



# FLPI NEWSLETTER

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News:

## Optimization of Cattle Ship to Improve Efficiency of Livestock Transportation System Become FLPI Research Topic Year 2017-2018

FLPI began in September 2017 has planned research involving academia, business, and associations. This research activity is part of the primary agenda of FLPI since its initiation in October 2015. FLPI research topic of 2017-2018 is "Optimization of Camara Ship Use to Improve Efficiency of Livestock Transport System." This topic is taken because it is strategic and national which is a hot issue and related to the logistics of Indonesian livestock from upstream to downstream. "Not only is the limited transportation of cattle on board, but also can be covered with other aspects include: traceability, human resources, feed logistics until handling the product to the consumer," explained Prof. Luki Abdullah as Chairman of FLPI.

The FLPI research team involves not only academics but also other stakeholders: industry, association, and government. FLPI research topics are divided into five sub-topics to be discussed: live animal transport, traceability, human resources, feed logistics and frozen meat. Each sub-topic will be implemented by a research group. Each of FLPI's research groups has presented the draft research proposal to FLPI's Professional Advisory Committee (PAC) team on September 28, 2017. The PAC team present, included Ms. Fini Murfiani, Prof. Senator Nur Bahagia and Drh. Sudirman. They provide advice, evaluation, and inputs to the groups of researchers who presented FLPI research proposals.

"To support the FLPI research, PPHNak Ministry of Agriculture will involve FLPI in the PPHNak meeting with relevant stakeholders such as Ministry of Transportation, PT Pelni, etc. in the opportunity related to the Camara Ships", said Mrs. Fini as PPHNak Director who is a member of the PAC team. This meeting was realized on 16 October 2017, FLPI research team attended the operational meeting of cattle ship between Ministry of Transportation and PPHNak. On occasion, Dr. Epi Taufik explained in detail the FLPI research plan welcomed by Dirhubla represented by Dr. Capt. Wisnu Handoko as Head of Submarine Sea Transportation who led the operational meeting of cattle ship with PPHNak, the Indonesian Classification Bureau and the Animal Husbandry Service of East Nusa Tenggara Province. Ministry of Transportation responded positively and hoped the FLPI research would provide input and evaluation for KM Camara Nusantara I and five new livestock vessels planned to be operational in February 2018. "The implementation of FLPI research is expected to involve the Transportation Research and Development Agency and the universities under the auspices of the Ministry of Transportation," said Dr. Capt. Wisnu.

On October 16, 2017, FLPI was also invited to a discussion which was facilitated by Bisnis Indonesia daily newspaper along with the stakeholders of livestock vessels such as Ministry Of Transportation, PT Pelni, PD Dharma Jaya as one of Camara Ship users, NTT provincial



government as cow supplier which was transported by Camara Ship. Based on the results of the discussion it was concluded that the Camara Ship were efficient but not yet effective because the government still subsidized them in its operational activities. How to optimize the transport of cattle ships so that the vessel does not experience a vacuum transport, how does the technical design of cattle ships paying attention to the animal welfare aspect so that the weight level decreases which impact the competitive prices and food safety in the hands of the end consumers? There are still many lists of questions that research needs to do in more depth referring to accurate data. Thus, FLPI's research activities are expected to produce output as a policy brief for better livestock logistics in Indonesia. The results of FLPI's research will be published on the biennial agenda of IPB's Faculty of Animal Science, the 4th International Seminar on Animal Industry (ISAI) in September 2018.



Press Release:

## Faculty of Animal Science IPB opened the Magister Program of Science of Animal Production and Technology - Animal Logistics in the School Year 2017/2018

Proper animal logistics can ensure the continuous supply of livestock and animal products to consumers, including post-harvest, warehousing, transportation, safety and product quality. The importance of this matter encouraged the Faculty of Animal Science IPB to implement Magister Program-Science of Production and Technology -Animal Logistics Interest in the School Year 2017/2018.

Achieved competence for students who participated in this graduate program, among others, able to provide the solutions to problems in the field of animal logistics. Develop/build science and technology in the field of animal logistics, able to manage and lead the actors in the area of logistics and produce strategic policy with professionals in the field of animal logistics. Some of the advantages of the Magister in Logistic of Animal Science, are: a) the only program in Indonesia, b) the high needs of labor and experts in the field of animal logistics, c) Study Program with Accreditation A from BAN PT, d) Competence learning method Based Education & Active Learning, e) provides internship program and guest lecture.

Graduates of Magister Animal Logistics have job prospects, including the quality controller, product developer, entrepreneur, quality assurance manager, market and consumer analyst, production planner, and transportation manager in the livestock industry. The implementation of Magister Animal Logistics is expected to improve the condition of livestock logistics in

Indonesia by increasing the capacity of human resource education.

The opening of Magister Animal Logistic in the School Year 2017/2018 get a positive response from various parties. Graduate Logistics Program in Animal Science in the first year of this year has received 11 students with the composition of 6 men and five women. On October 13, 2017, the students joined a public lecture on the campus of IPB Baranangsiang. The lecture activities began on 16 October and then held in the Faculty of Animal Science, Campus IPB Darmaga.



