



KOCHAV  
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GROUP

# PT. SABA FARMS & FEEDS

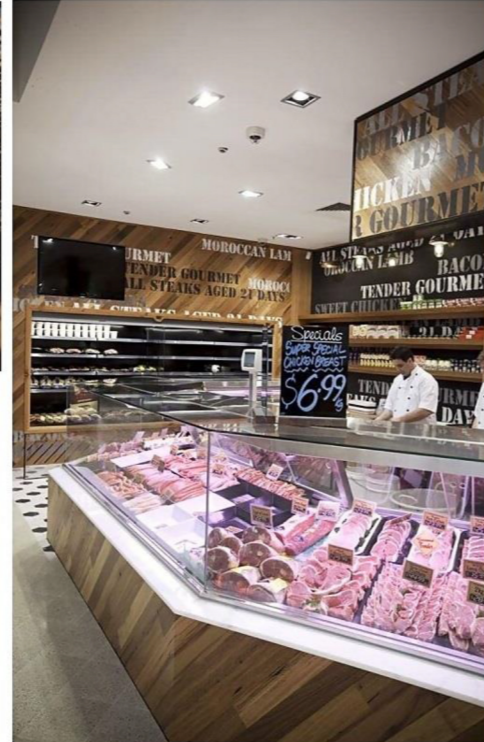
INDONESIA



A Corporation Company



**PT. SABA FARMS & FEEDS**  
INDONESIA  
**SMART BEEF CATTLE FARM**



HELPING LEAD A  
GLOBAL MOVEMENT FOR  
BEEF SUSTAINABILITY

**Business Plan**

K Corporation Limited  
UK | India  
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Submitted & Represented By :  
Kochav Consulting Group



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## Preface

We offer our gratitude to the almighty God for His blessings, grace, and blessings and guidance given to all the extended family of PT. JE Cattle Indonesia (JECI), Preparation of the Business Plan in 2021 can be accomplished well.

In dealing with strategic issues in 2021, PT. JE Cattle Indonesia (JECI) will request superior organizations to improve performance in all aspects. PT JECI will focus on its role as a producer of quality live beef cattle.

Creating competitiveness by increasing synergy between divisions in the company will encourage synergy through the Integrated Supply Chain (ISC). Organizational development and human resources that have qualified performance are of course needed to support the business environment. In this improvement the company also improved the quality of the application of the principles of good corporate management, good corporate governance (GCG) and Superior Performance Assessment Criteria. With the expected improvement the company provides better shareholder value.

Finally, we hope that all interested parties (stakeholders) can provide support in accordance with the role and support it with the aim of this Business Plan can be achieved. Amen.

Jakarta, April 2021

John Anthonius

Please Note : - Proposed New Name for PT JE Cattle Indonesia is PT Saba Farms & Feeds



Wasim Ahmed

**Founder**



John Anthonius

**Co-Founder**

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## 1. SUMMARY

### 1.1. Description

We (PT JECI) have the intention to build a new smart beef cattle farm in East Lampung Regency, Lampung Province-Indonesia. The aim is to provide a superior live beef cattle to supply in Indonesia market demand. During the last 5 years, we had executed a comprehensive pre-feasibility study on the development of beef cattle in Indonesia. A thorough analysis of the cattle farm situation and the opportunities in one of the largest and most rapidly growing economies led to the conclusion that Indonesia has not enough a smart beef cattle farm to produce the live cattle for the domestic market, affordable, and meet the international standard. The current plan of our last studies, we will implement a new model of smart farming systems where it will reduce waste, develop productivity and enable management of a greater number of resources through remote sensing. Smart farming also called or precision farming. It includes a range of technologies, including remote sensing, Internet of Things (IoT) devices, robotics, big data analytics, and artificial intelligence, to form an integrated crop production management system on a site-specific basis to increase profits, reduce waste, and keep the environmental quality.

Indonesian demand for beef has exhibited recent strong growth, due to increasing middle-class income and population growth. Java Island, with 50% of the country's population, contributes more than 70% of total beef consumption. Indonesian consumption patterns are also shifting away from staple foods toward high-value agriculture products. Most (90%) Indonesian beef producers are smallholders. They provide some 65–70% of all domestic beef production. Increasing demand for beef in developing countries for animal sources of food including red meat is predicted to double by 2050. In Indonesia, there has always been a gap between supply and demand of beef with national beef production only satisfying about 45% of demand. Beef production has not kept pace with demand growth.

The Indonesian population is estimated at 265 million, with Jakarta the key consumption market with over 10.8 million estimated population in 2019. GDP continues to rise in Indonesia and demand for animal-based protein such as beef, chicken meat, eggs and dairy remains strong. Indonesia has one of the largest beef markets in Asia with total consumption volume forecast to grow 9% by 2022. The country's large population, expanding middle-class consumers, rapid urbanization and robust economic growth are the key driving forces of this growth. While the market size and growth prospects present opportunities.

Demand for beef is increasing day by day due to Indonesian eating habits. Local production does not meet demand which indicates a large potential for raising livestock. For Muslims, cows are needed as a medium of worship during Eid al-Adha. If it is assumed that 0.1% of Indonesia's population states 237.6 million people (BPS, 2011), sacrificed 1 cow during Eid al-Adha, in front of 237,600 cows. This number will continue to grow, and will always be needed until the end of time. And Daily consumption of beef in the form of processed foods (meatballs, sausages, shredded and others) has reached 1.87 kg / capita per

year (BPS, 2011). In aggregate this amount is equivalent to the slaughter of 2.22 million cows resulting in 200kg / head of meat.

Indonesia is Australia's fourth largest agricultural export market. Australia's trade in boxed beef (and veal), cattle and beef offal with Indonesia was in 2019 valued at AUD1.2 billion (IHS Markit 2020). Trade in beef and veal alone in 2019 was valued at AUD390 million. In 2019, Australia shipped 57,637 tons of beef and veal to Indonesia, most as frozen grass-fed beef. Indonesia is Australia's largest exports for live cattle as well, with over 670,000 head exported in 2019 (MLA).

Smart farming provides our businesses with the advanced information that including big data, the cloud and the internet of things (IoT) for tracking, monitoring, automation and analyzing operations in commercial agriculture sectors. Also called as precision agriculture, smart farming is software-managed and sensor-monitored. Smart farming is important due to the grouping of the expanding global population, the increasing demand for advanced crop yield, the need to use the natural resources efficiently, the growing use, and sophistication of information and communication knowledge and the increasing need for climate-smart agriculture. Smart farming is a key for the future of our businesses.



Smart farming is a farming using modern technology to increase the quantity and quality of agricultural products. By precisely measuring variations within a field and adapting the strategy thus, we can greatly increase the effectiveness of pesticides and fertilizers and use them more selectively. Similarly, using farming techniques, we can improve monitors the needs of the live cattle's and adjusts their nutrition correspondingly, thereby preventing disease and enhancing

herd health.

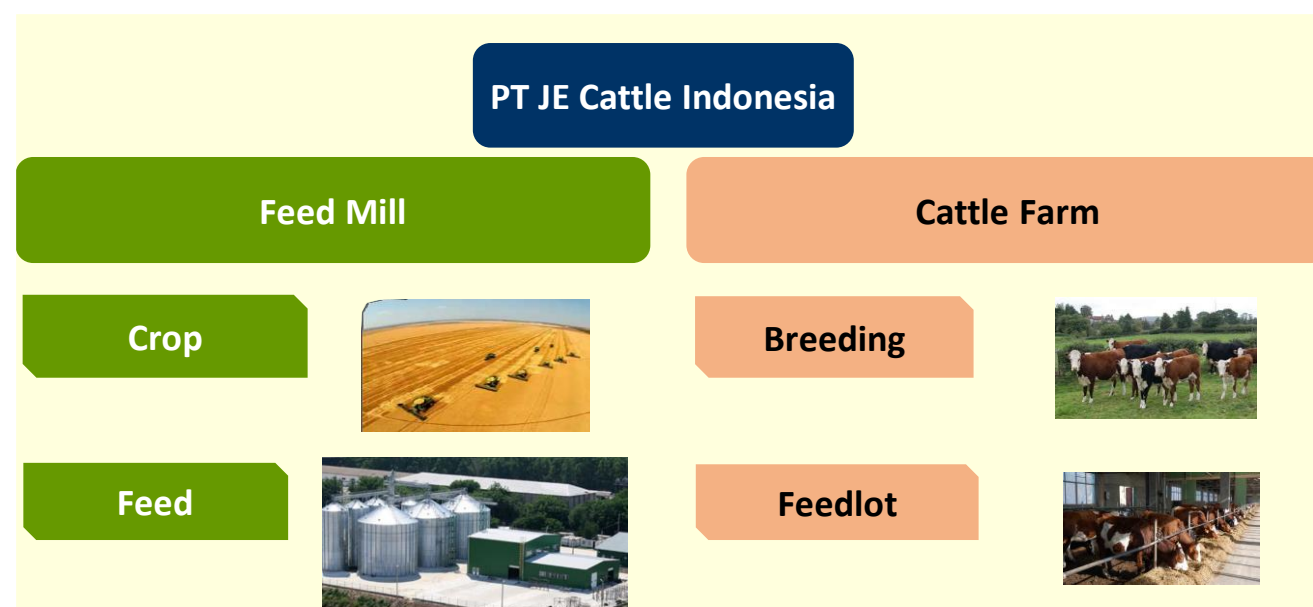
We will build 2 (two) businesses units to exist a smart beef cattle farm as follows:

1. Feed mill plant
2. Smart cattle farm.

Structure of business unit can be seen in Figure.



Figure 1 Structure of Business Unit



#### OUR PROFILE

PT JECI would become one of the leading agri-businesses in Indonesia and the region, involved in the production, processing, distribution and retailing of beef.

#### FARMING AND PROCESSING CROPPING

One of the cropping Player operations in Asia - Producing corn silage, corn grain, sorghum grain and soybeans grain. We would operate within crop planting area of 480 hectares to cultivate the crop as the main raw materials for feed. The land area would be covered by the drip irrigation as a new modern irrigation.

#### FARMING AND PROCESSING STOCK FEED

PT JECI would build a new stock feed to produce 5,000 tons of stock feed per day in own stock feed plant. Self-sufficient in stock feed requirements - Modern fully automated stock feed plant to commence operation to and supply stock feed to PT JECI farm.

#### FARMING AND PROCESSING BEEF & FEEDLOT

PT JECI has a plan to become one the players of cattle breeding and feedlot in Indonesia. And after 10 years PT JECI will plan to become the largest meat company in Indonesia slaughtering 60 000 heads per annum. Largest feedlotter of quality beef in Indonesia - a packaged meat manufacturing plant strategically located around Indonesia.

We will achieve to process 30,000 heads per cycle or 60,000 heads annually.

#### OUR STRATEGY

To increase efficiency and capacity in primary production facilities ensuring JECIBEEF is a low-cost protein producer in the region. To expand the retail and wholesale distribution channels in order to increase market penetration in the region.

We have a projection that We could achieve the annual gross revenues of approximately Rp 545.4 billion ~ US\$ 37.6 million and net income Rp 133.5 billion ~ US\$ 9.2 million for the year ended 2023. Our strategy is to increase efficiency and capacity in primary production.

Our priorities, continues to be focused on:

- sales of live cattle;
- where appropriate, forge strategic alliances and partnerships with industry players who report and
- develop the business to become a regional food supplier.

Following capital expenditure and operating expense requirements during first year running have been identified for operations of the proposed business.

#### 1. Feed mill Plant facility

We will set up a new feed mill plant to produce the cattle feed requirements for PT JECI farm.

Total investment	: IDR 62.0 billion ~ US\$ 4.28 million
Capital expenditure	: IDR 43.6 billion ~ US\$ 3.04 million
Operating expense	: IDR 18.4 billion ~ US\$ 1.27 million
Duration of construction	: May 2021 – Dec 2022
Terms of Investment	: 10 years since 2023

#### 2. Beef Cattle Farm facility

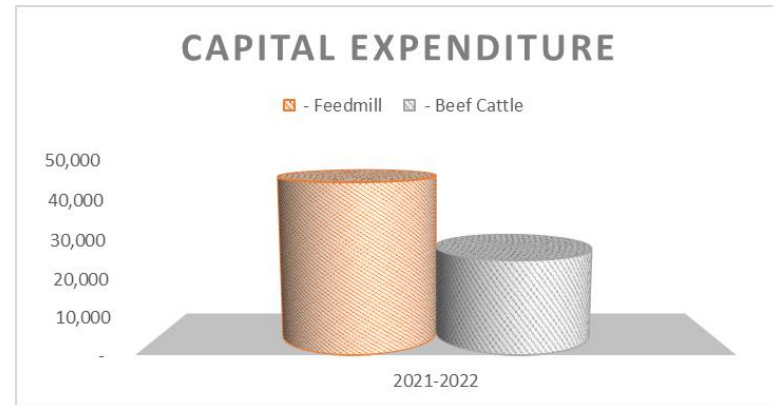
We will set up a smart cattle farm with the production capacity/year are 4,000 heads/year and can expand up to 8,000 head/year.

Total investment	: IDR 83.0 billion ~ US\$ 5.72 million
Capital expenditure	: IDR 20.5 billion ~ US\$ 1.42 million
Operating expense	: IDR 62.5 billion ~ US\$ 4.31 million
Duration of construction	: May 2021 – Dec 2022
Terms of Investment	: 10 years since 2023



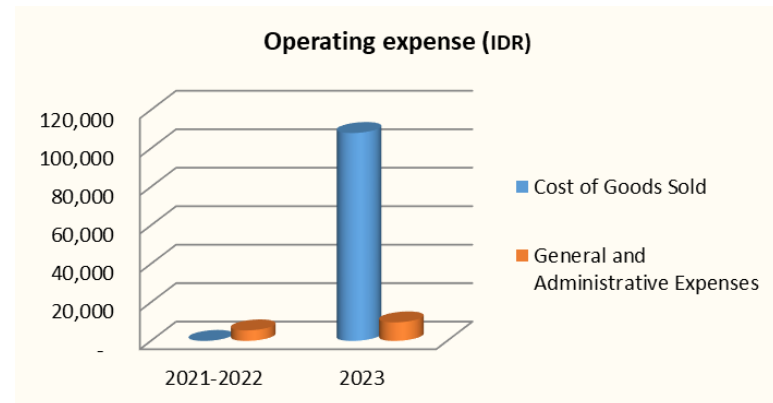
Capital expenditure can be seen in Graph.

Graph 1 Capital Expenditure



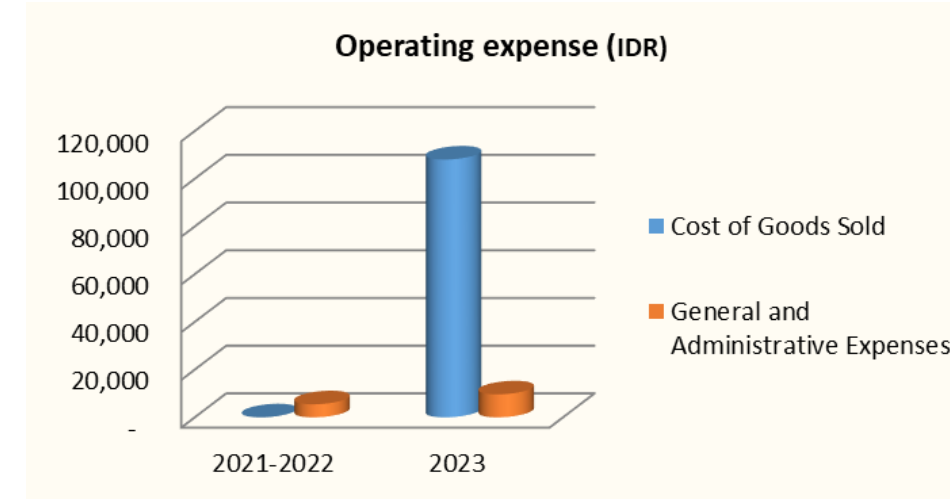
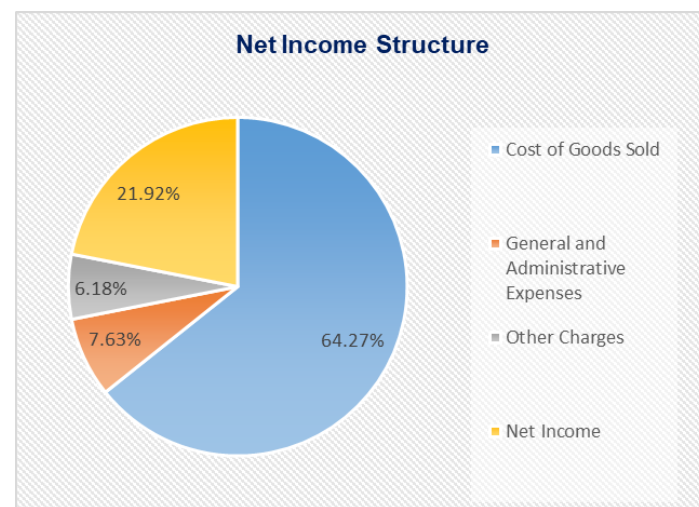
Operating expense can be seen in Graph.

Graph 2 Operating Expense



Income statement projection generated by each business unit from sales and other income where can be shown in Graph below.

Graph 3 Income Statement Percentage



### 1.2. Mission and Vision

PT JECI Farm has a vision to become a superior live beef cattle producer through setting up a smart beef cattle farm as a future farm in Indonesia.

### 1.3. Success Key

We will build a precision livestock farming system for implementing the smart farming both in Feed mill division and Cattle farm division. The key points are such as:

- ❖ The internet of Things (IoT)
- ❖ Automated screening
- ❖ Animal tracking technologies
- ❖ Smart feeding machine system
- ❖ Implementation of smartphone apps
- ❖ Smart tools in cattle management
- ❖ Role of sustainability in animal welfare
- ❖ Increasing productivity in the live cattle products

We will implement them to:

#### PILLAR ONE: Product

Our beef would be raised under ideal conditions for high quality and graded with standards that go well beyond the norm. Indonesia's eastern climate with long summer days and a little wet day enables our farm to breed and raise cattle with the very best genetics for beef production. The country is rich in both grass for grazing and grain crops for feed, with clean air and water, and lots of space to roam. Our beef will be recognized worldwide as a premium food from Indonesia and some of the best beef in the world.

#### PILLAR TWO: Producer

Our business would be crafted from start to finish. Our team work will be active, hardworking, dedicated, honest, careful, kind, friendly and diligent. Our beef cattle farmer and ranchers in every location in Indonesia, striving to bring good food to your table and working to be good stewards of the land and animals in their care.



### PILLAR THREE: World-class Standards

Corporate would implement the high level of scientific and technological sophistication as well as its deep commitment to honesty, ethics, and a deep respect for rules and regulations. In Indonesia, we do what's right with care and precision.

### PILLAR FOUR: Sustainability

Indonesia is blessed with a pristine, clean environment, rich in natural resources. Because our natural bounty is so precious and so important, it is understandable that we will work hard to preserve it. The human resources will be known for being both clean and having honest people. We will be financially and socially responsible, committed to protecting and preserving economic, environmental and social sustainability.

### PILLAR FOUR: Sustainability

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Risk management is classified into five categories, namely:

#### 1. Genetic Management

Genetics is one of the risk factors accepted by most farmers. Good genetics in cattle farming will have a positive impact on standards such as weaning weights, age at first birth, weight of bulls cutting and birth rates.

#### 2. Nutrition Management

Animal nutrition is another important factor, but it is enough to mention that the biggest challenge faced by the farmers is how to feed his livestock adequately in terms of both quantity and quality.

#### 3. Disease Control Management

Disease control is actually an integral part of group management. An effective disease control system will ensure that farmers do not need to lose their livestock due to death. The general rule of thumb is that herd mortality must be maintained at less than two percent at all times.

#### 4. Breeding and Fattening Management

The basic stage where our farms are to build and grow a herd of baby cows. The second stage is the stage of growth in which the heifers and cows in the group are kept for breeding while bulls and infertile cattle are taken and brought to the market. The last two stages are the productive and balance stages. This is the peak stage and the herd has reached the optimal level of function that will give us sustainability.

## 2. MANAGEMENT

### 2.1. Structure of Organization Chart

The organization chart of PT. JE Cattle Indonesia as follow:

Board of Directors:

1. President director : JOHN ANTHONIUS
2. Director : -

Board of Commissioners:

1. President commissioner : INVESTOR
2. Commissioner : LUSI AGUSFINE

### Corporate Governance

“PT JECI values excellence in corporate governance, and the principles that enhance openness, integrity, transparency and accountability”

High ethical standards in the conduct of business, and a verifiable framework of corporate governance policies and procedures, underpin all PT JECI's decision making and management.

The Board of Directors believe that good corporate governance must be demonstrated and verifiable. This fosters trust and confidence in the management of our business, amongst all our stakeholders.

### BOARD OF DIRECTORS

The Board is responsible for the performance and direction of PT JECI, through the establishment of strategic objectives and key policies, as well as approving major business decisions, in accordance with its charter.

