

INVESTMENT PROFILS OF AGRICULTURAL SECTOR IN SOME REGION OF INDONESIA



DIRECTORATE OF INVESTMENT AND BUSINESS DEVELOPMENT
DIRECTORATE GENERAL OF PROCESSING AND MARKETING
FOR AGRICULTURAL PRODUCTS
MINISTRY OF AGRICULTURE, REPUBLIC OF INDONESIA

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FOREWORD

In the Indonesia economic development, the agricultural sector has strategic role as prime sector to move the national economic activities. Various investment potency and opportunity in agriculture sector spread over in the country. This fact is become a prime asset to increase people prosperous through empowering local economic development.

In the regional autonomy era, presence of investment in a region is very important to activate the local development and boost increasing of local people welfare. So, availability of information in investment potency and opportunity is needed by the entrepreneurs to make business decision.

Effort to disseminate of investment information is hope can be stimulate be the entrepreneurs to do business in Indonesia.

Due to the above mentioned, Directorate of Investment and Business Development, General Directorate of Processing and Marketing for Agricultural Product, Ministry of Agriculture, published the booklet titled of "Project Profiles of Agricultural Sektore in Some Region of Indonesia" containing information about projects offered by local goverment including location, general business plan, market, investment needed, etc, that be offered to private sector both domestic or foreign investors.

We hope that this booklet can be used as one of source in make investment decision by investors.

Jakarta, Pebruari 2011

Directorate of Investment and Business Development,
General Directorate of Processing and Marketing for Agricultural Products
Ministry of Agriculture of The Republic of Indonesia





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I. FOOD CROPS.

A. CASSAVA FLOUR INDUSTRY (EAST JAVA PROVINCE)

1. Title of Project : CASSAVA FLUOR INDUSTRY

2. Location : East Java Province

3. Introduction : ■ Cassava (*Manihot Esculenta*) is a raw material for various industrial products such as for food industry, pharmaceuticals, textiles, and others. Reports from Food and Agriculture Organization (FAO) several years ago stated that cassava has advantages in some cases. First, cassava can grow in low nutrient soil that can absorb the rainfall and irrigation. Secondly, the handling of cassava is not complex and is flexible, that can produce high enough potential energy from each unit of plant area. Third, cassava can be processed into unique cassava flour that can be used in various industries so that cassava has the opportunity to enter into various global markets.

- Currently, the processing of cassava flour or is known as Modified Cassava Flour (Mocaf) become more popular and get a lot of attention from many countries in Asia and Africa, because Mocaf can be transformed into many kinds of foods.
- East Java Province is a potential area for the development of Mocaf industry, particularly in



the cassava producer area which is focused in the southern part of region, such as Pacitan. The other regions producing cassava are Ponorogo, Malang, Trenggalek, Sampang, Sumenep, Probolinggo, Pasuruan, Ngawi and Tuban. Therefore, the productivity of cassava in East Java is above national average productivity of around 156.21 qu/ha, but these figures can be increased up to 200 qu/ha, with the improvement of cultivation technology and use of the high quality seeds.

4. **Legal and Government** : The government will assist in the licensing process and procurement of the land
5. **Scope of Project** : To build factory of cassava Flour
6. **Seeking Investment for** : US \$ 1.42 Billion
7. **Potential Role Investment** : The government is open to an individual investor or an MOU to further explore to be developed into a joint venture with the local government or local corporation
8. **Project Cost and Financing** :
 - Investment estimation for the project is IDR 1.42 billion
 - Total income estimation is IDR 22.38 billion/year
 - Rent ability is 96% per year
9. **Schedule of Project** : Immediately



