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Assessing non Traditional Security Issues between Indonesia and Australia
Case Study: Food Security

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## Glossary

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC</td>
<td>Australian Broadcasting Corporation</td>
</tr>
<tr>
<td>ALEC</td>
<td>Australian Livestock Export Council</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agricultural Organization</td>
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<td>KPK</td>
<td>Komisi Pemberantasan Korupsi</td>
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<tr>
<td>KEMTAN</td>
<td>Kementrian Pertanian</td>
</tr>
<tr>
<td>NT</td>
<td>Northern Territory</td>
</tr>
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<td>NTT</td>
<td>Nusa Tenggara Timur</td>
</tr>
<tr>
<td>NTCS</td>
<td>Northern Territory Cattlemen’s Association</td>
</tr>
<tr>
<td>PP</td>
<td>Peraturan Pemerintah</td>
</tr>
<tr>
<td>PPSKI</td>
<td>Perhimpunan Peternak Sapid an Kerbau</td>
</tr>
<tr>
<td>RPH</td>
<td>Rumah Pemotongan Hewan</td>
</tr>
<tr>
<td>RPJMN</td>
<td>Rencana Pembangunan Jangka Menengah Nasional</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Program</td>
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<tr>
<td>WFO</td>
<td>World Food Organization</td>
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<tr>
<td>WHO</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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</table>
Abstract

This study examines the issue of non traditional security between Indonesia and Australia, particularly, food security issue which is considered become increasing significant in understanding the character of the bilateral relationships between the two countries recently. It will focus to analyse the nature, the risk of the dependence of Indonesia to Australian beef supply. Does dominancy of beef supply from Australia to Indonesia will challenge sustainability of Indonesia food security and sovereignty? To what extent does Australia will (or not) be the source of threat to Indonesia’s food security and sovereignty? How does the issue of food security influence and contribute the recent character of the relationship between Indonesia and Australia? Is it possible to develop more sustainable bilateral trading between them? This study argues that the bilateral trading between Indonesia to Australia should be perceived as interdependence although for Indonesia, loads of import from Australia can be dilemma. It can be complement as well as impediment factors for Indonesian food security and food sovereignty.

Key words: non traditional security, food security and sovereignty, Indonesia, Australia, cattle and beef trading.
Introduction

Traditionally, the issue of high politics such as security, military, and sovereignty has dominated the trajectory relationships between Indonesia and Australia. Although these issues still arguably dominate the tension between the two countries, however, recently a non-traditional security such as terrorism, asylum seekers, and food which in the previously have been treated as more national domain, become increasingly influence the tension between them. This trend corresponds with current important questions of security in the world that were not geopolitical nor related to issues of balance of military powers. Instead, the moments of insecurity as United Nations Development Program (UNDP) Report in 1994 arises from disease, hunger, unemployment, social conflicts, crime, political repression, etc. This report locates the security and insecurity within personal, and smaller group level. Security no longer concerns mainly matters pertaining to the state, but other referent object, such as individuals.

One of the famous incident related to food chain of cattle supply in Indonesia which is in the past is unthinkable to significantly influence the relationship is illustrative. The film showing the practice of killing Australian cattle in *Rumah Pemotongan Hewan (RPH)* or Indonesian abattoirs screened by ABC’s Four Corners program on May 2011, perceived by Australian audience, particularly the supporter of animal welfare is cruelty. Panicked by a maelstrom of reaction, the Gillard government through Federal Agricultural Minister Joe Ludwig imposed a blanket ban on the live cattle export trade on June 7, 2011. The ban lasted for approximately one month, but this incident created diplomatic row and dramatic policies from both governments. Indonesia reacted by refusing to renew export licenses and threatened to take Australia to the World Trade organization (WTO).

As a result of the export ban, it cost beef industries and crucial trade relations. “Australia’s live export trade was plunged into crisis and chaos” (Lee, 2012). Indonesian supply for meat was jeopardize and the price of beef was soaring drastically. Chaos in Indonesian beef market triggered massive protest around Indonesia particularly from vendors, seller and suppliers of meat production for several days which was never before happened in the history of Indonesia. In 2012 around 12,000 people protest and stop their meat production. This protest show how volatile Indonesian food supply. For some, the case of imposing cattle export ban has also been argued as cultural offensive to Indonesian food sovereignty. With majority Muslim population, Indonesia has argued that they have
the right to treat their animal according their believes. Australia has no right to ‘dictate’ Indonesia.

Up to now, issue of beef and cattle between the two countries has continuously fractured their trade relations. Trend of non traditional issues like beef and cattle trade between Indonesia and Australia, therefore, needs to carefully assess the risk to relationships between the countries.

