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An Update on Recent Thai Regulations on Animal Feed Imports

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Grain and Feed

Approved By:

Russ Nicely, Agricultural Counselor

Prepared By:

Sakchai Preechajarn, Agricultural Specialist

Report Highlights:

Thailand has enacted several new regulations that restrict imports of feed and feed ingredients containing certain animal proteins. Thailand failed to notify the WTO for comments from its trading partners on these regulations. USDA has requested Thailand adopt the system approach to plant approvals, but Thailand has not responded to the request so remains in the position of requiring that each exporter's plant be inspected. This discrepancy in audit approach, if not resolved, will affect exports of U.S. animal-protein feed ingredients in 2018. In 2016, Thailand imported U.S. \$5.3 million of bone and bone meal, a subcategory of the affected feed ingredients from the United States.

Executive Summary:

Thailand's Department of Livestock Development (DLD), under the Ministry of Agriculture and Cooperatives (MOAC), has implemented several new regulations restricting imports of feed and feed ingredients containing certain animal proteins. The new regulations are detailed under three different ministerial notifications: 1) Rules, Procedures, and Conditions for the Importation for Sale of Specifically Controlled Animal Feed; 2) Characteristics and Conditions for Prohibited Importation of Animal Feed with Avian Influenza Risk; and 3) Characteristics and Conditions on Prohibited Importation for Animal Feed Ingredients that are at Risk of BSE Disease. The DLD has issued several additional rules to accompany and implement these ministerial notifications but has not notified WTO for comments from its trading partners on these rule regulations.

The effect of these notifications will be to limit the importation of feed and feed ingredients containing certain animal proteins to only from individual facilities in exporting countries that are first audited and approved by DLD. In addition, the new notifications would differentiate the import controls based on a country's risk for Bovine Spongiform Encephalopathy (BSE) and Highly Pathogenic Avian Influenza (HPAI).

Although Thai authorities claimed that these rules are unchanged from Thailand's previous feed ingredient import practices and provide a clearer regulatory framework in regulating imported products, the U.S. government see this an unnecessary restrictions. USDA has requested Thailand adopt the system approach to plant approvals, but Thailand has not responded to the request so remains in the position of requiring that each exporter's plant be inspected. Plants which hope to export to Thailand must be first be individually approved. The discrepancy in audit approach, if not resolved, will affect exports of U.S. animal-protein feed ingredients in 2018. In 2016, Thailand imported U.S. \$5.3 million of bone and bone meal, a subcategory of affected feed ingredients from the United States.

Below are summaries of each notification as well as unofficial translations

1) Appendix One of "Rules, Procedures, and Conditions for the Importation for Sale of Specifically Controlled Animal Feed" states that effective on August 3, 2017, importers can only import "specifically controlled animal feed" from eligible facilities which must have been audited and approved by the DLD. Under this notification, DLD facility approvals will be valid for 5 years.

"Specifically controlled animal feed" is defined under Appendix Two of DLD's notification "The Determination of the Products Listed as Specifically Controlled Animal Feed Ingredients that are Subject to Production Facility Audit and Approval B.E. 2560 (A.D. 2017)". This notification classifies "specifically controlled animal feed as 1) meat meal; 2) degreasing meat meal; 3) meat and bone meal at specified protein levels; 4) poultry meal; 5) poultry by-product meal; 6) feather meal; and 7) mineral supplements derived from bone.

Although the rule became effective on August 3, 2017, it is not implemented until November 14, 2017, when DLD sent a letter officially notifying Thai animal feed manufacturers and importers on the new procedures. In the letter, DLD lists 101 facilities, including 14 from the United States, which have

historically exported feed to Thailand and would be affected by the new notifications. In order for a facility on this list to continue to export to Thailand, they must submit an intention to audit form to DLD by December 31, 2017. The audit intention form must be at least accompanied by: 1) an invitation of audit from an importer or an exporter; 2) an official audit invitation from a responsible government agency in an exporting country; 3) a copy of the certification of country of product origin (if any); 4) product information; and 5) process flow chart. Facilities on the list that do not submit these require documents will not be considered for future audits and as of December 31, 2017 will not be permitted to export product to Thailand.

