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Indonesia

Grain and Feed

Annual

2001

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Report Highlights:
There is positive growth to report for the Indonesian grain and feed sectors. For wheat, demand for and production of wheat flour continue to increase, leading to higher wheat imports. The MY00 import estimate is 3.9 mmt and the forecast for MY01 is 4.0 mmt. U.S. wheat market share is also increasing from 11 percent in MY99 to an average of 22 percent in MY00 and MY01. Significant volumes of corn imports are expected for the coming years reflecting higher demand from the domestic feed industry due primarily to healthy growth in the poultry industry. Corn imports are estimated at 1.4 mmt for MY00 and 1.5 mmt for MY01. Rice production is down slightly in MY01 due to high precipitation and lower yields. Post estimates MY01 rice production at 52.4 mmt (unmilled) or 33.1 mmt milled basis and forecasts MY02 production at 52.0 mmt or 32.9 mmt milled rice.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Indonesia as a country is still facing its share of ups and downs but with respect to the grain and feed sectors there are fortunately more "ups" to report than "downs". Wheat flour production continues to increase following increasing demand and shifting diet preferences toward wheat-based food products. Production is estimated at 3.3 mmt in MY00 and forecast to reach 3.5 mmt in MY01. Reflecting the consumption performance, wheat grain imports should increase from 3.9 mmt in MY00 to 4.0 mmt in MY01. With the support of U.S. Department of Agriculture programs, market share for U.S. wheat is also increasing from 11 percent in MY99 to an average of 22 percent in MY00 and MY01. The flour industry is on pins and needles awaiting the verdict of Indonesia's anti-dumping committee ruling on certain wheat flour imports.

A rebounding poultry industry, increasing feed production, and profitable returns are the main factors driving the corn sector. High precipitation toward harvest time and improper inputs applications brought down production by 11 percent from 6.2 mmt (dry basis) in MY99 to an estimated of 5.5 mmt in MY00. Assuming dryer weather conditions, more hybrid corn plantings, and more intensive farm management practices, Post forecasts corn production in MY01 at 6.0 mmt (dry basis), an increase of around 9 percent from MY00. With annual total consumption growing on average roughly 2 percent and with lower production, imports are estimated at 1.4 mmt in MY00 and forecast to increase to 1.5 mmt in MY01. U.S. corn imports are expected to increase from around 480,000 mt in MY99 to an estimated level of 720,000 mt in MY00 and 600,000 mt in MY01.

Rice production is estimated to reach 52.4 mmt in MY01, down one percent from 52.9 mmt in MY00 as a result of lower yields. Assuming similar conditions in 2002, rice production is forecast at 52.0 mmt. Rice imports were recorded at 1.8 mmt in MY01 (down 20 percent from MY00) and are forecast to increase to 2.0 mmt in MY02 to maintain stocks and meet consumption needs. As an attempt to protect local farmers and to stabilize rice prices, the National Logistics Agency (Bulog) plans to cut government imports to zero in MY01. There have been pressures to increase the import duty from the current duty of Rp. 430/kg (around 30%) to 60 percent, but so far the government has resisted. In line with a slight growth in population, total rice consumption is expected to increase from 36.0 mmt in MY00 to 36.5 mmt in MY01 and 36.9 mmt in MY02. End-of-year stocks are estimated at around 3.9 mmt in MY01 and forecast to be down significantly to 1.9 mmt in MY02.

WHEAT

PS&D Table: Wheat

PSD Table						
Country:	Indonesia					
Commodity:	Wheat					
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Area Harvested	0	0	0	0	0	0
Beginning Stocks	700	700	700	1221	700	916
Production	0	0	0	0	0	0
TOTAL Mkt. Yr. Imports	3900	3724	3700	3900	0	4000
Jul-Jun Imports	3900	3724	3700	3900	0	4000
Jul-Jun Import U.S.	422	426	0	900	0	800
TOTAL SUPPLY	4600	4424	4400	5121	700	4916
TOTAL Mkt. Yr. Exports	31	3	5	5	0	5
Jul-Jun Exports	31	3	5	5	0	5
Feed Dom. Consumption	0	140	0	140	0	140
TOTAL Dom. Consumption	3869	3200	3695	4200	0	4200
Ending Stocks	700	1221	700	916	0	711
TOTAL DISTRIBUTION	4600	4424	4400	5121	0	4916

Unit: in 1,000 Metric Tons.
Note: Data in the "Old" column reflect FAS/Washington data. For Post's previous PS&D refer to report ID1004.

Production

Indonesia produces no wheat. With respect to wheat flour, the year 2000 signaled the start of healthy growth in the wheat flour industry in line with growing demand for wheat-based food products. Post estimates that flour production in MY00 (July00-June01) will reach around 3.3 mmt, around 27 percent higher than the 2.6 mmt produced in MY99. MY01 flour production is forecast to be around 3.5 mmt, approximately a 6 percent increase from MY00. Post's higher flour production forecast is also based on the likelihood anti-dumping charges will be levied on imported flour. The Indonesian Anti Dumping Committee (KADI-Komite Anti Dumping Indonesia) was scheduled to complete its investigation against Australian, European Union and United Arab Emirates flour imports on March 30, 2001. However, the results were still forthcoming as of April 2.

