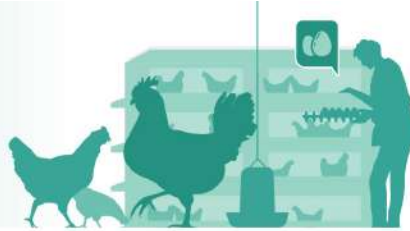


# INTEGRATED POULTRY FARMING



MINISTRY OF INVESTMENT/  
INDONESIA INVESTMENT COORDINATING BOARD

Strategic Investment Project Opportunities to Support the Development of the New Capital City Nusantara

EAST KALIMANTAN PROVINCE

## Project Profile



Poultry commodities contribute 60% to the agriculture GDP and employ 10% of the national workforce, with an economic value reaching IDR 700 trillion;

The demand for chicken meat is predicted to continue rising in accordance with the recommended consumption target set by Food Agriculture Organization at 10.86 kg/capita/year;

The shift of population from DKI Jakarta to the New Capital City Nusantara is predicted to increase the demand of broiler chicken and eggs consumption;

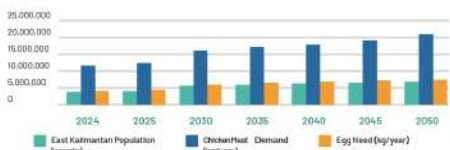
The demand fulfillment in East Kalimantan is faced a deficit in June 2022, importing 425,500 kg of frozen poultry meat from Java (Livestock and Animal Health Service Office, 2022).

## Market Opportunity

### Supply & Demand

The sustainable supply of animal protein in East Kalimantan is very crucial, considering the current 11% deficit in poultry products. Along with the designation of East Kalimantan as the New Capital City Nusantara, there will be a population shift from DKI Jakarta, estimated to reach 2.5 million people by 2025 and 6 million people by 2050. Moreover, this integrated poultry farming business holds the potential to increase poultry product trade capacity with several countries.

### Projections of Chicken and Eggs Consumption in East Kalimantan + The New Capital City Nusantara



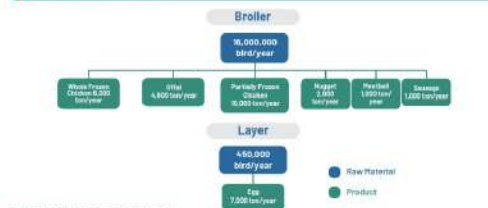
Source: KSO Anytha-Socofindo (analyzed)

### Market Targets

Product	Marketing Potential
Whole and partially frozen chicken	Eastern Indonesia, Kalimantan Island & Timor-Leste and Papua New Guinea
Egg	Kalimantan Island, and Eastern Indonesia
Nugget, sausage, meatball	East Kalimantan, South Kalimantan, Central Kalimantan, and North Kalimantan

Source: KSO Anytha-Socofindo (analyzed)

### Production Targets



Source: KSO Anytha-Socofindo (analyzed)

## Financial Feasibility

CAPEX Capital Expenditure	IDR 1.44 T	NWC Net Working Capital (CAPEX 3 Months)	IDR 231.90 M
WACC Weighted Average Cost of Capital	10.19%	NPV Net Present Value	IDR 462.64 M
IRR Internal Rate of Return	13.51%	PP Payback Period	7 years
<b>FUNDING STRUCTURE</b>	<b>70% Debt 30% Equity</b>		

### Revenue Structure



### Business Field(s)

KBLI 01451	Cultivation of Broiler Chickens
KBLI 01452	Cultivation of Laying Hens
KBLI 10120	Poultry Meat Slaughter & Packing House Activities
KBLI 10130	Meat and Poultry Products Preservation and Processing Industry

### Investment Value

IDR 1.67 T

## Technical Aspect

### Business Process



Source: KSO Anytha-Socofindo (analyzed)

### Cooperation Scheme



A cooperation scheme was developed between the company and existing farmers. The company acts as an off-taker of live birds harvested by farmers for further processing at the Poultry Slaughterhouse (RPU) and Food Processing unit. The company has the responsibility of knowledge and technology transfer to farmers in good management practices to produce quality products.