This paper will focus to analyse the nature and the risk of bilateral trading between Indonesia and Australia. Australia is considered top rank of imported beef and cattle country to Indonesia. Similarly, Indonesia is also important country for beef and cattle industries in Australia. This situation has created concern such as: Does dominancy of beef supply from Australia to Indonesia challenge sustainability of Indonesia food security and sovereignty?; To what extend does Australia will (or not) be the source of threat to Indonesia’s food security and sovereignty?; What does it meant having Indonesia as the main important market in beef for Australia?; How does the issue of food security influence or contribute the recent character of the relationship between them?; and Is it possible to develop more sustainable bilateral trading between Indonesia and Australia?

The argument of this study is that bilateral trade has created interdependence between Indonesia and Australia which can be significantly contribute the character of bilateral relationship between them. For Indonesia, dependency to beef import from Australia can be dilemmatic. It can be compliment as well as impediment factors for Indonesian food security and food sovereignty. This situation will be explored below through analysing the debate about concept of food security and food sovereignty and condition of bilateral trade in beef between the two countries.

**Food Security, Food Sovereignty, and Self Sufficiency**

The concept of food security is multidimensional and thus presents challenges for empirical research. Initially, the issue of food security come to the front at the 1974 World Food Conference in Rome which concerned for the whole of mankind and focus on issue
of hunger and malnutrition, “Every man, women and child has the inalienable right to be free from hunger and malnutrition in order to develop fully and maintain their physical and mental faculties ” (United Nations, 1975). Since the 1974 Rome Conference the concept of food security has developed and diversified. According to Food and Agricultural Organization (FAO) (1993) the idea of food security should include factor of access to those of production and price stability. Mahlau and Mili (1995) assert that food security should be considered at the national, regional, household, and individual level. Maxwell (1996) argues that food security involves access, sufficiency, vulnerability, and sustainability issues. According to World Food Summit (WFS) in November 1996, food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food which meets their dietary needs and food preferences for an active and healthy life. An integral part of the multi-dimensional nature of food security is the nutritional dimension, in addition, as the 1996 World Food Summit declared and subsequently reconfirmed in 2002, food security consists of four essential parts; 1) food availability, 2) food access, 3) food utilization 4) stability.

From the definitions above, it can be understood that management of food security related to the individual in daily life and therefore should be dedicated to guarantee people needs. Although the ideal approach of food security should compromise the four essential parts, the priority and primary part of this approach is food availability. The criteria of food availability should be accessible and afforded by the consumers – even if it should be import from other country - is the most important than other consideration such as an effort to fulfill national market with national product. Failure policies to guarantee the access for enough food for the people would create backlash to the government.

The emerging concept of food sovereignty refers to the right of communities, peoples, and states to independently determine their own food and agricultural policies (Beuchelt and Virchow, 2012). The idea of food sovereignty argues that state has its control to issue policies and action related to food issues in their territory and they free from intervention from other countries. The assumption of food sovereignty now has broaden notion to prioritize the people that people has own right to choose the type of food to be developed. Therefore in the case of meat supply, the communities have right to decide what type of cattle, and how they develop their production and sell their production.
Food self-sufficiency which is defined as being able to meet consumption needs from own production rather than buying or importing. FAO (1999) describes the concept of self sufficiency “is generally taken to mean the extent to which a country can satisfy its food needs from its own domestic policy”. This approach can be argued having different aims and prioritize compared to the idea of food security which is broader and not prioritize self sufficiency as a central aspect.

The food sovereignty movement has actually emerged as a reaction to the unfair and threaten condition due to the monopoly control over different links in the food chains and the modernist development agenda pursued by organization such as the World Bank (Pimbert, 2009). It raises the question of which type of food production, agricultural and rural development should pursued to guarantee food security for the world population. The food sovereignty has also responded to insufficient understanding of food security. Food security is about everybody having enough good food to eat. But it doesn’t talk about where the food comes from, who produced it, or the conditions under which it was grown. This allows the food exporters to argue that the best way for poor countries to achieve food security is to import cheap food from them or to receive it free as ‘food aid’, rather than trying to produce it themselves. This makes those countries more dependent on the international market, drives farmers, who can’t compete with the subsidized imports off their land and ultimately worsens peoples’ food security.

**International Trading, Food Insecurity and Quota.**

Now days, most countries in the world purchase food from other countries to sustain its domestic sufficiency. Through mechanism of international trading, nations buy food from overseas to support food security. Trade import strategy become mechanism for food security. According to Marthinus (2015) “…to achieve food security through trade is a more promising strategy than food self-sufficiency…” Throughout history, well-strategized, purposeful and selecting trading has transformed quiet fishing villages into bustling commercial centers and global hubs of maritime power. Import product can contribute to strengthen the idea of food security, because government is able to provide availability of food by importing when the local production is lack or unavailable.
The proponent of food sovereignty like *la via campesina*, the initial organization which promotes food sovereignty acknowledges the significance of trade. This strong proponents of the idea argues that the purpose of food sovereignty ‘… to protect and to regulate domestic agricultural production and trade in order to achieve sustainable development objective’. (www.viacampesina.org). In more specific understanding about its position of trade *vis a vis* food sovereignty they further explains that ‘Sovereignty does not negate trade, but rather to promote the formulation of trade policies and practices that serve the rights of peoples to food and to safe, healthy and ecologically sustainable production. In short, trading policies should not diminish food sovereignty.

