



Indonesia

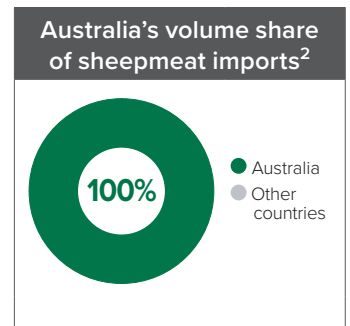
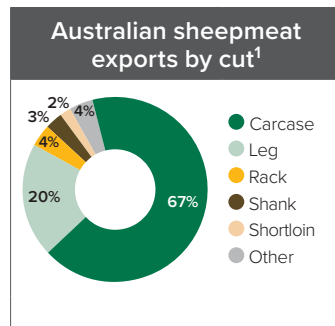
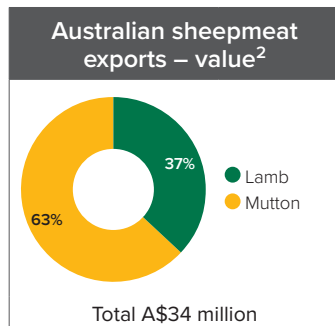
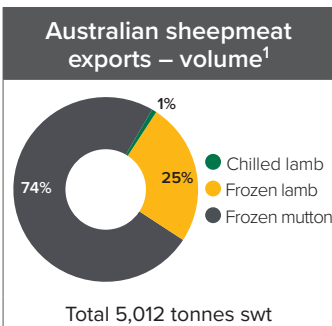
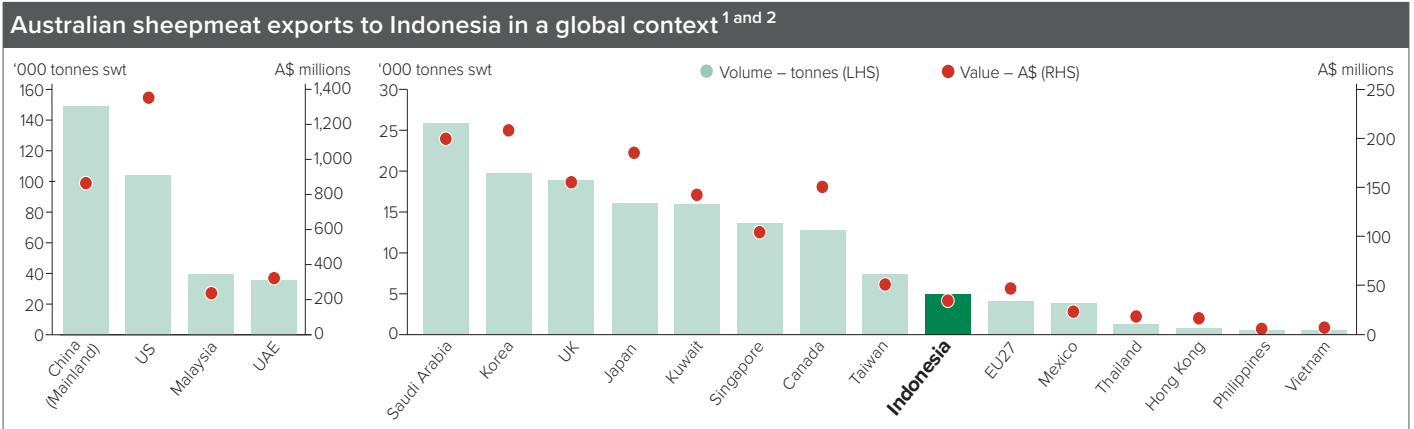
