

# Market brief Indonesia

## Financial year 2022/23

### Global exports to Indonesia

Rank #6 in the global dairy market (by volume).

Destination for more than 555,000 tonnes of dairy product, worth close to US\$1,869 million (in 2022/23).

Exports to Indonesia have increased by 9% over five years (2018/19 – 2022/23).

The biggest volume growth (product categories exceeding US\$20 million) has been in:

- WMP (70%)
- Casein (69%)
- Infant Powder (68%)
- Protein (55%)

The biggest volume decline (products categories exceeding US\$20 million) has been in:

- Buttermilk Powder (-24%)
- Cheese (-19%)

### Australian market share

Rank at #4 in the share of Indonesia's import volume.

Destination for 42,000 tonnes of Australian dairy product, worth over US\$172 million (in 2022/23).

Exports to Indonesia have decreased by 16% over five years (2018/19 – 2022/23).

The biggest volume growth (product categories exceeding US\$1 million) has been in:

- WMP (1915%)
- Condensed Milk (375%)

The biggest volume decline (product categories exceeding US\$1 Million) has been in:

- Butter (-50%)
- SMP (-31%)
- Whey powder (-30%)

### Tariff environment

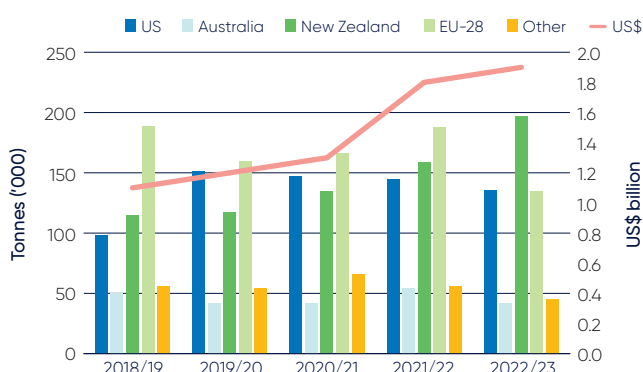
The ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) and Australia Comprehensive Economic Partnership Agreement (IA-CEPA) provide significant market access advantages for Australian dairy exporters. Under these agreements all Australian dairy products, except liquid milk, now enter Indonesia duty free.

A summary of current tariffs for the major dairy categories imported by Indonesia can be found in Table 2.

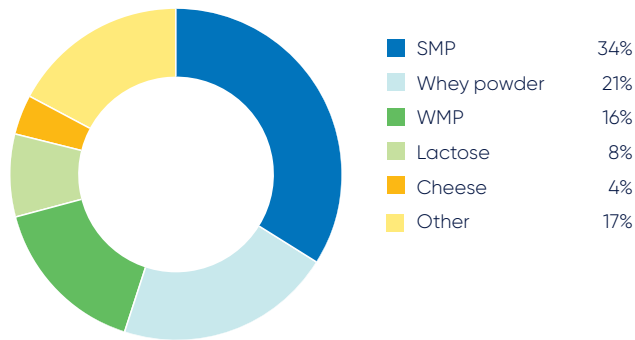
### Key international marketing programs and initiatives

Dairy Australia runs or is involved in a number of marketing programs and activities in Indonesia. These include the Southeast Asia dairy scholarship program aimed at familiarising dairy and food industry professionals from the region with aspects of the Australian dairy industry and the Southeast Asian Alumni Program for past scholars. Outside of COVID-19 travel restrictions, Dairy Australia regularly visits Indonesia and presents seminars to local industry players in key markets.

