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Thailand

Food Processing Ingredients Sector

Report

2003

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Report Highlights:
Thailand offers great opportunities in the food processing sector as domestic sales of processed foods continue to rise. The country is considered to be one of the largest agricultural exporters and the only net food exporter country in Asia. Thailand's food processing industry is the most developed in Southeast Asia. Major industries include the production of rice, processed and frozen shrimp, sugar, processed poultry, canned tuna, confectionery and snack items, canned pineapples, tapioca, and alcohol beverages. There are over 9,900 food and beverage processing factories which consist of small, medium and large-scale plants.

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SECTION I. Market Summary

Thailand offers great opportunities in the food processing sector as domestic sales of processed foods continue to rise. Strong demand for processed foods from the HRI sector and from individual consumers increase the demand for food ingredients. Thai food processors have made good progress in increasing both the volume and value of processed foods for domestic and export markets. As Thailand is an agricultural country, food processing is expected to remain a key sector well in the future. The government plans to accelerate food exports to reach a total of 12% of total export value by the end of 2003. Strong government support and incentives for export-oriented companies have helped fuel the growth of both agriculture and processing ventures. Thailand is an agricultural country that has a total area of 513,115 sq. km., 45 percent of which is used for agricultural production. Thailand earns approximately US$10 billion annually from food manufacturing alone.

There are over 9,900 food and beverage processing factories which consist of small, medium and large-scale plants, with the industry employing over approximately 600,000 employees. Most of these factories which are small and medium sized serve mostly the domestic market, while medium to large food processors tend to produce quality products up to international standards and are accepted by consumers everywhere. Major export markets are Japan (22.23%), U.S.A. (19.11%), and the EU (12.53%).

Recovering from the boom-and-bust years of 1997 and 1998, Thailand's food and beverage industry has helped the economy rebound. Plowing funds into raising the level of automation and technology. Thai food processors have aimed to develop value-added products for lucrative markets in Europe, Japan and the United States. Most shrimp exporters have moved to produce more ready-to-eat food. The export ratio of value-added shrimp products was expected to increase from the current 35% of total export value to 40% in 2001. Shrimp exporters are using market research to meet consumers' needs. Thailand has a large (62.31 million) and young (40% under age 25) population and rising income levels. Increased travel by Thai people abroad and by tourists to Thailand (11%) is also stimulating significant changes in the attitudes and consumption patterns of Thai people. Moreover, rapid urbanization and the growing numbers of working women are increasing the demand for processed foods.

Thailand is considered to be one of the largest agricultural exporters and the only net food exporter country in Asia. Thailand's food processing industry is the most developed in Southeast Asia. Major industries include the production of rice, processed and frozen shrimp, sugar, processed poultry, canned tuna, confectionery and snack items, canned pineapples, tapioca, and alcohol beverages. Thailand's imports of selected ingredients (cereal, chemical & additives, emulsifiers, enzymes, essential oils, fats & oils, flavors & aromas, dry fruits, herbs & spices, meat, nuts, pulses, sugars, dried and fresh vegetables) for food processing was $311 million U.S. dollars in 2000 and $302 million U.S. dollars in 2001, with U.S. market share 27% and 20% respectively.

Food manufacturing only started in the 70's but the country now ranks among the top ten exporters of the following food commodities:
- World's largest exporter of canned pineapple, pineapple juice, and concentrates.
- Second largest exporter of seafood (especially tuna)
- World's largest exporter of frozen shrimps.
- One of the top ten exporters of frozen chicken.

Thailand's food industry is divided into 4 major categories, including primary agricultural products, livestock and poultry, fisheries, and processed foods. Processed food groups include fruits and vegetables, shrimp and seafood, poultry and poultry meat products, rice grain and cereal products, sugar and confectioneries, and juice and beverages. In 2001 food exports from Thailand were worth 444,706 million baht, which was about 15.0% of the country's 2.89 trillion baht exports. The total food export market is roughly estimated to take between 60-70 % of total food production in Thailand.

Thai Food Exports (January - October 2002)

Product	January - October Value (Million baht)		% Change
	2001	2002	
Rice	53,895.76	55,279.55	2.57
Processed Shrimp	36,563.44	31,662.07	-13.41
Sugar	28,590.43	28,404.04	-0.65
Frozen Shrimp	45,319.73	27,484.89	-39.35
Fresh/Chilled Chicken	18,898.76	19,844.77	5.01
Canned Tuna	20,997.10	19,156.83	-8.76
Processed Chicken	9,291.16	10,541.53	13.46
Tapioca	10,284.91	7,398.85	-28.06
Canned Pineapple	6,895.79	6,992.62	1.40
Frozen Octopus	5,880.17	5,468.57	-7.00
Tapioca Flour	4,546.44	4,694.91	3.27
Frozen Fish Fillet	4,702.84	4,452.99	-5.31
Processed Tuna	2,698.77	4,415.30	63.60
Frozen Squid	3,162.96	3,888.89	22.95
Pineapple Juice	2,338.70	2,761.01	18.06
Crackers	1,691.00	1,935.53	14.46
Baby Corn	1,560.66	1,354.46	-13.21
Canned Sardines	1,254.00	1,289.21	2.81

Fresh Shrimp	1,597.42	1,063.21	-33.44
Others	109,824.68	117,488.31	6.98
Total	**369,994.72**	**355,577.54**	**-3.90**

Currently, Thailand is among the top food-exporting countries in the world. Annually, the industry imports food ingredients approximately U.S. $1.8 billion, and this trend will increase in the future. Although domestic ingredients hold the greatest share of the market, these items tend to be low-value, high-volume raw and semi-processed products such as grains, vegetable oils, and starches. Higher value and more technology-based ingredients are generally not available locally and must be imported. The food ingredient market is growing continuously due to increases in population and in purchasing power; increases in number of dual income families; and new product development.

Followings are some general characteristics of the Thai food processing industry:

- Thailand has earned foreign currency from exports of processed foods since 1970. Thereafter, Thai agriculture successfully diversified into high value products including horticulture, livestock and fisheries and leads or is among the world leading exporters of several commodities.
- The Thai market for raw materials is growing. Raw inputs to the food processing sector are primarily supplied by Thai companies. Nevertheless, the import market for these ingredients has been growing continuously, reaching $302 million in 2001. The growth in demand for raw materials is due to the increased localized production of processed products that are in high demand and are expensive to ship long distances.
- Many Thai retail stores are modernizing and increasing their capacity in the refrigerated and frozen foods sections. In addition, modern logistics and technology are being introduced by multinational retail chains to the market.
- Major retail chains purchase directly from processed food producers.
- Increased local production of some traditionally imported foods. Snack foods, salad dressings, sauces, jams and other processed foods that are relatively inexpensive but have high freight costs will be increasingly produced locally.
- An increase in the trend of using imported ingredients for innovative products.
- A move toward higher quality ingredients. There are some companies moving towards using better quality ingredients instead of ingredients chosen on the sole basis of cost.
- High investment in capital equipment, improvements in food technology, more stringent sanitary requirements, marketing innovations, and Thai exports of finished food products all have contributed to the increasing demand for food ingredients. Major food exporters have expanded their production capacity through new machinery purchases or upgrades to meet demand for a variety of products in the major markets and to satisfy international quality standards including HACCP and ISO.

The following is a summary of the advantages and challenges facing U.S. exports of processed food products and ingredients in Thailand:

Advantages	Challenges
Thailand's economy has come out of the recession. Its economy is forecast to grow by 5% in 2002. This increases households' purchasing power and the demand for high value foods.	Price is still the most important factor when making a purchasing decision for the Thai consumers.
The general image of U.S. products for food processors in Thailand is positive. They are considered safe products and of good quality. And Thai businesses are receptive to U.S. companies.	U.S. products often times are not price-competitive as compared to imports from China, Australia, New Zealand and Malaysia.
Certain U.S. ingredients are already accepted by some of the larger companies. These companies will readily evaluate new ingredients from the USA because of their confidence in the quality of U.S. ingredients.	Some industrial buyers no longer consider U.S. ingredients to be of superior quality as more suppliers in Thailand are able to produce the products up to worldwide standards.
Thailand has a relatively well-developed food processing sector. The country is a major producer and exporter of finished processed food products.	Some government tariffs are still in place to protect national suppliers.
The food processing sector's active involvement in R&D activities and constant new production introductions create new demands for new ingredient types	
The food processing sector relies on imported food ingredients.	Strong competition on the local market from domestic producers, and increasingly imports from the EU and nearby countries promote more competition.
Increased foreign investment raised standards and forced the utilization of higher quality imported ingredients.	Transportation costs are lower for nearby suppliers. There is also more familiarity with regional products.
The market is viewed as a gateway to larger Indochina market.	Due to high import tariffs for U.S. imported products, most Thai importers shift to importing products from other Asian countries, especially ASEAN member countries, which have a low common tariff.
Thailand's open trading environment has stimulated the extensive use of imported ingredients by the local food processing industry.	Strong competition from countries such as Germany, Japan, Malaysia and Singapore.
Food processors who consider not only cost, but also service and quality, will select value-added suppliers who provide both competitive price and additional service.	
Growing popularity of U.S. fast food chains and theme restaurants in Thailand increases demand for U.S. food ingredients	Approximately 20-25% of ingredients are imported because Thailand has good sources for ingredients due to strong agricultural base.