### Infrastructure

Raw Water	Water Requirement	Availability
Industry Location	Water River Drilling Well: 282 liter/sec 16-17 liter/sec	1 liter/sec
Extractive Land	Samboga Lake Drilling well: 200 liter/sec 2.5-5 liter/sec	10 liter/sec

### Telecommunication

Wireless telecommunications network for telephone and data are already available through 3 BTS Towers

### Electricity

Industry Location  
Kariangau Power Plant (supply 12 MW, needs 1.5 MW)  
Extractive Land  
(supply 223 MW, needs 2 MW)

### Waste Processing Site

Industry Location  
Existing waste processing plant distance from the location is 0.8 km  
Extractive Land  
Existing waste processing plant distance from the location is 18 km

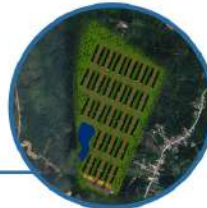
### Accessibility



Access to Raw Materials Days Old Chicken (DOC)	44.6 km	1 hour 36 minutes
Access to East Kalimantan Port, Kariangau Terminal	77.8 km	1 hour 44 minutes
Access to Food Processing Land	78.8 km	1 hour 49 minutes
Access to Aji Muhammad Sulaiman Sepinggan Airport	74 km	1 hour 53 minutes

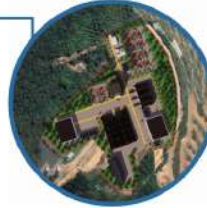
- Primary Collector Road (ROW ±16 meter)
- Other Road (ROW ±7 meter)
- Primary Collector Road 3 (ROW ±7 meter)
- TOL Road (ROW ±13 meter)
- Primary Collector Road 2 (ROW ±8 meter)

## Project Location



**Samboga District,  
Kutai Kartanegara Regency**  
(The location is in the Detailed Spatial Plan of New Capital City Nusantara in the Planning Area B Kuala Samboga)

Land Area	50 ha
Land Title(s)	Freehold Title
Land Price	IDR 500,000/m <sup>2</sup> (purchase)



**Kariangau Industrial Designation Area,  
Balikpapan City**

Land Area	5 ha
Land Title(s)	Building Rights Title
Land Price	IDR 1,500,000/m <sup>2</sup> (purchase)

## Development Plan

### EXTRACTIVE LAND



### INDUSTRIAL LAND



## Government Support

### Technical Policy

Government Regulation No. 26 of 2021  
Concerning The Implementation of Agriculture

### Incentives

- Fiscal**
- Import Duty Exemption**
    - MoF Regulations No.176/2009 Jo. 188/2015  
Exemption from import duties on imported machinery as well as goods and materials for construction or industrial development in the context of capital investment.
  - Super Tax Deduction**
    - MoF Regulations No. 128/Mof.010/2018  
Concerning the Provision of Gross Income Reduction for the Implementation of Work Practice, Apprenticeship, and Learning Activities in the Framework of Coaching and Development of certain Competency-Based Human Resources.
    - MoF Regulations No. 153/2020  
On the Provision of Gross Income Deductions for Certain Research and Development Activities in Indonesia.
- Non Fiscal**
- East Kalimantan Governor Regulations No. 10 of 2018 on Guidelines and Procedures for Providing Investment Incentives and Facilities in the Regions
    - Provision of data and information on investment opportunities;
    - Acceleration of licensing;
    - Provision of land or location;
    - Advocacy;
    - Facilitation or provision of business facilities and infrastructure.

### Business Licensing Process in the OSS - RBA System



You can download the business licensing application guide at:

<http://oss.go.id/en/panduan>

## Contact Information

Ministry of Investment/Indonesia Investment Coordinating Board  
Directorate of Natural Resources Planning

- +62 21 5225837
- tu.ditpias@bkpm.go.id
- Jl. Jend. Gatot Subroto No. 44, Jakarta 12190, Indonesia
- <https://regionalinvestment.bkpm.go.id/>







# INTEGRATED POULTRY FARMING

## EAST KALIMANTAN PROVINCE

Strategic Investment Project Opportunities  
to Support the Development of the New  
Capital City Nusantara

FOR MORE INFORMATION  
SCAN QR HERE



Ministry of Investment/Indonesia Investment Coordinating Board

X bkpm

f Kementerian Investasi/BKPM

@ bkpm\_id

▶ Kementerian InvestasiBKPM



## Project Profile



Poultry commodities contribute 60% to the agriculture GDP and employ 10% of the national workforce, with an economic value reaching IDR 700 trillion;



The demand for chicken meat is predicted to continue rising in accordance with the recommended consumption target set by Food Agriculture Organization at 10.86 kg/capita/year;



The shift of population from DKI Jakarta to the New Capital City Nusantara is predicted to increase the demand of broiler chicken and eggs consumption;



The demand fulfillment in East Kalimantan is faced a deficit in June 2022, importing 425,500 kg of frozen poultry meat from Java (Livestock and Animal Health Service Office, 2022).