Given that Indonesia is still pulling itself out of an economic and political crisis, there has been no expansion in the flour milling industry in the past three years. The existing flour mills (four companies with five milling facilities) are currently operating at an average of 55 percent of the total installed milling capacity which is

registered at 6.4 mmt per year. Still, that is an improvement over MY99 capacity rates of around 50 percent. Industry sources indicate that operating capacity is expected to increase to around 60 percent in MY01 or even higher should the anti-dumping petition be accepted. The average extraction rate is around 75 percent. The mills produce three flour classifications (high, medium, and low protein) sold under twenty different brand names. Around 75 percent of flour production is high and medium-protein flour for noodles, cakes and bakery products.

Consumption

Indonesia is experiencing increasing demand for wheat-based food products. Diets are shifting slowly from a pattern of carbohydrate consumption almost exclusively through rice to inclusion of more wheat-based foods such as noodles and bakery products. FAS/Jakarta estimates annual per capita flour consumption in MY00 at around 14 to 15 kilograms which brings total domestic wheat flour consumption to 3.1 mmt or approximately 4.2 mmt wheat grain equivalent. That is an impressive 31 percent increase in wheat consumption from 3.2 mmt in MY99. Post forecasts that MY01 wheat grain consumption will remain stable at 4.2 mmt. However, if economic development and political stability return that number could edge upward.

Industry sources indicate that around 65 percent of wheat flour is processed by small and medium-sized enterprises (SME), 26 percent by large facilities, and 4 percent by home industries. Wheat flour is then used accordingly: around 50 percent is processed into wet, instant, and dry noodles, 30 percent is used by the bakery industry, and 20 percent is used by biscuit manufacturers.

Stocks

Ending stocks are being drawn down to 916,000 mt in MY00. After reaching a high of 1.2 mmt in MY99, higher demand for wheat flour has brought capacity up and wheat stocks are indicative of this development. The forecast for ending stocks in MY01 is a decrease of 22 percent to 711,000 mt.

Trade

Import Trade Matrix: Wheat

Import Trade Matrix				
Country:			Units: 1,000 MT	
Commodity:	Wheat			
Time period:	July-Oct			July-Oct
Imports for	1999			2000
U.S.	440		U.S.	134
Others			Others	
Australia	418		Australia	723
Canada	183		Canada	326
France	20		France	50
			Argentina	50
Total for Others	621		Total for Others	1,149
Others not listed	1		Others not listed	1
Grand Total	1,062		Grand Total	1,284
Source: Center of Statistics Agency (Badan Pusat Statistik), Jakarta, Indonesia.				

Import Trade Matrix: Wheat Flour

Import Trade Matrix				
Country:	Indonesia		Units: 1,000 MT	
Commodity:	Wheat Flour			
Time period:	July-Oct			July-Oct
Imports for	1999			2000
U.S.	0		U.S.	0
Others			Others	
United Arab Emirates	62		United Arab Emirates	34
Belgium	19		Australia	24
Germany	27		Belgium	19
Australia	19		Netherlands	10
France	17		China	9
Netherlands	11		France	7
Turkey	6		Oman	7
Korea	4		Korea	6
Singapore	4		Germany	6
			Turkey	6
Total for Others	169		Total for Others	128
Others not listed	7		Others not listed	13
Grand Total	176		Grand Total	141
Source: Center of Statistics Agency (BPS-Badan Pusat Statistik), Jakarta, Indonesia.				

Since Indonesia produces no wheat, increasing consumption of wheat-based foods leads directly to increasing wheat and/or wheat flour imports. Given high stocks level in MY99 (please refer to ID1004), wheat and wheat flour imports did not increase as dramatically as consumption did (5 percent versus 31 percent). Post estimates wheat and flour imports in MY00 at 3.9 mmt wheat grain equivalent, a 5 percent increase from 3.72 mmt in MY99. While the mills are quite bullish on MY01, slower growth in demand for wheat flour leads Post to make a more conservative forecast for total wheat imports, showing an increase of around 3 percent to 4.0 mmt. Of particular note is that India will capture up to 5 percent market share in MY00. Buyers indicate that as much as 180,000 mt of Indian wheat for blending has already been booked and should have arrived in Indonesia between January and April 2001. India is reportedly pricing its low protein wheat at very competitive prices which has attracted significant interest among at least one Indonesian mill.