Food technology developments and marketing innovations push higher demand for food ingredients	Increasing competition from Thai companies and, to a lesser extent, European companies.
Thailand lacks the technology and expertise necessary to develop formulas for sophisticated food and feed additives	Local food processors may look for cheaper alternatives to substitute for more expensive ingredients.
Thai consumers are seeking food products with greater convenience in preparation, better quality, and better nutritional value for better health.	Results of Thai FDA approved procedures are required to make health claims on specific products, but FDA procedures are complicated and take time.
Thailand has liberalized imports of many food and feed ingredients.	Thailand’s tariffs on most food ingredients are still relatively high.
The growing tourism industry has created a soaring demand for U.S. HRI products, especially beef, seafood, wine, whisky, etc. (No. of international tourists increased by 5.8% from 2001, reaching approximately 10.06 million tourists)	American style mass food products produced locally cost less.
Reliable supply of U.S. agricultural products and advanced U.S. food processing technology	Thai government policies and actions actively try to increase demand for Thai local products.

SECTION II. Road Map for Market Entry

A. Entry Strategy

U.S. exporters looking to sell food ingredients to Thailand should first seek to establish good relationships with local importers, distributors and agents, the key players in the imported food ingredients business. Many small and medium size food processors buy relatively small volumes of ingredients to avoid complications with import documents and inventory. They therefore find it easiest to work through local intermediaries or via local facilitators.

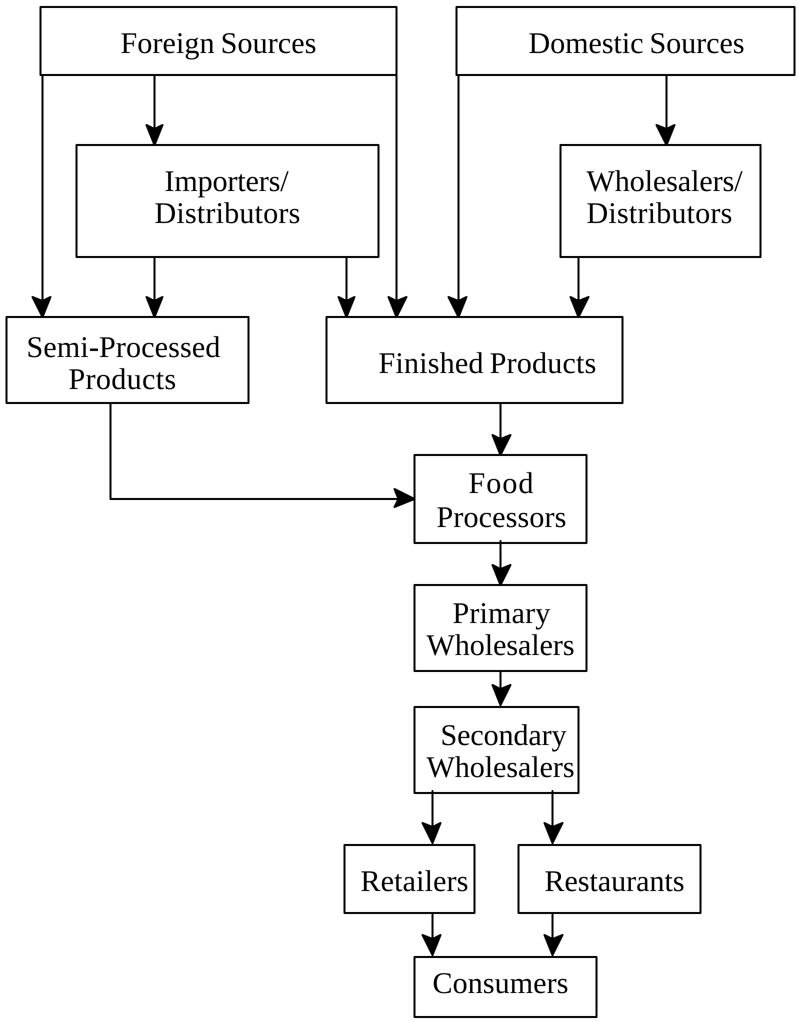
U.S. suppliers should also seek to work with large food processors, either directly or via local facilitators. This is especially important in selling to buyers granted Thai Board of Investment (BOI) privileges that exempt import duties on re-exported items. These firms often buy directly from suppliers to save cost and keep their formulations proprietary.

Emphasis should also be given to setting up distribution systems that ensure consistent quality, on-time delivery, and better service than local suppliers. Due to seasonal variations, inefficient local supply chains, and a variety of other factors, Thai food processors continually face problems in local sourcing adequate quantity and quality of raw and intermediate ingredients. This presents good opportunities for U.S. suppliers that take the time to work with local firms to understand these factors and fill the supply gaps.

Offering credit terms or other financial support is also an advantage to U.S. suppliers that are in a position to offer these arrangements. Although local interest rates have declined and financial liquidity has improved markedly in the past year, many Thai lenders are in dire financial condition and reluctant to lend to many small and medium size food processors. Suppliers that can provide favorable credit terms therefore have an advantage.

B. Distribution Channels

The below chart shows how ingredients are passed from foreign or domestic sources to Thai food proces sors.



Generally, ingredient importer/distributors supply large export-oriented food processors, while local ingredient manufacturers tend to serve smaller domestic-oriented food manufacturers. However, these supply lines are becoming less rigid as, increasingly, a mix between imported and locally manufactured ingredients is necessary for Thai food processors to ensure cost-effective and quality products. This is especially true as Thailand evolves as a processed food exporter and as the local retail food sector continues to develop.

After processed food leaves the plant, independent wholesalers and distributors typically distribute products to central or regional warehouses and retail outlets. Many Thai food processors have also set up distribution subsidiaries to handle their own products and those of other manufacturers.

Distribution to small groceries, hotels, restaurants and institutions has changed considerably as Makro, Tesco Lotus, BigC, Carrefour, and other large retailers have become better established. These retailers sell mainly large or multiple pack quantities, so many small HRI facilities now purchase directly from these large supercenters, or hypermarkets, rather than from local distributors. The development of centralized distribution warehouses has also made it easier for local food processors to distribute directly to some supermarkets, such as Foodland, and the convenience store leader, 7-Eleven, which has more than 1,900 Outlets throughout Thailand.

Specific ingredients, such as preservatives, monosodium glutamate (MSG), and other seasonings and flavorings, are often sold via local distributors to HRI outlets due to special handling needs or because individual consumers uses these products in small volume.

C. Profiles of the Major Food Processors in Thailand

Company	Product Type	Product Brand	Contact Address
Big Kitchen Co., Ltd.	Snack/Fish	Comto	80/2 M.1, Ya Prak, Muang, Samutprakarn
Calbee Tanawat Co., Ltd.	Snack/Fried shrimp snack	Calbee	18th Fl., Sirinrat Bldg., 3388/63 Rama 4 Rd., Klongtoey, bangkok 10110 Tel: 66(0) 2367 5731 Fax: 66(0) 2367 5730
Pepsi Cola (Thai) Trading Co., Ltd. [Frito-Lay (Thailand) Co.]	Snack/Potato Chip	Lay’s	18 SCB Park Plaza West Tower 2, Ratchadapisek Rd., Jatujak, Bangkok 10900 Tel: 66(0) 2937 6262
	Snack/Extruded flour snack	Chee-tos	
	Snack/Fried shrimp snack	Man Chos	

