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Report Highlights:

For 2025/26, Indonesian paddy and corn production are forecast to return to normal trends following significant increases due to weather anomalies in 2024/25. The ample supply of corn in 2024/25 has driven feed mills to use more corn in feed formulations, reducing wheat for feed consumption and ending stocks. On trade, the trade deal between the United States and Indonesia announced on July 22, 2025 is expected to increase the market share of U.S. corn and wheat supplied to Indonesia in 2025/26.

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
DDGS:	Distillers Dried Grain Soluble
DOC:	Day-Old Chick
FS:	Final Stock
GOI:	Government of Indonesia
GPMT:	Feed Producers Association
GPS:	Grand Parent Stock
IDR:	Indonesian Rupiah
IQA:	Indonesian Quarantine Agency
HPP:	Government Purchasing Price
KPM:	Beneficiary Families
MBM:	Meat and Bone Meal
MOA:	Ministry of Agriculture
MOI:	Ministry of Industry
MT:	Metric Tons
MMT:	Million Metric Tons
MPW:	Ministry of Public Works
NFA:	National Food Agency
SPHP:	Stabilization of Rice Supply and Price
TDM:	Trade Data Monitor
USWA:	United States Wheat Associates

SECTION I. SITUATION AND OUTLOOK

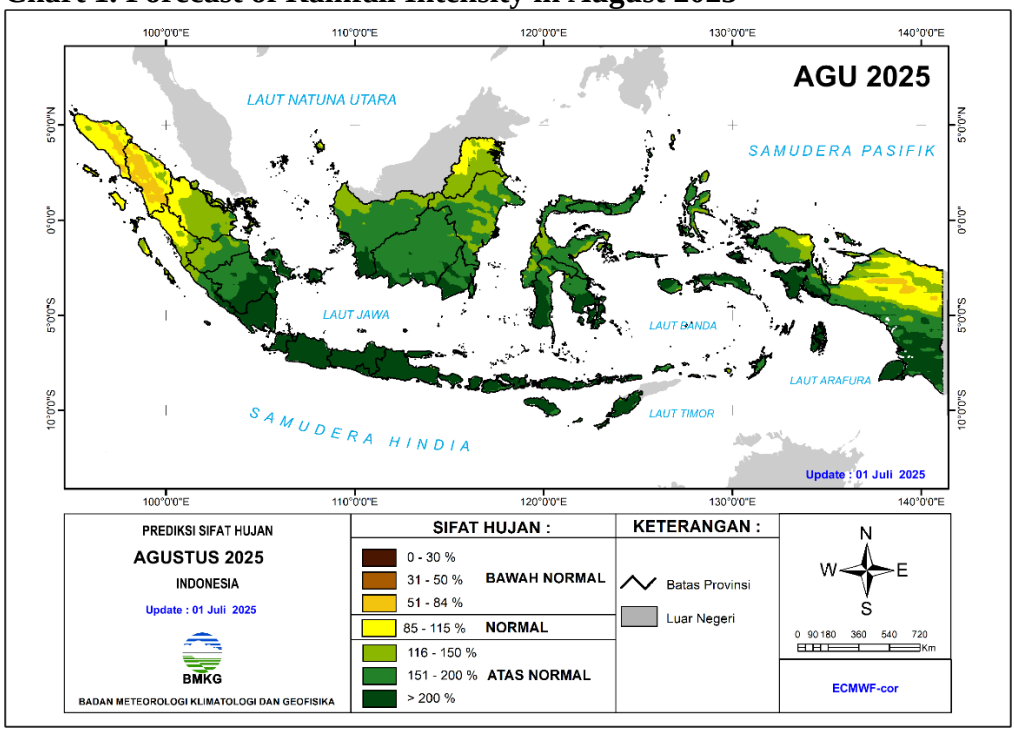
In June 2025, the Indonesian Meteorology, Climatology, and Geophysics Agency (BMKG) updated the forecast for the start of the 2025 dry season. The update showed that most Indonesian areas are experiencing a delayed onset of dry season, particularly in Java, Bali, and Nusa Tenggara. In Java, many areas that were originally predicted to start the dry seasons in middle of April to early May have shifted to middle of May to early June, particularly in Central Java, Yogyakarta Special Region, and East Java. Meanwhile, in Bali and Nusa Tenggara, the average shift occurred between 20 to 40 days, from the middle of April to early May. BMKG predicted that the peak of the dry season will generally occur between July and August 2025. In Java and Papua, the peak of the dry season tends to be earlier than previously predicted. Conversely, in Sulawesi and Sumatra, the peak shifted later. A shorter dry season will take place in most regions, particularly in Java, Sulawesi, Bali, and Nusa Tenggara. However, a small portion of Sumatra, Java, Sulawesi, and Papua will experience a longer duration. BMKG officials met during the recent Post field survey reported that the anomaly comes from local Indonesian weather dynamics rather than from the impact of the surface temperature of the Indian Ocean or the Pacific Ocean. Furthermore, BMKG forecasts that the beginning of 2025 rainy season will start at the normal time of September to October 2025.

A wet dry season provides opportunities for some farmers whose fields in semi-technically irrigated to continue growing paddy rice over corn and those in rain-fed low land areas to grow corn during the 2024/25 third crop cycle which started in June or July 2025. Some farmers in the semi-technically irrigated area normally grow secondary crops while those on rain-fed areas normally leave the field idle during the third crop cycle. The Indonesian Statistics Agency (BPS[1]), estimates that the paddy harvested area during the period of January to August 2025 will reach a total of 8.25 million hectares, up 18.5 percent from 7.27 million hectares during the same period of 2024. Corn harvested area during the period of January to August 2025 is estimated to reach a total of 1.9 million hectares, a 5 percent increase from the same period of 2024. Therefore, 2024/25 paddy production is estimated to increase based on the larger harvested areas, while 2024/25 corn production will also increase from a slight area increase and more use of high-yielding hybrid corn seed. Based on Post's recent observation and the actual seed sales report from major corn seed producers, Post revised the 2023/24 corn harvested area to 3.5 million hectares.

The 2024/25 third crop cycle in Java, which contributes to 15 to 20 percent of Indonesian paddy as well as corn production, is currently ongoing. Farmers expect to start the harvest in late September 2025. In line with BMKG prediction of the onset of 2025/26 rainy season and with relatively normal weather compared to the wet dry season in 2024/25, the beginning of 2025/26 first crop cycle will take place on time in October to November 2025. In addition, 2025/26 rice production is forecast to contract, while corn production is forecast to improve as some farmers in semi-technically irrigated lowland area will grow corn over paddy during the second and third crop cycles.