In fact, it is very difficult to put the idea into practice. Countries has faced a great deal of difficulties when they manage both, between food security, and self sufficiency or food sovereignty. To sustain food security and sovereignty, countries has to work with the pressure of globalization and highly competitive market. The dependence to imported food supply will easily created food insecurity. For example, there is evidence that foreign exchange availability affect food supplies. The sharp decline in trend cereal supplies in Indonesia during 1997-1998 financial crisis can be partly blamed on increases in the cost of food security import relative to foreign exchange supplies (Gingrich, Horst, and Umida, 2001).

The operation of the state in an ever more complex international system limits state authority and impinge their national sovereignty. In order to reduce the negative impact of the international trade system, state usually impose intervention such as setting quota. Despite the practice of free trade, the national government have long intervened in the trade of good and service. There are several reasons why the government impose restriction on free trade. In general, they do so for reasons that are political, economic, or cultural or some combination of the three (Widl, et.al 2008, p. 172). But the more emotionally charged trade intervention occurs when a nation’s economy is underperforming.

Government officials often makes trade related decision based on *political motives*. Because a politician’s very survival might depend on pleasing voters and getting reelected. Yet a trade policy based purely on political motives is seldom wise in the long run. The main political motives behind government intervention in trade include protecting jobs, preserving national security, responding to other nations’ unfair trade practices and gaining
influence over other nations. Usually, all governments become involved when trade threaten job at home (Widl, et.al 2008, p. 172). Industries considered to national security often receive government-sponsored protection. This is true for both imports and export. In the case of national security and import, certain import are often restricted in the name of preserving national security. Some countries fiercely protect their agricultural sector for national security reason. Yet protection from import competition does have its drawbacks. Perhaps the main one is the added cost of continuing to produce a good or provide a service that could be supplied more efficiently by an international supplier. A government may impose an import quota to protect its domestic producers by placing a limit on the amount of goods allowed to enter the country (Wildl, 2008, p. 182). This helps domestic producers maintain their market shares and prices because competitive forces are restrained. In this case, domestic producer win because of the protection of their market. Consumer lose because of higher prices and limited selection attributable to lower competition.

Condition of Indonesian Dependency to Australian

Indonesia has relied on imported meat particularly Australia to guarantee the local demand. Traditionally, Australia always the main imported country for cattle and meat although there was fluctuation of trade. Live cattle from Australia accounts for up to 45 percent of Indonesia’s beef consumption. Before 2011, Indonesia imported 773,000 head of cattle in 2009 from Australia. Even during the year of the incident, Australia still export 414,000 cattle to Indonesia. It was representing 60 percent of its live cattle trade. In 2012, with Indonesia set the quota imported 85,000t of beef which was divided over 283,000 head of cattle, and 32,000 of boxed beef which is the lowest amount of import beef target from Australia for the last 8 years (Cattle, 2012). Since 2014, trend of import volume has increased. Recently the total export volume accounted for 602,102 feeder and slaughter cattle in 2015, compared 521,002 in 2010 (Curtain, 2016). Although the figure of import beef has decreased since 2009 as a result of Indonesian policies of quota, but Australia still the largest and the most important country to fulfill the local demand. Among other imported countries to Indonesia, Australia has occupied the largest proportion which is 75 % from total beef import. Australia is the only country to export live slaughter and
feeder cattle to Indonesia and is the dominant boxed beef supplier with about 80 percent market share (Topsfield, 2015).

Why Australia can dominate Indonesian market continuously? In general can be argued that while local production can still struggling to fulfill the consumer, Australian product can serve it. Indonesia still lack capacity to build cattle production for growing local demand. In the past, during a decade from 1987-1997, while the consumption was growing up around 4.2% in year, the local beef production was only developing by 2.33% (Iham, 2001). Currently, the situation has still not changed much from the previous. According to Perhimpunan Peternak Sapi dan Kerbau (PPSKI) or Indonesian Council of Cattlemen’s, demands for import beef in 2014 has reached at 250,000 ton which is 45% of the total of its national consumption (Trisna, 2014). Consequently, Indonesia has relied on imported meat from overseas particularly Australia to guarantee this demand.

