



Prepared by



## Livestock Development Corporation

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Title: **Stories for November Supplement**

### 1. Managing Director Message – (Picture of MD Terry Koim)

As we draw near to the end of 2022 it is with confidence that I say, the Livestock Development Corporation is indeed progressing at such a level which was once thought, impossible; the once tagged, 'Dead livestock' corporation is gradually making a mark and surely moving at a significant phase to fulfill the Marape Government's vision to revive, refurbish and most importantly resurrect this 'sleeping giant', the Livestock industry.

I would like to acknowledge our Prime Minister, the Hon. James Marape for establishing a ministry for the Livestock industry; This now makes it possible for us to achieve our existing goals and one of the most important one of being an Authority, to deal accordingly as a government entity and to regulate this industry.

We are also adamant to achieve the task set by the Prime minister under the MTDP III to implement the Cattle Breeding Program which will ensure PNG becomes self-sufficient in beef production by 2025.

As it is, so far the Livestock Development Corporation has exhausted **K18 million** from 2020 to October 2021 however if a major strategic intervention and expand the beef cattle industry were to be carried out with at least **K9 million** set for rehabilitation and restocking of the 4 major cattle ranches and another **K11million** spent on rehabilitation and construction of 4 major regional abattoir and meat processing plants, there is a possibility of reaching a projected net operating profit of more than **K82 million** by year 2025.

In just a year (2020 – October 2021), LDC has progressed many programs and projects as illustrated in the break-up below:

1. PIP - 2020 : K 5.0 Million - 2021 : K1.0 Million
2. Agriculture Intervention Program  
LDC 2020/2021: K6.0 Million  
Other program funds used (*to date*): K6.0 Million

### ➤ **BRIEF HISTORY LIVESTOCK DEVELOPMENT COPORATION – Story line**

Since its inception 40 years ago the industry has not experienced tangible intervention despite the steady increase of meat and poultry imports indicating a rise in livestock consumption annually and this can only be pinned down on the lack of effort, motivation and investment into the old LDC.



With its prime objective to generate revenue for the Government by commercialising beef cattle production through its many ranches and abattoirs, this could not eventuate due to many factors including the lack of :

**Governance**

- No proper Board since 2013
- No audited financial reports since 2010
- No proper management structure since 2010

**Operational**

- Cattle ranches run-down since 2014.
- Abattoirs shut down since early 1990's
- Only 74 cattle remained as of June 2019 from a herd of 3850 in 2014

**Financial**

- No operational funds from internal revenue since 2014
- No PIP funding from 2014 – 2018
- K10m PIP Funds misappropriated by DAL management - August and December 2018.

➤ **From 2019, the LDC was slowly being refurbished with notable efforts including:**

➤ **RESTORING GOVERNANCE**

1. OCTOBER 2020 - Appointment of Board of Directors
2. 2010 – 2018 - Audited Financial Reports
3. JUNE 2021 – audit to take place for Financial Reports for 2018 – 2020
4. AUG 2021 - Organizational Restructure completed sent though SCMC for vetting and approval
5. Regular quarterly Board meetings

➤ **AGRICULTURE INTERVENTION PROGRAM**

Under this notable program LDC kickstarted partnership projects which led to various Provincial governments and districts as well as independent businesses coming on board to participate, this program was initiated to promote sustainability and longevity of the livestock commercialization and farming.

- ❖ LDC was allocated K6 million from the K50 million Agriculture Intervention & Price Support Program under Marape/Basil Government. Another K10 million was allocated to LDC include:
  - a) K5 million – Rice
  - b) K1 million - Apiculture
  - c) K1 million – Small Livestock
  - d) K1 million – Citrus
  - e) K1 million – Sepik Agriculture
  - f) K1 million - Land Reclamation and Valuation
- ❖ Due to lack of PIP funds to LDC in 2021, LDC used K6m to continue its PIP projects
- ❖ LDC also delivered Apiculture, Land Reclamation and Small Livestock projects, except for Rice and Sepik Agriculture projects which are yet to be rolled out.

➤ **LAND RECLAMATION**

In March 2020, the LDC was instructed by the Prime Minister to reclaim all state-owned land under LDC.



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The reclamation exercise was driven by the absence of official title of all state leases albeit having existing operations or facilities established on those state lands like abattoirs, cattle station and cattle ranches; Upon realizing that most of the state leases have no official records, LDC was prompted to address this issue with the assistance from the Lands secretary.

However even with all records, LDC still doesn't have state leases hence they have engaged a surveyor to start doing the boundary reidentification survey across the country.

