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Report Highlights:

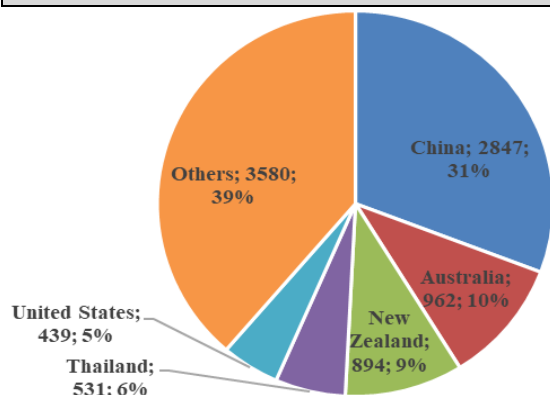
Indonesia offers strong opportunities for U.S. suppliers to support its \$101 billion food processing industry, which relies heavily on imported ingredients. The United States is the fourth largest supplier with an 11 percent market share, maintaining a strong position in key products such as soybeans, wheat, and dairy products. Demand for imported inputs continues to grow, although competition from countries with preferential trade agreements remains strong.

Market Fact Sheet: Indonesia

Executive Summary

Indonesia is the fourth most populous nation in the world, with a population of approximately 284 million in 2025. Fifty-six percent of the population lives on Java Island, one of the most densely populated areas in the world. In 2025, Indonesia's GDP reached \$1.443 billion and GDP per capita reached \$5,083.4 (est.). Indonesia is a major producer of rubber, palm oil, coffee, and cocoa. In 2025, agricultural imports reached \$26 billion, consisting of \$9.2 billion in consumer-oriented products. Soybeans, animal feed, wheat, cotton, dairy products, and meat are the top imports from the United States. Agricultural self-sufficiency is a stated goal of the Indonesian government and is often used to justify trade barriers and restrictions.

Top Consumer – Oriented Product Suppliers to Indonesia, 2025 (million USD)



Source: Trade Data Monitor, LLC

Food Processing Industry

Indonesia's food and beverage industry includes around 8,084 large and medium producers and 2.1 million micro and small producers, contributes about \$101 billion to GDP, and is highly competitive with most products consumed domestically.

Food Retail Industry

Indonesian grocery retail sales reached \$102 billion in 2025 (traditional grocery retailers held 76 percent market share). Retail sales are driven by rising levels of affluence, particularly in urban areas, where a growing number of middle-to-upper-income consumers are purchasing higher quality, premium products.

Food Service Industry

The foodservice sector's contribution to GDP totalled nearly \$30 billion in 2025. The sector is dominated by

small restaurants and street-side restaurants known as *warungs*.

Quick Facts CY 2025

Consumer-Oriented Product Imports: \$9.2 billion
U.S. Share (5%) – \$439 million

Top 10 Imported Growth Products:

- 1) dairy products
- 2) baking inputs
- 3) chocolate products
- 4) baby food
- 5) frozen food
- 6) snacks
- 7) sauces
- 8) dressings & condiments
- 9) sweet biscuits
- 10) ice cream & frozen desserts

Food Industry by Channels (U.S. Billion) 2025

Processed Food Export	\$49
Processed Food Import	\$6
Modern Grocery Retail	\$24
Food Service	\$30
Food E-commerce	\$5
Traditional Market (small local grocers)	\$77

Top 10 Retailers

Alfamart, Indomaret, Alfa Midi, Hypermart, Transmart / Carrefour, Superindo, Lotte Mart, Circle K, Farmer's Market

GDP/Population 2025

Population (millions): 284
GDP: \$1,443 billion
GDP per capita: \$5,083.4

Source: Statistics Indonesia (BPS), Trade data Monitor LLC and Euromonitor International