Another reason for Indonesia prefers to import cattle and meat from Australia is because this country is categorized as a free of foot and mouth disease. The Indonesian Parliament issued Law No. 18/2009 on Husbandry and Animal Health to allow only Australia because it is entirely free of the disease (Bachelard and Kenny, 2013). Indonesia also imports from other countries like New Zealand, US, and Canada which are categorized as free from the disease, but their supply are less competitive in Indonesian market. Indonesian has long tried to revise the regulation, for example during President Yudhoyono term, the Trade Minister Gita Wiryawan asked parliament to allow other country, such as Brazil or India to supply in to Indonesian market. The government consider to open the market to reduce dependence to Australia, “limited option will only lead to greater dependence” (Topshfield, 2015).

Recently, under President Joko Widodo (Jokowi), the Indonesian government issues State Regulation no 4/2016 extending import zone from based country to zone aiming to stabilize the price of beef and to add supply. However, this regulations is criticized by farmers to ruin the business and potentially to degrade Indonesian status as a country of free from foot and mouth disease (PPSKI, 2016).

Furthermore, Australia has some competitive advantage. Geographical proximity with Indonesia makes import cattle from Australia is best option. The distant in average only five days by boat and seven hours by plane shipping from Northern Territory (NT) to Nusa Tenggara Timur (NTT) where most Australian breeder cattle sent is located.
Importing beef from other countries such as Brazil, India, US or New Zealand are not efficient. Surprisingly, the cost to transport the cattle from NTT to Jakarta is more expensive than shipping it from NT. Similarity of tropical weather condition in Northern Territory and Indonesia, makes suitable to breed Brahman cattle from Australia in feedlots in Indonesia (Lee, 2012). This breeding industries also supported the local economy.

The trend to depend on the import beef and cattle, particularly Australia will increase as the Indonesian economic growing and local beef production still not develop sustainable. Indonesian level of beef consumption is still low but it will increase in the future. The consumption of beef is only around 1,7 kg per person per annum in 2012 which is the lowest among ASEAN countries, In 2013, the level of meat consumption is still relatively low which is only 2,2 kg per capita from 250 million people (Trisna, 2014). According to Indonesian National Statistic, the level of meat consumption in 2014 is only 0,005 kg per week. However, as Indonesia’s growing population, particularly middle class demand of imported food from other countries, such as Australia, will expand drastically. Meat is also symbol status for some Indonesian people. The price of meat will increase around 30 % during the Ramadhan and Ied. This is made Indonesia an attractive market for Australian exporter.

To conclude Indonesian currently dependence to Australia beef and meat is undeniable. This is because Australia has strong comparative advantage beside Indonesia national supply can not able to provide local demand. In the future, the trend for Indonesia to rely on Australian beef and meat would continue with growing market opportunity has developed. However the reality of Indonesia dependency to Australia should also be understood that Australia also need and rely to Indonesia too. This assumption is going to discus below.

Significance of Indonesian Market for Australia

Indonesia is the most important partner for the live cattle trade for Australia as Agricultural Minister Barnaby Joyce said that the trade to Indonesia was “incredibly important” (Allard and Ireland, 2015) Australia is a major exporter of live cattle and accounted for the world third largest beef exporter supplied. It currently exports 1,2 million head of slaughter cattle to countries such as Indonesia, Malaysia, Egypt, Cambodia and Thailand. Indonesia for many years always the main destination for cattle livestock.
Compared to other major countries exporter like Philippines, Russia, Malaysia, China, and Vietnam, Indonesia is the largest market for Australian. From 2012 to 2014, Indonesia continuously accounts for over half of Australia live export market. This country is taking 53% of cattle exported in 2013 valued A$ 308 million. In 2014, Indonesia was the largest market taking 730, 257 head which accounted 56% of the total Australia’s cattle exports. The second largest market was Vietnam, taking 181,542 head, followed by China, taking 117, 906 head. In 2015, Indonesia still maintain the largest market for Australia even though there was reducing quota imposed by Indonesian government. The Australian Livestock Export Council (ALEC) has released the data that from total cattle export value of A$ 1,468,125, and total 1,331,745 cattle, Indonesia account for almost half of this with total 618,319 cattle (ALEC 2015). The bilateral trade is worth around A$ 700 million annually.

The economic significance of Indonesia market become more obvious, at least regionally, when live cattle exports is major source of revenue for the Northern Australian beef industry. Since 1990 it has supplied growing feedlot in Southeast Asian countries, especially in Indonesia and Philippines. According to ABARES survey, farm businesses near the live export ports of Darwin, Broome, Wyndham and Port Hedland relied on live cattle export for over 70 percent of their income for the three years to 2011. Northern Territory maintains for half of the source of cattle export in Australia.

