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PRICE SUMMARY FROM SELECTED AGRICULTURAL COMMODITIES IN INDONESIA

	Commodity	Monthly Price Level (IDR/kg)					
		Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20
Retail Price	Rice	11,850	11,850	11,800	11,900	11,900	11,850
	Garlic	34,850	50,450	45,900	42,650	36,050	28,850
	Onion	37,500	39,550	36,900	43,450	53,550	52,600
	Red chili	46,000	49,100	43,050	32,100	30,050	29,600
	Bird's chili	52,000	48,850	38,300	41,000	33,900	33,250
	Beef	118,250	118,100	117,800	118,150	119,000	118,250
	Broiler	33,250	33,450	32,850	29,250	33,050	38,150
	Egg	25,550	25,150	25,600	25,800	24,300	25,450
Producer Price	Dry unhusked rice	5,643	5,653	5,630	5,687	5,367	5,495
	Garlic	14,650	14,650	14,650	11,700	8,650	7,550
	Onion	23,200	24,400	24,950	26,850	31,950	34,150
	Red chili	24,200	28,100	25,350	19,500	15,750	16,700
	Bird's chili	27,950	31,600	27,600	25,400	21,400	21,250
	Beef	104,150	104,900	102,600	101,100	103,950	104,500
	Broiler	23,400	22,750	23,200	21,050	21,300	24,900
	Egg	22,000	22,150	22,900	22,750	21,300	21,550
	Palm oil, fresh fruit bunch	1,328	1,561	1,208	1,365	1,031	938
	Natural rubber, lump	6,806	6,563	6,095	5,585	5,144	5,018
	Natural rubber, slab	8,056	7,891	7,065	5,837	5,369	5,202
	Coconut	3,360	3,519	3,627	3,776	3,793	3,462
	Cacao, fermented	25,445	27,621	28,809	25,645	26,039	26,106
	Cacao, non-fermented	21,308	21,187	21,197	20,922	20,722	20,504
	Arabica coffee beans	52,251	54,521	50,531	48,383	48,085	51,824
Robusta coffee beans	26,846	26,243	25,290	23,445	23,850	25,184	

Source: PIHPS, SIPASBUN, and Agricultural Commodity Price Information – Ministry of Agriculture

Key Figures

RICE

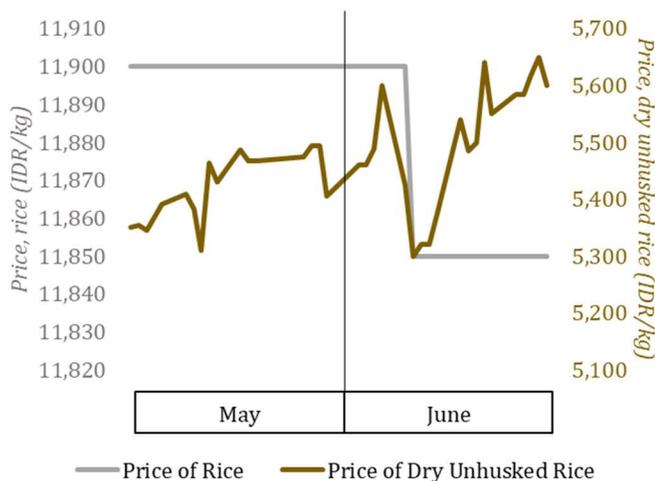
- ▶ Rice price inflation MoM: **0% (May)** & **-0.42% (Jun)**
- ▶ Rice price inflation YoY: **1.71% (May)** & **1.28% (Jun)**
- ▶ Dry unhusked rice price inflation MoM: **-5.62% (May)** & **2.38% (Jun)**
- ▶ Dry unhusked rice price inflation YoY: **1.52% (May)** & **1.42% (Jun)**

The end of harvest season across most of major rice-producing regions led the price of dry unhusked rice at farmer’s level to gradually increase between May and June. The price had experienced a sudden drop in the second week of June due to harvest season in several regencies, such as: Lebak, Karawang, Southwest Aceh, and Toba, before it started to rise again until the end of June. Monthly price level of dry unhusked rice in May was identified to be 5.6 percent lower from the previous month and then rose by 2.4 percent in June.