Interview:

### Joint Commitment and Clear Blueprint for Better Indonesia

*Harianto Budi Rahardjo invites all stakeholders to commit to building blueprint logistics of Indonesian livestock that is clear and assertive.*



The problems that occur in the price of beef is the distribution system and trading system that has not been efficient. Inefficiency in trading trade routes from production centers (upstream industries) to consumers (downstream sectors) is very influential to the high price of beef at the consumer level. The following is an excerpt from FLPI Newsletter interview with Director of PT Lembu Jantan Perkasa, Mr. Harianto Budi Raharjo on the latest logistics issue of livestock from the perspective of livestock business in Indonesia.

#### What do you think about the current logistics conditions of livestock in Indonesia?

Logistics conditions of livestock in Indonesia, can be divided into 2 (two) parts, the first state of livestock logistics managed by the livestock industry; it has started to improve, the perpetrators of business in the field of livestock industry have begun to learn and learn the circumstances to keep trying to improve the competitiveness of the products. Secondly, the logistic conditions that most farmers in Indonesia do. His status is still following the culture (cultures) of each area of the breeder is trying. This situation is slow to absorb various forms of change that currently occurs mostly in the face of free markets.

### What are the most critical issues that stakeholders need to address?

The most critical issue that should be paid attention from stakeholders is not yet mapping a series of logistics activities of livestock farms in Indonesia, where seen every product related to livestock logistics activities still sectorally expand its business in the location not programmed with other sectors that those sectors mutual need and related. This condition apparently makes each product results in one product to another far apart and make the traffic movements are super busy and tiring and time-consuming, costs and risks are not small.

### What is the cause of this problem? What is the effort of the government and business actors in seeing and finding solutions to this problem?

The cause of this problem occurs, not least because of 2 things that are very basic, i.e., no blueprint is bright and assertive as the same architectural form should be understood as the foundation of a healthy organization to form the livestock Indonesia later what its goal. In the absence of a transparent architecture, business actors will try their way to apply their business activities in the field of livestock logistics, although it must be redeemed with business uncertainty resulting in high cost of logistics.

Secondly, the absence of this blueprint, in fact, the government has sought help bridge with various forms of Policies, whether in the way of Law, Perpu, Permen and other policies. However, it is unfortunate that systems often do not continue or sometimes change as changes in official officials change these issues.

The solution is clear, and then we must be honest, the two fundamental causes mentioned above should be equally thought by the Government and business actors. Both must have a clear commitment. Not as easy as turning the two palms, but should we continue to contemplate this fate. Rise and change Indonesia, we all can do it ... .Lived commitment.

### Since the last few years, the government has operated livestock vessels as an effort to reduce the price disparity and meat supply. To what extent does this benefit the logistics of Indonesian livestock?

Previously we thank the Government for the realization of one of the solutions to the transportation of live cattle with the mode of transport of this Special Ship of Livestock. As the embryo of particular sea transport mode of livestock, of course, we can not expect much here, regarding the benefits of reducing the price disparity and the supply of meat (especially in three provinces JAJATEN - Jakarta Jabar Banten), this is because:

Firstly, the number of cattle that can be transported by the Livestock Supply needs of beef cattle in the three provinces within a year whether it has significantly offset the demand for beef cattle in the three areas within a year as well. If the supply is still very far from the requirement then the right price of the market, then it can not affect the price on the market. Please find the data.

Second, keep in mind the general public, that the price of live cattle in the final consumer market (before the cattle are cut) is always calculated based on the weight of the body, as this will be directly proportional to the meat yield later. To find out how much the price of cattle density live between the cows obtained (NTT) and the cattle will be cut (DKI), it must be known first, how much the price of cattle in NTT (Rp / kg) do not use the estimated value per tail (eg Rp 11 million per head). How much will the cow cost up to the DKI (Rp/head)? Then the cow gets to DKI how much we live. Well please

calculate your own, how many HPP cows after arriving in Jakarta, with the formulation of count:

$$[\text{Price of beef in NTT (Weight of cow x Rp / kg) + Ship cost (Rp / head) / Weight of cattle in DKI}]$$

The great live HPP of live cow originated from NTT in DKI depends on a) the price of cattle at its origin in NTT b) Transportation costs of the vessel c) Difficulty The cow's weight during the trip, this is the key. From the calculation, do not be surprised if for example the price of cattle in NTT only: Rp 35.000 / kg to the price of Jakarta can be more than Rp 40.000 / kg. This is not because the cost of transporting the vessel is expensive, but because of the shrinkage of the weight of the cow itself.

The Cattle Ship is very beneficial to the livestock logistics in the country, with the record managed with full professionalism and careful business calculations, for example, a) Calculate and maintain the continuity of livestock supply from the region of origin (weekly / monthly activity). b) Schedule clear ships. c) Consider the issue of subsidy costs, whether this will be forever, or just an opening, do not let the subsidies be revoked later, this policy is no longer directed.

