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Report Highlights:

Indonesia's 2024/25 wheat imports are forecast to decline 8 percent from 2023/24, when higher demand from feed mills, consumption of wheat flour-based food from major events in early 2024, and demand for cheaper alternatives to rice drove wheat imports up to new record highs. With larger production, rice imports in 2024/25 are expected to fall sharply from 2023/24, when the national logistics agency tendered to offset the smaller crop. Increased corn production in 2024/25 will reduce the volume of imports, although feed and wet milling demand remains strong.

Glossary:

APHIS	: Animal and Plant Health Inspection Service
APTINDO	: Indonesian Flour Mills Association
BMKG	: Indonesian Meteorology, Climatology, and Geophysics Agency
BI	: Bank of Indonesia
BPS	: Indonesian Statistics Agency
BULOG	: Indonesian National Logistics Agency
CGM	: Corn Gluten Meal
CMEA	: Coordinating Ministry of Economic Affairs
CMFA	: Coordinating Ministry for Food Affairs
DDGS	: Distillers Dried Grain Soluble
DOC	: Day-Old Chicken
FS	: Final Stock
GOI	: Government of Indonesia
GPMT	: Feed Producers Association
GPS	: Grand Parent Stock
IDR	: Indonesian Rupiah
IQA	: Indonesian Quarantine Agency
MBM	: Meat and Bone Meal
MOA	: Ministry of Agriculture
MOI	: Ministry of Industry
MOT	: Ministry of Trade
MT	: Metric Tons
MMT	: Million Metric Tons
MPW	: Ministry of Public Works
NFA	: National Food Agency
TDM	: Trade Data Monitor

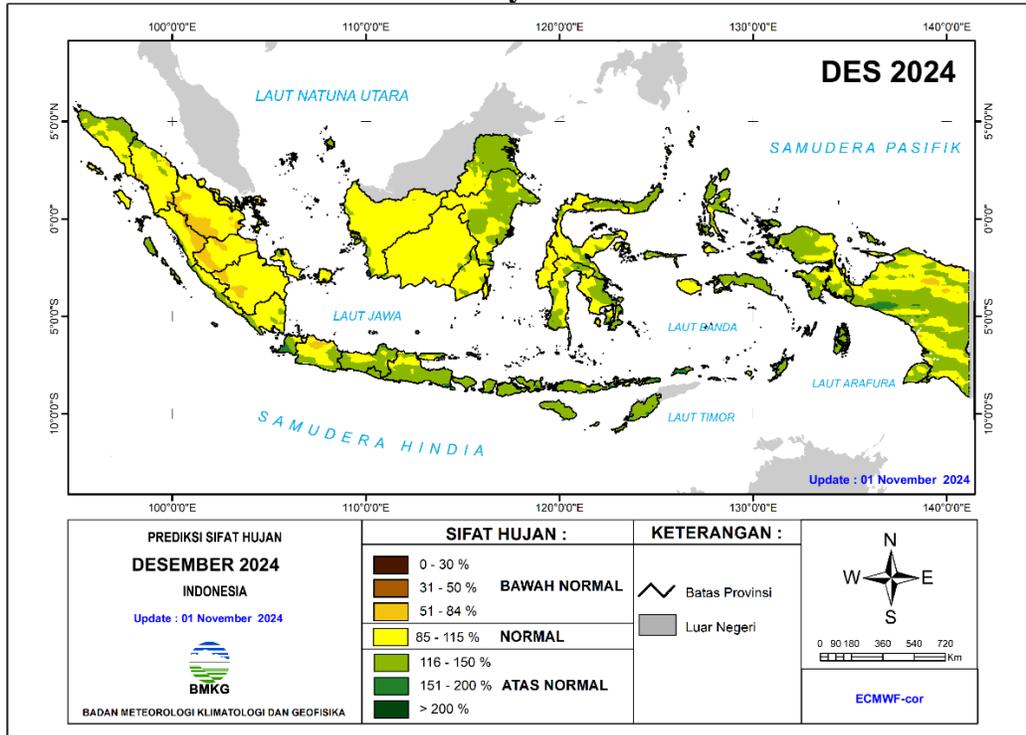
SECTION I. SITUATION AND OUTLOOK

In October 2024, the Indonesian Meteorology, Climatology and Geophysics Agency (*BMKG, Badan Meteorologi, Klimatologi, dan Geofisika*) stated that the El Nino-Southern Oscillation (ENSO) indicated the potential for a La Nina phenomenon to occur at the end of 2024. In general, La Ninas tend to cause wetter conditions in Indonesia, but the impact can vary in each region. The start of the rainy season in Indonesia varies by region, starting from the western region of Sumatra which enters the rainy season earlier in August 2024, then gradually spreading to the eastern region until December 2024. In general, most areas of Indonesia will experience the rainy season during the period of October to November 2024. Compared to the average, the 2024/25 rainy season will arrive earlier than normal. Apart from that, the accumulated rainfall conditions for the 2024/25 rainy season are predicted to be in the norm, with conditions being neither too wet nor too dry.

The peak of the rainy season will occur between November and December 2024 in western Indonesia and between January and February 2025 in eastern Indonesia. The peak season will be the same or earlier compared to normal conditions. The duration of the rainy season in various regions will vary, ranging from two months to 11 months. Compared to the average, the duration

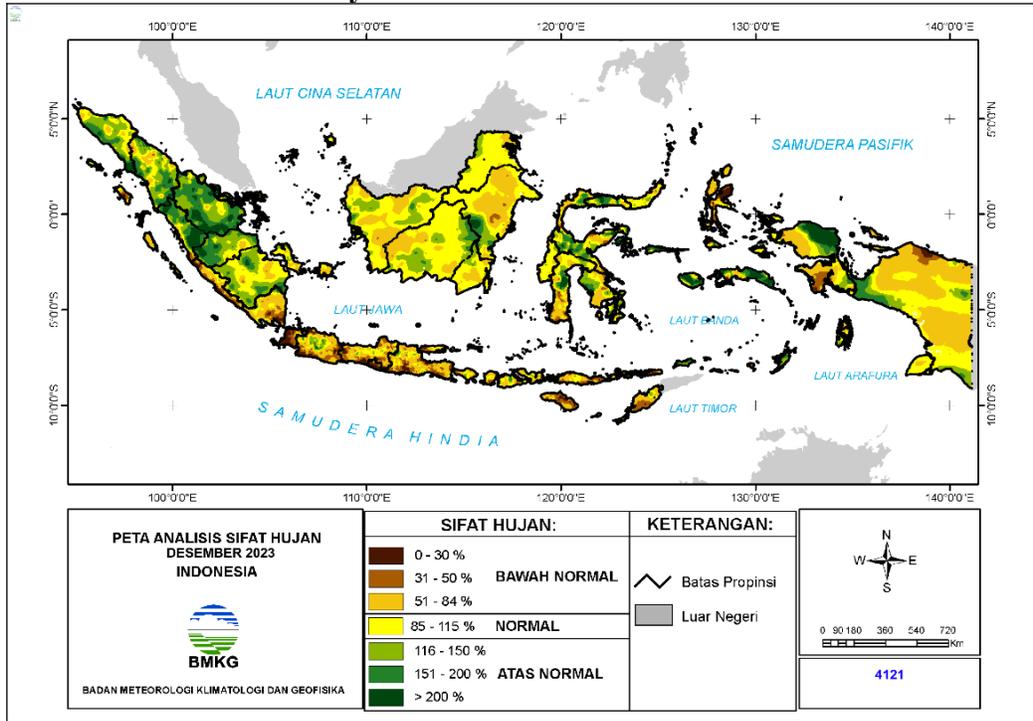
of the 2024/25 rainy season in most parts of Indonesia is predicted to be longer than normal. The main rice production areas along the northern coastal areas of Java started the 2024/25 first crop cycle on time – around late October to early November 2024. Therefore, 2024/25 rice and corn production is forecast to improve from the previous year.

