

OFF THE BOAT

In an era of increasing pressure on Australia's live-export trade, we take a close look at the treatment of Australia's cattle once they reach Indonesia.

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It's early Wednesday morning near Panjang Port in southern Sumatra, Indonesia, but it's already around 30°C and sweatingly humid under thick grey clouds. Chickens and small cats scurry across the heavily potholed, wet roads, dodging a steady stream of motorbikes, laden with entire families or building equipment such as wheelbarrows or goods to sell. The land is lush and green, with thriving banana and rubber plantations, corn, coconuts, cacao, sorghum, rice paddies and tapioca. Out of some of these fields rise tall, rectangular concrete structures, which house nesting swallows, used for bird's nest soup. Beautifully painted mosques, in blues, greens, whites and gold, stand out in villages of single-storey houses and shacks.

At the port, the *Devon Express* is disgorging its load of 2,700 Australian cattle – about a dozen at a time – onto small trucks. In Darwin, when they were loaded on Friday night, they would have been on 6-deck road trains, carrying 180 at a time. Below decks are similar temperatures to outside – 30–32°C with 79% humidity, and the cattle are quiet and obedient. There were zero mortalities on this trip, but one will have to be put down onboard, as its back was broken when another jumped on it on the way into port.

Once the cattle are unloaded, the 116m long vessel, crewed by 25 people – mainly Filipinos – will return to Australia empty for another load – part of this vital trade both for Indonesia and the cattle stations in the north of Australia. Last year alone, 540,000 head were transported >



The Juang Jaya feedlot in southern Sumatra fattens up to 75,000 Australian cattle per year.

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from Australia to this country of 285 million people, in which beef consumption is growing by 5% a year.

Predicted by PwC to have the world's fourth largest economy by 2050, Indonesia's 17,000 islands include Sumatra and Java, which has the highest population density of any island in the world. Beef consumption has grown over the past 10 years or so from 1.6kg per capita per year to 2.5kg, but that is widely variable depending on region.

Indonesia is our largest market for live cattle and, after domestic production (with a herd estimated at about 15 million), Australia is the largest contributor to that country's beef consumption. In October last year, a monthly record for boxed beef imports from Australia was set at 11,026 tonnes.

But it's the live-export trade that generates the headlines. Since live cattle exports were temporarily stopped for 2 months in 2011, the industry has not only adopted higher standards of care, biosecurity and treatment of people, but has encouraged cultural changes in Indonesia that see better, ensured treatment of Australian cattle from port to table.

From the port, the bulk of the cattle on the *Devon Express* travel about an hour to the largest of 28 feedlots in Indonesia, Juang Jaya, 90% owned by the Australian Consolidated Pastoral Company (CPC) and 10% by local shareholder Dicky Adiwoso. With up to 24,000 head at any time, it fattens 60,000-75,000 head a year from arrival weights of around 330-380kg to 500kg. CPC also owns a second, smaller feedlot in the north of Sumatra, and exports up to 40,000 head a year to other Indonesian feedlots.

All visitors to Juang Jaya are met by security gates and guards, and, while vehicles are being thoroughly washed down and chemically treated to prevent diseases such as foot and mouth or lumpy skin, all people entering the feedlot undertake a complete change of clothes, wading through a chemical bath in the changeroom to get to clean clothes on the other side. Up to 800 changes of clothes are issued daily to workers, drivers and visitors. In addition, all cattle owners within 10km of the feedlot are offered free

vaccinations for their cattle, and about half take this up.

In clean pens of about 120 head each, most of which are completely under cover, the cattle – making barely a sound – are visually checked every 3 hours, with any cattle who are struggling, injured or unwell taken either to the hospital pens (to be cared for by 5 vets and 6 animal paramedics), or if they are not adjusting to the new feed, to small grazing areas where the feed can more gradually be introduced. Mortality rates at the feedlot are currently a very low 0.0003% – less than 14 deaths a year.

Generally, however, the mix of Brahman, Brahman cross, Angus, Shorthorns, and red and black cattle, eat and drink contentedly for approximately the next 90 days, putting on an extraordinary 2kg per day. Animal nutritionist Denis Hikmawan oversees the process, making about 4 different sweet-smelling mixes from 9 ingredients, including dried tapioca chips, onggok, corn, coconut husk, corn glucose, molasses, and vitamins and minerals. "For the minerals, the one most important thing is zinc – it's good for their immunity and also their hooves."

The cattle are fed 4 times a day, with the mixes including freshly cut whole plants called 'green chop', gathered either from the 160ha of crops at the feedlot, or supplied by many local providers. "Sorghum is really good forage in the dry season, but for nutritional value, corn is better," Denis says.

With a genuine cultural need to regularly visit suppliers face to face, the feedlot has a small team that travels widely to check in with suppliers. "Sometimes we'll travel 5 hours one way just to chat to one supplier for 30 minutes – because it matters," says logistics manager Yudhi, on a visit to a facility that supplies 1,000 tonnes of dried cassava chips each year – a business that has grown exponentially because of CPC's trade. "We have hundreds of suppliers, and they have many people working for them," Yudhi says. "This man has 200 suppliers. So many people depend on this business. When the trade was stopped in 2011, so many businesses here lost their business – from transportation to local farmers." It's estimated that more than 12,500 Indonesian families depend on CPC's feedlots alone. >



CLOCKWISE FROM TOP: Fresh feed delivered 4 times a day; cattle disembark the *Devon Express* onto small trucks; CEO of Consolidated Pastoral Company Troy Setter with consultant and one of the original founders of the feedlot, Greg Pankhurst. OPPOSITE: The *Devon Express*.

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One of the routes from Darwin to Banjang Port.



