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Report Name: Food Processing Ingredients

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Report Highlights:

Thailand is one of the world's leading agricultural suppliers, primarily due to its well-developed food processing sector. The country has one of the most advanced food processing industries in Southeast Asia, which enables Thailand to export value-added products to international markets like Europe, Japan, China, and the United States. Major food exports include rice, canned tuna, sugar, chicken meat, cassava products, shrimp, and canned pineapple. Prior to the COVID crisis, the National Food Institute estimated that the value of Thai food exports would be U.S. $34.9 billion in 2020, an increase of 5.4 percent from the previous year.

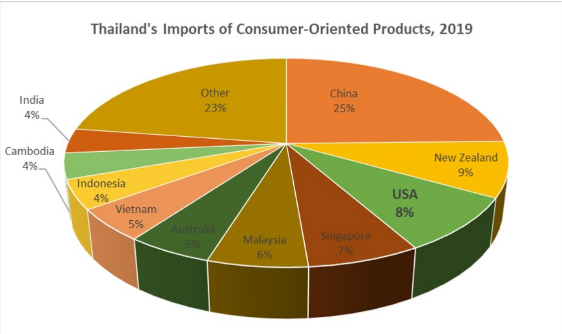
Executive Summary

Thailand is one of the world's leading agricultural suppliers, primarily due to its well-developed food processing sector. The country has one of the most advanced food processing industries in Southeast Asia, which enables Thailand to export value-added products to international markets like Europe, Japan, China, and the United States. The food industry is the country's third largest industry, contributing 21 percent to the country's Gross Domestic Product (GDP). Major food exports include rice, canned tuna, sugar, chicken meat, cassava products, shrimp, and canned pineapple. Prior to the COVID crisis, the National Food Institute estimated that the value of Thai food exports would be U.S. $34.9 billion in 2020, an increase of 5.4 percent from the previous year.

The macroeconomic situation and key data about the Thai economy can be found in Thailand's Exporter Guide Report dated December 25, 2019.

Imports of Consumer-Oriented Products

In 2019, the United States was the 3rd largest supplier of these products to Thailand with exports valued at U.S. $473 million.



Food Processing Industry

Thailand's food processing industry has developed rapidly and is one of the most developed in South East Asia, with more than 10,000 food and beverage processing factories. Most food processors are small-to-medium sized and predominantly serve the domestic market. However, there are many medium-to-large food processors that produce higher-value products for domestic and export markets. Main products include frozen shrimp, sugar, poultry, canned tuna, confectionery, snacks, canned pineapple, and tapioca. The main export markets for Thai processed food are Japan, the United States, and the EU. The Thai seafood sector is the third largest in the world, after China and Norway, with 90 percent of output exported. The packaged food industry is highly fragmented, with the top ten companies controlling only about one-third of the sales value.

Quick Facts CY2019

Imports of Consumer-Oriented Products, total: U.S. $5.5 billion.

Thailand's Food Export Ranking:
(Source: National Food Institute; CY2018)
1st Cassava products (91% of world exports)
1st Canned tuna (32% of world exports)
1st Canned pineapple (35% of world exports)
2nd Rice (23% of world exports)
2nd Sugar (13% of world exports)
11th Ready to Eat products (3% of world exports)

Domestic Food Product Sales 2019

Product	Unit	2018	2019
Soy sauce	liters	88,072,524	90,886,968
Fish sauce	liters	85,245,184	84,180,393
Frozen & chilled chicken meat	tons	1,792,769	1,851,514
Sugar	tons	1,558,418	1,648,512
Pasteurized milk	tons	1,009,484	1,070,399
Yoghurt drinks	tons	446,697	452,155
Fruit juice	tons	386,057	431,101
Instant Noodles	tons	216,506	228,236
Ice cream	tons	114,465	117,238
Canned sardines	tons	66,561	77,656
Sausage	tons	30,658	44,418
Frozen fish	tons	35,370	43,306
Cake	tons	38,594	40,221
Canned tuna	tons	28,494	25,299
Crackers	tons	29,960	27,865
Frozen shrimp	tons	22,225	27,108
Canned pineapple	tons	29,405	20,793
Dried fruit and vegetables	tons	6,278	8,347
Cookies	tons	7,180	7,600
Bacon	tons	4,130	4,206
Ham	tons	2,962	3,399