From the United States' perspective, the renewed vitality of the Indonesian wheat sector is creating an abundance of opportunities for U.S. wheat sales. U.S. market share is expanding from a mere 2 percent as recently as MY97 to an expected 23 percent in MY00. Post's forecast for U.S. wheat sales is 900,000 mt, but given that more than 738,000 mt had already been booked by the beginning of March the final number could exceed that estimate. Of particular interest is the increase in sales of U.S. white wheat. White wheat sales are nearly 20 times higher so far in MY00 than they were the previous year. With respect to other varieties, hard

red spring sales thus far are 30 times higher, while soft red wheat sales are relatively stable and hard red winter sales are down dramatically. What this seems to indicate is that the mills are experimenting with different types of wheat and sourcing from the supplier with the best quality for the best value. It also indicates that some of the U.S. Department of Agriculture's export programs have been able to get U.S. wheat into the Indonesian market at the right time. For example, the private sector PL-480 wheat agreements have provided assistance to some of the smaller mills and introduced U.S. wheat to the market. The 416(b) program has made similar inroads among the local mills. Finally, the GSM-102 program has helped to facilitate wheat trade between the United States and Indonesia by providing access to credit at attractive rates for not only the importer but also the Indonesian and the U.S. banks. Even though some of these programs have tapered off, U.S. wheat sales continue to register. The forecast for U.S. wheat market share in MY01 is 20 percent or 800,000 mt. During the first quarter of MY00 (July-Oct 2000) the Government of Indonesia (GOI) has recorded wheat imports (not including flour) of 1.3 mmt with three major suppliers, i.e., Australia (56%), Canada (25%) and the United States (10%).

Imports of flour were down 20 percent in the first quarter of MY00 due to tighter control over the borders and due to competition from the local mills which are marketing cheaper flour. Another factor which is likely to reduce imports of flour (and possibly increase imports of wheat) is the result of the investigation of accusations from the local industry that flour was being "dumped" on the market in MY99. If proven, imports of wheat flour will be subject to an anti-dumping duty ranging from 5 percent to 32 percent on top of the official import duty of 5 percent. Major suppliers of flour during the first quarter of MY00 (Jul-Oct) were: the United Arab Emirates (24%), Australia (17%), and Belgium (13%). A small quantity of flour (59 mt) from the United States was also imported during the same period in MY00.

Due to high flour import tariffs in neighboring countries, Indonesia has only a small opportunity to export flour. Exports of flour in MY00 were recorded at 1,145 mt (equivalent to around 1,527 mt of wheat grain) mainly shipped to East Timor (63%) and Singapore (34%). The average export price was US$ 208/mt.

Prices

The current average retail price of medium-protein all-purpose flour in Jakarta traditional markets during Jan-Mar 2001 was Rp. 2,535/kg or US$ 244/mt at the current exchange rate (Rp. 10,375/US$1). This was higher than the average retail flour price during CY00 which averaged Rp. 2,497/kg or US$ 260/mt at the end-of-year exchange rate (Rp. 9,595/US$1).

The average retail price of medium-protein all-purpose flour in supermarkets in Jakarta is around 23 percent higher compared to the average price in traditional markets. During Jan-Mar 2001 the average price of flour in supermarkets in Jakarta was Rp. 3,341/kg or US$ 322/mt almost 8 percent more expensive than the average price during the same period in CY00, i.e., Rp. 3,102/kg, equivalent to US$ 323/mt at the end-of-year exchange rate (Rp. 9,595/US$1).

The weakened rupiah and GOI policy to increase gas and fuel prices effective April 1, 2001, has led the flourmills to announce a price increase of around 3 percent to 4 percent, i.e., from Rp. 64,845 to Rp. 67,045/25-kg bag (high protein); from Rp. 58,630 to Rp. 60,830/25-kg bag (medium protein); and from Rp. 50,600 to Rp. 52,800/25-kg bag (low protein).

Policy

In an effort to enhance the nutritional value of wheat flour, the National Standards Agency (BSN-Badan Standard Nasional) has approved a new standard for wheat flour which includes requirements for fortification. The new standard requires that all flour should be fortified with iron (Fe), Zinc (Zn), vitamin B (Riboflavin and Thiamin) and folic acid. An official notification to the World Trade Organization (WTO) has been made, comments are now being incorporated, and enforcement of the new regulation is set to begin in 2001. This requirement will be applied to both local and imported flour.

Average Monthly Retail Prices of Wheat Flour at Traditional Markets 1/
(Rupiah per Kilogram)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2000	2,545	2,490	2,483	2,505	2,493	2,485	2,488	2,500	2,503	2,528	2,505	2,436
2001	2,500	2,510	2,573	-	-	-	-	-	-	-	-	-
% chg	(2)	1	4									

Source: Center for market Information (PIP).
1/ Prices apply to Wheat Flour (Blue Triangle Brand, medium-protein, all-purpose) sold at Jakarta Traditional Markets.
"% chg" refers to year- to-year percent change (2000 vs. 2001).