The significance of cattle live trade with Indonesia for Australia is evident with the example of the impact of issue of animal welfare. In May 2011 Australian Labor ban live exports to Indonesia following the accusation of the mistreatment of Australian cattle in Indonesia abattoirs. The ban was lifted a month later but Indonesia subsequently issued an import quota on live cattle. The case of reducing quota has made Northern territory farmer was hit and bankrupt. In the meeting with Australian Minister, Julia Gilliard, the Northern Territory Cattleman Association, (NTCA) Vice President, and Cattle Producer Chris Muldoon “painted stark picture of an industry fighting forces of record low volume in to the Indonesian market.” (NTCA, 2013).

When the Indonesian government gave permission for beef import only 283,000 cattle, down from 414,000 in 2011, has left hundreds of cattle producers in Northern Australia struggling and facing an uncertain future. The trade is critical because Indonesia takes more than 60 per cent of Australia’s cattle exports at that time. Due for the Indonesian quota, more than 320 jobs have already been lost in the region and hundreds of thousands
of animal are languishing in Australian feedlots and cattle stations from Townsville to Port Hedland (Willingham, 2012).

The impact of accident in 2011 has continued worse when in 2012 Indonesian government issued weight restriction and creates uncertain to the Indonesia market. Again, the live of 1000 people with quarter staff being indigenous working in the around 120 properties on live exports was devastating. Some of the cattle producer try to find alternative to send to other countries such as the Middle East, Philippines and Malaysia, but it is very ad hoc, not easy and too small compared to Indonesian markets. As a report, in Australia, cattle producers and associated business, such as train drivers, who are reeling from suspension and reduced quota, have launched legal action against the federal government to win competition (Willingham, 2012).

The live of Australian cattle industries remains strongly depend on Indonesian market is obvious with the example drastic cut of quota of Indonesian government in 2015. In the third quarter Indonesia slashed import from 250,000 in the second quarter to only 50,000. After Indonesia drastically reduced the number of cattle permits, this radical cut had left the Northern territory farmers scrambling to find other markets for about 150,000 cattle. Labor leader Bill Shorten describing “it is a “grave concern” that he hopes is not due to tensions in the bilateral relationship”. (Ireland, 2015) To find the solution, in September 2015, the Australian Trade Minister made a trip to Indonesia to discuss the live cattle trade. (Topshield, 17 September 2015). Amid to calm down the tension, on July 2015, Agricultural Minister Barnaby Joyce mentioned that diplomacy megaphone like turn a boat could damage the overall Australian business interest in Indonesia, particularly meat industries which is significantly depend on Indonesia market.

Recently, Australian farmer continues to worry about their future with Indonesian decision to open the market. In January 2016, the Indonesian government has released new economic stimulus package aimed at lowering beef prices and reducing its reliance on Australia. Under this new regulations, Indonesia could imported from a zone or area that had been declared disease-free even if disease such as foot and mouth were present in other parts of the country. Australian beef industry has responded this new regulation with filling “...frustration and saying it added to the uncertainty surrounding exporting to Indonesia and raised biosecurity concerns” (Topsfied, 28 January 2016). It seems to express its filling of frustration for their financial difficulties as a result of the reduction of export permit, Australian government imposed fined $10.5 million to 32 Indonesian
companies that import live cattle from Australia. (Topsfield and Rompies, 26 April 2016). This kind reaction eventually has worsted the trade relations and cattle industries in both sides.

The fluctuation in cattle trade has dramatize the bilateral relations. Every time Indonesia ‘plays the cards’ by decreasing import permit, Australian farmers has to carry the risk and the diplomatic tension has occurred between the two countries. This situation has still continued and will shake and dramatize the bilateral relationship in the future especially when Indonesia has already some perception to Australian as explained below.

**Australian as a Complement or Peril for Indonesian Food Security?**

Indonesian actually has long expected to build food security. However, this aim has never been achieved because one of the important criteria for Indonesian food security which is for being food self sufficiency has never accomplished. The problem of management of beef of Indonesia can be argued roots in failure of national management of food security such as problems of management of quota, production, and national distribution. However, without neglected these issue, this part will focus mainly on problem of bilateral trade between Australia and Indonesia. How does Indonesia perceive Australian domination supply of beef in to local market?

Australia may difficult to understand that why Indonesia seems reluctant to open the market widely and let Australia pouring their product in Indonesia recently, so that it can help Indonesia to full fill the lack of availability of food. As Australian Livestock Exporter’ Council chief Executif Alison Penfold argues that “…Australia was an efficient, reliable exporter of live cattle and box beef that can reach Indonesia within hours and days, not weeks” (Topsfield, 28 January 2016). In other words, Australian supply can be supporter factor to Indonesian food security program. Referring to the definition of food security which is including availability and accessibility then beef and cattle supply from Australia become supporter for Indonesian food security. This is because inability of Indonesian to provide beef as one of important food commodities can be served by Australian product so the local demand can be guaranteed.

