



HD Indonesian food manufacturer signals interest in buying Australian peanuts

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The head of one of Indonesia's largest food manufacturers says there is potential for his **company** to **buy** peanuts and soybeans grown in northern Australia

Wisma Garuda Food, which has an annual turnover of \$600 **million**, produces snack foods, biscuits and **dairy** products.

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CEO Hartona Atmadja, who's in Darwin for the Food Futures conference this week, says much of the **company**'s raw product is imported from the US, India and Brazil.

But he says other commodities could be sourced from Australia if the future.

"We still have to import a lot of raw materials like wheat, corn or soy beans or sugar," he said.

Mr Hartono says peanuts in particular could be grown for the Indonesian market.

"Forty per cent of our total consumption of peanuts comes from Indonesia but the other comes from imports," he said.

"We import a lot [of peanuts] from India because of variety and the quality."

While Australian peanut growers are pleased at the prospect of trading peanuts with Indonesia, chief executive of the Peanut **Company** of Australia, John Howard, says it's only a long term opportunity.

"It's mainly a Spanish type of peanut (that Indonesia wants), which is a smaller one and very low yielding and we grow very little of that in Australia," he said.

But he says it's 'exciting' that Indonesia is interested.

"Presently they're getting peanuts from **China** and India and by coming down here and talking about it, they're wanting someone else to fill that market."

Mr Howard says the industry may need to rethink the varieties of peanuts it's currently growing, if it's to capitalise on Indonesia's demand.

"There's a lot of barriers in it, but the main one is varieties that can grow a yield that can give a return that makes the investment worthwhile.

"And because we have a very minimal, to say the least, Spanish-type crop in Australia, we really haven't got the genetics."

Mr Hartono argues there could be an easier way to open the Indonesia market to Australian peanuts.

He says although Australia grows a different variety than what Indonesia currently seeks, this could be overcome.

"We need to change the behaviour of the consumer if we use peanuts from Australia as well as **China**," he said.

"We need to build a stronger linkage between farmers' associations, the **business** community and government to government as well.

"I would like to see the Northern Territory and Indonesia build a stronger linkage," he said.

Professor of agricultural economics Bustanul Arifin, from the University of Lampung, agrees it is possible for Indonesia to take produce other than beef and wheat from Australia.

But he says that, whatever the commodity, it would have to meet specific guidelines.

"As long as the demand could be met, the price is accessible and you produce efficiently, and we don't have it at home, I think the government will encourage businesses to find sources from outside.

"But this current government is emphasising on producing at home for the moment," he said.

Meanwhile, Mr Howard is sceptical about the idea of Australia providing soybeans to Indonesia because the crop is too small to meet demand.

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