B. RICE ESTATE (SOUTHEAST SULAWESI)

1. Title of Project : Rice Estate
2. Location : North Konawe Regency, Bombana Regency, Muna Regency
3. Introduction :
 - Southeast Sulawesi Province is one of the rich area on natural resources both in the main land and arine area in Indonesia. Rice estate is also available in Southeast Sulawesi Province with total area for rice estate that can be provide area 80.000 ha.
 - Agricultural is the primary commodity that contribute 41,34% of Gross Regional Domestic Product of the Province. From the existing Rice Field in Southeast Sulawesi Province, 68,02% have irrigation infrastructure. Price production in year 2006 was 349.430 ton with is over domestic demand. From the total 674.556 Ha area available, 256.000 Ha is suitable for rice.
 - EIn North Konawe Regency wet rice fields are 10.000 Ha for Pilot Project. Convertible Production Fores of 10.000 Ha are in North Konawe Regency, in the north of Kendari City by convertible Production Forest of land on legal based. It can be extended up to 30.000 Ha. For project 1 (conssion by the Province) and 80.000 Ha Project 2 (Agriculture land owned by a number of farmers)



4. Legal and Government : Government of Southeast Sulawesi Province.
5. Scope of Project : Plantation, manufacturing and production
6. Seeking Investment for : Capital investment and managements
7. Potential Role Investment : Share holders
8. Project Cost and Financing : US\$ 1.4 million
9. Schedule of Project : Seven years



C. MIFEE CONCEPT (MERAUKE INTEGRATED FOOD ESTATE AND ENERGY)

1. Title of Project : MIFEE Concept (Merauke Investment Food Estate and Energy)
2. Location : Merauke Papua (Eastern part of Indonesia)
3. Introduction : MODERN AGRICULTURE MANAGEMENT :
 - Minimum Management Production Area of 1,000 ha
 - Stakeholders' Involvement
 - Agriculture Waste as an Alternative Energy Source and organic fertilizer (zero waste)
 - Area Development Approach, sustain and environmental friendly
 - Land and Water Management
 - Based on scientific and Research (Agriculture high tech)
 - Market Oriented
4. Legal and Government : The Government will assist in the licensing process and procurement of the land
5. Scope of Project : Working Capital
6. Seeking Investment for :
 - BEP = 4th Year
 - NPC = Rp. 1.1 Billion US\$ 124 Thousand
 - R/C = 1.48
 - IRR = 29.5
 - ROI = 2.61



Assumption

- Variable cost on food crops, livestock, fisheries and estate with production variable cattle 4.5 million/ha, fish IDR 200/fish
- Price for 5% broken rice IDR 4,500/kg; Beef IDR 4 million/head; Maize flour IDR 8,000/kg; Fish for consumption IDR 8,000/kg
- US\$ 1 = Rp 9,000,

7. Potential Role : Strategy Partner/Financer
Investment

8. Project Cost and : Investment item:
Financing

1. Infrastructure Development
Cost = IDR 178,615,000,000
2. Land Preparation and Production System
3. Housing and Public Facilities
4. Agroindustry Machineries
5. Supporting Facilities and Transportation
6. Cost = IDR 6,190,000,000
7. Total Cost = IDR 393,570,000,000 /
US\$ 43.7 Million

9. Schedule of : 4 years
Project



D. BARITO KUALA INVESMENT RICE ESTATE

1. Title of Project : Anjir Muara and Anjir Pasar Subdistrict
2. Location : Anjir Muara and Anjir Pasar Subdistrict, Barito Kuala District, Province of South Kalimantan
3. Introduction :
 - Barito Kuala has tidal-swampland area of ricefield, covered 93,700 hectare.
 - Minimum Tillage System (local specific technology and environment friendly).
 - Ricefield of Anjir Muara Subdistrict = 7,500 hectare.
 - Ricefield of Anjir Pasar Sub District = 8,000 hectare
 - Pilot Project Area = 5,000 hectare
 - Local variety rice, are consist of amylose = 28,28%
 - Carbohydrate 48,88%, protein 8,12 %, Fe+ 2,611 ppm
 - Market Oriented
4. Legal Aspect :
 - Local name : Siam Mutiara, Registered by Ministry of Agriculture of Republic Indonesia no.35/PVL/2007
 - MOU between local government of Barito Kuala Distric
5. Budget : R/C = 3,46
Investment Assumption :
 - Grain to rice comparison about 65%
 - Price for 5% broken rice IDR 6.250/kg