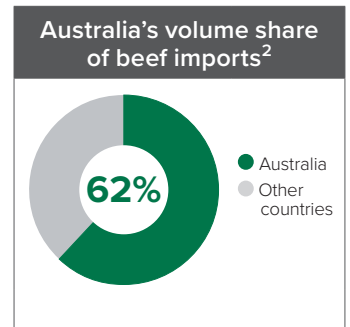
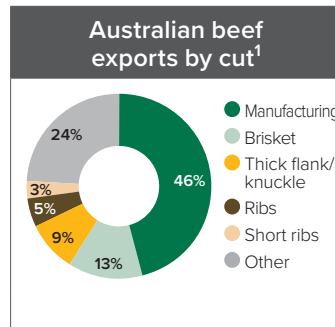
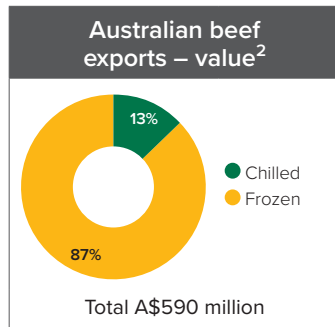
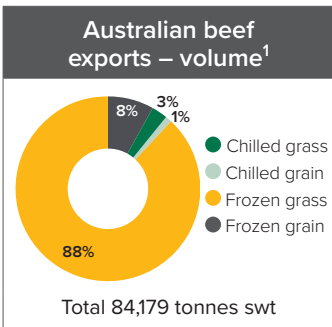
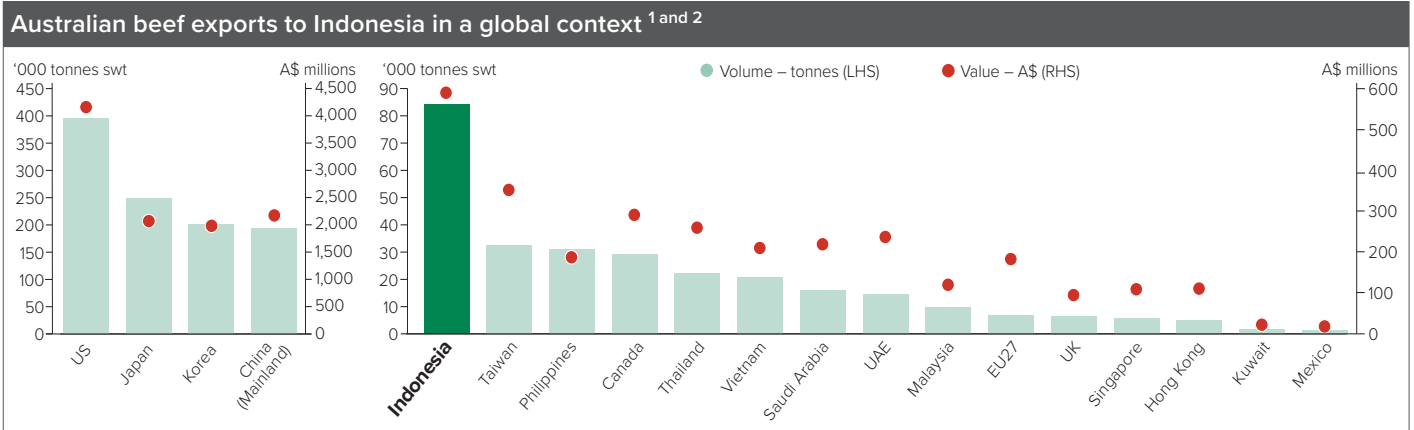