Average Monthly Retail Prices of Wheat Flour at Supermrkets 1/
(Rupiah per Kilogram)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2000	3,016	2,805	3,023	2,709	3,070	3,165	3,205	3,197	3,271	3,184	3,327	3,254
2001	3,232	3,390	3,402	-	-	-	-	-	-	-	-	-
% chg	7	21	13									

Source: Center for market Information (PIP).
1/ Prices apply to Wheat Flour (Blue Triangle Brand, medium-protein, all-purpose) sold at Jakarta Supermarkets.
"% chg" refers to year- to-year percent change (2000 vs. 2001).

CORN

PS&D Table: Corn

PSD Table						
Country:	Indonesia				Unit: 1,000 MT	
Commodity:	Corn					
		1999		2000		2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Area Harvested	3000	300	3000	3000	0	3000
Beginning Stocks	650	873	750	753	700	278
Production	6200	6200	6200	5500	0	6000
TOTAL Mkt. Yr. Imports	1250	908	1200	1400	0	1500
Oct-Sep Imports	1250	908	1200	1400	0	1500
Oct-Sep Import U.S.	346	480	0	720	0	600
TOTAL SUPPLY	8100	7981	8150	7653	700	7778
TOTAL Mkt. Yr. Exports	50	28	50	25	0	50
Oct-Sep Exports	50	28	50	25	0	50
Feed Dom. Consumption	4350	2500	4350	3000	0	3250
TOTAL Dom. Consumption	7300	7200	7400	7350	0	7500
Ending Stocks	750	753	700	278	0	228
TOTAL DISTRIBUTION	8100	7981	8150	7653	0	7778

Note: Data in the "Old" column reflect FAS/Washington data. For Post's previous PS&D refer to report ID0038.

Production

Corn production in MY00 is reportedly down dramatically to an estimated 5.5 mmt (dry basis - 14% moisture content), around 11 percent lower than MY99 (6.2 mmt) due to high precipitation during the blooming period. Assuming dryer weather toward the main production period for next season, FAS/Jakarta forecasts MY01 corn production to edge upward to around 6.0 mmt. Yields depend significantly on the use of hybrid seeds, which produce up to 10 tons per hectare versus traditional seeds at about 2 tons/ha. Poor weather in MY00 hampered production of even hybrid corn obscuring the fact that hybrid corn seed utilization is reportedly increasing particularly in major producing areas and areas where corn is cultivated for animal feed. Average yield remains at around 2 mt/ha.

Consumption

Around 40 percent of total corn consumption is used by the animal feed industry with the balance for human consumption and the snack food industry. Imported corn is mostly used for feed and comprises around 50 - 60 percent of total domestic feed content. Rapid recovery in the poultry/feed industries and improving consumer

buying power for meat products – particularly poultry and eggs – led to a revision by FAS/Jakarta in total corn consumption in MY99 from 6.4 mmt (ID0016) to 7.2 mmt. Consumption is expected to continue to increase by 3 percent to 7.3 mmt in MY00 and is forecast to reach 7.5 mmt in MY01. The recovery of the poultry industry has accelerated feed and accordingly corn use to 2.5 mmt in MY99, an increase of more than 50 percent from FAS/Jakarta's previous estimate of 1.65 mmt. In MY00, Post shows increased corn utilization for feed of 20 percent to 3.0 mmt and forecasts 3.2 mmt in MY01.

Demand for corn products will increase slightly in line with the plan to develop a corn wet milling facility in West Java which will need around 1,000 mt of corn per day to be processed into corn oil and corn syrup.

Stocks

The drop in production in MY00 leads to a concurrent fall in ending stocks which rest at 278,000 mt, down 63 percent from 753,000 in MY99. Despite a better crop outlook for MY01, stocks will have little opportunity to rebuild as feed consumption continues to grow. MY01 ending stocks are forecast at 228,000 mt.

Trade

Import Trade Matrix: Corn

Import Trade Matrix				
Country:	Indonesia		Units:	1000 MT
Commodity:	Corn			
Time period:	Oct-Sep			Oct-Sep
Imports for	1998/1999			1999/2000
U.S.	115		U.S.	177
Others			Others	
China	264		China	700
Argentina	35		Argentina	31
Total for Others	299		Total for Others	731
Others not listed	0		Others not listed	0
Grand Total	414		Grand Total	908
Source: Central Bureau of Statistics and various sources.				

Export Trade Matrix: Corn

Export Trade Matrix				
Country:	Indonesia		Units:	1000 MT
Commodity:	Corn			
Time period:	Oct-Sep			Oct-Sep
Exports for	1998/1999			1999/2000
U.S.	0		U.S.	0
Others			Others	
Malaysia	82		Japan	13
Vietnam	8		Malaysia	12
Sri Lanka	8		Hong Kong	1
Japan	6			
Total for Others	104		Total for Others	26
Others not listed	0		Others not listed	2
Grand Total	110		Grand Total	28
Source: Central Statistics Agency (BPS-Badan Pusat Statistik), Jakarta.				