6. Scope of Project :
- Total Cost/hectare = IDR 5,721,500,00
 - Production = 4,870 kg/hectare
 - Yield = 3,165 kg x IDR 6,250,00
= IDR 19,781,250,00
 - Profit = IDR 14,059,750,00

7. Potential Role : Strategy Partner/Financer
Investment

8. Schedule of : 5 years
Project



II. HORTICULTURE

A. PINEAPPLE INDUSTRIAL ZONE, KUTAI KARTANEGARA

1. Title of Project : Pineapple Industrial Zone, Kutai Kartanegara
2. Location : Pendingin Industrial Zone, Kutai Kartanegara
3. Introduction :
 - East Kalimantan is available for large area of plantation, especially in Sanga-sanga in which the land is very suitable for any horticulture plantation, one of those potentials is pineapple.
 - Pineapple is a very potensial commodity. It can be derived into more than 13 kind of pineapple products. Pineapple also has potential export market to Europe, USA, Japan, and Canada.
4. Legal and Government : The government will assist in licensing of the project, acquiring of the land, and providing low tax payment.
5. Scope of Project : The scope of project are : plantation and canning industry
6. Seeking Investment for : IDR 14.69 billion
7. Potential Role Investment : Big enterprise makes the nucleus estate as financial holder, small medium enterprise that have 2-3 ha become plasma estate. Nucleus has to do land acquisition and farmer as plasma must be involved in this project.



8. Project Cost and Financing : IDR 16,69 billion
IRR 29,45%
Payback period for 25 years
9. Schedule of Project : Construction project until commercial production will be completed for about 3 years.



B. POTATO CULTIVATION (NORTH SULAWESI PROVINCE)

1. Title of Project : Potato Cultivation
2. Location : Bolaang Mongondow Reg, South Minahasa Reg, North Sulawesi Province.
3. Introduction : MODERN AGRICULTURE MANAGEMENT :
 - Minimum Management Production Area of 1,000 ha
 - Stakeholders' Involvement
 - Agriculture Waste as an Alternative Energy Source and organic fertilizer (zero waste)
 - Area Development Approach, sustain and environmental friendly
 - Land and Water Management
 - Based on scientific and Research (Agriculture high tech)
 - Market Oriented
4. Legal and Government : The Government will assist in the licensing process and procurement of the land
5. Scope of Project : Working Capital
6. Seeking Investment for :
 - BEP = 4th Year
 - NPC = Rp. 1.1 Billion US\$ 124 Thousand
 - R/C = 1.48
 - IRR = 29.5
 - ROI = 2.61



Assumption

- Variable cost on food crops, livestock, fisheries and estate with production variable cattle 4.5 million/ha, fish IDR 200/fish
- Price for 5% broken rice IDR 4,500/kg; Beef IDR 4 million/head; Maize flour IDR 8,000/kg; Fish for consumption IDR 8,000/kg
- US\$ 1 = Rp 9,000,

7. Potential Role : Strategy Partner/Financer
Investment

8. Project Cost and : Investment item :
Financing

1. ROI = 17,24%
2. IRR = 39,53%
3. NPV 10% = Rp. 369.126.213,6
4. Payback Period = 5 th (fifth) year
5. BEP Unit = 6.040.548,18
6. BEP Rp. 2.270,65
7. B/C Ratio = 1,98
8. Profitability Ratio = 1,88