Source: The Office of Industrial Economics

Food and Beverage Trends in Thailand for 2020:

health foods (organic, natural derived, clean foods, healthy snacks); health beverages (natural ingredients, functional drinks, low or sugar free beverages); ready to eat foods; frozen meals, food delivery; halal foods; food for aging populations; organic foods; vegetarian foods; plant protein based products; high protein foods for sports, and processed seafood.

GDP/Population

Population (2018/World Bank): 69.43 Millions
GDP (2019): U.S. $543.7 Billion
GDP per capita (2019): U.S. $ 7,996

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SECTION I – MARKET SUMMARY

Thailand is one of the world's leading agricultural suppliers, primarily due to its well-developed food processing sector and global recognition for its quality control and standards, which enables Thailand to export value-added products to international markets like the European Union (EU), Japan, China, and the United States. The food industry is the country's third largest industry, contributing 21 percent to the country's Gross Domestic Product (GDP). Major food exports include rice, canned tuna, sugar, meat, cassava products, and canned pineapple. Prior to the COVID crisis, the National Food Institute estimated that the value of Thai food exports would be U.S. $34.9 billion in 2020, an increases of 5.4 percent from the previous year. Thailand is one of the world's leading food exporters, with seafood products making up the largest share at about 18.2 percent, followed by chicken, rice, sugar, processed fruits, and beverages. While rice and seafood products suffered a decline in export value, which fell 22 percent and 3.6 percent respectively, the value of chicken exports increased 5 percent, beverages 8.5 percent, and ready-to-eat meals 4.6 percent.

Thailand's Major Agricultural Product Exports 2018-2019

(Million U.S. Dollar)

Products	2018	2019
Fishes and products	6,306	6,076
Rice and products	6,228	4,859
Meat products	4,684	4,920
Fruits and products	3,205	3,291
Sugar and products	3,290	3,384
Cassava and products	2,293	1,801
Beverages	1,768	1,919
Vegetables and products	900	867
Residues and waste, prepared animal fodder	613	588
Dairy products	340	387
Tea and coffee	139	137
Other agricultural products	4,812	5,102
Total	**34,579**	**33,338**

Source: Office of Agricultural Economics, Ministry of Agriculture and Cooperatives

Thailand's Major Agricultural Product Imports 2018-2019

(Million U.S. Dollar)

Products	2018	2019
Fishes and products	4,074	3,871
Food crops and products	1,660	1,957
Residues and waste, prepared animal fodder	2,226	2,015
Oil plants	1,269	1,393
Fruits and products	1,034	1,096
Other food products	812	845
Vegetables and products	738	857
Milk and products	630	661
Tea and Coffee	277	241
Meat Products	547	503
Beverages	449	428
Other agricultural products	1,782	1,846
Total	**15,498**	**15,712**

Source: Office of Agricultural Economics, Ministry of Agriculture and Cooperatives

The country is also a major importer of agricultural products, including food ingredients and a wide range of food and beverage products. In addition, Thailand produces innovative and high value products including frozen meals, canned foods, halal foods, food seasonings, food supplements, functional foods, and medical foods. Thailand exports halal products worth U.S. $6 billion to more than 57 countries, making the country the world's ninth-largest halal food exporter. Opportunities in Thailand's food processing sector continue to grow as domestic sales of processed foods rise due to strong demand from the retail and food service sectors.