FAS/Jakarta revised MY99 imports to 908,000 mt around 14 percent higher than the previous estimate of 800,000 mt (ID0038) and 50 percent above the level in MY98 due to the unexpectedly rapid rebound in poultry feed demand. With feed demand still bursting and with the drop in production in MY00, imports will nearly double to 1.4 mmt. The forecast for MY01 is for 1.5 mmt of imports in order to meet demand and help keep stock levels stable.

Corn suppliers shifted from China in MY99 (77 percent according to various sources) to more U.S. corn in MY00. At least two factors contributed to this new ranking. First, many traders are capitalizing on the economic gains earned by combining U.S. corn and soybean shipments. Second, with the use of the USDA GSM-102 program, transactions can be negotiated at attractive rates for both the importer, U.S. bank and Indonesian bank. U.S. market share started picking up from an average of 24 percent during MY98 and MY99 to 45 percent estimated for MY00. Current import prices are reportedly ranging between (CNF) US$ 117 to US$ 118 per mt (ex. China); US$ 114 to US$ 116 per mt (ex. Argentina); and US$ 116 to US$ 118 per mt (ex. USA).

During peak harvest, Indonesia has been known to export small quantities of corn. In MY99, 28,000 mt was exported, mainly to Japan (46%) and Malaysia (43%).

Prices

Current prices of local corn in major producing areas have increased to Rp. 1,175 - Rp. 1,200/kg equivalent to US$ 113 - 116/mt in East Java and around Rp. 1,250/kg or US$ 120/mt in Lampung due to a shortfall in supply.

Production, Price and Trade Tables

Corn Production: Area & Production by Region
First Estimate Figures by the Government of Indonesia for 2001 1/

Province	Harvest	Production in Metric Ton		Yield
	Area (Ha)	(wet basis)	(dry basis)	(100Kg/Ha)
North Sumatra	210,702	636,267	445,387	30.20
Lampung	387,158	1,137,906	796,534	29.39
Sub Total: Sumatra	743,646	2,092,134	1,464,494	28.13
West Java	143,443	405,198	283,639	28.25
Central Java	543,090	1,530,344	1,071,241	28.18
East Java	1,109,667	3,177,747	2,224,423	28.64
Sub Total: Java	1,862,072	5,278,702	3,695,091	28.35
East Nusa Tenggara	240,853	499,924	349,947	20.76
Sub Total: Bali & Nusa Tenggara	316,368	673,340	471,338	21.28
West Kalimantan	17,392	29,365	20,556	16.88
South Kalimantan	24,144	34,952	24,466	14.48
Sub Total Kalimantan	55,038	87,024	60,917	15.81
North Sulawesi	76,767	174,779	122,345	22.77
South Sulawesi	246,346	641,295	448,906	26.03
Sub Total Sulawesi	382,650	946,615	662,630	24.74
Other Provinces/Islands	8,432	12,384	8,669	14.69
TOTAL INDONESIA	3,368,206	9,090,199	6,363,139	26.99

Corn Production by Season

Corn Production by Season Unit: 1,000 tons			
Year and Time Frames	Production *		Percentage
	(wet basis)	(dry basis)	%
1997 January - December	8771	6,140	100.0
January - April	5312	3,718	60.6
May - August	2404	1,683	27.4
September - December	1055	739	12.0
1998 January - December	10170	7,119	100.0
January - April	5622	3,935	55.3
May - August	2102	1,471	20.7
September - December	2446	1,712	24.1
1999 January - December	9204	6,443	100.0
January - April	5030	3,521	54.7
May - August	2281	1,597	24.8
September - December	1893	1,325	20.6
2000 January - December **	9156	6,409	100.0
January - April	5311	3,718	58.0
May - August	2158	1,511	23.6
September - December			

Source: Economic Indicators, May 2000. Processed by FAS/Jakarta
Note: * Production data based on wet basis (30% moisture content) and dry basis (14%-15% moisture content).
** GOI Preliminary Figures (3rd Forecast of 2000).

Wholesale Prices

Areas/CY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Medan (North Sumatra)												
1998	n/a	n/a	625	763	855	1,083	1,233	1,177	1,160	917	1,000	925
1999	908	917	842	1,033	1,033	1,017	1,000	1,033	1,133	1,100	842	832
2000	825	800	808	970	1,067	975	842	846	982	1,082	1,083	1,025
2001	1,060	1,000*)										
Lampung (Sumatra)												
1998	n/a	375	483	596	746	1,100	1,283	1,233	1,267	1,067	992	1,067
1999	1,017	1,017	825	1,133	1,083	1,000	942	1,033	988	983	871	875
2000	797	725	805	857	892	958	975	933	921	908	933	950
2001	958	1,000*)										
Jakarta (Java)												
1998	850	617	583	696	835	1,267	1,400	1,317	1,333	1,033	967	1,075
1999	917	867	833	1,200	1,175	1,150	1,017	1,067	1,067	967	842	850
2000	825	789	906	943	950	1,042	1,083	1,025	975	958	1,003	1,008
2001	958	1,025*)										
Surabaya (East Java)												
1998	808	577	583	688	750	1,183	1,300	1,200	1,200	933	892	933
1999	850	817	800	1,150	1,117	1,050	1,050	1,000	983	900	783	800
2000	758	747	775	842	875	917	967	913	867	867	908	933
2001	992	950*)										

Source: USGC/Jakarta.
Note: *) For the first week of February 2001.

