

THE ASIAN COCOA INDUSTRY

BT Cocoa Indonesia - ALKI

Indonesia Cocoa Bean Production



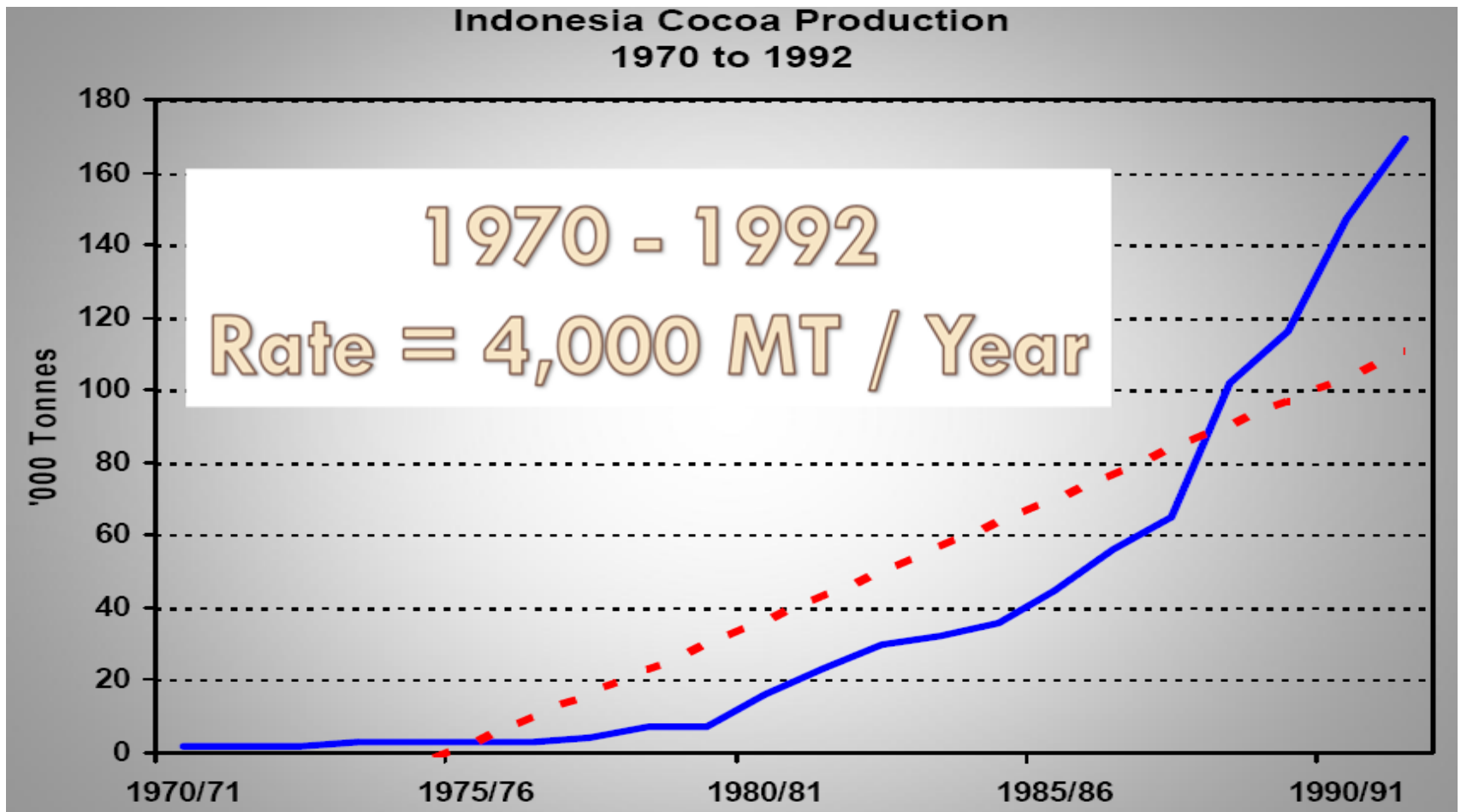
REQUIREMENTS ...

