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Agricultural Situation

Sawasdee Thailand - Issue 10/2008

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Report Highlights:

"SAWASDEE THAILAND" is a monthly newsletter providing the latest information on the Thai agricultural situation and U.S. export opportunities. This issue highlights the outlook for U.S. agricultural exports to Thailand, import requirement for U.S. fruits and vegetables, the Thai response to the melamine crisis, as well as updates and information about upcoming events and market opportunities for U.S. food products.

Includes PSD Changes: No
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SAWASDEE

THAILAND

Issue 10/2008

HOT NEWS FROM THAILAND

U.S. Agricultural Export Outlook for Thailand

FAS/Bangkok anticipates that Thailand's economic growth and import demand may slow as part of the global economic downturn and ongoing political instability. Despite the slowdown and lower overall import demand, U.S. market share of agricultural imports should remain unchanged at approximately 16 percent. The Thai Cabinet recently approved a framework consisting of six measures covering monetary, fiscal and trade policy to shield against the global financial crisis and boost economic growth.

Thai Monitoring of Melamine in Food and Animal Feed

Since September 26, the Thai Food and Drug Administration has implemented a vigorous testing program for imported dairy based food and ingredients. The Thai FDA allows no more than 1 ppm of melamine or melamine analogs in modified milk for infants, modified milk of follow up formula for infants and children, whole milk powder, partly skimmed milk powder, skimmed milk powder, filled whole milk powder, and filled partly skimmed milk powder. Additionally, no more than 2.5 ppm is allowed for milk containing food products.

Regarding animal feed, the Thai Department of Livestock development has tested imports of feed and ingredients since 2007. DLD has sampled imported products and has rejected 608 tons were of product. The DLD also tests domestically produced feed and dairy products but has not found any detection of melamine. DLD applies the same melamine tolerance level as the Thai FDA. More detail can be found in GAIN report [TH8154](#) and TH 8171.

Food Safety Outreach in Thailand

Throughout October, the USA Poultry and Egg Export Council and Food Marketing Institute successfully organized food safety workshops targeting food safety hazards at retail, foodborne illness prevention, environmental sanitation and maintenance, food safety management and the latest food safety regulations. Nearly 200 participants representing food handlers, food safety professionals, food service operators and airline catering companies throughout Southeast Asia attended the workshops.

MARKET ACCESS UPDATE

New Plant Quarantine Act Import Guidelines

New guidelines for importing prohibited, restricted and non-prohibited plant items are now effective. See additional details in GAIN report [TH8161](#). Several recent shipments of plant products, including cotton and wood products, have encountered brief difficulties over a lack of understanding of the new guidelines. U.S. exporters should verify all import requirements with their Thai importer prior to shipping.

Department of Agriculture Developing New Seed Potato Import Protocol

The Department of Agriculture will propose a new potato seed import protocol for 8-10 countries, including the US. The draft was presented to members of a plant quarantine sub-committee on November 13, 2008 and will be presented for comment to relevant exporting countries. The draft will then be reviewed by the Plant Quarantine Committee in December. Currently DOA applies the same import protocol for all exporting countries.

Alcohol Labeling in Thailand

On October 15, the Thai Food and Drug Administration notified the WTO about newly required statements on alcohol beverage labels. The new labeling requirements refer to the legal drinking age in Thailand. This new requirement is not expected to affect imports of U.S. wines and spirits as importers already have the capacity to apply the new labels once the product reaches Thailand. See GAIN report [TH8178](#) for more detail.

Thailand's Pesticides Maximum Residue Limits Now Available

The Thai Agricultural Commodity and Food Standard (ACFS) has issued maximum residue limits for pesticide residues in food and animal feed. Residues may not exceed the maximum residue limit (MRL) defined under the Thai Agricultural Commodity and Food Standard for the Maximum Residue Limits of Pesticide Residues (TACFS 9002-2008) listed in GAIN report [TH8176](#). Codex MRLs are applied for the MRL of any pesticide residue not listed in the table.

New USDA Import Requirement Database for Fruits and Vegetables

The USDA Animal and Plant Health Inspection Service has a new import requirement database for fruits and vegetables. The [FAVIR](#) database allows customers to search for authorized fruits and vegetables by commodity or country to determine the importation requirements for the US. This database will include emergency status updates for commodity or country.