Chart 1. Forecast of Rainfall Intensity in December 2024



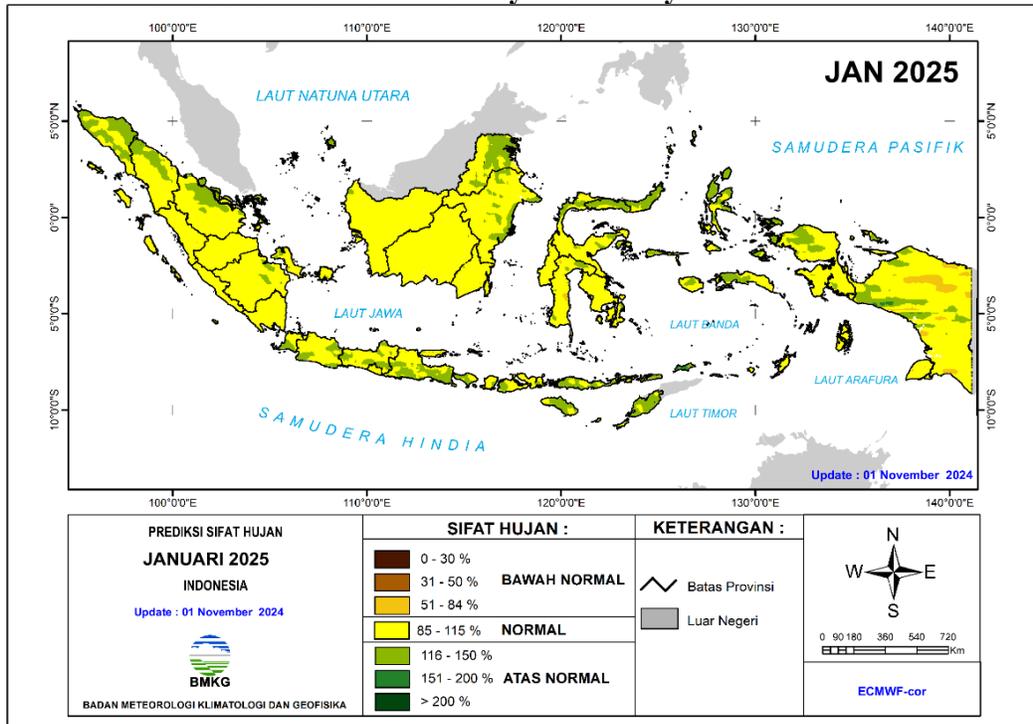
Source: Indonesian Meteorology, Climatology, and Geophysics Agency (BMKG)

Chart 2. Rainfall Intensity in December 2023



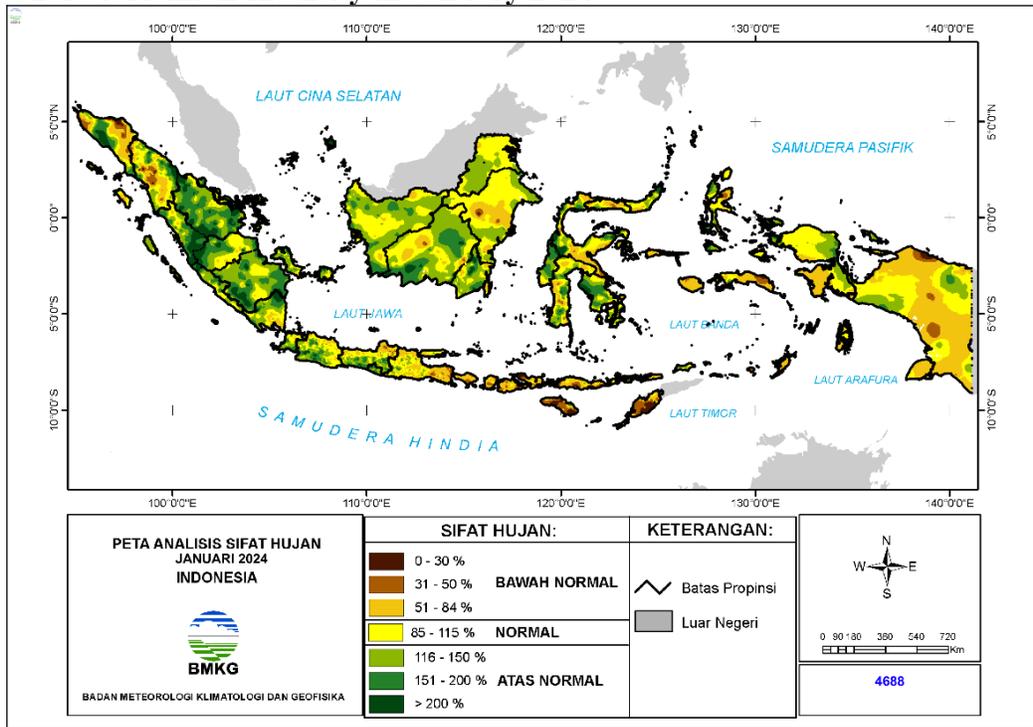
Source: Indonesian Meteorology, Climatology, and Geophysics Agency (BMKG)

Chart 3. Forecast of Rainfall Intensity in January 2025



Source: Indonesian Meteorology, Climatology, and Geophysics Agency (BMKG)

Chart 4. Rainfall Intensity in January 2024



Source: Indonesian Meteorology, Climatology, and Geophysics Agency (BMKG)

With the starting of the transition from El Nino to La Nina, the Ministry of Public Works (MPW) reported that major reservoirs in Java are currently at normal levels of water elevation. The water volume is expected to be sufficient to supply paddy fields close to the reservoirs for all three crop cycles of 2025.

Table 1. Water Elevation at West Java Water Reservoirs, November 19, 2024.

No.	Reservoir	Reservoir Volume (Million m ³)	Elevation and Volume				Condition
			Target		Observed		
			Elevation (m)	Volume (Million m ³)	Elevation (m)	Volume (Million m ³)	
1	Jatiluhur	1325.40	95.10	447.62	94.09	n/a	Normal
2	Cirata	668.12	210.61	201.23	210.23	n/a	Normal
3	Saguling	530.75	633.08	159.48	631.68	n/a	Normal

Source: Indonesian Min. of Public Works, (November 19, 2024), processed by FAS/Jakarta

Due to the Government of Indonesia’s reorganization under the new Prabowo administration, the Ministry of Agriculture (MOA) is taking over several responsibilities related to agriculture from the Ministry of Public Works (MPW). In line with the new administration’s top priority goal of achieving rice self-sufficiency, the MOA is now in charge of increasing the planting index of paddy fields as well as overseeing and managing the operation of tertiary irrigation canals of paddy fields. Meanwhile, the MPW will administer the operation and maintenance of water reservoirs and primary and secondary canals. With this new arrangement, it is expected that existing paddy fields that are currently only producing one paddy cycle per year will be able to

produce twice a year. Despite the GOI's decision to provide the MOA with an additional budget of 21.49 trillion Indonesian rupiah (IDR) (\$1.36 billion USD) for 2025 from the initial budget of 7.91 trillion IDR (\$499 million USD), the effectiveness of the new irrigation management is not yet known as most of the MOA's new budget will be allocated to clearing land to open new paddy fields outside of Java Island instead of intensifying existing fields.