The Board comprises the Directors, of whom eight are and two are Executive Directors and Non-Executive Directors.

The role of Chairman is a separate role and position from that of the Chief Executive Officer. The Chairman is considered to be independent. The role of the Chairman is to provide leadership of the Board and ensure its effectiveness on all aspects of its remit, in addition to providing leadership in corporate governance implementation and practice.

The role of the Chief Executive Officer is for the strategic development of the CORPORATE and for communicating it clearly to the Board, and once approved by the Board, for implementing it. In addition, the Chief Executive Officer is responsible for overseeing the management of the divisions and its executive management.

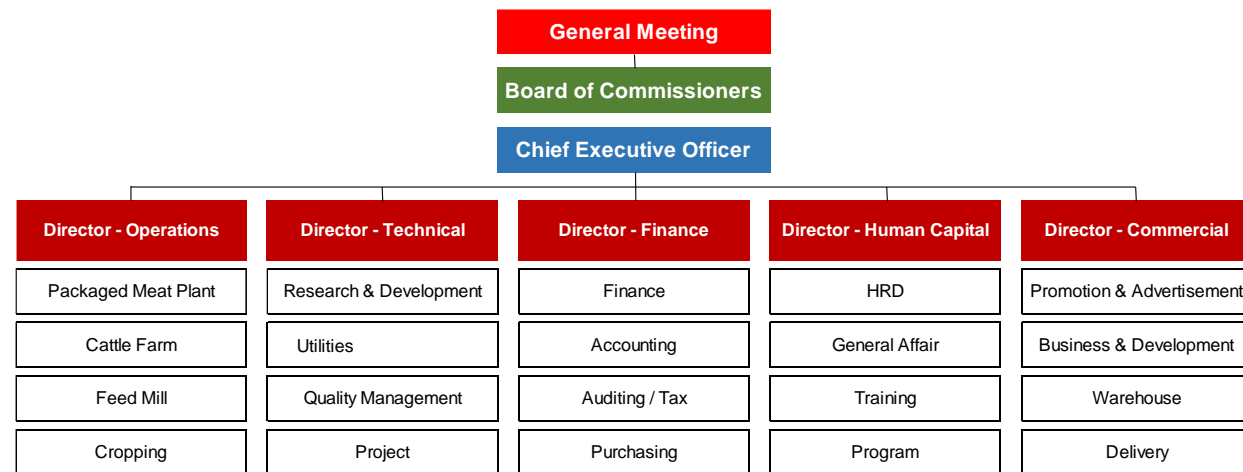
The Board meets on a regular basis to discuss the strategic direction of the Company and any significant deviation or change will be highlighted promptly should this occur.

The board of directors will be responsible for issuing policies and giving direction to the head of the division in carrying out the company's operations. The board of directors will be supported by experts consisting of 4 (four) people consisting of:

- Agricultural science experts
- Animal Science experts
- Marketing experts

Organization Chart on Managerial Level can be seen in Figure.

Figure 2 . Organization Chart on Managerial Level



### CORPORATE GOVERNANCE IN ACTION

#### Risk Management

An effective CORPORATE Risk Assessment/Risk Management tool, based on recommended best practice and regular inputs from senior management, is formally reviewed on a quarterly basis. Formal risk assessments are carried out at CORPORATE level, and are carried out per company and division, in conjunction with respective Heads of Business Units/General Managers, every quarter. This provides the Audit and Risk Committee and directors with regular updates/ mitigating action plans on all the major risks facing the CORPORATE.

The CORPORATE risk assessment, as described above, is used by the Board to execute and deliver strategy. For example, the CORPORATE risk assessment has highlighted foreign exchange and interest rate risks as high impact risk areas on the business, and this has been duly noted in the Company's debt reduction and efficient cash management strategy, which forms part of the current business plan and corporate strategy. Assurance is gained from Internal Audit.

### CORPORATE CODE of ETHICS AND CONDUCT

The Board monitors, via its Audit and Risk Committee, that Management have widely disseminated the Code amongst all stakeholders. The Audit and Risk Committee of the Board has the remit to review any cases of ethical misconduct against directors or senior management. Such cases may be reported through

the CORPORATE's Whistle Blowing Policy/Procedures, Incident Reporting, or direct reports to the Audit Committee or Board. Monitoring of compliance to the Code is further provided by the Internal Audit department's review work on Incident reports from disciplinary proceedings, Management and staff conflicts of interest reports, control procedures and Anti-bribery and Corruption matters.



### 3. PRODUCT AND SERVICE

#### 3.1. Product

We will produce the live cattle's from the main activity of the beef cattle fattening business is ready-to-slaughter cattle. The ready-to-slaughter cattle produced by PT JECI Farm are superior beef cattle. Feeder cattle are imported directly from Australia and or from domestic suppliers not through intermediaries. The selected feeder cattle are also feeders with superior quality. Feeder cattle are fattened at the PT JECI farm and get concentrate feed and feed every day. The concentrate feed is produced by PT JECI for self-purposes and can also be commercialized. The concentrate feed produced by PT JECI is superior feed that uses quality ingredients so that the finishing cattle's produced are also superior beef cattle. Meanwhile, the other main feed is obtained directly from PT JECI's land.

#### Major Beef Breeds

##### Cattle of Simmental

Simmental among farmers is popular with the name of a metal cattle. Simmental cattle originally came from the Simme Valley region in Switzerland. But now it grows faster in America, Australia and New Zealand, and Asia including in Indonesia. Genetically, Simmental cattle come from cold climates and are a large type of livestock. Simmental cattle's are classified as Taurus cattle's, or commonly known as European cattle.



Figure 3. Cattle of Simmental

In general, the shape of a Simmental cattle pillow body and muscular with the color of cattle fur is also quite unique. Reddish brown body, while the face and knees down and the tip of the tail is white. The percentage of carcasses of this type of beef is high and contains less fat. Simmental cattle have a large rumen volume, voluntary intake (the ability to increase consumption beyond actual needs) is high. Simmental color varies from gold to red with white, and may be evenly distributed or clearly defined in patches on a white background. The head is white and often a white band appears over the shoulders like the photos above. The majority have pigment around the eyes, helping to reduce eye problems which occur from bright sunlight.

##### The Cattle of Brangus

The Brangus breed was developed to utilize the superior traits of Angus and Brahman cattle. Their genetics are stabilized at 3/8 Brahman and 5/8 Angus.

The combination result in a breed which unites the traits of two highly successful parent breeds. The Brahman, through rigorous natural selection, developed disease resistance, overall hardiness and outstanding maternal instincts. Angus is known for their superior carcass qualities. They are also extremely functional females which excel in both fertility and milking ability.

Brangus cattle are black or red, polled, with a sleek coat and pigmented skin. Their ears are medium to large and the skin is loose, with neck folds. The rump is slightly rounded, and the bulls have a moderate hump.

The Brangus have a good temperament which was originally selected for when the breed was created. Mature Brangus bulls generally weigh between 1,800 and 2,000 pounds, while mature females generally weigh around 1,100 to 1,200 pounds. Bulls mature by two years of age and are ready to go into service by 18 months. Heifers are ready to breed by 14 months of age and deliver their first calf at 24 months of age. The bulls can remain in service through age 12, while the cows can produce calves beyond the age of 14. This breed is considered to be very versatile being high performers on pasture and in the feed yard and have also proven resistant to heat and high humidity. Under conditions of cool and cold climate they seem to produce enough hair for adequate protection.



Figure 4. Cattle of Brangus

The cows are good mothers and the calves are usually of medium size at birth.

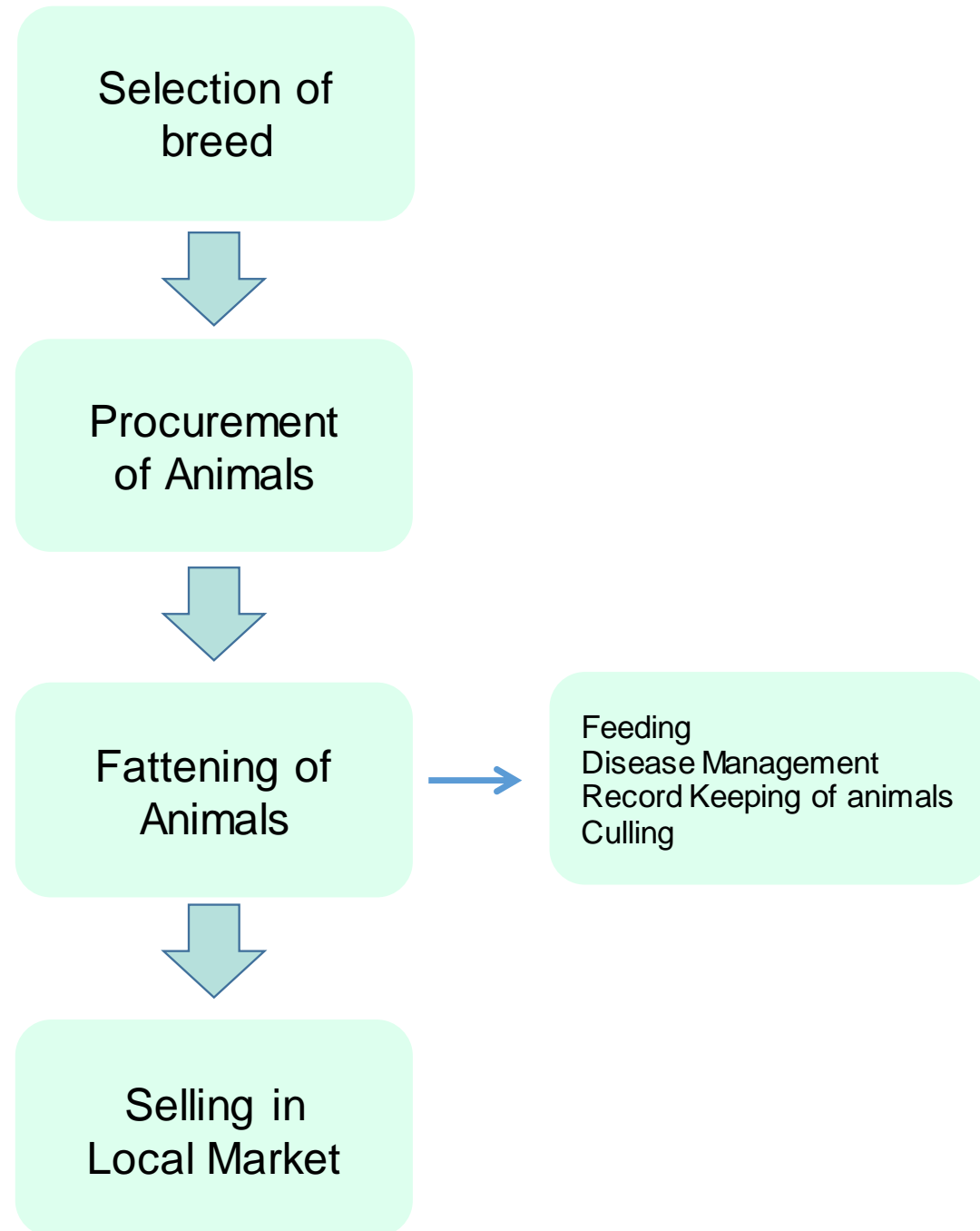
#### Statistics

- Resistant to heat and high humidity
- Hardy in cold climates
- Good mothers
- Resistance to ticks and bloat
- A good forager
- Rapid weight gain
- Average to slightly late maturing
- A carcass without excessive fat

3.2. Service  
3.2.1. Business Flow

Business flow chart can be seen in Figure

Figure 5 Business Flow Chart of the Live Beef Cattle



The business flow will run as follows:

a) **Selection of Breed:**

We will use calves (preferably male) of the cattle breeds such as Simmental and Bragous. The male calves are raised for good meat production and dressing percentage i.e. 55%. After fattening, the fat to muscle composition is also acceptable. The carcass weight is desirable by meat traders and exporters.

b) **Procurement of Animals.**

Feeder cattle feedlot venture will start up on 5,000 calves per year at the farm premises. The calf males between 12-18 months of age, are fed on nutritionally balanced concentrate ration or Total Mixed Ration (TMR) as major source of energy and protein for a period of 188 days to get higher body weight gain. Initial live weight of these calves should be around 295kgs/head. If these calves are fed properly on formulated fattening feed, an additional weight up to 340 kg can be achieved during 188 days.

The daily weight gain varies between 1.2 - 1.8 kgs depending on the quality of feed given to them. However, it is assumed that each calf will gain 1.5 kgs of weight per day.

c) **Fattening of Animals**

i. **Housing:**

A good housing leads to good management practices and ultimately optimum production. Generally, housing should be:

- Less expensive
- Well ventilated, comfortable and dry with hygienic environment
- Easy drainage and removal of dung urine and waste material
- Protective from extreme environmental conditions
- Maximum sun exposure: axis of length to be east to west
- Availability of feed and water for 24 hours
- Planned so that future expansion may be possible when required

ii. **Feeding:**

Adequate weight gain through the use of balanced feed purchased from well reputed companies or formulated accordingly. Animal should be fed Total Mixed Ration (TMR) @ 3-3.5 % of live body weight. Additionally, urea molasses blocks and salt blocks can help in better daily weight gains. Green fodder is offered at 5% of body weight (wet basis) to every animal.

iii. **Watering:**

Daily supply of clean drinking water in clean troughs i.e. 15 to 20 liters of water consumption/animal/day maintains the production capacity of the animal. Due to TMR and salt offered, animal tends to consume more water.



iv. Disease management:

De-worming for endoparasitic infestations is necessary in each batch shortly after arrival at farm. Timely vaccination against infectious diseases should be done as a prophylactic measure. At a well managed farm, mortality should not exceed 2 % per annum in the fattened animals.

v. Record keeping for each batch:

The animals should be ear-tagged on arrival at the farm. The information to be recorded includes breed of animal, initial live weight of animal, age of animals, date of purchase etc. The records for regular weight gain, medication and de-worming etc. are also important.

vi. Culling:

Selection of good productive animals and regular culling of uneconomical animal.

d) Selling in Local Market:

After fattening the animals, these will be sold in local market.

Figure 6 Cattle Farm Layout

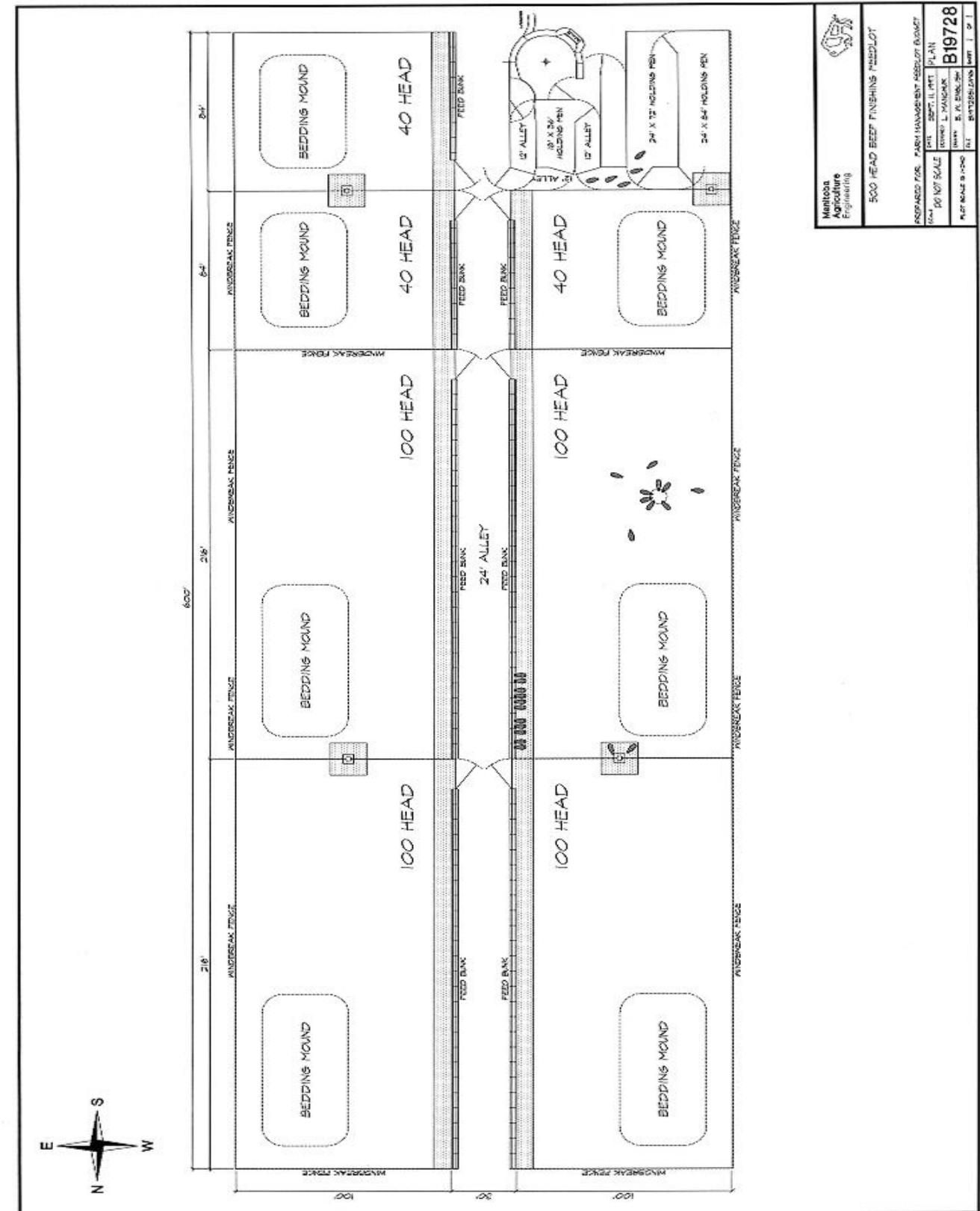
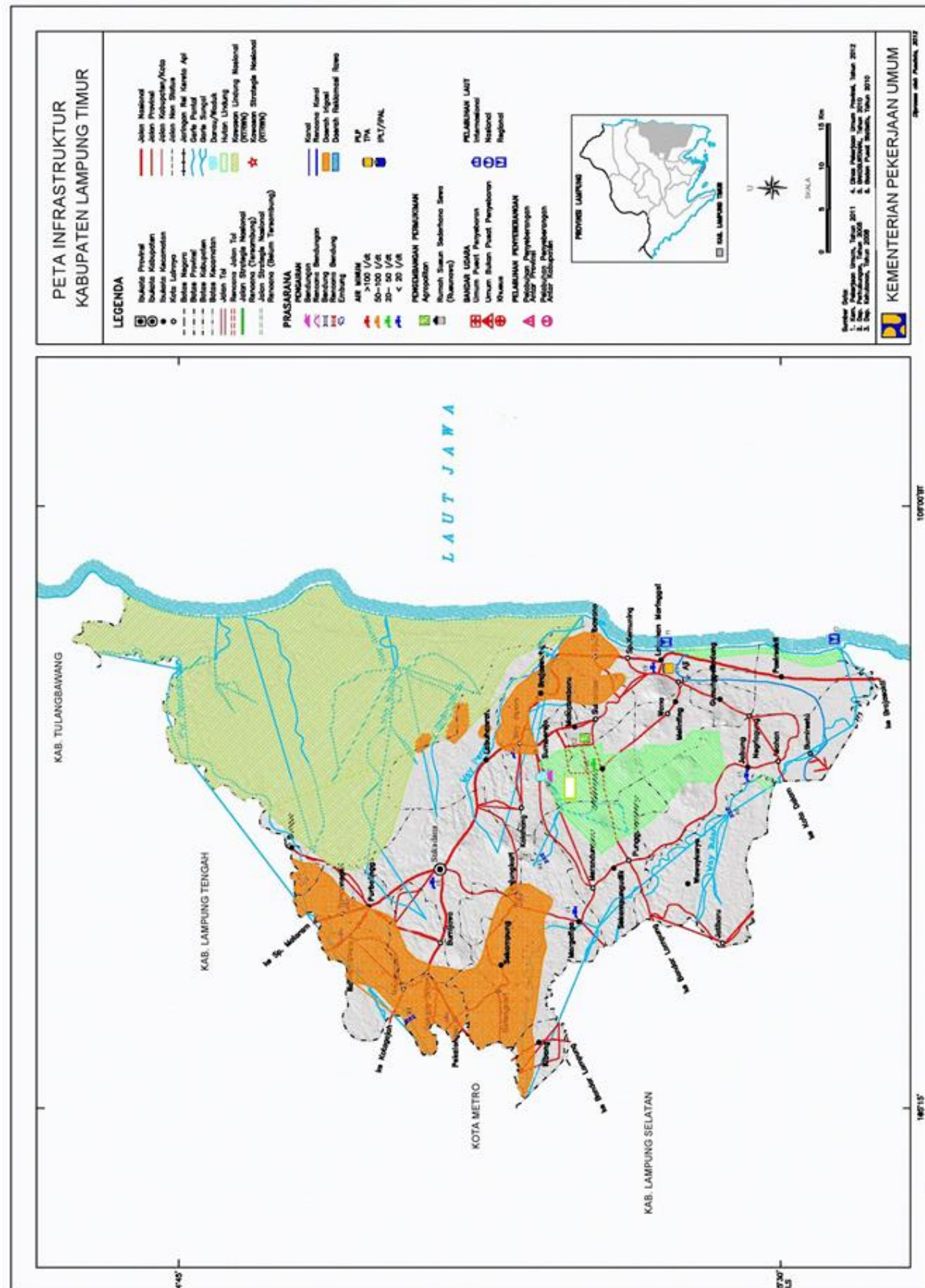






Figure 8 East Lampung Regency, Lampung Province Map 02



### 3.3. Performance Management

PT JECI will implement the beef integrity system maintains trust in Indonesia beef cattle market. The system of on-farm assurance, animal identification and traceability from paddock to plate guarantees the integrity of beef cattle. Indonesia beef and underpins the marketing of our product as clean, safe and natural. Indonesia beef integrity system ensures our live cattle production can stand by what it sells. PT JECI will implement the following two programs:

- A. On-Farm Assurance
- B. Identification & Traceability

#### A. On-Farm Assurance

We adopt Cattle Production Assurance (CPA) program which is the on-farm assurance program, providing evidence of cattle history and on-farm practices when transferring cattles through the value chain. The seven requirements of CPA underpin market access for our beef cattle production, providing customer assurance around food safety and ethical production such as:

1. Property risk assessments
2. Safe and responsible animal treatments
3. Stock foods, fodder crops, grain and pasture treatments
4. Preparation for dispatch of cattle
5. Transaction and movements
6. Biosecurity
7. Animal Welfare

#### B. Identification & Traceability

All cattle's will be fully traceable to allow a fast and efficient response to disease outbreaks or food safety incidents along the supply chain, including on and off farm. The system that underpins PT JECI's commitment to biosecurity and food safety is the cattle Identification System. The system reflects PT JECI's commitment to biosecurity and food safety and provides a competitive advantage in a global market.

