

Required Report: Required - Public Distribution

Date: November 21, 2023

Report Number: ID2023-0026

Report Name: Coffee Semi-annual

Country: Indonesia

Post: Jakarta

Report Category: Coffee

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Report Highlights:

Indonesia's lower Robusta coffee production is expected to cut coffee bean exports by 35 percent to 5 million bags in 2023/24, which has already caused a surge in imports in the first half of the marketing year. Higher Robusta prices are expected to dampen domestic consumption.

Production

Post maintains its coffee production forecast at 9.7 million bags for 2023/24, a decrease of 18 percent from last year due to weather-related disruptions during the cherry development stage (See [ID2023-0012](#)). Indonesia's Robusta harvest typically peak between May and June in major producing areas of Southern Sumatera. Farmers in Northern Sumatera harvest Arabica coffee varieties between October to December and March to May.

Consumption

Indonesia coffee consumption is forecast at 4.79 million bags in 2023/24, a slight increase of 20,000 bags from 2022/23. Domestic consumption in 2022 slowed and expected to continue into 2023 due to increased fuel and commodity prices. The higher cost may push consumers to switch to more affordable coffee products, including bottled ready to drink (RTD) coffee.

Coffeehouse chains remain the dominant outlet for coffee consumers, offering various products for low and high-end consumer groups. These coffeehouse chains expanded in the past few years and is expected to survive despite the weakened consumer purchasing power. In addition, the expansion of non-coffeehouse chains in the retail coffee sector (i.e., supermarket cafes, convenience stores, hypermarkets, etc.) is expected to increase competition.

Figure 1. Shares of Chain Coffee Stores and RTD Coffee Retail Channel

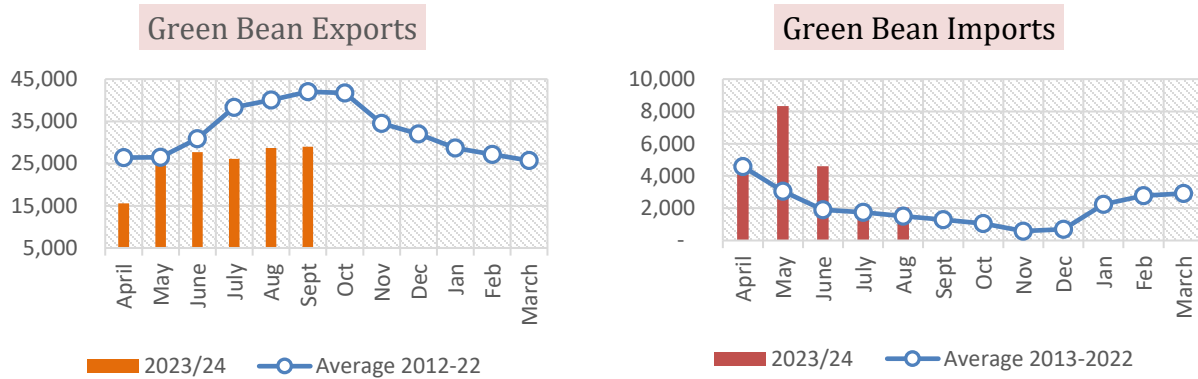


Source: Euromonitor

Trade

Post revises down Indonesia's coffee bean export forecast for 2023/24 to 5 million bags based on weak demand, reduced export volumes, and continued higher Robusta bean prices in the first half of the marketing year.

Figure 2. Monthly Green Beans Trade (MT)

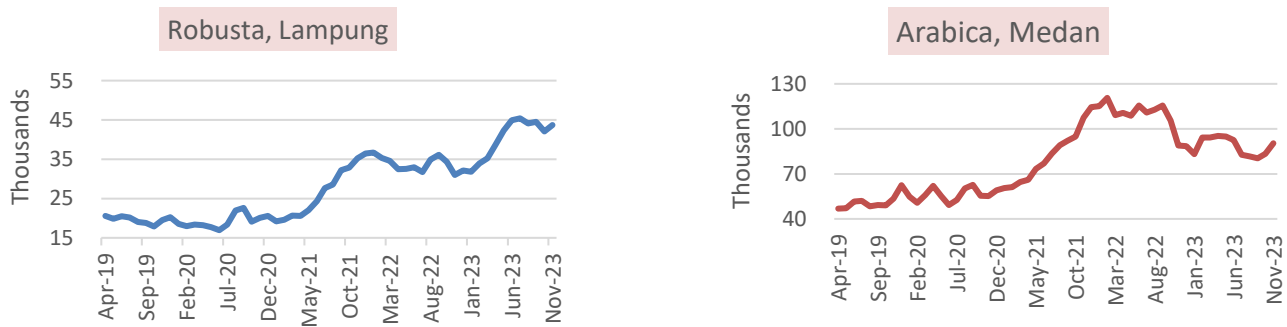


Source: TDM

Exports of green coffee beans is estimated at 2.5 million bags between April to September 2023 with shipments to the U.S. totaling 354,000 bags, a 31 percent decrease compared to the corresponding period of last year. Increased exports to Egypt and United Arab Emirate (UAE) were not sufficient to offset reduced demand from the U.S. and other destinations.