SUMMARY

Wheat

According to the most updated import realization numbers, total wheat imports for 2023/24 are estimated to further increase to a record high of 12.982 MMT from 9.446 MMT imported in 2022/23. The significant increase of wheat imports in 2023/24 reflects higher wheat consumption for both food and feed use, which are increased to 9.6 MMT and 2.3 MMT respectively. However, 2024/25 wheat imports are forecast down to 12.0 MMT due to the receding of the abnormal spike in wheat demand that had been caused by the 2024 general elections, a weakened exchange rate, lower feed ingredients demand from feed mills, and the new government's high prioritization of food self-sufficiency.

Corn

Post maintains 2023/24 corn production at 12.7 million MT as the previous estimate already reflected updates from the Indonesian Statistics Agency's report on 2024 corn production. From October 2023 to September 2024, the national logistics agency (*BULOG, Badan Urusan Logistik*) managed to import a total of 372,000 metric tons (MT) of corn for small holder poultry farmers out of the GOI's total authorized allocation of 750,000 MT for 2024. BULOG's imports, which can only be carried out with GOI authorization during times of shortage, contributed to higher 2023/24 corn imports overall, which are estimated to reach 1.79 MMT compared to 901,000 MT imported in 2022/23. Despite ample supplies and lower prices compared to the previous year, depressed consumer purchasing power reduced feed mill corn consumption in 2023/24 to 8.6 MMT, a decline of 2.3 percent compared to 8.8 MMT in 2022/23.

Rice

Post maintains 2023/24 rice production at 34 MMT as the previous estimate already reflected updates from the Indonesian Statistics Agency's report on 2024 rice production. However, 2023/24 rice imports are estimated to increase to 3.9 MMT based on realized imports of 3.45 MMT from January to September 2024, plus anticipated additional imports from a recent BULOG tender of 500,000 MT issued in November 2024. In line with forecast increases in 2024/25 rice production and considering the new Prabowo administration's stated priority of becoming self-sufficient in rice within the next five years and reducing imports, 2024/25 rice imports are forecast to decrease by 50 percent to 1.0 MMT compared to Post's previous estimate of 1.5 MMT.

WHEAT

Production

Indonesia does not produce wheat domestically and meets demand for wheat flour-based food and wheat as a feed ingredient for poultry, aquaculture, and livestock fully from imports.

Trade

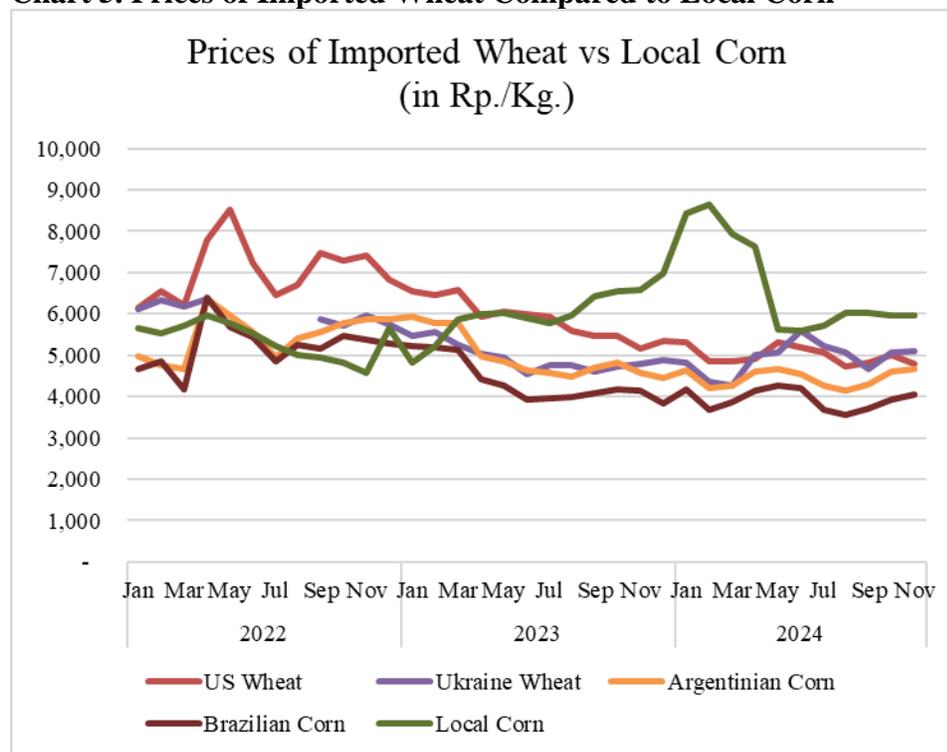
The Indonesian Flour Mills Association (*APTINDO, Asosiasi Produsen Tepung Terigu Indonesia*) reported that as of November 2024, the Indonesian flour mill industry consists of 31 mills with a total installed capacity of 14.8 MMT. In line with growing demand from population growth, new flour-based food trends and food diversification, prospects for the industry remain bright. Four new flour mills are expected to come online throughout 2024-2025.

In July 2024, the MOA conducted a socialization and harmonization session attended by major integrated feed mills to revise existing regulations on the importation of plant-based feed ingredients. Reportedly, the draft MOA regulation will allow importer-producers and general importers to import plant-based feed ingredients such as wheat, sorghum, corn, and barley, which currently can only be imported by state-owned enterprises. However, according to industry, the MOA has not yet implemented the revised regulation to date, and flour mills remain the only entity authorized to import wheat for food use while importing wheat for feed use is still restricted to state-owned enterprises.

Despite changes in ministerial structure under the new administration which shifted all food and agriculture-related authority and functions from the Coordinating Ministry of Economic Affairs (CMEA) to the newly established Coordinating Ministry of Food Affairs (CMFA), (please see [ID2024-0041](#)), during the transition period the GOI is continuing to only allow imports of wheat for feed use when deemed necessary and only through assignments to state-owned enterprises managing the government's food reserves. Approved annual import volumes and which state-owned enterprises are authorized to import certain commodities will now be determined at inter-ministerial technical meetings involving the CMEA, CMFA, Ministry of State-owned Enterprises, MOA, and Indonesian National Food Agency (*NFA/BAPANAS, Badan Pangan Nasional*).

Despite restrictions on imports of wheat for feed, higher local corn production, and lower feed production, local corn prices remain relatively high compared to the landed prices of imported wheat. The considerable spread between local corn prices and landed prices of imported wheat favors higher inclusion of low-quality wheat in feed formulation. Even when local corn prices dip for a short period of time after harvest, feed mills stock up on the temporarily cheaper local corn to use later during times when cheaper wheat is not readily made available.

Chart 5. Prices of Imported Wheat Compared to Local Corn



Source: National Food Agency (NFA) and Hammersmith Reports, processed by FAS Jakarta.

Considering the abovementioned factors and realized import data to date, Indonesian wheat imports in 2023/24 are estimated to increase to a record-breaking 12.982 MMT, an increase of 37.4 percent compared to 9.446 MMT imported in 2022/23. Due to lower feed production in 2023/24 and anticipated receding demand from a weakened rupiah, 2024/25 wheat imports are forecast to dip back down slightly to 12.0 MMT.

For the fifth year in a row, Australia remained Indonesia’s top wheat supplier, continuing to enjoy its advantages of closer proximity with Indonesia and consumer’s preference for wheat noodles of the yellowish color characteristic of Australian wheat. In 2023/24, Australia dominated the market with 31.5 percent market share, followed by Canada with 19.5 percent market share, Russia (13 percent), and Ukraine (10.9 percent). Higher prices and longer lead times reduced U.S. wheat market share in Indonesia to 3.9 percent. From July to September 2024, Indonesia imported a total of 2.5 MMT of wheat, a decline of 18.5 percent compared to imports during the same period in 2023 of 3.0 MMT. For the 2024/25 wheat import forecast, Ukraine is currently leading in market share with 27.8 percent, followed by Australia (26.1 percent), and Canada (23.1 percent).