The cattle Identification system combines three elements to enable the lifetime traceability of animals:

1. All cattle's are identified by a visual or electronic eartag/device.
2. All physical locations are identified by means of a Property Identification Code (PIC).
3. All cattle's location data and movements are recorded in a central database.

## 4. MARKETING ASPECTS

### 4.1. Market demand

The demand for feeder cattle's (weaning cattle from cattle breeding) is still very high, either by smallholder fattening farmers (kereman) or companies (feedlotter) producing ready-to-slaughter cows or by breeders of female cows that produce replacement stock. Fattening breeders still lack supply of local feeder cattle, such as from imported feeder cattle which is still high. In 2011, feeder cows serving 560,000 heads, imported 93,000 MT of frozen meat (Media Indonesia, 2012).

The demand for seeds / feeders will continue to increase in line with the demand for national beef. Population growth, realizing the importance of animal protein for health and intelligence, as well as increasing community income, boosted demand for beef by an average of 4.4% per year during the period 2002-2012 (Ditjenak, processed). Likewise, the 2014 PSDS program which limited imports to only 10% of the demand for meat, provided a market opportunity for local cattle breeders.

According to CNBC Indonesia, beef production in Indonesia in 2018 can only meet around 60% of total needs. The Director General of Animal Husbandry and Animal Health at the Ministry of Agriculture, I Ketut Diarmita, said meat production was estimated at 403,668 tons from 2.37 million cattle. Meanwhile, he continued, national demand reached 663,290 tons. "The shortage of 259,622 tons will be met from imports in the form of beef cattle or cattle or buffalo," he explained via text message, quoted Thursday (2/22/2018). Therefore, we want to meet the needs of beef through modern fattening farms. The meat slaughtering and packaging plant facility has the capacity to process 200 heads / day or 60,000 heads per year which is equivalent to 14,000 tons of carcasses per year.

The supply of local breed cows is still limited, so the offer has not yet reached a competitive level. The main competitors are imported cattle from Australia and New Zealand. However, the supply of imported cattle is constrained by government policies in the form of quotas and tariffs. Regarding the 2014 PSDS, in 2012 the government set a quota for cattle imports to only 283,000 heads (Media Indonesia, 2012), although it was finally corrected. In 2014, imports of feeder cattle are targeted at only around 86,000 heads. An import tariff of 5% is imposed on beef imports. Apart from government policies, macroeconomic conditions also limit the import of feeder cattle. The rupiah exchange rate has weakened further, reducing importers' interest because imported cattle have become expensive.



Table 1 Beef Imports according to Origin Countries, 2010-2019 (MT)

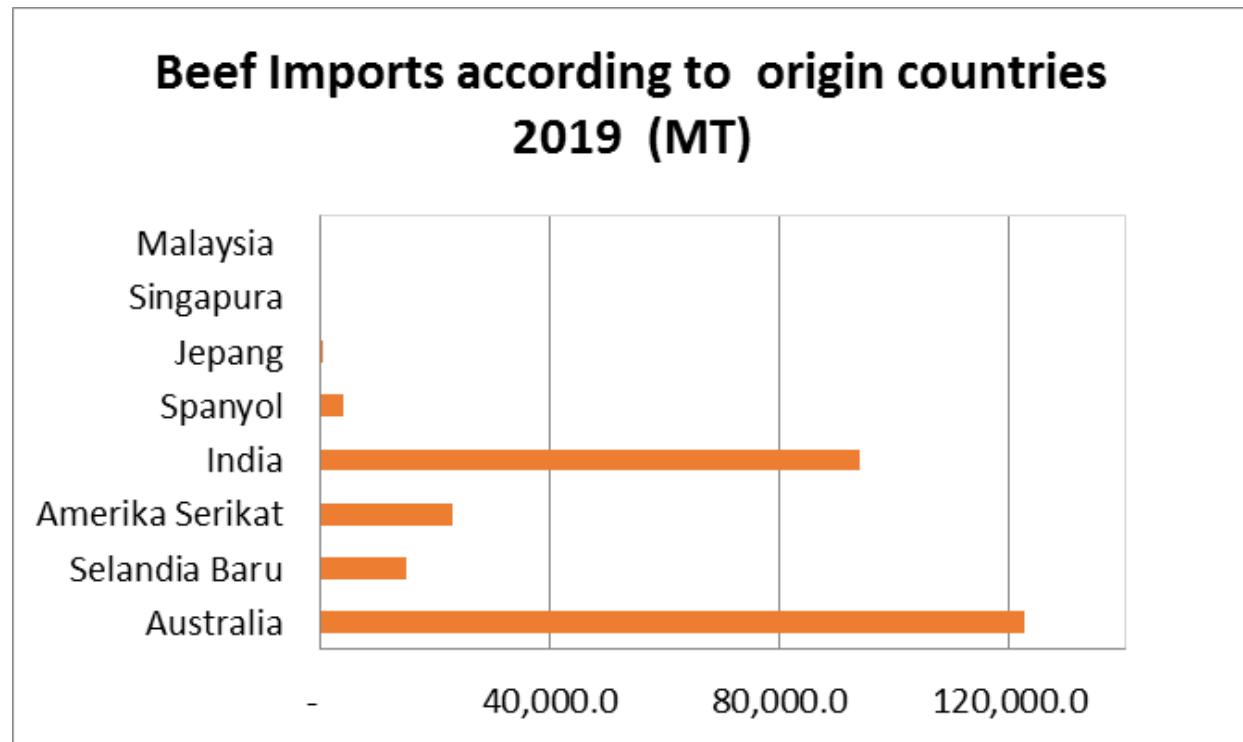
**Beef Imports according to major countries of origin, 2010-2019**

Origin country	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Berat Bersih : 000 Kg</b>										
Australia	74 756.3	60 556.8	29 413.5	40 881.6	78 409.6	39 531.2	79 630.6	85 192.1	100 623.7	122 684.4
New zealand	49 087.4	29 699.3	9 618.2	10 446.3	20 433.7	9 071.2	15 584.6	13 621.6	13 316.6	14 964.6
USA	12 580.1	12 198.1	1 308.1	3 488.4	6 015.6	1 950.1	11 544.1	14 430.5	12 306.3	22 950.2
India							39 524.4	45 192.0	79 634.0	93 970.0
Spanyol							323.5	1 116.9	1 228.8	4 049.7
Japan					1.3	0.7	43.6	7.4	11.7	13.5
Singapura	1 835.2	72.9	0.2	39.4	47.2	16.5	18.9	28.3		
Malaysia						120.0	2.3	66.4		
etc	1 882.2	323.3	0.0	0.0	25.0	0.0	0.0	542.3	306.2	3 618.9
<b>Jumlah</b>	<b>140 141.2</b>	<b>102 850.4</b>	<b>40 340.0</b>	<b>54 855.7</b>	<b>104 932.4</b>	<b>50 689.7</b>	<b>146 671.9</b>	<b>160 197.5</b>	<b>207 427.3</b>	<b>262 251.3</b>
<b>Value CIF: 000 US\$</b>										
Australia	215 182.1	195 506.8	113 757.3	177 987.1	319 634.3	183 920.9	312 131.1	296 291.7	321 858.4	362 269.2
New zealand	149 209.2	99 562.0	35 596.5	44 989.9	85 935.2	45 939.5	65 487.8	46 914.9	43 172.8	41 629.7
USA	23 855.6	25 531.6	6 650.2	15 461.6	26 598.7	10 426.9	38 000.2	55 982.6	52 332.3	85 614.3
India							141 463.1	166 101.6	283 651.2	309 848.6
Spanyol							1 326.4	4 271.8	5 035.4	13 848.0
Japan					61.2	38.3	171.2	401.4	560.2	721.4
Singapura	4 045.7	197.2	1.5	173.8	176.5	37.6	69.6	60.5		
Malaysia						231.2	180.6	185.2		
etc	2 701.5	622.5	0.1	0.0	141.6	0.0	0.0	1 819.0	1 119.8	15 924.0
<b>Jumlah</b>	<b>394 994.1</b>	<b>321 420.1</b>	<b>156 005.6</b>	<b>238 612.4</b>	<b>432 547.5</b>	<b>240 594.4</b>	<b>558 830.1</b>	<b>572 028.7</b>	<b>707 730.1</b>	<b>829 855.2</b>

Source : Badan Pusat Statistics - Indonesia (the Central Bureau of Statistic)

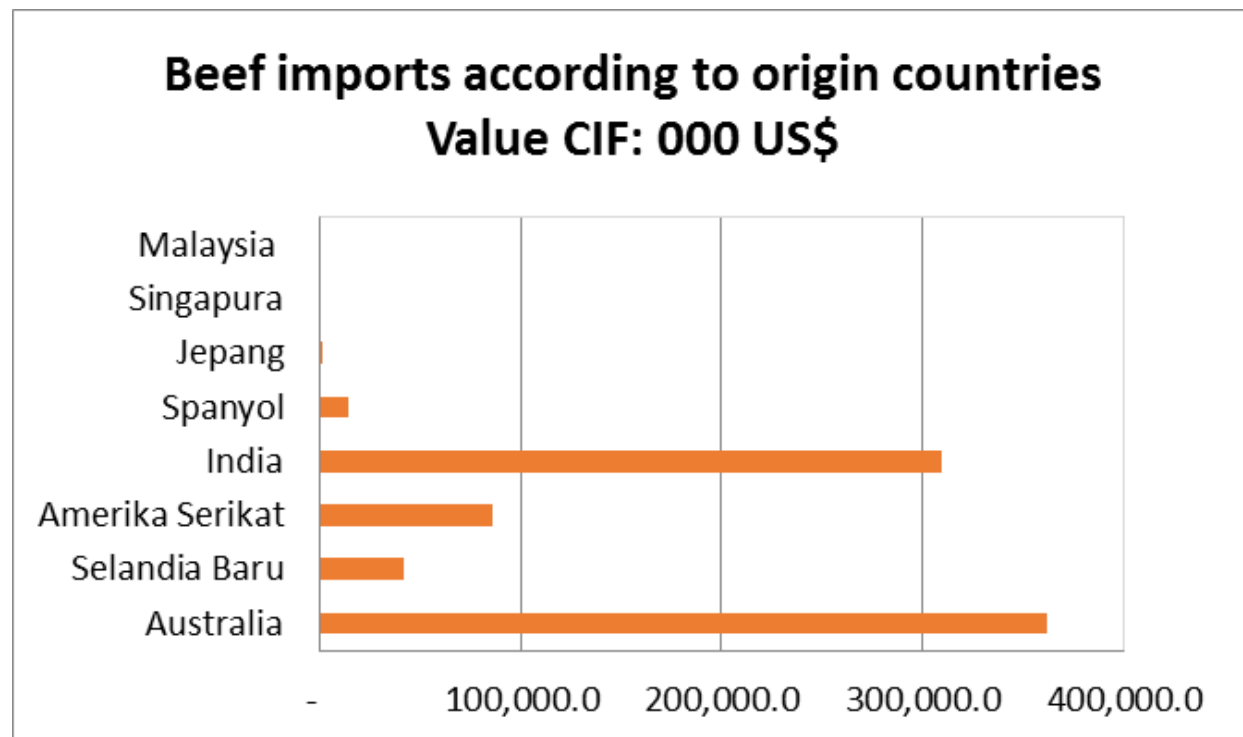
Beef imports according to origin countries in 2019 (MT) can be seen in Graph.

Graph 4 Beef Imports according to Origin Countries, 2019 (MT)



Beef import according to origin countries (value CIF: 000US\$) can be seen in Graph.

Graph 5 Beef Imports according to origin countries, 2019 (value CIF: 000 US\$)





Production of beef according to each province in Indonesia can be seen in Table.

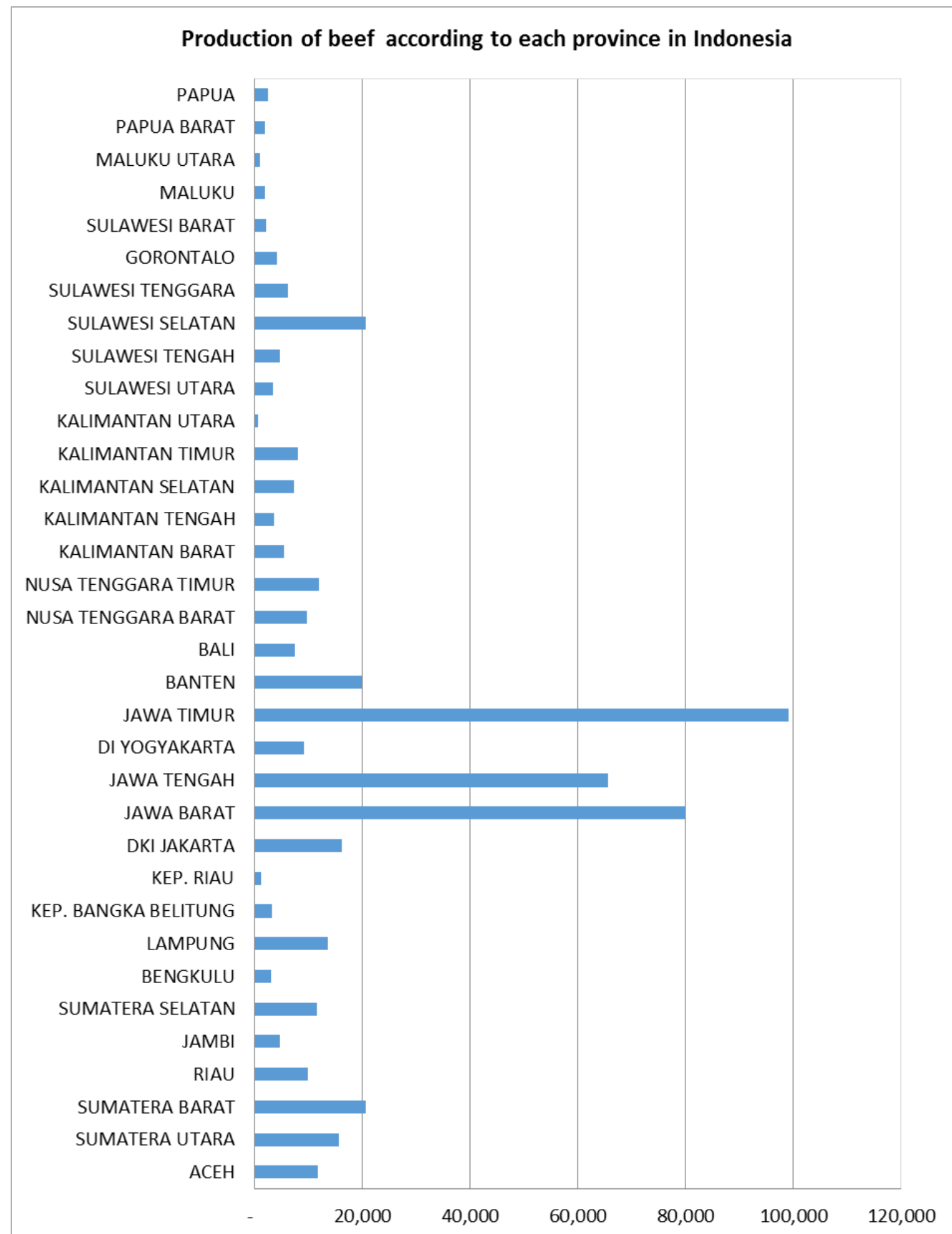
Table 2 Production of Beef according to Each Province

Province	Production of beef according to each province (MT)										
	2,009	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017	2,018	2,019
ACEH	7,614	7,914	8,303	6,569	8,747	8,814	10,048	10,401	8,550	11,524	11,870
SUMATERA UTARA	13,261	14,256	18,299	24,547	18,437	22,656	23,408	25,571	26,298	15,240	15,724
SUMATERA BARAT	18,322	20,442	20,287	22,638	23,099	24,943	26,007	26,441	20,206	20,299	20,698
RIAU	7,294	10,950	12,658	11,317	8,243	9,298	8,677	9,396	7,700	9,793	9,988
JAMBI	3,868	6,349	6,515	6,507	4,386	4,329	4,654	4,386	4,085	4,540	4,702
SUMATERA SELATAN	12,482	12,703	13,601	14,649	14,496	15,281	16,689	17,879	12,666	11,261	11,697
BENGKULU	2,411	2,691	3,276	3,761	4,222	3,106	3,365	3,057	2,587	2,472	3,149
LAMPUNG	10,694	9,527	10,064	9,833	14,099	13,074	12,337	12,609	12,999	13,332	13,679
KEP. BANGKA BELITUNG	2,004	3,024	3,932	2,917	2,966	3,427	2,539	2,317	2,601	3,066	3,260
KEP. RIAU	579	450	532	585	556	2,663	2,661	2,669	1,470	1,164	1,186
DKI JAKARTA	5,657	6,058	9,413	12,206	18,021	19,260	20,166	23,126	15,611	15,867	16,185
JAWA BARAT	70,662	76,066	78,476	74,312	71,881	67,073	75,478	73,319	72,500	81,626	80,160
JAWA TENGAH	48,340	51,001	60,322	60,893	61,141	55,988	55,332	58,169	59,903	64,756	65,640
DI YOGYAKARTA	5,384	5,690	7,657	8,896	8,637	8,611	7,584	7,783	8,047	9,273	9,286
JAWA TIMUR	107,768	109,016	112,447	110,762	100,707	97,908	95,431	101,729	96,917	96,728	99,146
BANTEN	18,728	20,326	25,806	36,121	36,676	37,672	37,164	33,473	30,277	34,946	19,896
BALI	6,283	6,238	8,081	8,759	8,964	7,283	7,744	7,811	7,215	7,431	7,495
NUSA TENGGARA BARAT	6,567	9,287	10,958	11,228	12,688	10,847	10,593	10,341	9,472	9,552	9,823
NUSA TENGGARA TIMUR	6,486	4,507	8,668	13,595	11,083	11,656	12,299	12,442	12,285	11,761	11,937
KALIMANTAN BARAT	6,567	7,074	10,437	7,263	8,077	7,274	5,532	5,306	5,124	5,447	5,536
KALIMANTAN TENGAH	2,564	5,224	3,116	4,154	4,277	3,844	4,061	4,295	4,488	3,822	3,735
KALIMANTAN SELATAN	5,946	7,058	8,459	9,610	9,770	8,573	7,978	7,869	7,263	7,238	7,294
KALIMANTAN TIMUR	6,729	7,530	8,240	8,069	9,210	8,700	9,129	8,446	8,241	7,944	8,104
KALIMANTAN UTARA	-	-	-	-	-	675	614	630	639	639	654
SULAWESI UTARA	4,571	4,386	4,446	4,501	4,565	4,587	3,611	3,431	3,497	3,518	3,553
SULAWESI TENGAH	3,359	3,672	3,058	4,250	4,603	5,131	4,884	5,207	4,542	4,693	4,780
SULAWESI SELATAN	11,323	9,056	11,026	12,725	14,518	17,214	19,365	18,451	19,876	19,697	20,755
SULAWESI TENGGARA	3,737	3,902	2,709	3,328	3,849	4,374	3,693	4,413	5,104	6,475	6,283
GORONTALO	3,063	3,926	3,985	4,347	3,617	2,460	3,006	3,392	3,708	4,250	4,267
SULAWESI BARAT	1,361	1,795	3,917	3,053	2,911	1,988	2,792	2,853	2,854	2,266	2,289
MALUKU	1,338	1,420	1,320	1,496	2,687	1,592	2,110	1,994	2,186	2,123	1,987
MALUKU UTARA	223	243	274	578	876	999	1,192	1,499	1,561	940	1,095
PAPUA BARAT	1,696	1,899	2,316	2,533	4,077	3,658	3,809	3,958	2,701	1,915	2,030
PAPUA	2,427	2,770	2,737	2,903	2,733	2,711	2,709	3,822	3,144	2,373	2,538
INDONESIA	409,308	436,450	485,335	508,905	504,819	497,669	506,661	518,484	486,320	497,972	490,421

Source : Badan Pusat Statistics - Indonesia (the Central Bureau of Statistic)

Production of beef according to each province in Indonesia can be seen in graph.

