

ExportNews

I N D O N E S I A



Ginger

SUPERIOR, HOT EXPORT COMMODITY FOR YOUR HEALTH

WHAT'S INSIDE

Indonesia is not wasting any opportunities in its effort to push export by studying all commodities available at home. One of them is ginger which still has a seemingly insignificant export value. This commodity, however, has a strong potential in the future coupled with Indonesia's efforts to increase ginger production with various strategic efforts. The export potential for ginger is not limited to food-related industry but also to pharmaceutical one.

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Dear awesome readers,

Export commodities from Indonesia are not limited only to well known commodities which contribute plenty of foreign exchange to the state coffers but also include less known commodities with seemingly insignificant export value. However, as the government is pushing to export more of Indonesian goods to the world, all opportunities are being explored no matter how small the contribution is, at the moment. The drive is not an arbitrary move but based on the fact of superior quality of those commodities.

One of such commodities is ginger, more known as spices and herbs for cooking. While Indonesian ginger is relatively smaller than those from other countries, Indonesian ginger has an upper hand in its aroma, taste and content of essential oil. In fact, there are three types of ginger being cultivated in Indonesia which can meet the requirement in various countries and sectors. The three are elephant ginger which is not so spicy therefore widely accepted in various export destinations; yellow or white ginger which is more acceptable at home due to its stronger aroma and flavor; and red ginger which sees more limited usage due to its very strong taste.

The September edition of Export News is discussing various aspects of ginger cultivation in Indonesia as well as its export performance. The export value may still be small but with strong demand from the international market, farmers will surely be interested to plant this herbs. Not to mention the possibility of getting higher price with better post-harvest treatment and added value from processing ginger instead of sending it in simple fresh or dried form.

Another supporting trend is the current shift in lifestyle in which more people opting to get jamu, or traditional or herbal medicine, to keep them healthy or to remedy some illnesses despite the major development in chemical-based pharmaceuticals industry. Ginger can be processed into various ready-to-consume products such as candy and drinks.

As usual, we also include a list of ginger exporter so that interested readers could readily contact them and reach profitable deals which are beneficial to all parties involved.

Thank you.

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The later part of the year usually marks the start of the raining season in Indonesia, affecting the routinity of most people. That breezing wind which comes with the rains may reduce one's stamina, making it easy to catch cold and flu, at least makes you feeling not fit.

Instead of taking chemical-based medicines, people may opt to consume warming foods and drinks, such as those using ginger in the recipe. The warming sensation comes from a keton compound called zingeron which has that effect to relieve cold and flu symptoms by widening blood vessels and burning calories into body heat. People who are exposed to cold temperature are suggested to drink ginger to return body heat. Other than zingeron, ginger also contains essential oil which is good to reduce sinus and opening up breathing way.

Ginger is one of Indonesia's spice export commodities in additon being used as raw material in traditional medicine which contributes in earning foreign exchange and absorbing workers. Ginger is an aromatic perennial herb from the

Zingiberaceae family which has rhizome similar to antlers and paired leaves in the form of swords.

There are three ginger varieties which are most commonly consumed: elephant or rhino ginger, yellow ginger and red ginger.

- Elephant ginger is the most popular in the global market due to being large and plumpy, and not too hot. Indonesians might not like elephant ginger too much. The rhizome is larger and fatter but has less aroma and flavor when compared to other types of ginger. The rhizome diameter is between 8.47 centimeters and 8.50 centimeter with a height of between 6.20 centimeters and 11.30 centimeters while the length is between 15.83 centimeters and

32.75 centimeters. The leaves are green and the stalk is light green. Elephant ginger has an essential oil content of between 0.82% and 2.8%.

- Most Indonesians prefer yellow ginger, also called emprit or white ginger, more with its sharp aroma and hotter taste for cooking. The rhizome is flat with whitish yellow color and soft fiber and an aroma sharper than elephant ginger. The rhizome's diameter is between 3.27 centimeters and 4.05 centimeters, a height of between 6.38 centimeters and 11.10 centimeters and a length of between 6.13 centimeters and 31.70 centimeters. Both the leaves and stalk are light green. Yellow ginger has an essential oil content of between 1.50% and 3.50%.
- Red ginger, sometimes called sunti, is rarely used in cooking because it is very hot and has a high content of essential oil. Red ginger is mostly used as raw materials for jamu (herbal medicines) and pharmaceutical industries. Red ginger has small rhizome with reddish yellow color and coarse fiber, the taste is very hot and the aroma is very sharp. The rhizome's diameter is between 4.20 centimeters and 4.26 centimeters, a height of between 5.26 centimeters and 10.40 centimeters and a length of 12.33 centimeters and 12.60 centimeters. The leaves are light green while the stalk is reddish green. Red ginger has an essential oil content of between 2.58% and 3.90%.

