Paddy production from 2019 second season is forecast at an average level

The 2019 first (main) season paddy output, which accounts for about 45 percent of the total output, was harvested by April and production was estimated at a level close to the average.

Harvesting of the 2019 secondary paddy crop, which accounts for about 35 percent of the annual output, is underway. The season started with some delays, due to the below-average rainfall between March and April, which hampered planting operations in parts of Java, Sumatera and Sulawesi. The average to above-average precipitation in May alleviated the moisture deficits, allowing plantings to take place and benefitting an early crop development. During June and July, which marks the onset of the dry season, localized parts of the southern Sumatera, west and central Kalimantan and Java have reported a well below-average rainfall and higher-than-normal temperatures. Official reports, as of early August, indicate that in Java, which produces the bulk of the secondary season output, irrigation water availability in the main reservoirs was adequate. This is expected to limit the impact of the dry weather on crop development. As of late July, remote sensing data indicated satisfactory vegetation conditions in most of the country (see ASI map), inferring generally favourable yield prospects for the paddy crop.

In August, farmers began planting the 2019 third season paddy crop, which accounts for about 20 percent of the total annual output. The harvest will take place towards the end of the year.

Harvesting of the 2019 off-season maize crop recently started, while the 2019 main maize crop was harvested in March. Overall, weather conditions since October 2018 until May 2019 benefitted planting and overall growth of the main and off-season maize crops. Outbreaks of Fall Armyworm in maize producing areas, including parts of Sumatra, Java and Kalimantan provinces coupled with the ongoing dry weather conditions, could negatively affect yields in localized parts of the country. Overall,
the 2019 aggregate maize output is expected to remain close to the previous year’s above-average level, reflecting an expansion in the planted area for both the main and off-season crops, driven by strong demand from feed industry.

**Cereal imports in 2019/20 marketing year forecast at average level**

The country is one of the largest importers of cereals in Southeast Asia. Total cereal import requirements, mainly wheat, in the 2019/20 marketing year (April/March) are forecast at 12.9 million tonnes, close to the five-year average and about 10 percent below the previous year’s record high.

Regarding wheat, which is not produced in the country, import requirements are forecast at 11.2 million tonnes, close to the previous year’s high level and 14 percent above the five-year average, on account of sustained demand for food and feed use. Rice imports in the 2019 calendar year are forecast at 850,000 tonnes, well below the five-year average and the previous year’s high level, on account of adequate domestic supplies from the 2018 bumper output. In 2018, the imported quantity of rice reached a well above-average level, due to significant purchases by the Government, with the aim to replenish the low public inventories and contain rising domestic prices. For maize, import requirements are estimated at 750,000 tonnes, well below the five-year average, mostly reflecting domestic ample supplies following two consecutive bumper harvests in 2017 and 2018.

**Prices of rice declined seasonally, while prices of wheat flour levelled off**

Prices of rice increased moderately in January and February 2019, in line with seasonal trends, and declined between March and June due to the improved availabilities from the main season harvest. Overall, prices of rice in June 2019 were close to the levels of the previous year.

Prices of wheat flour have followed a mild upward trend, increasing by only 3 percent between September 2018 and April 2019. They levelled off in the subsequent two months and in June were slightly higher on a yearly basis, as adequate imports of wheat grain limited stronger price increases.
Indonesia

Retail prices of wheat flour

Rupiah per kg

Source: FAO/GIEWS Food Price Monitoring and Analysis Tool.