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Indonesia Issues New Regulation on Animal-Based Feed Ingredient Imports

Report Categories:

Trade Policy Monitoring

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Report Highlights:

Ministry of Agriculture Regulation Number 13/2019 sets new requirements for animal-based feed ingredient imports. The three-step establishment approval process (desk review, on-site audit, final review and decree) will now apply to both trans-loading facilities and rendering plants. In addition, traceability requirements are stricter and the import license validity period is shorter. The regulation fails to address who bears the costs of the establishment approval process.

General Information:

Ministry of Agriculture (MOA) Regulation Number 13/2019 sets new requirements for animal-based feed ingredient imports. The regulation applies to all feed ingredients derived from ruminants and poultry. The regulation specifies country of origin animal health requirements and outlines registration procedures for both production facilities and trans-loading facilities. A translation of the regulation is attached, and below is a summary and analysis of the most important points.

Country of Origin Requirements: MOA must approve all countries of origin. However, Article 52 notes that a country of origin previously designated as approved to export to Indonesia will retain its approved status. Thus, as a currently approved supplier of animal-based feed ingredients, the United States will not be required to undergo another animal health risk assessment and will retain its approved status. Article 10 states that ruminant feed ingredients must be from countries free from Foot and Mouth Disease (FMD) and have negligible BSE risk or controlled BSE Risk. Ruminant products from a country infected with FMD must undergo an inactivation and recontamination prevention process. Ruminant products from a country with controlled BSE risk status must not contain any Specified Risk Material (SRM). Animal-based feed ingredients from poultry must be from a country free of Highly Pathogenic Avian Influenza (HPAI) or undergo HPAI virus inactivation and recontamination prevention process.

Production Facility and Trans-loader Requirements: MOA and the competent authority in the country of origin must approve all foreign rendering plants and trans-loaders handling the product. The regulation outlines a three-step approval process requiring that the rendering plants and trans-loader facilities submit documentation and undergo a *Desk Review*, followed by an *On-Site Audit*, and *Final Review*. The three-step process, referred to as the “Risk Analysis” is conducted by an Assessment Team comprised of representatives from the Directorate General of Livestock and Animal Health, Agriculture Quarantine Agency, Animal Health and Veterinary Public Health Experts Commission, Animal Quarantine Experts Commission and/or Feed Experts Commission. The regulation prohibits facilities from processing animal-based feed ingredients from another country of origin and any ingredients from swine, carrion and/or wild animals (see Articles 12 and 13). Additionally, trans-loaders are only allowed to receive products from MOA approved facilities. Approvals of rendering facilities and trans-loaders are valid for two years; after which, MOA must assess them again.

Analysis:

The regulation represents the first time MOA has formally included “risk analysis” requirements for trans-loading facilities. The facilities form part of the transport network for moving rendered animal-based feed ingredients from one conveyance to another (i.e. truck to railcar or railcar to container). MOA had previously expressed concern that contamination, especially from porcine material, may occur during transit at these facilities. The requirement to perform both a desk review and on-site audit of the trans-loading facilities will place an additional burden and cost on U.S. rendered product suppliers forcing them to utilize only approved facilities. The regulation is silent on whether facilities requesting approval have to pay for the desk review and audit. The requirement that trans-loading facilities only handle products sourced from other MOA approved facilities is likely to further reduce or even eliminate trans-loading of product, as it is unlikely the market could support facilities that exclusively supply Indonesia.

Articles 25 and 26 raise concerns regarding the country of origin conditions and traceability requirements. Article 25a states that ruminant material must come from animals “delivered and raised in the country of origin and which have never consumed feed containing animal-based feed ingredients.” This article would seem to preclude ruminants born in neighboring countries, but raised in the U.S., as well as all animals that may have received any variety of animal-based feed ingredients. Article 25e and 26d state that traceability is expected from the time both ruminants and poultry are born until entering the slaughterhouse and through the feed ingredient-processing unit. This standard is not only impractical for rendering facilities that often receive raw material from various sources; it also sets a burdensome standard for rendered products that is unnecessary to ensure feed safety.

Article 40 states that import licenses (issued by MOA) for animal-based feed ingredients are valid for only three months; previously licenses were valid for six months. This restrictive window for executing importation is likely to have an adverse impact on U.S. origin products, which require a long transit time to reach Indonesia. It would also appear to run counter to MOA’s recent decision to extend import permit validity periods for other animal products to six months. MOA took this action in response to the U.S. WTO case against MOA’s import licensing system, which the WTO decided in favor of the U.S.