Advantages	Challenges
Thailand has a relatively well-developed food processing sector. The country is a major producer and exporter of processed food products.	Thailand is a country with abundant raw materials, making entry of traditional raw ingredients difficult.
Thai food products received high reputation of for its quality and taste. The food processing sector's actively develops and introduces new products creating demand for new food ingredients.	Many suppliers of food ingredients in Thailand are able to produce products domestically that meet international standards and high import tariffs help protect national suppliers.
U.S. products are perceived as premium products	Strong competition on the local market from

with consistent quality.	domestic producers, and increasing imports from the EU and other Thailand free trade agreement (FTA) countries such as Australia, China, South Korea, Japan, India, and Peru.
Increasing Thai exports of food products drive demand for food ingredients and the growing number of companies paying attention to quality over cost for food ingredients.	Local production is increasingly substituting traditional food imports. Snack food, salad dressing, sauces, jams and other processed foods that are relatively inexpensive, but have high freight costs, are increasingly produced locally.
The international food service industry is expanding with new companies entering the market. Rapid growth of the fast food sector has stimulated sales of bakery products, dairy products, meat and poultry, etc.	Low cost food ingredients from China.
Consumption of bakery products in Thailand is growing due to changing consumer behavior.	Natural ingredients such as minerals, vitamins, fiber, calcium, etc. are still a niche market.
Healthy foods and beverages are becoming increasingly popular due to growing health awareness of the urban population.	High import tariffs for some U.S. products have caused some importers to source products from other countries that have an FTA with Thailand.
Increased foreign investment has raised standards and forced the utilization of higher quality imported food ingredients.	Non-tariff barriers such as requirements for documentation on traceability requirements can delay import and cause trade disruption.
An increasing number of new food entrepreneurs are looking for high quality ingredients for their new and innovative food products.	

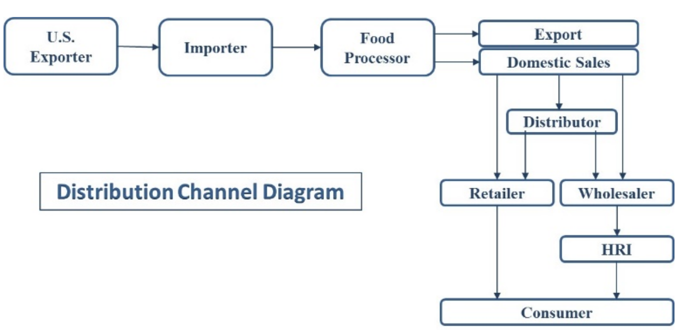
SECTION II – ROAD MAP FOR MARKET ENTRY

Entry Strategy

U.S. exporters looking to sell food ingredients to Thailand should establish good relationships with local importers, distributors, and agents, the key stakeholders in the imported food ingredients market. The right distributors can offer U.S. exporters valuable market insights, and many importers have established relationships with relevant government authorities. Another effective entry strategy is attending local or regional trade shows to establish new contacts and to assess market potential. Post recommends U.S. exporters attend Food Ingredients Asia 2021 (https://www.figlobal.com/asia-thailand). The show has been well attended by Thai buyers and food processors looking for new food ingredients.

Market Structure

There are two main channels for exporting food ingredients to Thailand. The first channel is through importers that have their own distribution network and/or distribute directly to manufacturers. The second channel is through food processors that import directly from the country of origin. However, most food processors import food ingredients through importers to avoid having to maintain large stocks. Only major food processors import directly from the country of origin. Exclusive or authorized distributors in Thailand



Distribution Channel Diagram

market and distribute most imported food ingredients. This allows food ingredient manufacturers to focus and control their technical support while leveraging the distributor's network of wholesalers, retailers, and direct end-users.

Import Procedures

Food import procedures for Thailand are available at [Food and Agricultural Import Regulations and Standards Report published on December 25, 2019](#).