FEED PRICES (Rupiah per kilogram)												
Type of Feed	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Broiler Feed												
1998	1850	1433	1500	1520	1593	2180	2593	2558	2706	2530	2090	2000
1999	1783	1867	1800	1917	1950	1950	1950	1950	1950	1883	1817	1800
2000	1800	1800	1800	1900	1950	1950	1950	1950	1,933	1950	1950	1,967
2001	2000	2000*)										
Layer Feed												
1998	1805	1722	1455	1225	1375	2086	2574	2537	2464	2347	1940	1800
1999	1450	1408	1200	1317	1350	1350	1350	1350	1350	1283	1217	1200
2000	1200	1200	1200	1300	1350	1350	1350	1,333	1400	1350	1350	1400
2001	1500	1500*)										

Source: USGC/Jakarta
Note: *) For the first week of February 2001.

Producer Prices

Average Monthly Corn Producers Prices for East Java 1/
(Rupiah per Kilogram)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1996	467	466	475	515	593	618	615	596	581	586	576	556
1997	558	558	569	600	605	601	604	622	653	687	718	750
1998	870	886	834	868	933	1246	1480	1619	1580	1512	1370	1447
1999	1463	1441	1456	1628	1754	1600	1772	1635	1605	1570	1375	1332
2000	808	779	804	868	909	927	970	971	976	1033	1023	1030
% chg	(45)	(46)	(45)	(47)	(48)	(42)	(45)	(41)	(39)	(34)	(26)	(23)

Source: Central Statistics Agency (BPS).
1/ Prices apply to purchases of corn kernel, 14% moisture. Percent change refers to year-to-year percent change (1999 vs. 2000).

RICE, MILLED

PS&D Table: Rice

PSD Table						
Country:	Indonesia					
Commodity:	Rice, Milled				Unit: 1,000 MT	
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Harvested	11700	11650	0	11700	0	11700
Beginning Stocks	2927	6586	1523	5531	0	3941
Milled Production	33496	33445	0	33110	0	32864
Rough Production	53000	52919	0	52390	0	52000
Milling Rate(.9999)	6320	6320	0	6320	0	6320
TOTAL Imports	1300	1500	0	1800	0	2000
Jan-Dec Imports	1300	1500	0	1800	0	2000
Jan-Dec Import U.S.	0	180	0	20	0	0
TOTAL SUPPLY	37723	41531	1523	40441	0	38805
TOTAL Exports	0	0	0	0	0	0
Jan-Dec Exports	0	0	0	0	0	0
TOTAL Dom. Consumption	36200	36000	0	36500	0	36865
Ending Stocks	1523	5531	0	3941	0	1940
TOTAL DISTRIBUTION	37723	41531	0	40441	0	38805

Note: Unit in 1,000 Ha and 1,000 MT.

Data in the "Old" column reflect FAS/Washington data. For Post's previous PS&D refer to report ID0054.

Production

After several years of average to mediocre harvests, MY00 and MY01 are crowd pleasers. MY00 production reached 52.9 mmt unmilled (33.4 mmt milled) and MY01 production should remain relatively stable at 52.4 mmt (33.1 mmt milled). The one percent decrease in MY01 is due to significant rainfall late in the season which hampered quality. Neither pest nor flooding has plagued Indonesian rice producers the past two seasons. Assuming similar weather and management patterns next year, production is forecast at 52.0 mmt.

Consumption

Rice consumption is increasing due to population growth and slight variations in diet patterns. Rice consumption for MY01 is estimated at 36.5 mmt, slightly higher than the level in MY00 (36.0 mmt) and forecast to increase around one percent to 36.9 mmt in MY02. Low income families are supported by the

government through special market operations (OPK-Operasi Pasar Khusus), i.e., they receive 20 kg of rice per family at Rp. 1,000 per kg. Total rice distribution for OPK is estimated at around 1.4 mmt in MY01.

Trade

Import Trade Matrix: Rice

Import Trade Matrix				
Country:	Indonesia		Units: 1000 MT	
Commodity:	Rice, Milled			
Time period:	Jan-Oct			Jan-Oct
Imports for	1999			2000
U.S.	54		U.S.	35
Others			Others	
Vietnam	1635		China	455
Thailand	1127		Thailand	330
China	825		Vietnam	293
Japan	347		Pakistan	18
Pakistan	107		Japan	15
Taiwan	38			
Burma	27			
Total for Others	4106		Total for Others	1111
Others not listed	65		Others not listed	48
Grand Total	4225		Grand Total	1194

Source: Central Statistics Agency, Jakarta.

