Selection Criteria	Beef (East Java)
Poverty Orientation	
How many farmers can be reached	There are approx. 1.2 million cattle farmers in EJ (EI-ADO Beef VC Study, 2012)
Percentage of targeted group with low income	65% of beef producers in EJ are classified as poor farmers, particularly those who reside in Madura island and outskirts of Malang, Pasuruan, Tuban and Probolinggo
How important is this commodity to household income	• Cattle are predominantly a farmers' means of savings which they use to pay school fees, and other urgent needs • Analysis of a low productivity upland EJ mixed cattle production household indicates cattle production contributes 37% to total household income. Off farm income contributes approx. 23%. Cropping and forages contribute the remainder (EI-ADO Beef VC study 2012)
Growth Potential	
Trends and expected trends	• Beef prices increased rapidly from 2001 to 2012 (avg. 10.6% annually) in Jakarta. • Recent policy on tightening imports of live cattle and boxed beef provide an excellent boost to already increasing demand of local beef and live cattle.
Potential for productivity improvements	A shift from a low to higher productivity system will: • Increase the turnoff of cattle (20%) and the liveweights of cattle sold (by 35%) which increases revenue by 100%; • Increase costs by 100% (collecting feed and higher depreciation of pens); • Double gross returns to cattle farmers to >IDR 6 million; • Deliver price premiums of 5-10% through improved marketing and sales channels, leading to a corresponding increase in returns (with no significant increases in costs). Opportunity also exists for EJ smallholders to fill the market gap of the production stage between cow-calf and fattening/finishing stages
Constraints	• Only a small percentage of poor farmers (10%) would have a sufficient level of organization and capacity to adopt the AI interventions • Feeding practices are sub-optimal from both productivity and economic perspectives
Potential for systemic intervention	
Availability and willingness of potential partners	• Fee structures that reward successful conceptions with AI (not just attempts) would increase incentives for agents • Feed trading is a growing business; Feed traders follow the market days in EJ and thus need to be engaged • Medium and large sized feedlots such as Wahyu Utama and Sapindo need to secure supply for their feedlot
Availability potential NGOs/CSOs	• Large-scale feedlots may be a member of AFPINDO[1], but small scale may not have AFPINDO membership • There are no formal NGOs that work with the AI providers and feed traders
Other Priorities	
Relevance to government programs	These interventions have no conflict with current government initiatives in EJ • AI is fully supported by the government. • No regulation applied on feed trade • development of high-quality feeder cattle supported
Relevance to environmental aspect	• Intensification of cattle production (resource depletion, grassland degradation, weed invasion, effluent runoff, possibly methane emissions) • Positive effects from better use of agriculture by-products and chemical application as well as improved farm management practice
Relevance to gender & social inclusion	• Some activities may reduce demands on female labour. E.g. planting tree forages will mean less time for women collecting feed

[1] Asosiasi Produsen Daging dan Feedlot Indonesia (*beef producer and feedlot association*)