MARKET SNAPSHOT | BEEF & SHEEPMEAT

EXPORTS
Largest beef and livestock trade partner in SEA

CONSUMERS
Large population with an expanding middle-income consumer base

GROWTH
Modern and online retail driving demand for quality red meat



Data source for charts: ¹DAFF (CY2024), ²Trade Data Monitor (TDM) (MAT November 2024)

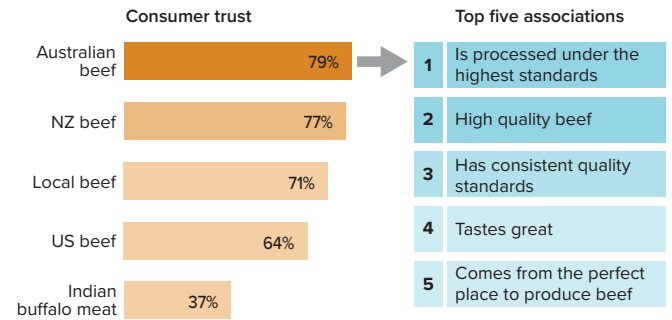
CONSUMERS



- Indonesia has the largest middle-class in South-East Asia. The number of households with annual disposable income over US\$35,000 – who can afford to purchase premium imported beef regularly – is anticipated to expand 5.6% annually until 2028 (Source: Fitch Solutions).
- Indonesia's per capita meat protein consumption is relatively low at around 20.2kg but is forecast to grow at 1.3% annually to 2008, underpinned by rapid growth in disposable income. Beef holds significant importance in Indonesian diets, contributing nearly 14% to per capita meat consumption, which is the highest share in South-East Asia (Source: GIRA).
- The island of Java is home to more than 50% of Indonesia's population but accounts for approximately 70% of the country's total beef consumption. MLA estimates that around 70% of Australian beef is consumed in the Greater Jakarta region.
- Beef is a popular meat in Indonesia, widely used in many dishes, with *rendang* (beef braised with coconut milk and spices), *bakso* (meatball) soup, or *semur* (beef stew) among the more famous traditional beef dishes.
- Indonesian consumers are increasingly demanding transparency in food production systems, provenance and verifiable label information, particularly regarding halal certification. Australian beef is well-positioned to offer peace of mind due to a strong positive perception of Australia's robust and transparent production systems and traceability (Source: MLA Global Consumer Tracker Indonesia 2024).
- Cost of living is the top concern for Indonesians in 2024 with 79% worried about their household budget. To cope with the rising prices, more consumers are actively seeking the best value. In this context, consumers view quality as the key factor in determining 'good value for money' when purchasing meat

products (Source: GlobalData Consumer Survey Q2 2024). Australian red meat is well positioned to deliver on quality, thanks to its reputation for having consistently high quality standards (Source: MLA Global Consumer Tracker Indonesia 2024).

Consumer trust in beef supplier and top five associations of Australian beef by affluent* consumers



Source: MLA Global Consumer Tracker, Indonesia 2023
 *Affluent = households earning Rp 100,000,000+ /year

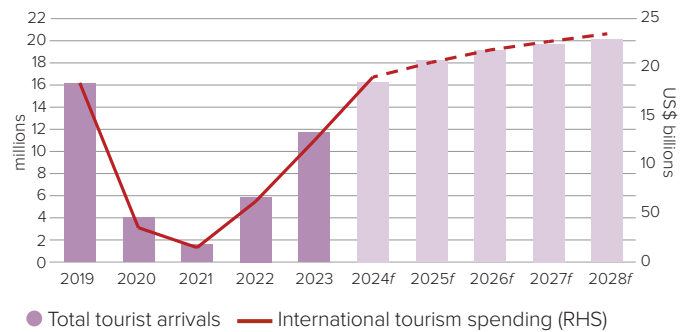
- Food is central to bringing people together, driving a spike in beef consumption during festive seasons like Ramadan and Eid al-Adha. Food security, defined by availability and quality, remains a key priority for the Indonesian government. With the nutritious meal program introduced under the new administration, there are further opportunities to highlight the nutritional role of Australian red meat in supporting local dietary health.
- Continued growth in demand for highly marbled beef underscores growing sophistication in the market. Import demand for Australian grainfed beef reached an all-time high of 5,400 tonnes shipped weight (swt) in 2023–24 (Source: DAFF).

