

Required Report: Required - Public Distribution

Date: March 31, 2021

Report Number: TH2021-0023

Report Name: Food Processing Ingredients

Country: Thailand

Post: Bangkok

Report Category: Food Processing Ingredients

Prepared By: Sukanya Sirikeratikul

Approved By: Eric Mullis

Report Highlights:

The food and beverage industry is among the fast-growing industries in Thailand and 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. The National Food Institute reported that the value of Thai food exports was U.S. \$32.67 billion in 2020.

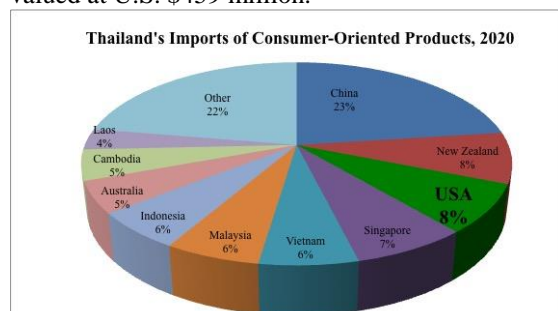
Market Fact Sheet: Thailand

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. The food and beverage 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. The National Food Institute reported that the value of Thai food exports was U.S. \$32.67 billion in 2020. The macroeconomic situation and key data about the Thai economy can be found in [Thailand's Exporter Guide Report dated December 23, 2020](#)

Imports of Consumer-Oriented Products

In 2020, the United States was the 3rd largest supplier of these products to Thailand with exports valued at U.S. \$459 million.



Food Retail Industry

The Thai Retailers Association reported that Thailand's retail sector in 2020 contracted by 12 percent due to the impact of COVID-19. The food and beverage industry is one of the biggest retail segments in Thailand. In general, growth of the Thai retail industry has been largely driven by the country's economic growth, coupled with higher disposable incomes in the middle-income population, a greater propensity to spend, and a trend towards urbanization. Changes in the structure of Thai households and the pandemic have led to changes in how Thais eat with a rising demand for convenient ready-to-eat meals, healthy food products, and food delivery.

Food Processing Industry

Thailand's food processing industry has developed rapidly and is one of the most developed in Southeast Asia. There are many medium-to-large food processors that produce higher-value products

for domestic and export markets. Thai processed foods exports were valued at U.S. \$19.4 billion in 2020. The packaged food industry is highly fragmented, with the top ten companies controlling only about one-third of the sales value. Opportunities in Thailand's food processing sector continue to grow as domestic sales of processed foods rise due to a major shift in consumption pattern towards convenience food. With rising demand for processed foods, Thai food processors must import large quantities of food ingredients that are not locally available.

Quick Facts 2020

Imports of Consumer-Oriented Products: U.S. \$5.9 billion

List of Top 10 Growth Products

- | | |
|------------------------|-------------------------|
| 1) Dairy product | 2) Fresh vegetables |
| 3) Seafood products | 4) Food preparation |
| 5) Fresh fruits | 6) Bread, pastry, cakes |
| 7) Tree nuts | 8) Wine and beer |
| 9) Chilled/frozen beef | 10) Healthy beverages |

Food Industry by Channels (U.S. billion) 2020

Total Agricultural Exports	\$37.9
Total Agricultural Imports	\$18.0
Full-Service Restaurant Sales	\$4.3
Food Delivery Sales	\$1.1
Food and Drink E-commerce Sales	\$0.4

Top Thailand Retailers

Supermarkets

- 1) Central Food Retail
- 2) Gourmet Market
- 3) Villa Market
- 4) Foodland
- 5) UFM Fuji Super
- 6) MaxValu

Hypermarkets

- 1) Tesco Lotus
- 2) Big C

Cash and Carry

- 1) Makro

Convenience Stores

- 1) 7-Eleven
- 2) Family Mart
- 3) Lawson 108

GDP/Population

Population (millions): 69.8
 GDP (billions USD): \$502 (as of 02/2021)
 GDP per capita (USD): \$7,219 (as of 02/2021)

Strengths/Weaknesses/Opportunities/Challenges

<p>Strengths: Strong food industry with well established retail, food service, and food processing industries.</p>	<p>Weakness: High level of local industry protection results in restrictive trade barriers for imported food and beverages</p>
<p>Opportunities: Rising incomes and rapid urbanization. Urban Thai consumers are more willing to pay for premium food products.</p>	<p>Challenges: High import tariff on U.S. food exports to Thailand.</p>

Data and Information Sources: Euromonitor, TDM, Office of the National Economic and Social Development Board, World Bank, Kbank Research, and Industry Estimates

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 and beverage industry is among the fast-growing industries in Thailand, which has contributed significantly to the country’s economy. The food and beverage 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.