Total rice imports for 2001 (January-December) are estimated at 1.8 mmt, higher than the level in 2000 of 1.5 mmt (531,000 mt imported by Bulog). Due to lower production in MY02, lower beginning stocks and a slight increase in consumption, Post forecasts imports at 2.0 mmt in MY02. With record low rice prices in the international market and the current tariff duty of Rp. 430/kg, imported rice remains competitive compared to the government floor price of milled rice (Rp. 2,470/kg).

Stocks

With production relatively stable but imports less than half the MY99 level, stocks have declined in MY00 and MY01. MY00 ending stocks were around 5.5 mmt (including total post-harvest losses estimated between 20-25 percent) and in MY01 are estimated at roughly 3.9 mmt, a 29 percent decline. In MY02, ending stocks are forecast down to 1.9 mmt after a decline in production. While in the past, national reserves of 1.0 mmt were assumed necessary, today that belief seems to be waning. Bulog's reduced role in maintaining price stability

and distributing rice to civil servants and the military render large stocks unnecessary. However, speculation of an El Nino effect in late 2001 could create an impetus to gather surplus supplies.

Policy

Bulog's newly sworn-in chairman appears at the ready to bring about some changes in policy, such as increasing the rice import tariff and getting Bulog back in the broader commodity business, such as soybeans and sugar. It has also been suggested that Bulog should return as rice distributor to civil servants and the military. These bold suggestions would require not only serious internal review but also consultations with the International Monetary Fund (IMF) since Bulog's role was strictly limited under Indonesia's agreement with the IMF.

The government has so far resisted persistent calls to impose a duty on rice imports which are blamed for driving down domestic prices. Rice policy continues to be subject to widespread public debate. Under discussion are the very fundamentals: how to protect domestic producers while limiting costs to the rest of society. What role will the GOI take in stabilizing price? At what level, if any, should the floor price be set? Which social programs should continue and how will they be administered? At what level should imports be taxed? And so on. If or when the public debate is reflected in policy changes, they are likely to affect production to a certain degree, and imports deeply.

Production, Price, Trade and Rainfall Tables

Rice Production by Area

Rice Production: Area, Production & Yield 1/
First Estimate Figures by the Government of Indonesia for 2001

Province	Harvest Area (Ha)	Production 2/ (MT)	Yield (100Kg/Ha)
North Sumatra	769,799	3,210,850	41.7
South Sumatra	535,915	1,798,045	33.6
Lampung	489,930	1,918,542	39.2
Sub Total Sumatra	2,909,935	11,252,380	38.7
West Java	2,170,034	10,647,379	49.1
Central Java	1,662,421	8,318,573	50.0
East Java	1,688,870	8,844,992	52.4
Sub Total Java 3/	5,663,101	28,478,229	50.3
West Nusa Tenggara	328,273	1,450,870	44.2
Sub Total Bali & Nusa Tenggara	639,409	2,695,726	42.2
South Kalimantan	409,329	1,240,216	30.3
West Kalimantan	289,645	730,221	25.2
Sub Total Kalimantan	1,013,631	2,740,284	27.0
South Sulawesi	796,742	3,496,944	43.9
Sub Total Sulawesi	1,153,704	4,820,780	41.8
Oth. Islands	34,004	93,388	27.5
TOTAL INDONESIA	11,413,784	50,080,787	43.9

Source: Central Statistics Agency (BPS), Jakarta.
Note: 1/ First Government Estimate Figures.
2/ GOI Production data: unmilled (rough rice) basis.
3/ Sub Total for Java including production and harvested areas in Jakarta and Yogyakarta.

Rice Production by Season and Type of Irrigation

Year	Season	Total Paddy	Wetland Paddy	Dryland Paddy
		(in 1,000 tons unmilled basis)		
1996		51,101	48,188	2,913
	Jan-Apr	26,345	23,796	2,549
	May-Aug	15,302	15,088	214
	Sep-Dec	9,454	9,304	150
1997		49,377	46,592	2,785
	Jan-Apr	26,742	24,247	2,495
	May-Aug	14,694	14,507	187
	Sep-Dec	7,941	7,838	103
1998		49,237	46,483	2,754
	Jan-Apr	21,745	19,454	2,291
	May-Aug	15,866	15,512	354
	Sep-Dec	11,626	11,517	109
1999 *		50,866	48,201	2,665
	Jan-Apr	25,240	23,028	2,212
	May-Aug	15,581	15,279	302
	Sep-Dec	10,045	9,894	151
2000 **		41,014	38,495	2,519
	Jan-Apr	25,401	23,060	2,341
	May-Aug	15,613	15,435	178
	Sep-Dec			

Note: * Starting 1999 Data Excludes East Timor Province.
** Preliminary GOI Figures.
Source: Central Statistics Agency (BPS).