Strength/Weakness/Opportunities/Challenge

Strengths	Weaknesses
Large consumer base with growing incomes; younger consumers seeking new experiences and products	Inadequate infrastructure, including ports and cold storage facilities outside of the main island of Java
Opportunities	Challenges
Rapid growth of the retail sector; Japanese, Korean, and Western restaurant chains; bakeries; expanding online sales platforms; and increasing export demand for Indonesian processed products	Challenging business climate; unpredictable regulatory environment; restrictive allowed import quantities; onerous facility registration and import requirements and processes

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Section I: Market Overview

Indonesia’s food processing industry serves a population of 284 million, with Java contributing 56 percent of GDP, and is increasingly expanding into export markets while maintaining strong domestic demand. As Southeast Asia’s largest economy, Indonesia offers significant opportunities for U.S. food and ingredient suppliers.

Consumption trends show rising demand for processed and convenient foods, driven by urbanization and more working women, who remain key household decision-makers. The sector is highly import-reliant, sourcing around 80 percent of milk ingredients, 70 percent of soybeans, 100 percent of sugar and wheat, and significant shares of beef, salts, and fruit concentrates, with these inputs accounting for nearly half of total agricultural imports.

Major Food and Beverage Expansions in 2025:

- Dali Foods Group established [PT Dali Foods Indonesia](#)'s manufacturing facility in Karawang, West Java, with an initial investment of approximately \$100 million, scheduled to begin operations in October with twelve production lines for bread, cakes, biscuits, and snacks. The plant's annual production value is projected to exceed \$300 million.
- Garudafood partnered with French dairy group Bel S.A. by selling a 22.5 percent stake in its cheese unit ([Prochiz](#)) for approximately USD\$44 million and aligning strategic capabilities to accelerate cheese market growth across Indonesia¹.
- Eastroc Beverage Group is investing approximately USD\$200 million to establish its first overseas production facility in Indonesia, positioning the country as a strategic Southeast Asian manufacturing hub for its energy drink portfolio².

Table 1: Key Economic Data

Description	2021	2022	2023	2024	2025
GDP (\$billion)*	1,186	1,319	1,371	1,396	1,443
GDP/Economic growth	3.7%	5.3%	5.1%	5%	5.1%
F&B industry growth	2.5%	4.9%	4.5%	5.9%	6.4%
Value of F&B industry (\$billion)	78.6	78.7	88.7	99.8	101
Contribution F&B industry to GDP	6.6%	6.3%	6.6%	6.9%	7.1%

Source: BPS - Statistics Indonesia 2025

*International Monetary Fund

Table 2: Overview of Advantages and Challenges for Food Processing Ingredients

Advantages	Challenges
Large consumer base with a total population around 284 million, dominated by millennials and Gen Z, who account for 47 percent of the population ³ .	Challenging to expand some U.S. products beyond middle and upper-income consumers due to price-sensitivities.
Indonesia does not produce or produce	Import requirements for agricultural products

¹ <https://jakartaglobe.id/business/french-dairy-company-bel-buys-225-of-cheese-maker-mulia-boga-raya>

² <https://asiafoodbeverages.com/chinas-energy-drink-producer-to-set-up-plant-in-indonesia/>

³ BPS data, millennials (24 – 39 years), Gen Z (10 - 23 years)

Advantages	Challenges
sufficient quantities of key ingredients or specific varieties (e.g., wheat, fresh milk, beef, dried fruit, grapes, apples, pears, almonds, raisins).	are complex and change frequently. Registration processes for retail products and foreign establishments can be lengthy and costly. Allowed import quantities are restricted for many products/ingredients.
Indonesian consumers' knowledge of and demand for imported and/or healthier food products and ingredients has increased.	Target consumers are generally concentrated in urban areas only.
Upper middle-income consumers are more likely to purchase from modern stores due to convenience and quality. Continued growth in the grocery retail sector support great prospects for the food manufacturing sector.	About 87 percent of modern grocery retailer outlets are minimarkets/convenience stores, which mostly sell local products. ⁴
Approximately 65 percent of ingredients are imported.	Meat and dairy products / ingredients are required to be halal-certified. Most agricultural products and all processed products sold in Indonesia will be required to be halal certified by October 17, 2026.
Industry is constantly creating new products based on consumer preferences and trends, which often require ingredients unavailable domestically.	Quantities of ingredients for new products and market trials are usually not enough to fulfil the minimum order required by U.S. suppliers.