The National Food Institute reported that the value of Thai food exports was U.S. \$32.67 billion in 2020, a decrease of 4.1 percent from 2019 mainly due to the COVID-19 pandemic, the strengthening of the Thai Baht against the U.S. dollar, container shortages, and the rising of logistic costs. However, Thai food and beverage exports are expected to reach U.S. \$35 billion in 2021, a growth of 7.1 percent, which is mainly driven by growing demand in the world market. Thai processed foods exports were valued at U.S. \$19.4 billion in 2020, down 5.6 percent from the previous year and represent 59.3 percent of the country's overall food exports in 2020. The product categories that are likely to experience continuous growth for export are chicken products, fruits (fresh/chilled/frozen), food seasonings, and herbs.

Thailand’s Major Agricultural Product Exports 2019-2020

Products	(in U.S. \$ millions)	
	2019	2020
Fish and Products	6,076	5,988
Rice and Products	4,865	4,404
Meat Products	4,920	5,037
Fruits and Products	3,293	3,141
Sugar and Products	3,453	2,235
Cassava and Products	1,801	1,878
Beverages	1,919	2,235
Vegetables and Products	866	1,762
Residues and Waste, Prepared Animal Fodder	588	1,335
Dairy Products	387	635
Tea and Coffee	142	151
Other Agricultural Products	5,113	5,363
Total	33,423	34,165

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

Thailand’s Major Agricultural Product Imports 2019-2020

Products	(in U.S. \$ millions)	
	2019	2020
Fish and Products	3,985	4,275
Food Crops and Products	2,002	2,310
Residues and Waste, Prepared Animal Fodder	2,127	1,807
Oil Plants	1,393	1,767
Fruits and Products	1,112	1,481
Other Food Products	920	1,150
Vegetables and Products	869	759
Milk and Products	661	714
Tea and Coffee	252	295
Meat Products	521	934
Beverages	466	484
Other Agricultural Products	1,934	2,822
Total	16,243	18,798

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 exported U.S. \$30 billion worth of halal products in 2020, making Thailand the 12th largest exporter in the world, the 3rd in Asia, and the 1st in ASEAN. The Federation of Thai Industries expects revenue from halal exports to rise 5 percent in 2021. Thailand exports of halal food products include vegetables, fruits, rice, sugar, poultry, seafood, and processed products, such as ready-to-eat meals, seasonings, beverages, and snacks. Opportunities in Thailand’s food processing sector continue to grow. Domestic sales of processed foods are rising due to a major shift in consumption patterns towards convenience food items such as ready-to-eat meals, rice, noodles, bakery, functional drinks, and snacks. With the rapid growth of e-commerce, the food retail segment is also evolving. Online grocery sales are expected to continue to grow due to urbanization, changing lifestyles of customers, working from home, and an increasing tech-savvy demographic. This growth is also pushing up consumers’ demand for processed foods.

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 have a high reputation for their quality and taste. The food processing sector 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.
U.S. products are perceived as premium products with consistent high quality.	There is strong competition on the local market from domestic producers and increasing imports from the EU and countries that have free trade agreements (FTA) with Thailand, such as Australia, China, South Korea, Japan, India, and Peru.
Increasing Thai exports of food products drive demand for food ingredients, and a growing number of companies are 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.
Ghost kitchens and mobile kitchens have been growing significantly since the lockdown in 2020. The rapid emergence and business expansion of off-line to on-line platforms, as well as food delivery, have stimulated demand for bakery products, dairy products, meat and poultry, and other food ingredients.	The market is saturated with low-cost food ingredients from China and other countries that have an FTA with Thailand.
Consumption of bakery products in Thailand is growing due to changing consumer behavior.	High import tariffs for some U.S. products have caused some importers to source products from other countries that have an FTA with Thailand.
Healthy foods and beverages are becoming increasingly popular due to growing health awareness of the urban population.	
An increasing number of new food entrepreneurs are looking for high quality ingredients for their new and innovative food products.	

