



INDONESIA
Southeast Asia Region

COUNTRY STATS

POPULATION (2022):

279 million (Urbanization 58.6%)

POPULATION (2035):

306 million (Urbanization 67%)

GDP (2023):

USD \$1.41 trillion

AVG. ECONOMIC GROWTH (2023): 4.8%

PER CAPITA INCOME (2023):

USD \$5,108

MARKET SNAPSHOT:

INDONESIA

Indonesia has the biggest population and the largest economy in Southeast Asia. High consumption of traditional soy foods such as tempeh and tofu makes Indonesia the largest food-use soybean importer in the region, 2.7 million metric tons (MMT) in 2023 of which more than 85% is U.S. Soy. Urban Indonesians opt for more plant-based proteins, contributing to increased soy consumption. Additionally, soybean meal consumption has grown annually by approximately 4% due to livestock and fishery sector expansion since 2018. Indonesia imported 5.6 MMT soybean meal in MY2022/23.

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

MARKET STATS

Soy Usage by Sector MY 22/23 (est. growth by 2035/40)

Animal Protein (total)	5.6 MMT (70%)	Aquaculture	0.50 MMT (70%)
Pork	0.06 MMT (70%)	Oil	31.4 TMT (91%)
Poultry	4.81 MMT (70%)	Soy food	2.7 MMT (17%)
Cattle & Sheep	0.22 MMT (70%)		

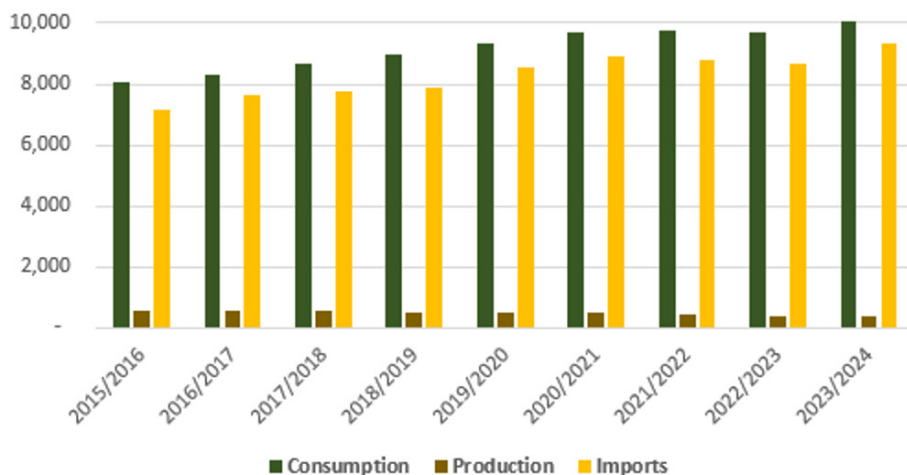
MMT=million metric tons

According to the Indonesia Feed Manufacturers Association, animal feed production will grow 3% annually thereby increasing the use of soybean meal by 47% from 2022 to 2035 and 70% by 2040. Furthermore, the National Statistical Agency reports soy food consumption is expected to grow 17% to 3.5 MMT by 2035, should tempeh and tofu consumption continue to grow at 1.4% and 3.2% annually. Additionally, soy oil consumption has expanded by 5.1% per year from 2015-2022. Should consumption continue to grow at this level, soy oil consumption could increase from 31.4 thousand metric tons (TMT) in 2023 to 60 TMT in 2035 and 77 TMT in 2040.

SOY MARKET SIZE MY 2022/23

Product	Total Volume	U.S. Soy Volume	U.S. Soy % Share
Soy Complex (whole soybean, meal, oil)	7.77 MMT	2.12 MMT	27%
Whole Bean	2.31 MMT	1.99 MMT	86%
Soybean Meal	5.43 MMT	0.12 MMT	2%
Soybean Oil	31.4 TMT	0.08 TMT	<1%
Soy Food	2.26 MMT	1.99 MMT	88%

TMT=thousand metric tons, MMT=million metric tons



INDONESIA SOY COMPLEX (MMT soybean equivalent)

STRENGTHS

- Makers of tempeh and tofu have a strong, long-standing preference for U.S. soybeans. This represents 95% of domestic soy food consumption.
- For years, USSEC has collaborated strategically with the Indonesia Tempe Forum and the Soy Food and Beverage Network (SoyBeaN) Indonesia, two respected soy-based food organizations, to promote U.S. Soy food use among Indonesian people.
- Self-mixing layer farmers prioritize enhancing animal performance and value the quality of soybean meal made from U.S. soybeans consuming nearly 500 metric tons of soybean meal annually.
- Strong partnerships with local soybean industry stakeholders and USDA FAS Jakarta enable USSEC to effectively navigate soybean trade policy challenges.

OPPORTUNITIES

- Traditional soy food consumption, especially tempeh and tofu, is increasing in major islands outside Java such as Sumatra, Kalimantan and Sulawesi.
- There is strong growth potential for soy milk, given the per capita consumption is among the lowest in Southeast Asia, and Indonesians have a long-standing cultural acceptance of soy milk.
- Millennial and Gen Z Indonesian populations living in urban areas trend toward increased consumption of plant-based proteins and environmentally friendly food and beverage products.

CHALLENGES

- Crude protein-based soy pricing is a common trade practice in Indonesia.
- U.S. suppliers and Indonesian buyers have differing views on crude protein measurement (Dumas versus Kjeldahl testing methods).
- The Indonesian livestock industry has yet to make sustainability a key consideration when purchasing feed ingredients, especially among those selling end products only in the domestic market.
- Soybeans remain on the list of commodities in the Ministry of Agriculture's self-sufficiency program.
- Price competition from South America continues.
- Animal diseases pose significant threats to the industry.

Sources:

- Government of Indonesia Outlook for Chicken Production
- Government of Indonesia Outlook for Egg Production
- National Statistical Agency, Republic of Indonesia
- USDA PSD Online
- Indonesia Feed Manufacturers Association Presentation, Outlook 2023, Nov 22, 2022
- Statista
- Central Intelligence Agency
- Asian Development Bank