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Report Highlights:

MY 2025/26 soybean crushing demand to grow at a slower pace of two percent due to slow economic recovery with uncertainties from the U.S. reciprocal tariff measures. Palm oil supplies are likely to remain tight in MY 2024/25 and MY 2025/26 due to strong demand for biodiesel production as the government maintained the high levels of mandatory blend rate.

Executive Summary

Post forecast MY 2025/26 soybean imports to slow down at around three percent from an eight percent increase in MY 2024/25 as economic recovery is expected to remain slow in 2025 and 2026. Feed demand is likely to level off, especially for swine production which recovered in MY 2024/25 after the ASF outbreak between 2021 – 2022. MY2024/25 soybean meal production will likely continue to grow four percent from a 15 percent increase in MY2023/24 as demand for locally crushed soybean meal remains strong following the recovery in swine production and growing broiler production in the first half of MY2024/25, as well as the high freight costs. Palm oil supplies are likely to remain tight in MY2024/25 and MY2025/26 due to strong demand for biodiesel production as the government maintained high levels of mandatory blend rate of 5.0 – 7.0 percent. Demand for cooking palm oil declined four percent in 2024 as consumers shifted to cooking soybean oil due to the surge in cooking palm oil prices.

Section 1: Oilseed Situation and Outlook

1.1 Soybean Production

Table 1.1.1 Thailand's Soybean Production, Supply and Distribution

Oilseed, Soybean	2023/2024		2024/2025		2025/2026	
Market Year Begins	Sep 2023		Sep 2024		Sep 2025	
Thailand	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	32	32	32	32	0	32
Area Harvested (1000 HA)	32	32	32	32	0	32
Beginning Stocks (1000 MT)	194	194	154	154	0	216
Production (1000 MT)	52	52	52	52	0	52
MY Imports (1000 MT)	3428	3428	4300	3700	0	3800
Total Supply (1000 MT)	3674	3674	4506	3906	0	4068
MY Exports (1000 MT)	0	0	1	0	0	0
Crush (1000 MT)	2400	2640	2800	2750	0	2800
Food Use Dom. Cons. (1000	270	270	280	280	0	290
Feed Waste Dom. Cons. (1000	850	610	950	660	0	690
Total Dom. Cons. (1000 MT)	3520	3520	4030	3690	0	3780
Ending Stocks (1000 MT)	154	154	475	216	0	288
Total Distribution (1000 MT)	3674	3674	4506	3906	0	4068
Yield (MT/HA)	1.625	1.625	1.625	1.625	0	1.625
(1000 HA), (1000 MT), (MT/HA)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Annual soybean production is marginal at 50,000- 60,000 metric tons (MT). Farmers have no incentive to expand soybean acreage due to unattractive returns compared to other field crops, like corn and

cassava. The Thai government still bans the cultivation of all transgenic plants, including soybeans. Unlike Thailand's price guarantee program for other row crops, the only government incentive for soybean production is the domestic purchase requirement for those who want to import soybeans.