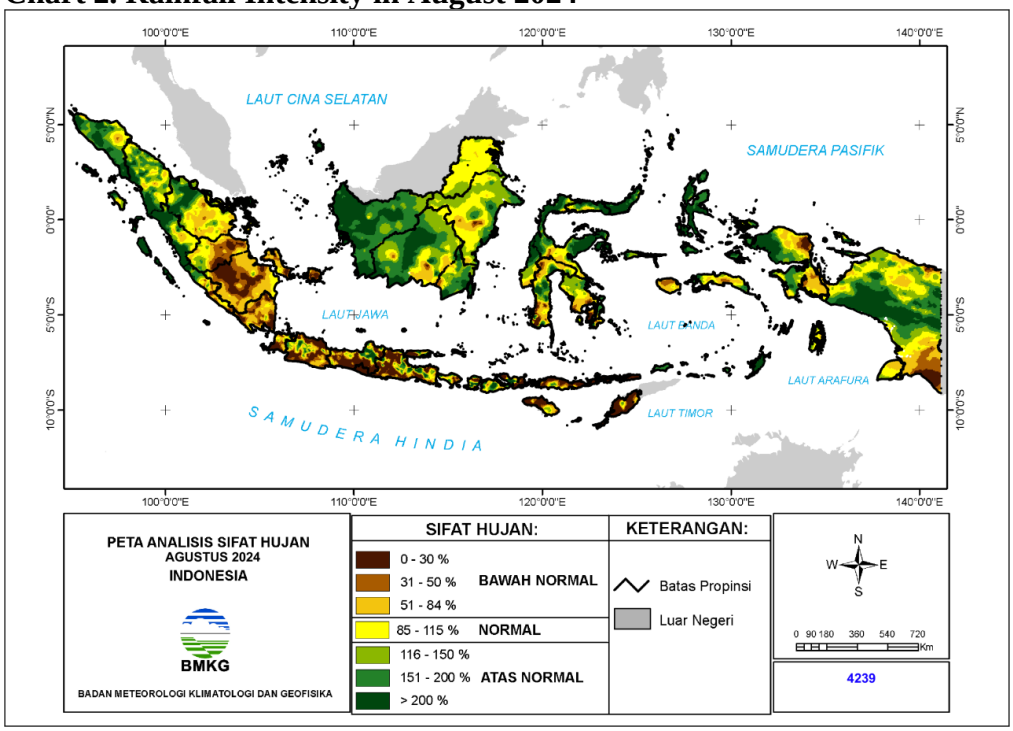
[1] *Badan Pusat Statistik*

Chart 1. Forecast of Rainfall Intensity in August 2025



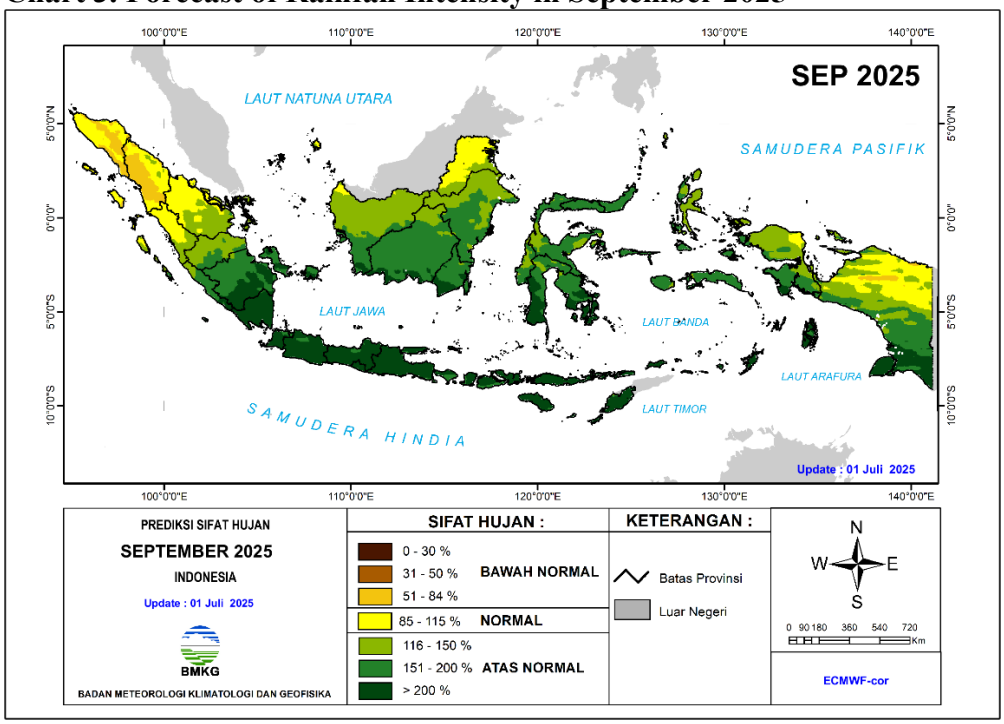
Source: Indonesian Meteorology, Climatology, and Geophysics Agency (BMKG)

Chart 2. Rainfall Intensity in August 2024



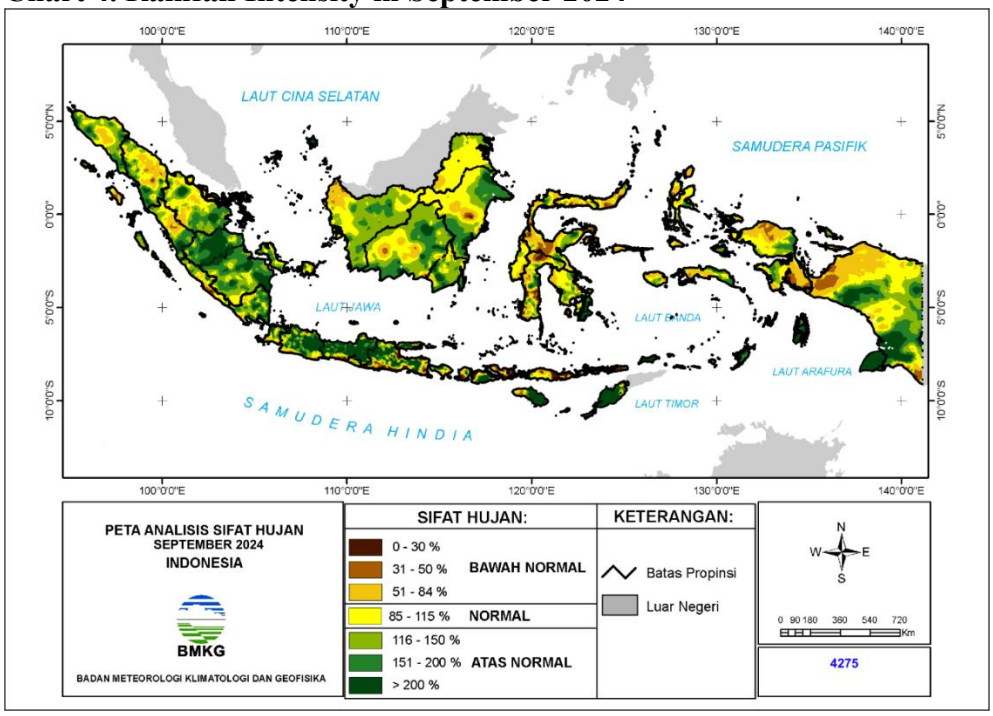
Source: Indonesian Meteorology, Climatology, and Geophysics Agency (BMKG)

Chart 3. Forecast of Rainfall Intensity in September 2025



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

Chart 4. Rainfall Intensity in September 2024



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

In line with continued rainfall, the Ministry of Public Works (MPW) reported that major reservoirs in Java are at normal levels of water elevation. The water volume is expected to be sufficient to supply water for paddy fields close to the reservoirs during the second and third crop cycles.

Table 1. Water Elevation at West Java Water Reservoirs, July 9, 2025

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	106.32	n/a	Normal
2	Cirata	668.12	210.61	201.23	219.66	n/a	Normal
3	Saguling	530.75	633.08	159.48	642.29	n/a	Normal

Source: Indonesian Min. of Public Works, (July 9, 2025), processed by FAS/Jakarta.

EXECUTIVE SUMMARY

An interministerial meeting which established the 2025 Commodity Balance, including allowed import/export volumes for corn and rice, took place on December 9, 2024. Due to expected higher rice and corn production and the new Prabowo administration's self-sufficiency policies, the Commodity Balance process resulted in reduced import quota volumes, with additional restrictions for both rice and corn for 2025 (Please see ID2025-0016). For the same reason, the Coordinating Ministry of Food Affairs (CMFA) in early 2025 further decided to restrict imports of wheat for feed. Based on the decision, the Government of Indonesia (GOI) has not issued any import approvals for wheat for feed. Before that decision, in 2024/25, the GOI issued import approvals for a state-owned company to import 1 MMT of wheat for feed.

Besides self-sufficiency, another hallmark priority of the new administration is the Free Nutritious Meal (*MBG*[2]) program, which was officially launched on January 6, 2025. This ambitious program seeks to provide free meals to 82.9 million beneficiaries (i.e., 48 million students, 30 million children under the age of 5, and 4 million expecting and breastfeeding mothers). As of July 2025, the program has reached a total of 7 million beneficiaries who received the meals distributed from 1,873 kitchens. Despite the achievement, food and feed suppliers have yet to report any significant demand increase as the policies on clear procurement procedures and regulations remain undeveloped. Furthermore, as the program continuously focuses on the achievement of target beneficiaries, no clear regulations related to food safety aspects of the MBG are in place yet.

