

Voluntary Report – Voluntary - Public Distribution

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Report Name: Opportunity for US Fresh Potatoes Exports for Chip Processing in Thailand

Country: Thailand

Post: Bangkok

Report Category: Market Development Reports, Potatoes and Potato Products, Trade Policy Monitoring

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Report Highlights:

On May 12, 2020, the Thai Cabinet approved increasing the quota for fresh potato imports for further processing from 52,000 MT to 58,400 MT for 2020.

Opportunity for U.S. Fresh Potatoes Exports for Chip Processing in Thailand

On May 12, 2020, the Thai Cabinet approved increasing the quota for fresh potato imports for further processing from 52,000 MT to 58,400 MT for 2020. The additional quota of 6,400 MT was approved mainly due to the insufficient supply of fresh potatoes for further processing. The yearly demand for fresh potatoes for further processing is about 150,000 – 200,000 MT. Thailand produces approximately 100,000 – 120,000 MT annually, which is only 60 percent of total demand from chip processors. Increasing demand for snacks has fueled the demand for fresh potatoes for potato chip processing to grow at 6.32 percent per annum during 2015-2019, while the growth of the domestic production is much slower at 0.45 percent per annum due to limited production area and climate uncertainty.

The request for additional quota for fresh potatoes was submitted by two major chip potato processors in Thailand. Pepsi-Cola (Thai) Trading Co., Ltd. received an additional 5,400 MT and Berli Jucker Foods Co., Ltd. received an additional 1,000 MT.

On December 26, 2019, the Department of Foreign Trade (DFT), Ministry of Commerce authorized the allocation of 52,000 MT for potatoes for processing under the 2020 TRQ. This allocation was carried-out by the Subcommittee on Production and Marketing Management for Garlic, Shallots, Onion, and Potatoes. The import window for potatoes for processing (chip stock potatoes) is from July 1 to December 31 every year. The following companies have been assigned the following in-quota amounts for 2020:

Company	Previous Quota Allocation (MT)	New Quota Allocation (MT)
Pepsi-Cola (Thai) Trading Co. Ltd.	44,750	50,150
Berli Jucker Foods Co., Ltd.	6,750	7,750
Unichamp Co., Ltd.	500	500
Total	52,000	58,400

The minimum required repurchase price from the contracting farms by the processors is set at Baht14/kg for July-December and Baht 10.40 during January-June. The food processing companies who are assigned the allocated import quotas are subject to an in-quota tariff rate of 27 percent. Otherwise, out-of-quota imports are subject to 125 percent tariff rate.

Thailand Import - Fresh Potatoes (HS Code 070190)

Partner	Calendar Year (Value: USD)				
	2015	2016	2017	2018	2019
China	2,121,734	4,070,311	12,009,514	6,235,094	8,884,613
Germany	1,279,856	7,678,643	7,285,896	4,898,267	7,725,102
Canada	4,348,993	2,404,723	3,287,665	7,070,496	4,280,557
United States	2,938,740	787,144	1,379,028	2,469,576	3,360,810
Australia	-	-	-	2,047,196	1,377,219
Other	255,943	734,475	372,816	813,310	504,077
Total	10,945,266	15,675,296	24,334,919	23,533,939	26,132,378

Source: The Thai Customs Department

Thailand Import - Fresh Potatoes (HS Code 070190)

Partner	Calendar Year (Volume: MT)				
	2015	2016	2017	2018	2019
China	14,697	10,336	27,962	22,516	32,059
Germany	3,889	22,775	19,611	13,939	20,831
Canada	8,573	5,088	6,981	15,094	8,977
United States	6,847	1,811	2,934	5,182	7,152
Australia	-	-	-	4,230	2,431
Other	496	1352	809	1539	897
Total	34,502	41,362	58,297	62,500	72,347

Source: The Thai Customs Department

End of the Report.

Attachments:

No Attachments.