1.2 Soybean Consumption

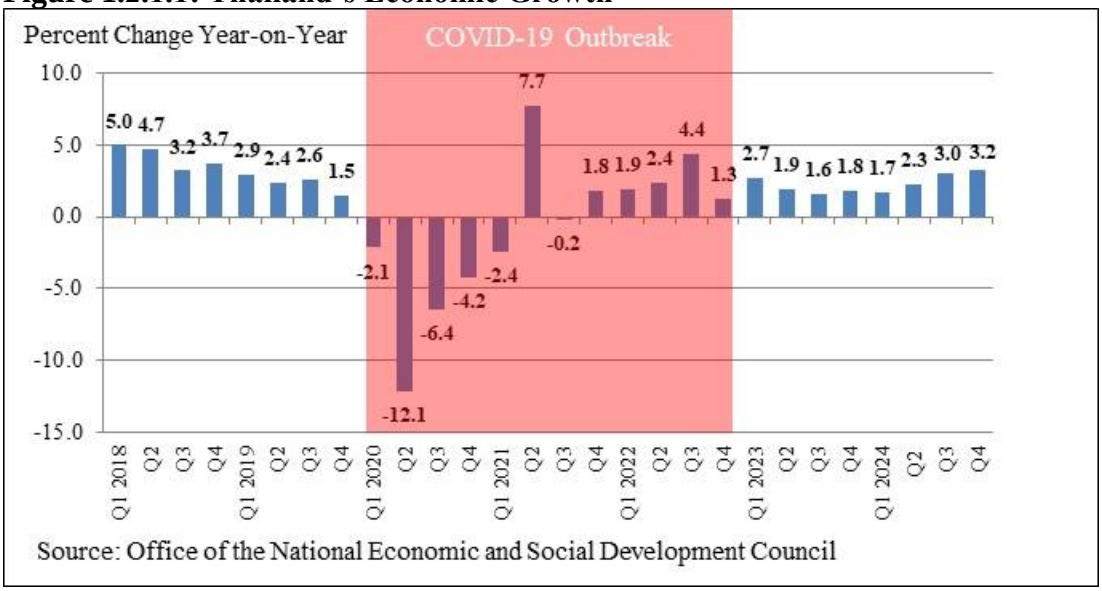
1.2.1 Crushing Demand

Around 70 percent of soybeans are crushed for cooking oil. There are four active soybean crushers in Thailand: Thai Vegetable Oil (TVO), Thanakorn Vegetable Oil Products (TVOP), Porn Amnuay Sup Vegetable Oil, and Industrial Enterprise Co., Ltd. Their current combined crushing capacity is around 12,500 MT of soybeans a day. Presently, industry sources report that the crushers are running at around 60-70 percent of the total capacity. Aside from sales of cooking oil, the largest revenue stream for the crushers is the sale of soybean meal for animal feed, which accounted for around 60 percent of total revenue.

Post forecasts MY2025/26 soybean crushing demand to grow at a slower pace of two percent. The National Economic and Social Development Council (NESDC) expected the slow economic recovery to continue in 2025 at around 2.8 percent, compared to 2.5 percent in 2024 due to the slowdown in the export growth following the uncertainties in trading partners' international trade policy driven by U.S. reciprocal tariff measures. In addition, the contribution of foreign tourists to economic growth will likely decelerate in 2026 as number of foreign tourists are likely to reach the pre-pandemic record levels of 40 million by 2025, up from 35 million foreign tourists in 2024, average tourists' expenditure is expected to remain below pre-pandemic levels. The World Bank also expected the Thai economic growth to slow down at 2.7 percent in 2026.

MY2024/25 soybean crushing demand is likely to increase four percent, which is a slowdown from the surge in MY2023/24 due to slow economic recovery. Also, feed demand in livestock production is expected to decrease -`decrease -`2 754444444 in 2025, especially for broiler feed. The Thai Feed Mill Association estimated swine production to increase 9 percent in 2024 and expected further increase by 8 percent in 2025 due to the production recovery from the 2021 – 2022 African Swine Fever (ASF) outbreak. Demand for soybean in swine production accounted for around 20 percent of total soybean meal consumption. However, broiler production, which accounted for half of total soybean meal demand, is expected to slow down from 8.7 percent in 2024 to one percent in 2025 due to limited supplies of day-old chicks.

Figure 1.2.1.1: Thailand's Economic Growth



MY2023/24 soybean crushing demand increased 14 percent from MY2022/23, which was well above annual growth rate of around 5 percent over the five consecutive years prior to the pandemic, driven by strong domestic and export demand for soybean cooking oil. The domestic soybean cooking oil consumption increased significantly as the price difference between soybean oil and palm oil became closer. Also, exports of soybean cooking oil increased 20 percent in MY2023/24 from MY2022/23

1.2.2 Food Use

Post forecast food-quality soybean demand for beverage and processed food production to slow down by 2-3 percent in MY 2024/25 and MY 2025/26, following the slow domestic economic recovery and shrinking export market following the uncertainties in the global economy from expected import tariff changes. The Thai government expects that processed food will be one of the Thai export products affected by tariff increases.

MY 2023/24 food-quality soybean demand grew by 5 percent from MY2022/23 due to increased soymilk and soy sauce production. Even though soymilk exports declined nine percent in MY2023/24, industrial sources reported that soymilk production increased around seven percent from MY2022/23 following the domestic healthy plant-based drink trend. Soymilk accounted for around 90 percent of the market for plant-based alternatives to milk, despite growing demand for other plant-based milk, especially for almond and oat milk, which increased significantly in MY2023/24. In addition, the Office of Industrial Economics reported that soy sauce production increased seven percent in MY 2023/24, driven by soy sauce exports which increased around 11 percent from MY 2022/23. Thailand's largest market for soy sauces was the United States, which increased 28 percent and accounted for around one fourth of total soy sauce exports. Soy sauce exports to ASEAN countries also increased 7 percent with a combined market share of 38 percent of total soy sauce exports. Soy sauce exports to the EU was the third largest market after the United States.

1.2.3 Feed Use

Soybeans can be cooked or roasted to produce full fat soybeans. Full fat soybeans are usually used in feed rations when the cost of full fat soybeans is less than the combined cost of soybean meal and oil ingredients. Post forecast MY2024/25 and MY2025/26 full fat soybean demand to slow down after swine production fully recovered in the first half of MY2024/25 to the levels prior to the 2021-2022 ASF outbreak.

MY2023/24 full fat soybean demand increased nine percent, driven by the recovery in swine production. According to the Thai Feed Mill Association's (TFMA) estimate, swine production increased around 11 percent in MY2023/24 to the levels prior to the 2021-2022 ASF outbreak, driven by lower feed costs and strong export demand for live swine. Live swine exports in MY2023/24 increased 30 percent from MY2022/23, mainly to neighboring countries.

