



Foreign Agricultural Service

GAIN Report

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Indonesia

Grain and Feed

Corn Update (September 2002)

2002

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Report Highlights:

Recent dry weather conditions have delayed Indonesia's planting season for corn. However, it is expected that conditions will not impact corn production or quality. Due to competition with corn imports from China, U.S. corn imports are estimated to drop to 150,000 mt in MY2001/02, and are expected increase to 200,000 mt in MY2002/03, as the poultry industry continue to grow and economic conditions improve. Feed production in MY2001/02 are estimated to reach 7.5 mmt and 7.0 mmt in MY2002/2003.

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

Executive Summary

Table of Production, Supply and Demand for Corn

PSD Table						
Country:	Indonesia				Unit: 1,000 MT	
Commodity:	Corn					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Harvested	3000	3000	3000	3000	0	3050
Beginning Stocks	771	783	515	582	700	432
Production	5500	5900	6000	6000	0	6100
TOTAL Mkt. Yr. Imports	1284	1337	1300	1100	0	1300
Oct-Sep Imports	1284	1337	1300	1100	0	1300
Oct-Sep Import U.S.	469	539	0	150	0	200
TOTAL SUPPLY	7555	8020	7815	7682	700	7832
TOTAL Mkt. Yr. Exports	90	88	100	50	0	50
Oct-Sep Exports	90	88	100	50	0	50
Feed Dom. Consumption	3900	3000	4100	3250	0	3450
TOTAL Dom. Consumption	6950	7350	7150	7200	0	7250
Ending Stocks	515	582	565	432	0	532
TOTAL DISTRIBUTION	7555	8020	7815	7682	0	7832

Area is in 1,000 hectares.

Production

Due to very dry conditions during Indonesia's current dry season, normal corn planting, which usually takes place in July for Indonesia's major corn producing areas (East Java and Lampung provinces) have been delayed, as farmers wait for adequate precipitation. At this point, these current dry conditions are not expected to have a major impact on Indonesia's total corn production. The development of hybrid corn seed utilization has been hampered by the high prices.

According to industry contacts, farmers are likely to see appropriate conditions for planting by October 2002. In MY2000/01, Indonesia planted approximately 3,250,000 ha of corn throughout the country, of this 1,507,000 ha planted was in the provinces of East Java and Lampung. For this planting season (MY2001/02) post sources indicate that the number of hectares planted will be the same as the

previous marketing year throughout Indonesia. Post forecasts Indonesia will harvest 3,050,000 ha in MY2002/03, not a significant increase over MY2001/02, 3,000,000 ha.

Trade

Post estimates U.S. corn imports for MY 2001/02 (October-September) at 150,000 mt, which is lower than the previous year (539,000 mt), as U.S. corn exporters took advantage of opportunities to export additional commodity to the region, while the GOI banned imports of all grains from FMD affected countries (such as those in the EU, South Africa, etc.).

Consumption

Based on an estimated 6 percent growth in animal feed industry, corn for feed domestic consumption for MY 2001/02 estimated around 3.3 mmt. Post forecasts corn for feed domestic consumption in MY 2002/03 at 3.5 mmt.

Prices

The current import price for U.S. corn (c&f) is US\$130-US\$ 135/mt, compared to corn from China US\$ 118-US\$ 119/mt, due to tight supplies. Average local corn prices for August 2002 in the major producing areas of Medan (North Sumatra), Lampung, and Surabaya (East Java) ranged from Rp. 1,075/kilogram to Rp. 1,200/kilogram (current exchange rate: Rp. 8,850/US\$1), which is an increase of nearly 7 percent over January 2002 prices.

Broiler feed prices in August ranged between Rp. 2,350/kilogram and Rp. 2,450/kilogram, an increase from Rp. 2,300/kilogram - Rp. 2,400/kilogram in January 2002. Current layer feed prices ranging between Rp. 1,800/kilogram to Rp. 1,900/kilogram, increased almost 3 percent from the prices in January.

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