Friendship Co., Ltd. (Siam Ruam Mit Co., Ltd.)	Snack/Extruded flour snack	Hanaka	100/3 Sereethai Rd., Kannayao, Bangkok 10230 Tel: 66(0) 2906 3050-64
	Snack/Fried shrimp snack	Hanami	
	Snack/Corn snack	Corn puff	
Hanami-Tohato Co., Ltd.	Snack/Peanut and green pea	Snack Jack	6/1 Pramual Rd., Silom, Bang Rak, Bangkok Tel: 66(0) 2236 0330
Mae-Ruay Snack Food Factory Co., Ltd.	Snack/Peanut and green pea	Koh Kae	80/9 Moo 6, Bangkhuntien-Chaitale Rd., Samae Dam, Bang Khun Thain, Bangkok Tel: 66(0) 2416 0077 Fax: 66(0) 2416 3082
P.M. Food Co., Ltd.	Snack/Peanut and green pea	Uncle Jack	1 Soi Premier, Srinakarin Rd., Nong Bon, Prawet, Bangkok Tel: 66(0) 2326 0890-2
Premier Marketing Co., Ltd.	Snack/Fish	Taro, Seto	1 Soi Premier Srinakarintara Rd., Nong Bon Prawet, Bangkok Tel: 66(0) 23011600 Fax: 66(0) 2301 1658
	Canned Sardines	Roza	
Procter and Gamble Manufacturing (Thailand) Ltd.	Snack/Potato chip	Pringles	20th-22nd Fl., The Emporium Tower, 622 Sukhumvit Rd., Klongton, Klongtoey, Bangkok 10110 Tel: 66(0) 2667 5000 Fax: 66(0) 2667 5072
Siam Snack Co., Ltd.	Snack/Potato chip	Tasto, Fello	99 Soi Sukhumvit 42 (Rubia), Sukhumvit Rd., Phra Khanong, Klong Toei, bangkok Tel: 66(0) 2313 1470
	Snack/Extruded flour snack	Party	
Songkhla Industry Co., Ltd.	Snack/Fried shrimp snack	Manora	82/5-8 Jaransanitwong Rd., Arunamarin, bangkok 10700 Tel: 66(0) 2424 1124 Fax: 66(0) 2433 3579
Thai Peggy Foods Co., Ltd.	Snack/Potato chip	Roller Coaster	52/136-138 Ramkhamhaeng Rd., Hua Mark, Bangkapi, Bangkok Tel: 66(0) 2377 9372
	Snack/Corn snack	Popcorn	

United Foods Plc.	Snack/Potato chip	Chip Chap	19/111 Moo 7, Ta Kam Rd., Samaedam, Bangkhuntien, Bangkok 10150 Tel: 66(0) 2895 7541 Fax: 66(0) 2415 1211
	Ice cream	United	
Useful Food Co., Ltd.	Snack/Potato chip	Potae, Paprika, Big bat, Kob Kob	10th Fl., Pratunam Prestige Bldg., 3/17-32 Soi Petchburi 15, Rajtaevee Rd., Bangkok 10400 Tel: 66(0) 2653 7450 Fax: 66(0) 2254 3493
	Snack/Corn snack	Cornae	
B.Foods Product International Co., Ltd.	Livestock Farming		7th Fl., Betagro Tower (North Park), 323 M.6, Thung Song Hong, Lak Si, bangkok Tel: 66(0) 2955 0555 Fax: 66(0) 2955 0447
C.P. Intertrade Co., Ltd.	Rice and products from rice mill e.g. paddy, milled rice bran		22th Fl.,, C.P. Tower, 313 Silom Rd., Bangrak, Bangkok 10500 Tel: 66(0) 2638 2000 Fax: 66(0) 2631 0940
Central Poultry Processing Co., Ltd.	Livestock Farming		7/3, Km. 33, Phaholyothin Highway, Klong Neung, Klong Luang, Pathum Thani 12120 Tel: 66(0) 2516 8811-5 Fax: 66(0) 2516 8633
GFPT Plc.	Slaughtering		69/6-13 Suksawat Rd., Soi 35, Ratchaburana, Bangkok 10140 Tel: 66(0) 2463 5991 Fax: 66(0) 2463 5751
Golden Foods International Co., Ltd.	Manufature of other food products e.g. salad oil, yeast, baking, powder, salted eggs, etc.		5th Fl., Neditop Bldg., 334 Soi Ladprao 71, Ladprao Rd., Wangthonglang, Bangkok Tel: 66(0) 2530 0550-9 Fax: 66(0) 2530 6695
Laemthong Poultry Co., Ltd.	Livestock Farming		1126/1 Vanit Bldg., New Phetchaburi Rd., Makkasan, Ratchathewi, Bangkok 10400 Tel: 66(0) 2252 3777 Fax: 66(0) 2255 8659

Saha Farm Co., Ltd.	Meat and other products made of meat (e.g. sausage, salty meat, frozen chicken)		44/4 M. 11 Nawamin Rd., Khannayaw, Bungkhum, Bangkok 10230 Tel: 66(0) 2510 0051-62 Fax: 66(0) 2510 1586
Sun Valley (Thailand) Ltd.	Canning, preserving and processing of fish, shellfish and other sea foods		130-132 Sinthorn Tower 3 Bldg.,18th Fl., Withayu Rd., Lumpini, Pathumwan, Bangkok Tel: 66(0) 2263 2929 Fax: 66(0) 2263 2946
Sunek Food Ltd.	Manufacture of other meat products (sausages, meat ball, salting, fermenting, slicing, shreding of pork)		1/97-98 Soi Phaholyothin 40, Phaholyothin Rd., Ladyaow, Jatujak, Bangkok 10900 Tel: 66(0) 2561 1455 Fax: 66(0) 2940 0299
CP-Meiji Co., Ltd.	Dairy products	Meiji	Washington Bldg., 528/2-11 Sukhumvit 22 rd., Bangkok 10110 Tel: 66(0) 2258 0030 Fax: 66(0) 2259 1903
Nestle Products (Thailand) Inc.	Dairy products	Bear	21th Fl., Amarin Tower, 500 Ploenchit Rd., Lumpini, Bangkok 10330 Tel: 66(0) 2256 9119 Fax: 66(0) 2256 9156
Dutch Mill (Thailand) Co., Ltd.	Dairy products	Dutch Mill	137/6 Puthamonthol Sai 8 Rd., Moo 1, T. Khunkaew, A. Nakornchaisri, Nakornpathom 66(0) 3433 1877
Foremost Dairies Co., (Bangkok) Ltd.	Dairy products	Foremost	99/30 Changwattana Rd., Thungsonghong, Laksi, Bangkhen, Bangkok 10210 Tel: 66(0) 2573 0020 Fax: 66(0) 2573 2298
Chok Chai Milk Ltd.	Dairy products	Chok Chai	294 Moo 8, Viphavadee-Rangsit Rd., T. Khu Khot, A. Lam Luk Ka, P. Pathum Thani Tel: 66(0) 2532 2846-8
Thai Dairy Industry Co., Ltd.	Dairy products (Sweetened & Unsweetened Condensed Milk)	Mali	20th Fl., Kian Gwan 2, 140/1 Wireless Rd., Bangkok 10330 Tel: 66(0) 2255 9040 Fax: 66(0) 2255 9066

Green Spot (Thailand) Co., Ltd.	Dairy products	Vitamilk	244 Srinakarintara Rd., Huamark, Bangkapi, Bangkok 10240 Tel: 66(0) 2374 0823 Fax: 66(0) 2375 2766
Yakult (Thailand) Co., Ltd.	Dairy products	Yakult	1/3 Moo2, Vibhavadi-Rangsit Rd., Ta Lat Bangkhen, Laksi, Bangkok
Thai Union Manufacturing Co., Ltd.	Canned tuna	Select	979/13-16 S.M. Tower Bldg., Paholyothin Rd., Sam Sen Nai, Phayathai, Bangkok 10400 Tel: 66(0) 2298 0421 Fax: 66(0) 2298 0420
Chotiwat Manufacturing Co., Ltd.	Canned tuna		84/22 M. 7, T. Kho Hong, A. Hat Yai, Songkhla Tel: 66(0) 7421 0222-9
Songkla Canning Public Co., Ltd.	Canned tuna		979/9-10 S.M. Tower Bldg., 12th Fl., Phaholyothin Rd., Sam Sen Nai, Phayathai, Bangkok 10400 Tel: 66(0) 2298 0029 Fax: 66(0) 2298 0442
R.S. Cannery Co., Ltd.	Canned tuna		255/1 Bangpoo Industrial Estate, Industrial Soi 3, Samut Prakarn 10280 Tel: 66(0) 2323 9671 Fax: 66(0) 2323 9670
Tropical Canning (Thailand) Plc.	Canned tuna	TCB	1/1 M.2, T. Tung Yai, A. Hat Yai, Songkhla 90110 Tel: 66(0) 7421 2330-7 Fax: 66(0) 7421 2338
Pataya Food Industries Co., Ltd.	Canned tuna		729/69-72 Ratchadapisek Rd., Bangphongphang, Yannawa, Bangkok 10120 Tel: 66(0) 2295 2640 Fax: 66(0) 2295 3552
Narong Canning Co., Ltd.	Canned tuna	Safco	101/6 M. 6, Soi Muangsakul, Bang Khun Thian Rd., Samae Dam, Bang Khun Thian, Bangkok
Southeast Asian Packaging and Canning Co., Ltd.	Canned tuna	Tangay Thong	127/27 Panjathani Tower Bldg., 22 Fl., Nonsi Rd., Chongninsi, Yannawa, Bangkok Tel: 662 681-1035