1.3 Soybean Trade and Policy

Thailand relies on imported soybeans to meet domestic demand for vegetable oil, food, and animal feed as domestic soybean production is marginal. According to Thailand's World Trade Organization (WTO) commitment, soybean imports are subject to a Tariff-Rate Quota of 10,922 metric tons with a 20 percent in-quota tariff and an 80 percent out-of-quota tariff. However, the government always allows unlimited duty-free imports of soybeans every year from WTO member countries due to insufficient domestic production. The government approved unlimited imports of duty-free soybeans between 2023 and 2025 on November 29, 2022. The government allowed only 16 food processing companies and importers who are members of eight trade associations[1] to import.

forecast MY 2025/26 soybean imports to slow down at around three percent from MY 2024/25 as economic recovery is expected to remain slow in 2025 and 2026. Also, demand for animal feed is likely to level off, especially for swine production which recovered in MY 2024/25 after the ASF outbreak between 2021 – 2022.

MY2024/25 soybean imports are expected to further increase 8 percent from MY2023/24 due to the recovery in swine production and growing broiler production. In the first five months of MY2024/25 soybean imported totaled around 1.8 million, up 35 percent from the same period in MY2023/24, following the increased imports of both food and feed-quality soybeans. Soybean imports from Brazil, which accounted for 84 percent of total soybean imports, increased 28 percent from the same period in MY2023/24. Imports of U.S. soybean, which accounted for 15 percent of total soybean imports, doubled in the same period in MY2023/24 for both food and feed-quality soybean due to attractive prices of U.S. soybeans. Soybean imports in the remainder of MY 2024/25 are expected to significantly decline, especially for feed-quality soybean due to the slowdown in broiler and swine production in the second half of MY2024/25.

[1] The eight permitted trade associations are the Soybean Oil and Rice Bran Oil Association, the Thai Feed Mill Association, the Feedstuff Users Promotion Association, the Thai Livestock Association, the Association of Agricultural Trade with Neighboring Countries, the Association of Agricultural Trade and Processing Industries, Food Processors Association, and Thai Beverage Association.

MY2023/24 soybean imports totaled 3.4 million metric tons, up six percent from MY2022/23 due to increased imports of soybean for crush and for preparation as full fat soybeans for animal feed which offset the reduced imports of food-quality soybeans. Soybean imports for crush and for preparation as full fat soybeans for animal feed totaled 3.3 million metric tons which increased around six percent from MY2022/23. Meanwhile, imports of food-quality soybean totaled around 0.1 million metric tons, down 4 percent from MY2022/23. Imports of Brazilian soybean totaled 3.1 million metric tons, which accounted for 90 percent of total soybean imports in MY2023/24, up 15 percent from MY2022/23. Almost all Brazilian soybean were for crush and for preparation as full fat soybeans for animal feed. Imports of U.S. soybeans totaled 0.3 million metric tons, which accounted for around 8 percent of total soybean imports, down 33 percent from MY2022/23 due to reduced imports of U.S. feed-quality soybean. Imports of U.S. soybean for preparation as full fat soybeans for animal feed declined 37 percent from MY2022/23 due to competition from relatively cheaper Brazilian soybean. Meanwhile, imports of U.S. food-quality soybeans increased 17 percent from MY2022/23, driven by relatively cheaper prices of U.S. soybeans compared to Canadian soybeans. Total market share of U.S. soybeans continued to decline to 8 percent in MY2023/24 from 13 percent in MY2022/23 due to competition from feed-quality soybean from Brazil.

Section 2: Oil Meals

2.1 Soybean Meal

2.1.1 Production

Table 2.1.1.1: Thailand's Soybean Meal Production, Supply, and Distribution

Meal, Soybean	2023/2024		2024/2025		2025/2026	
Market Year Begins	Sep 2023		Sep 2024		Sep 2025	
Thailand	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2400	2640	2800	2750	0	2800
Extr. Rate,	0.7783	0.7803	0.7786	0.7782	0	0.7786
Beginning Stocks (1000 MT)	139	139	124	111	0	141
Production (1000 MT)	1868	2060	2180	2140	0	2180
MY Imports (1000 MT)	2770	2770	3000	3000	0	3010
Total Supply (1000 MT)	4777	4969	5304	5251	0	5331
MY Exports (1000 MT)	78	78	150	80	0	85
Industrial Dom. Cons. (1000	0	0	0	0	0	0
Food Use Dom. Cons. (1000	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000	4575	4780	4950	5030	0	5130
Total Dom. Cons. (1000 MT)	4575	4780	4950	5030	0	5130
Ending Stocks (1000 MT)	124	111	204	141	0	116
Total Distribution (1000 MT)	4777	4969	5304	5251	0	5331
(1000 MT), (PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