Thai Cabinet Approves Agricultural Price Stabilization Loan of \$31.4 billion

On November 4, the Thai Cabinet agreed to guarantee a loan of \$31.4 billion to the Bank for Agriculture and Agricultural Cooperatives (BAAC) to be used to stabilize domestic prices for paddy, corn, and other commodities. The Department of Internal Trade reported that during June-October, wholesale prices in Bangkok dropped 20 percent for white rice (Grade 100B), 19 percent for tapioca pellets, 6 percent for corn, 5 percent for soybeans, and 42 percent for rubber.

Biofuels: Ethanol Demand and Food Prices

Growing demand for ethanol in gasohol production is expected to have only a marginal impact on food prices. Presently, most ethanol plants are molasses-based. In the near future, most new plants will be tapioca-based. Tapioca feedstock supplies will continue to grow though yield improvements. Average yields in the next few years should more than double as high-yield varieties are currently being developed and farm practice continue to improve. See GAIN report [TH8083](#) for more detail.

MARKET OPPORTUNITIES

American Oysters Festival at Sukhothai Hotel

Presently the Sukhothai Bangkok hotel and Jagota Brothers Trading, a leading seafood importer in Thailand, have launched a special all-you-can-eat oyster menu featuring a variety of U.S. oyster species. The “Oyster King” Bill Marinelli, founder of the Marinelli Shellfish Company, was at the Colonnade Restaurant to launch the promotion. More information is available at www.sukhothaihotel.com. Additionally, representatives from Jagota Brothers Trading have been selected by Food Export USA to join the Fish & Shellfish Buyers Mission during the 2009 [International Boston Seafood Show](#) during March 15-17, 2009.

USA Fair 2008

From October 31-November 2, the American Chamber of Commerce (AMCHAM) in Thailand, and the U.S. Embassy, hosted USA Fair 2008 at Siam Paragon, Bangkok. Over 25,000 visitors attended this year’s USA Fair to experience American foods, lifestyle activities, education and entertainment. For the first time, the Gourmet Market at Siam Paragon hosted “A Taste of USA 2008.” Customers enjoyed a wide range of U.S. products, including live lobsters from Maine.

Thai Importers Seeking U.S. Food Products

Ebisu Foods Co., Ltd. is seeking U.S. suppliers of frozen French fries. Please contact Mr. Piamsak Potchapornkul, MD, Ebisu Foods Co., Ltd., 27/18 Moo 11 Petchkasem Road, Nongkhangphu, Nongkhaem, Bangkok 10160, tel. 66-2-807-5544, fax. 66-2-807-5577, email: piamsak@ebisufoods.com.

American European Products Co., Ltd. is interested in ordering 1x20’ IQF frozen blueberries (cultivate). Please contact Mr. Suvit Kijawattana, MD of American European Products Co., Ltd., 12/127 Sahakorn 4, Naknivas Road, Ladprao Road, Bangkok 10230, tel. 66-2-538-2636, mobile. 66-81-844-8157, fax. 66-2-538-3386, email: import@aepthailand.com.

Showcase Your U.S. Food and Agricultural Products

FAS/Bangkok has initiated the “New Product Showcase Zone” in our office. The display features U.S. food and agricultural products not currently being marketed in Thailand. This is an excellent opportunity to display your products and receive feedback. Please contact AgBangkok@fas.usda.gov for additional information.

UPCOMING EVENTS

Beef Breeding Cattle Show in Thailand

During November 14-16, the Thai Association of Brahman Cattle Production Promotion will organize a beef breeding cattle show in Pattaya City, Thailand. The event features a breeding cattle show and contest for purebred and half-breed American Brahman cattle. Representatives from the American Brahman Breeders Association (ABBA) will judge the show.

Update on the American Hardwood Design Camp

Students from seven universities who participated in last years U.S. Hardwood Furniture Design Challenge are fine tuning their furniture designs for prototype production. Nine prototypes of U.S. hardwood furniture will be featured at the Thailand International Furniture Fair (TIFF) in March 2009. Production will likely begin in December after the university professors and industries have reviewed final designs. Thai furniture manufactures expect the prototypes to generate significant commercial interest at the TIFF 2009 show.