Retail price of rice in May and June remained stable because of ample rice supply from harvest season in April and May (see figure 2). Additional rice demand from Eid Mubarak celebrations and multiple COVID-19 social aid programs prevented market price of rice to fall even lower. After reaching the plateau at IDR11,900/kg during May, monthly retail price of rice decreased by 0,42 percent in June. Retail price of rice in May and June 2020 were still higher than last year’s price level.

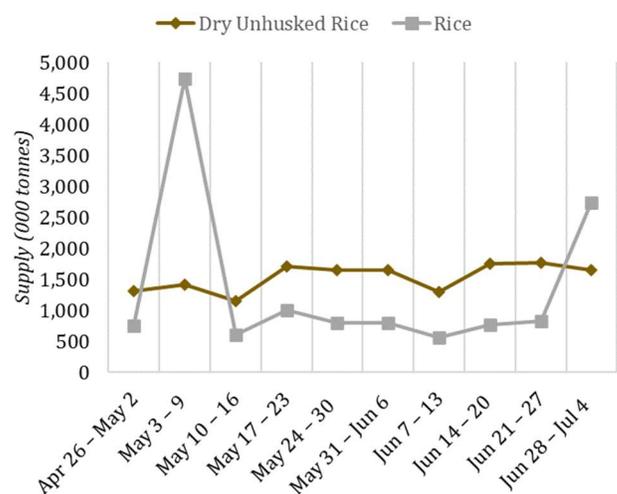
Government of Indonesia in several occasions has stated that its current rice reserve is enough to fulfill domestic rice demand until the end of 2020. However, price of rice increase can be anticipated in the upcoming months due to thinner rice supply, either the unhusked or husked one, in rice mills. The supply-driven price increase might be restrained by slowing demand for rice from Indonesian citizens whose purchasing power are highly-affected by COVID-19 pandemic.

Figure 1. Price Trend of Rice at Consumer Level and Unhusked Rice at Producer Level, May – June 2020¹



Source: PIHPS

Figure 2. Aggregate Stock of Dry Unhusked Rice and Rice at Mills Across Indonesia, May – June 2020



Source: Ministry of Agriculture

¹ “Price of rice” refers to mid-price of rice for all qualities (low, medium, and premium) in all types of market (wholesaler and retailer) across all 34 provinces in Indonesia. “Price of unhusked rice” refers to mid-price of dried unhusked rice (*gabah kering giling* or GKG in Bahasa) in rice mills across all 34 provinces in Indonesia.

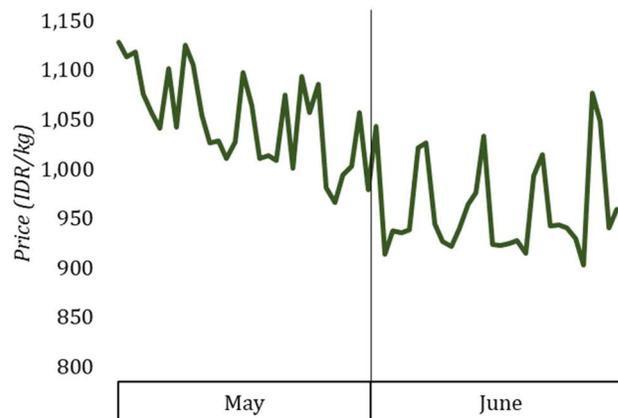
Key Figures

- ▶ *Producer price inflation MoM, oil palm fresh fruit bunch:*
-24.42% (May) & -9.02% (Jun)
- ▶ *Producer price inflation YoY, oil palm fresh fruit bunch:*
8.14% (May) & 8.87% (Jun)

PALM OIL

Despite the daily fluctuation, price of oil palm fresh fruit bunch at producer level showed a decreasing trend from May to June. Price of oil palm fresh fruit bunch on average fell around 24% in May and experienced another decrease by approximately 9 percent in June. However, price level in both months were still higher than last year’s level. The price decrease presumably was driven by slower demand for crude palm oil (CPO), either from domestic or international market. Based on GAPKI publication, palm oil export to China and India shrank by 21 and 9 percent respectively in May compare to April. Moreover, domestic consumption for palm oil also contracted by approximately one percent in May.

