

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 4/2/2012

GAIN Report Number: ID1208

Indonesia

Post: Jakarta

East Java Governor Regulates Imported Horticulture Products

Report Categories:

Agricultural Situation

Approved By:

Dennis Voboril

Prepared By:

Fahwani Y. Rangkuti & Jonn Slette

Report Highlights:

Recently the provincial Government of East Java issued Governor's Regulation No: 22/2012 regarding the control of imported horticultural products and the empowerment of horticultural business in East Java. The Governor's regulation is widely perceived as a response to Ministry of Agriculture (MOA) Regulations No. 89/2011 and No. 90/2011, which limit the ports entry for imported horticulture products.

General Information:

Agriculture, to include horticulture, is a major and fundamental driver of the East Java provincial economy. On March 5, 2012, the Governor of East Java issued Regulation No: 22/2012, which significantly restricts imported fruits and vegetables from entering the port of Tanjung Perak in the East Java city of Surabaya.

In December 2011, the MOA issued Regulations No. 89/2011, and No. 90/2011, which specifically limited horticulture product imports to three seaports in Indonesia, to include Tanjung Perak in Surabaya. Regulation 89 specifically states that the objective of the regulation is “to reduce risk of entry and spread of organisms harmful to quarantine plants, it is necessary to re-stipulate places of entry of fresh fruits and/or fruit vegetable to Indonesian territory.” While Tanjung Perak was listed as an approved port of entry for imported horticultural products, Jakarta’s urban port of Tanjung Priok was not approved as a port of entry for imported horticultural products. Under Regulations 89 and 90, Tanjung Perak is the only seaport on the island of Java that is eligible to received imported fresh fruits, vegetables, and bulbs.

Post expects that the Government of East Java is concerned about the quarantine issues noted in the aforementioned MOA regulations. Furthermore, Post expects that the Government of East Java is concerned about being inundated with horticultural imports and how those imports would impact local fruit and vegetable markets, and how it would impact East Java’s limited ability to receive, unload and ship the products to Jakarta, which is by far the most significant market for imported horticultural products.

Restrictions on imported horticulture products entering East Java are subjected to the following under the Governor’s Regulation:

1. Horticultural imports are not allowed one month prior, during the harvest period, and a period of two months following the harvest in East Java.
2. The harvest period is determined by the local government.
3. Imported horticultural products are not allowed if they are produced by farmers in East Java. *(Post Comment: This requirement will likely impact U.S. apple and grape exports, which are produced in East Java, albeit in limited quantities.)*
4. Horticultural product imports must be recently harvested and of the best quality.
5. Sales of imported horticultural products are allowed only in fruit boutiques, specialty stores, malls, and/or modern retail outlets.
6. The quantity of the imported products available in the aforementioned retail outlets cannot exceed the quantity of domestically produced horticultural products in the same outlets.
7. Imported horticultural products destined for sale in East Java must receive the approval of a Government of East Java ‘Monitoring Team of Distributed Goods’.
8. Any horticultural products being transshipped and/or unloaded for further transportation outside of East Java from the port of Tanjung Perak must receive a permit from the Governor of East Java.
9. Criteria for receiving a permit from the Governor of East Java include letters of recommendation from the provincial Agriculture Office and provincial Office of Trade and Industry.

10. No transshipments or unloading of horticultural products for further transportation will be allowed during the harvest period in East Java.

This regulation is in effect as of the date it is enacted, March 5, 2012.

Post analysis and corresponding confirmation from staff at the Consulate General in Surabaya conclude that the Governor of East Java has the legal authority to issue Governor's Regulation 22/2012 as a result of Law Number 32/2004, which regulates regional government authority.