### Business Field(s)

KBLI 01461	Cultivation of Broiler Chickens
KBLI 01462	Cultivation of Laying Hens
KBLI 10120	Poultry Meat Slaughter & Packing House Activities
KBLI 10130	Meat and Poultry Products Preservation and Processing Industry

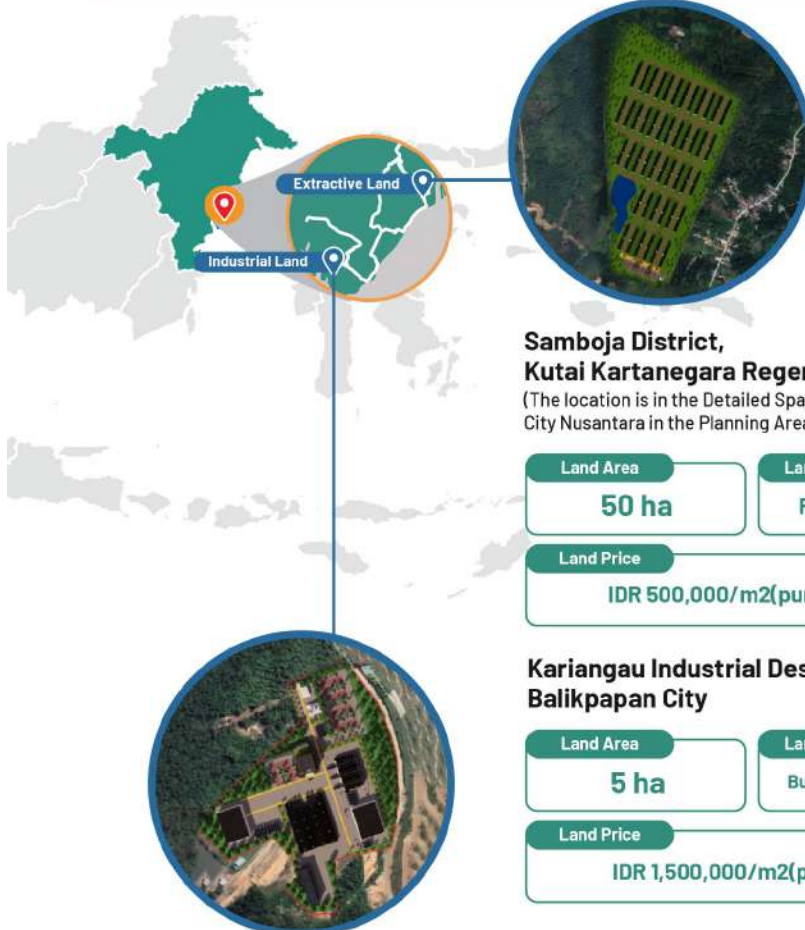


### Investment Value

**IDR 1.67 T**



### Project Location



#### Samboja District, Kutai Kartanegara Regency

(The location is in the Detailed Spatial Plan of New Capital City Nusantara in the Planning Area 8 Kuala Samboja)

Land Area

**50 ha**

Land Title(s)

Freehold Title

Land Price

**IDR 500,000/m2(purchase)**

#### Kariangau Industrial Designation Area, Balikpapan City

Land Area

**5 ha**

Land Title(s)

Building Rights Title

Land Price

**IDR 1,500,000/m2(purchase)**





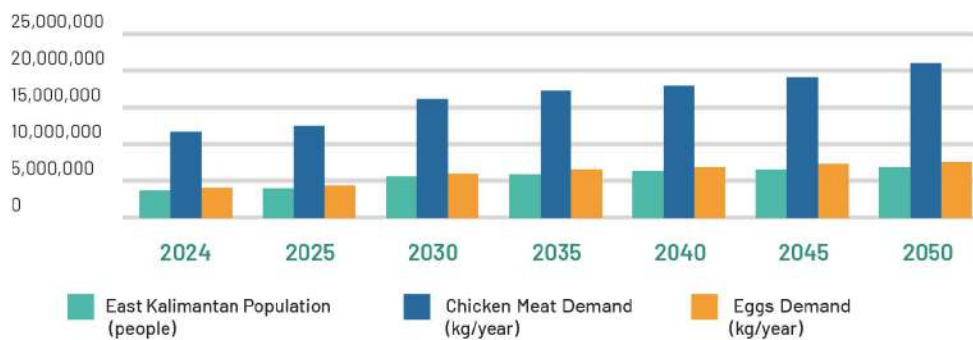
# Market Opportunity



## Supply & Demand

The sustainable supply of animal protein in East Kalimantan is very crucial, considering the current 11% deficit in poultry products. Along with the designation of East Kalimantan as the New Capital City Nusantara, there will be a population shift from DKI Jakarta, estimated to reach 2.5 million people by 2025 and 6 million people by 2050. Moreover, this integrated poultry farming business holds the potential to increase poultry product trade capacity with several countries.