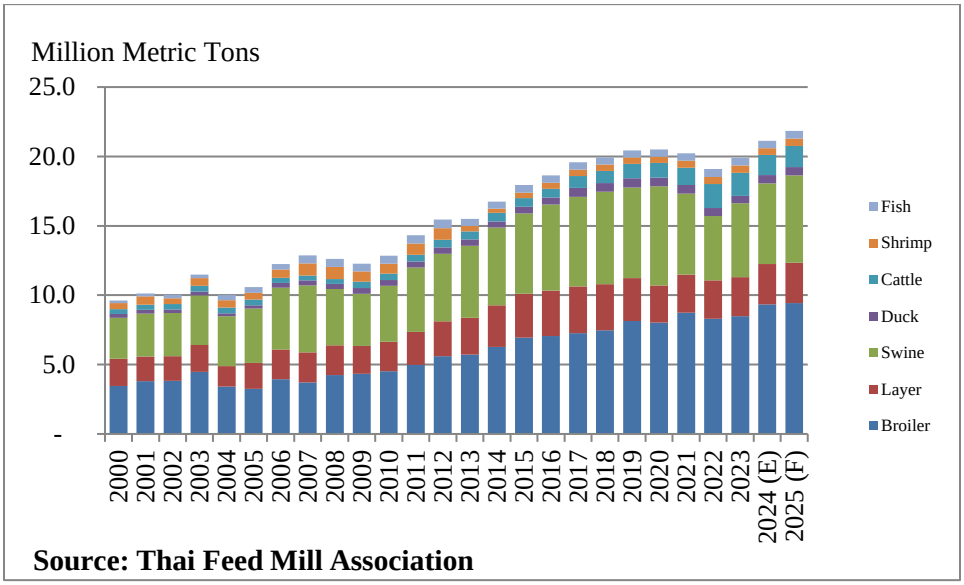
Post forecasts MY2025/26 soybean meal production to grow at a slower pace of around two percent from MY 2024/25 as swine production has recovered to normal production levels prior to the 2020 – 2021 ASF outbreak since the first half of MY2024/25. Also, broiler production is likely to grow slightly in the first half of MY2025/26 due to limited supplies of day-old chicks.

MY2024/25 soybean meal production will likely continue to grow four percent from a 15 percent increase in MY2023/24 as demand for locally crushed soybean meal remains strong following the recovery in swine production and growing broiler production in the first half of MY2024/25, as well as the high freight costs. Soybean meal production is the byproduct from cooking oil extraction using mostly imported soybeans due to limited supplies of domestic soybean production. Locally produced soybean meal is reportedly more premium than imported soybean meal due to greater freshness with higher quality standards. Feed mills normally pay 1-2 percent higher for local soybean meal. However, average prices of locally produced soybean meal in 2023/24 were 6-7 percent higher than imported soybean meal due to the disadvantage of imported soybean meal from high freight costs in 2024, caused by the Red Sea crisis. Fright costs reportedly continued to increase significantly in January 2025, up 50 percent from the previous month, especially for the container shipments from the west coast of the United States to Asia.

2.1.2 Consumption

Soybean meal is mainly used for livestock feed with a small portion being used for soybean sauce and curd production. Post forecasts MY2025/26 soybean meal demand to increase 2 percent from MY2024/25. This is a slower growth path from MY2024/25 in line with a slowdown in feed demand. The Thai Feed Mill Association (TFMA) expected animal feed demand to increase three percent in 2025, which was a slowdown from five percent annually between 2023 and 2024, mainly due to a slowdown in broiler production which is expected to increase one percent in 2025 (Figure 2.1.2.1). Meanwhile, swine production is expected to fully recover from the ASF outbreak in 2025, up eight percent from 2024.

Figure 2.1.2.1: Feed Demand in Thailand



Source: Thai Feed Mill Association

MY2024/25 soybean meal demand is expected to further increase five percent from a two percent increase in MY 2023/24 due to the recovery in swine production in the first half of MY 2024/25 from the 2020 – 2021 ASF outbreak. The TFMA estimated swine production, which accounted for around 20 percent of total soybean consumption, to increase around nine percent in 2024. Also, broiler production in 2024, which accounted for around half of total soybean meal demand, increased around nine percent from 2023.

Feed mills rely on imported alternative feed ingredients depending on the availability of locally produced corn and duty-free imported corn from neighboring countries. The increased import demand for alternative feed ingredients, especially for feed wheat, DDGS, and barley, following limited supplies of domestically produced corn and duty-free corn from Burma in MY2023/24 will likely undermine the consumption growth of soybean meal. Soybean meal and alternative feed ingredients are substitutable to a certain degree depending on digestibility, which is different by livestock species. However, soybean remains the essential protein sources for livestock in Thailand (Table 2.1.2.1).