9. Schedule of : 5 years
Project



III. PLANTATION

A. TEA PLANTATION AND GREEN TEA PROCESSING (WEST JAVA)

1. Title of Project : TEA PLANTATION AND GREEN TEA PROCESSING (WEST JAVA)
2. Location : Cikalong Wetan District, West Bandung Regency, West Java Province
3. Introduction :
 - The consumption of green tea in the world increases over time because consumers consider green tea as a more healthy drink. To support the export of green tea, the quality must be improved by increasing the production facilities. The focus area will be in the district of Cikalong Wetan, Bandung Regency.
 - There are 5200 hectares land suited for tea plantation and are nowadays managed under a cooperative farming system. Administratively, the 1.200 hectares land potential tea plantation lie in Cikalong Wetan and Cisarua District, which can be reached on an appropriate infrastructure
4. Legal and Government : The government will assist in the licensing process and procurement of the land
5. Scope of Project : Working Capital
6. Seeking Investment for : Investment cost : 833.300 US\$



7. **Potential Role Investment** : The Government is open to an individual investor or an MOU to further explore to be developed into a joint venture with the local government or local corporation
8. **Project Cost and Financing** : Investment cost : 833.300 US\$
Debt Equity Ratio : 75% : 25%
(IRR) : 58% (in 2005)
9. **Schedule of Project** : The project is targetted to commerce in 2009



B. MARKET SEGMENT FOR GAMBIER (UNCARIA GAMBIR ROXB) WEST SUMATERA

1. Title of Project : Market segment for gambir (uncaria gambir roxb)
2. Location : West Sumatera
3. Introduction :
 - Gambier refers to an extract of leaves and branches of the plant of its Latin name of “Uncaria Gambir Roxb”, and dried. Gambier plant grows spreading, creeping, and wooding. Even though there are some other gambier species, the best species is Uncaria Gambir Roxb because of it has bigger leaves, resistance to plant disease, few flower but much sap.
 - Gambier plant has been cultivating since centuries ago in the tropical and wet areas like Sumatra, Kalimantan, Malaysia, and Java Island. Today, gambier is one of the superior commodities in West Sumatra because more than 80% planted and exported from West Sumatra, while the rest is planted in south Sumatra, Bengkulu, and Riau.
 - The centre of gambier production in West Sumatra is in Pesisir Selatan and Lima Puluh Kota Regencies. Data indicates that Lima Puluh Kota Regency planted 13.306 ha and produced of 8.451 tons. Pesisir Selatan Regency is the second planting area of about 4.815 ha with the production 3.069 tons. Recent development shows that gambier is also cultivated in other areas such, Palupuh village of Agam, Tanah Datar, and Sawahlunto Sijunjung Regency.



- Gambier has been known as the mixed ingredients in gambier chewing of villagers in West Sumatra and other provinces. Recent development shows that gambier is also used for medicine, cosmetic, textile, and leather industry. As for medicine, gambier has been used for burning injuries, headache, drug to relieve diarrhea, dysentery, aphta ulcer and throat pain, as well as skin problems.
- In leather industry, gambier is used for tanning. Textile industries use gambier as dying substance to make change color into reddish brown that is resistant to sun light. In cosmetic industries, gambier is used for anti astringent functions to soften, tighten skin pores and maintain skin elasticity.

4. Legal and Government : The government will assist in the licensing process of trading
5. Scope of Project : Market Segment
6. Seeking Investment for : Increasing market demand and supply
7. Potential Role Investment : Buyers meet Sellers
8. Project Cost and Financing : Direct Trading or MOU with local private enterprises
Debt Equity Ratio : 75% : 25%
(IRR) : 58% (in 2005)
9. Schedule of Project : The project is targetted to commerce in 2009