Sector Trends

Thailand's food processing industry has developed rapidly over the past decade and is one of the most developed in South East Asia, with more than 10,000 food and beverage processing factories. Most food processors are small-to-medium sized and predominantly serve the domestic market. However, there are many medium-to-large food processors that produce higher-value products for domestic and export markets. Main products include frozen shrimp, sugar, poultry, canned tuna, confectionery, snacks, canned pineapple, and tapioca. The main export markets for Thai processed food are Japan, the United States, and the EU. The Thai seafood production is about U.S. $5.5 billion, the third largest in the world, after China and Norway, with 90 percent of output exported. The packaged food industry is highly fragmented, with the top ten companies controlling only about one-third of the sales value. Thailand's processed food sector uses a variety of inputs including fruits, vegetables, shrimp, seafood, poultry, rice, grains, cereal products, sugar confectioneries, juice, meat, nuts, dairy-based ingredients, and other ingredients.

Sales of Packaged Food by Sector 2015-2019 (in U.S. $ millions)

Products	2015	2016	2017	2018	2019
Baby Food	790	798	867	936	975
Baked Goods	754	787	882	988	1,077
Breakfast Cereals	57	62	70	76	82
Confectionery	647	660	717	775	815
Dairy	2,713	2,794	3,042	3,350	3,573
Edible Oils	568	567	610	593	635
Ice Cream and Frozen Desserts	316	329	361	394	417
Processed Fruit and Vegetables	58	58	62	67	70
Processed Meat and Seafood	484	511	555	606	654
Ready Meals	388	416	474	544	614
Rice, Pasta and Noodles	1,546	1,552	1,680	1,828	1,939
Sauces, Dressings and Condiments	1,103	1,131	1,243	1,356	1,444
Savoury Snacks	1,032	1,094	1,231	1,363	1,453
Soup	11	10	11	12	12
Sweet Biscuits, Snack Bars and Fruit Snacks	317	329	365	408	438
Total	**10,782**	**11,098**	**12,169**	**13,296**	**14,197**

Source: Euromonitor

Major food and beverage processors in Thailand

Company Name	Nature of Business	2019 Sales Value (in U.S. $Million)
Asian Seafoods Cold Storage Pcl.	A manufacturer of processed frozen seafood under the company brands: TCC, ASS, SAKURA, ASIAN SEAFOODS BRAND	263
Charoen Pokphand Foods Pcl.	A manufacturer of semi-cooked and cooked meet as well as ready-meal products including food retail and food outlets.	17,454
Food And Drinks Pcl.	The products of the company include fruits, vegetables, spices and food in sealed containers, meat products include beef sauce, ready-to-eat,	24

	frozen fruits and vegetables, juices and drinks.	
Haad Thip Pcl.	The Company operates a soft drinks manufacturing business as an exclusive bottler of Coca-Cola, Fanta, Sprite and other Coca-Cola's products (i.e. group of "Minute Maid" juices, Aquarius and Namthip, Drinking Water) for the 14 southern provinces of Thailand.	218
Ichitan Group Pcl.	A manufacturer of ready-to drink green tea beverage, herbal drink, and low-sugar ready-to-drink tea beverage, under the brands of Ichitan Green Tea, Yen Yen by Ichitan and Juice Drinks, Non-Carbonated “Bireley’s”.	172
Malee Group Pcl.	A manufacturer of canned fruit and fruit juices under “Malee”.	158
President Bakery Pcl.	A manufacturer of bakery products under the brand name “Farmhouse”.	249
Premier Marketing Pcl.	A manufacturer of fish snack products under “Taro” brand, tuna and other seafood products (for human and pet food under the customer brand, all products are exported to overseas), and tomato ketchup, chili sauce and other seasoning sauce under “King’s Kitchen” brand.	132
Sappe Pcl.	A manufacturer of functional beverages, fruit juice/juice drink, functional powder and ready to drink products.	106
S&P Syndicate Pcl.	A manufacturer of bakery products and frozen foods as well as food service operator	236
Seafresh Industry Pcl.	A manufacturer of frozen shrimp including cooked shrimp, raw, shrimp, breaded shrimp, and sushi. Seafresh has exported the majority of products under its own brands such as Seafresh, Sea Angel I, Phoenix, Thai Chia, Go-Go.	177
Sermsuk Pcl.	A manufacturer of soft drinks, non-carbonated soft drinks, herbal drink, energy drink, and sport drink.	379
Surapon Foods Pcl.	A manufacturer of frozen foods including ready-to-cook and ready-to-eat.	189
Thai President Foods Pcl.	A manufacturer of instant noodles, semi-instant foods and biscuit products.	773
Tipco Foods Pcl.	A manufacturer of canned pineapple, pineapple concentrate, mixed fruit juice, and ready-to-drink beverage; for example, herbal drink, mineral water for both domestic and export markets under TIPCO brand.	115
Taokaenoi Food & Marketing Pcl.	A manufacturer of processed seaweed both domestically and internationally under brand "Tao	170