Wheat

Wheat imports for 2024/25 are estimated to further decrease to 10.5 MMT from the previous estimate of 11.0 million metric tons (MMT) due to the receding of the elections-induced spike in wheat demand, the lack of import quota allocations for wheat for feed use, a weakened Indonesian rupiah, and more competitive local corn prices from abundant local supply compared to international wheat prices.

[2] *Makan Bergizi Gratis*

However, in line with the forecasted increase in feed production and higher demand from population growth, 2025/26 wheat imports are forecast to marginally rebound to 11.0 MMT.

Corn

Sufficient rainfall has caused some farmers on semi-technically irrigated lowland areas to continue growing rice over corn for the 2024/25 third crop cycle. At the same time, the wet dry season also provides an opportunity for farmers on rain-fed areas to grow corn instead of leaving the land idle. Therefore, Post estimates 2024/25 corn harvested area to remain on par at 3.5 million hectares as in 2023/24. Moreover, reduced allocations for subsidized, low-yield hybrid corn seeds will likely increase yield in 2024/25, since farmers tend to purchase higher yielding varieties when the subsidized varieties are not offered. Corn production is forecast to further increase in 2025/26 to 13.6 MMT due to projected increases in harvested area and higher use of high-yielding hybrid corn seed. Increases in corn and feed production have driven up the use of corn in feed formulations.

Rice

Based on Indonesian Statistics Agency (*BPS*[3]) reports and Post's recent field observations, Post does not make any changes to 2024/25 and 2025/26 paddy harvested areas. Nonetheless, as historically experienced, continuous rainfall during the generative phases of paddy's growth tend to result in lower yields. Therefore, Post estimates that 2024/25 paddy production will slightly reduce to 53.7 MMT compared to the previous estimate of 54.5 MMT. Due to ample supply from local production, to date GOI has not issued any authorization for the Indonesian National Logistics Agency (BULOG), a state-owned enterprise, to import rice in 2024/25.[4]

WHEAT

Production

Indonesia does not produce wheat domestically.

Trade

The Indonesian flour mill industry continues to expand. It currently consists of 31 flour mills with a total installed capacity of 14.8 MMT, adding one flour mill and 0.4 MMT of installed capacity since last year. The new flour mill opened in Java, bringing the total to 24 on the island. Another five flour mills are located in Sumatera, and two more in Sulawesi. In line with population growth, new flour-based food trends, and increased consumer demand for food diversity, prospects for continued growth in the industry remain bright.

GOI allows only flour mills to regularly import wheat while severely restricting imports by traders and feed mills. GOI will allow imports of wheat for feed use only when deemed necessary and only through assignment to state-owned enterprises managing government food reserves such as BULOG or ID Food.

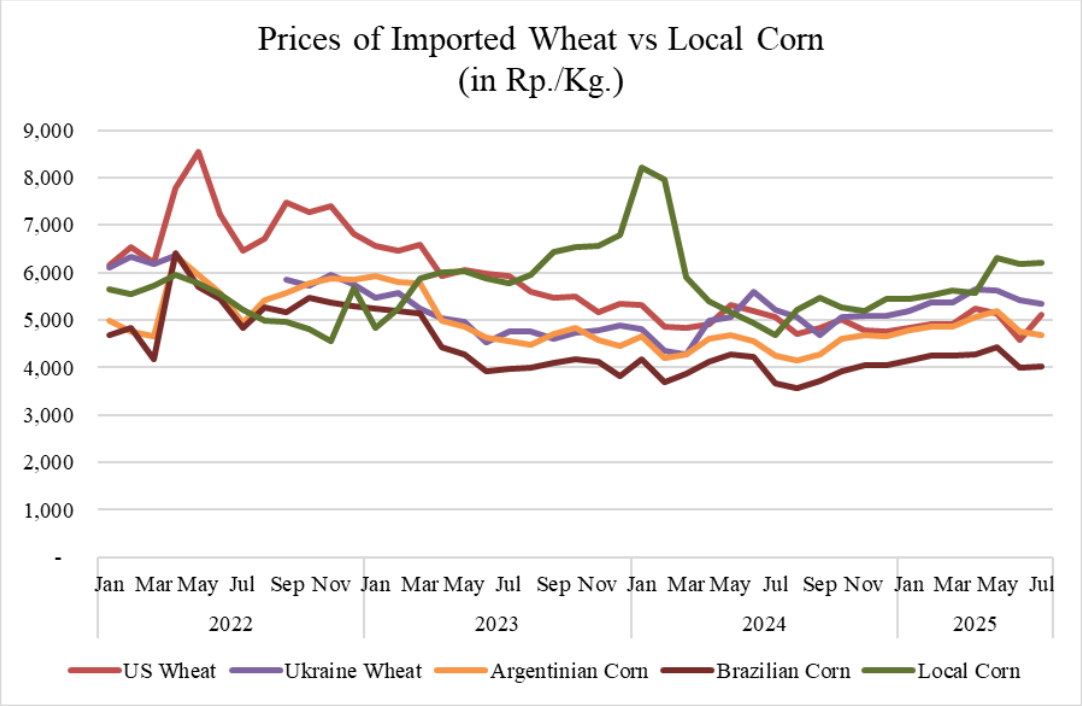
[3] *Badan Pusat Statistik*

[4] Only BULOG is authorized to import rice and feed corn.

Due to increased corn production, the Indonesian Coordinating Ministry of Food Affairs decided to no longer issue any authorization for the state-owned companies to import wheat for feed in 2024/25.

Indonesian wheat demand from flour mills is expected to remain strong in line with higher demand from bakeries, biscuit manufactures, small and medium enterprises, and households. According to the Indonesian flour mills association (*APTINDO*[5]), the decline in global wheat prices in the middle of 2024 pushed up 2024/25 imports. However, international wheat prices started to fluctuate, which, combined with the weakening of the Indonesian rupiah, will end up hindering imports in 2024/25 and 2025/26.

Chart 5. Indonesia: Prices of Imported Wheat Compared to Local Corn



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

On June 4, 2025, the United States Department of Agriculture (USDA) Animal, Plant, Health Inspection Service (APHIS) and the Indonesian Quarantine Agency (IQA) signed the Protocol on Phytosanitary Requirements for Exports of Wheat Grain from the United States to the Republic of Indonesia. The protocol was the result of several months of bilateral negotiations stemming from IQA's decision to increase the fumigation dosage in October 2023. Following the signing of the Protocol, IQA issued a Circular Letter on the Implementation of the Protocol to Quarantine Offices at Indonesian Ports. The Protocol is expected to help ensure smooth exports of U.S. wheat to Indonesia.

In the leadup to the trade deal between the United States and Indonesia which was announced on July 22, 2025, the Indonesian Coordinating Ministry for Economic Affairs (CMEA) sought commitments from the private sector to increase purchase of U.S. agricultural commodities and products. This led to the signing of an unbinding memorandum of understanding (MOU) between the United States wheat industry and Indonesian flour mills association (APTINDO) on July 7, 2025, in Jakarta. The MOU

[5] *Asosiasi Produsen Tepung Terigu Indonesia*

stated that APTINDO members agree to buy a minimum of 1.0 MMT of U.S. wheat from the year 2026 to 2030. For 2025, APTINDO will purchase a prorated amount, a minimum of 800,000 MMT of U.S. wheat.

In line with population growth, higher demand from expanding flour mills, and prospects from the recent MOU, 2025/26 wheat imports are forecast to rebound by 4.8 percent to 11.0 MMT. However, considering the abovementioned limitations, including the ban on feed wheat imports, Indonesian wheat imports in 2024/25 are estimated to decrease by 19.3 percent to a total of 10.5 MMT compared to 13.015 MMT imported in 2023/24.

From July 2024 to May 2025, Indonesia imported a total of 9.4 MMT of wheat, a decrease of 21.5 percent compared to the same period of July 2023 to May 2024. Australia continues to enjoy its close proximity with Indonesia as well as customer's preference for yellowish noodles from Australian wheat with 31.1 percent market share, followed by Canada and Ukraine with 22.3 percent and 17.9 percent market share respectively. As flour mill demand is mostly for soft white wheat, the United States maintains a smaller 6.9 percent market share, valued at $195 million.

