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Indonesia

Oilseeds and Products

SOYBEAN AND PRODUCTS UPDATE

1999

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Report Highlights:

It is estimated that soybean imports reached a record level of about 1.15 million tons during MY1998/99 (Oct-Sep) due to a huge increase in domestic consumption. Due to the economic crisis, many consumers switched from chicken to tempe and tofu as tempe and tofu are the cheapest protein sources. Soybean imports have also been profitable due to price differences between domestic and world market prices. Imports during MY1999/2000 are forecast to increase further to 1.17 million tons. Soybean meal imports are now estimated to have increased dramatically to about 900,000 tons during MY1998/99 as the domestic poultry industry has started to return to the upward trend and due to increases in the stocks kept by local feedmills to anticipate the domestic security uncertainty during the current People's Consultative Assembly General Meeting which started October 1, 1999. Imports of both soybeans and soybean meal are forecast to continue strong during MY1999/2000 if the domestic economic and political situation continues to improve.

Includes PSD changes: Yes
Includes Trade Matrix: Yes

Unscheduled Report
Jakarta [ID1], ID

SOYBEANS

PSD Table						
Country:	Indonesia					
Commodity:	Soybean					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Area Planted	1090	1090	1075	1075	1075	1075
Area Harvested	1090	1090	1075	1075	1075	1075
Beginning Stocks	36	36	43	43	138	97
Production	1306	1306	1295	1295	1295	1295
MY Imports	671	671	840	1149	840	1170
MY Imp. from U.S.	671	671	840	1126	840	1170
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	2013	2013	2178	2487	2273	2562
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	0	0	0	0	0	0
Food Use Dom. Consump.	1950	1950	2020	2370	2120	2480
Feed Waste Dom. Consum.	20	20	20	20	20	20
Total Dom. Consumption	1970	1970	2040	2390	2140	2500
Ending Stocks	43	43	138	97	133	62
TOTAL DISTRIBUTION	2013	2013	2178	2487	2273	2562
Calendar Year Imports	719	719	800	1150	800	1170
Calendar Yr Imp. U.S.	719	719	800	1125	800	1150
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

The soybean import estimate for MY1998/99 has been revised upward significantly to approximately 1.15 million tons, more than 70 percent higher than last marketing year. Due to the economic crisis (started in July 1997), which resulted in increases in the price of broilers and eggs in the domestic market, local consumers have consumed more tempe and tofu. Also, soybean imports became more profitable for many traders and new comers after the opening of the soybean import market and end of role of BULOG (the National Logistic Agency) as the sole importer. The opening of the market to all traders coupled with reductions in the price of soybeans in the international market, and high domestic soybean prices stimulated expanded imports.

Soybean imports for MY1999/2000 are now forecast to increase further to approximately 1.17 million tons as the demand of soybeans for food consumption is forecast to continue to increase. Tempe and tofu are still considered the cheapest protein source in the diet. Although the world market price for soybeans has started to increase and the domestic wholesale market price has been declining (from about Rp. 2,400 - 2,500 in April 1999, to Rp. 1,900 - 2,000/kg in May 1999 and increased to about Rp. 1,950 - 2,000/kg now) which make the profit margin thinner, reportedly, traders continue importing as they can still make profits. There are about five large traders who continuously import soybeans every 2-3 months.

There are no significant changes to report in the forecast for the domestic production of soybeans in MY1997/98 through MY1999/2000.

Import Trade Matrix			
Country:	Indonesia	Units:	1,000 MT
Commodity:	Soybean		
Time period:	Oct-Aug		
Imports for	1997/98		1998/99
U.S.	571	U.S.	975
Others		Others	
		Argentina	6
		Malaysia	4
Total for Others	0		10
Others not listed	0		0
Grand Total	571		985

Source: Various.

SOYBEAN MEAL

PSD Table						
Country:						
Commodity: Soybean Meal						
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		10/1997		10/1998		10/1999
Crush	0	0	0	0	0	0
Extr. Rate	0	0	0	0	0	0
Beginning Stocks	132	132	55	55	35	215
Production	0	0	0	0	0	0
MY Imports	524	524	620	900	670	920
MY Imp. from U.S.	63	63	60	0	60	60
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	656	656	675	955	705	1135
MY Exports	1	1	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum.	600	600	640	740	670	950
Total Dom. Consumption	600	600	640	740	670	950
Ending Stocks	55	55	35	215	35	185
TOTAL DISTRIBUTION	656	656	675	955	705	1135
Calendar Year Imports	571	571	650	930	700	950
Calendar Yr Imp. U.S.	63	63	60	30	60	60
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

SOYBEAN MEAL

The soybean meal import estimate for MY1998/99 has been revised upward to approximately 900,000 tons, showing more than a 72 percent increase from the previous marketing year. Various sources report that imports during October 1998 - August 1999 had already reached approximately 837,535 tons, compared to only about 507,855 tons during the same period in the previous year. Imports increased as a result of improved conditions in the domestic poultry industry as the domestic security and economic condition stabilized and because the price of poultry and eggs has reached the highest profitable level for local farmers for the last many years. The domestic economic and political situation has also supported the growth. Local feedmills also increased their stocks due to uncertainty as to whether or

not the current People's Consultative Assembly (MPR) General Meeting (started October 1, 1999) will result in any domestic instability.

Imports during MY1999/2000 are forecast to increase further to at least 920,000 tons. The amount may increase more if the domestic security and economic conditions continue to be stable.

Imports from the United States declined to zero during MY1998/99 as the price was not competitive. However, it is forecast that U.S. soybean meal will enter the Indonesian market again during MY1999/2000 as India, the largest supplier in this market, reportedly, is forecast to decrease its crush number due to the closings of many Indian crushers.

Import Trade Matrix			
Country:	Indonesia	Units:	1,000 MT
Commodity:	Soybean Meal		
Time period:	Oct-Aug		
Imports for	1997/98		1998/99
U.S.	63	U.S.	0
Others		Others	
India	309	India	521
Brazil	80	Brazil	162
Argentina	53	Argentina	153
Malaysia	3	Malaysia	2
Total for Others	445		838
Others not listed	0		0
Grand Total	508		838

Source: Various.

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