	Kae Noi", including other snack and healthy product.	
Thai Union Group Public Company Limited	A manufacturer of frozen, canned seafood, and snacks of various types especially seafood.	4,067
Osotsapa Public Company Limited	A manufacturer of nonalcoholic beverages including energy drinks, functional drinks, ready to drink coffee, and other consumer products.	825
S. Khonkaen Foods Public Company Limited.	A manufacturer of Thai food, seafood products, meat bases snack, frozen food, and ready-to eat meals.	91
Tropical Canning (Thailand) Public Company Limited	A manufacturer and exporter of canned and pouched seafood products, ready to eat food, and pet food.	158

Domestic Food Product Sales 2019

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Soy sauce	liters	88,072,524	90,886,968
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Source: The Office of Industrial Economics

Consumer demand for food products is shifting to a wider array of processed foods available in large supermarkets from unprocessed foods found in fresh markets. Thailand's exposure to international foods has led to significant changes in consumer attitudes and consumption patterns. Moreover, rapid urbanization and the growing number of women in the workforce have also increased demand for processed foods and ready to eat meals. Frozen food products, particularly frozen meals, desserts, and seafood, show the biggest growth. As a result, many retail food outlets are increasing their product lines of ready-to-eat food products.

Demand for these ready-to-eat products are also fueling interest in new and exciting processed foods. With rising demand for processed foods, Thai food processors must import large quantities of food ingredients that are not locally available. The change in customer behavior based on health and beauty concerns as well as an increasingly aging society are factors that food manufacturers should take into consideration when developing new products to align with consumer needs. Urban dwellers, in particular, have less time for food preparation due to longer working hours and a greater presence of women in the work force.

Consumers' behaviors and decisions will change due to the need for convenience, speed, information accessibility, ability to purchase and pay for products and services anywhere, anytime and any equipment at their convenience. Thailand is one of the fastest-growing e-Commerce markets in Southeast Asia and even around the world. The E-commerce market and online market have started to play a key role and have been integrated into existing offline stores, as a faster and more convenient channel of purchasing and payment, to deliver good and impressive experience to customers.

Major Segments in the Food Processing Industry

Functional and Milk Alternative Beverages – The functional beverage market in Thailand was estimated at U.S. $1.8 billion in 2019. The Thai consumers have moved towards innovative and healthy products, especially beverages containing ingredients for beauty and skin, brain boosting, weight-control, muscle building, and health improvements. Nut-based milk is seen as a strong candidate for growth in terms of popularity due to factors such as the relevant health benefits, natural aspects, and taste advantages. Consumers are likely to consume organic foods and drinks, clean foods, or foods with less processing and more natural ingredients. Examples of products that have gained in popularity due to health benefits are sport drinks with potassium and magnesium, high protein drinks made from whey and imported pea protein that contain calcium, L-carnitine and vitamin B1, and beverages fortified with collagen, antioxidants, and hyaluronic acid for skin nourishing and anti-ageing. In addition, products targeting older populations with bone and joint health properties are also growing in popularity.