Unicord Plc.	Canned tuna		404 Phayathai, Pathumwan, Bangkok 10330 Tel: 66(0) 2834 9406 Fax: 66(0) 2216 1468
S.K. Foods Co., Ltd.	Canned tuna		152 Krungthonburi Rd., Klongthonsai, klongsarn, bangkok 10600 Tel: 66(0) 2437 0407 Fax: 66(0) 2437 0404
Royal Food Co., Ltd.	Canned Sardine	Sam Mae Krua	72/85-87 Rama 3 Rd., Chongnonsee, Yannawa, bangkok 10120 Tel: 66(0) 2295 2222
Kuang Peisan Food Products	Canned Sardine	Pumpui	88/9 Moo 4, T. Na Tham Nua, A. Muang, Trang Tel: 66(075) 276 008-97
HI-Q Food Products Co., Ltd.	Canned Sardine	HI-Q	16/17 M.7, T. Bang Kaeo, A. Bang Phli, Samut Prakarn Tel: 662 399 5044-5
B&M Product Co., Ltd.	Canned Sardine	Hienz	33 Moo 6, Thonburi-Paktoh Rd., Thacheen, Muang, Samut Sakhon 74000 Tel: 66(0) 3442 2971 Fax: 66(0) 3442 3336
Peace Canning (1958) Co., Ltd.	Canned Sardine Canned Fruits	Pigeon	207 Soi Panjitr 2, Maitreejitr Rd., Pomprab, Bangkok 10100 Tel: 66(0) 2225 0035 Fax: 66(0) 2225 2100
Eastern Delight Foods Co., Ltd.	Canned Sardine	Delight	1126/9 Chenpattana, Phaholyothin 32, Chatuchak, Lardyoa, Bangkok 10900 Tel: 66(0) 2541 6642 Fax: 66(0) 2541 6495
Nimit International Co., Ltd.	Canned Sardine	Boton, Coastline	1054/1-2 New Phetchaburi Rd., Bangkok 10310 Tel: 66(0) 2252 4933 Fax: 66(0) 2262 7222
Dole Thailand Ltd.	Canned Pineapple		10th Fl., Panjathani Tower, 127/11 Ratchada Phisek Rd., Chongnonsee, Yannawa, Bangkok 10120 Tel: 66(0) 2681 0200 Fax: 66(0) 2681 0221

Thai Pineapple Plc.	Canned Fruits	Tipco	118/1 Rama 6 Rd., Samsen Nai, Phaya Thai, Bangkok 10400 Tel: 66(0) 2271 0041 Fax: 66(0) 2271 4304
Malee Sampran Plc.	Canned Fruits	Malee	Abico Building, 4th Fl., 401/1 Moo 8, Phaholyothin Rd., T. Khu Khot, Lamlookka, Pathumthani 12130 Tel: 66(0) 2992 5800 Fax: 66(0) 2992 5816
Erawan Food Co., Ltd.	Canned Fruits	Chang Ku	127/21 Panjathani Tower Bldg., 16th Fl., Nonsee Rd., Chong Nonsee, Yannawa, Bangkok 10120 Tel: 66(0) 2681 0251-9 Fax: 66(0) 2681 0250
Universal Food Canning Plc.	Canned Fruits	UFC	1 Sivadon Bldg., Convent Rd., Silom, Bangrak, Bangkok 10500 Tel: 66(0) 2237 8010-9 Fax: 66(0) 2236 6633
Uni-President (Thailand) Co., Ltd.	Canned Fruits	Unief	253 Oliframe Asoke Tower, 18th Fl., Soi Asoke, Sukhumvit 21 Rd., North Klongtoey, Bangkok 10110 Tel: 66(0) 2261-7007-9 Fax: 66(0) 2261 7339
Boonrawd Brewery Co., Ltd.	Canned Fruits	Singfresh	999 Samsen Rd., Dusit, Bangkok 10300 Tel: 66(0) 2241 1361-9 Fax: 66(0) 2243 1740
Sun Yang Food Industry Co., Ltd.	Canned Fruits	Daily	112 North Sathorn Rd., Silom, Bangrak, Bangkok 10500 Tel: 66(0) 2266 5590 Fax: 66(0) 2236 3069
Thai Agri Foods Plc.	Canned Fruits	Panchy	155/1 Moo 1, Theparak Rd., T. Bangsaothong, Samutprakarn 10540 Tel: 66(0) 2315 4171-6 Fax: 66(0) 2315 4188
I.P. Trading Co., Ltd.	Canned Fruits	Ivy	2098/3-5 Ramkhamhaeng Rd., Hua Mark, Bangkapi, Bangkok Tel: 66(0) 2300 0529

Osothsapha Co., Ltd.	Canned Fruits	Seaside	2100 Ramkhamhaeng Rd., Huamark, Bangkapi, Bangkok 10240 Tel: 66(0) 2351 1392 Fax: 66(0) 2351 1536
North Star Co., Ltd.	Canned Fruits	Origina	21/66 Soi Gasam Sukhumvit 2, Sukhumvit Rd., Klongtoey, Bangkok Tel: 66(0) 2226-5588
C & A Product Co., Ltd.	Canned Fruits	A-Tip	222 M. 3, T. Phongsawai, A. Muang Ratchaburi 70000 Tel: 66(0) 3231 6402 Fax: 66(0) 3231 6412
Unilever Thai Holdings	Ice Cream	Wall's	411 Srinakarin Rd., Suan Luang, Bangkok Tel: 66(0) 2351 2000
Nestle Ice Cream (Thailand)	Ice Cream	Nestle dairy farms	10/9 Moo 16, Srinakarin Rd., T. Bang Kaeo, A. Bang Phli, Samut Prakan Tel: 66(0) 2758 9733
Minor Dairy Ltd.	Ice Cream	Swensens	99 Berlyuker House, 16th Fl., Soi Rubia, Sukhumvit Rd., Prakanong, Klongtoey, Bangkok Tel: 66(0) 2381 5123-32
Baskin Robbins (Thailand)	Ice Cream	Baskin Robbins	55/18 Moo 13, Navanakorn Industrial Estate, Paholyothin Rd., Klong Nung, Klong Luang, Pathumtanee Tel: 66(0) 2529 2441
HD Distributor (Thailand)	Ice Cream	Haagen Dazs	21/30-32 Soi Soonvijai, Rama 9 Rd., Bangkapi, Huai Kwang, Bangkok Tel: 66(0) 2203 0313-7
American Food Company	Ice Cream	Bud's	16 Soi Lat Phrao 115, Lad Praow Rd., Khlong Chan, Bangkapi, Bangkok Tel: 66(0) 2377 3281-2

D. Sector Trends

The Thai food and beverage manufacturing industry has a broader base than many other Southeast Asian food and beverage processing industries. Most of the Thai major food processing companies are also involved in exporting their products to overseas markets. Several trends are influencing the type and quality of inputs used in processed foods:

- Thailand's open trading environment has stimulated the extensive use of imported ingredients by its local food processing industry. This has enabled the industry to experiment and introduce a wide range of new processed products to the market, e.g. prepared frozen foods, processed meats and new age beverages.
- Thai people have more awareness about their health and nutrition. Macrobiotic foods, vegetarian foods, health foods have become popular in recent years. Although the scope of the healty foods business is smaller and less advanced compared to western countries, Thai consumers are steadily becoming more health-conscious and demanding more flavor-intensive and convenient foods. Products that emphasize reduced fat, absence of chemical additives, and low cholesterol are becoming increasingly popular in the domestic market.
- Changes in the retail sector have driven changes in the processing sector. The trend in the retail sector is away from small grocery stores and towards supercenters and hypermarkets. Currently there are approximately 100 branches of international hypermarkets in Thailand. Consumer expectations have also changed significantly. Faced with an increasingly diverse range of products, quality and price, consumers have become more demanding. In response to increasing consumer expectations, large food retailers, especially international companies, are demanding higher quality standards from Thai food manufacturers.
- The rapid change in consumption patterns has led Thai food processors to begin investing in ready-to-eat meals and frozen food products as well.
- The snack foods industry is also benefiting from the trend toward Western foods and more entertainment and tourist centers throughout the country. The increasing popularity of mini-marts and convenience stores are the driving force in the snack foods market. There are over 15 large manufacturers of snack foods in Thailand and a large number of small firms supply snacks to the local market. Several of the larger manufacturers are increasing exports to other Asian countries, Europe and the U.S.
- The fast food and convenience food industry is expanding rapidly, both in the numbers of companies entering the market and in the number of outlets due to the changing life style and the booming tourist industry. Most of the major international fast food companies are represented in Thailand, including McDonalds, Burger King, Pizza Hut, KFC, 7-Eleven, etc. The rapid growth of the fast food sector is stimulating many businesses such as bakery products, dairy products, meat and poultry, etc.
- Thailand's seafood processing sector is the fourth largest in Asia after Japan, China, and India. More than 90% of its output is bound for export markets, so continual improvements in production quality are being made to maintain and expand demand. Canned and frozen products account for 80% of the output. The leading products are canned tuna and frozen prawns, squid, and assorted fish.

SECTION III. Competition

Due to Thailand's wide range of agricultural and marine resources, most food processors can source many inputs domestically. However, as noted above, local production facilities are still lacking for many higher value and more technology-based ingredients, so these must be imported. The economic crisis and resulting Baht devaluation has resulted in an increase in exports due to the cheaper cost of Thai products, so demand for high quality ingredients has correspondingly increased.

Buyers report that US ingredient exporters are generally less competitive in terms of price, service, and delivery time, but that they offer high quality products and are consistent suppliers. U.S. suppliers are also known to be a reliable source of large volume and good quality ingredients to the major food processors. Many Thai buyers note that prices of U.S. ingredients are relatively high as compared to ingredients from Australia, Canada, and China.

The long lead times for ordering and delivering U.S. ingredients is another disadvantage perceived by Thai buyers. The lead time to import U.S. products is typically about two months, while it takes only one month from Australia and Canada.

SECTION IV. Best Product Prospects

A. Products Currently Available

It is important to recognize that most ingredients used internationally are now being used in Thailand's food and feed industries to some extent. In comparison to more advanced countries, the amount used is still relatively small, but there are good opportunities for expansion. The following higher value products are presently moving well in the market:

- Emulsifying, foaming, stabilizing and thickening agents. These products are used in production of frozen foods, bakery products, ice cream, evaporated milk and confectionery products. The amount of these ingredients used has increased proportionately with local and export demand in these market segments
- Synthetic colors, flavors and fragrances. These products are used in soft drinks, ice cream and other dairy products, confectionery products, snack foods, baked goods, instant noodles and a wide range of ready-to-prepare and ready-to-eat meat-based foods. These food industries did quite well during the recession and should grow well in the future. Demand for soft drinks, snacks, and confectioneries is expanding as Thailand is exposed to more international consumption trends, so there should be increasing opportunities for U.S. ingredient suppliers to enter these markets. Most synthetic colors and flavors are now imported in prepared form, but buyers look for more local semi-processing in the future.
- Nutritive sweeteners. The market for sweeteners is large among soft drink and other beverage manufacturers, as well as in the confectionery industry. However, the market for more refined nutritive sweeteners has potential beyond the basic sweeteners made from local ingredients. The beverage industry offers tremendous opportunity to ingredient suppliers, mainly due to the fusion of eastern and western influences in this segment. Fruity soya drinks and flavored water with low sugar and high protein are new products that offer potential for these types of ingredients.
- Soy lecithin. Soy lecithin can substitute for egg yolk, which has traditionally been used as an emulsifier in cakes, doughnuts, and cookies. Egg yolk contains high concentrations of cholesterol and fat, which limits its use. Soy lecithin contains no cholesterol, yet its phospholipids are similar to those of egg yolk. Therefore, it can effectively be used as an egg yolk replacer with health benefits.

B. Products With Good Sales Potential That Are Not Presently Marketed.
Products that can substitute for traditional ingredients and provide additional advantages, such as preservative-free ingredients that provide extended shelf life, have good sales potential in Thailand. Local food processors say that the stability of this type of product could greatly reduce the amount of waste and cost in using traditional local ingredients.

Thai consumers like new foods that are flavor-intensive, palate-pleasing and healthy. Replacements for common salt and sweeteners, along with new ingredients that can produce flavors linked to the four taste senses, therefore have good sales potential.

Some food processors also note that prepared food ingredients or products that are already enriched with new functional or nutritional ingredients will be another interesting area as the economy recovers.

C. Products That Will Not Sell Well or Cannot Be Used

- Food preservatives. Increasingly, Thai consumers are more concerned about their health and the nutritional quality of their foods. As a result, there are currently many concerns among the public about the over-use of chemical food preservatives. Moreover, there are now more government regulations controlling the use of preservatives. Under the Thai Food and Drug Administration (FDA) regulations, food preservatives are permitted to be used only up to a level of 1,000 ppm. The FDA also stipulates that preservatives may not total more than five percent of all ingredients in a given food product.

- Monosodium glutamate and MSG-based seasonings. Ajinomoto (Thailand), a local manufacturer, is the main supplier of MSG to the food industry. The company also produces a line of food seasoning used in soups and noodle preparations. Consequently, there is little potential for these products to be imported.

SECTION V. Post Contact and Further Information

The Foreign Agricultural Service in Bangkok maintains up-to-date information covering food and agricultural import opportunities in Thailand and would be pleased to assist in facilitating U.S. exports and entry to the Thai market. Questions or comments regarding this report should be directed to the Foreign Agricultural Service in Bangkok at the following addresses:

U.S. Department of Agriculture
Office of Agricultural Affairs
U.S. Embassy
Diethelm Towers Building
4th Floor Tower A, RM. 404
93/1 Wireless Road
Bangkok 10330
Tel. +662-205-5106, 205-5121-2
Fax. +662-255-2907
Email: Agbangkok@fas.usda.gov
Home page: www.fas.usda.gov

Appendices

A. Table - Import Statistics of Food Processing Products in Thailand

Description	HS Code	Country	Import Value 2000 (Baht)	%	Country	Import Value 2001 (Baht)	%
Beef (Fresh/Chilled)	02.01	USA	0	0.00%	USA	343,907	3.63%
		Australia	4,426,489	100.00%	Australia	9,069,277	95.85%
					Sweden	48,721	0.51%
		Total	4,426,489		Total	9,461,905	
Beef (Frozen)	02.02	USA	25,686,027	24.64%	USA	22,160,970	27.12%
		Australia	65,523,400	62.87%	Australia	50,487,218	61.78%
		New Zealand	8,173,778	7.84%	New Zealand	5,888,769	7.21%
		Total	104,227,599		Total	81,723,032	
Lamb	02.04	USA	44,150	0.45%	USA	0	0.00%
		New Zealand	5,017,971	50.60%	Australia	11,031,733	57.49%
		Australia	4,854,071	48.95%	New Zealand	7,579,060	39.50%
					Namibia	357,511	1.86%
		Total	9,916,192		Total	19,187,727	
Offal	02.06	USA	1,428,338	4.97%	USA	144,867	0.43%
		Belgium	10,035,814	34.89%	Belgium	15,871,390	46.70%
		Canada	5,193,771	18.06%	Canada	6,339,083	18.65%
		Singapore	3,239,616	11.26%	Australia	3,366,939	9.91%
		Total	28,762,595		Total	33,982,562	
Turkey	0207.25-27	USA	3,269,077	85.61%	USA	2,007,758	100.00%
		Hungary	549,582	14.39%			
		Total	3,818,659		Total	2,007,758	
Dried Vegetables	07.12	USA	7,486,671	5.20%	USA	12,549,478	7.39%
		China	71,044,521	49.33%	China	64,037,359	37.72%
		Korea	22,287,734	15.48%	Korea	37,837,556	22.29%
		Hong Kong	16,299,386	11.32%	Hong Kong	19,929,484	11.74%
		Total	144,008,620		Total	169,775,342	
Dried leguminous	07.13	USA	4,364,736	5.78%	USA	9,375,366	7.20%
vegetables		China	23,884,095	31.61%	Canada	49,245,241	37.80%
		Canada	18,575,759	24.59%	China	33,882,770	26.01%
		New Zealand	7,784,134	10.30%	New Zealand	11,588,288	8.90%
		Total	75,552,612		Total	130,270,086	
Coconuts, Brazil nuts	08.01	USA	25,973	0.31%	USA	0	0.00%
and cashew nuts		Philippines	5,594,594	65.83%	Philippines	2,471,257	96.62%
fresh or dried		Myanmar	2,800,980	32.96%	Myanmar	66,000	2.58%
		Singapore	76,767	0.90%	France	20,357	0.80%
		Total	8,498,314		Total	2,557,614	
Nuts	08.02	USA	66,358,293	28.84%	USA	93,620,261	35.36%

		China	136,323,879	59.24%	China	154,424,172	58.32%
		Myanmar	11,849,182	5.15%	Myanmar	3,192,685	1.21%
		Total	230,119,222		Total	264,797,934	

