

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary  Public

**Date:** 5/6/2014

**GAIN Report Number:** ID1412

## Indonesia

**Post:** Jakarta

### **GOI New Regulation on Rice Exports and Imports**

**Report Categories:**

Agricultural Situation

Grain and Feed

Food and Agricultural Import Regulations and Standards - Narrative

**Approved By:**

Ali Abdi

**Prepared By:**

Thom Wright, Sugiarti Meylinah

**Report Highlights:**

Ministry of Trade Regulation No. 19/M-DAG/PER/3/2014 repeals the eligibility of private importers holding a general import license to import rice. Rice importers must now become Registered Importers or Producer Importers of rice. Under Regulation 19/2014, the government reserves the right to import medium grain rice through the National Logistics Agency. Exceptions are also made for specialty rice and rice required for food manufacturing. In an effort to prevent fraudulent imports, the Ministry of Trade has implemented measures to verify specialty rice imports, including a "Varietal Purity Attestation." Regulation 19/2014 also specifies new Bahasa Indonesia labelling requirements that will be implemented October 1, 2014.

## General Information:

Indonesia revised its rice import regulations following findings of non-eligible medium grain rice in local markets. Ministry of Trade (MOT) Regulation No. 19/M-DAG/PER/3/2014 places additional controls on rice imports, repealing the eligibility of private importers holding a general import license for unspecified agricultural products (Special Importer Identification Number, Nomor Pengenal Importir Khusus (NPIK)) to import rice. Rice importers must now become Registered Importers or Producer Importers of rice. Under MOT 19/2014, the government reserves the right to import medium grain rice through the National Logistics Agency (BULOG), although BULOG must obtain MOT's advance approval. Exceptions are also made for specialty rice and rice required for food manufacturing purposes. In an effort to prevent fraudulent imports, MOT has implemented measures to verify specialty rice imports, including a "Varietal Purity Attestation" and verification in the country of origin. MOT 19/2014 also lists new Bahasa Indonesia labelling requirements.

The following summarizes the new regulation's modalities:

1. Imports of medium quality rice, with 25 percent maximum broken, are permitted for government rice reserves. These types of imports must meet the following conditions:
  - a. Rice for government reserves may only be imported for rice price stabilization, emergency situations, and for distribution to poor and food insecure people.
  - b. Imports will only be conducted by BULOG after receiving import approval from MOT.
  - c. Imports will not be allowed one month prior to, during, and two months after the main rice harvest period. The Indonesian Minister of Agriculture will determine these times.
2. Imports of rice are permitted when required as raw material for industry. This is only permitted when the rice cannot be produced domestically. Imports are limited to 100 percent broken rice, 100 percent broken glutinous rice, and maximum 5 percent broken japonica rice.
  - a. Imports are limited to private importers possessing "Producer Importer of Rice Recognition" (IP – Beras, *Importir Produsen - Beras*), issued by MOT. IP validity is six months, or until December 31, whichever is first.
  - b. Imported rice can only be used as raw material for food manufacturing and cannot be sold to other parties.
  - c. Imports require the Producer Importer of Rice to obtain import approval from MOT.
  - d. In order to receive import approval from MOT, the Producer Importer of Rice must obtain an import recommendation from the Minister of Industry or a Ministry of Industry designated official.
3. Imports of rice for dietary purposes and for specialty purposes are permitted. This includes imports of glutinous rice, maximum five percent broken Thai Hom Mali rice, parboiled rice, and maximum five percent broken japonica rice.
  - a. Imports are limited to private importers possessing "Registered Importer of Rice recognition" (IT – Beras, *Importir Terdaftar - Beras*), issued by MOT. IT recognition is valid for two years.
  - b. The imported rice can be sold to other parties.

- c. IT holders are required to obtain import approval from MOT. Import approval will be valid for three months, or until December 31, whichever is first.
- d. In order to receive import approval from MOT, the Registered Importer of Rice must obtain an import recommendation from the Minister of Agriculture or a Ministry of Agriculture designated official.

MOT No. 19/2014 includes stipulations to verify that rice for specialty purposes is accurately identified and meets the conditions permitting imports. In order to obtain import recommendations from the Ministries of Agriculture and Trade, the importer must provide a "Varietal Purity Attestation." This attestation must be verified and endorsed by a government official in the country of origin. Indonesia's Ministry of Agriculture confirmed to Post that the Varietal Purity Attestation will be made by the supplier and certified by a U.S. notary public. One attestation may be used to obtain multiple import recommendations from the Ministry of Agriculture.

Additionally, imported rice must be packaged and labelled in Bahasa Indonesia prior to arrival in Indonesia. The label must include the following information:

- a. Type of rice
- b. Gross weight
- c. Broken percentage
- d. Country of origin
- e. Name and address of exporter
- f. Name and address of importer

In addition to the Varietal Purity Attestation, rice imports are subject to "technical verification" in the country of origin (weight, quality, etc.). The verification will be conducted by a surveyor appointed by MOT. Implementation of regulation No. 19/2014 occurred on March 28, 2014, although the labelling requirements will not be fully implemented until October 1, 2014.