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Post: Jakarta

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Report Highlights:

In 2025/26, Indonesia's coffee production is expected to grow by 5 percent, reaching 11.3 million bags on improved yields from favorable weather and increased inputs. Exports are forecast to rise by 7 percent to 6.5 million bags, while domestic consumption is predicted to be 4.8 million bags due to weak consumer spending. The United States remains one of the largest importers of Indonesian coffee green beans.

Commodities
Coffee, green

Crop area
Crop area in 2025/26 is forecast to remain steady at 1.2 million hectares as no major replanting and expansion programs have taken place in recent years. Smallholder areas may take years to expand due to limited labor in high-altitude lands suitable for arabica crops.

Smallholder plantations averaging between 1 – 2 hectares continue to account for 98 percent of all area. A few large plantations (around 2,000 hectares) located in Sulawesi and Sumatra are owned and maintained by private companies. A state-owned company in East Java also manages a large Robusta plantation.

Sumatera remains Indonesia's largest coffee producing region, producing between 70 – 75 percent of all green bean coffee. Robusta production accounts for approximately 80 – 90 percent of total production and is centered in the Southern region of Sumatera, consisting of the provinces of South Sumatera, Lampung, and Bengkulu. Northern Sumatera is the main producing region of Arabica in Indonesia. Other areas with smaller production are in the high-altitude areas of Java, Sulawesi, and Papua.

Production
Post forecasts Indonesia's 2025/26 coffee production at 11.3 million bags, a 5-percent increase from 10.7 million bags the previous year on favorable weather and increased inputs. In the Robusta production areas of the Southern region of Sumatera, farmers in Jambi and South Sumatera began to harvest in late April to May 2025. The main harvest period is expected to peak between June and July 2025. Post projects Robusta production to increase by 500,000 bags to 9.8 million bags. On improved farm inputs, Post expects 2025/26 arabica production to rise slightly to 1.45 million bags. Arabica crops are harvested twice per year; first between April and May followed by a second harvest which normally begins in September or October.

Post revised up the 2024/25 robusta production estimate to 9.3 million bags due to better-than-expected yields. Exporters noted that many farmers and suppliers were retaining beans from late 2024 to early 2025, anticipating further price increases as bean prices rose 25 percent from November 2024 to March 2025.

Table 1. Indonesia Coffee Production (million 60-kg bags)

	2020/21	2021/22	2022/23	2023/24	2024/25r	2025/26f
Arabica	1.3	1.3	1.4	1.4	1.4	1.5
Robusta	9.4	9.3	10.5	6.8	9.3	9.8
Total	10.7	10.6	11.9	8.2	10.7	11.3

Source: FAS Jakarta

Figure 1. Coffee Cherries One Month from Harvest, and Sun Drying Practice in Lampung

Source: FAS Jakarta, May 2025

Input

On increased margins related to higher coffee prices in the last two years, smallholders began to add more fertilizers, rejuvenated abandoned coffee plantations, and improved maintenance practices. In Lampung, smallholders often get fertilizers and pesticides on credit from village-level coffee aggregators, who are usually smallholder farmers themselves. Family labor is primarily used for non-harvesting activities, while harvesting labor is rotated between farms to reduce labor costs.

Yields

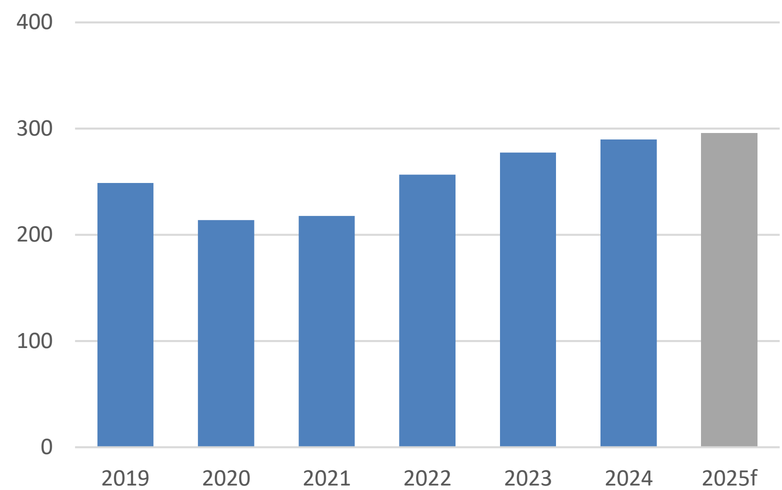
Robusta coffee yields are typically below one ton per hectare and vary by region and are often lower than Arabica coffee yields. In Indonesia, a balance of sunlight and rainfall after flowering is crucial for optimal coffee production. However, heavy rain and strong winds during cherry development may significantly decrease yields. With favorable weather during the flowering period from October to November 2024, most of the robusta crops in low land producing areas are expected to improve.