Producer Price Ratios for Major Agricultural Products

Producer Price Ratios for Major Agricultural Products

Commodity	Dec. 99	Dec. 00	% Change	Price Ratio	
				1999 1/	2000 1/
Rice	1298	1153	(11.17)	--	--
Corn	828	1030	24.40	(0.36)	(0.11)
Soybeans	2019	2172	7.58	0.56	0.88
Peanuts	5569	6343	13.90	3.29	4.50

1/ Price ratio based on selected secondary food crops over rice.
Source: Central Bureau of Statistics, processed by FAS/Jakarta.
Note: Rice prices in West Java for dried unhusked rice (unmilled rice). Other prices in East Java on dry basis.

Producer Prices of Rice

Average Monthly Producer Rice Prices for West Java 1/
(Rupiah per Kilogram)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	511	520	517	517	518	521	535	565	578	598	627	653
1998	709	768	744	734	750	933	997	1058	1312	1262	1268	1361
1999	1403	1344	1334	1300	1305	1305	1337	1299	1317	1332	1310	1298
2000	1325	1339	1177	1076	1065	1085	1122	1121	1137	1121	1135	1153
% chg	(6)	(0)	(12)	(17)	(18)	(17)	(16)	(14)	(14)	(16)	(13)	(11)

Source: Central Statistics Agency (BPS).
1/ Prices apply to purchases of dried, unhusked rice (Cere IR-36) in West Java.
Percent change refers to year-to-year percent change (1999 vs. 2000).

Retail Prices of Rice

Average Monthly Rice Retail Prices for Jakarta
(Rupiah per Kilogram) 1/

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1998	2500	2000	2200	1900	2280	2460	3010	3100	4030	4300	3750	3800
1999	3454	3405	3243	3175	3198	3214	3130	2948	2858	2839	2839	2839
2000	2834	2919										
% chg	(38)	(70)										

Source: CBS and FAS/Jakarta survey.
1/ Prices for medium grade rice: IR-1
Percent change refers to year-to-year percent change (1999 vs. 2000).

Rainfall in Selected Rice and Corn Areas

Rainfall Pattern at Selected Stations in Rice/Corn Producing Areas
(in millimeters, except where stated)

JATIWANGI (WEST JAVA)												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
30 yr avg.	455	380	371	227	151	79	48	36	49	122	269	419
1999	256	100	221	243	59	17	46	1	0	140	431	90
2000	311	146	263	209	138	39	1	11	0	12	n/a	117
2001	147											
TEGAL (CENTRAL JAVA)												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
30 yr avg.	356	335	250	117	116	70	55	36	26	55	112	236
1999	287	252	138	87	62	9	37	25	11	191	149	170
2000	271	240	230	60	25	20	2	0	8	21	184	106
2001	232											

SURABAYA (EAST JAVA)												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
30 yr avg.	310	255	237	145	94	51	23	15	22	45	126	231
1999	404	142	291	249	121	10	45	2	0	6	159	326
2000	422	255	151	223	105	48	0	0	0	101	151	119
2001	231											
DENPASAR (BALI)												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
30 yr avg.	345	274	234	88	83	53	56	25	48	63	179	276
1999	520	258	417	382	50	96	32	1	0	116	205	488
2000	365	412	309	404	177	46	35	0	3	142	331	15
2001	574											
UJUNG PANDANG (SOUTH SULAWESI)												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
30 yr avg.	734	533	391	235	127	66	66	15	32	83	273	549
1999	933	812	453	376	143	73	101	4	22	303	289	491
2000	496	670	325	157	131	205	27	1	14	123	427	365
2001	724											
LAMPUNG												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
30 yr avg.	281	299	241	177	99	95	77	83	83	93	171	248
1999	291	236	187	91	103	19	82	39	75	192	119	249
2000	201	267	141	128	14	63	72	107	25	118	124	79
2001	79											

Source: Meteorological and Geophysical Agency (Badan Meteorologi dan Geofisika - BMG), Ministry of Communications.

Exchange Rates

Exchange Rate (Rp./1US$) on Period Month Ending Basis												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	2387	2403	2418	2443	2458	2450	2528	2190	3350	3700	3740	5700
1998	13513	9377	8740	8211	10767	15160	13850	11700	11314	9142	7755	8100
1999	9419	8992	8778	8632	8179	6750	6989	7736	8571	6949	7439	7161
2000	7414	7517	7598	7988	8728	8742	9055	8290	8780	9395	9530	9595
2001	9450	9835	10400									

Source: Central Statistics Agency (BPS-Badan Pusat Statistik) and Business Indonesia Daily Newspaper.
Note: - March 2001 exchange rate is quoted for March 30, 2001.
- BPS data available up to July 2000.

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