FOODSERVICE



- Indonesia has a vibrant and highly fragmented foodservice sector, with almost 95% of the market dominated by small, independent local cuisine restaurants. These restaurants typically utilise fresh beef from local and Australian cattle or frozen imported meat.
- Dining out is increasingly an integral part of the urban Indonesian lifestyle, led by millennial and Gen Z consumers who make up more than half the population. This consumer segment aspires to experiment with new food trends, eating experiences and cuisines from different cultures. Indonesia's foodservice sector is seeing rapid expansion of many different kinds of restaurants and trendy new food hubs in large cities. In particular, Japanese and Korean cuisines, Western-style BBQ and shared plates stakes have all grown in popularity.
- The foodservice sector is evolving with new partnerships and concepts, from mobile restaurants and cloud kitchens to ready-to-cook and ready-to-eat offerings. Online delivery and takeaway are also important revenue streams driven by the growing need for convenience and time-saving meal solutions for the busy urban middle class.
- International tourism is a key demand driver for casual and fine dining restaurants in Indonesia. This sector is recovering rapidly and is expected to reach 2019 levels by 2024 (Source: Fitch Solutions), with Malaysians, Singaporeans and Australians being the top visitor sources. The government has set ambitious targets for tourism numbers.

Indonesia tourist arrivals and international tourism receipts



Source: Fitch Solutions



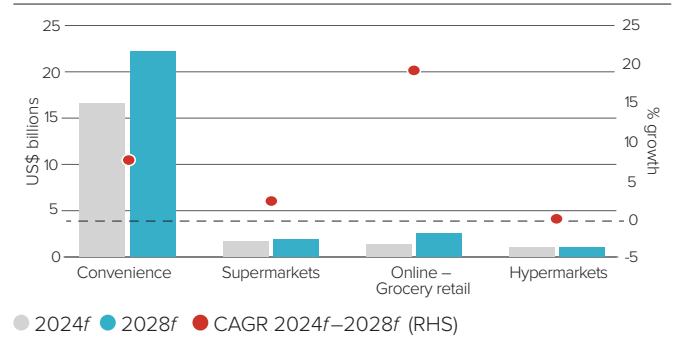
Beef bowl at a Japanese restaurant



- Indonesia's retail sector is also highly fragmented, with traditional channels making up approximately 89% of the sector. However, modern retail is rapidly expanding, and is expected to continue to grow market share in the coming years, particularly the convenience and online channels (Source: IGD).
- Wet markets remain an important distribution channel for beef in Indonesia. Consumers purchase beef most frequently from wet markets. This is partly driven by the perceived freshness of beef sold in wet markets, Indonesian consumers' preference for hot meat and their habit of cooking from fresh ingredients purchased on the day. The majority of Australian cattle imported into the country are channelled into wet markets as hot carcasses, with around 10% sold into modern retail outlets.
- In Greater Jakarta, consumers generally purchase beef from multiple retail channels, from modern to traditional. Australian boxed beef is sold across a range of different retail channels, with supermarkets and hypermarkets being the most common.
- Indonesia is experiencing a growing preference for smaller modern retail outlets, such as local supermarkets and convenience stores, over large hypermarkets. The expansion of modern retail into second-tier cities in Java, including Surabaya, Bandung, and Semarang, presents opportunities to increase Australian beef sales in retail markets beyond the Greater Jakarta region.

- There has been an emerging trend towards modernisation and premiumisation in the meat retail space across Greater Jakarta, driven by a number of leading meat importers and distributors opening up their own butcher shops and offering a range of high-quality meat products including both locally-slaughtered and imported beef products.
- Online retail will maintain its robust growth momentum, driven by increased investments by physical retailers to complement their brick-and-mortar stores. These retailers are competing in the digital landscape with major international players by offering a broader selection of groceries and faster delivery (Source: IGD).