Graph 6 Production of beef according to Each Province in Indonesia



Beef cattle numbers slaughtered according to each province can be seen in Table.

Table 3 Beef cattle numbers slaughtered according to each province

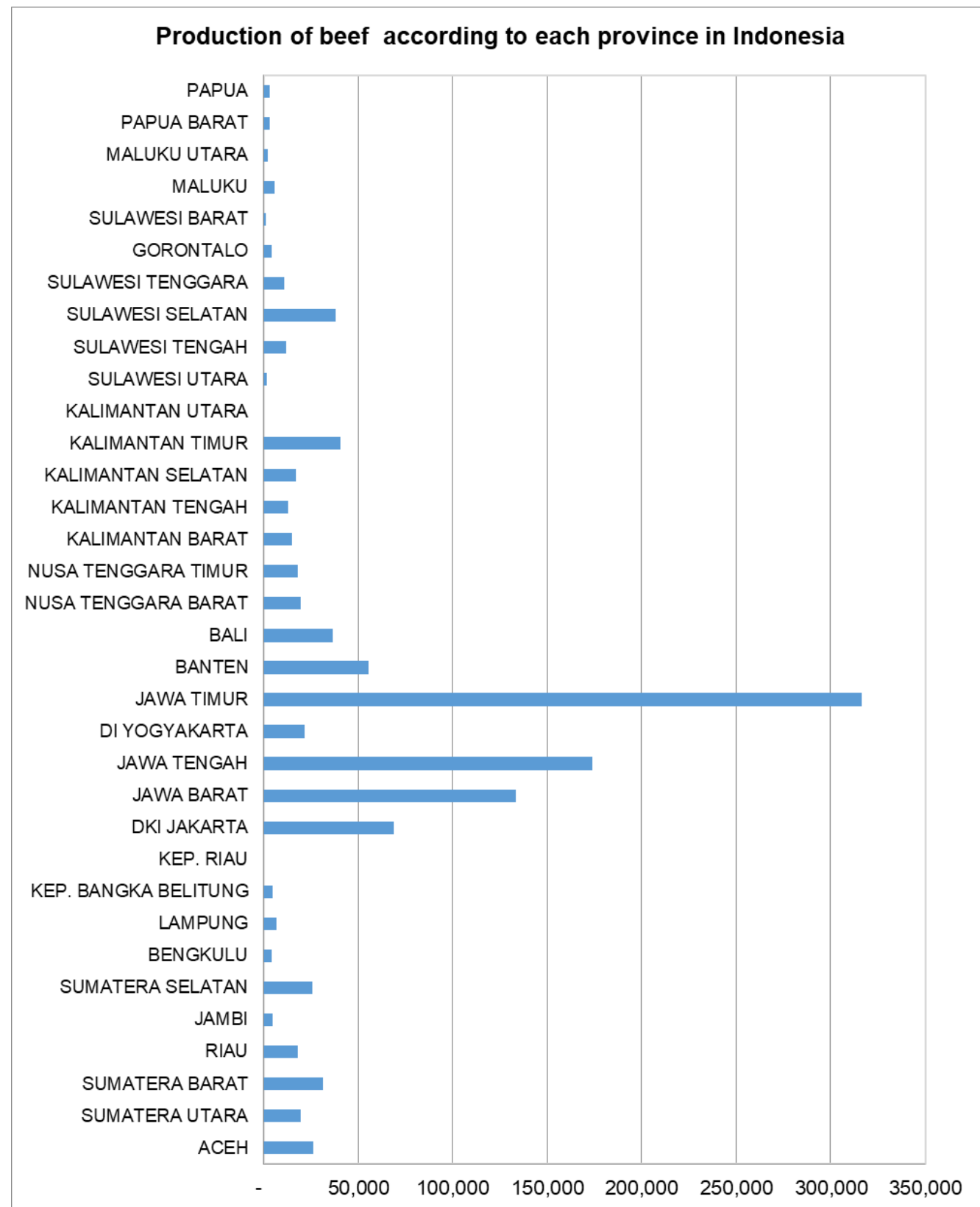
Province	Beef cattle number slaughtered according to each province								
	2000	2001	2002	2003	2004	2005	2006	2007	2008
ACEH	25,055	25,902	18,002	23,456	22,172	19,693	9,931	27,698	26,239
SUMATERA UTARA	22,557	22,578	17,050	21,686	20,380	19,275	20,816	24,077	19,676
SUMATERA BARAT	31,096	31,625	29,065	26,343	26,375	31,269	35,153	33,777	31,533
RIAU	15,383	16,921	6,382	9,624	9,957	15,274	13,845	15,954	18,089
JAMBI	11,869	11,939	7,212	8,169	12,411	12,346	11,161	11,523	4,625
SUMATERA SELATAN	42,736	45,768	8,875	8,746	9,048	9,880	32,059	27,957	25,738
BENGKULU	5,529	5,554	3,438	3,448	3,640	3,476	2,640	4,338	4,146
LAMPUNG	17,550	17,593	18,445	18,733	18,745	18,502	6,425	6,596	6,856
KEP. BANGKA BELITUNG	-	-	2,622	3,046	3,775	3,817	5,078	4,783	4,776
KEP. RIAU	-	-	-	-	-	-	-	-	-
DKI JAKARTA	102,899	97,754	108,768	113,497	131,895	-	59,175	68,878	68,906
JAWA BARAT	287,419	303,078	188,337	178,031	168,548	122,302	66,490	143,881	133,378
JAWA TENGAH	175,036	188,461	170,428	172,987	183,477	160,207	158,697	175,523	173,914
DI YOGYAKARTA	21,552	21,560	22,083	21,289	20,524	179,866	19,248	21,741	21,917
JAWA TIMUR	421,506	429,125	368,264	362,195	401,950	21,805	363,450	360,400	316,471
BANTEN	-	-	19,872	24,255	25,698	382,470	15,095	37,756	55,514
BALI	85,285	86,564	58,872	45,092	48,960	24,149	25,180	36,122	36,596
NUSA TENGGARA BARAT	41,418	42,246	30,937	29,988	32,728	38,933	32,712	30,931	19,468
NUSA TENGGARA TIMUR	24,565	26,211	26,185	22,770	25,393	34,638	26,123	26,870	17,971
KALIMANTAN BARAT	13,170	13,561	17,795	18,339	17,135	24,304	18,443	19,538	15,100
KALIMANTAN TENGAH	14,149	14,143	11,560	8,849	13,445	17,234	9,845	11,921	12,955
KALIMANTAN SELATAN	14,281	15,138	12,211	23,335	12,708	10,802	13,966	14,855	16,867
KALIMANTAN TIMUR	49,885	53,084	34,515	26,258	27,179	14,259	30,217	27,077	40,874
KALIMANTAN UTARA	-	-	-	-	-	-	-	-	-
SULAWESI UTARA	12,961	13,116	2,908	7,391	7,391	25,342	134	1,155	1,871
SULAWESI TENGAH	15,695	15,726	15,099	17,604	16,810	7,362	5,308	11,552	11,967
SULAWESI SELATAN	54,412	55,805	53,354	55,598	56,889	15,760	41,412	43,956	37,827
SULAWESI TENGGARA	14,508	14,730	13,378	-	15,771	56,920	9,080	9,338	10,917
GORONTALO	-	-	5,047	1,904	1,828	14,063	2,676	4,523	4,166
SULAWESI BARAT	-	-	-	-	-	-	1,818	2,340	1,046
MALUKU	5,414	5,417	3,181	5,265	2,720	2,381	3,459	6,093	5,809
MALUKU UTARA	-	-	4,838	4,611	3,007	-	-	695	2,233
PAPUA BARAT	-	-	-	-	-	-	-	3,246	3,252
PAPUA	12,490	12,490	5,559	5,512	11,152	5,714	2,943	3,466	3,470
INDONESIA	1,538,420	1,586,091	1,284,282	1,283,009	1,351,711	3,619	1,042,579	1,218,560	1,154,167

Source: <https://www.bps.go.id>



Beef cattle numbers slaughtered according to each province in Indonesia can be seen in Graph.

Graph 7 Beef cattle numbers slaughtered according to Each Province in Indonesia



Beef cattle population according to each province (heads) can be seen in Table.

Table 4 Beef Cattle Population According to Each Province (heads)

Province	The Population of Beef Cattle According to Each Province in Indonesia (heads)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
ACEH	669,996	722,501	462,840	505,171	404,221	511,362	580,287	600,759	627,698	671,639
SUMATERA UTARA	394,063	412,670	541,698	609,951	523,277	646,749	662,234	702,170	712,106	748,133
SUMATERA BARAT	492,272	513,255	327,013	359,233	326,674	390,493	397,548	403,048	393,481	400,574
RIAU	172,394	170,105	159,855	189,060	175,431	217,652	229,634	231,860	238,190	250,208
JAMBI	164,256	177,710	119,888	139,534	118,985	136,638	145,760	153,220	159,546	161,667
SUMATERA SELATAN	342,412	347,873	246,295	260,124	215,953	245,175	261,852	265,182	277,085	302,070
BENGKULU	97,528	103,262	98,948	105,550	106,015	109,174	115,739	127,083	125,483	133,771
LAMPUNG	463,032	496,066	742,776	778,050	573,483	587,827	653,537	665,244	674,928	679,795
KEP. BANGKA BELITUNG	9,624	9,852	7,733	8,405	8,201	10,136	10,577	11,604	12,644	13,276
KEP. RIAU	8,323	8,693	17,338	17,251	17,471	18,033	17,967	18,399	19,270	19,907
DKI JAKARTA	-	-	1,691	1,214	2,108	1,165	893	1,371	1,730	1,816
JAWA BARAT	309,609	327,750	422,989	429,637	382,949	419,077	425,826	413,372	405,334	406,241
JAWA TENGAH	1,525,250	1,554,458	1,937,551	2,051,407	1,500,077	1,592,638	1,642,578	1,674,573	1,710,769	1,721,018
DI YOGYAKARTA	283,043	290,949	375,844	358,387	272,794	302,011	306,691	309,018	309,960	314,954
JAWA TIMUR	3,458,948	3,745,453	4,727,298	4,957,478	3,586,709	4,125,333	4,267,325	4,407,807	4,511,613	4,657,567
BANTEN	73,515	69,727	46,900	55,424	46,071	54,898	55,760	55,366	56,658	65,698
BALI	675,419	683,800	637,473	651,216	478,146	553,582	543,642	546,370	507,794	560,546
NUSA TENGGARA BARAT	592,875	695,951	685,810	916,560	648,939	1,013,793	1,055,013	1,092,719	1,149,539	1,193,249
NUSA TENGGARA TIMUR	577,552	600,923	778,633	814,450	803,450	865,731	899,534	984,508	1,007,608	1,027,256
KALIMANTAN BARAT	175,019	176,734	153,320	169,240	140,204	151,376	160,018	164,113	167,314	173,566
KALIMANTAN TENGAH	68,022	75,098	54,647	59,385	51,920	65,197	68,531	73,424	81,993	84,661
KALIMANTAN SELATAN	218,065	228,545	138,691	152,495	115,235	141,446	148,296	154,147	164,219	166,825
KALIMANTAN TIMUR	101,176	108,321	90,748	99,986	93,098	101,743	110,097	118,712	119,123	123,292
KALIMANTAN UTARA	-	-	-	-	-	19,646	21,018	21,643	22,229	24,452
SULAWESI UTARA	106,598	98,522	105,225	119,889	105,841	115,197	119,667	129,151	133,115	135,292
SULAWESI TENGAH	210,535	211,769	230,682	250,921	249,980	262,854	299,485	320,537	353,486	388,832
SULAWESI SELATAN	729,066	848,916	983,985	1,112,893	984,036	1,200,137	1,289,442	1,366,665	1,419,018	1,508,401
SULAWESI TENGGARA	253,171	268,138	213,736	236,511	230,363	265,370	299,240	331,958	370,772	395,684
GORONTALO	240,659	253,411	183,868	202,974	174,858	192,229	199,743	211,954	227,351	229,352
SULAWESI BARAT	124,632	135,770	72,822	79,905	82,058	84,710	86,953	89,034	94,015	94,955
MALUKU	79,162	83,943	73,976	83,866	73,937	90,386	95,891	94,301	100,087	105,186
MALUKU UTARA	45,488	45,488	60,840	64,136	66,022	78,816	81,343	84,513	89,636	94,724
PAPUA BARAT	36,081	37,093	41,464	52,046	48,159	61,436	67,287	68,999	67,706	69,738
PAPUA	62,053	78,825	81,796	88,347	79,574	94,865	100,311	111,273	117,602	125,661
INDONESIA	12,759,838	13,581,571	14,824,373	15,980,696	12,686,239	14,726,875	15,419,719	16,004,097	16,429,102	17,050,006

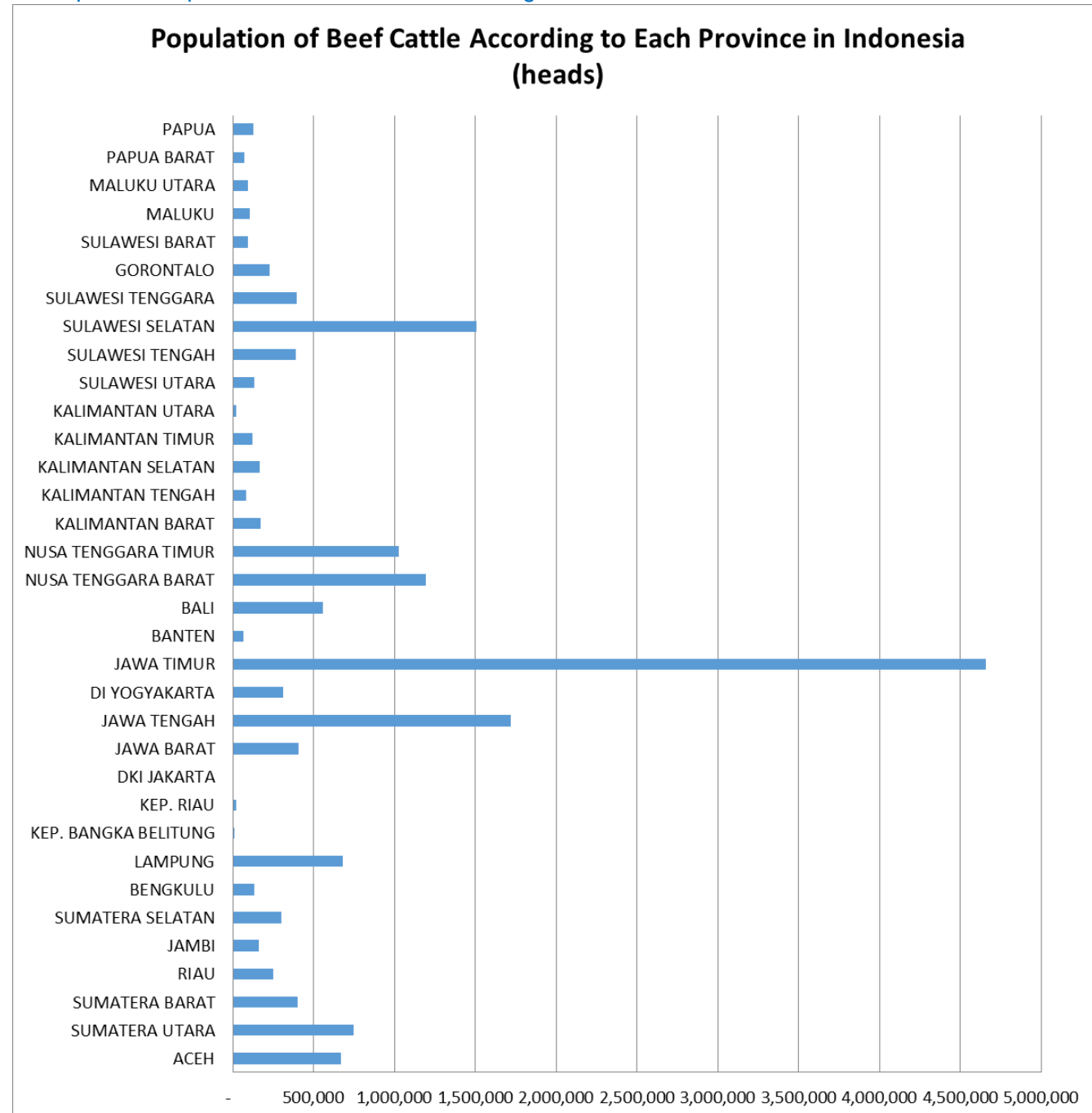
Main Source :

Data dikutip dari Publikasi Statistik Indonesia

<https://dairynutritionspecialists.co.nz/dairy-nutrition/five-phases-of-development/>

Beef cattle population according to each province in Indonesia (heads) can be seen in Graph.

Graph 8 Population of Beef Cattle According to Each Province in Indonesia



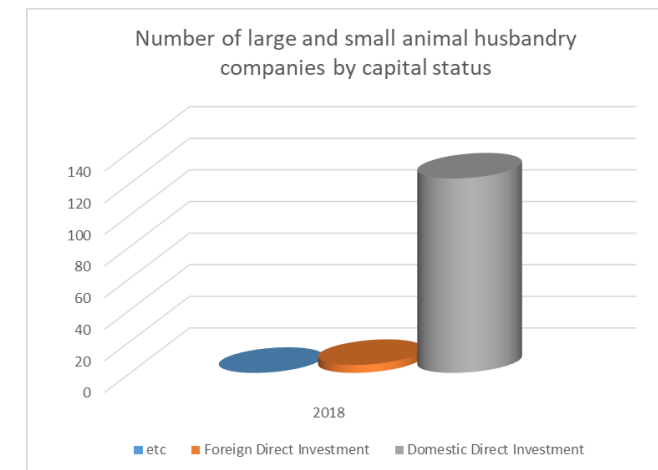
Numbers of large and small animal husbandry companies by capital status in 2018 can be seen in Table.

Table 5 Numbers of large and small animal husbandry companies by capital status in 2018

Investment Status	Numbers of large and small animal husbandry companies by capital status	
	2018	
Foreign Direct Investment	5	
Domestic Direct Investment	123	
etc	-	
<b>Total</b>	<b>128</b>	

Numbers of large and small animal husbandry companies by capital status in 2018 can be seen in Graph.

Graph 9 Numbers of large and small animal husbandry companies by capital status in 2018





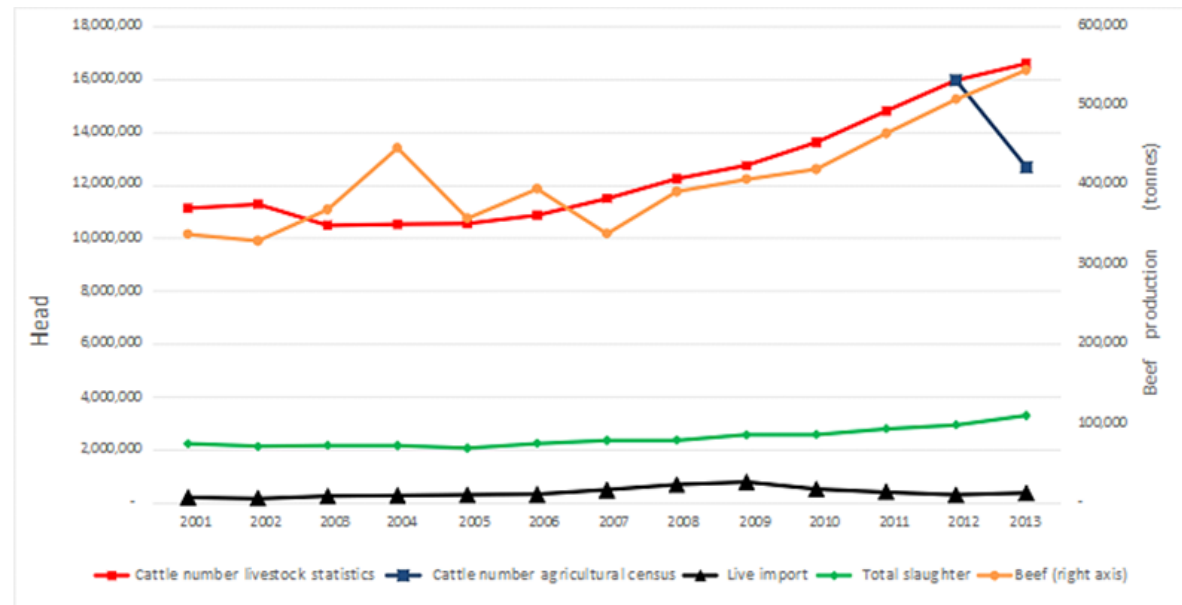
#### 4.2. Market Analysis

Around 90% of beef cattle breeders are carried out by smallholder breeders on a scale of 3 -6 heads. The remaining 10%, are breeders with a total of more than 50 head of maintenance, there are even corporate breeders whose scale is above 5,000 head. Uncontrolled imports of feed (and frozen meat) by livestock companies can cause prices to fall. The dominant company breeders use imported feeder cattle for fattening. In order to reduce shipping costs, cattle imports are carried out in large quantities (vessel capacity is 1,200 head of cattle). The uncontrolled import of feeder cattle has caused an oversupply of domestic cattle so that the selling price has fallen, and has an impact on smallholder breeders who cannot delay the selling time.

