

# ***PROJECT PROFILES OF AGRICULTURAL SECTOR IN SOME REGION OF INDONESIA***



**CENTER FOR PERMIT AND INVESTMENT  
MINISTRY OF AGRICULTURE  
2010**



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MINISTRY OF AGRICULTURE**

**Arsip Building, 4th Floor**

**Jl. Harsono RM No.3 Ragunan, Pasar Minggu - Jakarta**





## FOREWORD



In the Indonesian economic development, the agricultural sector has a 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, the Center of Permit and Investment, 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 government 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.

Center of Permit and Investment  
Ministry of Agriculture

**Dr. Mohammad Dani**





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## I. CASSAVA FLUOR INDUSTRY

1. Location : East Java Province
2. 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.

3. Legal Aspect : The government will assist in the licensing process and procurement of the land
4. Budget of Investment :
  - 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
5. Scope of Project : To build factory of cassava Flour



6. **Potencial 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
7. **Schedule of Project** : Immediately



## II. PINEAPPLE INDUSTRIAL ZONE, KUTAI KARTANEGARA

1. Location : Pendingin Industrial Zone,  
Kutai Kartanegara
2. 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.
3. Legal Aspect : The government will assist in licensing of the project, acquiring of the land, and providing low tax payment.
4. Budget of Investment : IDR 16.69 billion  
IRR 29.45%  
Payback period for 25 years
5. Scope of Project : The scope of project are : plantation and canning industry





6. **Potencial 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.
7. **Schedule of Project** : Construction project until commercial production will be completed for about 3 years.



### III. RICE ESTATE

1. Location : North Konawe Regency,  
Bombana Regency, Muna Regency
- 2 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.
  - In 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)



3. Legal Aspect : Government of Southeast Sulawesi Province.
4. Budget of Investment : US\$ 1.4 million
5. Scope of Project : Plantation, manufacturing and production
6. Potencial Role Investment : Share holders
7. Schedule of Project : Seven years



#### **IV. MIFEE CONCEPT (MERAUKE INVESTMENT FOOD ESTATE AND ENERGY)**

1. Location : Merauke – Papua  
(Eastern part of Indonesia)
- 2 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
3. Legal Aspect : The Government will assist in the licensing process and procurement of the land
4. Budget of Investment : Investment item :
  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
  - BEP = 4<sup>th</sup> Year
  - NPC = Rp. 1.1 Billion – US\$ 124  
Thousand
  - R/C = 1.48
  - IRR = 29.5
  - ROI = 2.61

- 5. Scope of Project : Working Capital
- 6. Potencial Role Investment : Strategy Partner/Financer
- 7. Schedule of Project : 4 years



## V. BARITO KUALA INVESTMENT RICE ESTATE

1. Location : Anjir Muara and Anjir Pasar Subdistrict, Barito Kuala District, Province of South Kalimantan
2. 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 Subdistrict = 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
3. Legal Aspect :
  1. Local name : Siam Mutiara, Registered by Ministry of Agriculture of Republic Indonesia No. 35/PVL/2007]
  2. MOU between local government of Barito Kuala District
4. Budget : R/C = 3.46  
Investment Assumption :
  1. Grain to rice comparison about 65%
  2. Price for 5% broken rice IDR 6,250/kg



5. Scope of Project : 1. Total Cost/hectare = IDR 5,721,500.00  
2. Production = 4,870 kg/hectare  
3. Yield = 3,165 kg x IDR 6,250.00  
= IDR 19,781,250.00  
4. Profit = IDR 14,059,750.00
6. Potencial Role Investment : Strategy Partner/Financer
7. Schedule of Project : 5 years



## VI. POTATO CULTIVATION

1. Location : Bolaang Mongondow Reg,  
South Minahasa Reg.
2. Introduction :
  - Climate Condition : Tropical, 300-2000 M dpl, Average temp. of 15-200 C, Humidity of 80%-90%
  - Soil Condition : Fertile and loose soil containing organic materials, pH of 5.0 – 6.5
  - Area need : 38,575 ha  
Labor need : 32,860 people
3. Legal Aspect : -
4. Budget :
  - Permanent capital : Rp. 390,325,000
  - Operational capital : Rp. 199,840,600
  - Total of Invest : Rp. 590,165,600

### Investment item :

1. ROI = 17.24%
2. IRR = 39.53%
3. NPV 10% = Rp. 369,126,213.6
4. Payback Period = 5<sup>th</sup> (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