Indonesian grocery retail sales and growth in modern retail channels*



Source: IGD, *Excludes traditional channels and other modern retail, CAGR = compound annual growth rate

COMPETITIVE LANDSCAPE

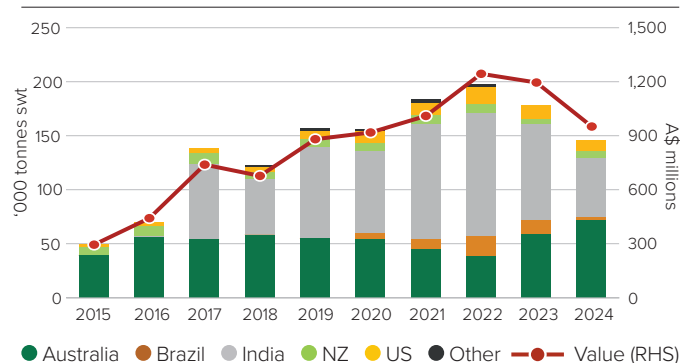


- Indonesia's domestic beef production meets about 65% of domestic consumption (Source: Livestock and Animal Health Statistics 2023). A proportion of its production system relies on imported feeder cattle from Australia, which are finished in local feedlots and processed in local abattoirs. Improved feeder cattle supply has enabled beef from live cattle processed locally to remain competitively priced, despite increased biosecurity, regulatory, feed and labour costs. The Indonesian government's retail beef price ceiling policy* continues to operate, particularly during peak beef consumption periods, to support beef affordability for consumers.
- Since reaching a record volume in 2022, Indonesia's beef imports softened for a second consecutive year to total 146,040 tonnes swt in the 12 months ending in August 2024, 25% below 2022. Australia was the largest supplier with a 49% volume share, followed by India at 37%, and the US and NZ with 7% and 4% respectively (Source: Trade Data Monitor (TDM)). As January 2025, Indonesian government has allocated 180,000 tonnes boxed beef imports for 2025, with additional IBM and Brazil beef allocations for SOEs.
- Australia plays an important role in satisfying Indonesia's growing demand for quality beef. In the 12 months ending August 2024, Australian boxed beef exports saw a 21% volume increase, achieving a record-high volume of 71,323 tonnes swt, supported by competitive Australian prices and strong demand from medium and high-end foodservice. Considering combined boxed beef, live cattle and offal, Australia is the largest contributor to Indonesian beef consumption after domestic production (Source: DAFF, Trade Data Monitor (TDM)).
- India is the second largest boxed beef/buffalo meat supplier. For the 12 months ending August 2024, imports of Indian buffalo meat (IBM) dropped 38% year-on-year (and 52% below the all-time high in 2022) to 54,766 tonnes swt due to more competitive boxed beef and Australian live cattle prices. Due to external trade factors, IBM volumes were limited and no imports arrived in the first half of 2024. However, IBM remains

important for supplying affordable red meat to consumers and the informal manufacturing sector.

- In 2024, the Brazilian import allocation was up to 20,000 tonnes and authorised a total of 21 halal-certified plants to export to Indonesia. However, by August 2024, imports from Brazil had declined by 75%, totalling 3,096 tonnes swt for the 12 month period. While supplier diversification and lower beef prices initially incentivised the trade, the market has become increasingly competitive, especially with recent favourable Australian prices.
- In 2024, imports from the US saw a 15% drop year-on-year to 10,377 tonnes swt due to limited supply and higher prices.
- Indonesia intend to implement Law 33, which mandates halal certification for the food industry, including beef imports last October 2024. This new regulation requires not only that brand owners obtain halal certification but also that their supply chain partners comply. Additionally, imported beef products need a halal certificate recognised by the Indonesian halal authority BPJPH or certification directly from BPJPH. However, a revision published by Indonesia extends the implementation date for these requirements.