Table 2.1.2.1: Thailand's Protein Meal Use (Soy Meal Equivalent)
Unit: Thousand Metric Tons

	MY2022/23	MY2023/24	MY 2024/25 (Estimate)	MY 2025/26 (Forecast)
Soybean	4,700	4,780	5,030	5,130
Sunflower Seed	66	68	70	71
Rape Seed	520	390	300	305
Copra	-	-	-	-
Cotton Seed	-	-	-	-
Palm Kernel	237	260	266	271
Peanut	-	-	-	-
Fish	361	332	361	376
Corn Gluten Meal	-	-	-	-
DDGS	170	233	267	270
Total	**6,054**	6,063	**6,294**	**6,423**
% Change	-0.7	0.1	3.8	2.1

Source: Post's estimates

2.1.3 Trade and Policy

Imported soybean meal is primarily used for feed. Post forecasts soybean meal imports to increase around 2 percent in MY2025/26 due to a slowdown in feed demand, especially for boiler production.

MY2024/25 soybean meal imports are expected to increase four percent from MY2023/24 due to strong demand for feed from the recovery in swine production. In the first five months of MY2024/25, soybean meal imports increased 5 percent from the same period last year. The imports were primarily from Brazil which increased 8 percent from the same period last year. The market share of U.S. soybean meal was marginal at one percent in MY2024/25

MY2023/24 soybean meal imports declined around 12 percent from MY2022/23 due to the increased supplies of domestically crushed soybean meal, which was driven by strong demand for soybean cooking oil and the surge in swine and poultry feed demand. Imports of soybean meal from Brazil, which accounted for 91 percent of total soybean meal imports, declined 16 percent from MY2022/23. Imports of U.S. soybean meal which accounted for one percent of total soybean meal imports declined 29 percent.

Soybean meal imports are subject to a 230,559 metric ton TRQ with a 20 percent in-quota tariff and a 119 percent out-of-quota tariff rate, according to Thailand's WTO commitments. However, the government lowered the in-quota tariff rate to 2 percent with unlimited imports since 2009 to help reduce production costs for the livestock industry. On December 20, 2024, the Cabinet continued to allow unlimited in-quota imports of soybean meal for three years (2025 2027), beginning January 1, 2025. The in-quota tariff rate remains unchanged at 2 percent. The Thai government still limits import permits to 11 trade associations.

The Cabinet also agreed to maintain the importation of soybean meal for food processing under the quota allocation basis with a 10 percent in-quota tariff rate. That is the same rate that was set in March 2018 when the Cabinet first approved importation of soybean meal for food processing. The out-of-quota tariff rate is 133 percent. This policy intends to provide Thai processors of soybean sauce and curd with sufficient raw material supplies when domestic availability is low. The maximum quota of soybean meal for food processing is set at 230,559 metric tons per annum.

The Cabinet lifted a long-standing export ban on soybean meal since April 2016. In 2024, the Ministry of Commerce's Department of Foreign Trade allocated an export quota of 409,227.332 metric tons of soybean meal in 2025, up 96 percent from 2024 to four soybean oil crushers in the following amounts: (1) 201,949.748 metric tons for Thai Vegetable Oil Public Company Limited; (2) 187,472.978 metric tons for Thanakorn Vegetable Oil Products Co., Ltd.; (3) 14,984.919 metric tons for SD Guthrie International Morakot Public Company Limited Co., Ltd.; and (4) 4,819.687 metric tons for PAS Produce Export and Silo Co., Ltd.

2.2 Fish Meal

2.2.1 Production

Table 2.2.1.1 Production

Meal, Fish	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2026	
Thailand	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Catch For Reduction (1000	1100	1160	1100	1180	0	1200
Extr. Rate,	0.35	0.3078	0.3409	0.3093	0	0.3083
Beginning Stocks (1000 MT)	10	10	10	10	0	10
Production (1000 MT)	385	357	375	365	0	370
MY Imports (1000 MT)	57	57	50	60	0	62
Total Supply (1000 MT)	452	424	435	435	0	442
MY Exports (1000 MT)	184	184	175	175	0	170
Industrial Dom. Cons. (1000	0	0	0	0	0	0
Food Use Dom. Cons. (1000	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000	258	230	250	250	0	260
Total Dom. Cons. (1000 MT)	258	230	250	250	0	260
Ending Stocks (1000 MT)	10	10	10	10	0	12
Total Distribution (1000 MT)	452	424	435	435	0	442
(1000 MT), (PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

The production of fish meal depends on surimi and canned tuna production waste and bycatch. The production from surimi and canned tuna production waste accounts for around two-thirds of total fish meal production. The remaining third are from bycatch products, the supply which is trending

downward due to depleted fish supplies in both the Gulf of Thailand and the Andaman Sea. Post forecasts fish meal production in 2025 and 2026 to 1-2 percent in anticipation of the increased surimi and canned tuna production waste in line with growing canned fish production. Meanwhile, fish meal production in 2024 increased 2 percent from 2023 mainly due to increased surimi and canned tuna production waste, following the significant increase in canned tuna exports.

