



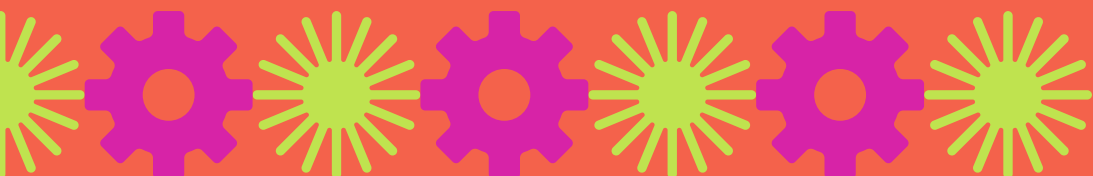
Millers  
for  
Nutrition



Case Study

# PT Bungasari Flour Mills Indonesia

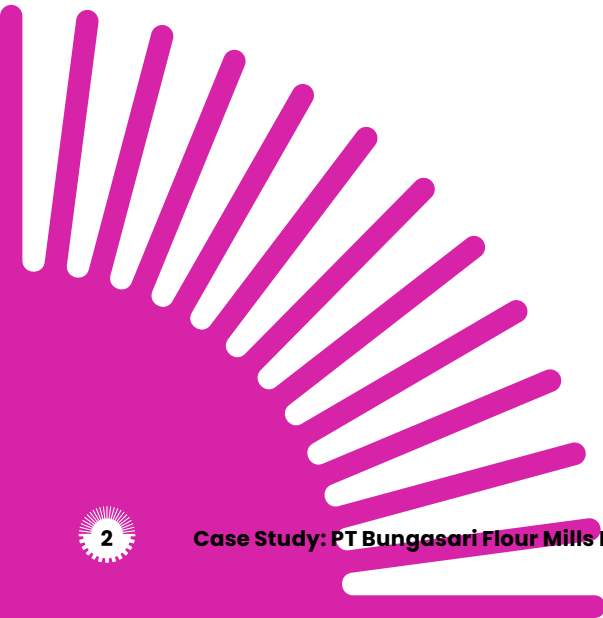
Leadership Beyond Compliance  
in Mandatory Fortification




## Summary

PT Bungasari Flour Mills Indonesia has played a defining role in the success and long-term credibility of mandatory wheat flour fortification in Indonesia. Introduced after the Asian financial crisis of the late 1990s, Indonesia's fortification policy is now one of the most comprehensive globally, with an estimated 95–98% of wheat flour fortified to standard. Under the leadership of President Director Budiarto Wijaya, Bungasari has gone beyond compliance by upholding strict quality standards even where monitoring capacity varies, supporting peer learning across the industry and transferring lessons from flour fortification to emerging fortification programs in edible oil and rice.

Bungasari's experience demonstrates that in mandatory markets, regulation alone is not enough. Sustained impact depends on industry leaders who act as system stewards, safeguarding quality, credibility, and public trust over time.





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# Flour Fortification in Indonesia: From Crisis Response to System Stewardship



**“We didn't have a voluntary phase of flour fortification in Indonesia. We jumped straight to mandatory fortification, and that helped remove many of the usual barriers.”**

**Budianto Wijaya**  
President Director of PT Bungasari  
Flour Mills Indonesia

Indonesia's food fortification journey was shaped by the Asian financial crisis of the late 1990s. The crisis led to sharp economic contraction, rising food prices, declining purchasing power and worsening nutrition outcomes, particularly among vulnerable parts of the population, especially women and children. Many households were forced to rely heavily on basic staples even at the expense of healthcare, education and housing, exposing structural weaknesses in the food system.<sup>1</sup>

In response, the Indonesian government took a bold and unconventional step to combat micronutrient deficiencies at scale: In 1998, it introduced mandatory fortification of wheat flour nationwide. The transition was initially supported by USAID through UNICEF, which donated premix and provided technical assistance to help the flour milling industry establish fortification practices.<sup>2</sup>

Mandatory fortification fundamentally shaped the trajectory of Indonesia's flour sector by creating a level playing field across the industry. All producers, both domestic and imported, were required to comply with the same standards. This shifted fortification from a voluntary initiative led by a few large mills to a shared national responsibility.

Indonesia's flour sector was structurally well positioned for mandatory fortification. The industry is highly consolidated, with five companies holding a combined market share of over 80 percent. Milling operations are technologically advanced and almost entirely industrialized. In addition, dosing equipment was already standard in mills for adjusting flour functionality, meaning fortification could be integrated without major hardware investments.

By bypassing a prolonged voluntary phase, Indonesia rapidly embedded fortification as a legal and operational norm across the industry. This helped the ecosystem avoid many of the barriers commonly associated with voluntary fortification, such as resistance from millers, an uneven playing field due to additional production costs, and scepticism from consumers.

<sup>1</sup> [https://apjcn.qdu.edu.cn/10\\_5\\_8.pdf](https://apjcn.qdu.edu.cn/10_5_8.pdf)

<sup>2</sup> <https://academic.oup.com/cornell-scholarship-online/book/13739/chapter-abstract/167356956?redirectedFrom=fulltext>

However, mandatory policy alone does not guarantee quality. Monitoring and enforcement depend on government capacity, including laboratory infrastructure and inspection resources, which can vary over time and across regions. In such contexts, the credibility of the entire system hinges on whether leading companies choose to treat compliance as a minimum or integrate it as a core responsibility. Today, Indonesia stands out globally, with an estimated 95–98% of wheat flour fortified according to national standards. This achievement reflects sustained government commitment combined with responsible industry leadership.