Domestically produced wheat flour continues to dominate the local market with 99.9 percent market share. Indonesia imposes a tariff of 10 percent on imported fortified wheat flour and 5 percent on other wheat flour, giving local wheat flour a significant advantage. Nonetheless, demand for imported wheat flour increased during the period of July 2023 to June 2024 by 66.1 percent to 98,304 MT of wheat grain equivalent compared to 59,202 MT of wheat equivalent in 2022/23. During the period of July to September 2024, Indonesia’s wheat flour imports reached

21,430 MT of wheat grain equivalent, an increase of 21 percent compared to the same period in 2023. Indonesia sources most of its imported wheat flour from Turkey with 92.0 percent market share, followed by Vietnam with 4.9 percent market share.

Consumption

Weakened demand for Indonesia’s manufactured goods from its export markets continue to cause massive layoffs in the labor-intensive manufacturing sector such as the footwear and textile industries, dampening consumer purchasing power. In addition, ongoing geopolitical conflicts in the Middle East triggered several boycotts throughout Indonesia against multi-national restaurant chains, many of which offer wheat-based food items. Many of these restaurants reported suffering significant losses from the boycotts over the past year and have had to close down several locations and lay off employees. These trends contributed to declining Indonesian consumer purchasing power and middle-class growth, as indicated by sustained deflation rates since May 2024. BPS reported in October 2024 that in 2024 the middle class will make up 17.13 percent (47.85 million people) of the total population, down from 18.8 percent (52 million people) of the total population in 2023. Consequently, middle- and lower-income consumers increasingly have to find alternative, cheaper staple foods as carbohydrate and protein sources.

Chart 6. Indonesian Inflation Rate



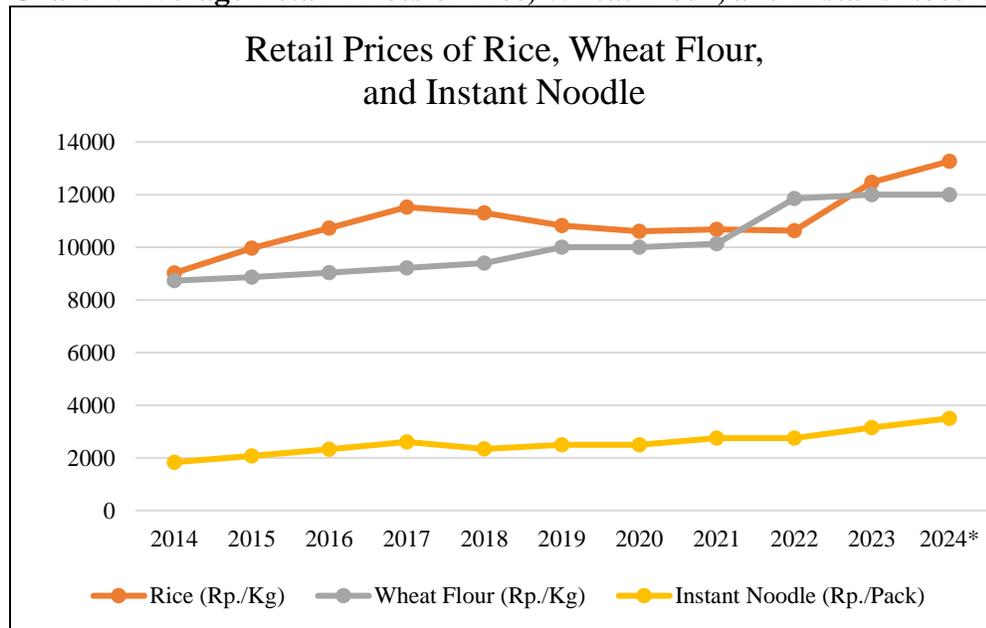
Source: Bank Indonesia

Small and medium enterprises consumed about two-thirds of Indonesian wheat flour production. The sector, which is characterized as traditionally managed, community-oriented, family-owned businesses, includes small-scale wet noodle makers, street food vendors, low-end bread and bakery businesses, and traditional Indonesian cake makers. SMEs producing traditional cakes, pastries, fritters, low-end baked goods, and wet noodles have struggled to survive through the weakened purchasing power and high prices of raw materials. However, the other third of the flour-using industry, large and modern establishments, including several publicly listed companies with advanced production facilities and professional management, are growing as

demand increases as they are better able to weather these economic difficulties. These large producers include instant noodle manufacturers, high-end bakeries, and cookie and biscuit manufacturers (see GAIN Report [ID2024-0010](#)).

APTINDO reported that the high rice prices in the domestic market have increased the consumption of wheat-based instant noodles, especially by lower income families. Moreover, the Indonesian middle-class is dominated by Generation Z consumers who like to try new products and experiences. More upper-end restaurants, noodle stalls serving creative plating, and bakeries offering new and globally trending flour-based food products are opening. In addition, trade data shows that due to strong global demand, Indonesian wheat flour-based food product exports in 2023/24 will increase by 17.5 percent to 298,944 MT of wheat equivalent compared to 254,479 MT of wheat equivalent in 2022/23. Therefore, the Indonesia Food and Beverage Producers Association estimated that the food and beverage sector will still manage to grow by 5 percent in 2024.

Chart 7. Average Retail Prices of Rice, Wheat Flour, and Instant Noodles



Note: *) as of November 2024.

Source: Food Station Tjipinang, Ministry of Trade, Ministry of Industry.

Based on the abovementioned factors, Post estimated that 2023/24 total food consumption increased by 8.2 percent to 9.2 MMT of wheat equivalent compared to 8.5 MMT of wheat equivalent in 2022/23. Consumer preferences for wheat flour-based food is forecast to continue increasing wheat consumption to 9.6 MMT of wheat equivalent, an increase of 4.3 percent compared to 2023/24.

Wheat is also largely consumed in Indonesia as a feed ingredient. Approximately 90 percent of Indonesian feed production is for poultry. The poultry association reported that imports of Grand Parent Stock (GPS) in 2023 is estimated to increase to 686,000 birds compared to 659,100 birds imported in 2022. Imports of GPS will have an impact on the production of Day-Old Chicks (DOC) Final Stock (FS) the second year of imports. Therefore, the increased imports of GPS in

2023 will increase the total poultry population in 2025. However, growth in feed production in 2023/24 and 2024/25 is hindered by the weakening exchange rate as approximately 30-35 percent of the feed ingredients in feed formulation is imported. Despite ample supplies of corn from local production, gaps between local corn prices and the landed prices of imported wheat continue to drive feed mills to use more wheat in feed formulation. Therefore, Post estimates that 2023/24 wheat consumption for feed will further increase to 2.3 MMT of wheat equivalent compared to the previous report's estimate of 2.1 MMT of wheat equivalent, which is an increase of 109 percent from 1.1 MMT of wheat equivalent in 2022/23. Nonetheless, depressed consumer purchasing power has reduced consumer demand for poultry meat leading to a forecast lowering of feed production and wheat consumption for feed use to 2.1 MMT of wheat equivalent for 2024/25.

Stocks

In line with robust imports in 2023/24, ending stocks are also estimated to increase by 97.3 percent to 2.397 MMT compared to 1.2 MMT in 2022/23. Due to forecasted slow-downs in imports and the continued growth of wheat consumption for food use in 2024/25, ending stocks are forecast to slightly decrease by 1.4 percent to 2.337 MMT.