The Cianjur regency in West Java exported 30 tons of red ginger for the first time in 2015 to Bangladesh through the Cigombong agribusiness sub-terminal (STA). Due to limited supplies, STA Cigombong has to source the red ginger

not only from areas in Cianjur, such as Takokak district, but also from neighboring Sukabumi regency such as Surade district. The demand is quite high at 60 tons from Jordan, Pakistan, Taiwan and Vietnam. Indonesian ginger has the best quality and taste when compared to ginger from other countries.

Ginger is one of spice plants being traded globally. Ginger is exported in various forms such as fresh, dried, processed fresh, and essential oil. There are huge opportunities for ginger cultivation as domestic jamu companies are requiring ginger as an important ingredient. Jamu producers have even started to export their products for more opportunities.

Sukabumi regency is one of ginger production centers in West Java which has great opportunities to develop ginger. This can be seen from the region's potentials, agriculture facilities, and the availability of experienced farmers who plant gingers regularly. There are plenty of places in Sukabumi suitable for ginger cultivation due to the climate and soil type.

However, the farmers have yet to get maximum additional value from ginger cultivation with traders and exporter reap most of the profits. The situation is because farmers have yet to master latest cultivation technology to prevent diseases such as bacterial wilt, soft rot, and dry rot. There are also problems of unsuitable pricing and low production.

Large-scale ginger development need supports for optimum results and sustainable cultivation. To reach optimum cultivation success, it is imperative to have seed rhizomes with good quality and stable production guarantee and to implement recommended cultivation process. The rejection of Indonesian ginger in destination countries, especially

Japan, due to high level of microorganism contamination has caused the price to drop. The condition needs to be anticipated by implementing recommended best cultivation practices such as the use of healthy seed rhizomes which come from superior varieties. Other than that, because the quality of simplicia, or dried form, of raw materials for downstream industry is determined by cultivation process and post-harvest treatment, the standardization of standard operating procedure (SOP) for ginger cultivation is made to support good agricultural practices (GAP).

Development strategy

The government is taking various steps to ensure increased ginger production in an integrated way from the farmer side down to the supply chain. First of all, a market research is being conducted to studying the market where ginger is being shipped. The study includes pricing and what kind of ginger is on demand in a particular market.

Once a market is identified, the supply of quality and certified seed rhizomes for farmers is a must, coupled with a guarantee of the availability of the seed rhizome. As production is also determined by location, suitable locations must also be identified to support ginger cultivation. Ginger requires warm and humid climate from sea level to 1,500 meters above sea level. Another important factor is the post-harvest treatment to maintain the quality of fresh ginger. While fresh ginger commands high price, an even higher price is acquired through further processing of ginger roots.

With those steps, both farmers and exporters will reap benefits. Farmers will get higher earning from higher ginger production, while exporters can get a steady supply of quality ginger to meet the demands from export markets. By correctly planning the required supply, farmers can produce ginger just enough to meet the demands so as to maintain the price.





Currently ginger is a featured herb commodity for export because the market is still looking for Indonesian ginger. The production, however, is still limited to meet the demand.

Ginger is a featured herb commodity for export

It is estimated that Indonesia's ginger production will still hover between 150,000 tons and 170,000 tons just like in previous years. Despite an increasing trend of ginger use, farmers have not been able to meet the demands for ginger.

The current demand for red ginger is about 4 tons per week, yellow ginger at 10 tons and elephant ginger at about 20 tons. Elephant ginger contributes the most to ginger export, being imported by the Netherlands. The Indonesian government is pushing ginger production so it can

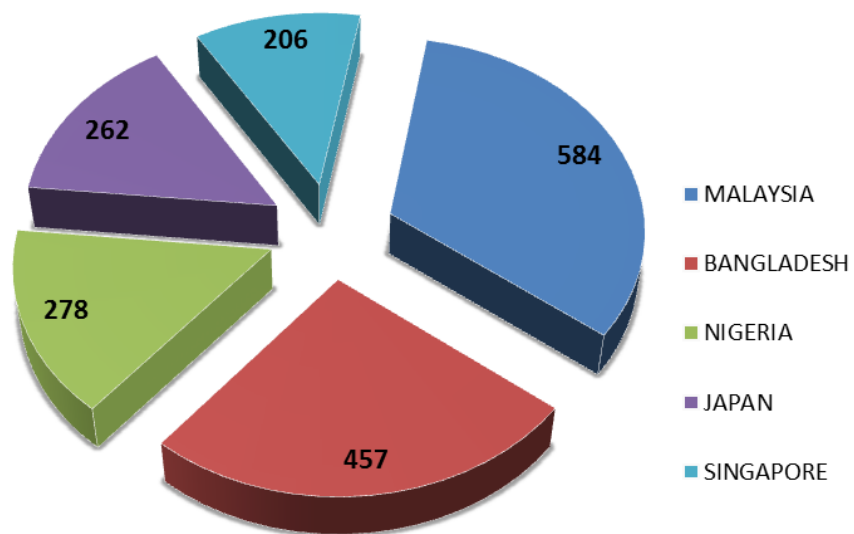
contribute larger share of the export of Indonesian spices.