Section II: Roadmap for Market Entry

Entry Strategy

Please see the [Exporter Annual Guide 2025](#) for information on how to enter the Indonesian market, including market research, local business customs, import procedures and regulations, and information on trade shows in Indonesia. In addition, the [exporter guide video series](#) provides a step-by-step overview of the compliance pathway for processed food, dairy, and meat products. Together, these resources offer practical guidance to help U.S. exporters navigate Indonesia's regulatory system and enter the market efficiently.

Mandatory Halal Certification

Halal certification will become mandatory for most food, beverages, ingredients, and additives—including all processed products, domestic and imported—starting **October 17, 2026**. U.S. suppliers should assess whether their products fall within scope and evaluate the feasibility and cost of certification. The report, [Indonesia's Expanding Halal Standards with Trade Impacts on the Horizon](#) provides essential guidance for U.S. exporters on complying with Indonesia's expanding halal certification requirements, including product scope, exemptions, and certification procedures.

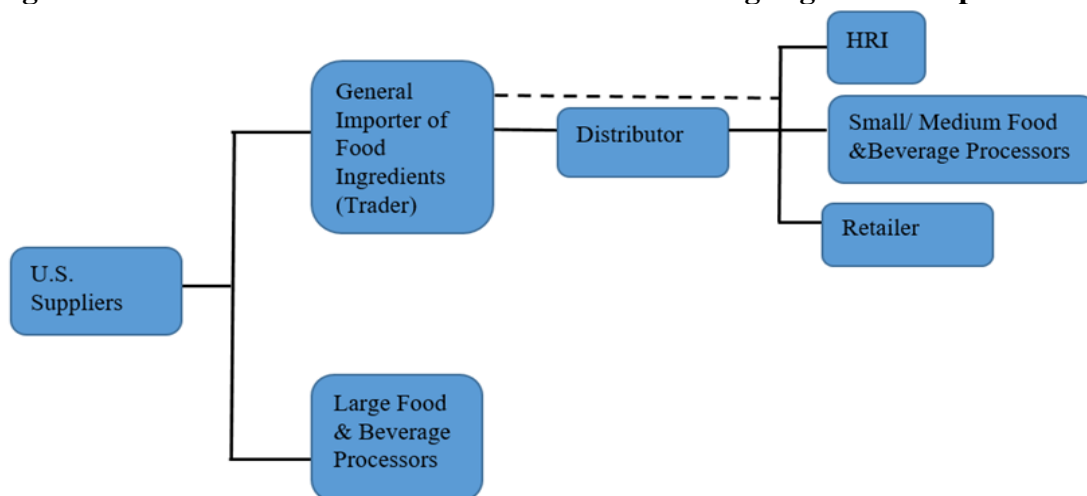
⁴ Euromonitor International 2025

To support U.S. exporters, USDA/FAS Indonesia created practical resources in the form of short videos addressing two key questions: “Does my product need halal certification?” and “How do I get certified halal?” (<https://usda-indonesia.org/halal/>). These videos explain how to work with recognized U.S. certifiers to align with the Indonesian Halal Authority’s (BPJPH) requirements. As regulations evolve and trade opportunities expand, these video resources will help U.S. exporters prepare for compliance and successfully access one of Southeast Asia’s largest consumer markets.

Distribution Channels

Large food manufactures who also export, such as [Indofood](#) or [Mayora](#), prefer to import directly rather than source from local distributors or importers. This is due to advantages received through export incentives, which waive import duties and value added tax. The diagram below provides an overview of common distribution channels.