Policy

On November 12, 2024, IQA conducted a public dissemination session to the wheat flour industry on plans to implement plant biosecurity through a pre-border verification process. During the socialization, IQA referenced Indonesian Law No. 21/2019 on Animal, Fish and Plant Quarantine, stating that in order to effectively enforce the role and function of IQA as the authority for the protection of Indonesia's biological resources for animals, fish, and plants at its borders, IQA must ensure that the border area is the final stage of the quarantine clearance process. Therefore, IQA is establishing a pre-border verification process for the imports of agricultural commodities into Indonesia, which will require IQA to conduct, among others: commodity risk analyses on organisms that pose risks to plant health; pre-shipment inspections; the implementation of a Prior Notice notification requirement (see GAIN Report [ID2024-0036](#)); and determinations of areas free from quarantine pests and disease concerns.

In that same vein, IQA is currently conducting reviews of the wheat supply chains of Indonesia's main wheat suppliers and is in the process of negotiating bilateral import protocols between Indonesia and each country, including the United States. These protocols include updated fumigation dosages and other pre-shipment requirements.

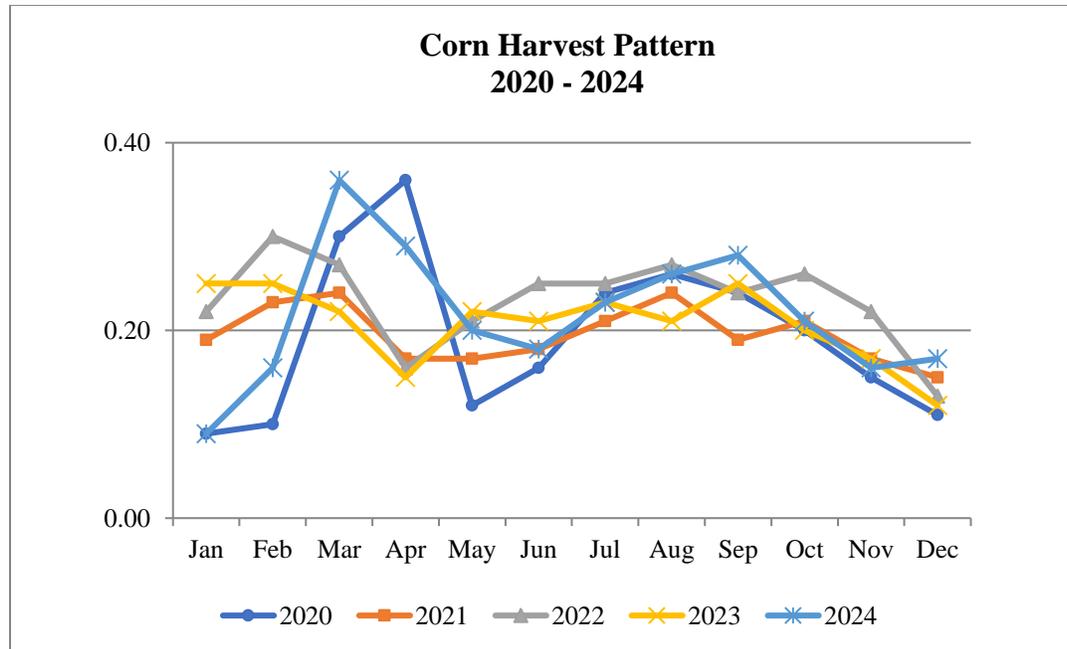
CORN

Production

In October 2024, BPS reported that the peak of the 2023/24 corn harvest season took place in March 2024 with 360,000 hectares already harvested, contributing to 14 percent of total 2023/24 harvested area. The peak of the 2022/23 corn harvest season took place in February 2023 with 250,000 hectares harvested, contributing to 10 percent of the total harvested area in 2022/23.

With the normal arrival of the rainy season in November 2024, the first planting season is currently ongoing. Therefore, the first main harvest for 2024/25 is expected to take place from January to February 2025.

Chart 8. Corn Harvest Pattern



Source: BPS, October 15, 2024.

In line with the estimated increase of local corn production from the first and second harvests, and less absorption by feed mills due to decreased feed demand, corn prices were on the decline in 2023/24. In November 2024, corn farm gate prices are recorded at 4,480 IDR/kg (\$281/MT), compared to IDR 5,650/kg (\$354/MT) in November 2023. Forecasts of sufficient and timely rainfall combined with declining corn prices are expected to reduce 2024/25 corn harvested area by 5.2 percent to 3.6 million hectares compared to the previous report's forecast of 3.8 million hectares as more farmers will opt to grow rice instead of corn. In line with the decline in harvested area, 2024/25 corn production is also forecast to decline by 3.03 percent to 12.8 MMT compared to the previous report's forecast of 13.2 MMT.

Consumption

Currently, Indonesia's feed mill sector consists of 110 feed mills under 44 companies located in 10 provinces, with 81 of those mills located on Java Island. In 2023, total installed capacity of poultry feed reached approximately 27.597 MMT, remaining on par with installed capacity in 2022 of 27.561 MMT. Installed capacity of aquaculture feed in 2023 is also at the same level of 2.527 MMT as in 2022. Feed mills are running at 70-75 percent of total installed capacity.

The poultry industry consumes approximately 90 percent of domestic animal feed supplies, while aquaculture accounts for 6 percent and cattle and swine the remaining 4 percent. Approximately 83 percent of aquaculture feed is for fish while the rest of the aquafeed goes to shrimp (see GAIN Report [ID2023-0029](#).)

The MOA estimates that from 2020-2024 the population of broilers grew 8.49 percent per year. However, due to depressed consumer purchasing power, the feed mill industry association reported that from January to November 2024, the poultry industry experienced a surplus of broiler Day Old Chicks (DOC) which reached a total of 3.3 billion birds, equal to 3.8 MMT of carcass, outpacing broiler demand which only reached a total of 3.2 billion DOCs, equal to 3.7 MMT of carcass. Egg production from January to November 2024 reached a total of 6.3 MMT, on par with demand. Amid the declining prices of imported soybean meal and local corn, lower demand from the poultry industry combined with a weakening Indonesian rupiah against the U.S. dollar, feed mills estimate that 2023/24 feed production will marginally decline by 2 percent to 20.7 MMT compared to 21.2 MMT produced in 2022/23. As prices of imported wheat are more competitive compared to local corn prices, corn inclusion in feed formulation for 2023/24 reached 48 percent compared to the normal inclusion rate of 50 percent. Despite lower year-on-year demand, in line with population growth, annual per capita consumption of poultry meat in 2024 is estimated to increase to 13.21 kg compared to 12.58 kg in 2023.

Corn milling capacity is continuing to grow. Installed capacity of the corn mill industry is estimated to have reached 4,500 MT per day in 2023/24, compared to 4,000 MT per day in 2022/23. The industry consists of four major players and remains the main importer of corn due to food safety requirements for corn in the wet milling process. In addition, two food-grade ethanol plants continue to use corn in 2024. Using corn as the feedstock, total installed capacity for both plants is approximately 300,000 MT. Both the wet milling and ethanol industry require corn with an aflatoxin content of less than 20 parts per billion (ppb) to produce food ingredients fit for human consumption which local corn cannot provide. Wet millers also prefer imported dent corn over locally produced flint corn due to its higher starch content. The wet mills industry produces corn starch, high fructose corn syrup, and glucose syrup. Corn wet mills forecast that the industry will grow by 10 percent annually as demand for corn starch is high.

