Queensland Study Finds

ABC NEWS: ELLIE SIBSON - Sheep get stressed and aggressive when put in conditions approved by Australia for live animal exports, a study has found. The University of Queensland's Gatton campus tracked the effects of high-stocking density and sea motion on the welfare of sheep.

It found a 25-kilogram sheep showed signs of aggression and stress in crates set to the Australian shipping standard of 0.78m² per animal. They would need at least 20 per cent more space to improve their welfare, the researchers said, while acknowledging it may drive up export costs.

The study put sheep in different stocking densities on a platform and replicated the motions of a ship for one hour, a few times each day. The animals' heart rates and behaviour were constantly monitored and recorded. UQ's School of Veterinary Science professor Clive Phillips said the animals were stressed by the constant movement and being packed in together. "In the high-stocking density, they were tending

to push each other more and the heart rate responses showed that they were experiencing more stress," Professor Phillips said.

Cost implications of better conditions

The majority of Australia's sheep are exported to the Middle East on ships that can carry up to 75,000 animals. Professor Phillips said very little was known about how sea transport affected livestock.

"One of the things that we don't understand fully yet is how it all plays out over the 10 or 12 days in which the sheep are being transported to the Middle East," he said. "That's why it's so important that a study like this is replicated on a ship.

"We appreciate that giving sheep an extra 20 per cent space or even 30 per cent space would, or potentially could, dramatically reduce the profitability of exporting live sheep overseas.

"But if that is what the public requires for the sheep to be transported in a high-welfare situation, then it may be that is what needs to happen." The UQ-funded research is due to be published mid-year.

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Vietnam

VN Amends Legal Documents to Remove Barrier to Rice Exports

VietNamNet Bridge - Decree 109 dated in 2010, described as a significant barrier to rice exports, will be amended by the Ministry of Industry and Trade (MOIT). Under the decree, exporters must have storehouses with the capacity of 5,000 tons and a husking workshop with the capacity of 10 tons per hour at minimum. The rigid regulation does not encourage enterprises to focus on developing low-yield high-quality rice.

The Vien Phu Trade & Production JSC was the first Vietnamese company which obtained the USDA and the EU certificate on organic rice. It has 250 hectares of organic rice growing area with the expected output of 1,000 tons. If it has to spend money to build a storehouse and husking workshop as required, it won't be able to save on production costs, which will weaken the competitiveness of its products.

Rice exporters have called to remove the requirement, saying that it is unreasonable to force export companies to reserve rice in the context of unstable consumption. Regarding the regulations on material growing area, the Decision 606 released by the Ministry of Industry and Trade (MOIT) in 2015 said the businessmen who export less than 50,000 tons a year must have the growing area of 500 hectares in the first year and have 300 more hectares each year from the second year.

In theory, the requirement places big difficulties for enterprises, because they have to expand the material growing areas while they are not sure about consumption which depends on supply & demand in the world market. Meanwhile, it is not easy to expand the area because the land fund is limited. Ngo Van Nam, general director of ADC, said that developing material growing areas is a must for export companies. However, expanding the areas should be an 'encouragement' rather than 'obligation'.

The Vietnam Food Association (VFA) has the right to set the floor export prices after considering global market demand & supply and domestic rice production. However, the floor price mechanism is not liked by rice exporters, who say it is unreasonable to fix the floor export price as prices in the world market always fluctuate. This explained why in 2011, VFA had to adjust the floor prices eight times, including seven times adjusted within the first quarter of the year. The regular adjustments of floor prices make it difficult for rice exporters to take the initiative in exporting products.



www.futurebeef.com

www.english.vietnamnet.vn



Govt to form National Dairy Board

ROMPIN: The Government will set up a National Dairy Board early next year to plan and spur the development of the national dairy industry in an integrated and holistic manner.

The board will be led by the Agriculture and Agro-based Industry Ministry and will also involve several other bodies like the Health, Education and Higher Education Ministries and Malaysia External Trade Development Corporation.

Prime Minister Datuk Seri Najib Tun Razak, in announcing the matter yesterday, said the project would be a national undertaking, requiring the involvement and expertise of different ministries so that the national targets regarding the industry that have been set, could be achieved. Najib said this to reporters after a working visit to the Muadzam Shah Cattle Research and Innovation Centre here yesterday where he toured the facility.

He also said that the Government wanted to see an increase in milk consumption among Malaysians, up to 50 litres per capita a year by 2050. This is more than double the current consumption of 19.92 litres per person per year.

To achieve that, he said, the country needs to produce 2.26 billion litres of milk a year and 223,014 cows compared to the 21,000 cows in the country now. Accompanying Najib on the visit were Agriculture and Agro-based Industry Minister Datuk Seri Ahmad Shabery Cheek, Pahang Menteri Besar Datuk Seri Adnan Yaakob and East Coast Economic Region Development Council chief executive officer Datuk Seri Jebasingam Issace John.

"Satellite farms can also be involved where villagers can be given 30 cows to start of with to earn an income of between RM3,000 and RM5,000 a month," Najib said. He added that the Education Ministry had also launched the 1Malaysia Milk Programme to encourage the consumption of Ultra-high temperature processing milk.

Najib also witnessed the construction of the centre's new dairy processing plant which is expected to be completed end of the year. Once it is up, the centre would be able to double its milk production to 10 million litre from the current five million litre per year.