C. DOWSTREAM INDUSTRIAL PRODUCTS OF PALM OIL

1. Title of Project : Downstream Industrial Products of Palm Oil
2. Location : Musi Banyuasin, Banyuasin, Musi Rawas, Muara Enim, Oki, Oku Timur
3. Introduction : As a potential raw material of cosmetic, soap, edible oil, medicines, South Sumatra has been occupying large area on Palm Oil Plantations.
4. Legal and Government : Licensed and Feasibility Study have been completed
5. Scope of Project : Land, technical equipment, construction, factories, transport, working capital
6. Seeking Investment for :
7. Potential Role Investment : Industrial site on Palm Oil derivates
Factory on one specific
8. Project Cost and Financing : Derivated of Palm Oil such of cosmetics, soaps, butter, or edible oil.
9. Project Schedule : 2009 on ward



D. DOWNSTREAM INDUSTRIAL PRODUCTS OF NATURAL RUBBER

- 1. Project Title** : **Downstream Industrial Products of Natural Rubber**
- 2. Location** : **Musi, Banyuasin, Musi Banyuasin, Musi Rawas, Muara Enim, OKI, OKU Timur**
- 3. Introduction** : **Natural Rubber as ready stock raw material should be processed in order to get value added**
- 4. Legal and Government** : **Calculation and analysis have been conducted**
- 5. Scope of Project** : **Land, building, machinery, equipment, support agencies, and working capital**
- 6. Seeking Investment for** : **±IDR 5,5 billion**
- 7. Potential Role Investment** : **Vulcanized tires, conveyer belt, gloves**
- 8. Project Cost and Financing** : **±IDR 161 billion**
- 9. Schedule of Project** : **2009**



E. REFINERY MILL FILLING AND PACKAGING INDUSTRIES

1. Title of Project : Refinery Mill Filling and Packaging Industries
2. Location : Banyuasin Regency
3. Introduction :
 - Palm oil industry has a high value and intensive manpower involved. Many industries use the CPO as the feedstock of the product, of food industry and energy.
 - World CPO consumption (in every figure) is getting developed year to year and tends to increase.
 - The production of palm oil is requiring cost compare other vegetable oil. World trend of CPO price in a short time tend to increase
4. Legal and Government : Feasibility study has been done
5. Scope of Project : The project would focus on Refinery Mill with Filling and Packaging Industries
6. Seeking Investment for : Refinery Mill Filling and Packaging from Palm Oil Mill (CPO/Raw Material)
7. Potential Role Investment : Developer and owner of the factories, buyers of palm oil mill (CPO/Raw Material)
8. Project Cost and Financing : Total Investment cost IDR 8.697.364.000,- 65% from Bank loan with 8% interest rate 35% owner Investment.
9. Schedule of Project : The project would need two years investment period (exactly 15 months)



F. THE ESTABLISHMENT OF CACAO SEEDS PROCESSING

1. Title of Project : The Establishment of Cacao Seeds Processing
2. Location : Palu City, Central Sulawesi Province
3. Introduction :
 - Today, Central Sulawesi is one of the biggest central cacao productions in Indonesia with the total area of 199.758,5 ha and produced approximately 159.662,8 ton/year. If potential production of 1,5 2 ton/ha, it figures the production of 359.565,30 ton/year.
 - The cacao production in Central Sulawesi now is traded out of the province by the local trader and export in dry seeds. There isn't structure and infrastructure provided to process the seeds to be semi material or material that ready to consume.
 - Central Sulawesi has good land transportation within the 8 regencies where they are the source of cacao production and has water port where container is loaded and uploaded. The other supporting structure and infrastructure is Airport and supporting electricity which is now under preparation. From this view, Central Sulawesi is very good for the establishment of cacao seeds processing.
4. Legal and Government : Local Government may provide supports.