At his inauguration speech in October 2024, the new President of Indonesia Prabowo Subianto conveyed that one of priority goals is to provide a Free Nutritious Meals Program to 83 million students, pregnant women, and nursing mothers within the next five years with a total national budget of 71 trillion IDR (\$1.1 billion) allocated to the program. The program will start in January 2025 with an initial target to reach a total of 15-20 million students, pregnant women, and nursing mothers. The newly established National Nutrition Agency under the CMFA will be the main agency to oversee the program. Despite the lucrative potential growth opportunities for the food industry presented by such a massive program, the lack of clarity and implementing regulations surrounding the program renders it difficult for the food and agricultural sectors to assess how the program will affect already existing supply chains. The poultry sector is waiting on further details before determining whether the program will boost demand for poultry and egg consumption. Subsequently, the feed mill association has not adjusted its forecasts to account for the free meals program and maintains that feed production in 2025 will grow in line with the forecast Indonesian economic growth of 5 percent as stated by the Bank of Indonesia.

Considering the abovementioned factors, 2023/24 corn consumption for feed is expected to decline to 8.6 MMT and will rebound to 9.0 MMT in 2024/25. Corn consumption for food in

2023/24 and 2024/25 is forecast to increase to 4.7 MMT and 5.2 MMT, respectively, due to wet mill and ethanol plant expansion as well as increasing demand for corn starch.

Trade

To ensure that no corn for feed enters the country unless otherwise authorized, the GOI differentiates the HS Codes for corn for feed and corn for human consumption.

Table 2. Corn Import Duty

HS Code	Description	Import Duty (In Percent)
1005 9091	Corn, other, fit for human consumption	5
1005 9099	Corn, other, other	5

Source: Indonesia National Single Window

Post estimates 2023/24 overall corn imports will further increase by 49.5 percent to 1.790 MMT compared to 901,000 MT imported in 2022/23 mainly due to higher imports of food-grade corn by wet millers. With lower international corn prices, corn imports for wet milling are estimated at 1.25 MMT in 2023/24, an increase of 13.6 percent compared to 1.1 MMT imported in 2022/23. On the feed side, out of the total assignment from the GOI to import 750,000 MT of corn for feed in 2024, as of November 2024 BULOG has managed to materialize approximately 350,000 MT earmarked for distribution to smallholder poultry farmers. Post forecasts overall corn imports in 2024/25 will decline by 27.4 percent to 1.3 MMT compared to 2023/24 due to assumed lower imports by BULOG. However, prospects for wet mill expansion remain bright as Indonesia still imports 48 percent of its total demand for cornstarch, providing ample opportunity for the corn wet milling industry to grow.

In 2023/24, Indonesia's corn imports originated from Argentina (58.3 percent), Brazil (40.6 percent), and Pakistan (1.0 percent). According to industry, U.S. corn continues to remain uncompetitive due mainly to higher prices compared to corn from South America. In addition to using more wheat, feed mills also increased imports of distillers dried grains with soluble (DDGS) and corn gluten meal (CGM) to meet the demand for energy sources in feed formulation as well as meat and bone meal (MBM) for protein.

Table 3. Imports and Import Duty of Other Plant Based Feed Ingredients

HS Code	Description	Import	Imports (In MT)
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		Duty (In Percent)	2022	2023	Jan – Sep 23	Jan – Sep 24
230110	MBM	5	517,757	498,197	384,529	375,450
230310	CGM	5	216,000	234,412	154,615	197,846
230330	DDGS	5	776,126	799,170	616,687	838,645
230649	Canola Meal	5	80,156	98,532	82,046	20,593

Source: Indonesia National Single Window, Trade Data Monitor.

From January to September 2024, feed mills imported most of their CGM from the United States (50.5 percent) and China (49.4 percent), while importing DDGS mostly from the United States (91.6 percent). From January to September 2024, Indonesian also imported all of its canola meal from India while importing meat and bone meal from the United States (54 percent), New Zealand (18.4 percent), and Canada (11.5 percent). Considering the forecast increase in feed production and insufficient supplies of corn from local production, imports of CGM, DDGS, MBM, and canola meal in 2024/25 are forecast to continue growing.

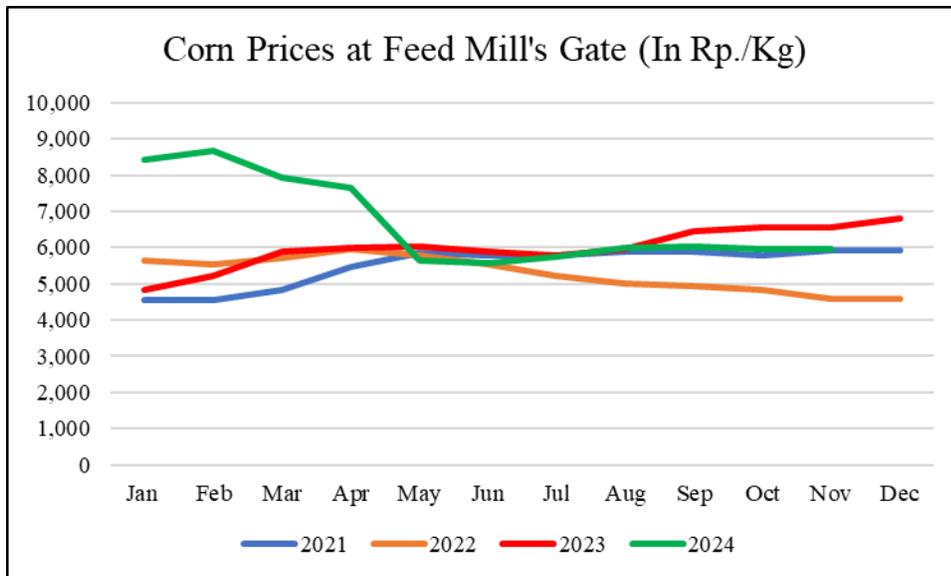
Stocks

With lower corn prices due to higher local corn supply but less absorption by feed mills, the MOA reported higher stocks of corn in feed mill silos. As of October 2024, feed mills are holding a total of 1.2 MMT of corn compared to 718,000 MT of corn held in October 2023. Current stocks are forecast to be sufficient to cover demand for 55 days of feed production. In line with expected increases in production, higher imports, and lower consumption by feed mills, 2023/24 ending stocks are estimated to increase to 2.455 MMT. Ending stocks for 2024/25 are forecast to slightly decline to 2.353 MMT due to a forecast decrease in production and higher use of corn for both feed and food consumption.

Prices

Currently, small and sporadic harvests are ongoing. The average corn prices at the feed mills level in November 2024 is recorded at 5,950 IDR/kg (\$373.2/MT) lower than the average prices of 6,569 IDR/kg (\$412/MT) in November 2023. Despite declining, corn prices at the feed mill gate are still above the government reference price of 5,000 IDR/kg (\$314/MT).

Chart 9. Average Corn Prices at Feed Mill's Gate



Source: Ministry of Agriculture and National Food Agency, November 25, 2024

RICE, MILLED

Production

Indonesia's tropical climate is favorable for growing multiple crop cycles on the same plot of land within the same year. Cropping systems are diverse, including different ecosystems (upland, lowland), and sources of water (rain-fed and irrigated). Approximately 85 percent of rice production comes from irrigated paddy fields. Typically, irrigated farms are planted with paddy during the first and second crop cycles (October-February and March-June) and followed by paddy or secondary crops such as corn, mung bean, soybean, peanut, or sweet potato during the third crop cycle (July – October). Rice production from the first crop cycle makes up 50-55 percent of total national rice production, while the second and third crop cycle make up 30-35 percent and 15-20 percent respectively.

