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Report Highlights:

The global COVID-19 health crisis changed the behavior of consumers, increasing their preference towards products that support immune systems and enhance their wellness. At the same time, food and beverage products produced sustainably are becoming more popular as consumers become more aware of the impact the products they consume have on the environment.

Thailand's Food Trends in 2021

The food trends in Thailand in 2021 will largely be a continuation of trends seen in 2020. However, the COVID-19 pandemic has accelerated the growth of several food trends in Thailand, especially ones relating to health and sustainability. More people are looking for food and beverage products that nourish their bodies and minds. In addition, sustainable products continue to rise in importance as consumers are willing to pay more for products that have either a positive or, at the least, a limited impact on the environment. U.S. food and beverage products that focus on health and sustainability, especially fruits, keto friendly or gluten free products, dietary supplements, and organic products, will benefit from the increasing purchasing power of Thai consumers. Krungsri Research indicated that there will be a 1.6% increase in private consumption among the high-income consumer group in 2021. Lastly, many businesses are developing new business strategies to survive the economic hardships brought on by the spread of COVID-19. Consumers will see more new and exciting hybrid products as well as brand collaboration projects.

Health and Wellness through Foods

Health-conscious consumers are shaping the forecast food trends of 2021. The pandemic accelerated consumer interest in a more holistic approach to eating. More people are looking for food and beverage products that nourish their bodies and minds. Consumers want not only health-related products but also products with specific ingredients such as allergen-gluten free, keto-friendly, and plant-based products. Food and beverage producers are developing new products that incorporate functional ingredients like vitamin C and probiotics or herbs like turmeric and ginseng to meet the demands of health-conscious consumers. Thailand's healthy drinks market has become very competitive. For example, Osotsapa Foods launched C-Vitt, which is currently ranked the top healthy drink in Thailand; Carabao Tawandaeng launched Woody C Plus; and Boonrawd Brewery Company rolled out Purra C+B drinks. The Kasikorn Research Center stated that the functional drink market is set to surpass 5 billion Baht in 2020 and is expected to grow further up to 7 billion in 2021.

The market for gluten free and keto-friendly products is also booming. Food and beverage producers are launching more certified gluten-free or keto-friendly products to meet the rising demand, and restaurants are developing new menu items to serve these special dietary demands. However, most of the products from these categories are imported products, mostly from the United States, Australia, UK, and other European countries. There are lots of opportunities for U.S. exporters in this market segment as demand continues to grow.

The plant-based meat market is expected to be worth about \$30 billion globally by 2025, and Thailand is rapidly contributing to the trend. According to the Siam Commercial Bank Public Limited Company's Economic Intelligence Center, the percentage of Thais who will not eat meat will increase to 15% by 2025 from 8% in 2019. There are a large number of Thai entrepreneurs developing plant-based products. The fastest growing company is NR Instant Produce, a food exporter. Almost 10% of NR Instant Produce's revenue comes from plant-based products, and the share of plant-based products in the company's revenue is expected to grow to 30% by 2022. Both Charoen Pokphand Foods and Bangchak Corp are also planning to diversify into the industry soon.

Thai consumers are also demanding more organic superfoods such as goji berries and chia seeds. These superfoods are added to recipes or formulas so that the products can be marketed as dietary supplements that will benefit consumers' health and well-being.

In addition, other trending health-related products include healthy ready-to-eat meals, alternative protein bars, liquid diet for patients and the elderly, and snacks made with fruits and vegetables.

Sustainability

Consumer expectations regarding sustainability are higher than ever. Roughly 65% of consumers want to have a positive impact on the environment through their everyday life, and almost 35% of consumers want to buy products that are produced sustainably. Companies are prioritizing eco-efficiency and investing more in sustainability. Charoen Pokphand Foods PCL (CP) exhibited innovative food products from its socially and environmentally responsible production process at THAIFEX-ANUGA 2020 under the "Put our Heart into Food" program. The program highlighted CP's dedication to deliver a wide range of high quality, safe, and standardized products through a responsible production process that incorporates environmental sustainability, animal welfare, continuous food innovation development, and customer satisfaction. International brands are leading the way. Kit-Kat introduced a recyclable packaging campaign by replacing plastic wrappers with paper that can be used to create origami. ReGrained, a food startup company, offers snack food products that are made from grain leftover from beer-making, referring to its sustainability-based mission as "edible upcycling." Beyond Meat is also changing the food industry by creating plant-based meat substitutes that are healthy and environmentally safe. Thai consumers, especially in urban areas, are looking for more green labeled products (i.e., products that are certified to meet certain environmental standards), both internationally and domestically produced. The majority of Thai consumers living in urban areas (65%) are willing to pay extra for food and beverage products that are committed to reducing plastic use and food waste.

Hybrid Products

Three in five Thai consumers like to try new products, especially food and beverages that offer new experiences such as the combination of product categories or the cross over between food and cosmetic products (e.g., beauty drinks and Coca Cola cosmetics). Companies are developing new products that are multi-functional and combine new flavors and ingredients to satisfy the demand for new and adventurous experiences in food. Été, one of Thailand's ice-cream brands, launched a bubble tea ice-cream that combines one of the most popular drinks in Thailand with ice-cream. One of the most famous companies known for its hybrid products is Coca-Cola. The company offers a variety of drinks with hybrids functions, new flavors, and new ingredients. Some successful examples include Coca-Cola with coffee, the Coca-Cola energy drink, the apple flavored Coca-Cola, and Coca-Cola with 20% fibers. According to the Innova Market Insights, 45% of Asian consumers are likely to choose products that offer more than one benefit or function in 2021 as consumers are becoming more caution in their spending decisions and seeking greater value out of their purchases.

Brand/Business Collaborations

Companies are collaborating more with each other by sharing customer databases, distribution channels, and media platforms to help decrease costs and increase their consumer base. Thai born Fire Tiger, a

boba tea company, is in discussion with MK Restaurant, a sukiyaki franchise, to sell their Fire Tiger Milk and Fire Tiger Milk Tea at the 463 MK locations throughout Thailand. The possible collaboration between Fire Tiger and MK restaurants could benefit both companies by expanding Fire Tiger's target market and market territory and by providing MK restaurants with new products to increase traffic at their locations.

There are many opportunities for U.S. imported products, especially for products that are considered beneficial to consumers' health and wellness, despite forecasts that indicate an economic slowdown in 2021. Thai importers are aware of the trends and are always looking for new and innovative products to introduce into the Thai market, such as alternative meat products. The market for alternative meat products is forecast to grow in the near future and is expected to capture up to 10% of the traditional meat market. There is a lot of room for U.S. exporters to gain market share in this segment, not only for alternative meat producers but also for U.S ingredient suppliers that can provide ingredients that can be used in alternative meat production.

End of Report

Attachments:

No Attachments.