



COUNTRY SNAPSHOT: INDONESIA

Indonesia is the most populous country and largest economy in Southeast Asia. High consumption of traditional soy foods like tempeh and tofu makes Indonesia the largest food use soybean importer in the region at 2.5-2.6 MMT per year, of which more than 85% is U.S. Soy. Additionally, soybean meal consumption has grown annually by approximately 4% due to livestock and fishery sector expansion. Indonesia imported 5.34 MMT soybean meal in 2021.

U.S. Soy has collaborated with Indonesia since the early 1980s.

COUNTRY STATS

POPULATION (2022):

275 million (Urbanization: 57%)

POPULATION (2035):

~306 million (Urbanization 67%)

GDP (2021):

\$1.19 trillion (current value)

AVG. ECONOMIC GROWTH (2015-

2019): 5.04%

PER CAPITA INCOME (2021):

USD 4,140

MARKET STATS

Soy usage market size by Volume, 2021 (Est. growth by 2035/40)

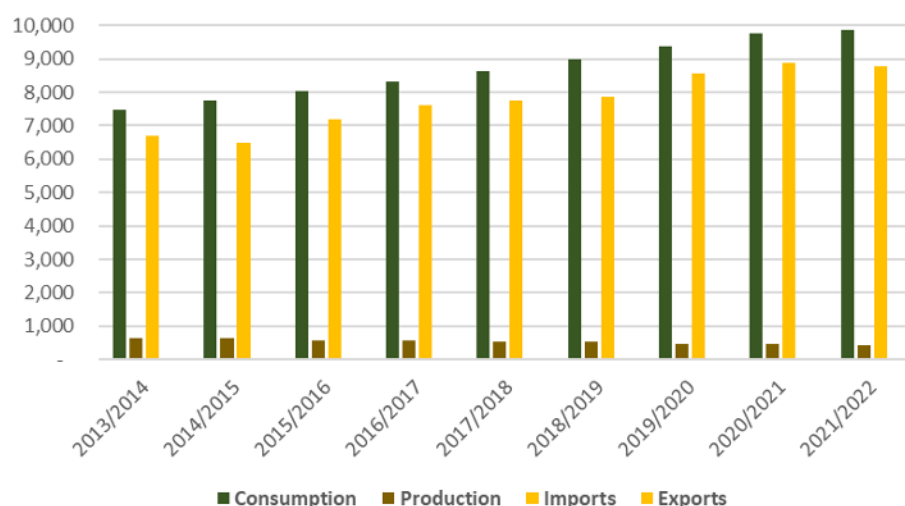
Animal Protein (total)	5.34 MMT (62%)	Aquaculture	0.41 MMT (62%)
Pork	0.11 MMT (62%)	Oil	0.04 MMT (50%)
Poultry	4.72 MMT (62%)	Soy food	3 MMT (17%)
Cattle & Sheep	0.11 MMT (62%)		

Source: Indonesia Feed Manufacturers Association: Animal feed production will grow by 3-4% annually. Thus, the feed use of SBM will increase by 62% from the level observed in 2021. National Statistical Agency: Soy food consumption is expected to grow by 17% to 3.5 MMT by 2035, should tempe and tofu consumption continue to grow at 1.4% and 3.2% annually.

Soy market size by volume, U.S. Soy volume (MY2021/22)

- Soy complex (whole soybean, meal, oil) 7.86 MMT
U.S. Soy 2.07 MMT.
- Whole bean 2.31 MMT. U.S. Soy 2.04 MMT.
- Soybean meal 5.52 MMT. U.S. Soy 0.03 MMT.
- Soybean oil 29.7 TMT. U.S. Soy 0.11 TMT.
- Soy food 2.31 MMT. U.S. Soy 2.04 MMT.

INDONESIA SOY COMPLEX (MMT soybean equivalent)



STRENGTHS

- Strong, longstanding preference for U.S. soybeans among makers of tempeh and tofu, which represents 95% domestic soybean food consumption.
- Years of strategic collaboration with Indonesia Tempe Forum and Soybean Indonesia, two respected soy-based food organizations, to promote U.S. Soy food use among Indonesian people.
- Self-mixing layer farmers appreciate the quality of soybean meal with U.S. Soy as they focus on improving their animal performance. This segment consumes nearly 500 MT of soybean meal per year.
- Strong relationships with local soybean industry stakeholders and USDA FAS Jakarta enable USSEC to navigate soybean trade policy issues effectively.

OPPORTUNITIES

- Production of poultry products is projected to grow annually by 2.6% for both egg and meat from 2020-2024.
- Stronger growth of traditional soyfood consumption, especially tempeh and tofu, in major islands outside Java such as Sumatra, Kalimantan, and Sulawesi.
- Strong growth potential for soy milk, given the per capita consumption is among the lowest in Southeast Asia and the fact that soy milk has been consumed by Indonesians for a long time.
- Increasing trend among Indonesian people, especially the millennial and Gen Z populations living in urban areas, to consume more plant-based protein and environmentally friendly food beverage products.

CHALLENGES

- Crude protein-based soy pricing is a common practice in Indonesia, resulting in differing views of crude protein measurement between U.S. suppliers and Indonesian buyers (Dumas versus Kjeldahl testing methods).
- Indonesian livestock industry has yet to seriously consider sustainability when making purchases for feed ingredients, especially for those selling end products only in the domestic market.
- Soybeans remain in the top list of commodities included in the Ministry of Agriculture's self-sufficiency program, making soybean import restrictions a latent threat to U.S. Soy exports to Indonesia.

Sources:

- Govt. of Indonesia Outlook for Chicken Production
- Govt. of Indonesia Outlook for Egg Production
- USDA PSD Online
- Indonesia Feed Manufacturer Association Presentation, Year-End Member Meeting, Dec 3, 2021