5. Scope of Project : This Project is Prepared to process the cacao in Central Sulawesi and surrounding
6. Seeking Investment for : US \$ 25.000.000
7. Potential Role Investment : Local Government will prepare deals with investor, from exploration activity until the operational
8. Project Cost and Financing : Invest estimation budget \pm US\$ 25.000.000
9. Schedule of Project :
▪ Prepare phase at 2009
▪ Building the Factory at 2010
▪ Operational phase at 2011



G. COCOA PROCESSING INDUSTRY

1. Title of Project : Cocoa Processing Industry
2. Location : Makassar Industrial Estate in Makassar City.
3. Introduction :
 - Indonesia is the third country producer of cocoa bean in the world after Ghana and Ivory Coast
 - South Sulawesi is the centre development of cocoa in Indonesia, with production of 200.000 tons of cocoa bean
 - Most of the production is exported to USA and Malaysia as cocoa bean. Only less than 10% are processed as cocoa butter, powder, cake and liquor.
 - The processing industry will cover cocoa bean not only from South Sulawesi but also from other regions in Eastern Indonesia
4. Legal and Government :
 - Assisting license Processing
 - National, Provincial and Local Government are fully support on production volume and quality.
5. Scope of Project :
 - Land rent
 - Procurement of Machinery
 - Building construction
 - Operational budget
6. Seeking Investment for : Financing the Machinery, Building and Operational Budget.



7. Potential Role Investment : Full private investment, joint venture with local partner
8. Project Cost and Financing : USD 4 Million with machine capacity of 20.000 tons (cocoa bean) per year
9. Schedule of Project : 2009 2010



H. COCOAMANUFACTURING

1. Title of Project : Cocoa Manufacturing
2. Location : Southeast Sulawesi Province
3. Introduction :
 - Southeast Sulawesi Province is one of the rich area on natural resources both in the main land and arine area in Indonesia. Cocoa manufacturing is very important in Southeast Sulawesi due to the fact that the Province is the second biggest producer of cocoa in Indonesia. So the manufacturing Industry is welcome.
4. Legal and Government : Government of Southeast Sulawesi Province.
5. Scope of Project : Plantation, manufacturing and production
6. Seeking Investment for : Capital investment and managements
7. Potential Role Investment : Share holders
8. Project Cost and Financing : Cocoa manufacturing of US\$ 0.5 Billion
9. Schedule of Project : Seven years



I. CPO DOWN STREEM INDUSTRY

1. Title of Project : CPO Down Stream Industry
2. Location : Kelurahan Pelitung, Dumai City Riau Province
3. Introduction : To accelerate national economy, local government of Riau Province want to explore the CPO down stream industry and increase fastly
4. Legal and Government : Local Government Decree No. KPTS 412/IX/2003 on Built of Executive Coornidation Team for Industrial Areal Development and Sea Port in Dumai
5. Budget of Investment : USD 105,443,371.74
6. Scope of Project : CPO down stream industry
7. Potential Role Investment : Foreign Direct Investment and Domestic Investment
8. Schedule of Investment : -
9. Incentive of Investment :
 - Local Government Decree No. KPTS 412/IX/2003 on Built of Executive Coordination Team for Industrial Area Development and Sea Port in Dumai
 - Government Rule of Dumai City No. 27 of 2005 on amandemend of PERDA No. 11 year 2002 on Regional Construction of Dumai City



10.Land available : -

11.Status of Land : Local City Government of Dumai Own

12.Contact Person : • Drs. H. Hamdan Kamal, Kepala Dinas
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J. CPO DOWN STREEM INDUSTRY

1. Title of Project : CPO Down Stream Industry
2. Location : Dumai City Riau Province
3. Introduction : Riau Province have several high value commodities, mainly in estate and agriculture. There are 1.530.150 Ha oil palm plantation with 4.659.264 tons CPO
4. Legal Aspect : Local Government Decree No. KPTS 412/IX/2003 on Built of Executive Coornidation Team for Industrial Areal Development and Sea Port in Dumai
5. Budget of Investment : IDR 4-5 Millions (USD 500,00 to 600.000 millions
6. Scope of Project : CPO down streem industry
7. Potential Role Investment : Foreign Direct Investment and Domestic Investment
8. Schedule of Investment : -
9. Incentive of Investment : • Local Government Decree No. KPTS on Built of Executive Coordination Team for Industrial Area Development and Sea Port in Dumai