### What are the suggestions and inputs from PT LJP as a business actor to improve and build logistics for livestock?

It takes a long time, a strong will and strong commitment, from all stakeholders. First, create a clear and decisive blueprint. Second, prepare the regional areas that become the logistics base of livestock in Indonesia. Third, primarily for beef cattle, create an Industrial Estate-Plantation area integrated with beef cattle industry Fourth, adequate infrastructure for livestock logistics activities. Fifth, security and business convenience.

### Looking at the problems that exist in Indonesia, is there a country that can be an excellent example of the livestock logistics system?

There is, but it will not be possible to just copy and paste just like that. Differences culture residents and geography conditions that make what is in other countries either, not necessarily we can apply 100%.

Australia, Europe and Brazil are countries that have international standard livestock logistics systems. There are several things we can adopt, especially about their management.



### Successful Breeders Who Have A Hobby Of Gardening

Budi HR, as Harianto Budi Rahardjo is familiarly called is one of the team of Professional Advisory Committee (PAC) at FLPI. His passion for the world of livestock has brought success to PT Lembu Jantan Perkasa which he has built since 1990. This company known as a good practice company in the field of fattening, feed and cattle breeding in Indonesia. "Being a breeder is a conscience call so I enjoy running it", said Budi HR. This humble and friendly man is also have a hobby of gardening. In addition, Budi HR is active in social activities in his neighborhood in the city of Bogor.

Info:

# Cattle Ship : Camara Nusantara I

Basic Ship Operations:

- Law No. 17 of 2008 on Shipping;
- Government Regulation No.20 of 2010 on Water Transportation;
- Regulation of the Minister of Transportation No. PM.93 of 2013 on the Implementation and Enforcement of Sea Transport;
- Regulation of the Minister of Transportation No. PM.26 of 2016 on Tariffs of Loads for Subsidized Livestock Operations Activities.



Figure 1: Cattle Ship “Camara Nusantara I “ (Source: PT PELNI, 2017)

The cattle shipping intentions through the Camara Nusantara I is very high since it is operated in 2016, every voyage is always full (Table 1) The large interest of the people to transport livestock through the cattle ship from livestock centers in NTT is accommodated by the Ministry of Transportation building 5 (five) units of Livestock Ships again (Table 2). The five vessel units are planned to be completed by construction and letters by the end of December 2017 and ready for delivery at the end of January 2018.

Agenda FLPI

## December 2017-January 2018-February 2018



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Table 1. Cattle Expenditures to DKI, Jabar and Banten Year 2017 (Source: Local Government of NTT Province, 2017)

| Loading Port          | Total Shipping out | TO DKI, JABAR, BANTEN |                    |        |
|-----------------------|--------------------|-----------------------|--------------------|--------|
|                       |                    | TOTAL                 | CAMARA NUSANTARA I | CARGO  |
| Tenau, Kupang         | 32,817             | 27,615                | 7,229              | 20,386 |
| Wini, TIU             | 4,864              | -                     | -                  | -      |
| Atapupu, Belu         | 9,150              | 2,200                 | -                  | 2,200  |
| Waingapu, Sumba Timur | 2,965              | 2,919                 | 271                | 2,648  |
| Waikelo, SBD          | 35                 | -                     | -                  | -      |
| Lubuan Bajo           | 322                | 125                   | -                  | 125    |
| Reo                   | 2,892              | 385                   | -                  | 385    |
| Riung, Ngada          | 90                 | -                     | -                  | -      |
| Marapokot Nagekeo     | 1,607              | 12                    | -                  | 12     |
| Ende                  | 469                | 394                   | -                  | 394    |
| Maumere               | 58                 | -                     | -                  | -      |
| Lembata               | -                  | -                     | -                  | -      |
| Sabu Raijua           | -                  | -                     | -                  | -      |
| Ba'a, Rote Ndao       | 46                 | 45                    | -                  | 45     |
| Jumlah                | 55,315             | 33,695                | 7,500              | 26,195 |

Table 2. Progress on Shipbuilding Development (Source: Ministry of Transportation, 2017)

| No. | Shipyard Builder                      | PROGRESS UNTIL SEPTEMBER 30, 2017 | COMPLETION TARGET | KET      |
|-----|---------------------------------------|-----------------------------------|-------------------|----------|
| 1   | PT. ADILUHUNG SARANA SEGARA INDONESIA | 80,84%                            | DECEMBER 2017     | CONTRACT |
| 2   | PT. BAHTERA BESTARI SHIPYARD          | 92,45%                            | DECEMBER 2018     | DATE:    |
| 3   | PT. BAHTERA BESTARI SHIPYARD          | 92,53%                            | DECEMBER 2019     | DECEMBER |
| 4   | PT. ADILUHUNG SARANA SEGARA INDONESIA | 90,06%                            | DECEMBER 2020     | 11, 2015 |
| 5   | PT. BAHTERA BESTARI SHIPYARD          | 92,21%                            | DECEMBER 2021     |          |

Information: 5 (five) units of cattle ship is planned to be completed construction and letters at the end of December 2017 and ready to deliver in the end of January 2018.

