



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

**Date:** 1/10/2008

**GAIN Report Number:** TH8029

## Thailand

### Agricultural Situation

## Chiang Saen Port – A Pipeline for Chinese Fruit 2008

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**Report Highlights:**

Rising demand for low-cost fresh fruit and tariff reductions have led to significant increases in Chinese fruit imports. As a result, the northern port of Chiang Saen now serves as a pipeline for Chinese fruit into Thailand. Additionally, current expansion efforts will nearly double capacity to 1 million tons by 2010.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Bangkok [TH1]  
[TH]

### The influx of Chinese Fruit into Thailand

Prior to the ASEAN-China trade agreement in 2003, over 60 percent of Chinese fruit imported into Thailand came through the Bangkok and Chonburi ports while the rest entered through the Chiang Saen port in Northern Thailand. Chinese fruit imported via Chiang Saen benefits from the proximity of the two countries and less stringent import controls at the port. However, transportation and capacity limitations allow only 27 vessels simultaneously, the majority of which function as a pipeline for Chinese fruit into Northern Thailand. Due to limitations of the existing port and the rapid trade growth between Thailand and China, the Thai government has planned to expand the port to support increased Chinese imports, which are expected to reach 1 million tons annually by 2010.

The Mekong River is the main route connecting the Chiang Saen port with the port of Yunnan in Southern China. In 2006, Chiang Saen handled nearly \$10 million worth of fresh fruit shipped via the Mekong. There are 12 piers at the Chiang Saen port, which can accommodate 27 vessels simultaneously with total port capacity of about 536,000 tons annually. Nearly all ships docking at the port are Chinese. The major Chinese fruits imported through Chiang Saen are apples and pears, which must be shipped via water as ground transport is more costly.

During September to December large amounts of Chinese fruit are imported via Chiang Saen due to the high water level in the Mekong. Up to 15 ships daily carry apples and pears from China to Thailand during this season. Fewer loads occur during January to August as lower water levels make navigation difficult. At present, small boats carrying 100-180 tons of cargos frequent Chiang Saen. Most of these container ships are Chinese with no refrigeration systems.

#### Picture 1: Chiang Saen Port and Chinese workers uploaded boxes of fruit



It takes about two days for vessels loading Chinese fruit to travel downstream 360 km. from Jinghong, China, to Chiang Saen and about a day for the 287 km. trek from Guan Lei to Chiang Saen. Upstream travel back to Jinghong takes about three days. Due to a lack of proper refrigeration, Thai exports to China through this port tend to be dried products such as natural rubber, cooking oil and other processed food including dried longan.

Chinese fruit is typically packed in a polystyrene box with ice to retain freshness (Picture 2). When ships arrive at Chiang Saen, the Thai Food and Drug Administration (FDA) officer and

plant quarantine official take product samples for inspection of chemical residues such as pesticides and herbicides. Despite this required inspection, the process is not time consuming as officials use a quick 30-minute residue test kit. After the sample inspection, boxes are loaded onto refrigerated trucks to be transported to Chiang Mai and Bangkok.

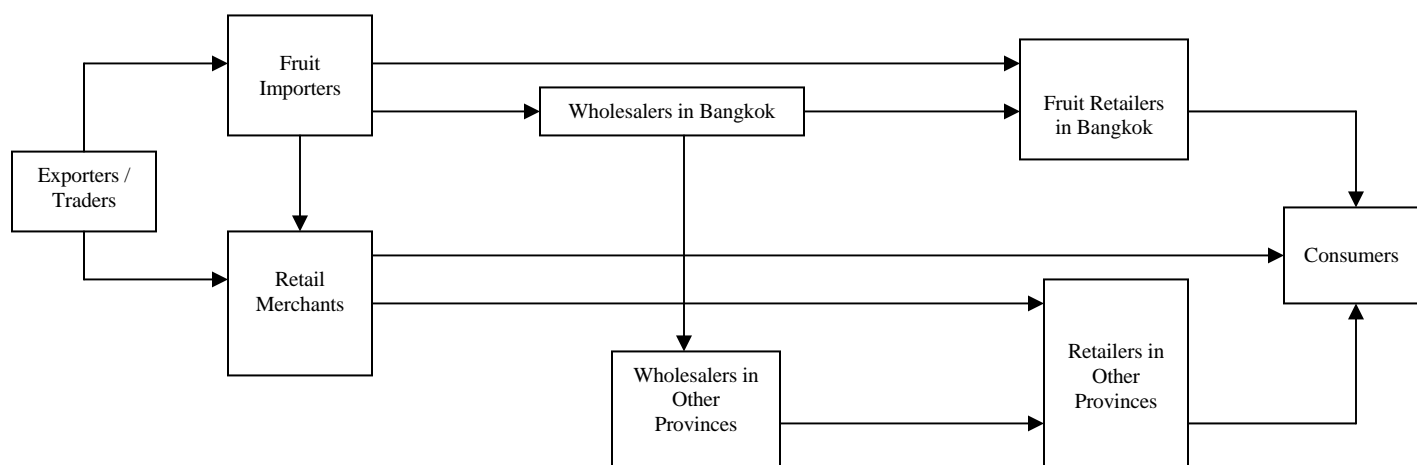
**Picture 2: Chinese fruit packed in synthetic foam box**



On August 16, 2007, the Ministry of Public Health announced the discovery of excessive pesticide residues in Chinese fruits and vegetables, and high levels of sulfur dioxide in dried vegetables. As a result, over a thousand Chinese food items such as mushrooms, seaweed, and dried fruit entering Thailand's northern border were rejected or destroyed. However, no additional measures were imposed to control Chinese fruit imports.