Figure 1: Distribution Channels of U.S. Food Processing Ingredient Exports to Indonesia



Market Structure

There are approximately 8,084 large and medium-sized food and beverage manufacturers and 2.1 million micro and small establishments in Indonesia. The number of Indonesian workers in the food and beverage processing industry stands at 5.3 million, or 54 percent of the total workforce in the manufacturing sector⁵.

Large and medium-sized food processors in Indonesia source raw materials both locally and globally, with large food processors directly importing ingredients such as wheat, milk powder, cheese, meat, and horticultural products. Food processors usually purchase small quantities of additives, flavors, or preservatives through general importers or distributors.

Share of Major Segments in the Food Processing Industry

Indofood continues to lead the packaged food market in Indonesia. The company has a wide-ranging product portfolio, including local and multinational brands. Other major processors include Mayora Indah, Danone, Wings, Nestlé, and Royal Friesland Campina ([Frisian Flag](#)). Many of their products are

⁵ [Statistic Indonesia 2026](#)

sold through modern stores. The rapid expansion of convenience stores, which mostly stock locally produced products, has helped to expand the distribution of packaged foods throughout Indonesia.

Table 3: Selected Retail Sales of Packaged Foods and Beverages in Indonesia (USD Million)

Product	2020	2021	2022	2023	2024	2025
Snacks	6.255	6.441	6.938	7.108	7.338	7.622
Baby Food	2.204	2.227	2.337	2.453	2.451	2.546
Drinking Milk Products	1.916	2.046	2.100	2.224	2.349	2.411
Ready-to- Drink (RTD) Tea	1.837	1.894	2.037	2.116	2.215	2.286
Beer	920	1.168	1.562	1.700	1.821	2.008
Sauces	1.138	1.227	1.369	1.460	1.545	1.582
Carbonates	673	726	803	836	832	847
Yogurt and Sour Milk Products	459	621	745	790	807	846
Wine	341	403	489	572	657	758
Concentrates	476	490	525	540	592	619
Cheese	223	293	366	466	515	564
Juice	1.754	485	510	535	536	564
Peanuts (Groundnuts)	449	452	460	492	504	519
Spirits	218	260	333	382	435	510
Sports Drinks	310	313	340	355	391	430
RTD Coffee	258	264	305	334	378	413
Sweet Spreads	164	185	212	240	265	289
Energy Drinks	148	161	199	215	239	246
Pulses	212	207	218	222	218	218
Butter and Spreads	116	125	137	153	160	163
Plant-based Dairy	81	93	114	132	148	163
Almonds	37	39	41	44	46	47
Pistachio	24	26	27	28	29	30

Source: Euromonitor International

Table 4: Top Indonesian Company Profiles & Products (2025)

No	Global Company Name	Product Portfolio	Retail Sales Value (USD million)
1	Indofood Sukses Makmur Tbk PT	Dried ready meals, bouillon, dried sauces, pasta sauces, cooking sauces, ketchup, soy sauces, chili sauces, baby food, butter and spreads, drinking milk products, ice cream, snacks, biscuits, noodles, pasta	4,409
2	Mayora Indah Tbk PT	Biscuits, beverages (coffee, tea, bottled water), candy, wafer & chocolate, coffee, cereal, instant food (noodles and porridge)	2,868
3	Danone Group	Bottled water, baby food and maternal milk products	2,063
4	Wings Corp	Instant noodles, sauces, powdered drinks, RTD beverages (tea, juice, energy drinks), coffee	1,871
5	Nestlé SA	Confectionery and chocolate, coffee, beverages (drinking milk and RTD beverages), breakfast cereals, condensed milk	1,125
6	Royal Friesland Campina NV	Drinking and condensed milk products	1,025
7	Garuda Food Group	Snacks and dairy products	967
8	Kraft Heinz Co.	Juices, condiments and sauces, baby food	929
9	Orang Tua Group	Snacks, bottled water, wafer, alcoholic beverage, health and supplements, RTD tea and confectionery	757
10	Nabati Group	Wafers, biscuits, cookies, cheese-based snacks, chocolate and confectionery and QSR linkage (Richeese factory)	735