Domestically produced wheat flour continues to dominate the local market with a 99.9 percent market share. Nonetheless, demand for imported wheat flour increased during the period of July 2024 to May 2025 by 36.9 percent to 102,667 MT of wheat equivalent compared to 74,973 MT of wheat equivalent during the same period of 2023/24. Indonesia sources most of its imported wheat flour from Türkiye with a total of 94.4 percent market share, followed by Vietnam with 3.9 percent market share.

Consumption

Indonesian economy has yet to improve (see ID2025-0016). The inflation rate remains low reflecting depressed consumer purchasing power.

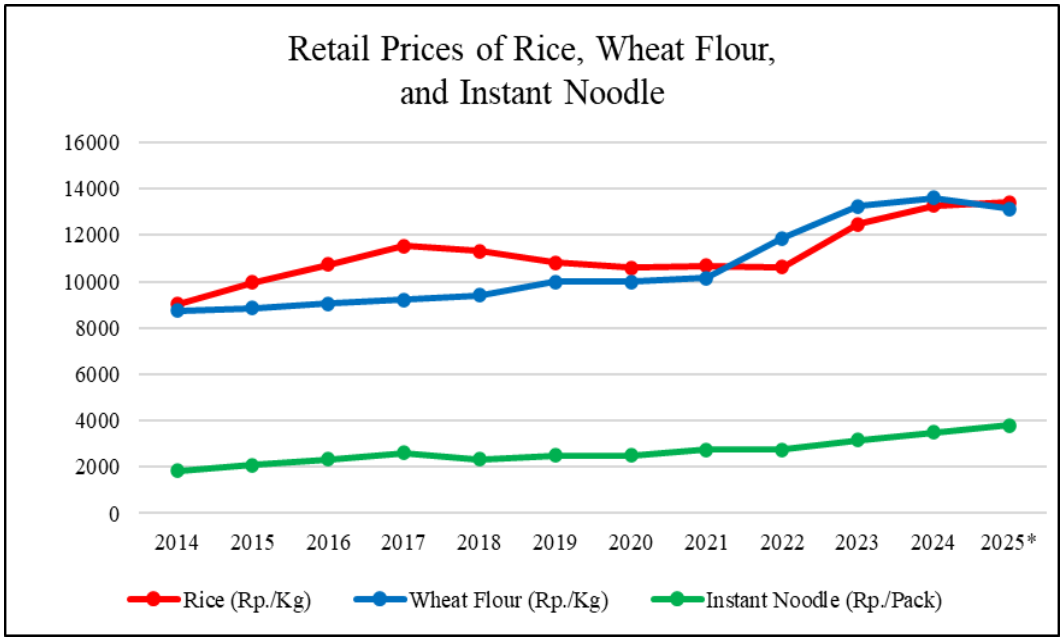
Chart 6. Indonesian Inflation Rate

Source: Bank Indonesia.

Small and medium enterprises consume about two-thirds (71 percent) of Indonesian wheat flour production. This sector, which is characterized as being made up of traditionally managed, 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 struggled to survive following the weakened purchasing power and high prices of raw materials. However, the other third (29 percent) of wheat flour consumers, large and modern establishments, including several publicly-listed companies with advanced production facilities and professional management, are growing as demand increases. These producers include instant noodle manufacturers, high-end bakeries, and cookies and biscuit manufacturers.

The Indonesian flour mills association (*APTINDO*[6]) reported that the high rice prices in the domestic market, combined with depressed purchasing power have increased the consumption of instant noodles, especially by lower income families. The trend is forecast to continue growing as consuming a pack of instant noodles at the average price of 3,790 IDR/pack ($0.23/pack) is cheaper and more practical than preparing a plate of rice with side dishes. APTINDO also reported that Indonesian wheat flour consumption during the January to May 2025 period grew by 2.0 percent to 3.11 MMT of wheat flour (equivalent to 4.25 MMT of wheat) compared to the same period in 2024. Moreover, the Indonesian middle class is now dominated by Generation Z who likes to try new products and new experiences, driving demand for more food variety and new flour-based food trends. More upper-end restaurants and bakeries offering new and globally trending flour-based food products are opening. The Indonesian Ministry of Industry (MOI) reported that the food and beverages industry grew by 6.04 percent during the first three months of 2025, higher than the growth of the national growth domestic product (GDP) of 4.87 percent.

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



Source: Ministry of Trade's National Strategic Food Price Information Center and Study of Important Basic Materials June 2025

[6] *Asosiasi Produsen Tepung Terigu Indonesia*

Based on the abovementioned factors, Post estimates that 2024/25 total food wheat consumption will increase by 1.1 percent to 9.3 MMT compared to 9.2 MMT in 2023/24. In line with population growth, Post forecasts that 2025/26 food wheat consumption will marginally increase by 2.2 percent to 9.5 MMT of wheat equivalent.

Wheat has historically been 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 broiler Grand Parent Stock (GPS) in 2023 increased to 681,700 head compared to 648,700 imported in 2022. In addition, imports of layer GPS in 2023 increased to 30,200 head compared to 28,100 head imported in 2023. The increased imports of GPS increased the production of Day-Old Chicks (DOC) in 2025. In line with the estimated increase in DOC production, softening international prices of soybean meals, and other feed ingredients, as well as expected increased demand from the GOI's MBG program, the feed mills association estimated that poultry feed production in 2025 will increase by 3 percent to 21.4 MMT from 20.7 MMT in 2024. During the period of October 2024 to May 2025, the Ministry of Agriculture (MOA) reported that Indonesian feed mills have produced a total of 12.05 MMT of poultry feed, an increase of 3.7 percent compared to 11.4 MMT produced during the same period of 2023/24.

Due to the seasonality of local corn supplies, feed mills continue to include wheat as one of the energy sources in feed formulation. However, estimated 2024/25 higher corn production combined with fluctuated international prices of wheat has driven feed millers to reduce wheat and use more corn as source of energy in feed formulation. Therefore, Post estimates that 2024/25 wheat consumption for feed will decrease by 27.8 percent to 1.3 MMT of wheat equivalent, compared to the previous estimate of 1.8 MMT in 2023/24. Wheat consumption for feed in 2025/26 is forecast to increase by 7.7 percent to 1.4 MMT of wheat equivalent in line with the forecast lower corn production that will increase wheat inclusion in feed formulation.

Stocks

Despite lower wheat consumption for feed and residual, lower imports and higher consumption for food are estimated to decrease 2024/25 ending stocks by 23.4 percent to 1.639 MMT compared to 2.139 MMT in 2023/24. Ending stocks are forecast to further decrease by 18.3 percent to 1.339 MMT in 2025/26 due to higher consumption of both food and feed.

