

Abstract

This research assesses the impact wheat imports from Australia have on Indonesian food security via the classic four pillars of food security — availability, access, utilization and stability. The agriculture commodity of wheat was selected for its fundamental importance as a food staple. A comparison between import quantities in the years 2017 and 2020 was conducted. It revealed Australian wheat production suffered much lower yields in 2020 leading to a supply shock. Calculations were done for each pillar to quantifying the impact. Followed by comparing the two years in order to understand the impact a supply shock can have on Indonesian food security. Analysis of the results based on the calculations set the groundwork for policy recommendations for both trade and food security in Indonesia. Results showed that the Australian wheat supply shock had large quantitative impacts across the pillars. However, no not evidence was found that links diminishing food security to this supply shock, therefore it was judged that Indonesian food security was not impacted by this one-off supply shock. Especially since wider evidence showed Indonesia did not have major quantitative gaps in wheat imports despite Australian reductions in 2020. Nonetheless this paper shows, the global context is simultaneously more connected and more uncertain than when classic trade models and discourse were created. Therefore, policy recommendations take a broader view beyond the results and encompass food security in Indonesia within a wider context. These recommendations are first prioritized with a feasibility chart and show that looking at effective domestic competition, working with stakeholders, and risk management are the best options to take given the supply shock outcomes and wider geopolitical context. In conclusion, further supply chain analysis would be helpful in understanding the channels of the Indonesian domestic wheat market.

keywords: access, availability, wheat, net-exporter, net-importer, stability, self-sufficiency, utilization