Indonesia beef imports by supplier*



Source: Trade Data Monitor (TDM), *MAT year ending August

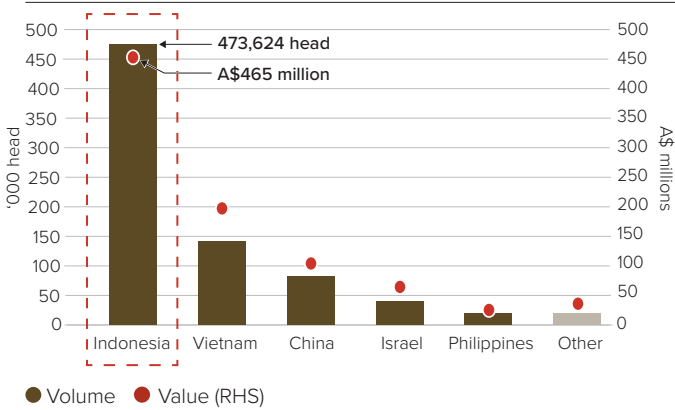
*Ref: MoT regulation 7/2020

AUSTRALIAN LIVE CATTLE EXPORTS



- Indonesia continues to be the largest market for Australian live cattle exports, representing approximately 63% of the export volume in the 12 months ending in October 2024. In this period, Australian exports to Indonesia reached a total of 473,624 head, marking a 39% year-on-year increase. Despite the temporary import permit delays in January and February 2024, the trade has seen consolidation due to more favorable prices and increased cattle availability (Source: DAFF).
- As January 2025, Indonesian government released 350,000 import permits for feeder cattle. Importers would be able to apply for additional permits later on.

Top five Australian live export markets

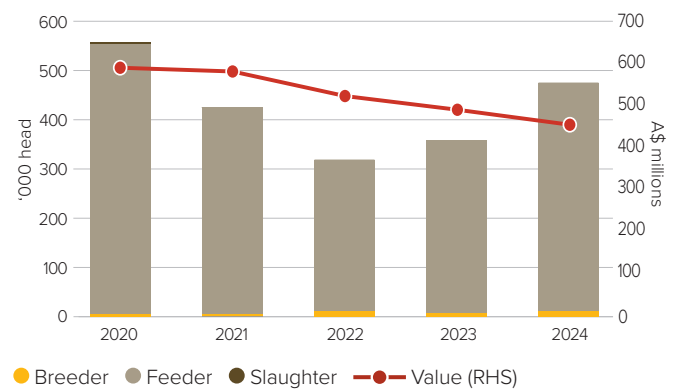


Source: DAFF, Trade Data Monitor (TDM), 12 month period Jul 2023 to Aug 2024 (All cattle types combined)

- As part of the Indonesian government's effort to increase local beef production, the government re-imposed the '3% breeder feeder' import policy, which requires 3% breeders per total pen capacity. This policy had been temporarily suspended during the pandemic but was reinstated in 2025 to support

- Indonesia's objective of increasing cattle population that was reported at 11 million head in 2024.
- Beef derived from Australian live cattle in Indonesia is mostly sold through wet markets – an increasingly competitive channel due to the growing penetration of cheaper products, including Indian buffalo meat and Brazilian beef. Wet market shoppers are typically price sensitive, hence sellers favour the cheapest options. Australian cattle prices have been very competitive, favoring the trade.
- Indonesia signed a Memorandum of Understanding with Brazil to import 100,000 tropical dairy cattle in order to boost the country's milk production. The ultimate goal is to support the newly elected government's plan to provide free nutritious lunches to school children.
- Under the Indonesia-Australia Comprehensive Economic Partnership Agreement (AI-CEPA), in 2025 Australia has an Indonesia access quota of 700,000 head of male cattle at a 0% tariff rate.

Australian live cattle exports to Indonesia*



Source: DAFF, Trade Data Monitor (TDM), 12 month period Jul 2023 to Aug 2024

AUSTRALIAN BEEF OFFAL EXPORTS



- Beef offal is popular in Indonesian cuisine, widely used across households and the foodservice and manufacturing sectors. For example, tongue is one of the most popular cuts used in a variety of local dishes, while tongue root is used in processed food products.

