

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Indonesia

Post: Jakarta

Export Accomplishment on U.S. Feather Meal Released from Detainment

Report Categories:

Export Accomplishments - Other

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Report Highlights:

In May 2013, Embassy Jakarta's Office of Agricultural Affairs (OAA) assisted in securing the release of 18 containers of U.S. feather meal valued at \$271,184.

General Information:

U.S. Feather Meal Released from Detainment

Export Accomplishment - Other (Market Access)

WHAT, WHERE, AND WHEN

In May 2013, Embassy Jakarta's Office of Agricultural Affairs (OAA) assisted in securing the release of 18 containers of U.S. feather meal which were detained at Tanjung Perak, the port in Surabaya, East Java. OAA Jakarta's intervention directly resulted in the release of containers by the Indonesian Agricultural Quarantine Agency (IAQA) and maintained market access for U.S. feather meal in Indonesia, which is a critical market for U.S. animal-based feed ingredient products. The feather meal was valued at \$271,184.

Post officials worked closely with the Memphis, Tennessee based supplier and the local importer to identify the root causes of the detention. Post learned that because the North American port of debarkation was Vancouver, British Columbia, IAQA officials assumed the shipment was of Canadian origin and not from the United States. They did not understand or accept that U.S. feather meal could be exported through a Canadian port. As a result, IAQA refused to clear the containers upon arrival in Surabaya, even though all the accompanying documents clearly indicated they were U.S. products.

HOW

On May 1, 2013, a supplier of U.S. hydrolyzed feather meal contacted OAA officials. Post was informed that 18 containers of hydrolyzed feather meal had been shipped to Indonesia in five shipments. As of May 1, six containers had already arrived in Surabaya, with the rest in transit on the water. The six containers in Surabaya were detained upon arrival and not allowed to clear Customs and Quarantine. Upon receiving information from the supplier, Post immediately contacted the local importer to gather more detailed information.

Post met with the IAQA on May 8, 2013 after discussing with both the U.S. supplier and the local importer. IAQA officials accepted the information provided by OAA officials and requested that Post send an official letter explaining that the shipments were loaded in Vancouver. Post provided the requested letter on the same day. On May 21, 2013, the local importer informed OAA officials that IAQA released all the containers.

WHY

Indonesia is the largest market for U.S. hydrolyzed feather meal (HS Code: 0505.90) in the world. In calendar year (CY) 2012 the value of U.S. hydrolyzed feather meal export to Indonesia was \$18.5 million, a gain over 2011's \$17.6 million.

The Indonesian Feed Millers Association (*Gabungan Pengusaha Makan Ternak, GPMT*) reported that

in CY 2012 feed consumption reached approximately 12.7 million metric tons, which was higher than the initial estimate of 12.3 MMT. This figure excludes 1.2 MMT used for aquaculture feed. The poultry industry consumes approximately 83 percent of the total animal feed consumed in Indonesia. Aquaculture consumes 11 percent and the balance of six percent is consumed by cattle and swine sectors. *GPM*T forecasts that Indonesian feed consumption will further increase to 13.8 MMT in CY 2013. Two major feed mills are expanding their production capacity by building new factories in South Sulawesi, North Sumatera, and Central Java. This industry is estimated to grow by 12- 15 percent in 2013, assuming the economic and political situation remains stable; there are no significant outbreaks of poultry diseases; and the Indonesian rupiah exchanges favorably against the U.S. dollar. In line with the growing feed mills industry, Indonesian imports of hydrolyzed feather meal are also increasing.

Reporting Countries Export Statistics (Partner Country: Indonesia)								
Commodity: 050590, Skins And Other Parts Of Birds, With Their Feathers Or Down; Powder And Waste Of Feathers Or Parts Of Feathers								
Year To Date: January - December								
Reporting Country	Unit	2010		2011		2012		Data Availability
		USD	Quantity	USD	Quantity	USD	Quantity	
Reporting Total	T	19895910	39323	21403804	38563	23757230	50216	01/10 - 12/11
United States	T	17772172	37260	17643957	36210	18494794	47153	01/90 - 03/13
China	T	680831	62	2507032	228	3337656	284	01/95 - 04/13
New Zealand	T	1189443	1895	1202761	2125	1404985	2272	01/90 - 03/13
Canada	T	155096	104	0	0	291956	406	01/95 - 03/13
Germany	T	0	0	0	0	116812	99	01/97 - 02/13
South Africa	T	96488	3	50055	1	108308	2	01/96 - 03/13
Taiwan	T	1880	0	0	0	2645	0	01/96 - 03/13
Thailand	T	0	0	0	0	74	0	01/98 - 03/13

Source: Global Trade Atlas.

Local feed mills continue sourcing more and more of the feed ingredients from the United States. Ensuring a smooth trade between the two countries is essential to expand the market for U.S. feed ingredients.