

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: 3/29/2016

GAIN Report Number: ID1609

Indonesia

Post: Jakarta

Indonesia Modifies Import Regulations for Livestock Products

Report Categories:

Trade Policy Monitoring

Approved By:

Ali Abdi

Prepared By:

Thom Wright

Report Highlights:

Indonesia's Ministry of Trade has updated its regulation on import licensing for animals and animal products. MOT regulation 5/2016 replaces MOT 41/2015 and 46/2013, aligning Ministry of Trade regulations with the most recent Ministry of Agriculture regulation on meat imports. Import rules remain mostly unchanged, although import permit validity is extended from three to four months. The regulation also lists beef cuts eligible for import.

General Information:

Indonesia's Ministry of Trade (MOT) has updated its regulation on import licensing for animals and animal products. MOT regulation 5/2016 replaces MOT 41/2015 and 46/2013, aligning Ministry of Trade regulations with the most recent Ministry of Agriculture regulation on meat imports (reference GAIN ID 1549 and ID 1602 on MOA Regulation 58/2015). Post notes that the new regulation only makes slight modifications, and that U.S. beef exports will remain limited as a result.

The most significant change brought about by MOT 5/2016 is the extension of import permit validity from three to four months. As a result of this change, Indonesia will now issue beef import permits trimesterly instead of quarterly. Importers note that while the three month import periods were too short to import beef competitively from the United States, an additional fourth month is not a significant improvement. They further note that the Government of Indonesia (GOI) requires importers to estimate their need prior to requesting import permits, obligating the importer to speculate on market conditions months in advance, thus taking on higher-than-necessary risk.

Like MOA 58/2015, MOT 5/16 makes no reference to Indonesia's 80 percent rule, implying that the rule has been eliminated. MOT 5/2016, however, states that import permit holders must submit an import realization report, implying that the GOI continues to enforce minimum importation requirements. Importers confirm that despite the lack of specific measures in the new regulation, they continue to face punitive damages if they do not import at least 80 percent of their issued import permit quantity.

MOT 5/2016 lists specific cuts allowed for import by holders of permits with determined validity (i.e. private businesses). These cuts are listed in Appendix III of MOT 5/2016, as well as in Table 2 below. MOT 5/2016 also lists cuts reserved for state-owned enterprises, which can import at any time with open validity import permits. The cuts permitted for state-owned companies are listed in Table 1.

Finally, MOT 5/2016 states that the intention of the regulation is to "maintain food security and price stability." As in the past, Indonesia will maintain a reference price system for beef, which is intended to establish a price floor in support of local producers. Although the reference price system has never been activated, in theory the GOI is permitted to stop beef imports if local beef prices fall below the reference price.

TABLE 1: INDONESIA MINISTRY OF TRADE REGULATION 5/2016, APPENDIX II, CUT OF MEAT PERMITTED FOR IMPORT ONLY BY STATE-OWNED ENTERPRISES

No.	TARRIF POST / HS	DESCRIPTION	REMARKS		
			Meat Category	Type of cutlet (international)	Type of cutlet (Indonesia)
1	2	3	4	5	6

	02.01	Meat of bovine animals, fresh or chilled			
1	0201.10.00.00	- Carcass and half-carcass			
2	Ex. 0201.30.00.00	- Boneless meat	Secondary cuts	Knuckle Topside/inside Silverside Outside Chuck Blade/clod	Daging kelapa Penutup utuh Pendasar utuh Pendasar dengan gandik Sampil kecil Sandung lamur atas
	02.02	Meat of bovine animals, frozen			
3	0202.10.00.00	- Carcass and half-carcass			
4	Ex. 0202.30.00.00	- Boneless - Boneless	Secondary cuts	Knuckle Topside/inside Silverside Outside Chuck Blade/clod	Daging kelapa Penutup utuh Pendasar utuh Pendasar dengan gandik Sampil Sandung kecil

TABLE 2: INDONESIA MINISTRY OF TRADE REGULATION 5/2016, APPENDIX III, ANIMAL AND ANIMAL PRODUCTS WITH DETERMINED IMPORT PERMIT VALIDITY PERIOD

No.	TARRIF POST / HS	DESCRIPTION	REMARKS		
			Meat – Category	Type of cutlet (international)	Type of cutlet (Indonesia)
1	2	3	4	5	6
	01.02	Bovine animals, live			