A stronger-than-anticipated El Nino reduced paddy harvested area and production in 2023/24. In early October 2024, BPS reported that based on the realization of harvested area from January to September 2024 and standing crops in October 2024, rice harvest area and paddy production in 2023/24 will decline by 1.64 percent and 2.45 percent respectively. Post made no changes to the PSD table for rice harvested area and production from the previous report as the figures in the previous PSD already reflected the projected declines in harvested area and production in 2023/24 as well as the forecasted increase for 2024/25.

Recent Post observations of paddy fields confirmed the majority of paddy fields on Java Island (which account for 55.6 percent of national paddy production) are currently in the vegetative stage. Only small and sporadic harvests take place in fields both inside and outside of Java. Assuming the transition to a La Nina weather pattern materializes, farmers are likely to start the first crop cycle of 2024/25 sometime between October and November 2024.

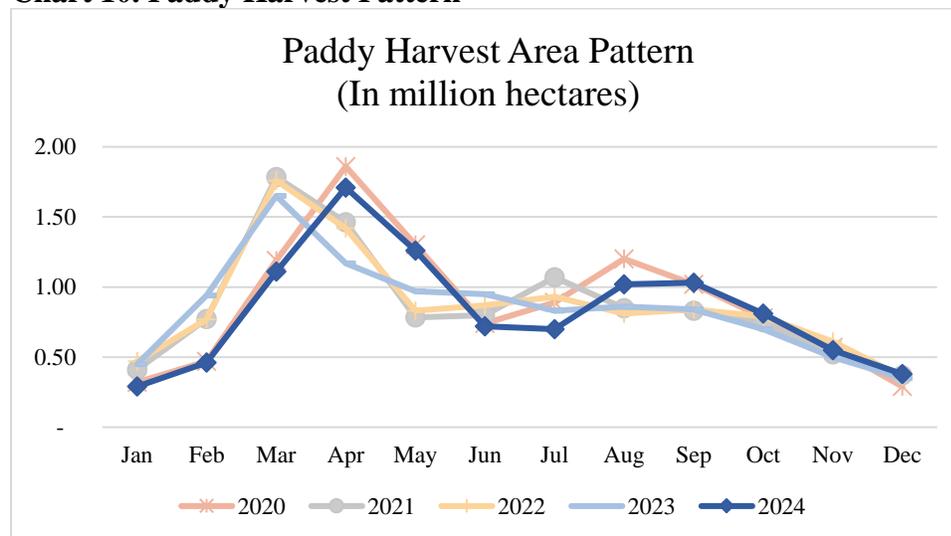
Photos 1 & 2: Stages of Rice Crops During the Third Crop Cycle of 2023/2024. Left: In Serdang Bedagai, North Sumatera, September 2024. Right: In Central Java, October 2024



Source: FAS Jakarta

BPS also reported that the peak of the main harvest in 2023/24 took place in April 2024 with harvested area reaching 1.71 million hectares, 3.56 percent higher compared to the peak harvest of 2022/23 which took place in March 2023 with harvested area reaching 1.65 million hectares.

Chart 10. Paddy Harvest Pattern



Source: BPS, October 15, 2024.

The GOI's ongoing Food Estate program (see GAIN Report [ID2021-0021](#)), which had been mainly focused on developing land in Kalimantan, has faced serious obstacles such as unsuitable topsoil for growing paddy. After years of unproductive returns, the new GOI administration is relocating the program to focus more on Merauke, South Papua. Flat and vast land in Merauke is considered more fertile and suitable for growing paddy. The GOI aims to open at least one million hectares of new paddy field in Merauke by the end of 2025. However, the current lack of infrastructure such as roads, water reservoirs, irrigation canals, and ports to transport agricultural

inputs such as seeds and fertilizers and outputs, in addition to complex land rights of indigenous Papuans, will be major impediments for the program to overcome. A prominent non-government organization reported that, to date, the GOI with strong support from the Indonesian army has cleared approximately 3,000 hectares of Merauke's pristine forest for new paddy fields using military resources and hundreds of imported excavators. Post is closely monitoring the progress of the Food Estate program in Merauke, South Papua.

Consumption

As of November 1, 2024, BULOG reported to have procured a total of 727,148 MT of milled rice under the government rice reserve program and another 392,817 MT commercially. Therefore, total BULOG domestic procurement as of November 1, 2024, reached a total of 1.12 MMT, 6 percent higher than its domestic procurement realization of 1.06 MMT in 2023. From January to October 2024, BULOG distributed a total of 1.23 MMT of rice under the stabilization of food supply and prices (*SPHP, Stabilisasi Pasokan dan Harga Pangan*) program. BULOG also managed to distribute a total of 1.8 MMT of rice for the GOI's food aid program in addition to a total of 381 MT for its emergency response program. The combination of BULOG's domestic procurement and imported procurement minus the programmatic rice distribution leaves BULOG's total stock as of November 1, 2024, at 1.6 MMT, which is higher than BULOG's target of 1.2 MMT of rice by the end of 2024.

Considering BULOG's rice distribution targets lower and middle-income populations and supports population growth, Post estimates that 2023/24 rice consumption will increase by 1.4 percent to 36.0 MMT. Rice consumption is forecast to further increase by another 1.4 percent in 2024/25 to 36.5 MMT mainly from population growth.

Trade

BULOG has already reportedly imported a total of 2.9 MMT out of its total rice import authorization for 2024 of 3.6 MMT. Its 3.6 MMT authorized allocation combined with its carryover import allocation from 2023 of 500,000 MT brings BULOG's current total authorized import allocation to 4.1 MMT. With the expected arrival of an additional 500,000 MT from a recent tender in early November 2024, BULOG is estimated to import a total of 3.4 MMT of the imported rice for 2023/24. Combined with private sector imports, Post estimates Indonesia's 2023/24 total rice imports will reach 3.9 MMT, an increase of 2.6 percent from the previous report's estimate of 3.8 MMT. Despite recent statements from the CMFA and MOT in the media that Indonesia will import a total of 1 MMT of rice from India amid declining prices after India lifted its export ban, this procurement is unlikely to happen by the end of 2024. BULOG will not have sufficient time to secure import permits from the MOT for such a large volume of rice to arrive in Indonesian ports before the end of December 2024. The statements also contradict the new President's intention to become self-sufficient in rice and to reduce rice imports.

With the new administration's strong intentions of becoming self-sufficient in rice, the newly appointed Minister of CMFA has emphasized that Indonesia will reduce its rice import allocations to BULOG in 2025, despite the potential spike in demand created by the

administration's free meal program. Therefore, Post forecasts that 2024/25 rice imports will decline sharply to 1.0 MMT.

Of the total rice imported during the period of January to September 2024, Thailand supplied 33.1 percent of the imported rice, followed by Vietnam (28.6 percent), Pakistan (13.4 percent), and Myanmar (11.8 percent). Post is not revising the PSD table as it is likely that BULOG will use up the rest of its remaining import allocations considering the likely possibility of high rice prices during the lean season at the end of the 2023/24.

In order to strengthen BULOG's role and improve efficiency in securing and distributing government rice reserves to support the new administration's goal of achieving rice self-sufficiency by 2027, CMFA has decided to transform BULOG from a state-owned enterprise with public company status to a non-corporate institution. The GOI is considering transforming BULOG into a government agency that reports directly to the president. The new structure will provide BULOG with stronger authority not only to execute directives but also make decisions for the GOI on the procurement, distribution, and price management of rice and other staple foods. CMFA and other food and agriculture-related stakeholders will begin the discussion on BULOG's new mandate in December 2024.