Source: Euromonitor International and Company Website

Sector Trends

Indonesian consumers continue to favor bold and indulgent flavors, including sweet, chocolate, fruity, and increasingly spicy–sweet combinations, alongside strong demand for familiar ingredients such as sugar and wheat, as well as dairy (milk powder, cheese, whey), nuts (almonds, pistachios, walnuts), corn, chipping potatoes, popcorn, and peanuts. These ingredients are widely used across processed foods and are also highly relevant to U.S. agricultural exports to Indonesia.

Health and wellness trends continue to strengthen in Indonesia, particularly among urban consumers, driving increased demand for reduced sugar, high protein, and plant based products. However, this shift is balanced by persistent price sensitivity, as well as rising demand for convenient, ready-to-eat options. At the same time, consumers place growing importance on trusted product attributes, particularly halal certification, making regulatory compliance and clear labelling critical for successful market entry.

Wheat flour-based products: Wheat remains a strategic food processing ingredient in Indonesia, supported by strong demand across both mass and premium segments. The flour milling industry continues to expand, driven by urbanization, population growth, and rising demand for diverse flour-based foods. Consumption is supported by instant noodles, bakeries, biscuit manufacturers, small and

medium enterprises, and households, while middle-class and Gen Z consumers are fueling growth in bakery and foodservice applications, including bread, pastries, and innovative concepts—reflected in the expansion of chains such as Tous Les Jours, Monsieur Spoon, and Paris Baguette, alongside more creative noodle and dining formats. Overall, wheat supports both staple consumption and higher-value product innovation. For more information, please see FAS Jakarta’s 2026 Grain and Feed Annual, to be published in early April.

Dairy products: Indonesia’s dairy sector continues to be shaped by structural supply gaps and rising demand, with domestic production unable to meet consumption needs, sustaining strong reliance on imported dairy ingredients such as milk powder, whey, and cheese. Indonesia remains one of the world’s largest importers of dairy products, particularly skim milk powder, which is widely used by food and beverage manufacturers. By volume, dairy consumption is expected to continue growing in 2026, following an estimated 6 percent increase in 2025, although at a more moderate pace compared to previous years. Fluid milk remains the largest category (42.8 percent market share), followed by condensed and evaporated milk (18 percent), while cheese continues to be the fastest-growing segment, supported by strong marketing, affordability, and expanding use in foodservice, bakery, and snack applications. The government’s Free Nutritious Meals Program is expected to be a key long-term demand driver, potentially increasing the need for imported dairy inputs. Overall, the sector presents sustained opportunities for imported dairy ingredients, particularly in food processing and value-added applications. For more information, please see the [Dairy and Products Annual 2025](#).

Snack foods: According to Euromonitor International, Mayora Indah is set to retain its leading position in Indonesia’s snack industry in 2025 (by retail sales value), driven by its robust brand portfolio, extensive distribution network, and consistent innovation. Other major players, including GarudaFood, Indofood, and Nabati, continue to expand through product innovation, wide distribution, and targeted digital marketing, particularly toward Gen Z consumers. While savory snacks remain a significant segment, growth is increasingly driven by flavor innovation and culturally inspired products rather than volume expansion. Concurrently, demand is rising for affordable, convenient, and on-the-go snacks, alongside growing interest in health-oriented options such as low-sugar, high-fiber, and clean-label products. Overall, the sector is evolving toward a balance of indulgence, affordability, and health-conscious consumption, supported by the continued expansion of e-commerce and convenience retail channels.