- Equator belt: 10 degrees above and below
- Lots of labor

INDONESIA

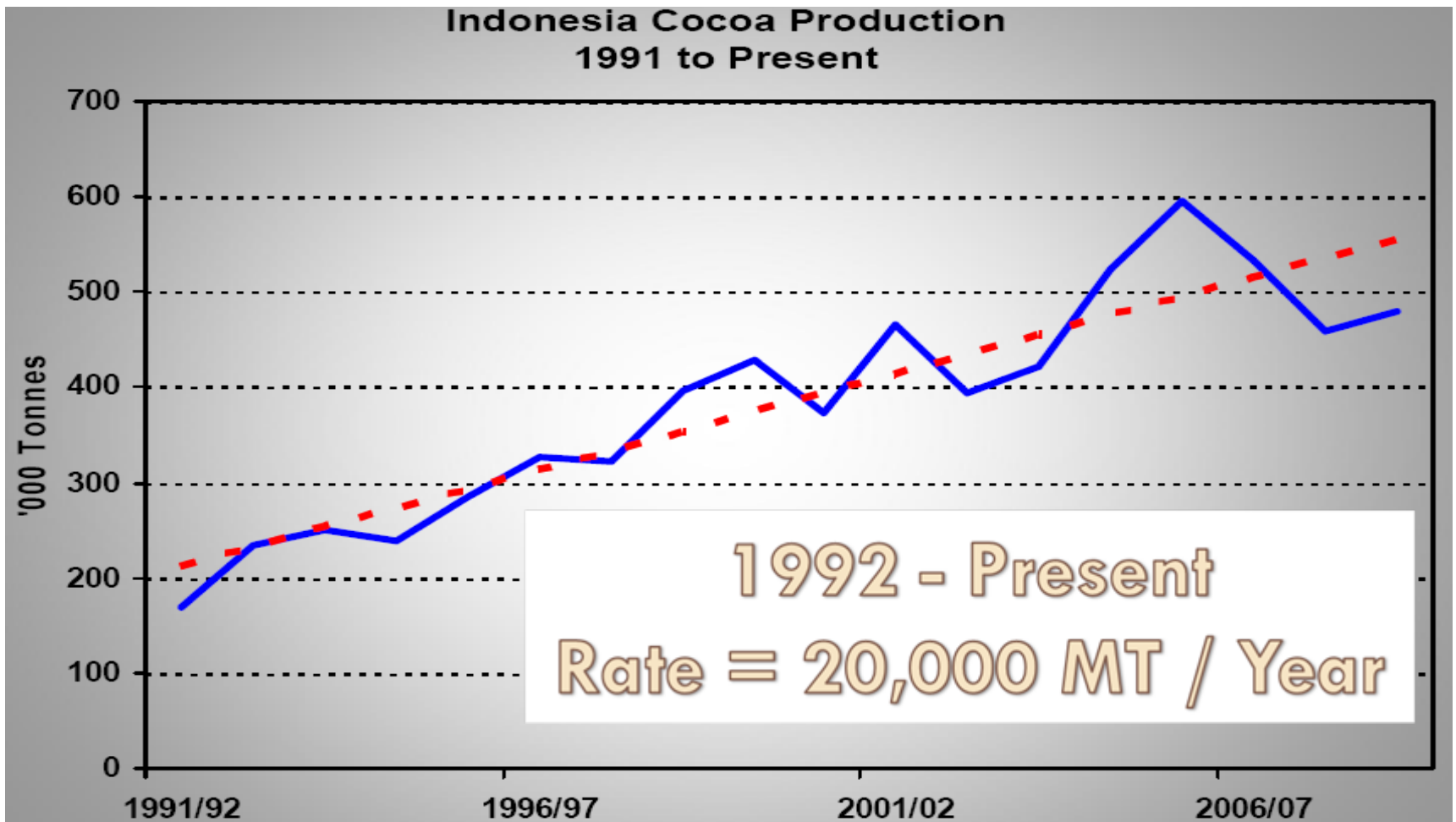
- Covers 7% of equator belt
- Pop: 235 Million (4th largest in the world)

Indonesia Cocoa Beans Production



Source: Federation of Cocoa Commerce

Indonesia Cocoa Bean Production



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Indonesia Cocoa Bean Production

- Supply Growth Rate:
 - ▣ 70's & 80's : +/- 4,000 MT / Year
 - ▣ 90's – Present : +/- 20,000 MT / Year
- Largest Cocoa Producer in Asia: 530,000 MT/year
- Covers 7% of the Equator Line
- Population: 235 million (4th World's Most Populous)
- Young Demography

Indonesia Cocoa Bean Production

- Contributing Factors in Driving Supply:
 - Macro-level:
 - Smallholder Based Business
 - *(Creates employment for low income sector)*
 - Politically Attractive
 - *(Climate and Population size conducive)*
 - Promotes Secondary Business Opportunities
 - *(Chocolate Confectioner, Distribution, Shipping, Grinding, Packaging and etc.)*
 - Micro-level:
 - Extra Income
 - Able to plant under Coconut Trees or even backyard
 - Diversifies risk

