

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Indonesia

**Post:** Jakarta

### Indonesian Reverse Buying Mission Leads to New Sales

**Report Categories:**

Export Accomplishments - Events

**Approved By:**

Dennis Voboril

**Prepared By:**

Fahwani Y. Rangkuti & Jonn Slette

**Report Highlights:**

An Indonesian company that participated in a Reverse Buying Mission to the IFT Show in Chicago in July, 2010 recently informed FAS Jakarta that it has recently reached agreement with a U.S. company to import approximately 100 containers of U.S. non-dairy creamer. The Mission was a joint project between FAS Jakarta and the Food Export Association of the Midwest USA.

**General Information:**

FAS Jakarta and the Food Export-Midwest worked together on a Buying Mission that brought Indonesian food processing executives to the Institute of Food Technologists (IFT) Show held in Chicago in July, 2010. The Reverse Buying Mission targeted Indonesian food manufactures and food ingredient importers with limited exposure to U.S. products. After several months of business negotiations and sample trials, one of the Indonesian mission members recently informed FAS Jakarta that they have reached agreement with a U.S. company to import approximately 100 containers of U.S. non-dairy creamer. The product will be exported in tranches, with the first thirty containers scheduled to arrive in June 2011.

The 2010 Indonesia – IFT Buying Missions provided a platform for potential trading partners to meet one-on-one; attend food exhibitions and educational presentations; and visit U.S. retail outlets. FAS Jakarta targeted potential importers that were less experienced with U.S. food products or with U.S. food product exporters. As a result of this activity, more Indonesian buyers were introduced to U.S. suppliers - and were able to gain first hand product knowledge - including marketing and retail strategies. According to participants, because the event was organized by FAS Jakarta, they were confident in the value of the Mission. They also stated that the Mission had more credibility because it was FAS led.

In recent years, increased U.S. food ingredient sales have occurred as a result of coordinated marketing strategies among FAS-Jakarta and the USDA Cooperators and State and Regional Trade Groups. U.S. ingredients are also able to capitalize on a strong reputation for quality, and enjoy less restrictive governmental import regulations due to coordinated FAS efforts to build better relations with BPOM – the Indonesian food safety authority.

Indonesia's food consumption patterns continue to change, due to more selective and educated Indonesian consumers. These changes lead to an expanded market share for U.S. high-value food ingredients in Indonesia. With the growth of modern retail outlets, consumers have better access to a wider variety of foods in general and packaged foods in particular. The Indonesian food processing sector is also growing in conjunction with Indonesia's overall macroeconomic growth, emerging middle class, and increased local demand for food products. The development of the domestic food processing sector in Indonesia is a primary driver for the growing market share for U.S. food ingredients.