



Indonesia

With over 248 million people, Indonesia is the world's fourth most populous country and home to the world's largest Muslim population. It is the largest economy in Southeast Asia. Indonesia has self-sufficiency goals for poultry and beef. Protectionist policies on poultry (de facto ban on imports) and beef (import quota) are major trade barriers, while domestic production struggles to keep up with demand. Indonesia's per-capita consumption of beef and poultry is well below neighboring countries and the expanding middle class points to strong growth potential. The country's total poultry consumption is expected to double in 10 years.

2009 Food supply quantity (kg/capita/yr), in Select Countries

	Bovine Meat	Eggs	Poultry Meat
Australia	38.7	5.8	38.4
Brunei Darussalam	4.9	13.4	53.0
Cambodia	5.4	1.5	2.3
Indonesia	2.2	4.5	6.0
Malaysia	5.6	12.1	38.3
Philippines	4.4	4.4	10.0
Thailand	2.9	10.4	11.6
Vietnam	4.3	3.3	10.2

Source: FAOSTAT© FAO Statistics Division 2013 | 18 March 2013

Indonesia is an important market for U.S. feeds and fodders. U.S. exports have nearly doubled in just five years, led by corn gluten meal, meat and bone meal (MBM), distillers dried grains with solubles (DDGs), and prepared poultry feeds. The Indonesian poultry sector accounts for over 80% of total feed demand. Feed mills rely heavily on imported feed ingredients, especially protein meals, additives, and DDGs, for which U.S. supplies are competitive. Indonesia is the largest market for U.S. MBM. Recent trade restrictions on U.S. MBM are expected to be temporary, as the country simply cannot supply enough feed for its burgeoning poultry sector.

Indonesia has one of the highest growth rates in retail food and beverage sales among developing countries. While traditional retail venues, such as wet markets and small food stalls, still account for 85% of grocery sales, modern retail stores have been growing much more robustly, expanding share of grocery sales from 5% in 1999 to 15% in 2011. The number of modern retail outlets increased 13% in 2011 alone, as many start to reach second- and third-tier cities. Modern retail outlets are well suited for introducing imported products, including perishable items and high-value consumer-oriented products. Chicken meat could become a major U.S. export if Indonesia lifts its de facto import ban.

Source: USDA FAS International Trade Report

Indonesia's World Ranking in Production, 2011

	Rank	(Int \$1000)	(MT)
Hen Eggs	8	967,399	1,166,400
Indigenous chicken meat	10	2,298,437	1,613,610
Duck meat	15	47,449	28,800

Source: FAOSTAT | © FAO Statistics Division 2013

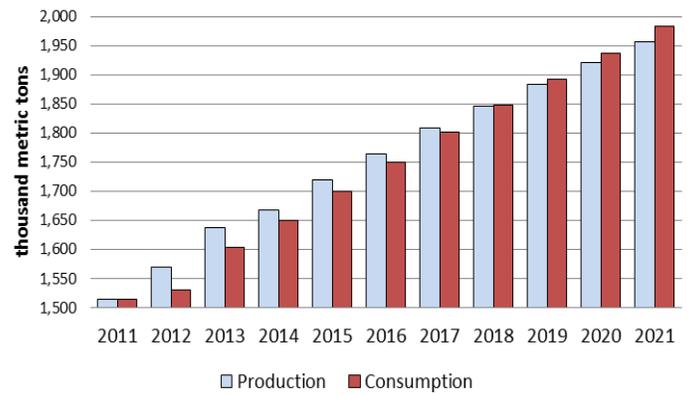
Indonesia Poultry and Egg Trade in metric tons

	Imports		Exports	
	2009	2010	2009	2010
Chicken meat	2,687	125	0*	78
Duck meat	757	6,38	0F	53
Eggs Dried	1,205	1,296	2	22

*=Unofficial figure, F=FAO estimates

Source: FAOSTAT© FAO Statistics Division 2013 | 06 March 2013

Indonesian Broiler Meat Production and Demand



Source: FAPRI-ISU 2012 World Agricultural Outlook

Please note that the Outlook is based on data from November 2011 and does not include the drought the U.S. experienced in 2012.

United States Challenges Indonesia's Import Restrictions on Horticultural Products, Animals and Animal Products

On January 10, 2013 the United States requested consultations with Indonesia under the dispute settlement provisions of the World Trade Organization (WTO) concerning trade-restrictive measures applied to horticultural products, animals, and animal products. Those consultations unfortunately did not resolve the dispute.

Concerning animal products, in the complaint the U.S. said Indonesia imposes a non-automatic import license regime and quotas for animals and animal products pursuant to which an importer must complete multiple steps prior to importing an animal or animal product into Indonesia. These steps include, first, importers must receive an Import Approval Recommendation ("RPP") from the Ministry of Agriculture to import animals or animal products. After receiving the RPP, the importer must then apply for an import license with the Ministry of Trade. The Ministry of Trade only allows the importation of the product if, among other factors, domestic production and supply of the product do not meet "demand for public consumption at reasonable price." Indonesia's government sets the quotas for animals and animal products twice a year. The Ministry of Agriculture allocates the quotas, specifying the quantity of each animal and animal product allocated to each importer.

Through its measures establishing and administering these non-automatic import licensing requirements, Indonesia appears to have acted inconsistently with several of its WTO obligations, including under the General Agreement on Tariffs and Trade 1994 (GATT 1994), Agreement on Import Licensing Procedures, and the Agreement on Agriculture.

Under WTO dispute settlement procedures, the United States and Indonesia would normally consult within 30 days. The United States hopes that these consultations will produce a satisfactory result. If they do not, the United States has the right, after 60 days from the request for consultations, to request that the WTO establish a dispute settlement panel to examine the matter.

Source: World Trade Organization, Dispute WT/DS455/7; U.S. Trade Representative

INSPECTED EGG PRODUCTS-U.S. & CANADA IMPORT/EXPORT TRADE

U.S. Exports to Canada, in Pounds (000) (Preliminary)

Type	Year-To-Date*			2012
	2013	2012 /1	2013 /2	
Liquid	48	48	768	199
Frozen	0	0	0	0
Dried	0	0	19	0
Total	48	48	787	199

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Type	Year-To-Date*			2012
	2013	2012 /1	2013 /2	
Liquid	324	465	2,884	4,258
Frozen	25	4	326	297
Dried	0	0	4	0
Total	349	469	3,214	4,555

INSPECTED SHELL EGGS

U.S Exports to Canada, In 30-Dozen Cases (Preliminary)

	Year-To-Date*			2012
	2013	2012 /1	2013 /2	
Jumbo	0	0	0	0
Extra Large	2,910	3,600	16,460	12,420
Large	6,280	7,580	24,890	29,186
Medium	150	2,501	6,603	8,321
Ungraded	2,160	2,124	14,579	14,514
Misc	0	0	0	0
Total	11,500	15,805	62,532	64,441

/1 Comparable Week, to-date figures may not total due to rounding.

/2 Includes revisions to previous week(s)

*Note: Year to-date totals reflect comparable time periods.

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

U.S./CANADIAN LIVE POULTRY SLAUGHTERED UNDER INSPECTION

Week Ending Mar 16, 2013 (Preliminary)

	U.S. Fowl Slaughtered Domestically		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	1,438	1,333	2,771
Last Week	1,434	1,309	2,743
Same week yr ago	1,752	1,332	3,084
To-date/2013*	16,897	15,426	32,323
To-date/2012*	16,977	16,549	33,526

U.S. Fowl Slaughtered in Canada

	U.S. Fowl Slaughtered in Canada		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	373	0	373
Last Week	418	0	418
Same week yr ago	386	0	386
To-date/2013*	3,426	0	3,426
To-date/2012*	3,200	36	3,236

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Total U.S. Fowl Slaughtered in the U.S. and Canada