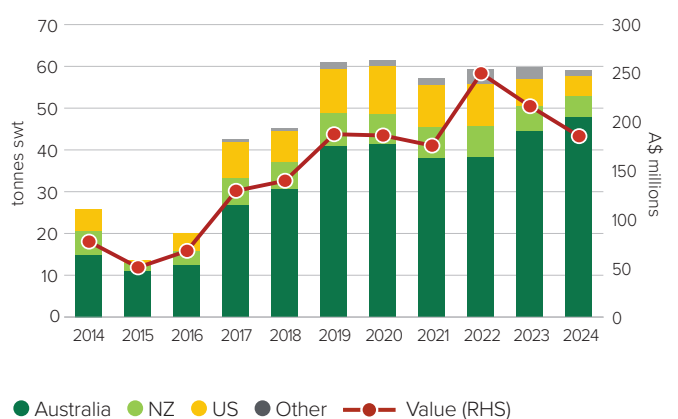


Beef and offal Coto Makassar

- Since Australia has enjoyed zero tariff access to Indonesia since 2017 under the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA), Australian offal exports to Indonesia have been strong. Australia is the country's leading offal supplier, increasing market share to almost 80% in 2023–24, achieving a record-high volume of 62,541 tonnes swt (Source: Trade Data Monitor (TDM)).

- Indonesia is the largest Australian offal export market by volume, ranking third in value after Korea and Japan, valued at A\$150 million in 2023–24.
- Due to the popularity of tongue dishes, this cut accounts for 52% of Australian beef offal exports to Indonesia, followed by heart at 15% and lungs at 12%, which are used in the popular dish *Paru Goreng* (deep-fried beef lungs).

Indonesia beef offal imports*



Source: Trade Data Monitor (TDM), *MAT year ending August



Sheepmeat

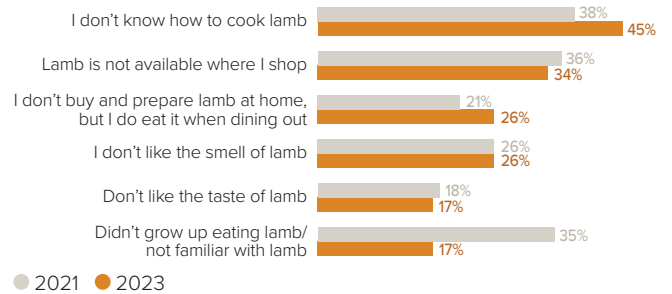
CONSUMERS



- Sheepmeat is a niche protein in the Indonesian diet and is generally consumed on special occasions, particularly during religious festivals. Demand for sheepmeat in Indonesia typically spikes during the Islamic festive seasons around the months of Ramadan and Eid al-Adha.
- The primary obstacle to boosting lamb purchasing in Indonesia is the lack of understanding regarding lamb preparation and cooking. Nevertheless, a growing number of consumers are buying lamb and becoming more familiar with it (Source: MLA Global Consumer Tracker Indonesia 2023).
- Affluent young consumers are more familiar with lamb, and a significant proportion of them have purchased it compared to older generations. Their interest in trying new and exciting dishes has sparked a greater curiosity about this protein,

leading to increased enthusiasm for buying and preparing lamb at home (Source: MLA Global Consumer Tracker Indonesia 2024).

Barriers to Indonesian consumers buying lamb



Source: MLA Global Consumer Tracker Indonesia, % Agree scores

FOODSERVICE



- With lack of cooking knowledge as the key barrier to buying lamb at retail, foodservice remains the strategic channel to grow sheepmeat consumption. Great eating experiences at restaurants can inspire consumers to cook more sheepmeat at home.
- In Indonesia, foodservice is the primary channel for Australian sheepmeat, particularly in mid- to high-end restaurants that

serve both international and domestic tourists and local affluent consumers.

- Foodservice partnerships with delivery apps such as GoFood and GrabFood continue to evolve their meal delivery offerings in this growing segment.

RETAIL



- Indonesian consumers purchase sheepmeat from various retailers, both modern and traditional. However, modern retail is the main place of purchase for imported products.
- Roasting, grilling and soups are the most popular ways of cooking lamb at home. Retailers encourage consumers to trial sheepmeat by presenting cuts in easy-to-cook formats such as thin slice, cutlets or lamb chops, in addition to more traditional cuts such as lamb shanks and leg roasts.