Instead, Indonesia perceived Australian supply as more a threat for Indonesian food security. A lucrative of Australian import will discourage Indonesian food security program. In spite of the interdependence between the two countries that was explained
above, actually this bilateral trade with Australia is perceived by Indonesia as risk and potentially harm to food security and sovereignty. The nature of the beef as a significant national commodities for public in Indonesia has added the perception of the danger for Australian interfere in Indonesian market.

Beef is categorized as one of *Sembilan Bahan Pokok*’ (*Sembako*), or Nine Primary Commodities that need to regulated, to be protected, and to be intervened by Indonesian government. Others commodities as *Sembako* are including rice, chicken, cooking oil, sugar, milk, corn, eggs, and salt. In other words, beef is a strategic commodities for Indonesia. Because of this inclusion, state has high obligation to control its availability and accessibility of the product, as well as affordability of the price for the consumers. It is responsible for Indonesian government to guarantee that the price is not become soaring uncontrolled in the market. Disruption of price, availability, and supply from this product will create inflation and eventually disrupt national economics.

Indonesian government tries to control or reduce the price of beef but historically it never successful. In September, 2013, for instance, as a cause of the high price of beef, the government issued through *Peraturan Menteri Perdagangan* (*Permendag*), *Regulation of Trade Ministry* No. 46/2013 to set the price of beef to Rp. 76.000 or U$ 7 per kilogram. However, this policy did not affect the market. The price of beef still in Rp. 120.000 or U$ 11 per kg, which is beyond the affordability of Indonesian people to buy. Compared to other countries, the price of beef in Indonesia is the most expensive one. Indonesian Ministry of Trade, Muhammad Lutfi admitted that the price of beef in Indonesia is the most expensive one in the world (Ariyanti, 2014). With the same quality beef, the price is only AU$ 3 in Australia, or AU$ 6 in Malaysia, while it accounts for almost AU$15 in Indonesia. Unrealistic price has discouraged people in Indonesia to consume it.

President Joko Widodo also constantly pays attention to the soaring price of beef. In many times he said angrily to investigate *permainaan harga* or “the price game“ among the traders and people who has involved to set up the price. In January 2016, President Jokowi dropped 10 % tax for import cattle following the soaring of the price of beef. In May 2016, Jokowi stated his concern to slash the price in to Rp. 80.000 or U$ 7 per kg. However, this order has never been put in a placed. The price of meat still around Rp. 130,000 or US$ 12 per kg
The failure of Indonesian government to control the price of beef can be blamed for the fact that most supply has relied on Australia and not on domestic market. Compared to other commodities, the percentage of import beef is the most. This condition make Indonesian government can not easily regulate and control the supply. In the same time Indonesian can not accept the fact that Indonesia as known as an agricultural country still rely its Primary Commodities to overseas like Australia while there is a great deal of potential and resources to build significant beef and cattle industries to fulfill the local demand. The dependence to Australia supply of beef become a source of shameful to Indonesian dignity.

Moreover, even though other Sembako commodities is important to qualify of Indonesian food security. Issue of beef and cattle supply is more sensitive than other Sembako commodities. Recently, it is quiet common that people protest in the street to question the government policy about beef regulations. In 2011 in the following months after the banning export from Australia, there was a massive protest around Indonesia from vendors, seller and suppliers of meat production for several days which was never before happened in the history of Indonesia. In 2012 around 12,000 people protest and stop their meat production. In some big cities such as Surabaya, Malang and Jakarta they protest to the local government for unaffordable prices and unreliable supply of meat. In 2013, the middle and low beef production/seller, and the people who involve in the beef distribution was doing strike again to protest unavailability and regulation of meat from the market. Up to now, demonstration to protest beef regulation as well as public outcry for beef regulation has never stopped. These protest show how volatile Indonesian food supply.

Overseas beef supply, like from Australia, then can be argued as potential threats for overall Indonesian food security. With most of meat coming to Australia, which is out of the control of national government, it is not easy to reduce the price. From strategic point of view, to include beef as a strategic commodities but most of the supply form overseas, like Australia will be potentially undermine Indonesian authority.