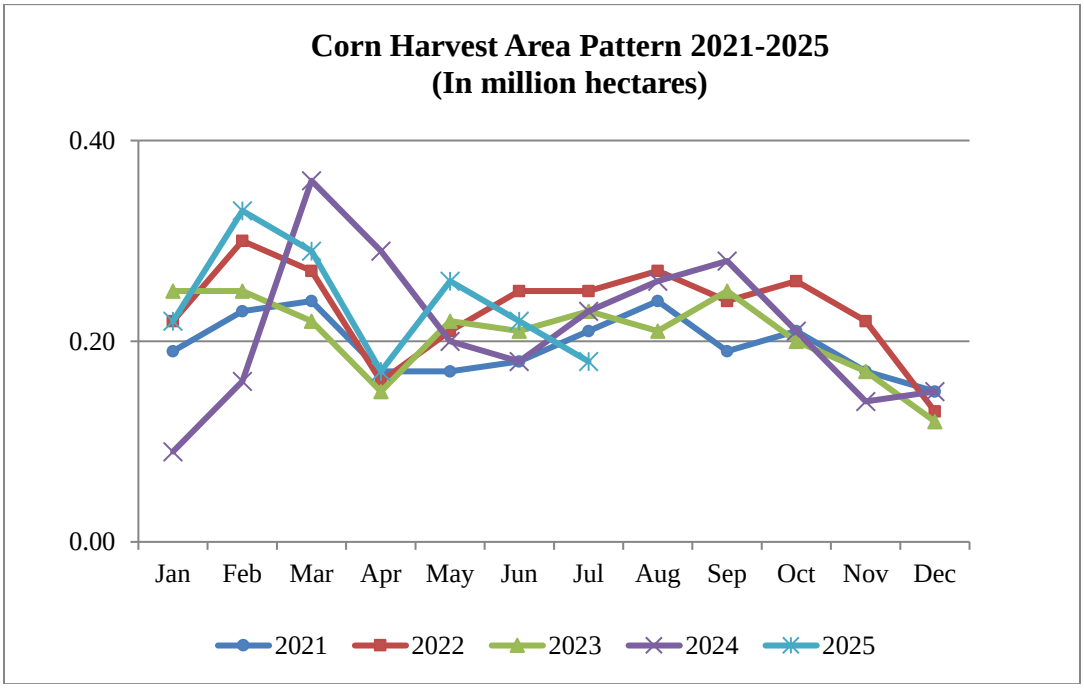
CORN

Production

Corn is a secondary crop after paddy for Indonesian farmers. Indonesia's main corn producing areas are Java, which accounts for 40 percent of national corn production, followed by Sulawesi (24 percent), Sumatera (24 percent), and Nusa Tenggara (10 percent). Indonesia normally experiences a dry season from April to October and rainy season from October to April. Depending on the relative distance to water reservoirs, rivers, and other sources of water, some areas may have two or three planting periods per year. Areas closer to sources of water will have an opportunity to have three plantings annually. Across much of Indonesia, the first corn season normally takes place from late October or early November to February (49 percent); the second from March to June (37 percent); and the third from July to September (14 percent).

In early July 2025, BPS estimated that Indonesian corn harvested area and production from October 2024 to August 2025 will increase by 6.2 percent and 3 percent respectively compared to the same period the previous year. During recent field visits, Post observed that the third crop cycle is ongoing. Sufficient rainfall provided opportunities for farmers in rainfed upland areas to grow corn during the current crop cycle of 2024/25 when normally the field is left idle. However, some farmers on low-land, semi-technically irrigated areas who normally grow corn or other secondary crops continuously growing paddy.

Chart 8. Corn Harvest Area Pattern 2021 – 2025 (in million hectares)



Source: BPS, July 1, 2025

The seed industry reported that the estimated demand for hybrid corn seed in 2024 from the commercial market is around 45,121 MMT to cover demand for 3 million hectares. In 2025, hybrid corn seed demand from the commercial market is projected to reach 48,110 MT to cover 3.2 million hectares. However, as seed supplies from 2024 are still abundant in the market, the seed industry estimated that hybrid corn seed production in 2025 will be lower than in 2024, although seeds from 2024 sold in 2025 have a shorter shelf life and lower yields than new seeds.

Lower allocation for subsidized seed from the Ministry of Agriculture has motivated farmers to purchase higher yielding seed varieties from the commercial market. Post's recent field observation revealed that multinational corn seed companies have started the commercialization of genetically engineered seeds in February 2024. More and more farmers are interested in cultivating the GE seeds as the seeds provide almost 30 percent higher yield compared to regular hybrid corn seeds. A leading seed company reported that approximately five percent of their current sales are GE seeds. As the seeds have proven to not only be glyphosate tolerant but also fall army worm tolerant, farmers saved about 30 percent of corn

production costs. It is expected that the absorption of GE corn seeds will increase in future years. Farmers are expected to cultivate hybrid corn seed in more than 80 percent of total area in 2024/25, an increase of 75-80 percent of total area in 2023/24.

Based on the abovementioned factors, 2024/25 corn harvested area is estimated to remain stable at 3.5 million hectares, while corn yield is estimated to have strongly increased to 3.77 MT per hectare from 3.6 MT per hectare. Considering that higher corn prices and higher yield will continue to drive farmers to opt for growing corn over other secondary crops,[7] the 2025/26 harvested area is forecast to increase to 3.6 million hectares. Stronger yields will support an overall increase in corn production for 2024/25 to 13.2 MMT, an increase of 3.9 percent compared to 12.7 MMT produced in 2023/24. Corn production for 2025/26 is forecast to further increase to 13.6 MMT on increased harvested area and improved yields.

Consumption

All locally produced corn is used for feed. The poultry industry consumes approximately 90 percent of domestic animal feed supplies with aquaculture accounting for 6 percent and cattle and swine the remaining 4 percent. The MOA projected that the population of broilers in 2025–2029 will grow by 2.73 percent per year. The industry association estimated that in 2025, broiler and layer populations grew to 3.4 billion head and 450 million head, compared to 3.28 billion head and 341 million head in 2024. Based on imports of Grand Parent Stock, the poultry industry association forecasts that the poultry population will increase by 6.1 percent in 2025. Alas, depressed consumer purchasing power has led to a surplus of broiler meat supply in the market. Consumers move away from consuming chicken to other cheaper sources of protein such as tempeh or tofu. Consequently, prices of live poultry birds fell below the cost of goods sold (COGS). In April to May 2025, average prices of live birds with 1.4 – 1.6 kg weight ranged from Rp. 15,000/kg to Rp. 17,000/kg, below the COGS of Rp. 18,000/kg. Waiting for better prices, most farmers and poultry producers decided to hold back sales. The decision resulted in more live birds with the weight of 1.8 – 2 kg being sold to the market and thus, more feed consumption.

To meet this demand in 2024/25, feed mills are estimated to produce a total of 21.4 MMT of poultry feed, while aquaculture feed is estimated at 1.8 MMT. In line with estimated imports of GPS reaching a total 711,900 heads in 2023, feed mills are forecast to increase feed production by 3 percent to 23.3 MMT in 2025/26. In 2025/26, it is forecast that aqua feed production will be stable at 1.8 MMT. It is estimated that an improving economy would increase consumption of poultry meat to 13.21 kg per capita per year in 2024 compared to 12.58 kg per capita per year in 2023.

Higher local corn production that led to softening prices in 2024/25 will provide feed mills the opportunity to increase corn usage in their feed formulation to 48 percent from the initial estimate of 45-46 percent. Assuming improved corn production, feed mills estimate that corn usage in feed formulation can be increased to 50 percent in 2025/26.

[7] Rice being the primary crop. In semi-technically irrigated low land areas, rice will be preferred over corn as a secondary crop if the rainy season is prolonged.

Table 2. Average Composition of Feed Formulation (In percent) in 2025.

Animal Species	Corn	Soybean Meal	Rice Bran	Wheat Pollard	Animal By Products	CGM	Palm Kernel Meal	Palm Oil	DDGS
Broiler	35-45	23-25	15	0	5	10	2	5	0
Layer	50	20	10	0	5	3	3	2	4
Poultry Breeder	50-55	20-22	13	5	0	1-2		2-3	1
Swine	40-42	15	18	15	5-6	0	8	1-2	0
Aquaculture	0	30-40	13-14	20	5-6	3	2	2	7
Dairy Cattle	0	0	23-25	15	0	0	10	0	5

Source: GPMT, processed by U.S. Grains Council

Corn milling capacity is continuing to grow. Installed capacity of the industry is estimated to increase to 4,500 MT per day in 2024/25, compared to 4,000 MT per day in 2023/24. 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. The four corn wet mills are forecast to require approximately 1.6 MMT of corn in 2025 compared to 1.3 MMT of corn in 2024. In addition, two industrial ethanol plants also continue to use corn in 2025. Using corn as the raw material, total installed capacity for both plants is estimated to reach 400,000 MT in 2025 compared to 300,000 MT in 2024 (please see ID2025-0016). 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, glucose syrup, and maltodextrin. Approximately 80–90 percent of the corn starch is used as the main raw material for corn vermicelli production, while most of the balance is used as a whitener by the paper industry. Prospects for wet mill expansion remains bright as Indonesia still imports 55 percent of total demand for starch, providing ample opportunity for the local corn milling industry to grow.

Corn for food use is not only consumed as vermicelli but also as a staple food, especially in the Eastern part of Indonesia. However, with rice generally becoming more accessible, corn consumption as a staple food continues to decline. The MOA has reported that from 2020 to 2024, corn for food consumption is projected to decrease by 4.56 percent per year.