Dates, figs,	08.04	USA	944,644	19.31%	USA	351,660	9.99%
pineapples,avocados,		Israel	2,743,267	56.08%	Israel	2,963,897	84.21%
guavas,mangoes,		China	582,613	11.91%	Thailand	136,267	3.87%
and mangosteens		Total	4,891,401		Total	3,519,470	
fresh or dried							
Citrus fruits	08.05	USA	9,020,967	26.98%	USA	6,407,316	23.14%
fresh or dried		Australia	23,536,672	70.40%	Australia	20,383,280	73.62%
		Pakistan	486,982	1.46%	Taiwan	507,293	1.83%
		Total	33,433,492		Total	27,685,679	
Dried Grapes	0806.200.004	USA	10,134,812	96.93%	USA	12,342,960	98.32%
		China	169,687	1.62%	China	132,362	1.05%
		Singapore	82,580	0.79%	Malaysia	78,276	0.62%
		Total	10,455,911		Total	12,554,073	
Other dried fruits	08.13	USA	9,814,365	52.35%	USA	8,291,304	54.73%
		China	6,043,950	32.24%	China	4,820,472	31.82%
		Switzerland	879,871	4.69%	Switzerland	601,566	3.97%
		Total	18,748,516		Total	15,150,675	
Peel of citrus fruit	08.14	USA	5,724,321	88.87%	USA	6,726,158	94.28%
or melons		Japan	522,871	8.12%	Japan	229,085	3.21%
		China	160,196	2.49%	China	139,590	1.96%
		Total	6,441,559		Total	7,134,291	
Pepper	09.04	USA	2,012,206	0.81%	USA	2,849,633	0.88%
		Indonesia	93,617,586	37.60%	Indonesia	138,118,352	42.64%
		China	92,078,669	36.98%	China	102,204,901	31.55%
		Myanmar	45,026,968	18.08%	Myanmar	32,551,700	10.05%
		Total	248,994,560		Total	323,923,320	
Caraway	0909.400.005	USA	124,588	71.92%	USA	153,762	77.51%
		Germany	47,527	27.44%	Germany	39,215	19.77%
		Spain	1,117	0.64%	Spain	5,410	2.73%
		Total	173,232		Total	198,387	
Thyme and bay	0910.400.003	USA	782,497	65.87%	USA	1,550,572	52.95%
leaves		Germany	231,520	19.49%	Spain	951,226	32.49%
		France	86,373	7.27%	Germany	193,448	6.61%
		Total	1,187,920		Total	2,928,118	
Wheat	11.01	USA	260,344	0.06%	USA	400,931	0.07%
		Japan	173,920,327	43.02%	Japan	174,703,273	31.98%
		Australia	71,994,985	17.81%	Malaysia	174,275,974	31.90%
		Korea	69,523,380	17.20%	Australia	94,319,124	17.27%
		Total	404,293,600		Total	546,286,556	
Rye flour	1102.1	USA	105517	4.02%	USA	100,622	3.30%
		Australia	1752958	66.72%	Australia	2,136,713	70.07%
		German	768880	29.26%	German	812,130	26.63%
		Total	2,627,355		Total	3,049,465	

Maize Flour	1102.2	USA	37,000,585	88.39%	USA	57,901,643	90.61%
		Japan	1,750,801	4.18%	China	3,864,575	6.05%
		New Zealand	1,239,984	2.96%	New Zealand	1,592,688	2.49%
		Total	41,860,121		Total	63,902,400	

Cereal Flour	11.02	USA	58,002,265	68.91%	USA	37,136,143	67.56%
		Netherlands	9,989,268	11.87%	Netherlands	9,496,018	17.27%
		Thailand	5,241,050	6.23%	Japan	2,330,675	4.24%
		Total	84,170,487		Total	54,969,827	
Cereal groats	11.03	USA	14,049,403	47.03%	USA	7,476,079	25.04%
		Australia	15,077,995	50.48%	Australia	17,237,165	57.72%
		France	408,118	1.37%	Malaysia	4,206,943	14.09%
		Total	29,870,425		Total	29,862,500	
Germ of cereals	11.04	USA	17,538,281	77.01%	USA	4,864,261	19.43%
		Netherlands	1,930,626	8.48%	Australia	14,100,862	56.33%
		Australia	1,822,975	8.00%	Netherlands	3,102,577	12.39%
		Total	22,774,394		Total	25,033,566	
Potato Flour	11.05	USA	14,638,581	45.23%	USA	26,295,636	48.49%
		Denmark	6,066,558	18.74%	Denmark	15,469,470	28.53%
		Canada	5,633,928	17.41%	Netherlands	7,115,418	13.12%
		Total	32,364,289		Total	54,229,865	
Malt	11.07	USA	50,779	0.00%	USA	343,943	0.02%
		Australia	631,823,510	43.23%	Australia	1,043,961,772	46.72%
		UK	451,345,208	30.88%	UK	551,273,218	24.67%
		France	145,766,264	9.97%	Germany	258,111,223	11.55%
		Total	1,461,444,478		Total	2,234,512,585	
Starches	11.08	USA	9,348,451	1.92%	USA	13,902,892	2.32%
		Germany	275,961,406	56.81%	Germany	309,635,436	51.68%
		Netherlands	86,084,772	17.72%	Netherlands	79,677,605	13.30%
		Denmark	28,636,580	5.89%	Poland	53,987,896	9.01%
		Total	485,786,251		Total	599,170,342	
Wheat Starch	1108.11	USA	6,916,680	12.04%	USA	8,353,164	11.29%
		Australia	14,950,671	26.02%	Australia	38,172,055	51.60%
		France	14,752,190	25.68%	France	11,849,996	16.02%
		Germany	8,404,327	14.63%	Belgium	9,820,520	13.28%
		Total	57,451,092		Total	73,976,809	
Maize Starch	1108.12	USA	355,811	1.03%	USA	1,329,830	3.70%
		Netherlands	11,038,945	32.08%	South Africa	13,425,270	37.31%
		South Africa	7,660,834	22.26%	Japan	5,814,599	16.16%
		Japan	5,662,876	16.46%	Korea	5,357,502	14.89%
		Total	34,411,801		Total	35,982,897	
Potato Starch	1108.13	USA	1,892,450	0.50%	USA	3,977,274	0.85%
		Germany	266,857,307	70.13%	Germany	309,133,446	66.00%
		Netherlands	62,882,420	16.53%	Netherlands	67,768,039	14.47%
		Denmark	28,636,580	7.53%	Poland	53,986,009	11.53%
		Total	380,498,257		Total	468,365,775	
Manioc Starch	1108.14	USA	0	0.00%	USA	0	0.00%
		Thailand	631,942	93.78%	Sweden	445,805	91.18%

		Taiwan	41,942	6.22%	Germany	10,385	2.12%
					Korea	10,060	2.06%
		Total	673,884		Total	488,941	

Extracts of liquorice	1302.12	USA	10,975,378	44.52%	USA	5,523,720	30.94%
		France	6,984,886	28.33%	France	6,986,756	39.14%
		China	4,012,381	16.28%	China	2,292,489	12.84%
		Total	24,652,639		Total	17,852,487	
Extracts of hops	1302.13	USA	23,219,499	73.33%	USA	100,635,136	98.54%
		Germany	4,789,278	15.13%	Denmark	1,486,331	1.46%
		Australia	3,044,126	9.61%			
		Total	31,663,556		Total	102,121,467	
Pig/Poultry fat	15.01	USA	0	0.00%	USA	0	0.00%
		Taiwan	875,479	81.35%	Taiwan	1,707,015	87.19%
		Spain	128,173	11.91%	Spain	146,734	7.49%
		Japan	72,560	6.74%	Japan	104,101	5.32%
		Total	1,076,212		Total	1,957,850	
Fats of bovine animals	15.02	USA	3,039	0.02%	USA	6,709	0.03%
		New Zealand	12,846,050	64.28%	New Zealand	17,564,658	73.60%
		Denmark	3,651,592	18.27%	Australia	3,757,042	15.74%
		Australia	2,169,722	10.86%	Japan	1,956,373	8.20%
		Total	19,983,490		Total	23,864,575	
Lard stearin/Lard Oil	15.03	USA	0	0.00%	USA	0	0.00%
		Taiwan	370,830	100.00%	Japan	770,400	77.18%
					Taiwan	227,823	22.82%
		Total	370,830		Total	998,223	
Fish Fat/Oils	15.04	USA	3,848,787	2.87%	USA	0	0.00%
		Peru	85,632,146	63.91%	Peru	118,753,191	70.75%
		Korea	12,596,564	9.40%	Iceland	13,109,266	7.81%
		Iceland	9,252,301	6.91%	Netherlands	5,259,983	3.13%
		Total	133,985,635		Total	167,852,402	
Soybean Oil	15.07	USA	0	0.00%	USA	11,178	8.51%
		Singapore	3,205,352	97.53%	Germany	68,239	51.97%
		France	81,268	2.47%	France	51,898	39.52%
		Total	3,286,620		Total	131,315	
Peanut Oil	15.08	USA	0		USA	0	0.00%
					UK	830	100.00%
		Total	0		Total	830	
Olive oil	15.09	USA	1,974,749	3.05%	USA	0	0.00%
		Spain	43,632,618	67.43%	Spain	50,724,411	64.45%
		Italy	14,138,101	21.85%	Italy	17,972,315	22.84%
		Germany	2,082,460	3.22%	Turkey	7,919,254	10.06%
		Total	64,706,804		Total	78,704,336	
Parm Oil	15.11	USA	0	0.00%	USA	0	0.00%
		Malaysia	18,514,882	99.97%	Malaysia	1,993,954	100.00%
		France	5,415	0.03%			0.00%
		Total	18,520,297		Total	1,993,954	