In certain months, when people's purchasing power is low. For example, at the beginning of the semester for school children, household meat consumption is reduced because more income is allocated for school expenses (decreased demand). At the same time, many breeders release their cows for the purposes of children's school fees (high supply). As a result, the selling price of cows has fallen. Likewise, if the celebration season decreases (customary in East Java and Central Java, during the month of Muharram, there is no celebration), the demand for beef decreases which in turn leads to a decline in beef prices.

Production trends and policies in the Indonesia beef industry 2001 - 2013 can be seen in the graph.

Graph 10 Production trends and policies in the Indonesian beef industry, 2001-2013.



Source: Directorate General of Livestock and Animal Health services (various years)

As an information, there are some challenges and opportunities in Indonesia for Australian beef include:

- The Indonesian government is trying to foster supplier competition to stabilize beef prices. This includes granting access to Indian buffalo meat (IBM) in August 2016 which can now be found in the wet market, small and medium meat and meatballs producers, and food service outlets. At present it is also assessing Brazil as a potential supplier, which will further intensify competition.
- Continuing regulatory uncertainty because the government is expected to closely monitor measures imposed on imported boxed beef and live cattle in line with its food security goals.
- With a large population and rapid increase in household income, Indonesia's total household expenditure on food and beverages is one of the highest in the world and is expected to continue to grow, highlighting the strong growth potential for Australian beef.
- The young, urban population that continues to increase with increasing income is creating opportunities for Australian beef in food services and retail outlets. Australian beef has a strong and well-established reputation in Indonesia and is considered the most superior meat by consumers, showing a strong foundation for expansion in the premium segment.

### 4.3. Supply chain

Indonesia is importing feeder cattle from various northern regions of Australia, as they are suited to the tropical conditions of Indonesia.

Marketing of calves involves exporters from the origin country and importers from the destination country.

The scope of the international supply chain (Lampung) commences from the point of exit where the cattle discharge the vessel in Lampung onwards until the final destination at the feedlot or slaughter house.

Supply chain of East Lampung is based on cattle sourced from Indonesian producers in East Lampung and other eastern domestic islands, and grouping and quarantining these animals prior to shipment to key customer markets in Java. As a developing protein supply chain there a unique set of supply chain constraints that need to be addressed to improve the overall efficiency and effectiveness of the system.

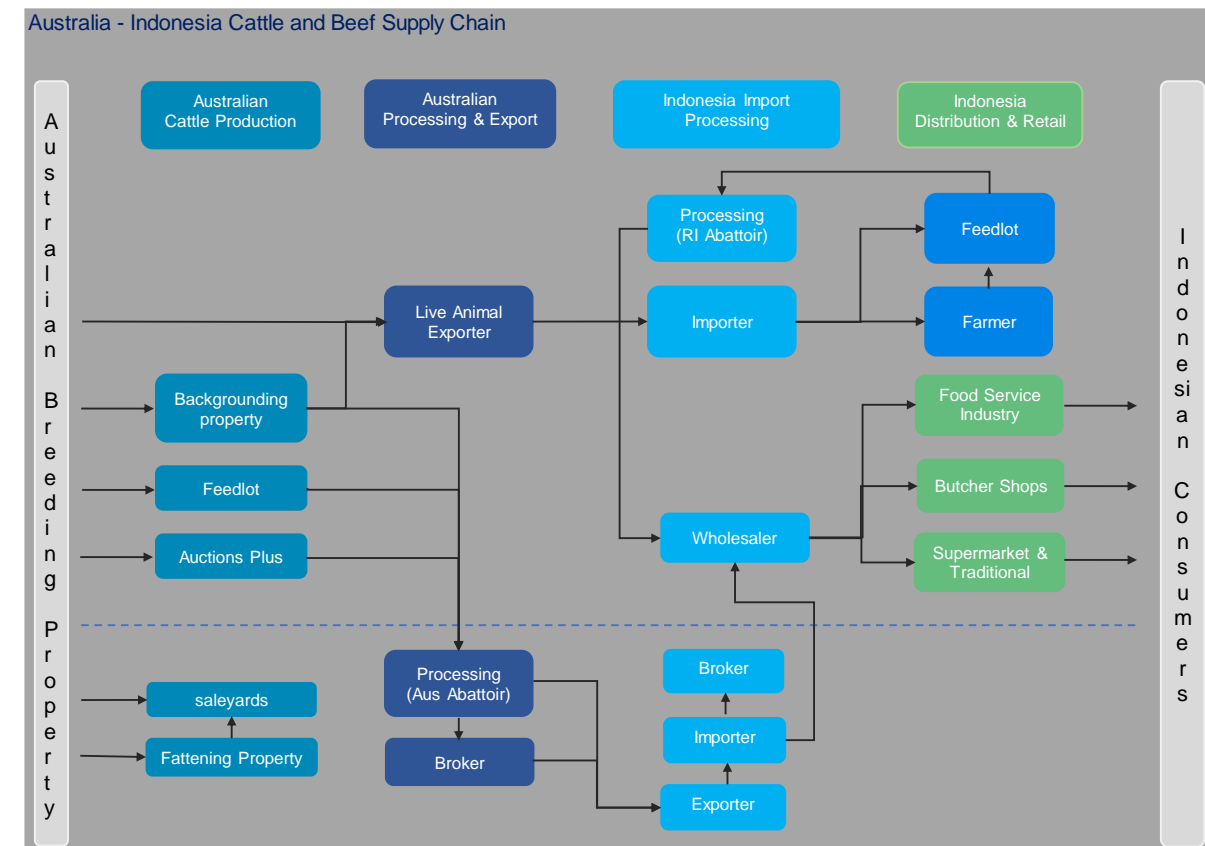
Stakeholders operating within the supply chain reported that 20 per cent of all supply in the region is transported via the Camara vessels. The other 80 per cent is transported by cargo vessels and other small vessels on a very small scale. The ease of transport is complex due to the fact that producers are geographically dispersed across multiple islands. Below is the high-level operating supply chain where constraints and recommendations have been identified:

Supply chain of live cattles are part of the beef supply chain. As shown in Figure.

Figure 9 Supply chain of Live Cattles



Domestic farm    Transport    Quarantine    Loading    Shipment



#### Domestic farm

Cattle in Lampung Province are bred and grown in small family-run, private enterprises ranging from one to ten breeding cows. In some cases, these herds are hand fed, while others are resourcefully grazed on public grounds and community communes. Nutrition and reproductive management of these herds is often opportunistic, particularly in herds with less than five breeders. The communes are often challenging to manage with multiple interested parties; especially when profits need to be split following a joint production venture.

Local farmers either grow out their bull calf progeny to shipping weight, or sell weaner calves at 12-18 months old to traders who grow the bull calves out themselves. Female progeny is often retained or traded privately for breeding use on the island. Cattle are often sold up to four times in their life before they send to Java.

#### Transport

A large range of trucks are used for the transport of cattle in the East Lampung area typically either for internal transportation purposes to move cattle from yards, to quarantine facilities and/or to ports. These

trucks range from a very small three to five head capacity, to the more common five to seven head capacity, up to the large ten to twelve head carrying trucks.

#### Quarantine

The quarantine facility has been completely rebuilt; including the refitting of handling facilities, the refit of internal housing and the addition of automated water and fodder storage and distributions systems and using the technology to automate procedures undertaken at the quarantine facility as part of the facility upgrade.

Adoption of a minimum standard for clean, frequently changed, bedding provision, the removal of manure and providing adequate nutrition would also greatly assist with stabilising traded cattle weight-losses during the quarantine period. The use of technology in relation to feed and water supply could be automated as part of improving minimum standards in the quarantine facility.

#### Loading

Loading infrastructure should be in good condition, to prevent injury to cattle, designed to encourage ease of cattle movement, taking into account their flight or fight tendencies, and be narrow in width to facilitate single file, follow-the-leader style movement that is efficient when loading.

#### Shipment

There are two primary shipping options that exist for exporting cattle from East Lampung to the larger markets of Sumatera and Java. They are cargo ships and the newer Government owned Camara Nusantara vessel.

#### 4.4. Marketing Channel

The marketing channel shows how the commodity flows from PT JECI (Producer) to consumers. Based on regional coverage, PT JECI's beef cattle distribution includes Java and Sumatera. The distribution of beef cattle in Java includes Bogor and DKI Jakarta. The distribution of beef cattle on the island of Sumatera includes the areas of Bandar Jaya, Bandar Lampung, Medan, Palembang and Pekan Baru.

The distribution plan of beef cattle based on marketing areas during 2023 can be seen in Figure.

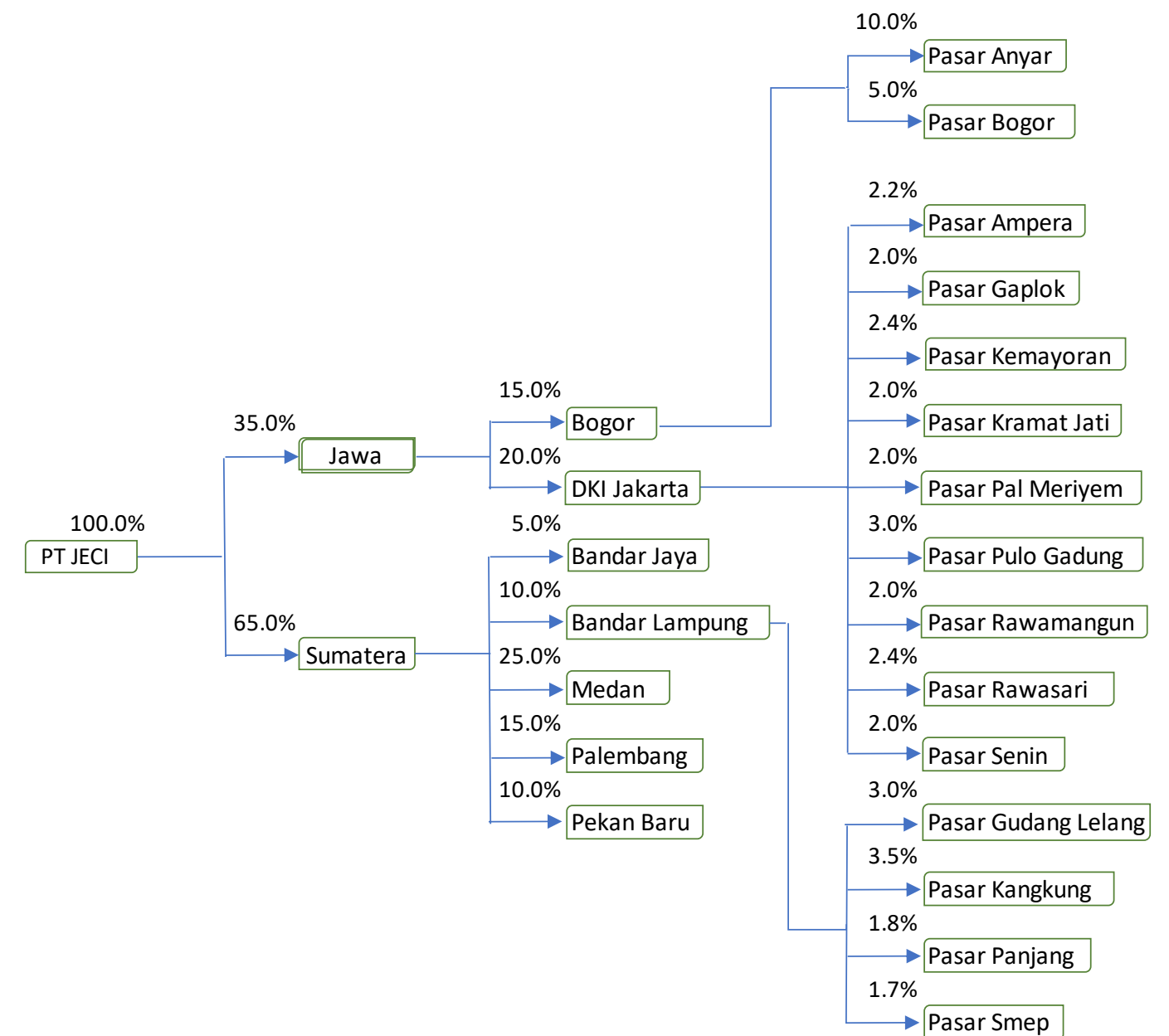


Figure 10 Distribution Plan of Beef Cattle Based on Market Areas.



The Figure shows that the largest distribution of beef cattle is predicted to occur in Sumatra Island (1,531.9 tons or 65.0%) because there are more buyers from that region. Based on market research, the largest distribution of beef cattle for the Bandar Lampung area is predicted to occur in the Pasar Kangkung sub-region (82.5 tons or 3.5%). The largest distribution of beef cattle for the Bogor area is predicted to occur in the Pasar Anyar sub-region (235.7 tonnes or 10.0%). The largest distribution of beef cattle in the DKI Jakarta area is predicted to occur in the Pulo Gadung Market sub-region (70.7 tonnes or 3%), because this location is the closest to the location of the slaughterhouse so that the number of traders purchasing beef cattle is higher. Based on the marketing agency, PT JECI's marketing of beef cattle is with agents, slaughterers / retailers, retailers and recipient traders.

The marketing channels planned for beef cattle products start from PT JECI to consumers. Based on regional coverage, PT JECI's beef cattle distribution covers the islands of Java and Sumatra. PT JECI's beef cattle distribution in Java includes Bogor and DKI Jakarta. The distribution of PT JECI's beef cattle on the island of Sumatra covers the areas of Bandar Jaya, Bandar Lampung, Medan, Palembang and Pekanbaru.

Based on market research, the largest distribution of beef cattle for the Bandar Lampung area is in the Pasar Kangkung sub-region. The largest distribution of PT JECI's beef cattle for the Bogor area is in the Anyar sub-market area. The largest distribution of beef cattle in the DKI Jakarta area is in the Pulo Gadung Market sub-area, because this location is closest to the slaughter house location so that the number of traders who purchase beef cattle is greater. Based on the marketing agency, the marketing of PT JECI's beef cattle will involve agents, slaughterers / retailers, retailers and recipient traders.

#### Marketing Channels in the Bandar Lampung Region

Marketing agencies involved in the Bandar Lampung area include receiving traders who also act as cutters / retailers, cutters / retailers and retailers. Based on the marketing agency involved, there are 8 marketing channels for PT JECI's beef cattle in the Bandar Lampung area, namely:

1. PT JECI → Receiving / Cutting / Retailing Trader → Consumer
2. PT JECI → Receiving / Cutting / Retailer Trader → Retailer Trader → Consumer
3. PT JECI → Receiving / Cutting / Retailing Trader → Cutting / Retailing Trader → Consumer
4. PT JECI → Receiving / Cutting / Retailing Trader → Cutting / Retailing Trader → Retailing Trader → Consumer
5. PT JECI → Receiving / Cutting / Retailing Trader → Consumers
6. PT JECI → Receiving / Cutting / Retailing Trader → Retailer → Consumer
7. PT JECI → Receiving / Cutting / Retailing Traders → Cutting / Retailing Traders → Consumers, and
8. PT JECI → Receiving / Cutting / Retailing Trader → Cutting / Retailing Trader → Retailing Trader → Consumer

#### Marketing Channels in the Bogor Region

Marketing agencies involved in PT JECI's beef cattle marketing system in the Bogor area include agents, slaughterers / retailers, retailers and recipient traders. PT JECI's beef cattle marketing channels consist of 6 marketing channels for beef cattle in the Bogor area, namely:

1. PT JECI → Receiving Trader → Cutting / Retailing Trader → Retailer → Consumer
2. PT JECI → Recipient Trader → Agent → Cutter / Retailer → Retailer → Consumer
3. PT JECI → Receiving Merchants → Cutting / Retailing Traders → Consumers
4. PT JECI → Receiving Merchants → Cutting / Retailing Traders → Consumers
5. PT JECI → Recipient Trader → Agent → Cutter / Retailer → Consumer, and
6. PT JECI → Recipient Trader → Agent → Cutter / Retailer → Consumer.

#### Marketing Channels in the DKI Jakarta Area

Marketing agencies involved in PT JECI's beef cattle marketing system in the DKI Jakarta area include recipient traders, slaughterers / retailers, retailers and contract traders. Based on the marketing agency involved, there are 5 marketing channels for PT JECI's beef cattle in the DKI Jakarta area, namely:

1. PT JECI → Recipient Trader → Cutting / Retailer Trader → Retailer → Individual Consumer
2. PT JECI → Receiving Trader → Cutting / Retailing Trader → Contracting Trader → Institutional Consumer
3. PT JECI → Recipient Trader → Cutting / Retailer Trader → Institutional Consumer
4. PT JECI → Receiving Merchant → Cutting / Retailer Trader → Individual Consumers, and
5. PT JECI → Receiving Trader → Cutting / Retailing Trader → Contracting Trader → Individual Consumer.

#### 4.5. SWOT Analysis

##### Strength

Since the project we are going to set up a new beef cattle farm, we are going to have good market with fewer competitors which can supply to local market needs. Secondly, the location of our project is selected in such a way that it is near to border area from which we can get cheap labor with necessary skills. And thirdly, our unit doesn't involve much technical skills which our country is lacking. Thus, it will be easily operable with fewer skills and the strength lies in the support that we receive from government both in the form of moral and financial.

##### Weaknesses

Huge capital investment at the initial stage with lack of financing is major drawback of our project as adequate financial system is prerequisite for the success of any business. Although we know that, we have good market with huge demand, it will be difficult for us to compete to the cost with imported beef.

##### Opportunity

The success of any product is primarily determined by the availability of market and customer. We have good market with few competitors and the demand for meat is increasing with increase in per capita income as our production will be mostly based by using locally available resources including feed. The live cattle's that we are going to produce will be of better quality than that of imported ones. Therefore, our product will be likely to have greater consumer preferences than that of imported ones. Since currency crunch is a major concern for Government of Indonesia, it is likely that government will restrict the import of beef therefore; we can have better and wider market and to strive in competitive market.

##### Threats

We are unsure of how people will react to people within our production. Since it depends on income level. People have to buy products with the lowest price not with mind therefore, people might go for buying cheaper imported beef which pose hurdle on market success and the outbreak of disease such as foot and mouth disease in the cattle might affect our cattle hampering whole production process.

## 5. FINANCIAL ASPECTS

### 5.1. Business Budget

PT. JE Cattle Indonesia will start up to build the infrastructures and facilities in parallel from June 2021 to December 2022. In the business activity the capital component for the feasibility analysis is divided into two, namely capital expenditures and operating expense. Capital expenditures include assets and investment capital, such as plants and equipment (PP&E), which are required to start and run this business. Meanwhile, operating expense that arise during ordinary business activities, such as general and administrative expense, research and development, and cost of goods sold. Following capital expenditure and operating expense requirements during first year running have been identified for operations of the proposed business.

#### 1. Feed mill Plant

The animal feed factory business is one that requires certain equipment and structures, which will take a portion of the initial capital to become a global standard business. Therefore, we use most of our capital to get raw materials for feed, build feed mills, get trucks, buy land, and pay employee salaries.

##### Crop production capacity/year:

- Corn silage : 10,000 - 20,300 MT
- Corn grain : 2,700 - 5,600 MT
- Sorghum : 300 - 700 MT
- Soybean : 300 - 700 MT

##### Feed Production capacity/year:

- Feed compound : 1,400 - 9,000 MT
- Urea molasses block : 600 - 18,000 MT

##### The facility of Feed Mill plant as follow:

- Beef cattle feed,
- Fish feed, and
- Chicken feed

We will set up a new feed mill plant to support the feed requirement for JECI farm.

Total investment	: IDR 60.0 billion ~ US\$ 4.14 million
Capital expenditure	: IDR 44.1 billion ~ US\$ 3.04 million
Operating expense	: IDR 15.9 billion ~ US\$ 1.10 million
Duration of construction	: Jan 2021 – Dec 2022
Terms of Investment	: 10 years since 2023

Capital expenditure and operating expense for the Feedmill plant Division can be seen in Table.