Asia: New Consumers of Cocoa



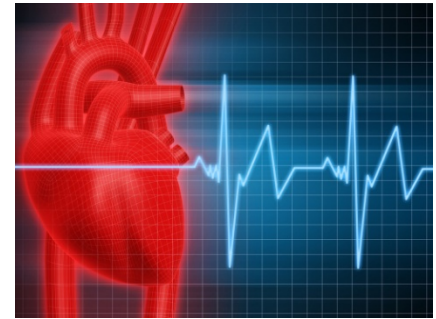
ASIA: New Consumers of Cocoa

- Population: 4.05 Billion People
- China, India & Indonesia: 2.80 Billion People
- C-I-I Consumption → 0.06kg / capita / year
 - *Asia's Top Three most populous country*
- Japan → 1.8 kg / capita / year
 - *Asia's highest consumer of Chocolate*
- Europe & US → 8 kg / capita / year !!!
 - *World's biggest chocolate consumer*



ASIA: New Consumers of Cocoa

- Contributing Factors:
 - Growing Economy
 - Westernization
 - Diversified market
 - Health Benefits
 - New Generations
 - Affordable
 - Population Increase



GDP...

Indonesia:

est. USD 2900 (6%)

India:

est USD 1200 (10%)

China:

est. USD 4400 (10%)

Indonesian Cocoa Grinding Figures

NO	COMPANIES	LOCATION	INSTALLED CAPACITY	
			2010	2011
1	PT.General Food Industry	Bandung	65,000	80,000
2	PT.Bumitangerang Mesindotama	Tangerang	37,000	65,000
3	PT.Davomas Abadi	Tangerang	5,000	10,000
4	PT.Industri Kakao Utama	Kendari	0	0
5	PT.Maju Bersama Cocoa Industry	Makassar	3,000	10,000
6	PT.Kopi Jaya Kakao	Makassar	0	3,000
7	PT.Effem Indonesia	Makassar	8,000	10,000
8	PT.Budidaya Kakao Lestari	Surabaya	0	5,000
9	PT.Cacao Wangi Murni/ JMH	Tangerang	0	5,000
10	PT.Teja Sekawan	Surabaya	8,000	8,000
11	PT.Unicom Kakao Makmur	Makassar	3,000	5,000
12	PT.Cocoa Ventures Indonesia	Medan	7,000	14,000
13	PT.Kakao Mas Gemilang	Tangerang	6,000	6,000
14	PT.Mas Ganda	Tangerang	5,000	5,000
15	PT.Poleko Cocoa Industry/Hope	Makassar	3,000	4,000
16	PT. ASIA COCOA INDONESIA	BATAM	0	50,000
	Total		150,000	280,000

Indonesia Cocoa Grind in 2012

- Green Field projects: New European machineries
- Asia Cocoa Industry: 1 20,000 MT
- BT Cocoa: 1 20,000 MT
- Delfi Cocoa: 1 20,000 MT
- JB Cocoa: 40,000 MT
- TOTAL: 400,000 MT (About 75% processed in Indonesia)
- *Potential international grinders: Barry Callebaut, Olam, ADM Cocoa, Cargill*

What if...

- China, India & Indonesia
 - ▣ Consumption = 1.0 kg / capita / year ?

You Need ADDITIONAL...

2.7 Million Tones of Chocolate



- World Production = 3.6 Million Tones COCOA
- Indonesia = 530,000 Tones COCOA

Why Indonesia for Chocolate?

- Politically Stable compared to other major Cocoa Producing countries
- Large Domestic Market / Young demography
- Large supply of supporting ingredients (Sugar, Palm)
- Pro Cocoa government policy
- Easy access to regional ASEAN, China, India market
- 0% Import duty into China
- Younger fleet of European machineries than neighboring countries
- Diverse market

Government Pro-Cocoa Policy

- Governments' Commitment
 - Standardizing National Standard Quality
 - Comply to International Standard Food Safety requirements
 - Lobbying consuming countries to lift tariffs
 - Indonesian Cocoa Products to China = 0% duties.
 - In talk with India, EU.
 - Eliminating 10% PPN local taxes
 - Revitalizing local industries.
 - Pumped in USD 116 million to support on-farm since 2009-2014
 - "Gernas Pro" – Rehabilitate + Revitalize + Replanting
 - Fermentation
 - Increase Quality and Income for the farmers.
 - Diversification of Cocoa Products by Region
 - Bali, Java, Sulawesi, Sumatra, Irian
 - Differentiation to create awareness and competition
 - Success in Coffee: Kopi Kintamani, Toraja, Bali

Case: BT Bali Cocoa

- *ISLAND OF THE GODS / COCOA: FOOD OF THE GODS*
- Direct Approach to Bali Farmers
- Creating value for Growers, Stakeholders
- Differentiation in Quality, Market
- Creating sense of belonging



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BT COCOA - INDONESIA

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on
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