Picture: Range of Bungasari's fortified flour products in 1 kg and 25 kg packs

## Leadership Beyond Compliance: Bungasari's Role in the Fortification Ecosystem



While fortification is legally required for all millers, Bungasari has consistently chosen to go beyond minimum requirements. For the company, leadership in food fortification forms part of a broader commitment to responsible and sustainable business practices. In practice, Bungasari's leadership in fortification is reflected in three interconnected ways: rigorous quality control, sector stewardship, and knowledge transfer across staple foods.

### Rigorous Quality Control as the Foundation of Trust

Rigorous quality control forms the foundation of Bungasari's approach. In a mandatory system where government monitoring capacity and laboratory infrastructure can vary, Bungasari treats legal standards not as a ceiling but as a non-negotiable baseline. The company adheres strictly to fortification dosage requirements even when cost pressures exist and avoids practices such as under-dosing that could undermine the credibility of the entire system. By prioritizing consistency and quality over visibility or marketing claims,

**“Bungasari Flour Mills was established in 2012 with the belief that we can draw on world class knowledge, capability and passion to support the industry in Indonesia by producing high-quality, nutritious flour.”**

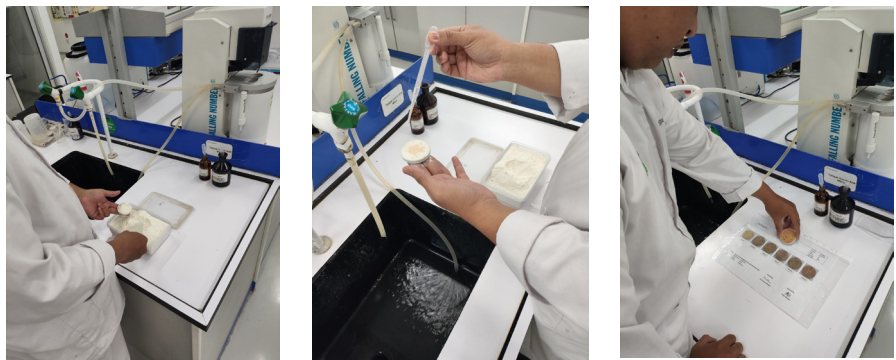
**Budianto Wijaya**  
President Director of PT  
Bungasari Flour Mills Indonesia

Picture: Bungasari laboratory technician conducting an iron spot test to ensure fortification quality

Bungasari helps protect public trust in fortification and strengthens the industry as a whole.

### **Sector Stewardship: Strengthening the Fortification Ecosystem**

Bungasari exercises sector stewardship by engaging beyond its own operations. Through early participation in the Millers for Nutrition Coalition, including as its first member in Indonesia, the company positioned itself as a leader in the food fortification ecosystem. Independent market testing conducted through the coalition confirmed that Bungasari's products performed strongly against national fortification requirements, providing a valuable third-party benchmark beyond government inspections and reinforcing the company's credibility as a reputable industry leader.



**“We at Bungasari are committed to contribute and encourage the people of Indonesian to live a better and healthier life by providing affordable nutritious products.”**

**Budianto Wijaya**  
President Director of PT  
Bungasari Flour Mills Indonesia

Bungasari contributes to peer learning and industry alignment through active engagement in national and international platforms. The company is involved in the Indonesian Flour Mills Association (Aptindo), where it supports efforts to ensure member compliance with government regulations, including fortification requirements. It also participates in discussions, meetings and workshops organized by institutions such as Nutrition International, the Indonesian Nutrition Foundation for Food Fortification (KFI) and other development partners, sharing lessons from Indonesia's long fortification history and shaping the dialogue on how industry can sustain fortification over time.

This stewardship mindset recognizes that fortification policies remain vulnerable without continuous education, advocacy and industry alignment, especially as political leadership changes and institutional memory may fade.

### **Knowledge Transfer Across Staples: Extending Impact Beyond Flour**

Bungasari enables knowledge transfer across staples, extending the impact of flour fortification beyond a single sector. Regulatory frameworks, monitoring mechanisms and coordination models first developed for wheat flour





are now informing newer fortification initiatives in edible oil and rice. For example, edible oil fortification included efficacy studies prior to implementation, addressing a gap that existed in the early flour program. Bungasari actively supports this cross-sector learning by sharing practical insights on what worked, what failed and where improvements are needed, as in the case of additional research to address the occurrence of black spot in noodles linked to iron fortification. By helping other industries anticipate challenges and avoid repeating early mistakes, Bungasari contributes to a more coherent and resilient national fortification ecosystem.

Taken together, these three elements reinforce one another. Rigorous quality control builds credibility, stewardship sustains the system and knowledge transfer ensures that fortification continues to evolve. Bungasari's leadership shows that in mandatory markets, lasting nutrition impact depends not only on regulation but on companies willing to act as long-term stewards of public trust.

## Looking Ahead: A Model for Future Fortification



Indonesia's experience shows that mandatory fortification can achieve near-universal compliance, but only when industry leaders take responsibility beyond compliance. Bungasari's journey demonstrates how stewardship, advocacy, strong values and long-term commitment can translate regulation into lasting public health impact.

Looking ahead, Indonesia's flour fortification system can serve as a reference model for newer fortification initiatives, both within the country and internationally. Regulatory structures, monitoring mechanisms and industry coordination approaches developed for flour provide valuable insights that can be adapted to other food vehicles, including edible oil and rice. As these programs evolve, flour fortification offers a practical blueprint for designing effective systems, strengthening compliance and ensuring consistent product quality.



# Imprint

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The Millers for Nutrition Coalition, powered by TechnoServe

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## Acknowledgments

This case study was developed with contributions from PT Bungasari Flour Mills Indonesia, in particular Budianto Wijaya, President Director. It was prepared as part of the Millers for Nutrition Coalition and its partner network, including TechnoServe.

## Design and layout

Sonja Lorenz, LOSO Design

## Publication date

May 2026

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