**Table 6 Capital Expenditure and Operating Expense for the Feedmill Plant Division**

- Feedmill

Description		Amount	Amount
		IDR	US\$
A	Capital expenditure	43,592,270,012	3,006,363
1	Land (purchased) 129 ha	30,974,148,000	2,136,148
2	Land (Rent)	-	-
3	Civil Work	2,223,943,826	153,375
4	Production Machine	2,907,597,555	200,524
5	Utility	1,892,004,207	130,483
6	Electrical/Mechanical	482,422,355	33,271
7	Supporting Equipments	322,647,375	22,252
8	Facilities	359,558,235	24,797
9	Laboratory	774,353,700	53,404
10	Office	645,294,750	44,503
11	Vehicle	1,435,780,819	99,019
12	R&D	516,235,800	35,602
13	Authority Approval	154,870,740	10,681
14	Consultancy	645,294,750	44,503
15	Pre-Operating Cost	258,117,900	17,801
B	Cost of Goods Sold	13,534,282,064	933,399
-	Corn Silage	1,829,666,876	126,184
-	Corn grain	3,707,066,089	255,660
-	Sorghum grain	650,039,948	44,830
-	Soybean grain	1,079,656,767	74,459
-	Feed Compound	4,676,644,939	322,527
-	Urea Molasses Blocks (UMB)	1,591,207,444	109,738
C	General and Administrative Expenses	2,873,447,924	198,169
Total Capital expenditure & operating expenses		60,000,000,000	4,137,931

## 2. Beef Cattle Farm

The business pattern of a beef cattle farm in a feedlot where cattle are fed for 6 (six) months directly sell to slaughter.

Food sources of beef cattle are corn silage, concentrate and Urea molasses block (UMB).

Location: Lai Lanjang Village, Rindi District, East Sumba Regency, East Nusa Tenggara Province, Indonesia.

We will set up a smart cattle farm with the production capacity/year are 3,800 heads/year and can expand up to 7,800 head/year.

Total investment : IDR 85.00 billion ~ US\$ 5.86 million

Capital expenditure : IDR 24.62 billion ~ US\$ 1.70 million

Operating expense : IDR 60.38 billion ~ US\$ 4.16 million

Duration of construction : Jan 2021 – Dec 2022

Terms of Investment : 10 years since 2023

Capital expenditure and operating expense for Beef Cattle Farm Division can be seen in Table.

**Table 7 Capital Expenditure and Operating Expense for Beef Cattle Farm Division**

- Beef Cattle

Description		Amount	Amount
		IDR	US\$
A	Capital expenditure	20,545,521,293	1,416,933
1	Land (purchased) 5 ha	1,161,530,550	80,106
2	Land (rent)	-	-
3	Civil Work	5,761,707,764	397,359
4	Production Machine	4,253,240,944	293,327
5	Utility	1,372,007,629	94,621
6	Electrical/Mechanical	727,789,047	50,192
7	Supporting Equipments	709,824,225	48,953
8	Facilities	887,280,281	61,192
9	Laboratory	967,942,125	66,755
10	Office	1,935,884,250	133,509
11	Vehicle	1,051,830,443	72,540
12	R&D	1,290,589,500	89,006
13	Authority Approval	232,306,110	16,021
14	Consultancy	193,588,425	13,351
B	Cost of Goods Sold	58,914,848,015	4,063,093
-	Beef Cattle	58,914,848,015	4,063,093
C	General and Administrative Expenses	5,539,630,693	382,043
Total Capital expenditure & operating expenses		85,000,000,000	5,862,069



The capital expenditure requirements can be shown in Table can be shown in Table.

Table 8 Capital Expenditure (IDR)

Financial Highlights											(x IDR 000,000)
	2021-2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<i>Capital expenditure</i>	64,138										
- Feedmill	43,592										
- Beef Cattle	20,546										

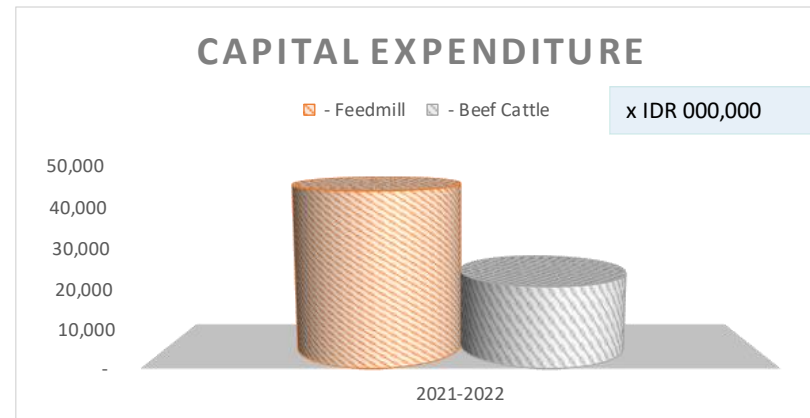
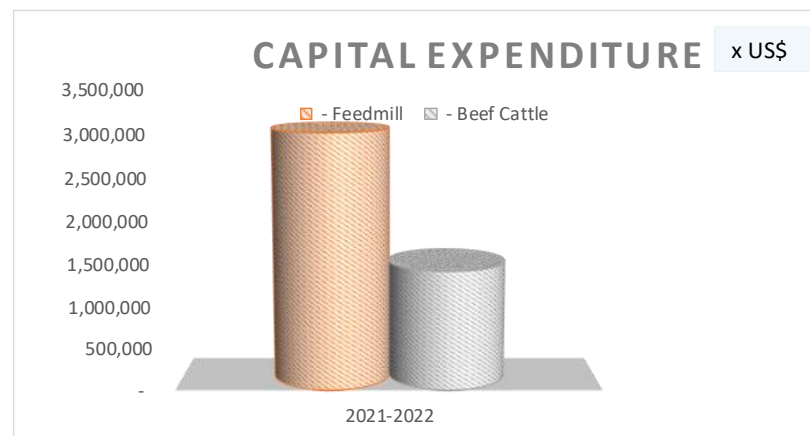


Table 9 Capital Expenditure (US\$)

Financial Highlights											(US\$ )
	2021-2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<i>Capital expenditure</i>	4,423,296										
- Feedmill	3,006,363										
- Beef Cattle	1,416,933										



Operating expense requirements can be seen in Table.

Table 10 Operating Expense (IDR)

Financial Highlights												(x IDR 000,000)
	2021-2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
<b>Operating Expenses</b>	<b>5,644</b>	<b>121,117</b>	<b>146,532</b>	<b>169,244</b>	<b>190,146</b>	<b>213,629</b>	<b>240,012</b>	<b>269,654</b>	<b>302,956</b>	<b>340,371</b>	<b>371,026</b>	
Cost of Goods Sold	-	111,267	134,355	155,180	174,344	195,876	220,067	247,245	277,780	312,085	340,488	
- Feedmill	-	25,075	30,279	34,972	39,291	44,143	49,595	55,720	62,601	70,333	68,879	
- Beef Cattle	-	86,191	104,076	120,208	135,054	151,733	170,472	191,525	215,178	241,753	271,609	
General and Administrative Expenses	5,644	9,850	12,177	14,065	15,802	17,753	19,946	22,409	25,176	28,286	30,538	

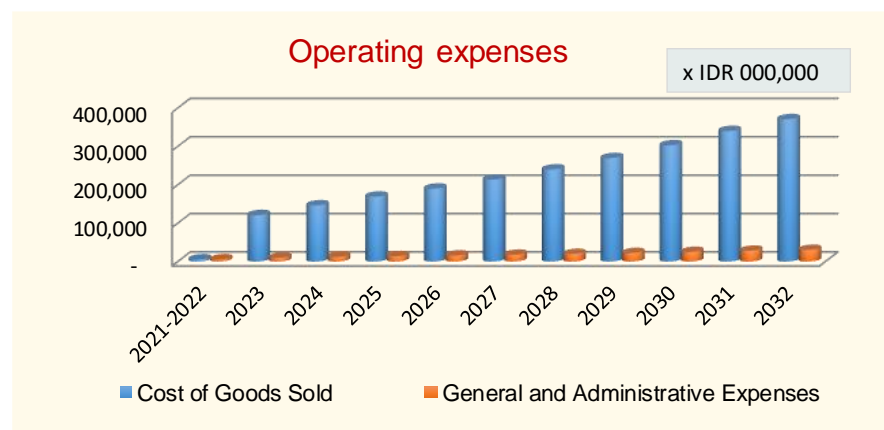
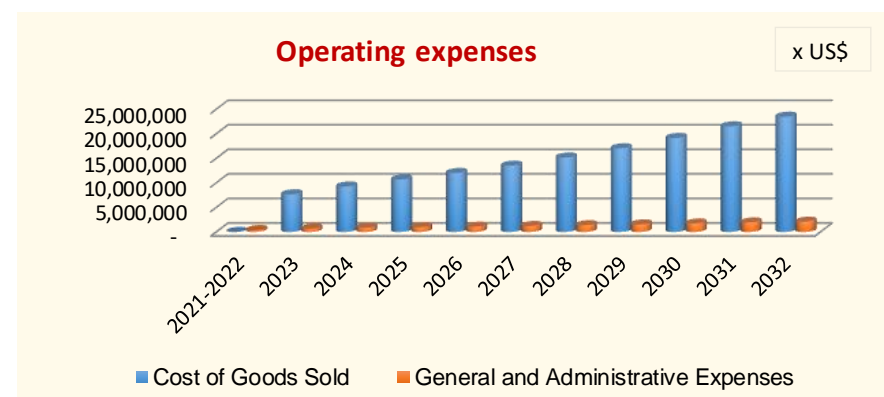
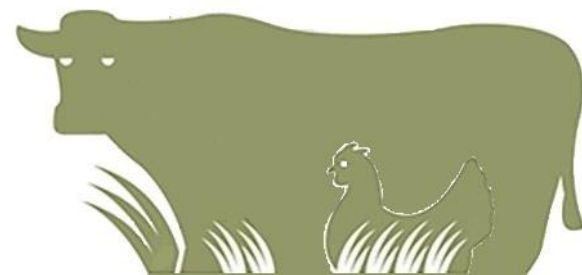


Table 11 Operating Expense (US\$)

Financial Highlights												(US\$ )
	2021-2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
<b>Operating Expenses</b>	<b>389,227</b>	<b>8,352,863</b>	<b>10,105,652</b>	<b>11,672,028</b>	<b>13,113,523</b>	<b>14,733,043</b>	<b>16,552,574</b>	<b>18,596,817</b>	<b>20,893,524</b>	<b>23,473,874</b>	<b>25,588,000</b>	
Cost of Goods Sold	-	7,673,577	9,265,845	10,702,051	12,023,754	13,508,687	15,177,010	17,051,371	19,157,215	21,523,131	23,481,954	
- Feedmill	-	1,729,341	2,088,179	2,411,847	2,709,710	3,044,359	3,420,338	3,842,750	4,317,329	4,850,519	4,750,275	
- Beef Cattle	-	5,944,236	7,177,665	8,290,203	9,314,044	10,464,328	11,756,672	13,208,621	14,839,886	16,672,612	18,731,680	
General and Administrative Expenses	389,227	679,286	839,807	969,977	1,089,770	1,224,356	1,375,564	1,545,446	1,736,309	1,950,743	2,106,045	



## 5.2. Business Forecast

We have a business forecasting for the first 10 (ten) years that we set out in the marketing plan as follows:

### A. Feed mill Plant Division

Sales forecast of feed mill plant division can be seen in Table.

Table 12 Sales Forecast of Feed Mill Plant Division (IDR)

Sales Forecast		X IDR 000,000									
		2023 1st	2024 2nd	2025 3rd	2026 4th	2027 5th	2028 6th	2029 7th	2030 8th	2031 9th	2032 10th
<b>- Feedmill</b>	IDR	<b>46,999</b>	<b>56,751</b>	<b>65,547</b>	<b>73,642</b>	<b>82,737</b>	<b>92,955</b>	<b>104,435</b>	<b>117,333</b>	<b>131,824</b>	<b>148,104</b>
Corn Silage											
qty	MT	10,036	11,541	12,695	13,584	14,535	15,552	16,641	17,805	19,052	20,385
Price/unit	IDR	0.56	0.59	0.62	0.65	0.68	0.72	0.75	0.79	0.83	0.87
Sales	IDR	5,646	6,817	7,874	8,846	9,939	11,166	12,546	14,095	15,836	17,791
Growth	(%)	-	15.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Corn grain											
qty	MT	2,788	3,206	3,526	3,773	4,037	4,320	4,622	4,946	5,292	5,663
Price/unit	IDR	4.81	5.05	5.30	5.56	5.84	6.14	6.44	6.76	7.10	7.46
Sales	IDR	13,401	16,181	18,689	20,998	23,591	26,504	29,777	33,455	37,587	42,229
Growth	(%)	-	15.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Sorghum grain											
qty	MT	348	401	441	472	505	540	578	618	662	708
Price/unit	IDR	4.80	5.04	5.29	5.55	5.83	6.12	6.43	6.75	7.09	7.44
Sales	IDR	1,672	2,018	2,331	2,619	2,943	3,306	3,714	4,173	4,688	5,267
Growth	(%)	-	15.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Soybean grain											
qty	MT	348	401	441	472	505	540	578	618	662	708
Price/unit	IDR	7.97	8.37	8.78	9.22	9.68	10.17	10.68	11.21	11.77	12.36
Sales	IDR	2,776	3,352	3,872	4,350	4,887	5,491	6,169	6,931	7,787	8,749
Growth	(%)	-	15.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Feed Compound											
qty	MT	1,436	1,651	1,816	1,943	2,079	2,225	2,381	2,547	2,725	2,916
Price/unit	IDR	12.22	12.83	13.47	14.14	14.85	15.59	16.37	17.19	18.05	18.95
Sales	IDR	17,537	21,176	24,459	27,479	30,873	34,686	38,970	43,782	49,190	55,265
Growth	(%)	-	15.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Urea Molasses Blocks (UMB)											
qty	MT	632	727	800	856	916	980	1,048	1,122	1,200	1,284
Price/unit	IDR	9.44	9.91	10.41	10.93	11.47	12.05	12.65	13.28	13.94	14.64
Sales	IDR	5,967	7,205	8,322	9,350	10,504	11,802	13,259	14,897	16,737	18,804
Growth	(%)	-	15.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Table 13 Sales Forecast of Feed Mill Plant Division (US\$)

Sales Forecast		US\$										
		2021-2022 Start-up	2023 1st	2024 2nd	2025 3rd	2026 4th	2027 5th	2028 6th	2029 7th	2030 8th	2031 9th	2032 10th
<b>- Feedmill</b>	<b>US\$</b>	<b>-</b>	<b>2,829,772.39</b>	<b>3,416,950.17</b>	<b>3,946,577.44</b>	<b>4,433,979.76</b>	<b>4,981,576.26</b>	<b>5,596,800.92</b>	<b>6,288,005.84</b>	<b>7,064,574.56</b>	<b>7,937,049.52</b>	<b>8,322,668.89</b>
Corn Silage												
qty	MT	-	10,036	11,541	12,695	13,584	14,535	15,552	16,641	17,805	19,052	20,385
Price/unit	US\$	-	38.8	40.7	42.8	44.9	47.2	49.5	52.0	54.6	57.3	60.2
Sales	US\$	-	389,367.53	470,161.30	543,036.30	610,101.28	685,448.79	770,101.71	865,209.27	972,062.62	1,092,112.35	1,226,988.23
Growth	(%)	-	-	15.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Corn grain												
qty	MT	-	2,788	3,206	3,526	3,773	4,037	4,320	4,622	4,946	5,292	5,663
Price/unit	US\$	-	331.5	348.1	365.5	383.8	403.0	423.1	444.3	466.5	489.8	514.3
Sales	US\$	-	924,183.48	1,115,951.55	1,288,924.04	1,448,106.16	1,626,947.27	1,827,875.26	2,053,617.85	2,307,239.65	2,592,183.75	2,912,318.45
Growth	(%)	-	-	15.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Sorghum grain												
qty	MT	-	348	401	441	472	505	540	578	618	662	708
Price/unit	US\$	-	330.8	347.4	364.7	383.0	402.1	422.2	443.3	465.5	488.8	513.2
Sales	US\$	-	115,278.02	139,198.21	160,773.93	180,629.51	202,937.26	228,000.01	256,158.01	287,793.52	323,336.02	363,268.02
Growth	(%)	-	-	15.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Soybean grain												
qty	MT	-	348	401	441	472	505	540	578	618	662	708
Price/unit	US\$	-	549.5	576.9	605.8	636.1	667.9	701.3	736.3	773.2	811.8	12.4
Sales	US\$	-	191,466.22	231,195.47	267,030.76	300,009.06	337,060.18	378,687.11	425,454.97	477,998.66	537,031.50	8,748.65
Growth	(%)	-	-	15.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Feed Compound												
qty	MT	-	1,436	1,651	1,816	1,943	2,079	2,225	2,381	2,547	2,725	2,916
Price/unit	US\$	-	842.46	884.58	928.81	975.25	1,024.01	1,075.21	1,128.98	1,185.42	1,244.70	1,306.93
Sales	US\$	-	1,209,477.14	1,460,443.65	1,686,812.41	1,895,133.74	2,129,182.76	2,392,136.83	2,687,565.73	3,019,480.10	3,392,385.89	3,811,345.55
Growth	(%)	-	-	15.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Urea Molasses Blocks (UMB)												
qty	MT	-	632	727	800	856	916	980	1,048	1,122	1,200	1,284
Price/unit	US\$	-	650.9	683.4	717.6	753.5	791.2	830.7	872.3	915.9	961.7	1,009.7
Sales	US\$	-	411,519.17	496,909.39	573,930.35	644,810.75	724,444.88	813,913.82	914,432.17	1,027,364.55	1,154,244.07	1,296,793.21
Growth	(%)	-	-	15.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00



## B. Beef Cattle Farm Division

Sales forecast result of the beef cattle farm division can be seen in Table.

Table 14 Sales Forecast of Feed Mill Plant Division (IDR)

Sales Forecast		X IDR 000,000									
		2023 1st	2024 2nd	2025 3rd	2026 4th	2027 5th	2028 6th	2029 7th	2030 8th	2031 9th	2032 10th
<b>- Beef Cattle</b>	IDR	<b>124,978</b>	<b>150,910</b>	<b>174,302</b>	<b>195,828</b>	<b>220,012</b>	<b>247,184</b>	<b>277,711</b>	<b>312,009</b>	<b>350,542</b>	<b>393,834</b>
Beef Cattle											
qty	heads	3,872	4,453	4,898	5,241	5,607	6,000	6,420	6,869	7,350	7,865
Price/unit	IDR	32.28	33.89	35.59	37.37	39.24	41.20	43.26	45.42	47.69	50.08
Sales	IDR	124,978	150,910	174,302	195,828	220,012	247,184	277,711	312,009	350,542	393,834
Growth	(%)	-	15.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

Table 15 Sales Forecast of Feed Mill Plant Division (IDR)

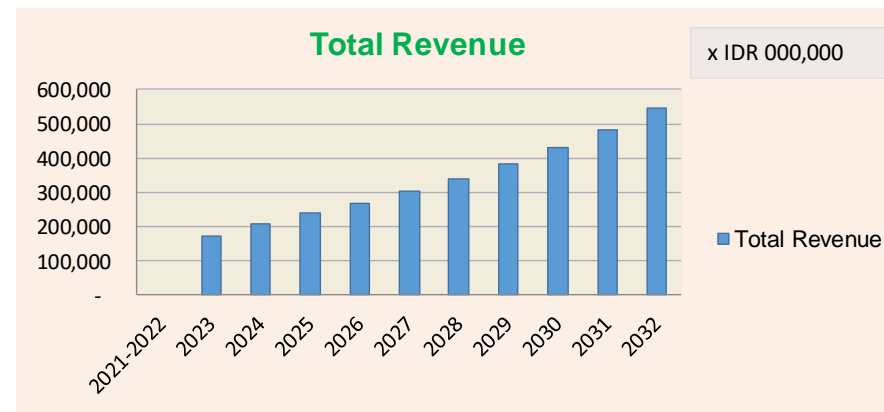
Sales Forecast		X IDR 000,000									
		2023 1st	2024 2nd	2025 3rd	2026 4th	2027 5th	2028 6th	2029 7th	2030 8th	2031 9th	2032 10th
<b>- Beef Cattle</b>	IDR	<b>124,978</b>	<b>150,910</b>	<b>174,302</b>	<b>195,828</b>	<b>220,012</b>	<b>247,184</b>	<b>277,711</b>	<b>312,009</b>	<b>350,542</b>	<b>393,834</b>
Beef Cattle											
qty	heads	3,872	4,453	4,898	5,241	5,607	6,000	6,420	6,869	7,350	7,865
Price/unit	IDR	32.28	33.89	35.59	37.37	39.24	41.20	43.26	45.42	47.69	50.08
Sales	IDR	124,978	150,910	174,302	195,828	220,012	247,184	277,711	312,009	350,542	393,834
Growth	(%)	-	15.00	10.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00

**Total revenue**

Total revenue generated by each business unit from sales and other income where can be shown in Graph below.