Use of quality seedlings with higher yield remains limited as many farmers traditionally rely on local planting materials. Local government assistance for subsidized seedlings and exporters' training programs for farmers remains limited to certain areas.

Consumption

Coffee consumption in 2025/26 is forecast at 4.81 million bags, a small increase of 10,000 bags from the previous year on continued increased demand from roasteries and processors. In 2024/25, local coffee roasteries faced squeezed margins on rising bean prices and weak middle-class consumers spending. Post expects consumption of low-to-medium grade coffee to rise slightly as consumers switch to lower cost products for the remainder of 2025. In urban areas, street vendors and mobile hawkers offering cheap coffee products are popular among workers and low- and middle-income consumers, while coffee outlets in public venues maintain their market for high-end consumers and young Gen-Z segments. Sales of ready to drink (RTD) coffee, which are typically priced more affordably than coffee at major coffee chains, are likely to continue to rise in 2025/26. Sales of RTD coffee volume are forecast to grow by 3 percent in 2025, the slowest rate since the pandemic.

Figure 2. Sales of Ready to Drink (RTD) Coffee, 2019-2025 (million liters)



Source: Euromonitor

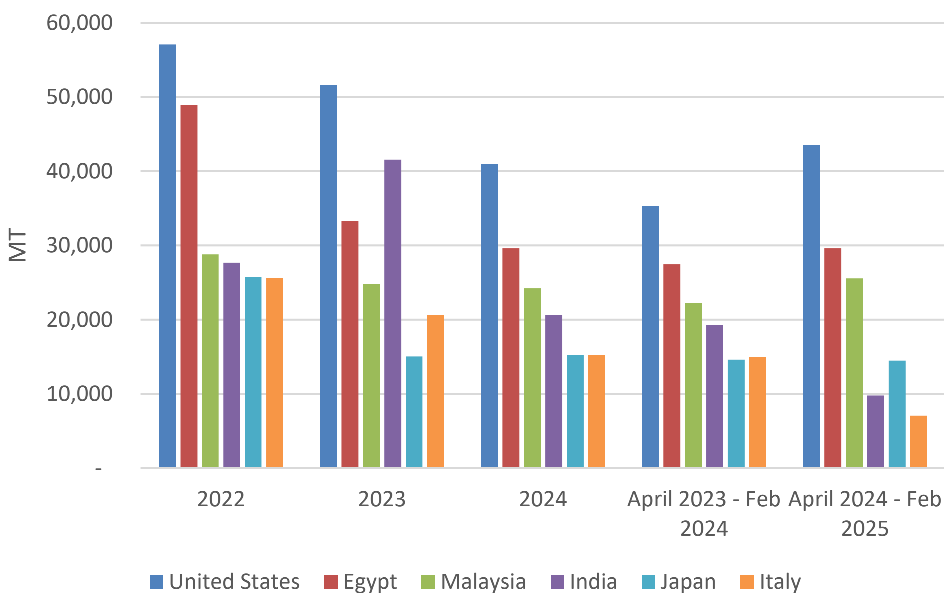
Trade

Indonesian green bean exports are forecast to rise 7 percent to 6.5 million bags in 2025/26 largely due to higher exportable volumes following rising production. Shipments to the United States are likely to decrease in 2025/26. Shipments to the United States were postponed after tariffs on Indonesian products were announced, but resumed at the start of the 90-day pause with the 10% tariff. However, exporters reported uncertainty surrounding continued shipments to the United States for July 2025 onward, after the 90-day pause on the 32% reciprocal tariff is scheduled to end. Shipments to the United States are expected to be offset by other traditional markets, such Association of Southeast Asian Nations (ASEAN) Member States, Japan, and the Middle East.

In 2024/25, the largest market destinations for Indonesian coffee green beans were the EU, the United States, Egypt, Malaysia, India, and Japan. During March 2024 to February 2025, shipments to the United States reached 726,000 bags, 23 percent higher than the previous year. In the same period, shipments to the EU were accelerated, largely due to Belgium and Germany, reaching over 1.4 million bags, about double the amount during the corresponding period last year. The implementation of the EU Deforestation Regulation (EUDR), which will come into effect in late 2025, is expected to affect shipments in 2025/26 as well. Exporters are preparing to comply with the EUDR requirements, such as providing due diligence statements proving that commodities are not contributing to deforestation.

Indonesia sourced green beans mainly from Vietnam for Robusta and Brazil for Arabica beans. During March 2024 to February 2025, imports from Vietnam were decreased to 490,000 bags, as more roasters procured local beans. Local roasters sourced 180,000 bags from Brazil in the same period, a slight decrease compared to 2023/24 on lower consumer demand. Post projects green bean imports at 400,000 bags for 2025/26 as local green beans supplies improve.

