



Voluntary Report - public distribution

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GAIN Report #ID2021

## Indonesia

### Dairy and Products

### NFDM: Market Opportunities

## 2002

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#### **Report Highlights:**

**Delays in Australian shipments of NFDM to Indonesia and increasing prices, may present a market opportunity for U.S. NFDM exports. In CY2002, Indonesia is expected to import 100,000 MT of NFDM.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Jakarta [ID1], ID

**Production**

Indonesia does not produce any NFDM and must rely on imports to meet domestic consumption requirements.

**Trade**

The Union of Indonesian Dairy Cooperatives informed FAS/Jakarta that processors are experiencing increased delays of NFDM shipments from Australia. Delays are reportedly occurring due to reductions in Australia's NFDM production--due to drought conditions that caused reductions in feed for dairy cattle, lower yields and decreases in stocks. As a result, Australian NFDM prices have increased above Indonesia's dairy processors purchasing power. The current price of Australian NFDM is \$1350/MT (CIF), and is expected to increase further. Indonesian dairy processors are looking for competitively priced NFDM sources to meet their import demands. In CY2001, Indonesia imported a total of 100,000 MT of NFDM and is expected to import the same volume for CY2002.

**Policy**

The current duty on imports of NFDM to Indonesia is 5 percent. Since the EU's FMD and BSE outbreaks in CY 2001, the GOI has prohibited imports of NFDM and other dairy products from FMD affected countries.

**Market Opportunities**

Trade restrictions on NFDM for several EU countries, coupled with limited supplies in Australia, may present opportunities for U.S. NFDM exporters.