Processed Seafood – Processed seafood products are important exports for Thailand. Thailand's export market for processed seafood was valued at U.S. $3,775 million in 2019. Prior to the COVID-19 outbreak, the Thai processed seafood industry was expected to see limited annual growth of only 1-2 percent during 2019-2021 due to the global economic slowdown and rising competition from other processed seafood exporting countries. The seafood processors produce and export a variety of products, from basic raw frozen products to value-added products. The canning processors mainly use tuna, sardines, and mackerel as well as other processed seafood products made from salmon, cuttlefish/squid, and pollock. Popular Thai brands include Three Lady Cooks, Roza, Sealect, Hi-Q, Ayam, and Nautilus. The growing awareness of healthy nutritional requirements of children, health conscious consumers, and senior target groups as well as modern lifestyles that demand quick and easy to prepare foods have fueled the growth of this market with sales expected to reach U.S. $570 million in 2023. To get more information about the seafood market in Thailand, the report is available at the Seafood Market Report dated May 8th, 2018.

Sweet and Savory Snacks - Demand for sweet and savory snacks in Thailand has continued to grow driven by aggressive advertising and marketing activities. Thailand's market for sweet and savory snacks totaled U.S. $1.2 billion in 2019, with a growth rate of 5 percent. The snack market is divided into potato snacks (32.2 percent), extruded snacks (27.4 percent), nuts (12.3 percent), seaweed snacks (8.1 percent), fish snacks (7.7 percent), cuttlefish snacks (4.5 percent), prawn crackers (3.6 percent), rice crackers (3.5 percent), and popcorn (0.7 percent). Per capita annual snack consumption is 1.39 kilograms. The snack industry is highly competitive. Pepsi-Cola (Thai) (Frito Lay) is the market leader for potato chips with 75 percent market share, while P.M. Food, manufacturer of fish snacks under the "Taro" brand, is the leader in fish snacks with 81 percent market share. Taokaenoi Food and Marketing is the leading manufacturer of processed seaweed snacks in Thailand, with over a 70 percent market share. With a trend to healthy eating as part of the busy schedule of urban consumers, protein-based snacks have become a choice product for urban youth. Not only meat-based, fish, and seafood snacks, but plant-based snacks with high protein also have increased in demand. New assortments of nut products are launched into the market from major brands such as Koh-Kah, Khao-Chong, Tong Garden, Blue Diamond, and Nut Walker. New plant-based snacks using ingredients such as peas, potato flour, potato starch, mushrooms, other vegetables, and tofu are introduced to the market to cater to consumers who demand healthier snacks. Thai consumers have moved towards healthier snack products over the past couple of years, thus many manufacturers invest in research and development, source new food ingredients, and reformulate their products to reduce the salt, sugar, and fat content.

Bakery - Sales of bakery products grew by 7 percent to reach U.S. $1.1 billion in 2019. The consumer expenditure on bread and cereals in 2019 was U.S. $197.4 per capita, an 8.4 percent increased from 2018. President Bakery is the leading baking company in Thailand. White bread remains the most popular bread type in Thailand, followed by whole wheat and multi grain bread. Other major bakery companies include CPRAM, C&W Company, S.T. Bakery, S&P Bakery, and Cubic. The bread sector is a mature market and faces growing competition from other breakfast and lunch food products. Convenience stores and supermarkets are the largest distributors of baked goods followed by quick service restaurants (coffee, bakery, and dessert cafés such as Starbucks, Au Bon Pain, True Coffee, Dean and Deluca, Paul Bakery, After You) located in shopping malls and office building catering to urbanites with their sweet pastries, such as sandwiches, donuts, croissants, and cakes. Many bakery manufacturers have distribution channels through modern retailers such as Big C, Tesco Lotus, Tops Supermarket, Gourmet Market, and 7-11, as well as operate their own bakery chains such as S&P, Yamazaki, BreadTalk, Gateaux House, and Saint Etoile by Yamazaki. Major ingredients include wheat flour, fat (shortening and butter), flour mixes, dried fruits, nuts, and fillings. Thai bakery processors mainly use locally available raw materials and import specialty ingredients that cannot be sourced domestically. Social media marketing channels give bakery manufacturers access to new generation lifestyles and expand their target customers to younger generations. The successful execution of social media marketing has proven to help them expand their customer base and bolster the strength of the brand.