As a result of lower domestic stocks, importers procured an estimated 393,000 bags of green coffee beans during April to September 2023, mainly from Vietnam (64 percent) and Brazil (21 percent). Post expects green bean imports to expand to 700,000 bags in 2023/24.

Figure 3. Spot Price of Robusta and Arabica (IDR/KG)



Source: Bappebti

Table 1. Robusta Spot Price at Lampung 2018-2023 (IDR/kg)

	2018	2019	2020	2021	2022	2023
Jan	24,930	22,528	18,529	19,208	36,713	31,831
Feb	25,855	22,462	17,980	19,635	35,316	33,933
Mar	26,317	22,226	18,352	20,693	34,569	35,219
Apr	25,265	20,628	18,195	20,555	32,441	38,642
May	26,219	19,829	17,701	22,043	32,504	42,340
Jun	25,686	20,469	16,943	24,333	32,950	44,939
Jul	26,674	20,135	18,353	27,666	31,702	45,401
Aug	25,311	18,998	21,951	28,552	34,919	44,114
Sep	24,104	18,812	22,606	32,259	36,132	44,526
Oct	26,943	17,862	19,073	33,041	34,302	42,037
Nov	25,346	19,491	20,089	35,249	31,026	43,702
Dec	22,758	20,238	20,593	36,428	32,143	

Source: Indonesia's Commodity Futures Trading Supervisory Body (Bappebti)

Table 2. Arabica Spot Price at Medan 2018-2023 (IDR/kg)

	2018	2019	2020	2021	2022	2023
Jan	57,495	52,101	54,862	60,558	115,135	83,195
Feb	56,625	49,683	50,733	61,201	120,659	94,239
Mar	56,591	48,342	55,802	64,574	109,210	94,299
Apr	55,820	46,849	62,087	66,070	110,717	95,268
May	57,515	47,156	55,112	73,426	108,798	94,804
Jun	56,509	51,637	49,194	76,932	115,627	92,614
Jul	54,738	52,010	52,600	83,641	110,862	82,766
Aug	53,079	48,415	60,338	89,133	112,860	81,598
Sep	52,032	49,328	62,736	92,147	115,505	80,395
Oct	60,281	49,062	55,339	97,821	105,585	83,344
Nov	57,451	53,557	55,249	107,508	88,805	90,491
Dec	52,077	62,365	59,127	114,524	88,384	

Source: Indonesia's Commodity Futures Trading Supervisory Body (Bappebti)

Table 3. Exchange Rate (IDR/\$)

	2018	2019	2020	2021	2022	2023
Jan	13,380	14,163	13,732	14,062	14,341	15,267
Feb	13,590	14,035	13,776	14,044	14,350	15,138
Mar	13,758	14,211	15,195	14,417	14,348	15,288
Apr	13,803	14,143	15,867	14,551	14,375	14,844
May	14,060	14,393	14,906	14,334	14,615	14,827
Jun	14,049	14,227	14,196	14,351	14,702	14,932
Jul	14,415	14,044	14,582	14,507	14,983	15,044
Aug	14,560	14,242	14,725	14,390	14,850	15,252
Sep	14,869	14,111	14,848	14,258	14,989	15,367
Oct	15,179	14,118	14,758	14,191	15,435	15,624
Nov	14,697	14,069	14,237	14,270	15,665	15,174
Dec	14,497	14,017	14,166	14,327	15,608	

Source: Bank of Indonesia

Table 4. Indonesia Coffee Production, Supply and Distribution

Coffee, Green Market Begin Year	2021/22		2022/23		2023/24	
	Apr-21		Apr-22		Apr-23	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	1,669	1,669	1,056	1,056	689	691
Arabica Production	1280	1,280	1,350	1,350	1,300	1,300
Robusta Production	9,300	9,300	10,500	10,500	8,400	8,400
Other Production	-	-				
Total Production	10,580	10,580	11,850	11,850	9,700	9,700
Bean Imports	244	244	350	347	420	700
Roast & Ground Imports	16	16	15	17	20	20
Soluble Imports	725	725	983	983	1,000	1,000
Total Imports	985	985	1,348	1,347	1,440	1,720
Total Supply	13,234	13,234	14,254	14,253	11,829	12,111
Bean Exports	6,335	6,335	7,700	7,695	5,200	5,000
Rst-Grnd Exp.	43	43	55	57	40	50
Soluble Exports	1,050	1,050	1,040	1,040	1,000	1,000
Total Exports	7,428	7,428	8,795	8,792	6,240	6,050
Rst,Ground Dom. Consum	3,250	3,250	3,260	3,260	3,269	3,270
Soluble Dom. Cons.	1,500	1,500	1,510	1,510	1,520	1,520
Domestic Consumption	4,750	4,750	4,770	4,770	4,789	4,790
Ending Stocks	1,056	1,056	689	691	800	1,271
Total Distribution	13,234	13,234	14,254	14,253	11,829	12,111
	-	-	-	-	-	-

(1000 HA) ,(MILLION TREES) ,(1000 60 KG BAGS)

Attachments:

No Attachments