5. Scope of Project : Type and variety of cultivated potatoes : Yellow potatoes, white potatoes, and red potatoes.
6. Potencial Role Investment : Strategy Partner/Financer
7. Schedule of Project : 5 years



## VII. PINEAPPLE CULTIVATION

1. Location Bolaang Mongondow Regency,  
Sangihe Regency.
2. Introduction :
  - Market opportunity for domestic and export fresh pineapple type.
  - Production capaci : 500,000 kg/year
  - Area need : 10 ha
  - Labor need : 7,012 people
3. Legal Aspect : -
4. Budget :
  - Permanent capital : Rp. 298,525,000
  - Operational capital : Rp. 266,257,575
  - Total of Invest : Rp. 564,782,575
5. Scope of Project : Fresh pineapple
6. Potencial Role Investment : Strategy Partner/Financer
7. Schedule of Project : 6 years







## **I. TEA PLANTATION AND GREEN TEA PROCESSING (WEST JAVA)**

1. Location : Cikalong Wetan District, West Bandung Regency, West Java Province
2. 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
3. Legal Aspect : The government will assist in the licensing process and procurement of the land.
4. Budget : Investment cost : 833.300 US\$  
Investment
5. Scope of Project : Debt Equity Ratio : 75% : 25%  
(IRR) : 58% (in 2005)



6. 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.
7. Schedule of Project : The project is targetted to commerce in 2009



## **II. MARKET SEGMENT FOR GAMBIER (UNCARIA GAMBIR ROXB) – WEST SUMATERA**

1. Location : West Sumatera
2. 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.

3. Legal Aspect : The government will assist in the licensing process of trading.

4. Budget Investment : Direct Trading or MOU with local private enterprises  
Debt Equity Ratio : 75% : 25%  
(IRR) : 58% (in 2005)



5. Scope of Project : Market Segment
6. Potential Role : Buyers meet Sellers  
Investment
7. Schedule of : The project is targetted to commerce in  
Project 2009





### **III. DOWNSTREAM INDUSTRIAL PRODUCTS OF PALM OIL**

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



#### **IV. DOWNSTREAM INDUSTRIAL PRODUCTS OF NATURAL RUBBER**

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



## **V. REFINERY MILL FILLING AND PACKAGING INDUSTRIES**

1. Location : Banyuasin Regency
2. 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
3. Legal Aspect : Feasibility study has been done
4. Budget : Total Investment cost IDR 8.697.364.000,-  
Investment 65% from Bank loan with 8% interest rate  
35% owner Investment.
5. Scope of Project : The project would focus on Refinery Mill  
with Filling and Packaging Industries



6. Potential Role Investment : Developer and owner of the factories, buyers of palm oil mill (CPO/Raw Material)
7. Schedule of Project : The project would need two years – investment period (exactly 15 months)



## **VI. THE ESTABLISHMENT OF CACAO SEEDS PROCESSING**

1. Location : Palu City, Central Sulawesi Province
2. 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.





3. Legal Aspect : Local Government may provide supports.
4. Budget : Invest estimation budget  
Investment ± US\$ 25.000.000
5. Scope of Project : This Project is Prepared to process the cacao in Central Sulawesi and surrounding
6. Potential Role : Local Government will prepare deals with  
Investment investor, from exploration activity until the operational
7. Schedule of :  
Project
  - Prepare phase at 2009
  - Building the Factory at 2010
  - Operational phase at 2011



## VII. COCOA PROCESSING INDUSTRY

1. Location : Makassar Industrial Estate in Makassar City.
2. 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
3. Legal Aspect :
  - Assisting license Processing
  - National, Provincial and Local Government are fully support on production volume and quality .
4. Budget Investment : USD 4 Million with machine capacity of 20.000 tons (cocoa bean) per year



5. Scope of Project : - Land rent  
- Procurement of Machinery  
- Building construction  
- Operational budget
6. Potential Role Investment : Full private investment, joint venture with local partner
7. Schedule of Project : 2009 - 2010



## VIII. COCOA MANUFACTURING

1. Location : Southeast Sulawesi Province
2. 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.  
Assisting license Processeding
3. Legal Aspect : Government of Southeast Sulawesi Province.
4. Budget Investment : Cocoa manufacturing of US\$ 0.5 Billion
5. Scope of Project : Plantation, manufacturing and production
6. Potential Role Investment : Share holders
7. Schedule of Project : Seven years



## IX. PALM OIL FACTORY

1. Location : Ampek Nagari Sub Region of Agam Regency, West Sumater
2. Introduction : -
3. Legal Aspect : The government will assist in the licensing process of trading
4. Budget of Investment : Rp. 200.000 billion  
Palm oil factory
5. Scope of Project : Production and Marketing Plan
6. Potential Role Investment :
  - CPO
  - Exsport to Singapore
  - Local and neighbour TBS
  - PLN and generator
7. Schedule of Project : Schedule of Project
8. Incentive of Investment : Simple administration (one top service)  
Society support on investation development
9. Land available : 10 hectares





10. Status of land : Private Owners

11. Contact Person : • BKPM Sumbar Jl. Seti Budi No. 15  
Padang Telp.07518811341

• Bappeda dan PM Kabupaten Agam



## **X. PRODUCTION OF OIL PALM & COCOA PLANTATION DEVELOPMENT**

1. Location : Nagari Halaban Kec. Lareh Sago Halaban  
West Sumatera
2. Introduction : -
3. Legal Aspect : The government will assist in the licensing  
process of trading
4. Budget of Investment : Rp 130.000 billion
5. Scope of Project : TBS and cocoa fruits
6. Potential Role Investment : Production of Oil Palm & Cocoa Plantation  
Development
7. Schedule of Project : -
8. Incentive of Investment : Simple administration , Labour availabale
9. Land available : Oil Palm 5000 hectars and Cocoa 1000  
hectars.



10. Status of land : Tanah ulayat
11. Contact Person : • BKPMP Sumbar Jl. Seti Budi No. 15  
Padang Telp.0751-8811341
- Dinas Kebudayaan & Pariwisata 50  
Kota Telp. 0752-7750421



## **XI. OIL PALM PLANTATION**

1. Location : Timpeh, Sitiung Sub Region,  
Dharmasraya Regency  
West Sumatera
2. Introduction : The available of land in this location makes  
the project of oil palm plantation will  
profitable
3. Legal Aspect : The government will assist in the licensing  
process of trading
4. Budget of Investment :  $\pm 125.000.000.000$  ( US\$ 12.500.000)
5. Scope of Project : Oil Palm Plantation
6. Potential Role Investment : Oil Palm Plantation and CPO production
7. Schedule of Project : -
8. Incentive of Investment : Simple administration
9. Land available :  $\pm 5.000$  hectare
10. Status of land : Tanah ulayat
11. Contact Person : -



## **XII. RUBBER PLANTATION AND RUBBER PRODUCTION**

1. Location : Abai Siat (ex P3RSB), Koto Baru  
Sub Region, Dhamasraya Regency  
West Sumatera
2. Introduction : Natural Rubber as ready stock raw material  
should be produced by developing rubber  
plantation.
3. Legal Aspect : The government will assist in the licensing  
process of trading
4. Budget of Investment :  $\pm$  Rp. 275.000.000.000 (US\$ 27.500.000)
5. Scope of Project : -
6. Potential Role Investment : Rubber Plantation and Rubber Production
7. Schedule of Project : -
8. Incentive of Investment : Simple administration
9. Land available : 10. 000 hectare





10. Status of land : Tanah Ulayat

11. Contact Person : • BKPM Sumbar Jl. Seti Budi No. 15  
Padang Telp.07518811341

• Dinas Perkebunan Dharmastraya



### **XIII. OIL PALM PLANTATION**

1. Location : Durian Simpai, Koto Baru  
Desa Silago, Pulau Punjung Regency  
West Sumatera
2. Introduction : -
3. Legal Aspect : The government will assist in the licensing  
process of trading
4. Budget of Investment : ± Rp.150.000.000.000 (US\$ 15.000.000)
5. Scope of Project : Oil Palm Plantation
6. Potential Role Investment : Oil Palm Plantation to produce raw material  
for palm oil factory
7. Schedule of Project : -
8. Incentive of Investment : Simple administration
9. Land available : 6000 hectares (hutan sekunder)



10. Status of land : Tanah Ulayat
11. Contact Person : • BKPM Sumbar Jl. Seti Budi No. 15  
Padang Telp.07518811341
- Dinas Perkebunan Kabupaten  
Dharmasraya



