

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Grain and Feed and Oilseeds Import Duty Update

Report Categories:

Grain and Feed

Oilseeds and Products

Agricultural Situation

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Report Highlights:

The Government of Indonesia recently increased the import duty of several grain and feed and oilseed commodities as stated in the Ministry of Finance Decree No. 241/PMK.011/2010 on December 22, 2010. Though the GOI later publically stated that they would rescind this increase following meetings with affected industries, it has yet to formally do so.

General Information:
Policy and Programs

On December 22, 2010, the Indonesian Ministry of Finance issued Decree No. 241/PMK.011/2010, increasing import duties for some grain & feed, and oilseed products to five percent from the previous rate of zero percent. The previous zero tariff rates had been enforced since January 2008. As a result of this decision, the Indonesian food and feed industries have protested the tariff increase.

According to media reports, a group of leading officials from various Indonesian ministries met at the office of Indonesian Ministry of Agriculture on Friday, January 7 to further discuss the tariff increases. More recently, the Indonesian Coordinating Minister of Economy announced that Indonesia would eliminate import duties on wheat, soybeans, and livestock feed in a measure to improve domestic food supplies.

Although the Coordinating Minister of Economy declared publically that the new tariffs would be rescinded as of the week of January 10, 2011, it remains the Ministry of Finance's responsibility to release the new decree to legally rescind the previous decree (PMK No. 241/PMK. 011/2010). As of January 24, the Ministry of Finance has not issued a new decree to amend the old decree. The domestic food and feed industry associations continue to urge the Government of Indonesia (GOI) for the immediate release of the new decree to rescind the higher tariffs.

No.	HS Code	Description
1.	1001.90.19.00	Wheat (other than meslin) for human consumption
2.	1201.00.90.00	Soybean, not for sowing
3.	1208.10.00.00	Soybean meal
4	1507.00.00.00	Soybean oil and its fractions, whether or not refined, but not chemically modified
5	1508.00.00.00	Ground nut oil and its fractions, whether or not refined, but not chemically modified
6	1513.00.00.00	Coconut (copra), palm kernel or babassu oil and fractions thereof, whether or not refined, but not chemically modified
7	2301.10.00.00	Flours, meals, and pellets of meat or meat offals, greaves
	2301.20.00.00	Flours, meals, and pellets of fish or crustaceans, mollusks, or other aquatic invertebrates.
		Bran, sharps, and other residues, whether or not in the form of pellets, derived from the sifting, milling or other working of cereals or of leguminous plants.

	2302.10	- of corn
	2302.30.00.00	- of wheat
	2302.40.10	- of rice
	2302.40.90.00	- of other cereals
	2302.50.00.00	- of leguminous plants
		Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetables fats or oils, other than those of heading 2304 or 2305
	2304.00.00.00	Soya bean oil cake and other solid residues, W/N ground or pellet
	2305.00.00.00	Ground nut oil cake and other solid residues, W/N ground or pellet.
	2306.90.20.00	- of corn germ
	2309.90.20.00	Premixes, feed supplements, and feed additives

The GOI's decision to cancel the imposition of the five percent import duties on staple food commodities would help to stabilize the recent spike in food prices. The market trends for selected staple food prices are included below:

Year	Month	Monthly Average Price					
		Rice	Sugar	Sugar	Flour	Soybean	Soybean
		IR-1 or Medium, Rp/Kg	SHS1, Rp/Kg	Import, Rp/Kg	Blue Triangle, Rp/Kg	Import, Rp/Kg	Local, Rp/Kg
2010	Jan	7,240	11,200	11,000	7,900	10,875	8,167
	Feb	7,245	11,350	11,000	7,675	10,969	8,167
	Mar	7,005	11,050	11,000	7,400	10,500	7,667
	Apr	7,055	10,875	11,000	7,400	10,500	7,500
	May	7,065	10,875	11,000	7,400	10,188	7,625
	June	7,090	10,600	10,875	7,950	10,281	7,729
	July	7,465	10,400	11,000	7,900	10,319	7,792
	Aug	7,660	10,500	10,250	7,475	9,969	8,406
	Sept	7,635	10,650	10,500	7,600	9,625	8,091
	Oct	7,800	10,800	11,000	7,410	10,125	7,750
	Nov	7,890	11,000	11,188	7,400	10,250	7,819
	Dec	8,140	11,125	11,250	7,400	10,250	7,781

Source

: Center for Market Information (PIP), the Ministry of Trade