The issue of beef become more political as well as sensitive when Komisi Pemberantasan Korupsi (KPK) or Commission for Corruption Eradication uncover the beef quota scandal linked to the highest rank of political party leader, legislative member, highest rank of bureaucrat as well as some big businessman. Beef issue in Indonesia is now become a political matter. This public demonstration and scandal has made government to pay extra attention to beef issue than others commodities.
Dependency of Indonesian to Australia can be perceived a direct threat to Indonesian food security and food sovereignty program. Australian beef supply can be mechanism to settle down possible instability of lack of local supply. However this can also be perceived to undermine Indonesian state regulation to achieve food security. In 2002 government has issued *Peraturan Pemerintah RI no. 69 2002* or State Law no 69 about food security. This regulation states that “the condition of food security can be achieved if there is sufficiency of food availability in term of quality, equality, and affordability.” In order to realize food security it “...should be based on local production and to avoid dependency from import supply”. Therefore “...it is necessary for Indonesia to develop production system, efficiency of food industries, technology of food production, infrastructure for food production..”. Similarly, *Undang-Undang RI* or State Law no18, year 2012, about national food regulation mentions “the management of national food aims to develop its food production by self sufficiency” (KEMTAN, 2015, p. 132)

Recent Indonesian National planning, under President Jokowi has also claimed to achieve food security without rely on overseas supply. For example, *Rencana Strategis Kementrian Pertanian* or Strategic Planning 2015 to 2019 issued by Ministry of Agricultural has mentioned it target to attain “...a sustainable self sufficiency in beef”. (KEMTAN, 2015, p. 2). The priority Agenda of President Jokowi as called *Nawa Cita* has targeted to create food sovereignty through self sufficiency. Persistency of current Indonesian government to build food security, through self sufficiency and food sovereignty has declared by President Jokowi in his opening speech for the Jakarta Food Security Summit 2015 in Jakarta:

“The more I learn of the field conditions of our country, the more I ‘m convinced that the next four or five years, we’ ll be able to achieve the so-called food self-sufficiency, food security and food sovereignty.” *(The Jakarta Globe, 2015)*

The fact that Indonesia still import beef and live cattle from Australia and continue maintaining the dependency means that the state regulation and aims to realize food security or food sovereignty is not working. An effort to decrease significantly of import supply as the state Regulations has been failure with the reality of dominance of Australian supply in Indonesia. The main idea of Indonesia food security to be able not depend at the other country, become utopian with the existence of loads of Australian supply.
Furthermore, Australia has been perceived by Indonesia potentially in the future to continue damage Indonesian reputation and aim to create food sovereignty. For example, Respond of Australia to stop meat and cattle export to Indonesia in 2011 following the incident of animal welfare has proved that Indonesian is far beyond to reach food sovereignty. In May 2011 Australian Labor banned live exports to Indonesia following the accusation of the mistreatment of Australian cattle in Indonesia abattoirs. This decision has caused lack of supply in Indonesian market and the price of beef soaring sharply. This risk following the incident means that Indonesia can not maintain its food sovereignty. Other message from this incident is also obvious that Australian can show inability of Indonesian government reputation to manage national food security. With the trend that dependency to import supply from Australia still occurred, Australia has leverage to Indonesia. Indonesia is suspicious that it could be used by Australia to create more damage to Indonesian food security and reputation in the future.

Australian dominance to Indonesian market is perceived by Indonesian as a symbol to undermine an effort to create Indonesian food self sufficiency. Dependence of Indonesia to import beef product from Australian has created sensitive issue of inability of government to realize food self sufficiency. The reality that Indonesia still need import beef from Australia significantly has proved that the government program for Swasembada Pangan or food self sufficiency has only illusion. Indonesian has ambition to realize self sufficiency continuously. In 2012 Minister of Agricultural has issued for food self sufficiency projecting Indonesia would be able to reach 90% self sufficiency in 2014. In the Rencana Pembangunan Jangka Menengah Nasional (RPJMN) or National Development Planning 2010 – 2014 mention that: “…..In order to achieve food self sufficiency and to convince the public that Indonesia consistent to implement food self sufficiency, Indonesia set up quota to reduce dependency to import beef from Australia”.

However, the policy of quota has not strengthened the food self sufficiency. Indonesia still need import beef from Australia. During the program of food self sufficiency, the price of beef, instead of reducing in to amount that affordable for public, it was soaring immediately after the government announced the policy from Rp. 75.000 to Rp. 120.000. In some cities there was demonstration because the vendor can not afford or access to buy meat for their component of their products. Since the incident the price of beef never going down in to affordable price. The failure for government to make the beef price in to reasonable price around Rp. 80.000 has created criticism to the government.
policy to manage the food self sufficiency. This chaos has created question to the capacity and political will of government to implement food self sufficient seriously.

Another sensitive issue is perception about the potential risk of Australian meat product to the business abattoirs. The local abattoirs has felt threatening not only by past Australian report to poor and cruelty of Indonesian abattoirs, but also the impact of the influx of meat box from Australia in the local market. With import meat box means that not many cattle should be slaughtered by local abattoirs. This condition will reduce the income and potentially to bankrupt local abattoir.

The report of cattle treatment followed by banning export has destroyed reputation of Indonesian abattoirs. For some, the report even can be perceived to challenge the religion practice (Muslim) of how to slaughter the animal. The case has been argued as cultural offensive to Indonesia. With majority Muslim population, Indonesia has argued that they have the right to treat their animal according their believes. Australia has no right to ‘dictate’ Indonesia.