### Projections of Chicken and Eggs Consumption in East Kalimantan + The New Capital City Nusantara



Source: KSO Amythas-Sucofindo (analyzed)



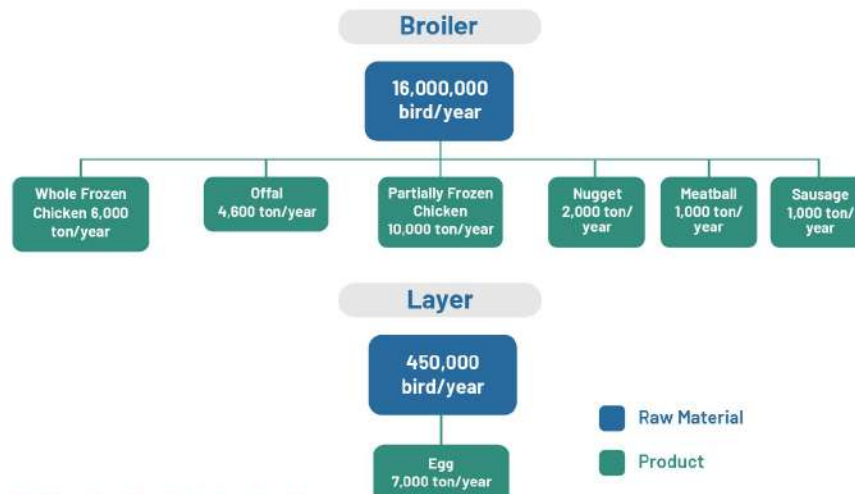
## Market Targets

Product	Marketing Potential
Whole and partially frozen chicken	Eastern Indonesia, Kalimantan, Timor Leste and Papua New Guinea
Egg	Kalimantan and Eastern Indonesia
Nugget, sausage, meatball	East Kalimantan, South Kalimantan, Central Kalimantan, and North Kalimantan

Source: KSO Amythas-Sucofindo (analyzed)



## Production Targets



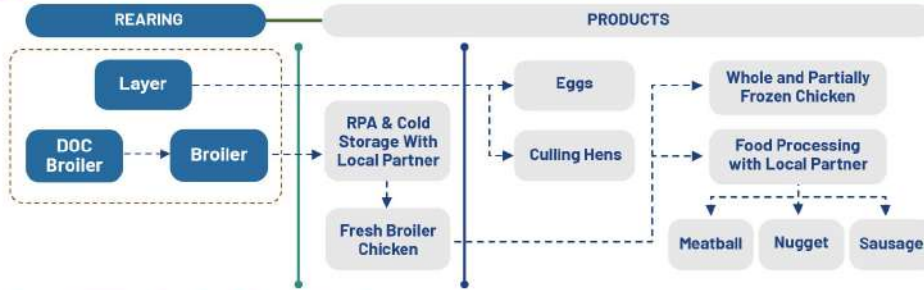
Source: KSO Amythas-Sucofindo (analyzed)





# Technical Aspect

## Business Process



Source: KSO Amythas-Sucofindo (analyzed)

## Cooperation Scheme

Farmers

Live Birds

Knowledge and Technology Transfer

Investors

A cooperation scheme is developed between the company and existing farmers. The company acts as an off-taker of live birds harvested by farmers for further processing at the Poultry Slaughterhouse (RPU) and Food Processing units. The company is responsible for knowledge and technology transfer to the farmers in good management practices to produce quality products.