No.	TARRIF POST / HS	DESCRIPTION	REMARKS		
			Meat – Category	Type of cutlet (international)	Type of cutlet (Indonesia)
1	2	3	4	5	6
1.	Ex.0102.29.10.10	-- Feeder Cattle	Maximum weight 350 kg		
	02.01	Meat of bovine animals, fresh or chilled			
2	Ex.0201.20.00.00	Other meat cut, bone in	Prime cut	Short loin Rump & loin T-Bone Steak Short Ribs OP ribs/Ribs Prepared	Has pendek Has dan tanjung bertulang Steak has pendek Iga pendek Lamusir utuh bertulang
3	Ex. 0201.30.00.00	- Boneless meat	Prime cuts	Tenderloin Side Strap Off Tenderloin/Side strap Striploin/sirloin Cube roll/Rib Eye Rump cap Sirloin Butt/Rostbiff	Has dalam tanpa anakan Has dalam dengan anakan Has luar Lamusir Steak tanjung Has tanjung bersih
			Manufacturing Meat	Trimming 65 to 95 –CL Forquarter	Tetelan 65- 75 CL Prosot depan

No.	TARRIF POST / HS	DESCRIPTION	REMARKS		
			Meat – Category	Type of cutlet (international)	Type of cutlet (Indonesia)
1	2	3	4	5	6
				Hindquarter	Prosot belakang
	02.02	Meat of bovine animals, frozen			
4	Ex. 0202.20.00.00	- Others meat cutlet, bone in	Prime cuts	Short loin Rump & Loin T-Bone Steak Short Ribs Op Ribs/Ribs Prepared Brisket/Short place	Has pendek Has dan tanjung bertulang Steak has pendek Iga pendek bertulang Lamusir utuh bertulang Sandung lamur
5	Ex. 0202.30.00.00	- Boneless meat	Prime cuts	Tenderloin Slide Strap Off Tenderloin Butt Tenderloin Strip loin/sirloin Tip top/Bottom Sirloin Triangle Cube roll/Rib	Has dalam tanpa anakan Has dalam dengan anakan Ujung has dalam Has luar Pangkal tanjung bawah bersih Lamusir

No.	TARRIF POST / HS	DESCRIPTION	REMARKS		
			Meat – Category	Type of cutlet (international)	Type of cutlet (Indonesia)
1	2	3	4	5	6
				Eye Tenderloin Steak Strip loin Steak Cube roll/Rib Eye steak Top Sirloin Sirloin Butt/Rostbiff Rump Cap Fillet of Loin Chuck Loin Short Ribs Short plate	Steak has dalam Steak has luar Steak Lamusir Pangkal tanjung atas Has tanjung bersih Steak tanjung Irisan daging pinggang Has sampil Daging Iga pendek Sandung lamur
		-	Manufacturing Meat	Trimmings 65- 95 –CL Disnewed minced beef/Finely Textured Meat	Tetelan 65 sampai dengan 95 CL Daging giling Daging
				Diced / block beef	Balok/dadu

No.	TARRIF POST / HS	DESCRIPTION	REMARKS		
			Meat – Category	Type of cutlet (international)	Type of cutlet (Indonesia)
1	2	3	4	5	6
				Topside/Inside rasket Forquarter Hindquarter	Penutup Utuh Sandung Lamur Prosot Depan Prosot Belakang
	02.06	Edible remains of animal: oxen, pigs, sheep, goats, horses, donkeys, mule, hinnies – fresh, chilled or frozen			
	Ex. 0206.10.00.00	- From bovine animals – fresh or chilled	Fancy and variety meat – boneless	Tongue-long cut Tongue Tongue-short cut Tongue-short cut special trim Tongue Swiss cut special trim	Lidah potongan panjang Lidah Lidah potongan pendek Lidah potongan special Lidah potongan Swiss special
			Fancy and variety meat – bone in	Tail (6070/V6561) Tail pieces Feet	Buntut Potongan buntut

No.	TARRIF POST / HS	DESCRIPTION	REMARKS		
			Meat – Category	Type of cutlet (international)	Type of cutlet (Indonesia)
1	2	3	4	5	6
		- From bovine animals – frozen			
7	0206.21.00.00	-- Tongue	Fancy and variety meat – boneless	Tongue Tongue-long cut Tongue short- cut Tongue short- cut special trim	Lidah Lidah potongan panjang Lidah potongan pendek Lidah potongan spesial
				Tongue Swiss cut special trim	Lidah potongan Swiss spesial
				Tongue Root/Throat trim Cheek Meat Head Meat Lips Tendon	Pangkal Lidah Daging Pipi Daging Kepala Bibir Urat
8	Ex. 0206.29.00.00	--Others	Fancy and variety meat – bone in	Tail Tail pieces	Buntut Potongan Buntut