2.2.2 Consumption

Post forecasts fish meal demand to increase approximately 9 percent in 2025 and further increase 4 percent in 2026 in anticipation of the recovery in shrimp and fish production from a reduction in 2024. In 2024, fish meal demand declined eight percent from 2023 due mainly to reduced shrimp and fish production. The TFMA reported that shrimp production in 2024 declined 6 percent from 2023 due to unattractive returns and concerns about the disease control. Fish production also declined 9 percent due to insufficient water supplies following the adverse weather conditions in the first half of 2024. Fishmeal was mainly used in aquaculture feed, accounting for 10-20 percent of aquaculture feed rations.

2.2.3 Trade and Policy

Thailand exports low-protein fish meal and imports high-protein fish meal. Post forecasts fish meal exports to fall five percent in 2025 and further decline three percent in 2026 due to tight exportable supplies of fish meal from the recovery in shrimp and fish production. Meanwhile, fish meal exports in 2024 increased 24 percent from 2023 due to larger exportable supplies of fish meal and strong demand from China, which accounted for 73 percent of total fishmeal exports.

Post forecasts fish meal imports to increase five percent in 2025 and further increase by two percent in 2026 in line with a slow recovery in shrimp and fish production. Meanwhile, the tight supplies of local fish meal in 2024 resulted in the increased import demand for fish meal by 16 percent from 2023.

Imports of high-protein fish meal (more than 60 percent protein content) are not subject to import permit requirements or quantity limitations. Meanwhile, imports of low-protein fishmeal (below 60 percent) are subject to import permit requirements. In both cases, the applied import duties are 15 percent. Fish meal imports under the ASEAN Free Trade Area (AFTA), Thai-Australia FTA, Thai-New Zealand FTA, ASEAN-China FTA, and ASEAN-Australia-New Zealand FTA, and Japan-Thailand Economic Partnership Agreement, and Thai-Peru FTA are duty free.

Section 3: Vegetable Oil

3.1 Soybean Oil

3.1.1 Production

Table3.1.1.1: Thailand's Soybean Oil Production, Supply and Distribution

Oil, Soybean	2023/2024		2024/2025		2025/2026	
Market Year Begins	Sep 2023		Sep 2024		Sep 2025	
Thailand	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2400	2640	2800	2750	0	2800
Extr. Rate,	0.1796	0.1799	0.1796	0.18	0	0.1786
Beginning Stocks (1000 MT)	31	31	22	26	0	30
Production (1000 MT)	431	475	503	495	0	500
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	462	506	525	521	0	530
MY Exports (1000 MT)	265	265	265	270	0	275
Industrial Dom. Cons. (1000	50	45	50	46	0	47
Food Use Dom. Cons. (1000	125	170	180	175	0	180
Feed Waste Dom. Cons. (1000	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	175	215	230	221	0	227
Ending Stocks (1000 MT)	22	26	30	30	0	28
Total Distribution (1000 MT)	462	506	525	521	0	530
(1000 MT, (PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Post forecast soybean oil production to level off in MY 2025/26, up approximately one percent from MY 2024/25 in anticipation of an economic slowdown in 2026.
MY2024/25 soybean oil production is expected to grow four percent from MY 2023/24. This is a slower growth path from the surge in MY 2023/24 due to the slow economic recovery. In the first four months of MY 2024/25, the OIE reported that soybean oil production increased around seven percent from the same period in MY 2023/24. The TFMA also expected a slowdown in swine production in 2025.

MY2023/24 soybean oil production increased 14 percent from MY2022/23, following strong demand for soybean oil by household and food processing industry, as well as soybean oil exports. Also, demand for soybean meal, which is the by-product of cooking oil extraction, increased significantly, due to growing broiler and swine production.

3.1.2 Consumption

Post forecasts MY2025/26 soybean oil consumption growth to be steady at 3 percent from MY2024/25 in line with a slow economic recovery. However, vegetable oil market is still dominated by palm oil which reportedly accounted for around 78 percent of total cooking oil consumption. Soybean oil presently accounted for around 18 percent of total cooking oil market.

MY2024/25 soybean oil consumption is expected to increase 3 percent which is a slower growth pace from MY2023/24 due to slow economic recovery in 2024 and 2025. Retail prices of soybean oil in the first seven months of MY2024/25 continued to decline around one percent from the same period last year. Meanwhile, retail prices of palm oil faced upward pressure, up 14 percent from the same period last year due to tight domestic supplies of palm oil due to drought in major growing areas.

MY2023/24 soybean oil consumption increased 13 percent from MY2022/23 due to tight supplies of palm oil. Consumers shifted to soybean oil to substitute palm oil as the price difference between soybean oil and palm oil became closer. Retail prices of soybean oil in MY2023/24 declined 9 percent from MY2022/23, following the reduced import prices of soybean. Also, soybean oil demand in the food processing industries increased significantly, driven by strong export demand for canned tuna in 2024 which increased 22 percent from 2023.