Figure 3. Indonesia Green Bean Largest Export Destinations, 2022-2025



Source: Trade Data Monitor (TDM), LLC

Table 2. Arabica Spot at Medan, 2019-2025 (IDR/kg)

	2019	2020	2021	2022	2023	2024	2025
Jan	52,101	54,862	60,558	115,135	83,195	99,373	182,152
Feb	49,683	50,733	61,201	120,659	94,239	102,860	222,884
Mar	48,342	55,802	64,574	109,210	94,299	101,778	218,541
Apr	46,849	62,087	66,070	110,717	95,268	122,088	213,411
May	47,156	55,112	73,426	108,798	94,804	115,931	221,072
Jun	51,637	49,194	76,932	115,627	92,614	126,734	
Jul	52,010	52,600	83,641	110,862	82,766	132,513	
Aug	48,415	60,338	89,133	112,860	81,598	129,851	
Sep	49,328	62,736	92,147	115,505	80,395	133,269	
Oct	49,062	55,339	97,821	105,585	83,344	134,268	
Nov	53,557	55,249	107,508	88,805	93,531	148,299	
Dec	62,365	59,127	114,524	88,384	102,543	174,831	

Source: Commodity Futures Trading Regulatory Agency (Bappebti)

Table 3. Robusta Spot at Lampung, 2019-2025 (IDR/kg)

	2019	2020	2021	2022	2023	2024	2025
Jan	22,528	18,529	19,208	36,713	31,831	56,069	94,724
Feb	22,462	17,980	19,635	35,316	33,933	55,854	104,371
Mar	22,226	18,352	20,693	34,569	35,219	59,018	102,373
Apr	20,628	18,195	20,555	32,441	38,642	72,712	98,659
May	19,829	17,701	22,043	32,504	42,340	69,183	97,047
Jun	20,469	16,943	24,333	32,950	44,939	78,739	
Jul	20,135	18,353	27,666	31,702	45,401	84,688	
Aug	18,998	21,951	28,552	34,919	44,114	82,914	
Sep	18,812	22,606	32,259	36,132	44,526	93,811	
Oct	17,862	19,073	33,041	34,302	42,037	84,037	
Nov	19,491	20,089	35,249	31,026	44,700	81,332	
Dec	20,238	20,593	36,428	32,143	47,790	92,146	

Source: Commodity Futures Trading Regulatory Agency (Bappebti)

Table 4. Exchange Rate (IDR/$)

	2019	2020	2021	2022	2023	2024	2025
Jan	14,163	13,732	14,062	14,341	15,267	15,627	16,270
Feb	14,035	13,776	14,044	14,350	15,138	15,660	16,351
Mar	14,211	15,195	14,417	14,348	15,288	15,711	16,456
Apr	14,143	15,867	14,551	14,375	14,844	16,125	16,827
May	14,393	14,906	14,334	14,615	14,827	16,083	16,483
Jun	14,227	14,196	14,351	14,702	14,932	16,337	
Jul	14,044	14,582	14,507	14,983	15,044	16,257	
Aug	14,242	14,725	14,390	14,850	15,252	15,756	
Sep	14,111	14,848	14,258	14,989	15,367	15,324	
Oct	14,118	14,758	14,191	15,435	15,760	15,515	
Nov	14,069	14,237	14,270	15,665	15,599	15,820	
Dec	14,017	14,166	14,327	15,608	15,511	16,039	

Source: Bank of Indonesia

Table 5. Production, Supply and Distribution: Coffee

Coffee, Green	2023/24		2024/25		2025/26	
Market Begin Year	Apr-23		Apr-24		Apr-25	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	500	500	480	480		657
Arabica Production	1,350	1,350	1,400	1,400		1,450
Robusta Production	6,800	6,800	9,500	9,300		9,800
Other Production	-	-				
Total Production	8,150	8,150	10,900	10,700	-	11,250
Bean Imports	940	940	500	557		400
Roast & Ground Imports	20	20	20	20		20
Soluble Imports	1,000	1,000	1,000	950		1,000
Total Imports	1,960	1,960	1,520	1,527	-	1,420
Total Supply	10,610	10,610	12,900	12,707	-	13,327
Bean Exports	4,285	4,285	6,500	6,100		6,500
Rst-Grnd Exp.	70	70	50	70		70
Soluble Exports	1,000	1,000	1,000	1,080		1,000
Total Exports	5,355	5,355	7,550	7,250	-	7,570
Rst,Ground Dom. Consum	3,260	3,260	3,270	3,270		3,270
Soluble Dom. Cons.	1,515	1,515	1,530	1,530		1,540
Domestic Consumption	4,775	4,775	4,800	4,800	-	4,810
Ending Stocks	480	480	550	657		947
Total Distribution	10,610	10,610	12,900	12,707	-	13,327
	-	-	-	-	-	-
(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)						

Attachments:

No Attachments