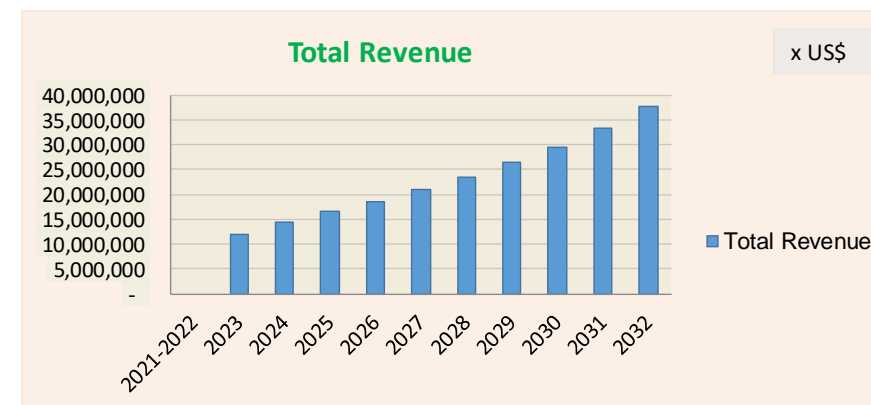
Graph 11 Total Revenue (IDR)

Financial Highlights											(x IDR 000,000)
	2021-2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Total Revenue</b>	-	171,976	207,661	239,849	269,470	302,750	340,139	382,147	429,342	482,365	545,392
<b>Net Sales</b>	-	171,976	207,661	239,849	269,470	302,750	340,139	382,147	429,342	482,365	541,938
- Feedmill	-	46,999	56,751	65,547	73,642	82,737	92,955	104,435	117,333	131,824	148,104
- Beef Cattle	-	124,978	150,910	174,302	195,828	220,012	247,184	277,711	312,009	350,542	393,834
<b>Other Income</b>	-	-	-	-	-	-	-	-	-	-	3,455



Graph 12 Total Revenue (US\$)

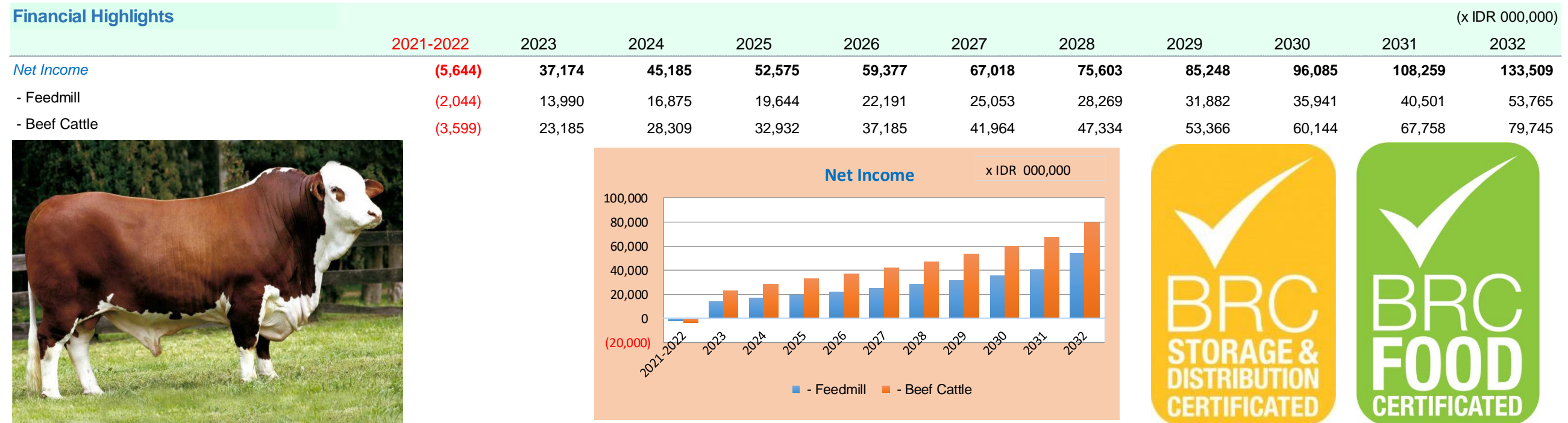
Financial Highlights											(US\$)
	2021-2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Total Revenue</b>	-	11,860,434	14,321,474	16,541,303	18,584,154	20,879,297	23,457,890	26,354,939	29,609,774	33,266,581	37,613,247
<b>Net Sales</b>	-	11,860,434	14,321,474	16,541,303	18,584,154	20,879,297	23,457,890	26,354,939	29,609,774	33,266,581	37,375,004
- Feedmill	-	3,241,292	3,913,860	4,520,508	5,078,791	5,706,021	6,410,715	7,202,438	8,091,939	9,091,294	10,214,068
- Beef Cattle	-	8,619,143	10,407,615	12,020,795	13,505,363	15,173,276	17,047,175	19,152,501	21,517,835	24,175,288	27,160,936
<b>Other Income</b>	-	-	-	-	-	-	-	-	-	-	238,243



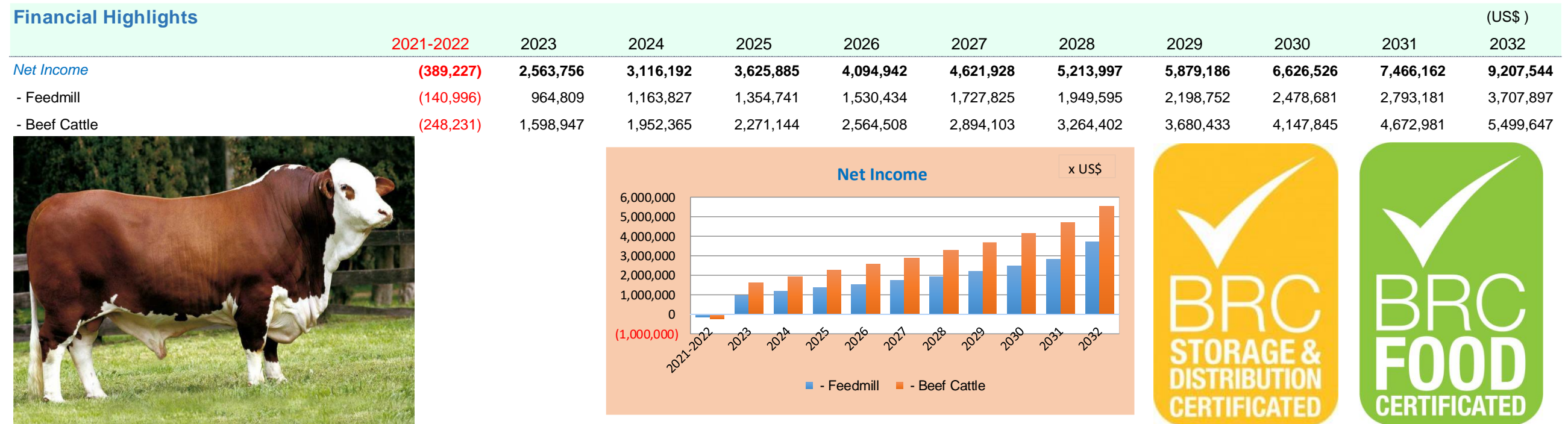
**Net Income and Loss**

Net income was generated by each business unit from sales and other income where can be shown in Table.

Graph 13 Net Income (IDR)



Graph 14 Net Income (US\$)





### 5.3. Business Analysis

In general, cash flow (cash flow) in this calculation is divided into two flows, namely inflows (cash inflows) and outflows (outflows). The inflows are obtained from the sales of each respective business unit each year. The cash flows are presented in the appendix. Furthermore, based on the cash flow, the value of financial feasibility indicators is determined, including NPV (Net Present Value) Analysis, Internal Rate of Return (IRR), along with the Payback Period.

PT JECI's initial income will incur negative since 2021-2022 is under constructed where all budget would be spent in starting the production. The first year would be dedicated in buying raw materials, cattle, crop plantation, constructing buildings, feed mill plant, water treatment, waste facility and research center. PT JECI will commence the production only from 2023-2032 and it is predicted that it will not come negative from then on.

The results of business analysis of all financial criteria during 10 (ten) years show that this business meets the eligibility standards that can be shown in Table.

Table 16 Business Analysis

Year	Net Operation Activities	
	(IDR)	(US\$)
2021-2022	(145,000,000,000)	(10,000,000)
2023	28,830,734,478	1,988,327
2024	37,972,505,584	2,618,793
2025	46,193,197,533	3,185,738
2026	51,811,107,688	3,573,180
2027	58,122,829,748	4,008,471
2028	65,214,049,481	4,497,521
2029	73,181,034,852	5,046,968
2030	82,131,942,915	5,664,272
2031	92,188,288,125	6,357,813
2032	301,883,959,238	20,819,583

Criteria	Results (IDR):	Results (USD):
Discount rate	4.7%	4.7%
NPV of Cash Flow	457,866,103,880	31,576,973
IRR	33.6%	33.6%
Pay Back Period	5.3	5.3
CAGR	12.2%	12.2%

The Internal Rate of Return of the project is 33.6%, which is significantly higher than the bank return rate of 13%. And the NPV of the project is positive Rp 457.9 billion ~ US\$ 31.57 million at a discount factor of 4.7% during the first 10 years of operation considered. This implies that the project generates sufficient funds to cover all its cost, including loan repayments and interest payments during the period.

Table 17 Financial Sensitivity Analysis

Year	Net Operation Activities	
	(IDR)	(US\$)
2021-2022	(145,000,000,000)	(10,000,000)
2023	16,101,356,407	1,110,438
2024	21,595,830,246	1,489,368
2025	25,959,609,504	1,790,318
2026	27,780,396,776	1,915,889
2027	29,737,632,045	2,050,871
2028	31,841,131,907	2,195,940
2029	34,101,437,091	2,351,823
2030	36,529,865,056	2,519,301
2031	39,138,566,452	2,699,211
2032	173,480,237,170	11,964,154

Criteria	Results (IDR)	Results (USD)
Discount rate	4.7%	4.7%
NPV of Cash Flow	291,266,062,653	20,087,315
IRR	23.8%	23.8%
Pay Back Period	14.2	14.2



# APPENDIX

## Income Statement (IDR)

INCOME STATEMENT		14,500		1Ca		1		USD		18,500		Eu		-		2,025		2,026		2,027		2,028		2,029		2,030		2,031		X IDR 000,000		2,032	
		2021-2022		Start-up		2,023		2,024		2,025		2,026		2,027		2,028		2,029		2,030		2,031		2,032		2,033		2,034		2,035			
<b>Net Sales</b>		-	0.0%	171,976	100.0%	207,661	100.0%	239,849	100.0%	269,470	100.0%	302,750	100.0%	340,139	100.0%	382,147	100.0%	429,342	100.0%	482,365	100.0%	541,938	100.0%										
- Feedmill		-	0.0%	46,999	100.0%	56,751	100.0%	65,547	100.0%	73,642	100.0%	82,737	100.0%	92,955	100.0%	104,435	100.0%	117,333	100.0%	131,824	100.0%	148,104	100.0%										
- Beef Cattle		-	0.0%	124,978	100.0%	150,910	100.0%	174,302	100.0%	195,828	100.0%	220,012	100.0%	247,184	100.0%	277,711	100.0%	312,009	100.0%	350,542	100.0%	393,834	100.0%										
<b>Other Income</b>		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%										
	<i>Total Revenue</i>	-	0.0%	171,976	100.0%	207,661	100.0%	239,849	100.0%	269,470	100.0%	302,750	100.0%	340,139	100.0%	382,147	100.0%	429,342	100.0%	482,365	100.0%	541,938	100.0%										
<b>Cost of Goods Sold</b>		-	0.0%	111,267	64.7%	134,355	64.7%	155,180	64.7%	174,344	64.7%	195,876	64.7%	220,067	64.7%	247,245	64.7%	277,780	64.7%	312,085	64.7%	340,488	62.8%										
- Feedmill		-	0.0%	25,075	53.4%	30,279	53.4%	34,972	53.4%	39,291	53.4%	44,143	53.4%	49,595	53.4%	55,720	53.4%	62,601	53.4%	70,333	53.4%	78,879	46.5%										
- Beef Cattle		-	0.0%	86,191	69.0%	104,076	69.0%	120,208	69.0%	135,054	69.0%	151,733	69.0%	170,472	69.0%	191,525	69.0%	215,178	69.0%	241,753	69.0%	271,609	69.0%										
<b>Gross Profit</b>		-	0.0%	60,709	35.3%	73,307	35.3%	84,669	35.3%	95,126	35.3%	106,874	35.3%	120,073	35.3%	134,902	35.3%	151,562	35.3%	170,280	35.3%	204,904	37.8%										
<b>General and Administrative Expenses</b>		5,644	0.0%	13,050	7.6%	15,377	7.4%	17,265	7.2%	19,002	7.1%	20,953	6.9%	23,146	6.8%	25,609	6.7%	28,377	6.6%	31,486	6.5%	33,738	6.2%										
<b>Operating Income/EBIT</b>		-	5,644	0.0%	47,660	27.7%	57,929	27.9%	67,404	28.1%	76,124	28.2%	85,920	28.4%	96,927	28.5%	109,293	28.6%	123,185	28.7%	138,794	28.8%	171,166	31.4%									
<b>Other Charges</b>		-	0.0%	10,485	6.1%	12,744	6.1%	14,829	6.2%	16,747	6.2%	18,903	6.2%	21,324	6.3%	24,044	6.3%	27,101	6.3%	30,535	6.3%	37,656	6.9%										
<b>Net Income</b>		(5,644)	0.0%	37,174	21.6%	45,185	21.8%	52,575	21.9%	59,377	22.0%	67,018	22.1%	75,603	22.2%	85,248	22.3%	96,085	22.4%	108,259	22.4%	133,509	24.5%										
- Feedmill		(2,044)	0.0%	13,990	29.8%	16,875	29.7%	19,644	30.0%	22,191	30.1%	25,053	30.3%	28,269	30.4%	31,882	30.5%	35,941	30.6%	40,501	30.7%	53,765	36.3%										
- Beef Cattle		(3,599)	0.0%	23,185	18.6%	28,309	18.8%	32,932	18.9%	37,185	19.0%	41,964	19.1%	47,334	19.1%	53,366	19.2%	60,144	19.3%	67,758	19.3%	79,745	20.2%										

## Income Statement (US\$)

INCOME STATEMENT		14,500.00		1Ca		0.72		USD		18,500.00		Eu		(USD)		(USD)		(USD)		(USD)		(USD)		(USD)		(USD)		(USD)		(USD)		
		2021-2022		Start-up		2,023		2,024		2,025		2,026		2,027		2,028		2,029		2,030		2,031		2,032		2,033		2,034		2,035		
<b>Net Sales</b>		-	0.0%	11,860,434	100.0%	14,321,474	100.0%	16,541,303	100.0%	18,584,154	100.0%	20,879,297	100.0%	23,457,890	100.0%	26,354,939	100.0%	29,609,774	100.0%	33,266,581	100.0%	37,375,004	100.0%									
- Feedmill		-	0.0%	3,241,292	100.0%	3,913,860	100.0%	4,520,508	100.0%	5,078,791	100.0%	5,706,021	100.0%	6,410,715	100.0%	7,202,438	100.0%	8,091,939	100.0%	9,091,294	100.0%	10,214,068	100.0%									
- Beef Cattle		-	0.0%	8,619,143	100.0%	10,407,615	100.0%	12,020,795	100.0%	13,505,363	100.0%	15,173,276	100.0%	17,047,175	100.0%	19,152,501	100.0%	21,517,835	100.0%	24,175,288	100.0%	27,160,936	100.0%									
<b>Other Income</b>		-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%									
	<i>Total Revenue</i>	-	0.0%	11,860,434	100.0%	14,321,474	100.0%	16,541,303	100.0%	18,584,154	100.0%	20,879,297	100.0%	23,457,890	100.0%	26,354,939	100.0%	29,609,774	100.0%	33,266,581	100.0%	37,375,004	100.0%									
<b>Cost of Goods Sold</b>		-	0.0%	7,673,577	64.7%	9,265,845	64.7%	10,702,051	64.7%	12,023,754	64.7%	13,508,687	64.7%	15,177,010	64.7%	17,051,371	64.7%	19,157,215	64.7%	21,523,131	64.7%	23,481,954	62.8%									
- Feedmill		-	0.0%	1,729,341	53.4%	2,088,179	53.4%	2,411,847	53.4%	2,709,710	53.4%	3,044,359	53.4%	3,420,338	53.4%	3,842,750	53.4%	4,317,329	53.4%	4,850,519	53.4%	5,475,275	46.5%									
- Beef Cattle		-	0.0%	5,944,236	69.0%	7,177,665	69.0%	8,290,203	69.0%	9,314,044	69.0%	10,464,328	69.0%	11,756,672	69.0%	13,208,621	69.0%	14,839,886	69.0%	16,672,612	69.0%	18,731,680	69.0%									
<b>Gross Profit</b>		-	0.0%	4,186,857	35.3%	5,055,630	35.3%	5,839,252	35.3%	6,560,400	35.3%	7,370,609	35.3%	8,280,880	35.3%	9,303,568	35.3%	10,452,559	35.3%	11,743,450	35.3%	14,131,293	37.8%									
<b>General and Administrative Expenses</b>		389,227	0.0%	899,990	7.6%	1,060,511	7.4%	1,190,682	7.2%	1,310,474	7.1%	1,445,060	6.9%	1,596,268	6.8%	1,766,150	6.7%	1,957,013	6.6%	2,171,447	6.5%	2,326,749	6.2%									
<b>Operating Income/EBIT</b>		(389,227)	0.0%	3,286,867	27.7%	3,995,118	27.9%	4,648,571	28.1%	5,249,926	28.2%	5,925,549	28.4%	6,684,611	28.5%	7,537,418	28.6%	8,495,546	28.7%	9,572,003	28.8%	11,804,543	31.4%									
<b>Other Charges</b>		-	0.0%	723,111	6.1%	878,926	6.1%	1,022,686	6.2%	1,154,984	6.2%	1,303,621	6.2%	1,470,614	6.3%	1,658,232	6.3%	1,869,020	6.3%	2,105,841	6.3%	2,597,000	6.9%									
<b>Net Income</b>		(389,227)	0.0%	2,563,756	21.6%	3,116,192	21.8%	3,625,885	21.9%	4,094,942	22.0%	4,621,928	22.1%	5,213,997	22.2%	5,879,186	22.3%	6,626,526	22.4%	7,466,162	22.4%	9,207,544	24.5%									
- Feedmill		(140,996)	0.0%	964,809	29.8%	1,163,827	29.7%	1,354,741	30.0%	1,530,434	30.1%	1,727,825	30.3%	1,949,595	30.4%	2,198,752	30.5%	2,478,681	30.6%	2,793,181	30.7%	3,707,897	36.3%									
- Beef Cattle		(248,231)	0.0%	1,598,947	18.6%	1,952,365	18.8%	2,271,144	18.9%	2,564,508	19.0%	2,894,103	19.1%	3,264,402	19.1%	3,680,433	19.2%	4,147,845	19.3%	4,672,981	19.3%	5,499,647	20.2%									