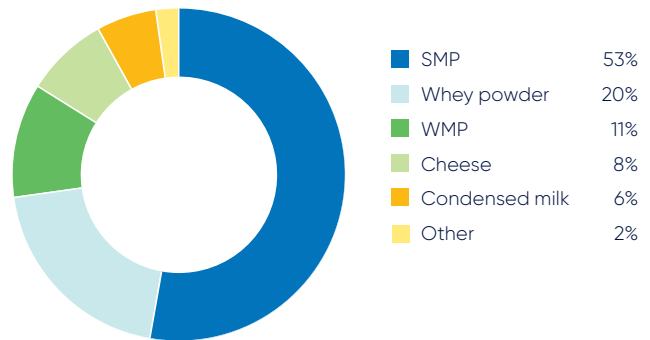
Figure 1 Dairy imports



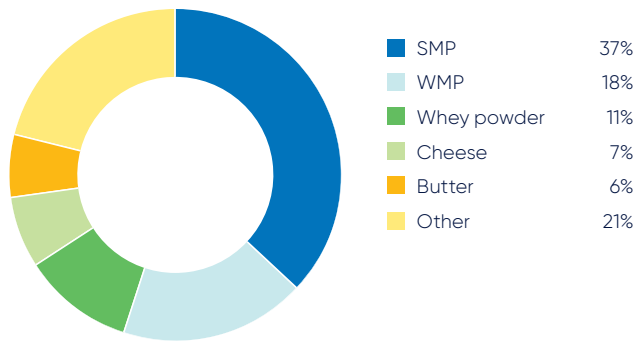
**Figure 2** Top dairy exports to Indonesia by volume



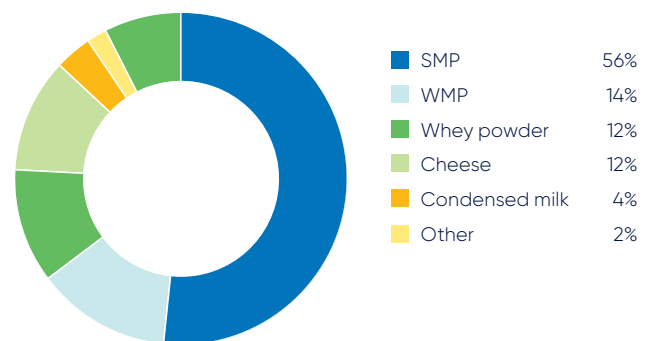
**Figure 4** Top Australian dairy exports by volume



**Figure 3** Top dairy exports to Indonesia by US\$ value



**Figure 5** Top Australian dairy exports by US\$ value



**Table 1** Australia exports

Product group	Market share (US\$ %)		Volume ('000)		Value (million US\$)	
	2018/2019	2022/23	2018/2019	2022/23	2018/2019	2022/23
SMP	13.2	12.2	32.4	22.2	71.5	96.5
Whey powder	6.8	7.0	12.2	8.6	15.0	21.4
WMP	0.4	7.2	0.2	4.8	0.7	24.5
Cheese	13.7	13.2	3.7	3.2	18.4	19.9
Condensed milk	6.8	23.4	0.6	2.7	1.3	6.3
<b>Total imports</b>	<b>7.6</b>	<b>7.7</b>	<b>50.5</b>	<b>42.2</b>	<b>112.3</b>	<b>172.5</b>

**Table 2** Dairy tariffs

Tariff category	Product category	Applied tariff %
0402	Milk and cream, concentrated or containing added sugar or other sweetening matter	0.0
0403	Buttermilk, curdled milk and cream, yoghurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa.	0.0
0404	Whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included.	0.0
0406	Cheese and curd	0.0

Applied tariffs are drawn from Integration Point. Where Australia does not have a specific tariff agreement in place, the applied rate for qualifying product is the MFN rate. Where a specific tariff agreement exists, the applied rate for qualifying product is as per that agreement. The countries with specific agreements in place are: China (ChAFTA), Indonesia (AANZFTA), Japan (JAEPA), The Republic of Korea (KAFTA), Malaysia (MAFTA), Philippines (AANZFTA), Singapore (SAFTA), Philippines (TAFTA), and the USA (AUSFTA).

**Further information**

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