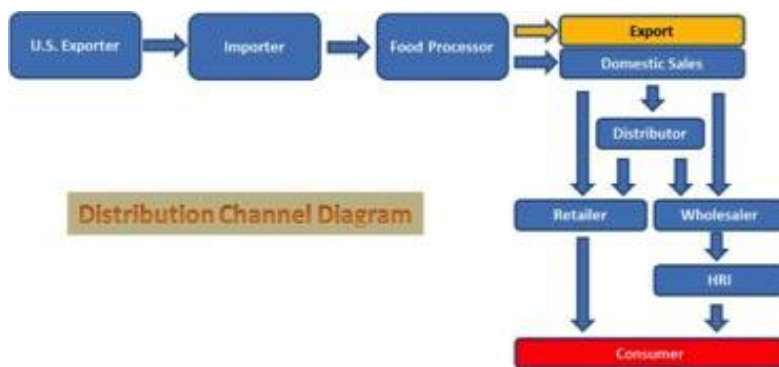
SECTION II – ROAD MAP FOR MARKET ENTRY

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.



Import Procedures

Food import procedures for Thailand are available at [Food and Agricultural Import Regulations and Standards Report published on December 23, 2020](#).

Sector Trends

Thailand's food processing industry has developed rapidly over the past decade and is one of the most developed in Southeast 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. Thailand was the sixth largest exporter of seafood products worldwide in 2020, at U.S. \$5.6 billion U.S. dollars in export value after China, Norway, EU, Chile, and India.

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.

Behavior of consumers has changed due to the COVID-19 pandemic, such as spending more at convenience stores, supermarkets, and online through e-commerce platforms. Consumers have spent less time outside, made purchases more cautiously and mainly only on necessities, and increased consumption of quick and convenient food. Demand for ready-to-eat products are also fueling interests in new and exciting processed foods. Thai food processors must import large quantities of food ingredients that are not locally available to keep up with the rising demand of processed foods.

Thai consumers, especially the aging population, have also become more health conscious and place higher importance on physical and emotional wellbeing. Food manufacturers should take into consideration these changes in consumer behavior based on health and beauty concerns when developing new products. Food manufacturers need to keep expanding their product portfolio to include nutrition-based food categories to cater to the growing demand. Urban dwellers, in particular, have less time for food preparation due to longer working hours and busy lifestyles.

Several factors influence the behavior of consumers including convenience, speed, information, and use of technology. Thailand is one of the fastest-growing e-commerce markets in Southeast Asia and even around the world.

Domestic Food Product Sales 2019-2020			
Product	Unit	2019	2020
Soy Sauce	liters	91,249,146	92,031,048
Fish Sauce	liters	78,859,584	88,279,850
Frozen & chilled chicken meat	tons	1,824,851	1,800,463
Sugar	tons	1,622,787	1,665,592
Drinking milk	tons	977,183	1,020,272
Yogurt drinks	tons	462,389	458,512
Fruit Juice	tons	442,315	446,190
Instant noodles	tons	236,161	243,150
Ice Cream	tons	127,018	148,703
Canned sardines	tons	90,659	87,720
Canned tuna	tons	25,299	33,970
Frozen fish	tons	43,306	50,239
Cake	tons	40,221	40,217
Sausage	tons	44,418	46,661
Wafers	tons	27,831	24,225
Frozen shrimp	tons	27,180	30,624
Canned pineapple	tons	20,778	22,927
Frozen fruit and vegetables	tons	4,439	4,210
Cookies	tons	7,487	3,848
Bacon	tons	4,205	3,743
Ham	tons	4,255	3,743

Source: The Office of Industrial Economics

E-commerce and online marketplaces have started playing a key role in the food sector as a faster and more convenient channel that provides a better experience to customers.

Another interesting trend in Thailand is the growing interest in using cannabis and hemp ingredients in food and beverage. Thailand has issued several new notifications over the past year decriminalizing certain parts of the hemp and cannabis plants, allowing for the commercial production of hemp, and allowing certain hemp products in processed foods. The Thai FDA is expected to release additional notifications that will further liberalize the use of both plants. Major food and beverage manufacturers have invested

in research and development of hemp and cannabis products. Consumer studies show a strong consumer interest in products containing hemp and cannabis. FAS Bangkok will publish a report on this market sector very soon via the FAS GAIN reporting channel.

Major Segments in the Food Processing Industry

Fortified, Functional and Milk Alternative Beverages – Kasikorn Research forecasts that the value of the non-alcoholic ready-to-drink (RTD) beverage market in 2021 will be U.S. \$6.7 billion, a 1 percent increase from 2020. Today’s trend toward more health-conscious eating has resulted in Thai consumers opting for innovative, well-being, and healthy products, especially beverages containing ingredients for immune boosting, beauty and skin, brain boosting, weight-control, muscle building, and health. Milk alternative beverages including soy milk, almond milk, pistachio milk, corn milk, rice milk, sesame milk, and other nut-based milks are surging in Thailand.