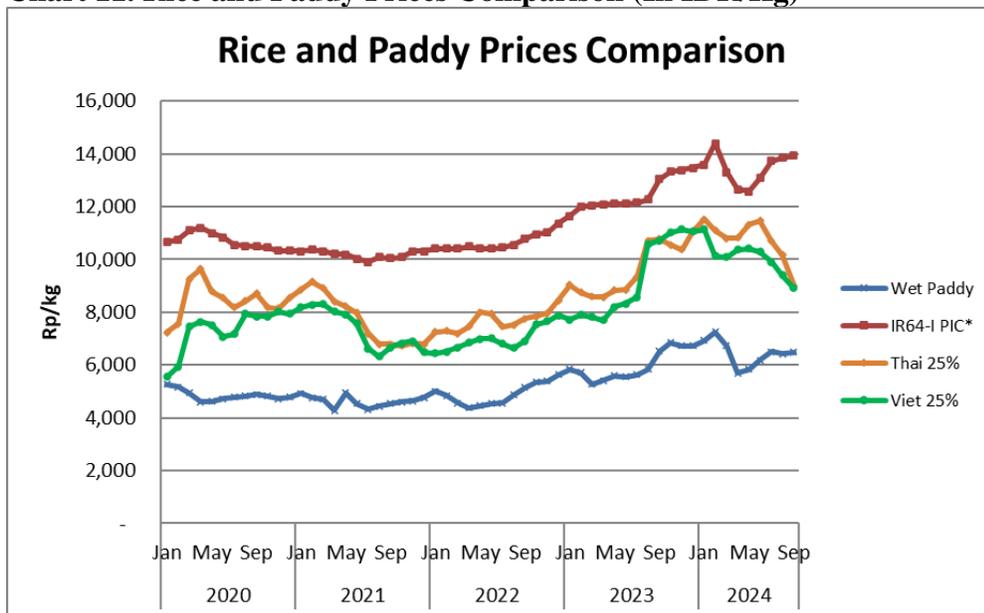
Stocks

As higher import realizations managed to offset a decline in rice production, 2023/24 stock estimates are revised up to 5.72 MMT compared to the previous report's estimate of 5.52 MMT. Ending stocks in 2024/25 are forecast to decline to 4.22 MMT in line with lower authorized imports and higher consumption.

Price

Amid the scattered harvest, BPS reported that prices of wet paddy at the farmers' level in October 2024 declined by 1.14 percent to 6,422 IDR/kg (\$403/MT) from 6,496 IDR/kg (\$407/MT) in July 2024. Dry paddy prices at the mill's level in October 2024 declined by 1.1 percent to 7,212 IDR/kg (\$452/MT) compared to 7,291 IDR/kg (\$457/MT) in July 2024. Prices of medium quality rice at the retail level in November 2024 are recorded at 13,490 IDR/kg (\$846/MT) a decline of 0.4 percent compared to 13,540 IDR/kg (\$849/MT) in July 2024. Premium quality rice prices at the retail level in November 2024 reached 15,430 IDR/kg (\$968/MT) a decrease by 0.6 percent from 15,520 IDR/kg (\$974/MT) in July 2024.

Chart 11. Rice and Paddy Prices Comparison (In IDR/Kg)



Source: BPS, FAO, Cipinang rice wholesale market, processed by FAS

SECTION II. PSD TABLES

Table 4. PSD: WHEAT

Wheat	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Market Year Begins						
Indonesia						
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	1700	1700	1015	1215	2339	2397
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	9446	9446	13015	12982	12000	12000
TY Imports (1000 MT)	9446	9446	13015	12982	12000	12000
TY Imp. from U.S. (1000 MT)	351	346	484	0	0	0
Total Supply (1000 MT)	11146	11146	14030	14197	14339	14397
MY Exports (1000 MT)	331	331	391	300	370	360
TY Exports (1000 MT)	331	331	391	300	370	360
Feed and Residual (1000 MT)	1100	1100	2100	2300	2000	2100
FSI Consumption (1000 MT)	8700	8500	9200	9200	9600	9600
Total Consumption (1000 MT)	9800	9600	11300	11500	11600	11700
Ending Stocks (1000 MT)	1015	1215	2339	2397	2369	2337
Total Distribution (1000 MT)	11146	11146	14030	14197	14339	14397
Yield (MT/HA)	0	0	0	0	0	0

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

Note: Figures in the “New Post” columns are not USDA Official figures.

Table 5. PSD: CORN

Corn Market Year Begins Indonesia	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3500	3500	3700	3700	3800	3600
Beginning Stocks (1000 MT)	1367	1367	1021	1321	1245	2455
Production (1000 MT)	12400	12400	12700	12700	13200	12800
MY Imports (1000 MT)	901	901	1780	1790	1100	1300
TY Imports (1000 MT)	901	901	1780	1790	1100	1300
TY Imp. from U.S. (1000 MT)	1	1	0	4	0	0
Total Supply (1000 MT)	14668	14668	15501	15811	15545	16555
MY Exports (1000 MT)	247	247	56	56	2	2
TY Exports (1000 MT)	247	247	56	56	2	2
Feed and Residual (1000 MT)	9200	8800	9700	8600	9800	9000
FSI Consumption (1000 MT)	4200	4300	4500	4700	4600	5200
Total Consumption (1000 MT)	13400	13100	14200	13300	14400	14202
Ending Stocks (1000 MT)	1021	1321	1245	2455	1143	2353
Total Distribution (1000 MT)	14668	14668	15501	15811	15545	16555
Yield (MT/HA)	3.5429	3.5429	3.4324	3.4324	3.4737	3.555

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

Note: Figures in the “New Post” columns are not USDA Official figures.

Table 6. PSD: MILLED, RICE

Rice, Milled Market Year Begins Indonesia	2022/2023		2023/2024		2024/2025	
	Jan 2023		Jan 2024		Jan 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	11300	11300	11000	11000	11200	11200
Beginning Stocks (1000 MT)	2900	2900	4700	4800	5520	5720
Milled Production (1000 MT)	33900	33900	33020	33020	34000	34000
Rough Production (1000 MT)	53386	53386	52000	52000	53543	53543
Milling Rate (.9999) (1000 MT)	6350	6350	6350	6350	6350	6350
MY Imports (1000 MT)	3500	3500	3800	3900	1500	1000
TY Imports (1000 MT)	3500	3500	3800	3900	1500	1000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	40300	40300	41520	41720	41020	40720
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Consumption and Residual (1000 MT)	35600	35500	36000	36000	36500	36500
Ending Stocks (1000 MT)	4700	4800	5520	5720	4520	4220
Total Distribution (1000 MT)	40300	40300	41520	41720	41020	40720
Yield (Rough) (MT/HA)	4.7244	4.7244	4.7273	4.7273	4.7806	4.7806

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2024/2025 = January 2025 - December 2025

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

Note: Figures in the “New Post” columns are not USDA Official figures.

Table 7. Exchange Rate

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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2021	14,084	14,229	14,459	14,453	14,292	14,452	14,548	14,306	14,321	14,171	14,320	14,278
2022	14,392	14,369	14,306	14,480	14,592	14,848	14,990	14,853	15,232	15,596	15,668	15,619
2023	14,992	15,240	15,418	14,661	15,003	15,000	15,026	15,237	15,487	15,897	15,587	15,439
2024	15,803	15,630	15,624	16,276	16,251	16,394	16,199	15,473	15,144	15,732	15,942	

Source: Bank of Indonesia

Note: Exchange rate is IDR 15,942/USD 1, as of Nov 21, 2024

Attachments:

No Attachments