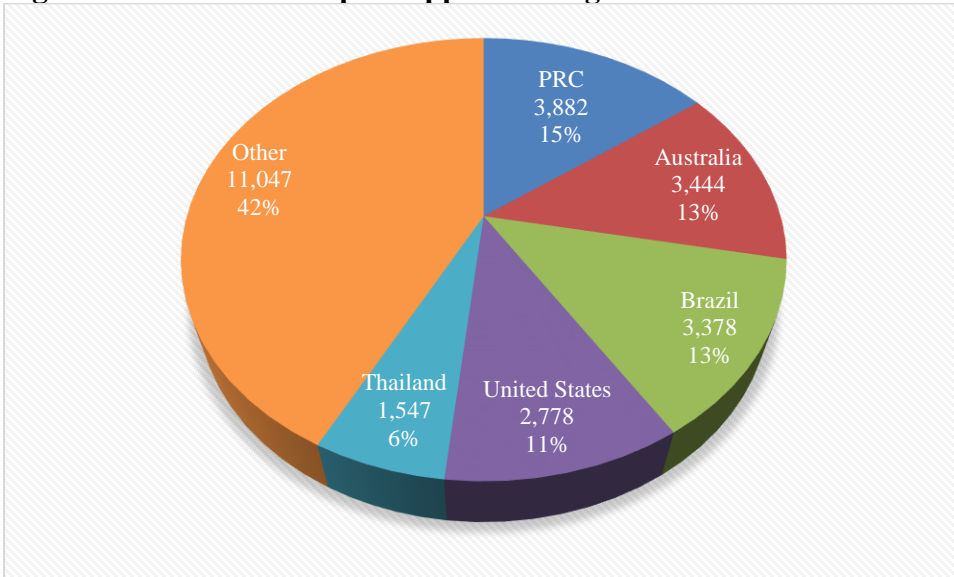
Section III: Competition

Indonesia’s agricultural imports have increased by 62 percent in value since 2015, growing at an average annual rate of 5 percent. The United States is the fourth largest agricultural supplier to Indonesia, with 11 percent market share. Main competitors include the People’s Republic of China (PRC) for fresh fruits; Australia for wheat, beef, dairy, and fresh fruits; Brazil for wheat, corn, sugar, and beef; and Thailand for fresh fruits. Soybeans, wheat, and dairy products account for about 55 percent of total U.S. agricultural exports to Indonesia. In 2025, PRC and Australia experienced notable export growth to Indonesia. This was largely driven by increased demand for fresh fruits such as grapes, apples, mandarins, and pears from the PRC, and higher wheat imports from Australia.

Indonesia has implemented trade agreements with Association of Southeast Asian Nations (ASEAN) countries, the People’s Republic of China, Chile, the Republic of Korea, India, Japan, Hong Kong, New

Zealand, Australia, and Pakistan in the form of comprehensive economic partnership agreements, free trade agreements, and preferential trade agreements. Agricultural products from those countries, such as milk powder, beef, apples, grapes, cheese, and oranges, enter the market at more competitive rates than U.S. products. However, many U.S. products continue to increase their market share based on price, quality, consistency, and availability.

Figure 2: Indonesia’s Top 5 Suppliers of Agricultural Products in 2025 (in USD millions)



