IBEP-P 2026/01

Indonesian Beef Export Protection Policy 2026

Australia sells meat, not the abattoir.

Companion instruments: Indonesian Beef Export Protection Bill 2026 and Explanatory Memorandum EM-IBEP 2026/01. 6 October 2026.

Operative rule
Domestic slaughter is the default. A market that burdens boxed beef and not live cattle is a displacement market. Indonesia is the first. The live feeder trade into that market pays the processing margin it shifts offshore, and Australian processors have first call on the cattle.

1 Determination

This paper is Australian Government policy on where Australian cattle are slaughtered and who keeps the processing margin. It is the parent of the Indonesian Beef Export Protection Bill 2026.

From 18 October 2026, Indonesia's Law 33/2014 on Halal Product Assurance makes certification, segregation, labelling and importer registration mandatory for boxed beef. Published industry reporting states that the live cattle trade is not subject to those requirements. Indonesia took 583,345 Australian cattle in 2025, about three-quarters of sea cattle exports. Boxed beef into Indonesia is about 20,000 tonnes in the 2026 year to date. The live path escapes the cost. The boxed path carries it. Indonesian feedlots take the kill.

2 Settings

2.1 Live export of feeder or slaughter cattle is permitted only where it does not displace an Australian processing bid. Registered breeding exports under a breeding protocol are outside this policy.

2.2 A foreign market that loads certification, segregation, labelling or religious-compliance costs onto Australian boxed beef, and not onto live cattle, is a displacement market. Indonesia is listed. Any later market that copies the structure is listed by the same test.

2.3 Every head of feeder or slaughter cattle shipped to a displacement market pays a Domestic Value-Adding Displacement Charge equal to the processing margin that would have stayed in Australia. The exporter pays. The cow-calf producer is not the liable party. Until the Secretary determines the margin, it is $350 a head.

2.4 Charge revenue funds northern and regional export-registered beef plants: kill floor, boning room, cold storage. None of it funds a foreign feedlot, a foreign abattoir, or a foreign halal body.

2.5 Before a permit to a displacement market is granted, export-registered Australian processors have five business days to take the line at export parity plus fair road freight. Acceptance refuses the permit for the accepted head.

2.6 Live feeder and slaughter cattle to Indonesia are capped at the 2024 volume, then cut 15 per cent a year for four years, unless the Minister certifies that Indonesia's boxed-beef access conditions are no more burdensome than its live-cattle conditions. The certificate is disallowable.

2.7 The Commonwealth does not fund, insure, finance or sponsor a feedlot or plant in a displacement market whose business is feeding or slaughtering Australian cattle.

2.8 A quarterly report publishes head shipped, boxed tonnes, compliance cost per tonne, charge collected, Australian kills foregone and regional jobs foregone.

2.9 A government-to-government halal arrangement, including the July 2026 arrangement with BPJPH, has no effect in Australian law until laid before each House and not disallowed.

3 What this policy does not do

It does not ban breeding exports. It does not set a religious test for Australian plants. It does not ask Jakarta to soften Law 33/2014. Boxed beef may still enter on Indonesia’s terms. The live-trade subsidy of that choice ends.

AUSTRALIAN LEGISLATIVE ETHICS COMMISSION