In the period of 2011-2015, the export of Indonesian ginger jumped by 124.96% while in the first six months of 2016, Indonesia's top export markets were Malaysia with an export value of US\$584,000 or 22.57% of the market share, Bangladesh with US\$457,000 (17.64%), Nigeria with US\$278,000 (10.72%), Japan with US\$262,000 (10.13%), and Singapore with US\$ 206,000 (7.96%).

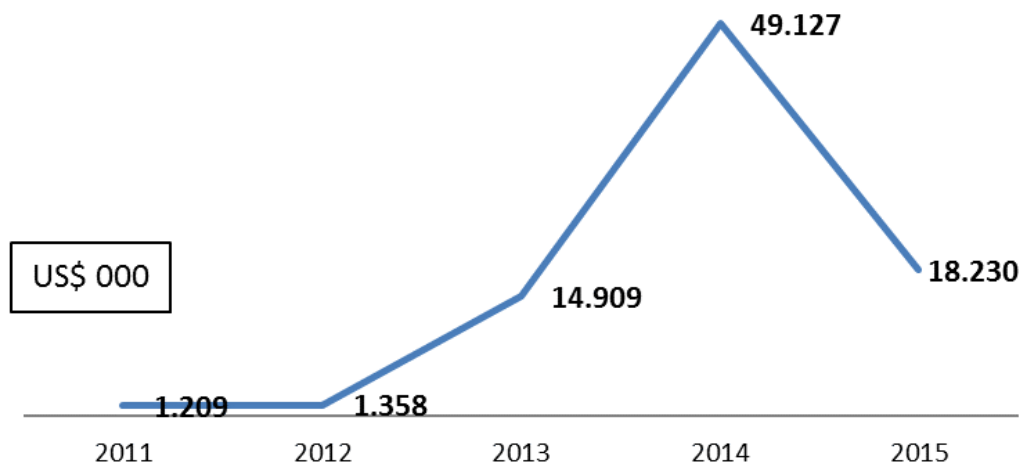
The export value of ginger in 2015 was about US\$18.23 million, sharply decreasing from the figure in 2014 of US\$49.12 million. It is expected that the export value in 2016 will bounce back.

Ginger has the potentials for good marketing development because it is a herb which is needed by the public especially for spices and traditional medicines. Especially as ginger has become

Export of Indonesian Ginger (in US\$ 000)



Ginger from Indonesia to the World



an export commodity with high demands and price higher when compared to the production cost. Exporters, however, find it difficult to meet the demands because ginger supply from production centers are not sufficient. Major destinations for ginger are the United States, the Netherlands, the United Arab Emirates, Pakistan, Japan and Hong Kong. Although Hong Kong does not cultivate its own ginger, the territory exports ginger candy using ginger imported from Indonesia as the ingredient.

PRODUCT DIVERSITY

Other than simplicia, or dried form, ginger rhizome can also be processed to get essential oil, oleoresin, powder, pickled ginger, ginger syrup, ginger sweet, ginger candy, ginger crystal, and ginger wine. Pickled ginger has high export potential and made of large yellow ginger which is harvested at three-month-old with low fiber content. Meanwhile, ginger candy, ginger sweet, ginger syrup, instant ginger, serbat and sekoteng traditional drinks are made of small yellow ginger which is harvested at a later stage. Other than being used for traditional medicines, ginger is also used for phytopharmacology medicine taking advantage of gingerol content. Isolated from ginger extract, the active ingredient is very beneficial for health.

Processed ginger products are more profitable in the market because the prices are higher when compared to fresh ginger.

Elephant ginger which is harvested when it is still young is processed into salted ginger before being exported. In the destination country, the salted ginger will be further processed into ginger sweet. To make salted ginger, elephant ginger is harvested at 3 or 4 months in fresh condition and not rotten. The rhizome size is categorized as Large at between 100 grams and 150 grams, Medium at between 50 grams and 100 grams and Small at less than 50 grams. Yellow ginger is harvested at 9 months and is processed into dried ginger before being exported as requested by destination country in the forms of unpeeled black ginger, white ginger which is completely peeled and coarse ginger which is lightly peeled. This dried ginger is then processed into ginger sugar, ginger powder, ginger oil and oleoresin. Ginger powder is widely used by pharmaceuticals, and food and beverages industries as well as used as spices.

Red ginger is also sold in dried form in addition in fresh form. Dried red ginger is sold as an ingredient to make ginger sugar and the dregs is further processed into ginger powder which is widely used in pharmaceutical industry.



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