Figure 3. Price Trend of Oil Palm Fresh Fruit Bunch (10 – 20 Years) at Producer Level, May – June 2020²



Source: SIPASBUN

Price of fresh fruit bunch might improve in the near future as business reopening in several countries potentially elevate CPO demand from international market. It will also be intriguing to observe how allocated fund from Government of Indonesia to biodiesel producers will affect the price level of oil palm fresh fruit bunch in the upcoming months. Recently, Government of Indonesia lavished \$195 million from its state budget to aid biodiesel producers during COVID-19 pandemic.

BROILER

The upsurge in broiler price, either at consumer or producer level, was apparent in the last two months. Monthly retail price of broiler in May and June are 13 and 15 percent higher, respectively, than the preceding month. Average retail price of broiler at national scale even exceeded IDR39,000/kg in the second week of June. At the same time,

² Price levels in the graph are average spot price of oil palm fresh fruit bunch from all regencies in Indonesia which are recorded in SIPASBUN database.

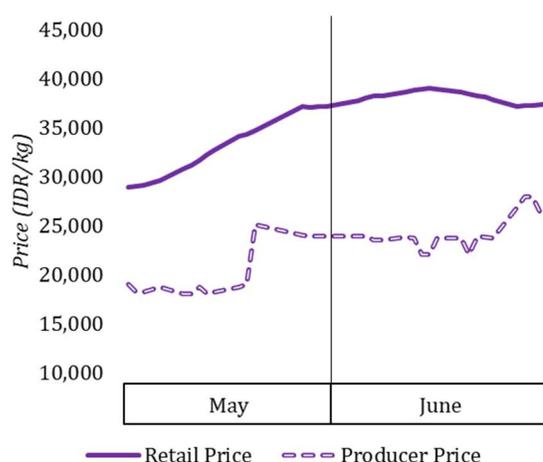
Key Figures

- ▶ Retail price inflation MoM, broilers: **12.99% (May)** & **15.43% (Jun)**
- ▶ Retail price inflation YoY, broilers: **-6.24% (May)** & **9.16% (Jun)**
- ▶ Producer price inflation MoM, broilers: **1.19% (May)** & **16.90% (Jun)**
- ▶ Producer price inflation YoY, broilers: **-10.88% (May)** & **5.73% (Jun)**

producer price of broiler went up from IDR19,000/kg in early May to IDR26,200/kg in late June.

Lower supply of Day Old Chick (DOC), especially during Eid Mubarak holiday, was the main driver behind the corresponding price increase³. DOC production was hit by falling demand for broilers in domestic market. As COVID-19 pandemic generated a negative impact on broilers demand, price of livebird tumbled during the first four months of 2020 (see *producer price of broilers at the first page*). Consequently, lots of broiler farmers incurred losses and encountered significant difficulties to recover their business⁴. Current rebound in broiler price is expected to incentivized broiler farmers to increase their outputs in the near future.

Figure 4. Price Trend of Broiler, May – June 2020



Source: PIHPS

Key Figures

- ▶ Retail price inflation MoM, onion: **23.25% (May)** & **-1.77% (Jun)**

GARLIC & ONION

Retail and producer price of onion increased steadily during May and peaked in mid-June. At national level, monthly retail price of onion rose by 23 percent in May⁵. Increasing price of onion at consumer level was driven by lack of supply from domestic farmers. Heavy rainfall in the beginning of 2020 deteriorated farm's productivity and caused harvest failures in most of major onion-producing regions, notably in East Java and Lampung⁶. Consequently, flow of onion output was disrupted and there were not enough high-quality onion seeds available for the next planting season in May and

³ Day Old Chick (DOC) is newly-hatched chick up to 72 hours old.