3.1.3 Trade and Policy

Post forecasts soybean oil exports to level off in MY 2024/25 and MY 2025/26 with a steady annual export growth of around two percent after the surge over the past two years between MY 2022/23 and MY2023/24 following global tight supplies of pam oil. Soybean exports will mainly destine to ASEAN market where Asian Development Bank expected ASEAN economic growth to be steady in 2025 despite the uncertainties from the trade war.

MY2023/24 soybean oil exports increased 20 percent from MY2022/23. Exports of soybean oil to Southeast Asian countries, which accounted for around half of total soybean exports, increased 25 percent from MY2022/23. Soybean oil exports to South Korea, which accounted for 25 percent of total soybean oil exports, increased significantly from MY2022/23.

Soybean oil imports are marginal as the imports of both crude and refined oil are subject to a tariff-rate quota under Thailand’s commitment with WTO. In addition, non-transparent import permit administration discourages imports totaling less than 1,000 metric tons annually. The import quota for soybean oil is limited to 2,281 metric tons with a 20 percent in-quota tariff rate and a 146 percent out-of-quota tariff rate.

3.2 Palm Oil

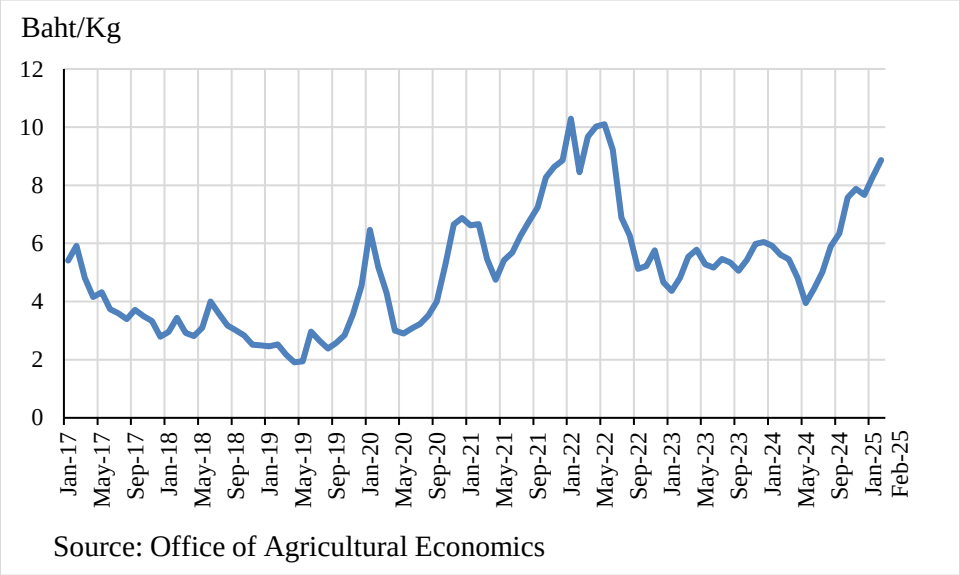
3.2.1 Production

Table 3.2.1.1: Thailand's Palm Oil Production, Supply, and Distribution

Oil, Palm	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2026	
Thailand	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	1020	1015	1030	1030	0	1045
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	409	409	488	316	0	314
Production (1000 MT)	3600	3274	3700	3330	0	3380
MY Imports (1000 MT)	2	2	2	1	0	1
Total Supply (1000 MT)	4011	3685	4190	3647	0	3695
MY Exports (1000 MT)	878	878	1000	800	0	700
Industrial Dom. Cons. (1000	1270	1514	1325	1530	0	1600
Food Use Dom. Cons. (1000	1340	930	1320	955	0	970
Feed Waste Dom. Cons. (1000	35	47	35	48	0	50
Total Dom. Cons. (1000 MT)	2645	2491	2680	2533	0	2620
Ending Stocks (1000 MT)	488	316	510	314	0	375
Total Distribution (1000 MT)	4011	3685	4190	3647	0	3695
Yield (MT/HA)	3.5294	3.2256	3.5922	3.233	0	3.2344
(1000 HA), (1000 TREES) ,(1000 MT) ,(MT/HA)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Post forecast MY2025/26 palm oil production to increase around 2 percent due to a continued increase in harvesting areas since 2021, when palm oil plantations replaced rubber plantations, rice crops, and abandoned lands, following attractive palm oil prices.

Figure 3.2.1.1: Farm-gate Price of Thailand between 2017 and early 2025



Source: Office of Agricultural Economics

MY2024/25 oil palm production is expected to increase 1.7 percent from MY2023/24 due mainly to the increase in harvesting areas. However, farm-gate prices of fresh fruit bunches (FFB) in the first two months of MY 2024/25 increased 49 percent from the same period in MY 2023/24 in line with world crude palm oil prices (Figure 3.2.1.1). The Office of Agricultural Economics estimated the average yield of FFB to increase slightly in MY 2024/25 as precipitation in 2024 was around 5 percent above normal precipitation.