Fruit and Vegetable Juices - The market value of Thailand's ready-to-drink fruit and vegetable juices was U.S. $366 million in 2019. The leading juice manufacturers include Tipco, Malee, Unif, and Doikham. The premium market segment includes both UHT and pasteurized beverages with 2019 sales of U.S. $126 million. The average annual consumption of fruit juice is about 4 liters per capita. Orange juice is the most popular flavor followed closely by apple, guava, grape, tomato, and pineapple. Beverages in every sector have high competition, especially in the read-to-drink market. The competition is higher in the domestic market by the launching of new products and different segment. Most beverage manufacturers are targeting fruit and vegetables juices and teas that are good for health. Thai consumers have become more health-conscious and tend to consume healthy beverages with less sugar or sugar-free. Fruit and vegetable beverages are subjected to excise tax charged based on retail suggested price (SRP) and an excise tax on the amount of sugar, which became effective in September 2017. This raised the cost of sugary beverage products. Recently fruit and vegetable beverage manufacturers have focused more on researching and developing new products that offer health benefits and are looking for new and functional healthy ingredients.

Ready-to-Eat Products - In 2019, the ready-to-eat market reached sales of $626 million. CP All continues to lead this market with a 50 percent market share. The company has succeeded by selling ready-to-eat-meals through its 7-Eleven convenience store outlets, which is the category's main distribution channel. Charoen Pokphand Foods led product sales in other distribution channels through its CP brand, followed by S&P Syndicate with its Quick Meal frozen food line. The growth rate of the ready-to-cook and ready-to-eat market in 2019 was 11 percent. The market for ready-to-eat products is expanding rapidly in Thailand due to an increasing level of urbanization, hurried lifestyles, an aging population, improved flavors, affordable price, and increased access to ready-to-eat food. Thus, food manufacturers of chilled and frozen ready-made meals are seeking to cater to consumers with busy lifestyles but who are also health-conscious by incorporating healthier ingredients such as fish, meats, pulses, whole grains, cheeses, and vegetables into their products. As Thailand's population ages, food manufacturers have to develop a variety of new products to alignment with the needs of these future target consumers.

SECTION III – COMPETITION

In 2019, Thailand's food ingredient imports reached U.S. $2.73 billion. The United States is the third largest supplier of these products. U.S. products with the highest growth were dairy ingredients, dried fruits, and nuts. The food ingredient market continues to grow due to increases in population, purchasing power, dual income families, and new product development. Although domestic ingredients hold the greatest share of the market, these items tend to be low-value items. High-value raw and semi-processed products such as grains, vegetable oils, starches, dairy ingredients, specialty bakery ingredients are generally not available locally and must be imported.

Due to Thailand's agricultural resources, most food processors can source some inputs domestically. However, local production facilities lack many higher-value and technology-based ingredients. Importers report that U.S. food ingredient exporters are generally less competitive in terms of price, service, and delivery time, but offer high quality products and consistent service. In order to avoid price competition with other exporting countries, U.S. exporters need to focus on product innovation, services, technical support, quality, and position their products in the middle-high price range. Trade shows such as Food Ingredients Asia and market promotions are highly effective ways to promote U.S. food ingredients and compete with similar products from China, Europe, Australia, and Canada. U.S. suppliers must be prepared to lend considerable technical support to food processors and distributors to develop products that will boost demand for their ingredients.