⁴ Government of Indonesia, through integrator and state-owned companies, already tried to maintain profitability of broilers production by purchasing excess livebird stocks from the producers.

⁵ The highest daily price was recorded at IDR45,000/kg for producers and IDR59,150/kg for consumers. It was reported that many onion farmers who harvested their crop in early June earned significant gains from the respective high price.

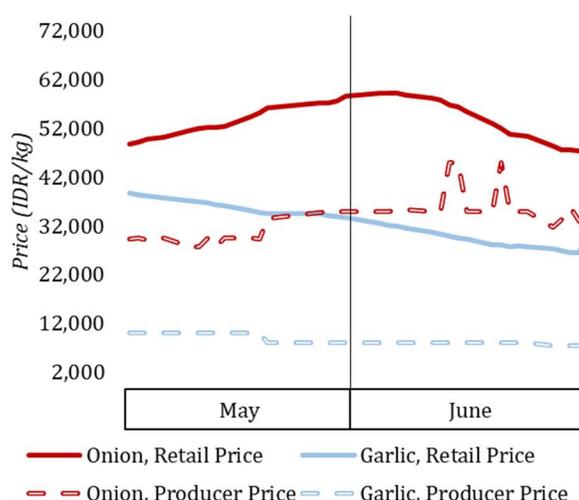
⁶ Bad weather has disrupted onion production in the last 12 months. Last year, lengthy dry season between October and November 2019 brought a detrimental effect on chili plants productivity.

- ▶ Retail price inflation YoY, onion: **44.15% (May)** & **34.53% (Jun)**
- ▶ Retail price inflation MoM, garlic: **-15.47% (May)** & **-19.97% (Jun)**
- ▶ Retail price inflation YoY, garlic: **-28.61% (May)** & **-30.31% (Jun)**
- ▶ Producer price inflation MoM, onion: **18.99% (May)** & **6.89% (Jun)**
- ▶ Producer price inflation YoY, onion: **28.83% (May)** & **40.53% (Jun)**
- ▶ Producer price inflation MoM, garlic: **-26.07% (May)** & **-12.72% (Jun)**
- ▶ Producer price inflation YoY, garlic: **-30.52% (May)** & **-22.56% (Jun)**

June⁷. As onion supply in domestic market heavily relies on domestic production, combination of all the previously-mentioned kept the onion's retail price to be consistently above IDR48,000/kg until the second week of June⁸.

Onion's retail price levelled off and started to fall slowly in the last three weeks of June as some regions entered their harvest season in early June, noticeably Brebes and Bima. Despite the short-term price fall, Government of Indonesia should anticipate the impact of lower planted area for onion throughout May and June planting season on onion retail price in the upcoming months.

Figure 4. Price Trend of Garlic and Onion, May – June 2020



Source: PIHPS

Different from the case of onion, price of garlic, either at consumer or producer level, moderately fell during May and June. Import relaxation for garlic during COVID-19 pandemic, as indicated in Minister of Trade Regulation 27/2020, played an important role to push down garlic's retail price⁹. Monthly retail price of onion at national level fell by 29 percent in May and 30 percent in June. As the garlic's retail price is very responsive to imports, Government of Indonesia has to treat import regulation in a more cautious manner.

⁷ It was reported that many onion farmers had to adjust their production capacity, or even changed their main commodity, because of seeds scarcity.

⁸ According to Food Consumption Database published by Ministry of Agriculture, 100 percent of onion being consumed by domestic consumers in 2019 originated from domestic outputs.

⁹ Based on Food Consumption Database published by Ministry of Agriculture, 83 percent of onion being consumed by domestic consumers in 2019 originated from imports. Therefore, retail price of garlic is more sensitive to import flows or international price than domestic production.