Based on the abovementioned factors, 2024/25 corn consumption for feed is expected to increase to 9.8 MMT while for 2025/26 is forecast to marginally increase to 9.9 MMT. Corn consumption for food in 2024/25 is forecast to increase to 5.0 MMT due to wet mill expansion and increasing demand for corn starch. Corn consumption for food in 2025/26 is forecast to remain stable due to lower consumption of corn as staple food despite higher corn starch production.

Trade

GOI restricts imports of corn through the Commodity Balance policy (please see ID2025-0016). Wet millers and ethanol producers are allowed to import corn for further processing, but only state-owned companies are allowed to import corn for feed. Due to higher local corn production and to strengthen the government food reserve, on June 16, 2025, the Indonesian President issued Presidential Decree number 10/2025 on Procurement and Distribution of Government Corn Reserve. The decree stated that BULOG must procure a total of 1.0 MMT of corn from local production. BULOG must buy corn with a moisture content of 18 to 20 percent at Rp. 5,500/kg ($339/MT). BULOG must also manage the government corn

reserve and ensure availability throughout Indonesia. BULOG will distribute the corn not only to smallholder farmers but also to feed mills. The Indonesian military and police will accompany BULOG to conduct the corn procurement from farmers to achieve the target. Procurement is currently ongoing with undisclosed information on the quantity materialized to date. The GOI also authorized BULOG to distribute a total of 250,000 MT of the corn to poultry farmers under the Feed Supply and Price Stabilization program.

Corn wet mills and ethanol producers demanded an estimated 1.6 MMT of corn in 2025. However, during the Commodity Balance meeting on December 9, 2024, GOI only authorized the private sector to import 900,000 MT of food-grade corn. The industry is currently requesting an additional allocation for the remainder of 2025. In addition, in the leadup to the trade deal between the United States and Indonesia, a corn wet mill signed a nonbinding memorandum of understanding with a U.S. corn supplier to purchase of total of 170,000 MT of U.S. corn for the last semester of 2025. However, the process to bring in additional volume may require more time and an increased allocation under the Commodity Balance. Therefore, Post maintained the estimate of 2024/25 corn imports at 1.2 MMT. Corn imports in 202/26 are forecast to slightly increase to 1.2 MMT from the previous forecast of 1.1 MMT due to higher demand from the wet mill and ethanol industry. From October 2024 to May 2025, corn imports originated from Argentina (64.1 percent), the United States (20.1 percent), and Brazil (15.7 percent). Over that period, a total of 972,000 MT of corn has landed in the country with a total of 195,000 MT coming from the United States. Price competitiveness as well as the MOU commitment is expected to provide more opportunity for wet mills to source corn from the United States.

In addition to using more wheat, feed mills also increased imports of distillers dried grains with soluble (DDGS), corn gluten meal (CGM), and canola meal to meet the demand for energy sources in feed formulations while also importing meat and bone meal (MBM) as a protein source.

Table 3. Imports and Import Duty of Other Feed Ingredients

HS Code	Description	Import Duty (In Percent)	Imports (In MT)			
			2023	2024	Jan – May 2024	Jan -May 2025
230110	MBM	0	498,197	514,797	191,494	230,274
230310	CGM	5	234,412	281,024	101,634	116,703
230330	DDGS	5	799,170	1,013,093	449,894	350,312
230649	Canola Meal	5	98,532	24,588	15,507	6,883

Source: Indonesia National Single Window, Trade Data Monitor.

From January to May 2025, feed mills imported most of their MBM from the United States (49 percent), New Zealand (18 percent), and Canada (12 percent), while importing CGM mostly from the People Republic of China (60 percent) and the United States (40 percent). During the same period, Indonesia also imported its DDGS from the United States (93 percent) and Brazil (5 percent). Indonesia imported all of its canola meal from India (100 percent). Considering the forecasted increase in feed production and insufficient supplies of corn from local production, imports of MBM, CGM, DDGS, and canola meal in 2024/25 are forecast to continue growing.

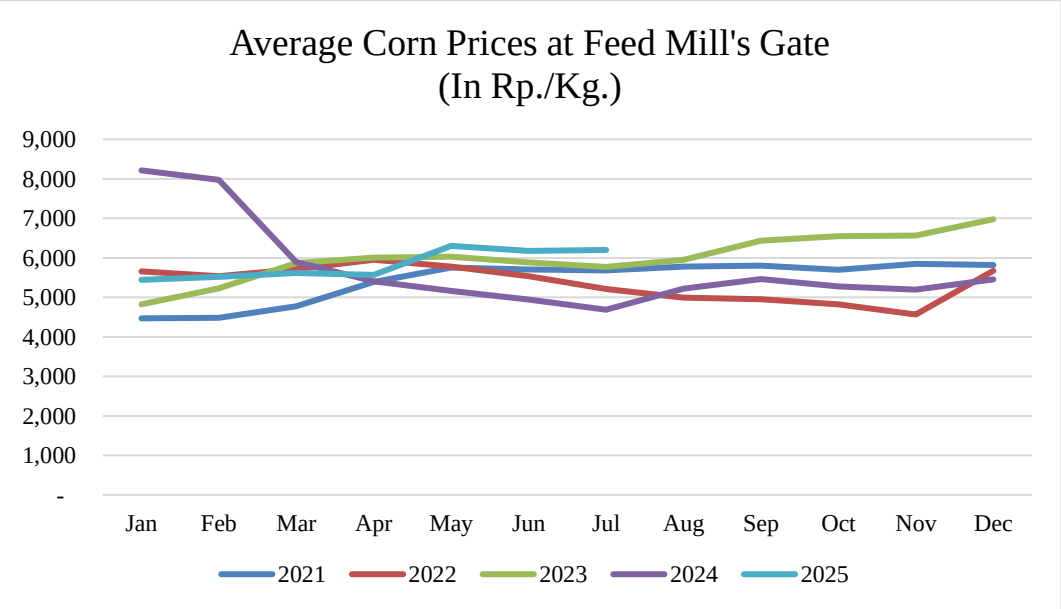
Stocks

Despite higher production, lower imports and higher consumption for feed will decrease the estimate of 2024/25 corn ending stocks to 944,000 MT compared to 1.345 MMT in 2023/24. Due to the same reason, 2025/26 corn ending stocks are forecast to further decrease to 842,000 MT.

Prices

As only small and sporadic harvests are ongoing, corn prices at the farmer's level are increasing. The average corn prices at the farmer's level in July 2025 are recorded at 4,982 IDR/kg ($307/MT) compared to 4,736 IDR/kg ($292/MT) in March 2025. In line with that, the average corn prices at the feed mill's level in July 2025 are recorded at 6,291 IDR/kg ($387/MT) compared to 5,800 IDR/kg ($357/MT) in March 2025.

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



Source: Ministry of Agriculture.

On February 5, 2025, the National Food Agency (NFA) issued Regulation No. 18/2025 on Government Purchasing Price for Corn at the Farmer's Gate. The regulation stated that in order to strengthen the government's corn reserves and support food self-sufficiency, it is deemed necessary for the GOI to purchase locally produced corn at price levels that can protect farmers' incomes. The government purchasing price for corn at the farm gate is currently set at 5,500 IDR/kg ($339/MT). Despite declining, corn prices at the feed mill gate are still above the government's purchasing price. The price of feed ingredients constitutes 80-85 percent of compound feed production costs.