Thailand Food Ingredient Imports from the World

Partner Country	Value in Thousands of		% Change
	2018	2019	
China	521,817	574,874	10.17
Singapore	324,412	352,033	8.51
United States	291,751	337,276	15.60
New Zealand	263,151	271,907	3.33
Vietnam	159,023	187,687	18.03
Australia	142,615	122,342	(14.21)
Malaysia	112,144	117,215	4.52
Indonesia	122,133	86,489	(29.18)
France	58,803	62,523	6.33
Netherlands	59,849	52,293	(12.63)
Other	528,775	568,298	7.47
Total	**2,584,472**	**2,732,937**	**5.74**

Source: Thai Customs Department

Thailand's Food Ingredient Imports from the United States

Unit: Thousand of U.S. Dollars

Description	2018	2019
Food Preparations Nesoi	175,040	199,808
Almonds, Fresh Or Dried, Shelled	18,535	24,036
Whey And Other Products	13,297	17,105
Pistachios, In Shell, Fresh Or Dried	11,024	14,205
Milk And Cream, Concentrated Or Added Sweetening	8,008	12,934
Vegetable Saps And Extracts, Derived From Vegetable Products	10,288	12,182
Almonds, Fresh Or Dried, In Shell	7,014	7,770
Cheese And Curd	6,505	7,321
Raisin	6,219	4,928
Malt Extract; Food Preparations Of Flour, Meal Etc.	4,403	4,385
Vegetables, Dried, Whole, Cut, Sliced, Broken Or In Powder	3,455	2,937
Yeasts	2,342	2,786
Leguminous Vegetables, Dried Shelled	1,359	2,345
Essential Oils, Concretes And Absolutes	3,174	2,089
Prunes, Dried	1,038	1,114
Other Food Ingredients	20,050	21,331
Total Food Ingredients	**291,751**	**337,276**

Source: Thai Customs Department

Section IV - Best Product Prospects

Products Present in the Market that have Good Sales Potential

- A growing aging population has increased demand for healthy and functional food ingredients including dried fruits, nuts, pulses, plant based proteins, proteins and amino acids, vitamins, minerals, prebiotics and dietary fiber, probiotics, carotenoids, essential oils, and omega-3 and 6 fatty acids. Also, there is a growing demand for organic ingredients, gluten free, plant-based ingredients, and protein boost food ingredients;
- Bakery (both premium and mass market) ingredients including wheat flour, bread improver, dough blend, wheat flour, milk and cream, butter, cheese, dried fruits, potato starch, nuts, pastry fillings, sugar, colors & flavors, etc;
- Emulsifying, foaming, stabilizing and thickening agents. These products are used in frozen foods, bakery products, ice cream, evaporated milk and confectionery products;
- Colors and flavors. These products are used in non-alcohol beverages, ice cream and other dairy products, confectionery products, snack foods, bakery, instant noodles and a wide range of processed meats;
- Sweeteners used in non-alcohol beverages and the confectionery industry. Beverage manufacturers are reducing sugar content to minimize the impact from new excise tax;
- Concentrated fruit juice due to growing demand for new flavors;
- Fish fillets for processed seafood, frozen food, and ready-to-eat products.

Products Not Present in Market with Good Sales Potential

Products that can be substituted for traditional ingredients such as preservative-free ingredients that provide extended shelf life and nutrient/functional ingredients. Thai consumers prefer foods that are flavor-intensive, palate-pleasing, and healthy.

Products Not Present Because They Face Significant Barriers

Pork products, chicken, and novel ingredients that have a history of use less than five years.

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 comment regarding this report should be directed to the Foreign Agricultural Service in Bangkok at the following addresses:

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End of Report.

Attachments:

No Attachments