- Government Rule of Dumai City No. 27 of 2005 on amandemend of PERDA No. 11 year 2002 on Regional Construction of Dumai City

10.Land available : -

11.Status of Land : Local City Government of Dumai Own

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IV. LIVESTOCK

A. MEAT BUSINESS (WEST JAVA)

1. Title of Project : Meat Business Center (MBC)-West Java
2. Location : Bandung Regency, West Java Province
3. Introduction :
 - Providing good, safe, halal and healthy meat can only come through strictly hygienic slaughtering process controlled by professional employees. Hence, a professional and good quality slaughtering house is needed.
 - Such modern slaughtering house needs to be built in Metropolitan Bandung, as it is the centre of meat consumption in West Java. The previous slaughtering house must be improved by integrating slaughtering activity and other derivative activities that use meat as source. Then, the slaughtering house must be improved to be a Meat Business Center (MBC)

Goal and Objectives :

- To increase services to consumers by providing good, safe, halal and healthy meat.
- To guarantee the quality of meat
- To stabilize the price by market mechanisms
- To provide a professional and high quality slaughtering house



4. Legal and Government : The Government of Bandung Regency has conducted a feasibility study to be followed by an investment project initiation.
5. Scope of Project : - Meat processing industry
- Productoin industry
- Meat trading
- Landcape
- Unloading warehouse with gangway and receiving yard
 - Veterinary inspection
 - Precondition stalls
 - Isolation stalls and incinerator
 - Slaughtering House
 - Waste water treatment plant
 - Mini laboratory
 - Internal gangway
 - Auxilliaries
6. Seeking Investment for : Investment cost US\$ 1,3 M (in 2005)
7. Potential Role Investment : Strategy Partner/Financer
8. Project Cost and Financing : Investment estimation for the project is US\$ 1,3 M with an estimated 19,11% IRR, 1,24% B/C Ratio
9. Schedule of Project : The project is targetted to commerce in 2009



B. COW FATTENING (EAST KALIMANTAN)

1. Title of Project : Cow Fattening
2. Location : Penajam Paser Utara Regency
3. Introduction :
 - The climate in East Kalimantan influences significantly to especially grass planting as sources for livestock. The condition leads the area to become very suitable for husbandry activities. One of those is cow fattening.
 - Nowadays, the demand of nutrition products is getting higher, especially for meat consumption, unfortunately, the supply is not adequate. About 85% of total demand is still imported from outside East Kalimantan such as South Sulawesi and West Nusa Tenggara.
 - Husbandry is one of investment potential in East Kalimantan and has a good prospect in the future. Feedlot Sepaku and Penajam Paser Utara are strategic location, lies on 159.75 m above the sea level, and has huge amount of livestock of 7.317 cows.
4. Legal and Government : The government will assist in providing infrastructure facilities, law supremacy, tax incentive, and land acquisition.
5. Scope of Project :
 - Importing cow and breeds from South Sulawesi and West Nusa Tenggara to be developed in East Kalimantan



- This project will be implemented in Batu Harapan, Sepaku, Penajam Paser Utara and Paser
- These areas has adequate infrastructure, not far from town center, good accessibility, and has been developed for cow fattening.

6. Seeking Investment for : IDR 15 million/cows
7. Potential Role Investment : Support by Government and private sector
8. Project Cost and Financing : IDR 15 million/ cow
R/C 1,12
B/C 0,12
IRR 35,93%
NPV for 4 years
9. Schedule of Project : Estimated commercial product for two years