Nut-based milk is seen as a strong candidate for growth among health-conscious consumers for its health benefits, natural aspects, and flavor. Vitamin waters, fortified fruit jelly, sport drinks with potassium and magnesium, high protein drinks made from whey and imported pea protein, and beverages fortified with collagen, antioxidants, and hyaluronic acid for skin nourishing and anti-ageing are examples of other beverage products that have gained in popularity for their health benefits. Products targeting older populations that market bone and joint health benefits are also growing in popularity.

Processed Seafood – Processed seafood products are an important export for Thailand (e.g., most canned and frozen fish products are exported). The value of Thailand’s processed seafood exports was U.S. \$3.9 billion in 2020. The Thai processed seafood industry estimates growth of only 2 percent in 2021 due to the global economic slowdown, a slow

recovery in the food service sector, and rising competition from other processed seafood exporting countries. Seafood processors produce and export a variety of products, from basic raw frozen products to value-added products. Canning processors mainly use tuna, sardines, and mackerel as well as other processed seafood products made from salmon, cuttlefish/squid, pollock, shrimp, clams, and crabs. Popular Thai brands include Three Lady Cooks, Roza, Sealect, Hi-Q, Ayam, Nautilus, and Pumpui. Demand for processed seafood products is expected to increase as the worldwide COVID-19 situation improves and the global economy recovers. The value of Thailand's processed seafood exports is forecast to reach U.S. \$4.1 billion in 2022.

Snack Foods – Demand for snacks in Thailand has continued to grow driven by aggressive advertising and marketing activities. The introduction of new products is very important for snack food producers to keep their market share in this highly competitive market. Thailand's market for sweet and savory snacks totaled U.S. \$1.1 billion in 2020, a contraction of 8.3 percent from the previous year. The snack market is divided into potato snacks (39 percent), extruded snacks (30 percent), nuts (12 percent), fish snacks (8 percent), cuttlefish snacks (4 percent), prawn crackers (3 percent), rice crackers (3 percent), and popcorn (1 percent). The per capita annual snack food consumption is 1.39 kilograms. [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. Snacking trends are changing as consumers are increasingly looking for snacks that are not only tasty but also incorporate other functions such as high protein and vitamins. With a trend towards healthier eating as part of the busy schedule of urban consumers, protein-based snacks have become a choice product for urban youths. Not only has the demand for meat-based, fish, and seafood snacks increased, but demand for plant-based snacks with high protein has also increased. 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 fruits and vegetables, and tofu are introduced to the market to cater to consumers who demand healthier snacks. The increasing number of health-conscious consumers and vegans, and the aging population are driving the growth of the healthy, plant-based snack market. Thai consumers have been moving towards healthier snack products over the past couple of years, encouraging many manufacturers to invest in research and development, source new food ingredients, and reformulate their products to reduce the salt, sugar, and fat content. However, Thai consumers want healthy snacks, but they don't want to pay more for the snacks or change the taste.

Bakery – Sales of bakery products grew by 7 percent to reach U.S. \$1.2 billion in 2020. The consumer expenditure on bread and cereals in 2020 was U.S. \$206.9 per capita, an 8.3 percent increase from 2019. [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 food and dessert 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 donuts, pancakes, croissants, and cakes.

Many bakery manufacturers have distribution channels through modern retailers such as Big C, Tesco Lotus, Makro, Tops Supermarket, Gourmet Market, MaxValu, and 7-11, as well as operate their own bakery chains such as S&P, Yamazaki, BreadTalk, Gateaux House, and Saint Etoile by Yamazaki. The share of healthier variants of cereals-based products such as multi-grain flour, brown bread, brown rice, multigrain bread, or whole wheat bread is witnessing significant growth. Bakery ingredients are used to maintain the softness, freshness, taste, appearance, and add value to baked items. Major ingredients include wheat flour, baking powder, butter, cheese, milk, whipped cream, flour mixes, grains, dried fruits, nuts, fillings, flavor enhancers, colorings, and gelatin. Social media has dramatically influenced bakery sector trends in Thailand, from a pancake fad to Basque Burnt Cheesecake, and now the hottest croissants fad. All coffee, bakery, and dessert cafés have to offer at least a plain butter croissant in their bakery item list (read more on Thailand’s news about “[Crazy about croissants](#)”). Social media marketing channels give bakery manufacturers better understanding of new generation lifestyles and expands their reach to younger generations by introducing new products that meet these targets. The successful execution of social media marketing has proven to help expand customer base and bolster brand strength. The COVID-19 pandemic has not seriously impacted bakery sales in the retail sector, especially convenient stores, but it has created new home bakers.