#### **XIV. DEVELOPMENT OF COCOA SEED MANUFACTURING**

1. Location : Pasaman Sub Region of  
Pasaman Barat Regency
2. Introduction : To gain the value added of cocoa seed , it  
will provitable to establish a cocoa seed  
manufacturing factory to produce cocoa  
cream
3. Legal Aspect : The government will assist in the licensing  
process of trading
4. Budget of : Rp. 15,000.000.000,-  
Investment
5. Scope of Project : Cocoa
6. Potential Role : Development of Cocoa Seed Manufacturing  
Investment Factory to produce Cocoa Cream
7. Schedule of : -  
Project
8. Incentive of : Local government support  
Investment



9. Land available : -

10. Status of land : Tanah Ulayat and Private Owners

11. Contact Person : -





## **XV. SUGAR CANE PLANTATION**

1. Location : Rambatan Sub Region,  
Tanah datar Regengy
2. Introduction : -
3. Legal Aspect : The government will assist in the licensing  
process of trading
4. Budget of Investment : Rp 6.000.000.000,-
5. Scope of Project : Development of People Sugarcane  
Plantation
6. Potential Role Investment : • Sugar cane with capacity about  
2000 kg/ha  
• There are trained labours
7. Schedule of Investment : -
8. Incentive of Investment : Ganti Rugi
9. Land available : 800 hectares
10. Status of land : Adat/nagari



## **XVI. DEVELOPMENT OF JETROPA CURCAS PLANTATION**

1. Location : Sub Region of Rambatan, Padang Ganting, Batipuh, Lintau Buo, Pariangan, Salimpaung, Sungayang dan Tanjung Emas - Tanah Datar Regency
2. Introduction : -
3. Legal Aspect :
  - The government will assist in the licensing process of trading
  - Good Accesibility to location
4. Budget of Investment : Rp 20.000.000,-/ha/year
5. Scope of Project : -
6. Potencial Role Investment :
  - 4-5 ton dried seeds/ha/year
  - Domestic market
  - 21.910 ha x 5 ton = 109.550 ton/ha
  - PLN
  - Useable Technology and Extention
7. Schedule of Investment : -



8. Incentive of Investment : • Simple administration (one top service)  
• Society support on developing investment
9. Land available : 21.920 Hectares (Data Digital Analysis of Critical Land)
10. Status of land : Tanah Ulayat
11. Contact Person : • BKPMP Sumbar Jl. Seti Budi No. 15  
Padang Telp.07518811341  
• Bappeda dan PM Kabupaten Agam

## **XVII. CPO DOWN STREEM INDUSTY**

1. Location : Kelurahan pelintung, Dumai City  
Riau Province
2. Introduction : To accelerate national economy, local government of Riau Province want to explore the CPO down stream industry and increase fastly
3. Legal Aspect : Local Government Decree No. KPTS 412/IX/2003 on Built of Executive Coordination Team for Industrial Area Development and Sea Port in Dumai
4. Budget of Investment : USD 105,443,371.74
5. Scope of Project : CPO down stream industry
6. Potencial Role Investment : Foreign Direct Investment and Domestic Investment
7. Schedule of Investment : -
8. 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

9. Land available : -

10. Status of land : Local City Government of Dumai Own

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## **XVIII. CPO DOWN STREEM INDUSTRY**

1. Location : Dumai City, Riau Province
2. 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
3. Legal Aspect : Local Government Decree No. KPTS 412/IX/2003 on Built of Executive Coordination Team for Industrial Area Development and Sea Port in Dumai
4. Budget of Investment : IDR 4-5 Millions(USD 500,00 to 600,000 millions
5. Scope of Project : CPO down streem industy
6. Potencial Role Investment : Foreign Direct Investment and Domestic Investment
7. Schedule of Investment : -
8. 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

9. Land available : -

10. Status of land : Local City Government of Dumai Own

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## **I. MEAT BUSINESS CENTER (MBC)-WEST JAVA**

1. Location : Bandung Regency, West Java Province
2. 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





3. Legal Aspect : The Government of Bandung Regency has conducted a feasibility study to be followed by an investment project initiation.
4. Budget Investment : Investment estimation for the project is US\$ 1,3 M with an estimated 19,11% IRR, 1,24% B/C Ratio
5. Scope of Project : - Meat processing industry  
- Production industry  
- Meat trading  
- Landscape
  - Unloading warehouse with gangway and receiving yard
  - Veterinary inspection
  - Precondition stalls
  - Isolation stalls and incenerator
  - Slaughtering House
  - Waste Water Treatment Plant
  - Mini Laboratory
  - Internal gangway
  - Auxilliaries
6. Potencial Role Investment : Strategy Partner/Financer
7. Schedule of Project : The project is targetted to commerce in 2009



## II. COW FATTENING

1. Location : Penajam Paser Utara Regency
2. 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.
3. Legal Aspect : The government will assist in providing infrastructure facilities, law supremacy, tax incentive, and land acquisition.



4. Budget Investment : IDR 15 million / cow  
R/C 1,12  
B/C 0,12  
IRR 35,93%  
NPV for 4 years
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. Potencial Role Investment : Support by Government and private sector
7. Schedule of Project : Estimated commercial product for two years



### III. BEEF CATTLE FATTENING

1. Location : Palu, Central Sulawesi
2. 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 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.

3. Legal Aspect : The local government will provide a full support to the planning and implementation of the project
4. Budget Investment : This project will mutually financed by the local government and interested investors Rp. 3.300.080.000
5. Scope of Project : The scope of the project is to fatten beef cattle with initial numbers of 500 heads
6. Potencial Role Investment : The local government will actively seek interested investors to mutually contribute to this project
7. Schedule of Project : Preparation in 2009  
Provision of equipment and infrastructure in 2010  
Implementation in 2010-2013





#### IV. INTEGRATED CATTLE FATTENING

1. Location : 8 Regencies : Gowa, Barru, Takalar, Pangkep Bone, Enrekang, Maros and Selayar Within total area of : 3.450 Ha.
2. 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.
3. Legal Aspect :
  - Providing assistance on licensing.
  - Facilitating/medating land acquisition.
  - Providing incentive in import of cow.
4. Budget Investment : Total budget for 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.
5. Scope of Project :
  - Land acquisition.
  - Cattle importing.
  - Fattening activities
  - Transporting : cross island and border.



6. Potencial Role Investment : Owner of company will be established with Dominant Share.
7. Schedule of Project : 15 year project, starts in 2009 - 2024



## **V. CATTLE BREEDING AND FATTENING**

1. Location : Bombana Regency, Konawe Regency, South Konawe Regency, Kolaka Regency, Munas Regency and Buton Regency, Southeast Sulawesi Province
2. Introduction : Southeast Sulawesi Province is one of the rich area on natural resources both in the main land and water area in Indonesia. Cattle breeding and fattening area currently available for 565.000 heads and can be increased approximately by 330.000 heads.
3. Legal Aspect : Government of Southeast Sulawesi Province.
4. Budget Investment : US\$ 10 million
5. Scope of Project : Manufacturing and production
6. Potencial Role Investment : Share holders
7. Schedule of Project : Seven years



## **VI. FEEDIOT FATTENING SYSTEM OF COW**

1. Location : Golden Arm Livestock Area, Pekonina Livestock Area
2. Introduction : ENVIRONMENT ASPECTS
  - Existing condition : Fresh, flat/rocky
  - and hutan tingkat rendah
  - AMDAL : There isn't AMDAL yet
  - Labour need : 20 personsInfrastructure
  - Road condition : Good
  - Airport : BIM
  - Sea Port : Teluk Bayur
  - Clean water : PDAM
  - Telecommunication : Telcom, Satelit and Celluler
3. Legal Aspect : -
4. Budget : • Rp. 8 billion  
Investment : • Investor / bermitra dengan petani  
• Pernah dilakukan study analisa kelayakan wilayah  
According to existing rule and regulation
5. Scope of Project : Fattening



6. Potencial Role : -  
Investment
7. Schedule of : -  
Project
8. Incentive of : There will be facilities given by local  
Investment government of Solok Regency based on  
MOU



## VII. BEEF CATTLE

1. Location : Sub Region of Palupuh, Matur dan Palembang
2. Introduction : ENVIRONMENT ASPECTS
  - Existing condition : Bare land (bush)
  - AMDAL : There isn't AMDAL yet
  - Labour need : Available as requiredInfrastructure
  - Road condition : already
  - Airport : BIM
  - Sea Port : Teluk Bayur
  - Clean water : River or sumur bor
  - Telecommunication : Telcom, Satelit and Celluler
3. Legal Aspect : -
4. Budget : • Rp 60 billion  
Investment : • 100 % from Investor  
• Not yet  
According to existing rule and regulation
5. Scope of Project : Beef Cattle





6. Potencial Role : -  
Investment
7. Schedule of : -  
Project
8. Incentive of : • Simple administrstion (one top service)  
Investment • Society support in developing investment



