

The Attached Document

1. Background of the Project

West Nusa Tenggara Province (hereinafter referred to as NTB), composed of Lombok and Sumbawa islands, is characterized by its dry climate and scarcity of water resources. Because of insufficient water, productivity of agriculture, the main industry, remains low and it is estimated that more than 30% of the population is living under the poverty line.

At the same time, NTB has been known as a remarkable source for beef cattle production and potential export area. However, the farmers in NTB face obstacles and constraints such as shortage of water, limited forage in dry season and lack of capital necessary for beef cattle production.

Meanwhile, the Government of Indonesia (hereinafter referred to as "GOI") formulated Mid-term National Development Plan (2004 - 2009) in 2005, in which poverty reduction is mentioned as one of priority issue. Accordance with this plan, rural development in the eastern part of Indonesia is classified as poverty area and is given high priority.

On the other hand, Ministry of Agriculture is enhancing beef cattle production development utilizing local resources with the aim of improving self-sufficiency of beef as well as increasing farmers' income based on the National Livestock Development Plan.

Under the circumstances, GOI is trying to alleviate the poverty in NTB by enhancing livestock through technology transfer as well as satisfying the domestic needs for beef increasing in recent years. When the livestock is enhanced successfully in the Province, and as the number of the cattle raised increases, the income of farmers is expected to increase.

2. The Results of the Field Studies

The Team reported the results of the field studies as follows;

2.1 Identification of the present situation

[Present situation of small-scale farmers' livelihood]

The results of the field studies on this issue are described in Annex 1. The results indicate that beef cattle production is taking an important role in farmers' economy. Therefore it is expected that promotion of beef cattle production will contribute to improve small-scale farmers' livelihood.

[Present situation of beef cattle production]

- (1) In the villages where the Team conducted the field studies, hygiene of cow shed and paddocks are well maintained. Most cattle are in good nutritional condition and thin cattle or diseased cattle could hardly be observed. The farmers, supported by livestock extension officers, possess basic technique of cattle raising.
- (2) In Lombok, where artificial insemination is widely applied, high breeding efficiency was inferred from interview to farmers. On the other hand, in Sumbawa, natural crossing is dominant measure for reproduction. Most of the cattle show small build and the factor affecting to the body size should be identified.
- (3) Techniques for manure processing should be improved.

- (4) NTB has potential to increase the number of beef cattle by optimally utilizing local resources for forage such as wild grass and agriculture by-products, whereas securing forage in dry season is the most critical issue for cattle raising farmers.

2.2 Issues to be addressed

- (1) To secure forage for beef cattle in dry season
- Improvement of utilization of agriculture by-products
 - Introduction of hay and silage production techniques
 - Introduction of forages which have high drought resistance
 - Improvement of feeding management
- (2) To provide efficient technical services to the farmers
- Training for livestock services officers including extension workers
- (3) To review of existing financial support
- Review of existing financial support system
 - Exploring effective measure for financial support
- (4) To avoid negative impact to the environment of villages caused by cattle raising.
- Utilizing cattle manure for farming
 - Improvement of composting and its application to farming
- (5) To empower farmers group
- Training for farmers group

3. The Results of the Discussions

- (1) Through the discussions, both GOI and the Team clarified the basic concept of the Project as follows;

- The Project aims at increasing income of small-scale farmers through promoting beef cattle production
- The target group of the Project should be small-scale farmers who have a difficulty in access to water resources
- The Project addresses to improve supporting system for small-scale farmers thereby enabling them to have opportunities to raise beef cattle and increase beef cattle production with their own resources

- (2) GOI raised some comments and requests as follows;

- It is requested that the Project activities will be implemented in both Lombok and Sumbawa islands
- It is requested that facilities and training opportunities will be provided for two technical service units; BLPKH Banyumulek and BPT-HMT Serading
- It is requested that biogas from cattle manure as an energy resource for household will be introduced
- GOI emphasized the importance of collaboration and coordination among agriculture

sub-sectors for successful implementation of the Project

-Central and Provincial Government are ready to implement the Project and have a plan to allocate the counter-budget for the next year

The Team promised to convey the requests to JICA headquarters.

(3) The Team raised some comments and requests as follows;

-To extend and apply the outcomes of the past JICA livestock technical cooperation projects in Indonesia

-The Team explained that the following measures shall be arranged by GOI before commencement of the Project

- 1) Appointment of full time counterpart in the Provincial and District government
- 2) Stable and adequate budgetary allocation for the smooth implementation of the Project
- 3) Office space and related facilities for JICA experts

4. Future Schedule

4.1 Tentative PDM

Project Design Matrix (PDM) ver.0 was drafted in PCM workshop held in NTB in March 2005. Based on the PDM ver.0 and the results of the field studies and discussions, JICA will formulate draft PDM ver.1 and send it to GOI without delay.

4.2 The Second Preparatory Study Team

The Second Preparatory Study Team would be dispatched when necessity arises.