- The strong growth trajectory of online retail is set to continue, propelled by physical retailers' augmented investments in their online platforms in response to consumer needs for convenience and time-savings (Source: MLA Global Consumer Tracker Indonesia 2023).
- With word-of-mouth and social media such as Instagram having a strong influence in consumption behaviours in Indonesia, these represent effective channels for educational campaigns to grow awareness and knowledge of lamb.

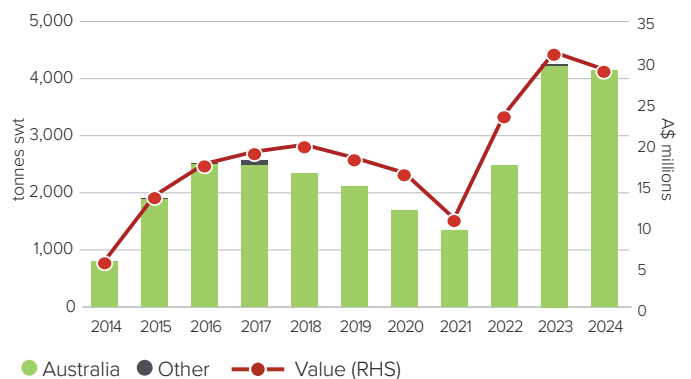
COMPETITIVE LANDSCAPE



- Indonesia has the largest local sheepmeat production in South-East Asia, with about 131,000 tonnes carcass weight supplying 96% of the estimated total consumption in the country in 2024 (Source: GIRA).
- Indonesia imported 4,148 tonnes swt of sheepmeat in the 12 months ending in August 2024, 2% lower than the record-high imports registered in the previous 12 months. However, recent volumes indicate strong market demand, at levels 80% higher than the previous 10-year average.
- Australia is by far the largest supplier of imported sheepmeat to Indonesia. The flourishing Indonesian foodservice sector, combined with increased Australian supply and more competitive prices, has driven a surge in demand in recent years. Of Australia's total sheepmeat exports to the market in 2023–24, nearly 60% consisted of mutton and 40% of lamb (Source: DAFF).
- In an effort to enhance the genetic quality of the domestic flock and to produce higher-yielding crossbred meat breeds,

Indonesian demand for Australian live breeder sheep in the 12 months ending in October 2024 tripled year-on-year to reach a record high of 1,941 head (Source: DAFF).

Indonesia sheepmeat imports by supplier



Source: Trade Data Monitor (TDM)





Market access overview – beef

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
<p>ASEAN – Australia New Zealand Free Trade Agreement (AANZFTA)</p> <p>Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA)</p>	<p>Boxed beef: 0%</p> <p>Live cattle: 0% 0% for male cattle within quota (700,000 head, reset on 1 January 2025), 2.5% out of quota; 0% for all other product lines</p>	<p>India (buffalo meat): India-ASEAN FTA 5% tariff</p> <p>Brazil and the US: No FTA 5% tariff</p>	<p>Volumes managed by the Indonesian government's import permit system</p>	<p>Highly regulated market, with complex import conditions and regulations</p> <p>The government controls type of meat and offal products that can be imported into the country</p>

Best access Major challenges

Source: Trade agreements, DFAT



Market access overview – sheepmeat

Trade agreements	Import tariffs	Competitors	Volume restrictions	Technical access
<p>ASEAN – Australia New Zealand Free Trade Agreement (AANZFTA)</p> <p>Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA)</p>	<p>Under IA-CEPA: 0% All sheepmeat products zero tariff since January 2023</p>	<p>New Zealand: Under Regional Comprehensive Economic Partnership (RCEP): 0% tariff for chilled and 4% for frozen products</p> <p>US: No FTA – 5% tariff</p>	<p>Zero</p>	<p>Indonesia maintains import regulations in accordance with Halal requirements</p> <p>No health protocol required for sheep offal</p>

Best access Major challenges

Source: Trade agreements, DFAT, ITC



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