Sunflower Oil	1512.110.002	USA	0	0.00%	USA	98,958	0.04%
(edible)		Singapore	92,446,433	67.14%	Singapore	153,718,832	58.63%
		Malaysia	44,427,431	32.27%	Malaysia	104,641,760	39.91%
		UK	676,250	0.49%	Spain	2,400,752	0.92%
		Total	137,681,916		Total	262,203,751	
Cotton-seed Oil	1512.291.008	USA	0	0.00%	USA	0	0.00%
(edible)		India	613,196	100.00%	Singapore	6,262,643	100.00%
		Total	613,196		Total	6,262,643	
Sugars and products	17.02	USA	70,639,789	21.26%	USA	89,949,219	22.93%
		Netherlands	59,895,299	18.02%	New Zealand	64,948,972	16.56%
		New Zealand	52,636,414	15.84%	France	49,703,204	12.67%
		Total	332,341,824		Total	392,291,512	
Vegetables, fruit	20.01	USA	2,242,479	79.03%	USA	5,469,660	72.19%
preserved by		Japan	346,045	12.20%	Japan	599,099	7.91%
vinegar/acetic acid		France	159,323	5.61%	Sri Lanka	559,153	7.38%
		Total	2,837,558		Total	7,576,474	
Tomatoes preserved	20.02	USA	99,636	0.26%	USA	12,657,929	15.95%
by vinegar/acetic acid		China	33,765,784	88.97%	China	56,048,545	70.63%
		Switzerland	1,537,591	4.05%	Switzerland	4,928,158	6.21%
		Turkey	863,944	2.28%			
		Total	37,950,135		Total	79,351,480	
Mushrooms/Truffles	20.03	USA	0	0.00%	USA	0	0.00%
preserved by		China	40,336,872	77.73%	China	33,699,080	70.20%
vinegar/acetic acid		Vietnam	10,254,028	19.76%	Vietnam	7,570,959	15.77%
		Bhutan	1,019,258	1.96%	Thailand	5,680,649	11.83%
		Total	51,894,025		Total	48,001,361	
Potatoes	2004.100.007	USA	527,111,333	74.88%	USA	344,435,580	56.90%
(preserved)	2005.200.004	Australia	84,212,167	11.96%	Belgium	91,557,344	15.12%
		New Zealand	57,538,420	8.17%	New Zealand	82,936,779	13.70%
		Total	703,957,069		Total	605,371,687	
Homogenized vegetables	2005.100.002	USA	1,319,892	33.47%	USA	1,316,970	77.28%
		Taiwan	2,623,687	66.53%	Taiwan	387,151	22.72%
		Total	3,943,579		Total	1,704,121	
Peas	2005.400.008	USA	0	0.00%	USA	0	0.00%
(preserved)		Australia	496,643	87.42%	Malaysia	436,940	74.18%
		Israel	36,577	6.44%	Australia	92,493	15.70%
		Italy	34,877	6.14%	Italy	55,521	9.43%
		Total	568,097		Total	589,007	
Beans	2005.510	USA	471,354	28.64%	USA	1,642,482	62.61%
(preserved)	2005.590.008	Japan	1,011,018	61.43%	Japan	438,996	16.73%
		Australia	113,200	6.88%	Malaysia	376,541	14.35%
		Total	1,645,918		Total	2,623,371	

Asparagus	2005.600.001	USA	0	0.00%	USA	0	0.00%
(preserved)		China	1,217,090	100.00%	China	162,547	59.17%
					Netherlands	112,182	40.83%
		Total	1,217,090		Total	274,729	

Olives	2005.700	USA	8,761	0.26%	USA	0	0.00%
(preserved)		Spain	2,119,574	63.28%	Spain	4,029,292	72.14%
		France	425,793	12.71%	Greece	614,648	11.00%
		Greece	424,035	12.66%	France	535,538	9.59%
		Total	3,349,574		Total	5,585,722	
Sweet Corn	2005.800.005	USA	244,819	100.00%	USA	1,010,886	99.91%
(preserved)		Total	244,819		Total	1,011,775	
Vegetables, fruit	20.06	USA	881,616	11.52%	USA	210,603	3.14%
preserved by		Thailand	3,434,606	44.89%	China	4,876,992	72.63%
sugar		China	992,064	12.97%	Philippines	641,124	9.55%
					Australia	509,622	7.59%
		Total	7,651,833		Total	6,715,279	
Jams, fruit jellies	20.07	USA	35,710,326	27.59%	USA	32,725,251	33.63%
		Indonesia	32,524,949	25.13%	Malaysia	23,690,729	24.35%
		Malaysia	23,175,025	17.90%	Japan	11,517,114	11.84%
		Total	129,444,549		Total	97,308,450	
Ground Nuts	2008.110.004	USA	14,704,361	93.63%	USA	9,694,010	92.69%
(preserved)		Vietnam	363,612	2.32%	Malaysia	440,583	4.21%
		UK	255,906	1.63%	UK	241,715	2.31%
		Total	15,704,514		Total	10,458,348	
Almonds roasted	2008.190.014	USA	723,077	11.84%	USA	212,822	86.55%
(preserved)		Australia	5,381,604	88.16%	UK	33,063	13.45%
		Total	6,104,681		Total	245,885	
Citrus fruit	2008.30	USA	1,492,386	4.16%	USA	497,969	0.15%
(preserved)		China	33,946,418	94.71%	China	335,907,867	99.69%
		France	291,460	0.81%	France	497,969	0.15%
		Total	35,843,612		Total	336,957,537	
Pears	2008.40	USA	5,093,422	93.32%	USA	58,394,835	98.02%
(preserved)		France	364,631	6.68%	France	1,169,292	1.96%
					Italy	8,349	0.01%
		Total	5,458,053		Total	59,575,267	
Apricots	2008.50	USA	0	0.00%	USA	0	0.00%
(preserved)		Germany	3,193,210	91.57%	Germany	2,439,358	49.40%
		France	289,683	8.31%	China	1,595,779	32.31%
		UK	4,244	0.12%	France	891,954	18.06%
		Total	3,487,137		Total	4,938,234	
Cherries	2008.60	USA	10,647,663	74.79%	USA	11,939,681	75.52%
(preserved)		France	2,902,344	20.39%	France	1,624,296	10.27%
		Spain	433,411	3.04%	Spain	1,424,103	9.01%
		Total	14,237,405		Total	15,810,850	
Peaches	2008.70	USA	8,528,634	23.22%	USA	54,134,637	31.01%
(preserved)		Greece	25,575,073	69.64%	Greece	106,836,548	61.21%

		China	1,595,668	4.34%	China	11,166,485	6.40%
		Total	36,725,327		Total	174,544,619	

Strawberries	2008.80	USA	0	0.00%	USA	906,160	51.90%
(preserved)		France	323,707	100.00%	France	564,162	32.31%
					Germany	111,481	6.38%
		Total	323,707		Total	1,746,031	
Fruit/vegetable juices	2009.110.005	USA	10,933,690	17.93%	USA	9,765,051	13.99%
Frozen		Brazil	32,852,025	53.88%	Brazil	44,548,221	63.84%
		Israel	9,272,277	15.21%	Israel	11,847,153	16.98%
		Total	60,974,325		Total	69,784,032	
Grapefruit Juice	2009.200.006	USA	9,488,132	37.89%	USA	13,193,128	34.46%
		Italy	7,071,094	28.24%	Italy	10,133,196	26.47%
		Australia	3,765,880	15.04%	Australia	6,907,746	18.04%
		Total	25,040,986		Total	38,284,259	
Single Citrus Fruit Juice	2009.300.008	USA	3,516,007	12.83%	USA	3,097,104	16.34%
		Australia	16,327,246	59.57%	Australia	10,254,480	54.09%
		Netherlands	2,156,776	7.87%	Brazil	3,333,701	17.59%
		Total	27,406,497		Total	18,956,506	
Pineapple Juice	2009.400	USA	302966	1.94%	USA	284,328	2.83%
		Netherlands	7,365,489	47.23%	Thailand	7,644,399	75.97%
		South Africa	5,550,484	35.59%	South Africa	2,032,178	20.19%
		Philippines	2,171,949	13.93%			
		Total	15,595,269		Total	10,062,904	
Tomato Juice	2009.50	USA	971,151	49.18%	USA	893,726	100.00%
		Thailand	967,056	48.97%	UK	562	0.06%
		Australia	19,374	0.98%			
		Total	1,974,716		Total	893,726	
Grape Juice	2009.60	USA	14,519,902	32.03%	USA	22,668,269	44.14%
		Spain	11,572,383	25.53%	Spain	13,660,895	26.60%
		Taiwan	9,286,856	20.49%	Taiwan	10,012,452	19.50%
		Total	45,332,799		Total	51,354,935	
Apple Juice	2009.70	USA	2,403,538	7.10%	USA	4,944,036	10.40%
		China	12,389,380	36.60%	China	16,533,362	34.79%
		Netherlands	5,932,754	17.53%	Germany	16,102,124	33.88%
		Germany	3,899,278	11.52%	Australia	4,145,846	8.72%
		Total	33,851,382		Total	47,526,484	
Mixtures of juices	2009.90	USA	22,525,174	84.64%	USA	75,657,380	88.91%
		Netherlands	1,175,872	4.42%	Netherlands	2,635,649	3.10%
		France	1,154,256	4.34%	France	2,340,223	2.75%
		Total	26,614,338		Total	85,097,692	
Lecithins/other	2923.200.006	USA	55,227,952	67.28%	USA	67,215,921	67.96%
phosphoaminolipids		Netherlands	12,726,736	15.50%	Germany	17,556,432	17.75%
		Germany	10,186,463	12.41%	Netherlands	11,175,578	11.30%
		Total	82,084,099		Total	98,906,587	