### The distribution of Chinese fruit in Thailand

Chinese fruit is widely available throughout Thailand, from wet markets and fruit stalls, to supermarkets and hypermarkets. At traditional wet and wholesale markets, Chinese apples have become popular due to their competitive price. Bangkok is the major wholesale market for Chinese fruit in Thailand. Major city markets include the Mahanak market, Pakklong market, Si Mummueng market and Ta-lad Thai market. Modern retailers in Thailand have their own fresh food distribution centers that deliver products to retail outlets by refrigerated trucks.



## The import of Chinese fruit through different ports of entry

## Fresh Fruits Imported from China via Bangkok Ports (Klongtoey Port and Bangkok Airport) 2002 - 2007

HS Code	Description	Quantity (Kg)					
		2002	2003	2004	2005	2006	2007
0808100003	Apples, Fresh	6,741,998	18,835,866	23,470,400	29,812,014	28,934,915	34,189,664
0808200005	Pears and Quinces, Fresh	870,724	4,170,589	8,784,144	10,738,057	15,371,493	16,943,574
0806100002	Grapes, Fresh	-	579,857	629,199	480,235	2,063,293	1,515,469
0805200907	Mandarins (Including Satsumas)	54,284	235,487	360,564	847,371	767,173	203,193
0805100905	Other Oranges, Fresh or Dried	-	50,074	46,032	123,893	79,337	-
0805200200	Neck Oranges, Fresh or Dried	-	23,400	22,320	10,000	71,124	-
0809400004	Plums and Sloes, Fresh	-	21,610	8,400	5,290	20,991	21,360
0805500000	Lemons (Citrus limon, Citrus limonum) and Lime	-	30	1,200	-	-	-
0805200104	Tangerines, Fresh or Dried	33,500	123,250	60,635	180,785	6,000	210,709
0809300002	Peaches, Including Nectarines, Fresh	34,985	7,390	39,593	90,212	5,310	15,815
0805900904	Other Citrus Fruits, Fresh or Dried	-	-	2,280	2,496	300	72,425
0805100209	Acidless Sweet Oranges, Fresh or Dried	-	22,800	26,100	-	-	-
0805400002	Grapefruit, Fresh or Dried	-	-	-	23,040	-	-
<b>Total</b>		<b>7,735,491</b>	<b>24,070,353</b>	<b>33,450,867</b>	<b>42,313,393</b>	<b>47,315,900</b>	<b>53,172,209</b>

## Fresh Fruits Imported from China via Chonburi Port (Lamchabang Port) 2002 - 2007

HS Code	Description	Quantity (Kg)					
		2002	2003	2004	2005	2006	2007
0808100003	Apples, Fresh	2,025,994	8,058,441	18,307,212	17,255,216	18,901,416	27,280,771
0808200005	Pears and Quinces, Fresh	904,225	2,173,709	7,742,126	11,186,460	13,149,865	12,881,198
0805200907	Mandarins (Including Satsumas)	280	147,900	51,807	103,730	2,059,189	7,977,221
0806100002	Grapes, Fresh	35,100	20,000	107,003	256,666	1,793,829	6,145,497
0805200104	Tangerines, Fresh or Dried	-	58,260	147,568	399,595	835,568	1,510,570
0805100905	Other Oranges, Fresh or Dried	-	-	33,427	-	147,699	97,035
0809300002	Peaches, Including Nectarines, Fresh	6,255	4,792	2,000	-	36,028	32,525
0805500000	Lemons (Citrus limon, Citrus limonum) and Lime	-	-	-	-	480	825
0805100108	Sweet Oranges, Fresh or Dried	-	-	-	182,100	-	-
0805100209	Acidless Sweet Oranges, Fresh or Dried	-	-	14,200	-	-	1,050
0809400004	Plums and Sloes, Fresh	-	-	-	225	-	110,510
<b>Total</b>		<b>2,971,854</b>	<b>10,463,102</b>	<b>26,405,343</b>	<b>29,383,992</b>	<b>36,924,074</b>	<b>56,037,202</b>

## Fresh Fruits Imported from China via Chiangsan Port 2002 - 2007

HS Code	Description	Quantity (Kg)					
		2002	2003	2004	2005	2006	2007
0808100003	Apples, Fresh	9,855,548	23,756,216	23,171,773	21,685,678	15,578,002	5,732,935
0808200005	Pears and Quinces, Fresh	2,707,170	14,997,933	12,906,691	11,681,838	9,859,458	3,387,129
0806100002	Grapes, Fresh	-	8,470	8,424	-	91,122	76,230
0805400002	Grapefruit, Fresh or Dried	-	-	-	17,680	18,300	-
0805100905	Other Oranges, Fresh or Dried	1,106	-	1,600	-	12,167	6,792
0805500000	Lemons (Citrus limon, Citrus limonum) and Lime	-	707	9,513	1,916	3,045	840
0805200104	Tangerines, Fresh or Dried	-	31,254	-	2,500	2,960	-
0809300002	Peaches, Including Nectarines, Fresh	60,200	4,685	-	-	2,744	2,486
0809400004	Plums and Sloes, Fresh	-	-	-	-	229	-
0805100108	Sweet Oranges, Fresh or Dried	-	-	16,005	539	-	11,000
0805200907	Mandarins (Including Satsumas)	-	7,250	-	1,880	-	-
0805900904	Other Citrus Fruits, Fresh or Dried	90	-	-	-	-	-
<b>Total</b>		<b>12,624,114</b>	<b>38,806,515</b>	<b>36,114,006</b>	<b>33,392,031</b>	<b>25,568,027</b>	<b>9,217,412</b>

End of the Report.