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Imported Beef Detained at Tanjung Priok Jakarta Indonesia

Report Categories:

Livestock and Products

Agriculture in the News

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Report Highlights:

Indonesian Customs detained 143 containers of imported beef due to lack of proper import permits at Tanjung Priok Jakarta in January and February 2011.

General Information:

In recent weeks, the Indonesian media have reported on the detention of imported beef products in Tanjung Priok, Jakarta's primary seaport. Reports indicate that 143 containers of beef were cited and detained by Indonesian customs authorities as lacking the appropriate import permits (known by the local acronym of SPP). Most of the beef originated from Australia and New Zealand. Importers informed FAS Jakarta that none of the detained beef originated from the United States.

Article 4 of the Minister of Agriculture regulation No. 20/Permentan/OT.140/4/2009 regarding "Import and Distribution Control of Carcasses, Meats, and/or Edible Offal from Overseas", stated the importance of SPP.

Article 4

- (1) Import of carcasses, meats, and/or edible offals can be performed by individuals or corporations after obtaining Import License from the Minister.
- (2) The Import License as referred to in paragraph (1) is given by the Director General for Animal Husbandry on behalf of the Minister.

In the past, importers have arranged for their SPP's through the Director General Livestock and Animal Health Services (DGLAHS) while their respective beef shipments were in transit. However, media reports indicate that the DGLAHS tightened their procedures for imported beef due to Indonesia's new self-sufficiency aspirations for beef by 2014 and the more recent detention of imported beef due to importers' lack of proper SPP.

In 2010, DGLAHS publically announced SPP's for 73,000 tons of beef for the entire calendar year. However, the actual volume of imported beef in 2010 exceeded 120,000 tons to include beef offal. DGLAHS has publically announced that the 2011 allocation for imported beef is 50,000 tons. Meanwhile, industry sources informed FAS Jakarta that the more realistic allocation for 2011 will be closer 90,000 tons. However, FAS Jakarta believes that the actual allocation will ultimately depend on beef prices in the domestic Indonesian market, as was evident in 2010.

According to media reports, the Minister of Agriculture (MOA) instructed the re-exportation of 51 containers of beef (1,020 tons) which arrived in January 2011 to the respective countries of origin.

According to public statements made by DGLAHS Director General Prabowo on March 3, four importers exceeded their allotted volume (essentially not having the proper SPP). As of the date of this report, no clear guidance or determination has been provided by the MOA for the remaining containers of beef in Tanjung Priok.

By April 1, 2011, the Government of Indonesia is expected to update the procedural steps required for importers to obtain SPPs. The updated regulations will likely require that importers applying for an SPP must receive approval from both the Ministry of Agriculture and the Ministry of Trade. Reportedly, the

process will be for the importer to apply for a letter of recommendation from the Ministry of Agriculture; then take this letter to the Ministry of Trade for the issuance of the SPP. Also, the SPPs will be issued on watermarked paper that can be verified by ultraviolet light. Reportedly, exporters will also be required to attach the SPP number on the Export (Health) Certificate. There are also plans for the Agricultural Quarantine Agency's Center for Animal Quarantine to begin implementation of a new on-line system under the National Single Window initiative.