	Total U.S. Fowl Slaughtered in the U.S. and Canada		Total Hens
	Light Hens	Heavy Hens	
-----Thousands-----			
Head	1,811	1,333	3,144
Last Week	1,852	1,309	3,161
Same week yr ago	2,138	1,332	3,470
To-date/2013*	20,323	15,426	35,749
To-date/2012*	20,177	16,585	36,762

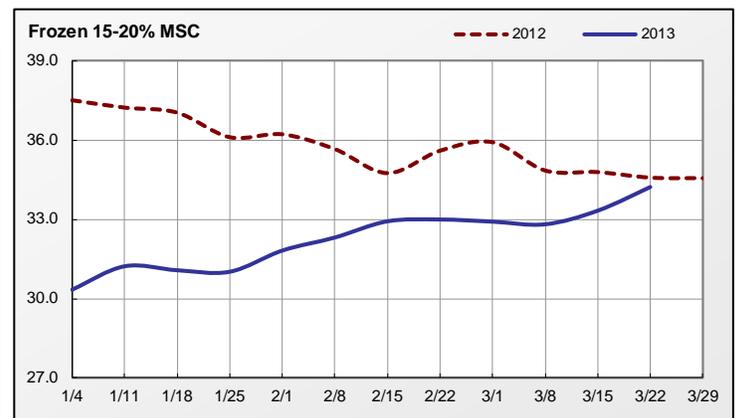
*Note: Year to-date totals reflect comparable time periods.

NATIONAL MECHANICALLY SEPARATED CHICKEN (F.O.B. Shipper Dock or equivalent; negotiated prices in trucklot and less-than-trucklot volumes reported in thousand pound quantities, cents/pound; delivery within 2 weeks.)

Prices for MSC are steady to firm on all fat contents; Fresh 15-20% MSC in the strongest position. Supplies are light to moderate. Schedules are generally normal. Demand is moderate to instances good into both domestic and export channels. Industry continues to watch all influencing market factors, while also maintaining a cautious attitude remembering years past. Planned industry cutbacks and bird weight issues continue to limit supplies of MSC and frames creating a stronger than usual Lenten season, which is quickly coming to a close. Most sellers are focused on next week's varying Easter production schedules trying to closely manage production and sell spot MSC out front. Market activity is moderate to active. Supplies of raw materials are tight. Frames are firm trading between 14-17 cents FOB, mostly 15 FOB.

Weekly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

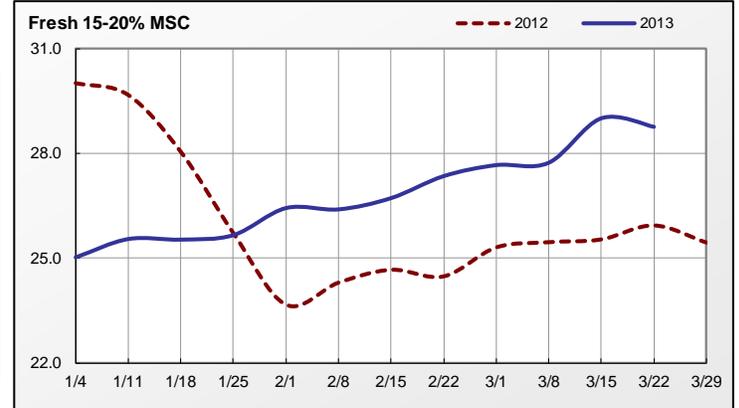
Fat Content	Frozen			Fresh		
	22-Mar-13	Last Week	Last Year	22-Mar-13	Last Week	Last Year
15% or Less						
Price Range	32.00	-	-	29.00 - 31.00	28.00 - 30.00	26.00-27.00
Wtd Avg Price	32.00	-	-	30.00	29.07	26.67
Volume Traded	40	-	-	82	153	122
Volume Exported	-	-	-	-	-	-
15-20%						
Price Range	33.00 - 36.00	32.00 - 35.00	30.00-38.00	27.00 - 33.00	27.00 - 33.00	23.00-30.00
Wtd Avg Price	34.22	33.33	34.58	28.77	29.01	25.94
Volume Traded	1,135	1,125	2,020	3,529	3,475	4,624
Volume Exported	935	1,045	1,445	367	367	1,265
20% or More						
Price Range	-	-	-	22.00	22.00	22.50
Wtd Avg Price	-	-	-	22.00	22.00	22.50
Volume Traded	-	-	-	82	41	82
Volume Exported	-	-	-	-	-	-