Source: Data from Trade Data Monitor, LLC

Table 5: Competitive Situation for Select Food Ingredients in 2025

Product Category	Major Supply Sources	Strengths of Key Supply Countries	Local Market Situations
Wheat Total imports: \$3.3 billion From USA: \$1295 million	1. Australia (40%) 2. Canada (22%) 3. Ukraine (12%) 4. Argentina (12%) 5. USA (9%)	<ul style="list-style-type: none"> • Australia has a geographic proximity advantage and lower tariff advantages. • Indonesia also prefers Australian wheat due to quality preferences specific to noodle production (yellowish color). 	<ul style="list-style-type: none"> • No wheat produced domestically. • Limited availability of wheat breeds suitable for Indonesian soils. • With rising demand from population growth, new flour-based food trends, and diversification, the industry's prospects remain strong.
Dairy Total imports: \$2 billion From USA: \$206 million	1. New Zealand (41%) 2. Australia (11%) 3. USA (10%) 4. Netherlands (5%)	<ul style="list-style-type: none"> • New Zealand and Australia enjoy preferential tariff treatment under a free trade agreement. • Both countries also enjoy geographic proximity and lower transportation costs compared to the United States. 	<ul style="list-style-type: none"> • Demand for dairy-based products continues to increase, but local production of fresh milk remains low (only around 15%) and of lower quality. • Local cheese production is dominated by processed cheeses using mostly imported raw ingredients.
Soybeans Total imports: \$1.2 billion From USA: \$1 billion	1. USA (87%) 2. Canada (11%) 3. Uruguay (1%) 4. Brazil (1%)	<ul style="list-style-type: none"> • Indonesian tempeh and tofu producers prefer to buy U.S. soybeans due to supply consistency, quality, texture, and bean color. • Indonesia's most favored nation (MFN) rate for soybeans from all origins is 0%, helping U.S. soybeans remain competitive. 	<ul style="list-style-type: none"> • Indonesia's soybean market remains highly import-dependent, with local production supplying only around 10% of total demand. • Consumption is driven by tempeh/tofu demand and government feeding programs.
Sugars & Sweeteners: Total imports: \$2.2 billion From USA: \$3.5 million	1. Brazil (40%) 2. Thailand (35%) 3. Australia (11%)	<ul style="list-style-type: none"> • Thailand and Australia benefit from preferential import duties from free trade agreements. • Brazil offers competitive prices. 	<ul style="list-style-type: none"> • Domestic demand far outpaces local production. Significant volumes of imports are required with a growing population and food and beverage industry.

Source: FAS Jakarta and data from [Trade Data Monitor LLC](#)

Section IV: Best Product Prospects

Products Present in the Market which have Good Sales Potential

Consumer-oriented products: dairy, fresh fruit, pork, tree nuts, powdered cheese, dried egg yolk and baking inputs.

Intermediate agricultural products: sugar and sweeteners, textured soy protein, cornstarch, natural honey, odoriferous substances.

Products with Limited Presence in the Market but which have Good Sales Potential

Wine, almonds, juices/concentrates, fresh cut flowers, cherries, avocados, peaches, raspberries, blackberries, blueberries, prepared luncheon meat, frozen meals, and frozen bakery items.

Products Not Present Because of Significant Barriers

Poultry and egg products.

Section V: Key Contacts and Further Information

Government Data Sources

[Statistics Indonesia](#)

Government Agency Website o

Website: [Ministry of Agriculture](#); [Ministry of Trade](#); [Ministry of Industry](#); [National Agency of Drug and Food Control](#); [Ministry of Marine Affairs and Fishery](#); [Indonesia Customs](#); [Indonesian Quarantine Agency](#)

Government Regulatory Agency/Food Policy Contacts

- Horticultural products: [Directorate General of Horticulture, Ministry of Agriculture](#)
- Live animals and animal-based foods: [Directorate General for Livestock and Animal Health Service, Ministry of Agriculture](#)
- Fresh animal products, seafood, fruits, and vegetables: [Indonesian Quarantine Agency Agriculture](#)
- Import licenses: [Directorate General of Foreign Trade, Ministry of Trade](#)
- Refined sugar, wheat flour, cocoa powder, bottled water, biscuit, instant coffee: [Directorate General for Agro Industry, Ministry of Industry](#)
- Halal products: [Halal Product Assurance Agency](#)
- Processed foods: [National Agency of Drugs and Food Control \(BPOM\)](#)
- Products standardization: [National Standardization Agency \(BSN\)](#)

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Attachments:

No Attachments