So far the LDC have successfully obtained the first title for konfam – Jiwaka, completed survey for the Launakalana ranch and Wariman cattle station in Wewak. They are now embarking on completing the boundary reidentification survey for Baiyer and other ranches and estates across the country.

LDC has reclaimed up to 29,400 ha of state leases from illegal squatters and going forward, LDC will ensure that they have official title so when they become a regulator no longer be involved in the Commercial aspect of livestock production; this will now be offloaded to interested partners hence LDC state leases will be made available to whoever is interested in livestock business.

#### ➤ **REHABILITATION AND RESTOCKING OF ALL LDC STATIONS AND RANCHES**

At the moment LDC has more than 1000 heads where Zuguru has 230 heads, Bihute – 58 heads, Sagalau – 90, Murunas 50, Erap 212, Wariman / Sepik – 53, Launakalana 28, and Sialum 310 which is a far reach from its goal to reach 100 000 breeders within 5 years under the Medium Term Development Plan 111 2018 – 2022, National Cattle Breeding Program however they are confident that they are heading in the right direction.

#### ➤ **THE LDC HAS;**

- rehabilitated 2 abattoirs and 4 cattle ranches,
- restocked 697 cattle with possession of 7 buffalos and 14 goats,
- stock 58 honeybee hives,
- procured 10 new vehicles (2 vehicle already, purchased and will deliver in June) and 1 x 6 tonne truck and reclaimed x3 old vehicle-toyota utility,
- procured 4 x new tractor with implements, and
- procured 2 x new 50kva genset and 6x 5kva.

#### ➤ **SUPPORT TO SMALLHOLDER FARMERS**

This project has seen many smallholder farmers benefiting from partnership with LDC, including:

1. Sialum Cattle farmers Market Support Project - Morobe
  2. White Bull Cattle - Morobe
  3. Kwimbu Ranch – East Sepik
  4. Whagi Cattle Farmers – Jiwaka
  5. Kurakakaul Abattoir Rehabilitation – East New Britian
  6. Apiculture Industry Support – EHP and highlands
- ❖ LDC signed MOU with Tewai-Siassi Cattle Farmers Cooperative of Sialum and presented a K100,000.00 cheque plus a vehicle (Toyota Utility). Logistics arrangement for transportation of cattle from Sialum to Erap and other cattle ranches is currently in progress. Thus, LDC will provide a market to Sialum Cattle Farmers.

- Special Government Intervention on Apiculture Industry (*Honey bee*)



- ❖ LDC launched Honey Bee Project in Goroka on 21/5/21 and presented 72 bee hives, 11 honey extractor to the farmers from EHP, Simba, Jiwaka, WHP and Enga and presented K10,000 cheque each to Unggai-Bena Bee Farmers Cooperative and Daulo Bee Farmers Cooperative.
- ❖ LDC tied its smallholder farmers through MOU/MOA. LDC also partnering with DDAs and Provincial Governments through MOU/MOA.

➤ **LDC EMPLOYEES TO GO ON ALESCO, 2023**

As an organization, one is only as strong as the people that make up that same organization and this phrase is befitting for LDC staff as they continue to drive this organization with sheer determination and hard-work.

However it is a sad scenario when someone, even in management position can only do so much because of the situation or circumstances presented; LDC employees get paid depending on the revenue that is generated on the LDC assets – like abattoir and ranches and when these assets are run – down or do not generate income, employees are left without salary, even to the extent for years.

I have been trying my best to get them to be a part of the government payroll system under Alesco. This is now in progress and this would not have been possible if the Prime Minister did not appoint a minister for Livestock.

Now that LDC has come under its own ministry, it makes it possible for us to vie to become an authority where many benefits including our employees being transferred under the Alesco Payroll system as public servants.

This move will also allow for us to have our own IFMS system; The department of finance and treasury are working very closely with us to set up the IFMS system because they have also provided budget code – a separate agency budget code for LDC.

Hence from 2023 onwards LDC will not receive its funding from the government through the DAL, but instead receive it through Treasury and so our staff don't have to be left high and dry or waiting for their dues to hit their accounts on time.

I am proud to say that this is the first of its kind after 40 years; this change will also be beneficial for farmers as well as they have been operating on their own and nobody was controlling the sector and nothing was being done to improve the livestock industry.

The livestock industry has been neglected for so long and now we need to give the prominence that it so deserves and so within the last 2 years, I can confidentially say that LDC has done a pretty good job in rehabilitation and we are ready to go into the next phase and we will be in need now more than ever for more government support to actually help us actualize the government's dreams to see PNG become self-reliant in meat production by 2025.

**APPROVED FOR RELEASE**

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**Terry KOIM**  
**Managing Director – LDC**