Fruit and Vegetable Juices – The market value of Thailand’s ready-to-drink fruit and vegetable juices was U.S. \$310 million in 2020, a 15 percent drop from the previous year. It is estimated that ready-to-drink fruit and vegetable juice sales in 2021 will remain at the same level as 2020 mainly due to the impact of COVID-19 reducing the purchasing power of consumers. The leading juice manufacturers include [Tipco](#), [Malee](#), [Unif](#), [Chabaa](#), and [Doikham](#). The premium market segment includes both UHT and pasteurized beverages with 2020 sales of U.S. \$104 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. The fruit and vegetable juice market is highly competitive. 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 beverages with less sugar or that are sugar-free and strengthen their immune system. Fruit and vegetable beverages are subjected to an excise tax charged based on the suggested retail price (SRP) and an excise tax on the amount of sugar, which went into effect in September 2017. This sugar tax will increase every two years through 2023, raising 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 2020, the ready-to-eat market reached sales of U.S. \$687 million, an 11 percent increase from the previous year. Ready-to-eat meal products were in high demand during the COVID-19 lockdown period in the first half of 2020. The pandemic forced restaurants to close across Thailand, which motivated Thai consumers to eat ready-to-eat products that were easy to prepare and safe. 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. An increasing level

of urbanization, hurried lifestyles, an aging population, improved flavors, affordable prices, and increased access to ready-to-eat food has been driving the rapid expansion of the ready-to-eat food market in Thailand. The COVID-19 pandemic also catalyzed the growth of ready-to-eat food market. The demand pattern for food products is shifting from traditional meals to ready-to-eat food. Food manufacturers of chilled and frozen ready-made meals are seeking to cater to health-conscious consumers with busy lifestyles by incorporating healthier ingredients such as fish, meats, pulses, whole grains, cheeses, and vegetables into their products. Food manufacturers also must develop a variety of new products to align with the needs of Thailand's aging population.

Plant-based food – Health and wellness is a trend that has been the fundamental driver of change in food and beverages everywhere including Thailand. Plant-based food is one of the food trends capturing the interest of Thai consumers. It is estimated that the country's plant-based food market is around U.S. \$30 million, with an average growth rate of 25 percent per year. The rise of vegan consumers are fueling the demand for plant-based proteins such as soy protein, pea protein, and rice proteins. In addition, plant-based proteins are gaining popularity as a sports supplement due to being a rich protein source and heart-friendly. More and more restaurants in the country are adding meatless and plant-based protein options to their menus to cater to both vegetarians and ordinary customers. Major food manufacturers in Thailand have developed and launched new plant-based food products in the Thai market such as "OMG Meat" brand by Thai Union Group PCL, "Harvest Gourmet" by Nestle Thailand, "VG for Love" by CPRAM Co., Ltd., and "Phuture Meat" and "The Meatless Farm" by NR Instant Produce PCL (NRF). Other brands from local manufacturers are Let's Plant Meat, More Meat, and Meat Avatar.

SECTION III – COMPETITION

Thailand's food ingredient imports reached U.S. \$2.9 billion in 2020. The United States is the third largest supplier of these products. U.S. products with growth were dairy ingredients, dried fruits, nuts, yeasts, malt extracts, and cocoa powder. The Thai 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.

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 are generally less competitive in terms of price, service, and delivery time but offer high-quality products and consistent service.

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 local market promotions are highly effective ways to promote U.S. food ingredients and compete with similar products from China, Europe, Australia, New Zealand, Canada, and other ASEAN countries. 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.

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. There is also a growing demand for organic, gluten free, plant-based, and protein boosted 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 the 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:

Office of Agricultural Affairs (U.S. Department of Agriculture)

U.S. Embassy

Bangkok Thailand 10330

Tel: + 662 205-5106

Fax: +662 255-2907

Email: agbangkok@usda.gov

Website: www.fas.usda.gov

End of Report

Attachments: [Sales of Packaged Food by Sector 2020.pdf](#)

[Thailand Food Ingredient Imports from the World 2020.pdf](#)

[Thailand Food Ingredient Imports from the US 2020.pdf](#)

[Major food and beverage processors in Thailand.pdf](#)