RICE, MILLED

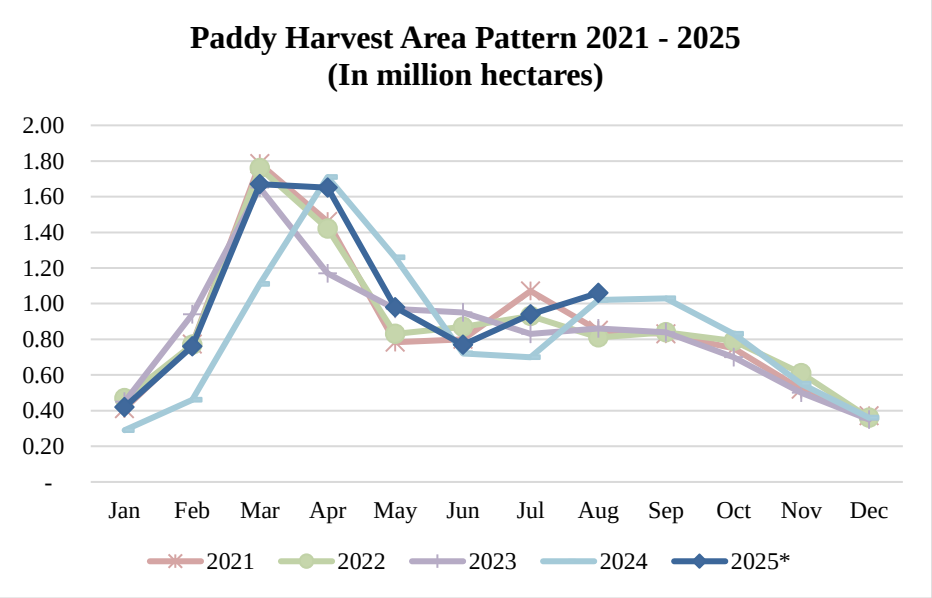
Production

The tropical climate of Indonesia is favorable for growing multiple crops in the same plot of land within the same year. Cropping systems are diverse, including different ecosystems (upland and 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 cycles make up 30-35 percent and 15-20 percent respectively.

Stages of third cycle paddy in West and Central Java, July 2025.

Post's recent crop tour in Java confirmed the expectation that the prolonged rainy season provides farmers on semi-technically irrigated low land areas the opportunity to continue growing paddy over corn during the third crop cycle of 2024/25. Farmers also reported that the simplified process to purchase subsidized fertilizer has assisted farmers to get the fertilizer just before planting. Farmers also reportedly received sufficient amounts of fertilizer. Despite three consecutive plantings of paddy in the area, there are no reports of significant pest and disease incidents. The third crop harvest cycle of paddy is estimated to take place in September to October 2025. With the prediction of an on-time onset of the rainy season, farmers will generally start the first crop cycle of 2025/26 during the normal time in late October to November 2025. BPS estimated that the paddy harvested area during the period of January to August 2025 will reach a total of 8.3 million hectares, an increase of 13.5 percent compared to the total harvested area of 7.3 million hectares during the same period of January to August 2024. In line with the increased harvested area, paddy production during the period of January to August 2025 is also estimated to have increased by 14.2 percent to 43.3 MMT compared to 38.0 MMT during the same period of January to August 2024.

Chart 10. Paddy Harvested Area, 2021-2025 (in millions of hectares)



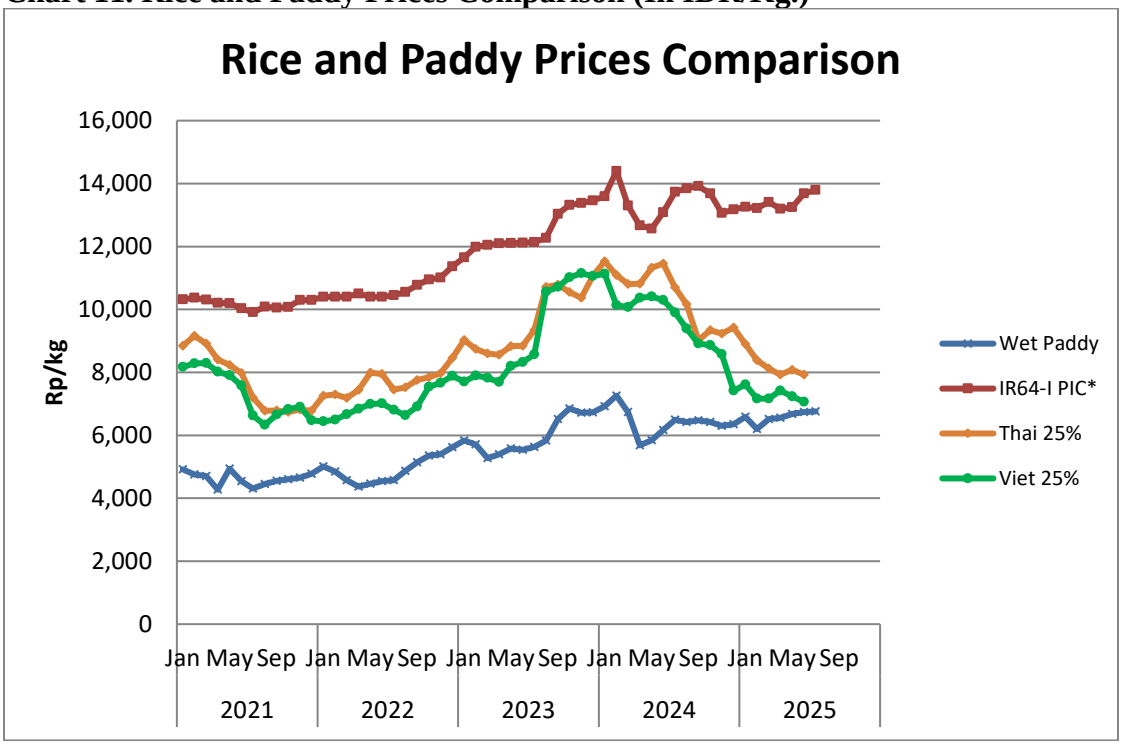
Source: BPS, July 1, 2025.

Referring to the aforementioned factors, Post does not make any changes to the 2024/25 estimate and 2025/26 forecast of harvested areas. However, rainfall during the filling of the paddy grains tends to lower yields. Referring to the BPS report, the yield of paddy in May and June 2025 declined by 1.0 percent compared to May and June 2024. Based on the lower yield, 2024/25 paddy production is estimated to decline by 1.4 percent to 53.7 MMT compared to the previous estimate of 54.5 MMT. In line with that, 2024/25 rice production is estimated to decline to 34.1 MMT compared to the previous estimate of 34.6 MMT.

Consumption

To continue stabilizing rice prices, for 2024/25, the GOI authorized BULOG to distribute rice under the Stabilization of Food Supply and Prices program (*SPHP, Stabilisasi Pasokan dan Harga Pangan*) at maximum retail prices ranging from 12,500 IDR/kg ($793/MT) to 15,800/kg ($953/MT) based on the location. Rice for the SPHP is distributed in 5 kg bags. The distribution of rice under the SPHP program is mainly focused in eastern and outermost Indonesia. A total of 1.5 MMT of rice is targeted to be distributed under SPHP program in 2024/25, higher than 2023/24 target of 1.4 MMT. During the first phase of SPHP distribution in January to March 2025, BULOG distributed a total of 185,000 MT of rice under SPHP program, while in 2023/24 BULOG distributed a total of 1.38 MMT of rice under the program. The second phase of the program just recently started in July 2025 with the target to distribute the remaining 1.3 MMT of rice until December 2025.

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



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

Additionally, GOI has authorized BULOG to continue the distribution of rice under the rice aid program for six months in 2024/25. In early 2025, NFA officials overseeing the rice aid program stated that a total of 160,000 MT of rice is required to be distributed to a total of 16 million beneficiaries for one month. However, based on the most updated Single Data on National Social and Economy, NFA increased the target beneficiary to 18.3 million families. Each beneficiary will receive 10 kilograms of rice. Therefore, for six months of rice aid, BULOG will need to distribute 1.1 MT of rice. Total target beneficiaries are lower than 22 million beneficiaries in 2023/24. In 2024/25 BULOG distributed a total of 1.97 MMT of rice under rice aid program.

Therefore, Post estimates 2024/25 rice consumption to decline by 1.9 percent to 35.5 MMT compared to 36.2 MMT consumed in 2023/24. Assuming continuous SPHP and rice aid allocations, as well as declining trends in Indonesian rice consumption due to some diet diversification to flour-based food, Post forecasts 2025/26 rice consumption will further decline to 35.3 MMT in 2025/26.