Monthly MSC Weighted Average Prices (cents/pound) and Volumes (1,000 pounds)

Fat Content	Frozen			Fresh		
	Feb 2013	Jan 2013	Feb 2012	Feb 2013	Jan 2013	Feb 2012
15% or Less						
Wtd Avg Price	30.00	30.00	-	26.43	25.13	27.56
Volume Traded	40	80	-	714	653	653
Volume Exported	-	-	-	-	-	-
15-20%						
Wtd Avg Price	32.59	30.97	35.46	26.70	25.48	24.33
Volume Traded	5,957	4,923	7,800	17,289	17,411	15,773
Volume Exported	5,357	4,563	6,839	2,815	5,834	2,693
20% or More						
Wtd Avg Price	-	-	-	22.00	20.00	22.38
Volume Traded	-	-	-	245	204	163
Volume Exported	-	-	-	-	-	-

Note: Volume exported refers to that portion of the total volume that is destined for export markets.



Source: USDA AMS Livestock, Poultry & Grain Market News (www.ams.usda.gov/lpsmarketnewspage)

NATIONAL YOUNG TURKEY PARTS

INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 22 MARCH 2013.

The market on bulk parts was steady to firm, with tom drums, tom full cut wings and tom necks in the best position. Demand was light to moderate. Offerings light. The market on tom breast meat and destrapped tenderloins is not fully tested with a weak undertone, balance of white trims steady. Demand was light for tom breast meat, balance of white meat light to moderate. Offerings of tom breast meat is moderate to heavy, balance of white meat light to moderate. Trading was slow to moderate. For domestic: frozen hearts 51 cents, fresh scapula 111-114 cents, fresh full cut wings 47 cents, fresh tom necks 47 cents, and fresh tails 52 cents delivered. For export: fresh thigh meat 121 cents, fresh tom drums 59-62 cents, frozen hen drums 56 cents and frozen tom breast meat 157 cents delivered.

EXPORT TRADING

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
FRIDAY, MARCH 22, 2013						
DRUMSTICKS, TOMS	69.00-71.00		69.85	94	69.85	94
WINGS FULL-CUT - TOMS		F	49.86	126		
WINGS, V-TYPE, TOM	91.00-91.50		91.17	162	91.17	648
TAILS		T	52.00	10	52.00	10
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	117.00-118.0		117.16	256	115.95	779
THURSDAY, MARCH 21, 2013						
DRUMSTICKS, TOMS		F	65.00	234		
WINGS FULL-CUT - TOMS		F	49.86	126		
WINGS, V-TYPE, TOM	91.00-91.50		91.17	486		
TAILS		T	52.00	10		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	117.50		117.50	108		
WEDNESDAY, MARCH 20, 2013						
DRUMSTICKS, TOMS		F	65.00	234		
WINGS FULL-CUT - TOMS		F	49.86	126		
WINGS, V-TYPE, TOM		F	91.00	324		
TAILS		T	52.00	10		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN		T	114.43	188		
TUESDAY, MARCH 19, 2013						
DRUMSTICKS, TOMS		F	65.00	234		
WINGS FULL-CUT - TOMS		F	49.86	126		
WINGS, V-TYPE, TOM		F	91.00	324		
TAILS	52.00		52.00	10		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	114.00-115.00		114.43	188		
MONDAY, MARCH 18, 2013						
DRUMSTICKS, TOMS		F	65.00	234		
WINGS FULL-CUT - TOMS		F	49.86	126		
WINGS, V-TYPE, TOM		F	91.00	324		
TAILS		F	54.00	216		
MECHANICALLY SEPARATED 2/ THIGH MEAT - FROZEN	115.00-116.00		115.12	227		

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.):

M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ 15-20% fat with skin added.