MY 2023/24 oil palm production declined 1.6 percent from the same period in MY2022/23 due to unfavorable weather conditions. The Thai Meteorological Department (TMD) reported precipitation in 2023 6 percent below normal and 24 percent lower than 2022. The Office of Agricultural Economics estimated the average yield of FFB in MY2023/24 to decline 3 percent from MY 2022/23. Also, the Department of Internal Trade reported the oil extraction rate to drop by around 4 percent from the MY 2022/23.

3.2.2 Consumption

Palm oil is used for food processing, which mainly includes cooking oil, margarine, and non-dairy creamer, as well as for biodiesel production, consumer products like soap and cosmetics, and medical products. Post forecasts MY 2025/26 palm oil consumption to increase one percent from MY 2024/25 in line with the biodiesel production which accounts for around 40 percent of total palm oil consumption. Also, palm cooking oil is still the primary cooking oil for household and food processing industry as prices of palm cooking oil are relatively cheaper than other cooking oil, accounting for around 37 percent of total palm oil consumption.

MY 2024/25 palm oil consumption is expected to increase two percent from MY2023/24, following anticipated slow economic recovery during 2024-2025. The demand for palm oil in industrial uses is expected to grow by one percent in line with the biodiesel demand. The government had lowered the mandatory blend rate from 6.6 – 7.0 percent to 5.0 – 7.0 percent since November 21, 2024, due to the surge in palm oil prices. Meanwhile, palm cooking oil consumption by household is expected to increase

three percent in MY2024/25 as prices of palm cooking oil leveled off in March 2025 after the surge in cooking palm oil prices since November 2024.

MY2023/24 palm oil consumption increased slightly due mainly to increased palm oil demand in industrial uses. The demand of palm oil in industrial uses increased three percent due mainly to the increase in demand for biodiesel. The Ministry of Energy (MOE) reported the demand for biodiesel to increase around two percent in 2024. Meanwhile, domestic consumption for palm cooking oil in household and food processing and consumer product industry declined four percent in 2024. Consumers shifted to cooking soybean oil due to the surge in cooking palm oil prices.

3.2.3 Trade

Thailand's imports of palm oil are marginal as the government protects domestic palm oil producers by allowing only the state-own Public Warehouse Organization to bring in imports. Nearly all the imports are refined, bleached, and deodorized crude palm oil (RBD).

Post forecast palm oil exports to further decline significantly in MY2024/25 and MY2025/26 due to limited exportable supplies, following growing demand for palm oil for food and industrial use, especially for biodiesel. MY2023/24 palm oil exports declined 3 percent from MY2022/23 due to tight domestic supplies of palm oil, following reduced palm oil production.

3.2.4 Stocks

Post forecasts tight stocks of palm oil in MY2023/24 and MY2024/25, down significantly from MY2022/23 due to reduced oil palm production in MY 2023/24. Meanwhile, domestic demand for palm oil for biodiesel production remained high as the government maintained high levels of the mandatory blend rate of biodiesel which was current set at 5-7 percent. The stocks levels in MY2023/24 and MY2024/25 are likely to be well below the safety stocks of 250,000 – 300,000 metric tons set by the government.

Appendix Tables

Table 1: Thailand's Palm Kernel Oil Production, Supply, and Distribution

Oil, Palm Kernel	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2026	
Thailand	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	918	930	947	945	0	960
Extr. Rate,	0.4608	0.4602	0.4572	0.4603	0	0.4583
Beginning Stocks (1000 MT)	58	58	62	33	0	58
Production (1000 MT)	423	428	433	435	0	440
MY Imports (1000 MT)	10	13	5	5	0	5
Total Supply (1000 MT)	491	499	500	473	0	503
MY Exports (1000 MT)	154	168	140	110	0	115
Industrial Dom. Cons. (1000	195	200	205	205	0	210
Food Use Dom. Cons. (1000	80	98	80	100	0	102
Feed Waste Dom. Cons. (1000	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	275	298	285	305	0	312
Ending Stocks (1000 MT)	62	33	75	58	0	76
Total Distribution (1000 MT)	491	499	500	473	0	503
(1000 MT), (PERCENT)						
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Table 2: Thailand's Palm Kernal Meal Production, Supply and Distribution

Meal, Palm Kernel	2023/2024		2024/2025		2025/2026	
Market Year Begins	Jan 2024		Jan 2025		Jan 2026	
Thailand	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	918	930	947	945	0	960
Extr. Rate,	0.4924	0.4892	0.4879	0.4868	0	0.4896
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	452	455	462	460	0	470
MY Imports (1000 MT)	309	309	290	320	0	325
Total Supply (1000 MT)	761	764	752	780	0	795
MY Exports (1000 MT)	32	32	5	33	0	34
Industrial Dom. Cons. (1000	0	0	0	0	0	0
Food Use Dom. Cons. (1000	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000	729	732	747	747	0	761
Total Dom. Cons. (1000 MT)	729	732	747	747	0	761
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	761	764	752	780	0	795
(1000 MT), (PERCENT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments