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Report Name: American Beef Opportunities in Thailand

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Report Highlights:

Thailand's beef market offers significant growth potential for U.S. beef exports, particularly in the frozen beef segment. U.S. frozen boneless beef has grown by 24% from 2018 to 2023, reaching a total export volume of 1,083 tons in 2023. Beef consumption in Thailand is rising, driven by increasing incomes, urbanization, and a growing demand for premium products, with consumption expected to grow by 8% by 2025. Despite challenges like a 50% import tariff, U.S. beef has opportunities for expansion through strategic promotional efforts and collaboration, particularly in the foodservice sector and tourism-driven demand.

Executive Summary

Thailand's beef market offers significant growth potential for U.S. beef exports, particularly in the frozen beef segment. U.S. frozen boneless beef has grown by 24% from 2018 to 2023, reaching a total export volume of 1,083 tons in 2023. While the market remains competitive, especially with strong players like Australia and Argentina, the frozen beef segment remains less saturated, providing an opportunity for U.S. exporters to expand. Beef consumption in Thailand is rising, driven by increasing incomes, urbanization, and a growing demand for premium products, with consumption expected to grow by 8% by 2025.

U.S. beef faces challenges due to a 50% import tariff, whereas Australian and New Zealand beef benefit from tariff exemptions under trade agreements. The foodservice sector, which caters to young, affluent consumers, along with Thailand's booming tourism industry, presents key demand drivers. Recent promotional activities such as the “American Beef Feast” campaign and participation in the Thailand Beef Fest 2024 have increased U.S. beef visibility. With favorable market trends, strategic promotional efforts, and opportunities for collaboration, Thailand remains a promising market for U.S. beef exporters.

Opportunities for U.S. Beef Products in Thailand

There is significant potential for U.S. beef to expand in the Thai market. According to Trade Data Monitor, U.S. frozen boneless beef volume has experienced significant growth, increasing by approximately 5.4 percent per year over the last 5 years, from 825 tons in 2018 to 1,073 tons in 2023.

In 2023, the export value of U.S. beef and beef products to Thailand reached \$5.8 million. While over 70 percent of beef purchased in Thailand is fresh or chilled, particularly among Thai beef buyers, frozen beef follows as the second most popular choice, with dry-aged beef purchased at a much lower level. This presents an opportunity for U.S. exporters to target the frozen beef segment, where competition is less intense. However, Argentina remains a strong competitor in Thailand's frozen beef market, ranking second after Australia in terms of volume in 2023.

Thailand Domestic Consumption

Beef consumption in Thailand has been steadily increasing, driven by the rising popularity of beef-based cuisines and the expanding foodservice sector. As shown in Figure 1, beef and veal consumption in Thailand has followed an upward trend. In 2023, the market size for beef and veal reached 216,000 tons, marking a 4 percent increase compared to the previous year (Figure 1). According to Euromonitor, the market size is projected to reach 233,800 tons by 2025.

Thailand's urbanization rate has grown from 45 percent in 2012 to 52 percent in 2023, and it is expected to reach 58.4 percent by 2030. Additionally, the number of affluent households with at least US\$35,000 in disposable annual income is forecast to grow by 52 percent, reaching approximately 567,700

households by 2025 (Fitch Solutions). This demographic shift is expanding the consumer base capable of regularly purchasing premium proteins, such as beef, and driving demand for safer, higher-quality products.

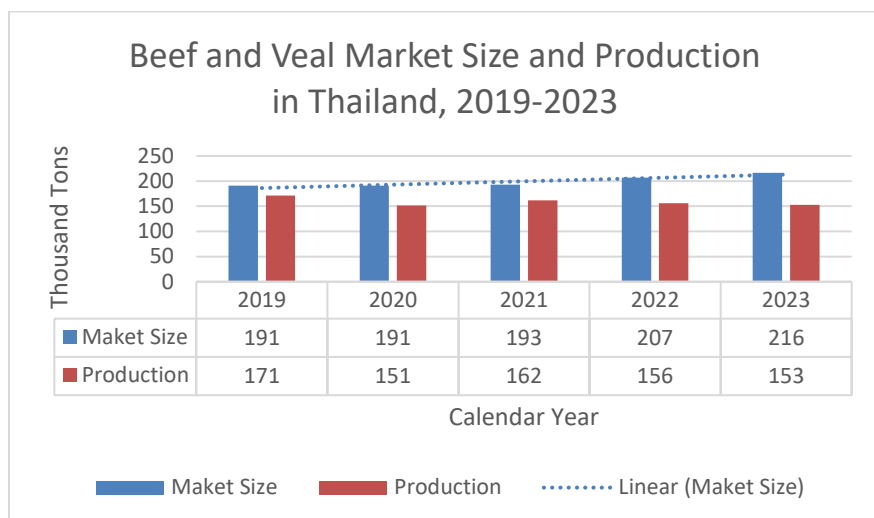


Figure 1: Beef Market Size and Production in Thailand, 2019-2023, Source: Euromonitor

Thailand is a comparatively small but high-value and growing beef market, with approximately a third of exported beef to Thailand being chilled, despite significant pandemic impacts on tourism and dine-in foodservice in the past few years. However, the complete removal of tariffs and quotas since January 2020 under both the Thailand-Australia Free Trade Agreement (TAFTA) and the Association of Southeast Asian Nations (ASEAN)-Australia New Zealand Free Trade Agreement (FTA) has significantly impacted the growth of U.S. beef export to Thailand.

Imports of Beef and Beef Products

Thailand’s imported beef sector is still relatively small, but is significant high-value market, with Thailand’s total import volume at 55,770 tons in 2022, and 49,253 tons in 2023. Thailand’s total imported beef value was \$223.4 million in 2023.

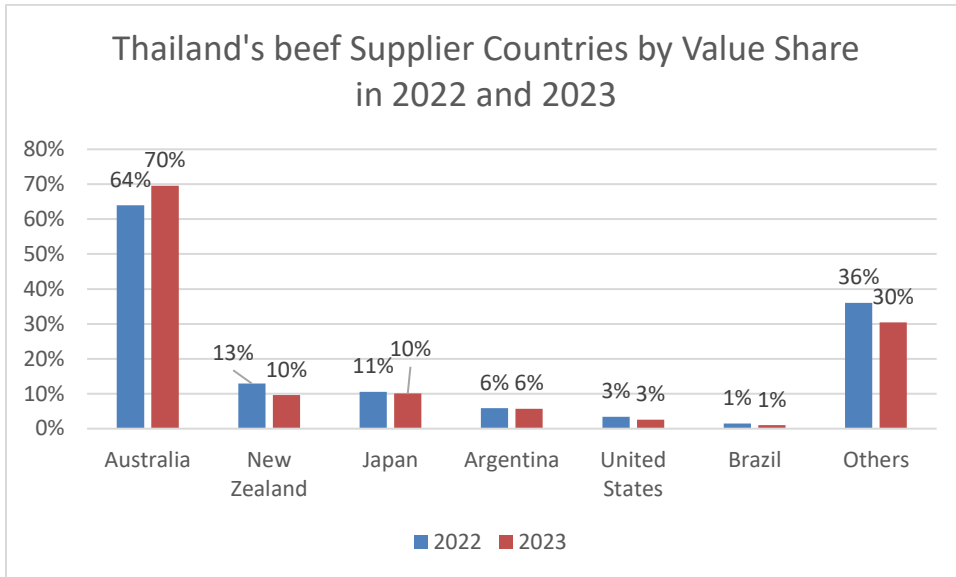


Figure 2: Thailand’s beef supplier countries by value share in 2022 and 2023, Source: Trade Data Monitor

In 2023, Australia gained 70 percent value share of Thailand’s total beef imports - an increase from 64 percent in 2022 (Figure 2). The United States was the fifth-largest supplier country for Thailand, with a value share of 3 percent at \$5.1 million, according to Trade Data Monitor (Figure2).

The increase of imported high-quality beef is driven by growing urbanization, rising incomes, and tourism. In addition, the COVID-19 pandemic caused significant disruptions to Thailand’s domestic cattle market and distribution networks, further surging import demand since 2021.

Competitors

Australia is the largest supplier of imported beef to Thailand, holding a 44 percent of the market, which equated to 21,450 tons in 2023, a 9 percent increase from 2022. A significant portion of this growth comes from boneless frozen beef, which accounted for 46 percent of the volume (9,766 tons), followed by frozen offal at 26 percent (5,646 tons). Australia dominates the market with a 70 percent value share, totaling \$155.5 million (Trade Data Monitor).

In terms of Thailand’s beef import volume, the top five supplier countries in 2023 were as follows: Australia (44 percent), Argentina (33 percent), New Zealand (10 percent), Brazil (4 percent), and the United States (4 percent) (Trade Data Monitor).

Beef Import Tariffs

Under the Thailand-Australia FTA, since 2020, the import tariff for Australian beef fell from 13.33 percent to 0 percent. This same tariff reduction also applies to beef imports from New Zealand.

According to the Thai Customs Department, beef products imported from countries with an FTA agreement with Thailand are subject to lower import tariffs, while those from non-FTA countries are subject to general import tariffs with a ceiling of 60 percent.

The beef import duties for Thailand’s top supplier countries are as follows:

- **Exempted import duty:** Australia, New Zealand, Japan, People’s Republic of China, Republic of Korea (South Korea), ASEAN countries, Peru.
- **50 percent import tariff:** All WTO countries without an FTA, such as the U.S., Brazil, and Argentina.

Country	Import duty
	Beef
Australia	0%
New Zealand	0%
Japan	0%
Argentina	50%
U.S.	50%
Brazil	50%

Foodservice/Retail Sector

Thailand boasts a large and well-established retail and foodservice sector. The foodservice industry includes around 100,000 restaurants and 20,000 hotels (GlobalData). Following the pandemic, retail sales have increased across all channels, including fresh meat, as more people cook and eat at home.

In general, affluent and young Thais, particularly those between ages 18-35, are key drivers of growth in the foodservice sector, as they are generally more open to new dining experiences. International cuisines, especially Japanese, European, and South Korean, which often feature beef dishes, have become increasingly popular.

In 2023, Thailand welcomed over 28 million foreign visitors, generating more than \$28.6 billion in revenue from tourist spending, according to the Tourism and Sports Ministry (Bangkok Post, January 2024). Additionally, Bangkok was ranked the most visited city in the world in 2023, according to a survey by Travelness (The Nation Newspaper, Aug 2023). International tourists in Thailand typically spend around 15 percent of their holiday budget on dining out (Food Export, USA).

Preference for High-Quality Beef

The increasing volume of beef imports into Thailand is driven not only by a domestic beef shortage but also by a growing preference for high-quality beef among Thai consumers.

The Thailand Trade and Strategy Policy Office suggests that the country should focus on developing hybrid cattle breeds, which are crosses between local and foreign breeds. In recent years, crossbreeding has become more common in Thailand. For example, some Thai farmers prefer breeding Thai-Brahman cattle, a mix of the local breed and the U.S. Brahman, as well as Thai-Charolais cattle, a cross between the local breed and the European Charolais (Sukhothai Thammathirat Open University).

This presents an opportunity for U.S. cattle producers to collaborate with Thai farmers and universities on crossbreeding, cattle reproduction, and cattle technology, offering a pathway to expand their products in the Thai market.

Promotional Landscape Information

Beef promotions are frequently carried out through food fairs and festivals, often held at major supermarkets, hotels, and restaurants. For example, in December 2023, Meat and Livestock Australia, a producer-owned marketing and research organization for the Australian cattle and livestock industry, launched the "Aussie Beef Mates 6 Hands" experience in Thailand. This event took place at several renowned hotels and restaurants in Bangkok, with the aim of building a community of respected chefs who will share their culinary expertise in using Australian beef products with Thai consumers (Bangkok Post, September 2023).

Recent U.S. Beef Promotional Events in Thailand

1. "American Beef Feast Campaign," November 12 to December 31, 2024

In November 2024, the Foreign Agricultural Service's Office of Agricultural Affairs in Bangkok (FAS Bangkok), in collaboration with Sooooo Good Gourmet Co., Ltd, officially launched the "American Beef Feast: A Celebration of American Excellence" at the JW Marriott Hotel Bangkok. This month-long campaign, running from November 12 to December 31, 2024, showcased the premium quality of American beef. The campaign was inaugurated with a press conference and a special launch event attended by U.S. Ambassador Robert F. Godec. Throughout the campaign, innovative dishes featuring American beef were offered at 17 major hotels and restaurants across Bangkok, Chiang Mai, Phuket, Pattaya, and Khon Kaen. Additionally, American beef became available at 16 select Tops Food Halls branches, allowing Thai consumers to experience its renowned tenderness, juiciness, and flavor.

2. "Thailand Beef Fest 2024, Korat Beef Phenomenon," February 1 to 4, 2024, at Lower Northeastern Science Park (Nakhon Ratchasima), Suranaree University of Technology

By partnering with the National Innovation Agency Thailand (NIA) and participating in the Thailand Beef Festival, during February 1-4, 2024, FAS Bangkok was able to showcase American beef in a prominent and engaging environment. The choice of Suranaree University of Technology in Nakhon Ratchasima Province as the event venue reflects a strategic decision to reach a diverse audience, including academics, industry professionals, and local consumers.

The festival served as a platform to highlight U.S. beef genetics and production. Collaborating with organizations such as the Texas Department of Agriculture, the International Brangus Breeders Association, the U.S. Meat Export Federation, the U.S. Grain Council, and a U.S. genetics exporter underscores a collective effort to showcase the quality and advancements in American beef. Through these partnerships, the U.S. pavilion emphasized the superior genetics, production practices, and overall quality of U.S. beef to an international audience. Events of this nature play an important role in strengthening trade relations and expanding market opportunities for U.S. beef products.

FAS Bangkok maintains up-to-date information on food and agricultural import opportunities in Thailand and welcomes inquiries from U.S. suppliers to assist in accessing Thailand's market. Questions or comments regarding this report should be directed to:

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Highlighting the Most Recent American Beef Promotional Activities Conducted by FAS Bangkok in 2024

“American Beef Feast Campaign” with Major Restaurants, Hotels, and Central Food Halls across Thailand During November 12th to December 31st, 2024







“Thailand Beef Fest 2024, Korat Beef Phenomenon”, February 1-4, 2024, at Lower Northeastern Science Park (Nakhon Ratchasima), Suranaree University of Technology.





Attachments:

No Attachments.