Enzymes	35.07	USA	49,730,386	8.85%	USA	69,905,030	9.84%
		Denmark	142,868,529	25.43%	Denmark	220,195,487	31.00%
		Japan	109,742,429	19.53%	Japan	122,349,444	17.22%
		Netherlands	72,814,295	12.96%	Finland	101,989,235	14.36%
		Total	561,812,227		Total	710,363,639	

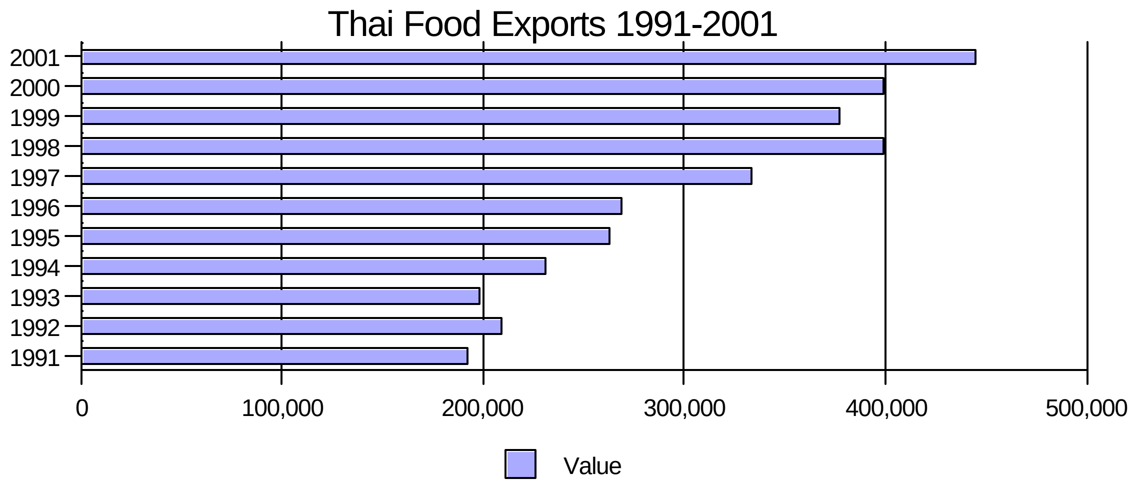
B. Industry History The highlights of the food industrial development can be summarized as follows:
- Before 1960 - most exports were surplus agricultural products, 70% of which are foods. The technologies available in the country to preserve foods were only drying, pickling and sugar glazing.
- 1960-70 - Through the introduction of the Government Industrial Promotion Privileges, Thailand substituted most of its imported products with its product surpluses. Likewise, the technology to process sweetened condensed milk, canned fruits and vegetables and vegetable oil were then imported from Taiwan and Japan.

1970-80 - It was only at this stage that the country started to earn from the processed products exports. Products were initially targeted for local consumption. However, surpluses were exported. Lacking in experience in bulk production and marketing, producers felt the need to improve their technical know-how to improve product quality and meet importers' requirements.

1980-90 - This stage was characterized by its rapid industrial pace of development. Having already established their markets and also brought in some technologies from the US and Europe, the country's exports registered a 26% growth rate in 1990 which was mostly accounted for by the frozen and chilled export commodities.

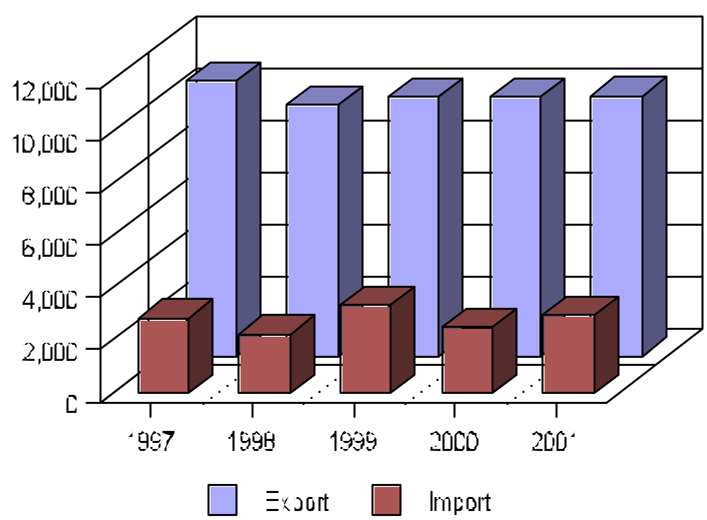
1990-2000 - The present stage is gearing towards high competition in the world markets. Great concern is now placed on hygiene and sanitation of production, food safety, wholesomeness, production costs, value-added, standards, environment and regulations.

C. Thai Food Exports 1991 - 2001 (million baht)

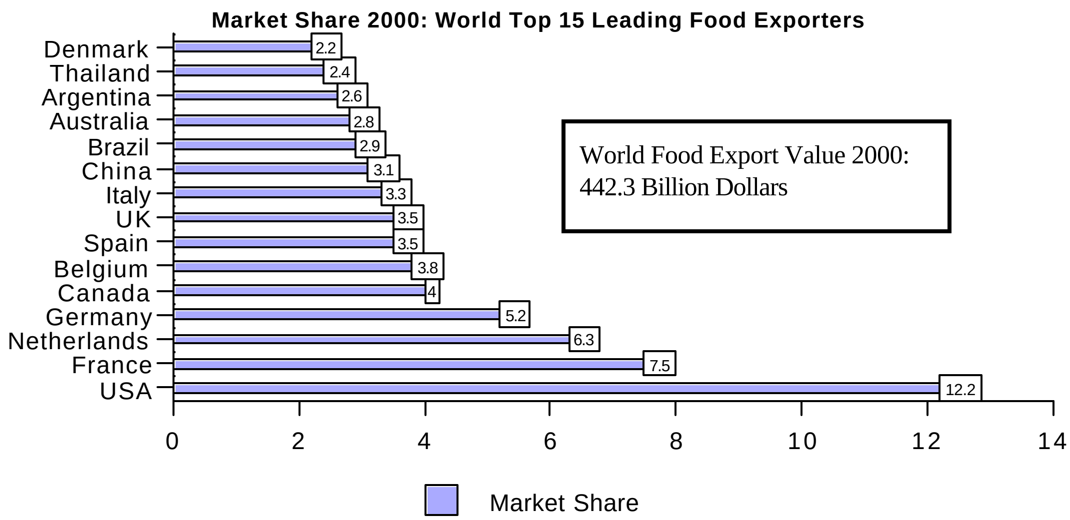


D. Thailand Food Trade 1997-2001

Thailand Food Trade: 1997 - 2001 (million US$)					
	1997	**1998**	**1999**	**2000**	**2001**
Exchange Rate (Baht/US$)	31.37	41.37	37.84	40.16	44.48
Export	10,589	9,640	9,958	9,939	9,998
Import	2,867	2,251	3,397	2,536	2,959



E. World Food Market Share: 2000



F. Food Ingredient Importers

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Bangkok 10520
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Fax. +662-326-6955
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Prasong Aramwittaya, Managing Director

BJC Specialties
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99 Soi Rubia, Sukhumvit 42 Rd.
Bangkok 10110
Tel. +662-367-1111
Fax. +662-367-1000
Contact person: Mr. Chavalit Thanasahavorakun, Group Sales Manager
Mr. Marten Porsild, Managing Director

Caltech Co., Ltd.
116-118 Ladprao Rd.
Klongchan, Bangkapi
Bangkok 10240
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Fax. +662-375-7469
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Contact person: Ms Kanokpan Kreangkralkrissada, Marketing Director
Ms Wanida San-aree, Sales Manager

End of report.