Labourer's wages are very cheap in Indonesia – minimum wage being around \$300 Australian a month – and even though CPC pays 50% above minimum wage, it's still considerably cheaper to do many things by hand. The feedlot therefore has an interesting mix of high tech (such as a drone for weed spraying and tractors that accurately mix and deliver feed) and dependence on the 150 employees to manually turn the feed over or work in cropping. Men will cut 1.5 tonnes of corn by hand per day for green chop, and groups of 4 (usually women), nicknamed the 'John Deere of Indonesia', will walk in rows planting corn – one creates a hole with a stick, the next puts the seed in, the next puts in fertiliser and the last covers it up.

CEO of CPC, Troy Setter, visits the Indonesian operations at least 5 times a year and says caring for the workers, their families, their suppliers and the community is an essential part of doing business in Indonesia, from providing free health care to workers and their families, to hiring the muezzin and imam at the on-site mosque, where the prayer call rings out at 12.15pm. Speaking volumes about the treatment of people on site is that the average service time for employees is 9 years.

"About 6 million people rely on us for meat and that weighs heavily on everyone," Troy says. "But you have that social responsibility as well." Troy has been held up at the airport because he was bringing in huge bags of 200 pairs of shoes, toys and clothing to give away to workers – he was suspected of selling them.

One part of the current social responsibilities, which is also scoring CPC some political brownie points, is becoming the first feedlot to attempt to assist with a grand

government plan. Indonesian president Prabowo Subianto has decided that 90 million Indonesian children need better nutrition, and is endeavouring, among other things, to provide each of them with several glasses of milk a week, a bit like the scheme in parts of Australia in the 1970s. However, dairy cattle are generally not suited to the Indonesian tropical climate and there are very few in the country. Last December, CPC imported a trial herd of 50 dairy cattle in an endeavour to help establish a breeding herd. They are kept surrounded by large fans, with the pregnant heifers in a coolroom-type environment.

In another long-running program, hundreds of pregnant Brahman and other cattle from the feedlot are 'lent' to suitable members of the local community, who undertake a 2-day course on caring for cattle. Given responsibility for a couple of cows, they feed them and care for them on their own properties until the calves are born. Four months later, they sell them, with the farmer keeping up to 80% of the sale price. Free vaccinations and regular checks are provided by CPC, which takes back the empty cow and issues them another pregnant cow if they've done a good job.

One local farmer, Bambang, has had 4 lots of cattle lent to him by CPC and the resulting profit has changed his life. His small rubber plantation would not have provided enough income to send his son to university in Java. Now his son is studying mechanical engineering. "Because I am confident with this program, I am confident to have more children," he says with a laugh. In addition, where he used to use a motorbike to collect the grass and green cut for the cattle, he has been able to afford a small van.

CLOCKWISE FROM TOP: The 'John Deere of Indonesia' – planting corn by hand at the feedlot; Dr Nemy Santy chats with cattle carer Bambang Heriyanto; drying out tapioca, one of the ingredients for the cattle feed; Dany Pranowo flies a new DJI AGRAS T20P drone with insecticides and herbicides.

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Wet or traditional markets have by far the biggest food supply trade in Indonesia.

Dr Neny Santy, part of the feedlot's cattle welfare team, says these stories are common and that it is vital the live trade with Australia continues. "Maybe it won't affect the farmer with big capital, but it will severely affect the small farmers like him," she says.

Neny has worked at Juang Jaya for 18 years and has completed both a degree in veterinary science and a 6-week animal welfare course at the University of New England in NSW. Like everyone who saw the horrendous 2011 footage of the treatment of cattle in Indonesian abattoirs, she was appalled but says that as well as much tougher Australian standards being imposed, Indonesia's own animal welfare laws have caught up. "You can get fined a couple of million rupiahs if you are hurting cattle – even a cat or dog – or go to jail," she says. "OK, maybe it was bad in 2011, but it's now far improved."

About 150 cattle a day are trucked out from Juang Jaya to abattoirs across Sumatra and Java, sometimes up to 28 hours away on the rough roads. Since 2011, almost all are stunned (knocked unconscious) before killing in a halal way, with a prayer and a single knife cut across the throat. "Unfortunately, we have 2 provinces [out of 38] in Indonesia that don't yet have a stunning method available," Neny says. In those cases, the Australian cattle are held and killed in the Mark IV cattle restraining boxes, a process overseen by the Australian Government's Department of Agriculture, Fisheries and Forestry Exporter Supply Chain Assurance System (ESCAS), which traces the cattle from port to abattoir. "We can't sell to a bloke down the road who is having a wedding – we

have to go through a certified facility," Troy says.

Almost all the beef is then sold at a traditional or 'wet' market. These colourful, vibrant places, where the smell of raw chicken competes with seafood, spices, ripe durians and dismembered cattle carcasses including stomachs, lungs and hooves, are by far the major food suppliers in Indonesia, worth an estimated \$267 billion a year (5 times more than the entire supermarket, online and convenience store market).

Although a shortage of refrigeration is a factor, the primary reason for the popularity of wet markets seems to be cultural. If cattle are killed at midnight, they'll be in the markets by about 2am, sold by 7am, and most turned into rendang curry or bakso, a meatball soup, in restaurants and eaten later that day.

The live-export market to Indonesia is never simple. This year, so far, permits for only 350,000 head have been issued, providing uncertainty, but that is expected to be revised. And Troy says although CPC is focused on growth, it is cognisant of the Australian political situation. "Because the country has gone hungry before, the country's pretty sensitive to food security," he says. "We'll take leadership and responsibility to ensure that Australian welfare standards are followed."

Listen to our interview with Ken Eastwood, talking about his Indonesian assignment, on the R.M.Williams OUTBACK podcast >



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