## Infrastructure



### Raw Water

	Availability	Needs
Industry Location	Wain River: 262 liter/sec Drilling well: 16-17 liter/sec	1 liter/sec
Extractive Land	Samboja Lake: 200 liter/sec Drilling well: 2.5-5 liter/sec	10 liter/sec



### Waste Processing Site

#### Industry Location

Existing waste processing plant distance from the location is 0.8 km

#### Extractive Land

Existing waste processing plant distance from the location is 18 km



### Electricity

#### Industry Location

Kariangau Power Plant (supply 12 MW, needs 1.5 MW)

#### Extractive Land

(supply 223 MW, needs 2 MW)



### Telecommunication

Wireless telecommunications network for telephone and data are already available through 3 BTS Towers

## Accessibility



### Access to Raw Materials Days Old Chicken (DOC)

44.6 km 1 hour 38 minutes

### Access to East Kalimantan Port, Kariangau Terminal

77.8 km 1 hour 44 minutes

### Access to Food Processing Land

78.8 km 1 hour 49 minutes

### Access to Aji Muhammad Sulaiman Sepinggan Airport

74 km 1 hour 53 minutes

- Primary Collector Road (ROW ±16 meter)
- Primary Collector Road 3 (ROW ±7 meter)
- Primary Collector Road 2 (ROW ±8 meter)
- Other Road (ROW ±7 meter)
- TOL Road (ROW ±13 meter)

## Manpower

Requirement 346 Workers

### Minimum Wage

IDR 3,475,595

### Minimum Wage

IDR 3,536,506.28

\*Local Minimum Wage of Balikpapan City 2024

\*Local Minimum Wage of Kutai Kartanegara Regency 2024





## Financial Feasibility

**CAPEX**  
Capital Expenditure

**IDR 1.44 T**

**NWC**  
Net Working Capital  
(OPEX 3 Months)

**IDR 231.90 M**

**WACC**  
Weighted Average Cost of Capital

**10.19%**

**NPV**  
Net Present Value

**IDR 462.64 M**

**IRR**  
Internal Rate of Return

**13.51%**

**PP**  
Payback Period

**7 years**

### FUNDING STRUCTURE

**70% Debt**  
**30% Equity**

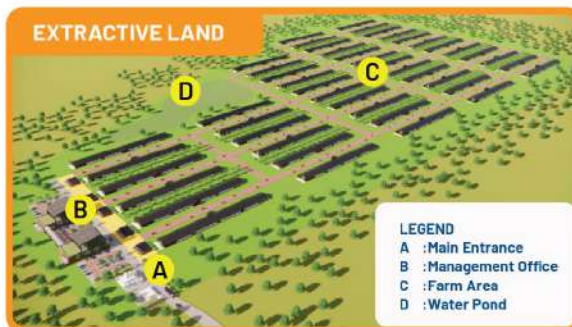


### Revenue Structure

1<sup>st</sup> year revenue (production) **IDR 1.08 trillion** consists of :



## Development Plan





## Government Support



### Technical Policy

Government Regulation No. 26 of 2021  
Concerning The Implementation of Agriculture



### Incentives

#### Fiscal

#### Import Duty Exemption

- **MoF Regulations No.176/2009 Jo. 188/2015**

Exemption from import duties on imported machinery as well as goods and materials for construction or industrial development in the context of capital investment.

#### Super Tax Deduction

- **MoF Regulations No. 128/MoF.010/2019**

Concerning the Provision of Gross Income Reduction for the Implementation of Work Practice, Apprenticeship, and Learning Activities in the Framework of Coaching and Development of Certain Competency-Based Human Resources.

- **MoF Regulations No. 153/2020**

On the Provision of Gross Income Deductions for Certain Research and Development Activities in Indonesia.

#### Non Fiscal

#### East Kalimantan Governor Regulations No. 18 of 2018

on Guidelines and Procedures for Providing Investment Incentives and Facilities in the Regions

- Provision of data and information on investment opportunities;
- Acceleration of licensing;
- Provision of land or location;
- Advocacy;
- Facilitation or provision of business facilities and infrastructure.



### Business Licensing Process in the OSS - RBA System

#### Registration

- Access Rights
- Register Business Actor Data and Business Data

#### Basic Requirement

- Spatial Conformity (KKPR)
- Environmental Approval
- Building Approval and Functional Certificate (if required)

#### Business License

- Business Identification Number (NIB)
- Standard Certificate (SS)
- Licenses based on the risk

You can download the business licensing application guide at:



<http://oss.go.id/en/panduan>



## Contact Information

Ministry of Investment/Indonesia Investment Coordinating Board  
Directorate of Natural Resources Planning



(+62) 21 5225837



tu.ditpiasl@bkpm.go.id



Jl. Jend. Gatot Subroto No. 44, Jakarta 12190, Indonesia



<https://regionalinvestment.bkpm.go.id/>

SUSTAINABLE  
DEVELOPMENT  
GOALS