Trade

In order to support the strengthening of the Government's Rice Reserves, to improve national food security and achieve rice self-sufficiency, as well as to increase farmer incomes, on March 27, 2025, the Indonesian President issued Presidential Decree number 6/2025 on Procurement and Management of Domestic Paddy/Rice and Distribution of Government Rice Reserves. The decree instructed BULOG to procure 3 MMT of rice equivalent of wet paddy, dry paddy and rice at government purchasing price of 6,500 IDR/kg ($400/MT) at any quality. The decree further instructed BULOG to distribute Government Rice Reserves not only to food supply and price stabilization programs (SPHP), food aid, and disaster

emergency response but also to be used for other purposes including distribution to the civil service, to Indonesian army and police, to the Free Nutritious Meal program, and to provincial rice reserve, as well as for international cooperation and foreign food aid. The Indonesian national army and police will also be involved in supporting BULOG to achieve the procurement target. As of the second week of July, BULOG has managed to procure a total of 2,765,051 MT of rice equivalent to 3.7 MMT of dry paddy and 726,000 MT of rice. BULOG also reported that by the same time, the government rice reserve has reached a total of 4,237,120 MMT. The GOI requires BULOG to maintain a minimum year-end stock level of 1.5-2 MMT.

Based on recent BPS reports of potentially higher rice production in 2024/25 and BULOG's procurement realization, GOI has not issued any authorization for BULOG to import rice. On the other hand, considering the demand from the private sector determined during the Commodity Balance coordination meeting in December 2024, the GOI authorized imports of a total of 443,905 MMT of rice for further processing. Rice for further processing is intended to fulfill demand from industry as well as hotels, restaurants, and cafes (specialty rice which includes broken rice, basmati rice, fragrant rice, and rice for diabetic purposes). Post forecasts that import of basmati rice will continue to increase as more middle eastern restaurants open. During the period of January to May 2025, the Indonesia private sector has imported a total of 308,000 MT of rice. Most of the rice came from Singapore (40 percent), Malaysia (15 percent), and Thailand (14 percent).

Based on the abovementioned factors, 2024/25 rice imports are estimated at 700 TMT, a decrease of 84.8 percent compared to 4.6 MMT imported in 2024/25, which will consist mainly of rice for further processing and BULOG's carryover from the 2023/24 import allocation. In line with the forecasted decrease in rice production, imports in 2025/26 are forecast to slightly increase to 800 TMT.

Stocks

In line with lower imports, 2024/25 rice ending stocks are estimated to decrease by 11.3 percent to 5.47 MMT of milled rice equivalent compared to 6.17 MMT of milled rice equivalent in 2023/24. Rice ending stocks in 2025/26 are forecast to further decrease by16.5 percent to 4.57 MMT of milled rice equivalent to forecast lower rice production. Approximately 68.0 percent of stocks are in households, 10.0 percent in rice mills, 10.6 percent with traders, and the rest are in BULOG warehousing.

Policy

Despite continuous GOI assistance to stabilize medium quality rice prices by distributing rice under the SPHP program carried out by BULOG as the second harvest is subsiding, rice prices at wholesale markets in July 2025 reached 13,705 IDR/kg ($844/MT). This reflects an increase of 1.9 percent compared to 13,447 IDR/kg ($828/MT) in March 2025. In line with the higher prices at wholesale markets, prices of medium quality rice at retail markets in July 2025 are recorded at 14,404 IDR ($887/MT), an increase of 4.5 percent compared to 13,778 IDR/kg ($848.5/MT) in March 2025. Prices of premium quality rice at retail markets in July 2025 are at 16,148 IDR/kg ($994/MT), an increase of 2.3 percent compared to 15,791 IDR/kg ($972/MT) in March 2025. The increasing prices of medium and premium quality rice are above the maximum retail prices for rice set by the Head of the NFA through Regulation No. 14/2025 which came into effect on January 24, 2025.

Table 4. Maximum Retail Prices of Rice, 2023 - 2025 (In Rp. / Kg.)

Area	2023			2024 = 2025	
	Medium Rice	Premium Rice		Medium Rice	Premium Rice
			Temp*		
Java, Lampung, and South Sumatera	10,900	13,900	14,900	12,500	14,900
Aceh, North Sumatera. West Sumatera, Riau, Riau Islands, Jambi, and Bangka Belitung Island	11,500	14,400	15,400	13,100	15,400
Bali and West Nusa Tenggara	10,900	13,900	14,900	12,500	14,900
East Nusa Tenggara	11,500	14,400	15,400	13,100	15,400
Sulawesi	10,900	13,900	14,900	12,500	14,900
Kalimantan	11,500	14,400	15,400	13,100	15,400
Maluku	11,800	14,800	15,800	13,500	15,800
Papua	11,800	14,800	15,800	13,500	15,800

Source: Regulation of National Food Agency Number 6&7/2023, 14/2025
Note: *temporary for the period of March 10-23, 2024, referring to the Letter of Head of the National Food Agency No. 102/TS.02.02/K/3/2024

SECTION II. PSD TABLES

Table 5. PSD: WHEAT

Wheat	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jul 2023		Jul 2024		Jul 2025	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	1015	1015	2139	2139	1669	1639
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	13015	13015	11000	10500	12000	11000
TY Imports (1000 MT)	13015	13015	11000	10500	12000	11000
TY Imp. from U.S. (1000 MT)	484	484	0	0	0	0
Total Supply (1000 MT)	14030	14030	13139	12639	13669	12639
MY Exports (1000 MT)	391	391	370	400	400	400
TY Exports (1000 MT)	391	391	370	400	400	400
Feed and Residual (1000 MT)	2300	2300	1800	1300	2000	1400
FSI Consumption (1000 MT)	9200	9200	9300	9300	9500	9500
Total Consumption (1000 MT)	11500	11500	11100	10600	11500	10900
Ending Stocks (1000 MT)	2139	2139	1669	1639	1769	1339
Total Distribution (1000 MT)	14030	14030	13139	12639	13669	12639
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 2025/2026 = July 2025 - June 2026

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: CORN

Corn	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3700	3500	3500	3500	3600	3600
Beginning Stocks (1000 MT)	1021	1021	1345	1345	943	944
Production (1000 MT)	12700	12700	12800	13200	13300	13600
MY Imports (1000 MT)	1780	1780	1200	1200	1100	1200
TY Imports (1000 MT)	1780	1780	1200	1200	1100	1200
TY Imp. from U.S. (1000 MT)	0	4	0	140	0	0
Total Supply (1000 MT)	15501	15501	15345	15745	15343	15744
MY Exports (1000 MT)	56	56	2	1	50	2
TY Exports (1000 MT)	56	56	2	1	50	2
Feed and Residual (1000 MT)	9200	9200	9400	9800	9400	9900
FSI Consumption (1000 MT)	4900	4900	5000	5000	4500	5000
Total Consumption (1000 MT)	14100	14100	14400	14800	13900	14900
Ending Stocks (1000 MT)	1345	1345	943	944	1393	842
Total Distribution (1000 MT)	15501	15501	15345	15745	15343	15744
Yield (MT/HA)	3.4324	3.6286	3.6571	3.7714	3.6944	3.7778

(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 2025/2026 = October 2025 - September 2026

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

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

Table 7. PSD: RICE, MILLED

Rice, Milled	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2026	
Indonesia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	11000	11000	11400	11400	11200	11200
Beginning Stocks (1000 MT)	4700	4700	6170	6170	5470	5470
Milled Production (1000 MT)	33020	33020	34600	34100	33600	33600
Rough Production (1000 MT)	52000	52000	54488	53701	52913	52913
Milling Rate (.9999) (1000 MT)	6350	6350	6350	6350	6350	6350
MY Imports (1000 MT)	4650	4650	600	700	800	800
TY Imports (1000 MT)	4650	4650	600	700	800	800
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	42370	42370	41370	40970	39870	39870
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)	36200	36200	35900	35500	35500	35300
Ending Stocks (1000 MT)	6170	6170	5470	5470	4370	4570
Total Distribution (1000 MT)	42370	42370	41370	40970	39870	39870
Yield (Rough) (MT/HA)	4.7273	4.7273	4.7796	4.7106	4.7244	4.7244

(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 2025/2026 = January 2026 - December 2026

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

Note: Figures in the "New Post" columns are not USDA Official figures

Table 8. Exchange Rate

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	15,892
2025	16,312	16,575	16,575	16,679	16,300	16,231	16,238					

Source: Bank of Indonesia

Note: Exchange rate is IDR 16,238/USD 1, as of July 9, 2025

Attachments:

No Attachments