

**KEYNOTE ADDRESS :**  
**MINISTER AND AGRICULTURE OF REPUBLIC OF INDONESIA**  
**Bungaran Saragih**

Distinguishes Animal Scientist, Researchers, Policy Makers, Enterpreneuers, Livestock Producers, Students, Organization Involved in Livestock Breeding, Production, feeding and Marketing and All people Concerned with the Development of Tropical Animal Production.

Good Morning and peace be Upon All of Us.

In this special occasion, first of all let us pray the God Almighty, because with His Mercy we can gather together in this special place. I'm very please for the conduct of **"The 3<sup>rd</sup> International Seminar on Animal Tropical Production"** at the Faculty of Animal Science of the Gadjah Mada University, Yogyakarta, Indonesia. I also believe that the theme of the seminar is appropriate, namely: **"Animal Production and Total Resources"**. I mention that because, the current condition of most developing countries including Indonesia are full of challenges. As a result, hardwork is needed to create technology innovation based on local resources for the benefit of business actors.

I would like to thank and sincerely appreciate all the organizing committees, paper presenters and all invitees who have participated in this occasion. For the delegates from overseas countries, I welcome you in Indonesia and please enjoy the beauty and cultural-rich of Yogyakarta city.

Distinguished Delegates, Ladies and Gentlemen,

Furthermore, I would like to inform you that during the last several years, there have been some changes in national development policies, including those in the agricultural sectors. Those changes particularly are due to the monetary and economic crisis since mid 1997. Hence, agricultural sector policies experienced reform processes which have required a new paradigm for agricultural development to be introduced in Indonesia.

Agricultural development in Indonesia in the future is an integrated growth of all economic aspects which are inter-connected in one industrial cluster. The industrial cluster consists of 5 sub-system of agribusiness, namely up-straeam, on farm or livestock, processing, marketing and supporting service subsystems. These sub systems should be developed simultaneously and harmoniously.

In Indonesia, agribusiness sector has played an important role in national development both directly and indirectly. Directly, the agribusiness sector plays an important role in formation of Gross Domestic Products (GNP), labour force creation, source of incomes, poverty alleviation, export earnings, and creation of

national food security. Indirectly the roles of agribusiness sector are in the creation of conducive environment for the development and synergism relationships with other sectors. During 1990 to 1995, the agribusiness sector contribution increased from 45 percent to 47 percent of total added values. During the same period of time this sector absorbed the largest work force namely about 75 percent of total national labor force absorption. The role of agribusiness sector in export earnings through national exports increased from 43 percent to 49 percent.

On this great opportunity, let me present a thought that has been part of the national agricultural development grand strategy in Indonesia. The development of agricultural sector means to develop **agribusiness system and business**. In order for agribusiness system and business to be sustainable, it has to be competitive, people oriented and decentralized.

**Sustainable** means ability to increase the capacity of agribusiness resources from time to time for the welfare of society and environmentally friendly. Therefore, economic incentive and benefit distribution among the agribusiness actors is very crucial to ensure the sustainability of the agribusiness system and business.

**Competitive** means an ability to penetrate markets. Thus, there should be a transition from market what you can produce into produce what you can market.

**People oriented** on the development of agribusiness system and business means not only related to small and medium scale but also related to large scale enterprises with partnership and Win-Win Solution. Therefore, the role of government is expected to empower and facilitate creativity on the whole society in all regions.

The development of agribusiness system and business which is **decentralize** means that economic activities is governed by society itself according to regional conditions based on comparative advantage and local aspirations. Naturally, the development of agribusiness system and business is basically the development of regional economy. This is very much in line with the essence of regional autonomy. This is very much in line with the essence of regional autonomy that has been in progress right now.

Distinguished Delegates, Ladies and Gentlemen,

Livestock development in particular as far as I am concerned is part of the agribusiness system and business. Livestock performance so far is very promising. However, we have to acknowledge that during the monetary and economic crisis from 1997 to 1999, livestock development experienced negative growth rate namely minus 3.9 percent. Nevertheless, since 2000 livestock has recovered and now it increased by 4.1 percent. Based on current estimates, livestock sector growth rate can be higher than the average agricultural sector. It means that livestock sub-sector in the future can be an “engine of growth” of agricultural sector. In addition, in line with the growth in income and human population, then the demand for livestock products will increase accordingly.

Besides having an important role in the national economic development, livestock agribusiness is one of the main sources of income in rural areas. The other achievement is in the field of commercial poultry industry, meat and pig exports as well as an ability to keep Indonesia free from various contagious animal diseases such as Foot and Mouth Diseases (FMD), BSE (Mad Cow) and several strategic diseases from List a of Office International Des Epizooties (OIE).

Distinguished Delegates, Ladies and Gentlemen,

Through this seminar, I do hope that in the near future livestock farmers can apply appropriate technology based on local resources in their agribusiness activities. Therefore, their dependence upon imported inputs and technologies can be minimized. During the recent monetary and economic crisis, it was proved that only local animal with local resources that could survived even they can be buffer from further downall. I hope that technology innovation can increase the added value of a product. Science is truly important, but advance science without appropriate technology will be meaningless for the society.

Distinguished Delegates, Ladies, and Gentlemen,

These are my main thoughts on **“Animal Production and Total management of Local resources”** and hope will be useful to all of us. May God Bless us for the good things that we have done. Thank you very much indeed.

Yogyakarta, 15 Oktober 2002