C. BEEF CATTLE FATTENING (CENTRAL SULAWESI)

1. Title of Project : Beef Cattle Fattening

2. Location : Palu, Central Sulawesi

3. Introduction :

- Indonesian government has placed a high priority on self sufficiency in national beef cattle production, and a program called “Percepatan Pencapaian Swasembada Daging Sapi (P2SDS)” is currently underway in 18 provinces, including Central Sulawesi. This program is aimed at increasing local beef cattle production and reducing dependencies on import on beef cattle.
- Central Sulawesi is expected to contribute to the national beef cattle production and will be achieved by increasing productivity of small scale beef cattle farming as well as development of larger scales beef beef cattle industries involving investors. The local beef cattle population will be increased through intensifying the local breed by an artificial insemination.
- Beef cattle fattening is a livestock production system that may potentially be attractive to investors, because it is profitable and this can be done in relatively short period of investment. Central Sulawesi is an area where lands, labors, and feed resources required for this business are available at lower cost compared to other areas. Lower input costs



and a promising product markets (Kalimantan, Java) will mean a more profitable beef cattle fattening business in Central Sulawesi.

- It is expected that a successful beef cattle fattening system will in turn attract more investors in such business and at the same time contributes to increase local beef cattle production and farmers prosperity in Central Sulawesi.

4. **Legal and Government** : The local government will provide a full support to the planning and implementation of the project
5. **Scope of Project** : The scope of the project is to fatten beef cattle with initial numbers of 500 heads
6. **Seeking Investment for** : Rap. 3.300.080.000
7. **Potential Role Investment** : The local government will actively seek interested investors to mutually contribute to this project
8. **Project Cost and Financing** : This project will mutually financed by the government and interested investors
9. **Schedule of Project** : Preparation in 2009
Provision of equipment and infrastructure in 2010
Implementation in 2010-2013



D. INTEGRATED FATTENING (SOUTH SULAWESI)

1. Title of Project : Initegrated Cattle Fattening
2. Location : 8 Regencies : Gowa, Barru, Takalar, Pangkep Bone, Enrekang, Maros and Selayar Within total area of: 3.450 Ha.
3. Introduction : The domestic and regional demand of cow is increasing, especially in Java, Kalimantan and Malaysia. There are large areas available in 8 regencies for ranch activities. Two main project activities are : breeding and fattening. Project will engage with : 4.000 of cow for breeding and 8.000 of cow for fattening of import from Australia.
4. Legal and Government :
 - Providing assistance on licensing.
 - Facilitating/medating land acquisition.
 - Providing incentive in import of cow.
5. Scope of Project :
 - Land acquisition.
 - Cattle importing.
 - Fattening activities
 - Transporting : cross island and border.
6. Seeking Investment for : A joint venture with local companies. Land acquisition will be provided by local companies. Investor's scope of activities :
 - Importing Cattle (from Australia).
 - Fattening activities.
 - Transporting: cross island and border.
 - Operational Budget.



7. **Potential Role Investment** : Owner of company will be established with Dominant Share.
8. **Project Cost and Financing** : Total budget gfor 8 locations is : USD 11.200.000 Million
involves : USD 3,2 Million for Investment and USD 8 Million for Working Capital.
IRR : 31,36%.
Payback : 8 years and 10 months.
9. **Schedule of Project** : 15 year project, starts in 2009 – 2024



E. CATTLE BREEDING AND FATTENING (SOUTHEAST SULAWESI)

1. Title of Project : Cattle Breeding and Fathening
2. Location : Bombana Regency, Konawe Regency, South Konawe Regency, Kolaka Regency, Munas Regency and Buton Regency, Shoutheast Sulawesi Province
3. Introduction :
 - Southeast Sulawesi Province is one of the rich area on natural resources both in the main land and marine area in Indonesia. Cattle breeding and fattening area currently available for 565.000 heads and can be increased approximately by 330.000 heads.
4. Legal and Government : Government of Shoutesth Sulawesi Province.
5. Scope of Project : Plantation, manufacturing and production
6. Seeking Investment for : Capital investment and managements
7. Potential Role Investment : Share holders
8. Project Cost and Financing : US\$ 10 million
9. Schedule of Project : Seven years







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