Too much import beef from Australia will also ruin the local farmers. It is obvious the chance to be able to compete with Australian meat for even basic quality of meat is sliming for local farmer. In general, the same quality of meat produce by local farmers is more expensive than import beef as a result of high cost from production and local distribution. For example, the cost to transport cattle from Nusa Tenggara Timur (NTT) where most of cattle producers came from is more expensive than shipping it from Australian Northern Territory. For high quality meat for restaurant or hotel, Australian meat is undefeated competitor for local farmer. In this situation, it is no surprisingly that every time Indonesian government plan to increase quota of import, and the number of importer country, it makes local farmer frustrated not being able to compete with import beef and eventually this will impact to decrease their income. It is often, to respond the local farmer concern who suffer from competition with Australian meat product, the Indonesian government need to convince them that the government protect the interest of the local farmers by reducing the quota beef import from Australia. For instance in East Java, the local government said that they reject the import product and did not allow the product to come to East Java in order to support local farmers. However, the action of government purposes to protect the interest of local farmers has failed. In reality, the import meat from Australia are still much available in the local markets and suppliers.
Other issue that makes Indonesia seems reluctant to continue much dependency to beef import from Australia is perception of strategic benefit. To achieve food security is something important and strategic for Indonesia which is currently to aspire as a rising power. Too much rely on Australia can not give strategic benefit for Indonesia. This country needs to reduce reliance to Australia by import cattle from other countries (Topshield, 2016). “Indonesia must phase out its dependence on Australia in favor of alternative trading partners’ such as India or Russia” that can offer a more secure and reliable food supply, provide greater strategic benefits and confide in complimentary goals with Indonesian aspirations as a rising power.” (Marthinus, 2015). From strategic point of view, to reduce dependency by diversifying alternative trading partner will increase Indonesian political leverage.

Beside all of the issue and perception above that can be argued influence the fluctuation of bilateral trade, problem of bilateral relations has also contributed to the recent tension surrounding cattle and meat trading or “cattle war.” Cattle has been an important political economy issue shaping the relationship between Indonesia and Australia. The case of recent “cattle war” is illustrative with Indonesian government cutting import quotas for live cattle and beef in 2012 and further in 2013 in response to the Australian government temporarily suspending live cattle export to Indonesia. The government implemented the ban following the release of video footage showing the inhumane treatment of cattle in Indonesia. The actions and policies of “cattle war” has been influenced by diplomatic tension such as execution of two Australian citizen as part of “Bali 9 drug” smuggler, incident of phone tapping in 2013 followed with recalling of both ambassador and diplomacy megaphone like turn a boat. These diplomatic row could damage the overall trade interest in Indonesia, particularly meat industries which is significantly depend on Indonesia market.

Overall, there is contradictive situation that now Indonesia has to face vis a vis Australia as the main important trading partner in beef and cattle supply. In one side Indonesian has to receive reality that Indonesia still much relies on Australia and there is no possibility to reduce dramatically this dependency without bringing instability of Indonesian food security, in other side, there is also intense wish for decreasing or cutting the dependency to Australia and realizing condition of food security with the main project to prioritize Indonesia food self sufficiency and food sovereignty. Consequently, this
contradictive situation will contribute up and down the relations between Indonesia and Australia.

Conclusion

There is interdependence, mutual benefit, as well as complement in the bilateral trade between Indonesia and Australia although Indonesia most depend on the livestock cattle and meat from Australia. The trade relationship also can be argued dilemmatic because it provides mutual benefit and complement but in the same time will also potentially harm both societies when each made their own policies without considering others or trying to maximize their own national interest. For Indonesia, Australian domination supply to Indonesian market give more problematic. The Australian import can assists Indonesia to strengthen Indonesian food security through its availability. However, in the same time it potentially undermines the realization of Indonesian food security. Stability of Indonesian food security would be easily jeopardize because Indonesia too much rely on Australia.

The case of ‘Cattle War’ is illustrative to show how significance the impact of non traditional securities issues such as beef and cattle trade to the relationship between two countries. Similarly, it also shows to what extend political and diplomatic row can shape the beef and meat supply and demand. An effort to develop mutual benefit as well as sustainable relationships in the future, therefore should take lesson from the case of beef and cattle. Both countries need to listen and to find, as well as to compromise their narrow national interest, and ‘jingoism’ because their interest of both nations (people) would be jeopardized by government policies which only consider for their narrow and unrealistic national interest. In order to anticipate the drawback and harmful risk of the current trade relationship to the people, Indonesia needs to build a meaningful food security and sovereignty combined with necessary, sustainable protection polices and respond.

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