## Cashflow

<b>CASH FLOW</b>											IDR
	2021-2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	Start-up	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
<b>A Cash inflow</b>											
<b>1 Net Sales</b>	-	171,976,295,428	207,661,376,730	239,848,890,123	269,470,228,053	302,749,801,217	340,139,401,668	382,146,617,774	429,341,725,069	482,365,428,115	541,937,558,487
- Feedmill	-	46,998,727,633	56,750,963,616	65,547,362,977	73,642,462,304	82,737,306,399	92,955,363,739	104,435,351,161	117,333,117,030	131,823,756,983	148,103,990,970
- Beef Cattle	-	124,977,567,796	150,910,413,113	174,301,527,146	195,827,765,748	220,012,494,818	247,184,037,928	277,711,266,612	312,008,608,039	350,541,671,132	393,833,567,517
<b>2 Other Income</b>	-	-	-	-	-	-	-	-	-	-	3,454,526,661
<b>B Cash outflow</b>											
<b>1 Cost of Goods Sold</b>	55,633,435,550	122,810,808,977	144,767,239,735	164,762,081,105	185,110,198,121	207,971,307,589	233,655,764,076	262,512,250,940	294,932,513,931	331,356,679,402	175,313,976,599
- Feedmill	12,537,722,517	27,677,022,457	32,625,191,369	37,131,290,452	41,717,004,822	46,869,054,918	52,657,383,200	59,160,570,026	66,466,900,424	74,675,562,626	39,509,298,145
- Beef Cattle	43,095,713,033	95,133,786,520	112,142,048,365	127,630,790,653	143,393,193,299	161,102,252,671	180,998,380,876	203,351,680,914	228,465,613,507	256,681,116,775	135,804,678,454
<b>2 General and Administrative Expenses</b>	5,643,798,605	9,849,647,567	12,177,204,255	14,064,670,915	15,801,657,773	17,753,162,508	19,945,678,077	22,408,969,320	25,176,477,031	28,285,771,944	30,537,656,236
<b>3 Corporate Tax</b>	-	10,485,104,407	12,744,427,156	14,828,940,570	16,747,264,470	18,902,501,373	21,323,910,033	24,044,362,662	27,100,791,191	30,534,688,644	37,656,493,076
<b>Total Cash Out flow</b>	61,277,234,155	143,145,560,951	169,688,871,146	193,655,692,589	217,659,120,364	244,626,971,470	274,925,352,187	308,965,582,922	347,209,782,153	390,177,139,990	243,508,125,911
<b>NET OPERATION ACTIVITIES</b>	(61,277,234,155)	28,830,734,478	37,972,505,584	46,193,197,533	51,811,107,688	58,122,829,748	65,214,049,481	73,181,034,852	82,131,942,915	92,188,288,125	301,883,959,238
<b>INVESTING ACTIVITIES</b>											
Investing In Flow	-	-	-	-	-	-	-	-	-	-	-
Investing Out Flow	64,137,791,305	-	-	-	-	-	-	-	-	-	-
- Startup and Expansion	64,137,791,305	-	-	-	-	-	-	-	-	-	-
- Feedmill	43,592,270,012	-	-	-	-	-	-	-	-	-	-
- Beef Cattle	20,545,521,293	-	-	-	-	-	-	-	-	-	-
<b>C NET INVESTING ACTIVITIES</b>	(64,137,791,305)	-	-	-	-	-	-	-	-	-	-
<b>D FINANCING ACTIVITIES</b>											
1 Financing In Flow	145,000,000,000	-	-	-	-	-	-	-	-	-	-
2 Financing Out Flow	-	-	-	-	-	-	-	-	-	-	-
<b>NET FINANCING ACTIVITIES</b>	145,000,000,000	-	-	-	-	-	-	-	-	-	-
<b>SURPLUS (DEFISIT) CASHFLOW</b>	19,584,974,541	28,830,734,478	37,972,505,584	46,193,197,533	51,811,107,688	58,122,829,748	65,214,049,481	73,181,034,852	82,131,942,915	92,188,288,125	301,883,959,238
<b>BEGINNING BALANCE</b>	-	19,584,974,541	48,415,709,018	86,388,214,602	132,581,412,135	184,392,519,824	242,515,349,571	307,729,399,052	380,910,433,904	463,042,376,819	555,230,664,944
<b>ENDING BALANCE</b>	19,584,974,541	48,415,709,018	86,388,214,602	132,581,412,135	184,392,519,824	242,515,349,571	307,729,399,052	380,910,433,904	463,042,376,819	555,230,664,944	857,114,624,182

Cashflow: Sensitivity analysis

CASH FLOW												IDR
	2021-2022	2,023	2,024	2,025	2,026	2,027	2,028	2,029	2,030	2,031	2,032	
	Start-up	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
<b>A Cash inflow</b>	-	-	-	-	-	-	-	-	-	-	-	
<b>1 Net Sales</b>	-	163,377,480,657	197,278,307,893	227,856,445,617	255,996,716,650	287,612,311,156	323,132,431,584	363,039,286,885	407,874,638,815	458,247,156,709	514,840,680,563	
- Feedmill	-	44,648,791,251	53,913,415,435	62,269,994,828	69,960,339,189	78,600,441,079	88,307,595,552	99,213,583,603	111,466,461,178	125,232,569,134	140,698,791,422	
- Beef Cattle	-	118,728,689,406	143,364,892,458	165,586,450,789	186,036,377,461	209,011,870,077	234,824,836,032	263,825,703,282	296,408,177,637	333,014,587,575	374,141,889,141	
<b>2 Other Income</b>	-	-	-	-	-	-	-	-	-	-	3,454,526,661	
<b>Total Cash In flow</b>	-	163,377,480,657	197,278,307,893	227,856,445,617	255,996,716,650	287,612,311,156	323,132,431,584	363,039,286,885	407,874,638,815	458,247,156,709	518,295,207,224	
<b>B Cash outflow</b>	-	-	-	-	-	-	-	-	-	-	-	
<b>Cost of Goods Sold</b>	58,415,107,328	128,951,349,426	152,005,601,721	173,000,185,160	194,365,708,027	218,369,872,969	245,338,552,280	275,637,863,487	309,679,139,628	347,924,513,372	184,079,675,429	
- Feedmill	13,164,608,643	29,060,873,579	34,256,450,938	38,987,854,974	43,802,855,064	49,212,507,664	55,290,252,360	62,118,598,527	69,790,245,445	78,409,340,757	41,484,763,052	
- Beef Cattle	45,250,498,685	99,890,475,846	117,749,150,783	134,012,330,186	150,562,852,964	169,157,365,305	190,048,299,920	213,519,264,960	239,888,894,183	269,515,172,614	142,594,912,377	
<b>2 General and Administrative Expenses</b>	5,925,988,535	10,342,129,945	12,786,064,468	14,767,904,461	16,591,740,661	18,640,820,633	20,942,961,981	23,529,417,786	26,435,300,883	29,700,060,542	32,064,539,047	
<b>3 Corporate Tax</b>	-	7,225,881,128	8,813,098,226	10,293,712,015	11,656,282,677	13,187,130,815	14,907,038,698	16,839,355,204	19,010,312,799	21,449,383,657	27,540,691,857	
<b>Total Cash Out flow</b>	64,341,095,862	146,519,360,499	173,604,764,415	198,061,801,636	222,613,731,365	250,197,824,417	281,188,552,959	316,006,636,477	355,124,753,309	399,073,957,571	243,684,906,333	
NET OPERATION ACTIVITIES	(64,341,095,862)	16,858,120,158	23,673,543,478	29,794,643,980	33,382,985,285	37,414,486,740	41,943,878,625	47,032,650,408	52,749,885,506	59,173,199,138	274,610,300,891	
INVESTING ACTIVITIES	-	-	-	-	-	-	-	-	-	-	-	
Investing In Flow	-	-	-	-	-	-	-	-	-	-	-	
Investing Out Flow	64,137,791,305	-	-	-	-	-	-	-	-	-	-	
<b>C NET INVESTING ACTIVITIES</b>	(64,137,791,305)	-	-	-	-	-	-	-	-	-	-	
<b>D FINANCING ACTIVITIES</b>	-	-	-	-	-	-	-	-	-	-	-	
<b>1 Financing In Flow</b>	145,000,000,000	-	-	-	-	-	-	-	-	-	-	
<b>2 Financing Out Flow</b>	-	-	-	-	-	-	-	-	-	-	-	
<b>NET FINANCING ACTIVITIES</b>	145,000,000,000	-	-	-	-	-	-	-	-	-	-	
SURPLUS (DEFISIT) CASHFLOW	16,521,112,833	16,858,120,158	23,673,543,478	29,794,643,980	33,382,985,285	37,414,486,740	41,943,878,625	47,032,650,408	52,749,885,506	59,173,199,138	274,610,300,891	
BEGINNING BALANCE	-	16,521,112,833	33,379,232,991	57,052,776,469	86,847,420,449	120,230,405,734	157,644,892,474	199,588,771,099	246,621,421,507	299,371,307,013	358,544,506,151	
ENDING BALANCE	16,521,112,833	33,379,232,991	57,052,776,469	86,847,420,449	120,230,405,734	157,644,892,474	199,588,771,099	246,621,421,507	299,371,307,013	358,544,506,151	633,154,807,042	



Balance Sheet (IDR)

BALANCE SHEET	IDR										IDR	
	2021-2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
	Start-up	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
<b>A ASSETS</b>												
1 Current Asset												
Cash and cash equivalents	19,584,974,541	48,415,709,018	86,388,214,602	132,581,412,135	184,392,519,824	242,515,349,571	307,729,399,052	380,910,433,904	463,042,376,819	555,230,664,944	857,114,624,182	
Trade accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	55,633,435,550	122,810,808,977	144,767,239,735	164,762,081,105	185,110,198,121	207,971,307,589	233,655,764,076	262,512,250,940	294,932,513,931	331,356,679,402	175,313,976,599	
- Feedmill	12,537,722,517	27,677,022,457	32,625,191,369	37,131,290,452	41,717,004,822	46,869,054,918	52,657,383,200	59,160,570,026	66,466,900,424	74,675,562,626	39,509,298,145	
- Beef Cattle	43,095,713,033	95,133,786,520	112,142,048,365	127,630,790,653	143,393,193,299	161,102,252,671	180,998,380,876	203,351,680,914	228,465,613,507	256,681,116,775	135,804,678,454	
Total Current Asset	75,218,410,091	171,226,517,995	231,155,454,336	297,343,493,240	369,502,717,945	450,486,657,160	541,385,163,129	643,422,684,844	757,974,890,750	886,587,344,346	1,032,428,600,781	
2 Non - Current Asset												
Fixed Asset - Net												
- Feedmill												
* Land (129 ha)	30,974,148,000	30,974,148,000	30,974,148,000	30,974,148,000	30,974,148,000	30,974,148,000	30,974,148,000	30,974,148,000	30,974,148,000	30,974,148,000	30,974,148,000	30,974,148,000
* Civil Work , Utility, Building & Supporting Equipments	11,043,602,822	11,043,602,822	9,939,242,540	8,834,882,258	7,730,521,975	6,626,161,693	5,521,801,411	4,417,441,129	3,313,080,847	2,208,720,564	1,104,360,282	1,104,360,282
Accumulated Depreciation	-	(1,104,360,282)	(1,104,360,282)	(1,104,360,282)	(1,104,360,282)	(1,104,360,282)	(1,104,360,282)	(1,104,360,282)	(1,104,360,282)	(1,104,360,282)	(1,104,360,282)	(1,104,360,282)
* R & D, Authority Approval & Consultancy	1,574,519,190	1,574,519,190	1,417,067,271	1,259,615,352	1,102,163,433	944,711,514	787,259,595	629,807,676	472,355,757	314,903,838	157,451,919	157,451,919
Accumulated Depreciation	-	(157,451,919)	(157,451,919)	(157,451,919)	(157,451,919)	(157,451,919)	(157,451,919)	(157,451,919)	(157,451,919)	(157,451,919)	(157,451,919)	(157,451,919)
Total	43,592,270,012	42,330,457,811	41,068,645,610	39,806,833,408	38,545,021,207	37,283,209,006	36,021,396,805	34,759,584,604	33,497,772,402	32,235,960,201	30,974,148,000	
- Beef Cattle												
* Land (5 ha)	1,161,530,550	1,161,530,550	1,161,530,550	1,161,530,550	1,161,530,550	1,161,530,550	1,161,530,550	1,161,530,550	1,161,530,550	1,161,530,550	1,161,530,550	1,161,530,550
* Civil Work , Utility, Building & Supporting Equipments	17,667,506,708	17,667,506,708	15,900,756,037	14,134,005,366	12,367,254,696	10,600,504,025	8,833,753,354	7,067,002,683	5,300,252,012	3,533,501,342	1,766,750,671	1,766,750,671
Accumulated Depreciation	-	(1,766,750,671)	(1,766,750,671)	(1,766,750,671)	(1,766,750,671)	(1,766,750,671)	(1,766,750,671)	(1,766,750,671)	(1,766,750,671)	(1,766,750,671)	(1,766,750,671)	(1,766,750,671)
* R & D, Authority Approval &	1,716,484,035	1,716,484,035	1,544,835,632	1,373,187,228	1,201,538,825	1,029,890,421	858,242,018	686,593,614	514,945,211	343,296,807	171,648,404	171,648,404
Accumulated Depreciation	-	(171,648,404)	(171,648,404)	(171,648,404)	(171,648,404)	(171,648,404)	(171,648,404)	(171,648,404)	(171,648,404)	(171,648,404)	(171,648,404)	(171,648,404)
Total	20,545,521,293	18,607,122,219	16,668,723,144	14,730,324,070	12,791,924,996	10,853,525,921	8,915,126,847	6,976,727,773	5,038,328,699	3,099,929,624	1,161,530,550	
Total Non - Current Asset Current Asset	64,137,791,305	60,937,580,029	57,737,368,754	54,537,157,478	51,336,946,203	48,136,734,927	44,936,523,652	41,736,312,376	38,536,101,101	35,335,889,825	32,135,678,550	
<b>Total Asset</b>	<b>139,356,201,395</b>	<b>232,164,098,024</b>	<b>288,892,823,090</b>	<b>351,880,650,718</b>	<b>420,839,664,148</b>	<b>498,623,392,088</b>	<b>586,321,686,781</b>	<b>685,158,997,220</b>	<b>796,510,991,851</b>	<b>921,923,234,171</b>	<b>1,064,564,279,331</b>	
<b>B LIABILITIES and EQUITY</b>												
* Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
* Non Current Liability	-	55,633,435,550	67,177,373,427	77,589,866,308	87,172,214,797	97,937,983,324	110,033,324,265	123,622,439,812	138,889,811,128	156,042,702,803	165,174,363,419	
Total Liabilities	-	55,633,435,550	67,177,373,427	77,589,866,308	87,172,214,797	97,937,983,324	110,033,324,265	123,622,439,812	138,889,811,128	156,042,702,803	165,174,363,419	
Stockholders' Equity												
- Capital Stock	145,000,000,000	145,000,000,000	145,000,000,000	145,000,000,000	145,000,000,000	145,000,000,000	145,000,000,000	145,000,000,000	145,000,000,000	145,000,000,000	145,000,000,000	145,000,000,000
- Retained Earnings	(5,643,798,605)	31,530,662,474	76,715,449,664	129,290,784,410	188,667,449,351	255,685,408,763	331,288,362,516	416,536,557,409	512,621,180,723	620,880,531,369	754,389,915,911	
Total Stockholders' Equity	139,356,201,395	176,530,662,474	221,715,449,664	274,290,784,410	333,667,449,351	400,685,408,763	476,288,362,516	561,536,557,409	657,621,180,723	765,880,531,369	899,389,915,911	
<b>Total LIABILITIES and EQUITY</b>	<b>139,356,201,395</b>	<b>232,164,098,024</b>	<b>288,892,823,090</b>	<b>351,880,650,718</b>	<b>420,839,664,148</b>	<b>498,623,392,088</b>	<b>586,321,686,781</b>	<b>685,158,997,220</b>	<b>796,510,991,851</b>	<b>921,923,234,171</b>	<b>1,064,564,279,331</b>	

Balance Sheet (IDR)

BALANCE SHEET	US\$										US\$
	2021-2022 Start-up	2,023 1st	2,024 2nd	2,025 3rd	2,026 4th	2,027 5th	2,028 6th	2,029 7th	2,030 8th	2,031 9th	2,032 10th
<b>A ASSETS</b>											
1 Current Asset											
Cash and cash equivalents	1,350,688	3,339,014	5,957,808	9,143,546	12,716,726	16,725,197	21,222,717	26,269,685	31,933,957	38,291,770	59,111,353
Trade accounts receivable	-	-	-	-	-	-	-	-	-	-	-
Inventories	3,836,789	8,469,711	9,983,948	11,362,902	12,766,221	14,342,849	16,114,191	18,104,293	20,340,173	22,852,185	12,090,619
- Feedmill	864,671	1,908,760	2,250,013	2,560,779	2,877,035	3,232,349	3,631,544	4,080,039	4,583,924	5,150,039	2,724,779
- Beef Cattle	2,972,118	6,560,951	7,733,934	8,802,123	9,889,186	11,110,500	12,482,647	14,024,254	15,756,249	17,702,146	9,365,840
Total Current Asset	5,187,477	11,808,725	15,941,755	20,506,448	25,482,946	31,068,045	37,336,908	44,373,978	52,274,130	61,143,955	71,201,972
2 Non - Current Asset											
Fixed Asset - Net											
- Feedmill											
* Land (129 ha)	2,136,148	2,136,148	2,136,148	2,136,148	2,136,148	2,136,148	2,136,148	2,136,148	2,136,148	2,136,148	2,136,148
* Civil Work , Utility, Building & Supporting Equipments	761,628	761,628	685,465	609,302	533,139	456,977	380,814	304,651	228,488	152,326	76,163
Accumulated Depreciation	-	(76,163)	(76,163)	(76,163)	(76,163)	(76,163)	(76,163)	(76,163)	(76,163)	(76,163)	(76,163)
* R & D, Authority Approval & Consultancy	108,588	108,588	97,729	86,870	76,011	65,153	54,294	43,435	32,576	21,718	10,859
Accumulated Depreciation	-	(10,859)	(10,859)	(10,859)	(10,859)	(10,859)	(10,859)	(10,859)	(10,859)	(10,859)	(10,859)
Total	3,006,363	2,919,342	2,832,320	2,745,299	2,658,277	2,571,256	2,484,234	2,397,213	2,310,191	2,223,170	2,136,148
- Beef Cattle											
* Land (5 ha)	80,106	80,106	80,106	80,106	80,106	80,106	80,106	80,106	80,106	80,106	80,106
* Civil Work , Utility, Building & Supporting Equipments	1,218,449	1,218,449	1,096,604	974,759	852,914	731,069	609,224	487,379	365,535	243,690	121,845
Accumulated Depreciation	-	(121,845)	(121,845)	(121,845)	(121,845)	(121,845)	(121,845)	(121,845)	(121,845)	(121,845)	(121,845)
* R & D, Authority Approval &	118,378	118,378	106,540	94,703	82,865	71,027	59,189	47,351	35,513	23,676	11,838
Accumulated Depreciation	-	(11,838)	(11,838)	(11,838)	(11,838)	(11,838)	(11,838)	(11,838)	(11,838)	(11,838)	(11,838)
Total	1,416,933	1,283,250	1,149,567	1,015,884	882,202	748,519	614,836	481,154	347,471	213,788	80,106
Total Non - Current Asset	4,423,296	4,202,592	3,981,888	3,761,183	3,540,479	3,319,775	3,099,071	2,878,366	2,657,662	2,436,958	2,216,254
Total Asset	9,610,773	16,011,317	19,923,643	24,267,631	29,023,425	34,387,820	40,435,978	47,252,345	54,931,793	63,580,913	73,418,226
<b>B LIABILITIES and EQUITY</b>											
* Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
* Non Current Liability	-	3,836,789	4,632,922	5,351,025	6,011,877	6,754,344	7,588,505	8,525,686	9,578,608	10,761,566	11,391,335
Total Liabilities	-	3,836,789	4,632,922	5,351,025	6,011,877	6,754,344	7,588,505	8,525,686	9,578,608	10,761,566	11,391,335
Stockholders' Equity											
- Capital Stock	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
- Retained Earnings	(389,227)	2,174,528	5,290,721	8,916,606	13,011,548	17,633,476	22,847,473	28,726,659	35,353,185	42,819,347	52,026,891
Total Stockholders' Equity	9,610,773	12,174,528	15,290,721	18,916,606	23,011,548	27,633,476	32,847,473	38,726,659	45,353,185	52,819,347	62,026,891
<b>Total LIABILITIES and EQUITY</b>	<b>9,610,773</b>	<b>16,011,317</b>	<b>19,923,643</b>	<b>24,267,631</b>	<b>29,023,425</b>	<b>34,387,820</b>	<b>40,435,978</b>	<b>47,252,345</b>	<b>54,931,793</b>	<b>63,580,913</b>	<b>73,418,226</b>



### Progressive infrastructure development

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**4<sup>th</sup>** Indonesia is projected to be the **largest economy** in the world by **2050**

*Source: World in 2050, PWC*



### Indonesia is a huge potential market in Asia

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**5<sup>th</sup>** Largest emerging market with the best middle class potential

**4<sup>th</sup>** Most Populous country in the world

**15<sup>th</sup>** Largest economy in the world


**±5%** Private consumption grows steadily


*Source: BPS, Team Analysis*


## Indonesia as a Promising Investment Destination


TOP 5 EU Investment Destination Country in ASEAN 2007 – Q3 2017

	CapEx (USD Billion)	Number of Projects
 INDONESIA	13,259.8	266
 MALAYSIA	13,109.5	593
 VIETNAM	9,917.9	467
 SINGAPORE	9,084.5	1337
 THAILAND	6,392.7	417

**Top 3** Japanese investment destination (JBIC Ratings) 

**Top 3** Destination for attracting investors in Asia (The Economist) 

**65%** of investment realization in Indonesia are FDI capital 

**∞** Abundant natural resources 

Indonesia's Investment Grade from Rating Agencies:  

Baa3 / Positive

BBB- / Positive

S&P Global Ratings

BBB- / Stable

BBB- / Positive

JCR

R&I

BBB- / Positive

Source: Financial Times, The Investment Coordinating Board Republic of Indonesia (BKPM)

**BANSS**  
GERMANY  
MEAT TECHNOLOGIES



**marel**  
food systems

**SCOTT**

**NETAFIM**



# Offering

K Corporation will raise \$ 20 Millions for both the said projects and invest in PT Saba Farms & Feeds.

Feed Mill Plant - \$ 8.28 Millions

Beef Cattle Farm - \$ 11.72 Millions

Total investment - \$ 20 Millions

Offer - Each unit share of \$ 10000 in multiples thereof.

As soon company raise \$ 3 Million may also opt for bank finance.

Buyback of shares possible after 6 months of lock in with premium of 3-5% over the value.



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