2) Appendix Three of the Ministerial Notification "Characteristics and Conditions for Prohibited Importation of Animal Feed with Avian Influenza (AI) Risk" states that effective on June 10, 2017, the import of poultry products for feed use from any country suspected of or reported by the World Organization for Animal Health of having an HPAI outbreak within the last 12 months is prohibited unless those productions are sanitarily treated under specific conditions listed in the notification. Products subject to this notification include: 1) poultry meal; 2) poultry by-product meal; 3) feather meal; 4) feed ingredients or animal feed containing poultry meal, poultry by-product meal and feather meal.

The DLD issued an accompanying notification titled "Determination of Procedures and Conditions for Import of Animal Feed with Avian Influenza Risk" which creates a category AI risk materials. Effective on August 3, 2017, these risk materials can only be imported in feed or as feed ingredients if they come from facilities which were audited and approved by DLD in the past five years. Appendix Four of this notification defines these materials as: 1) poultry meal; 2) poultry by-product meal; 3) feather meal; 4) poultry blood meal; 5) poultry plasma meal; 6) egg powder; 7) poultry fats/oils; and palatability enhancers or flavoring agent innards derived from poultry.

When combining these regulations as indicated in Appendix 1, 2, 3, and 4; products under the requirement of plant-by-plant audit includes: 1) meat meal; 2) degreasing meat meal; 3) meat and bone meal at specific protein levels; 4) poultry meal; 5) poultry by-product meal; 3) feather meal; 6) poultry blood meal; 7) mineral supplements derived from bone; 8) poultry plasma meal; 9) egg powder; and 10) poultry fats/oils; and palatability enhancers or flavoring agent innards derived from poultry

3) Appendix Five of the notification "Characteristics and Conditions on Prohibited Importation for Animal Feed Ingredients that are at Risk of Bovine Spongiform encephalopathy Disease" (Appendix 5), went into effect on June 10, 2017, and stipulates the import requirements for bovine feed ingredients. Under this notification, bovine products for feed use from countries recognized by OIE as having a "negligible BSE risk" are permitted to be imported. Imports of bovine products for feed use from countries recognized by the OIE as having a "controlled BSE risk" or an "undetermined BSE risk" face import restrictions. DLD is drafting an accompanying notification on the import restrictions for bovine products from countries with a "controlled BSE risk" or an "undetermined BSE risk".

Appendix 1

Ministerial Notification of the Ministry of Agriculture and Cooperatives "Rules, Procedures, and Conditions for the Importation for Specifically Controlled Animal Feed Ingredients"

B.E. 2560 (A.D. 2017)

<u>Unofficial translation</u>

In order to ensure the sanitation and safety of specifically controlled animal feed ingredients that are imported into the Kingdom;

By the authorization as given in Section 5 and Section 6(1) of the Feed Quality Control Act B.E. 2558 (A.D. 2015); the Minister of Agriculture and Cooperatives, as recommended by the Committee on Feed Quality Control, notifies as follows:

- 1. This notification is called the "Ministerial Notification of the Ministry of Agriculture and Cooperatives: Rules, Procedures, and Conditions for the Importation for Specifically Controlled Animal Feed Ingredients B.E. 2560 (A.D. 2017)".
- 2. This notification is effective 90 days after it is published in the Royal Gazette.
- 3. A import permit licensee for specifically controlled animal feed ingredients is subject to arranging the audit of the production facility in an exporting country for the Department of Livestock Development (DLD) official(s) for approval. As such, the Director General of the DLD will determine the list of specifically controlled animal feed ingredients.
- 4. The approval for each production facility as described in 3) is valid for 5 years, dated from the audit approval notification date. If the audit approval for a production facility has expired, an import permit licensee from that facility must arrange for the re-audit and re-approval for that facility.
- 5. If the licensee is not able to comply with the requirement as indicated in 4), the Director General of the DLD is authorized to grant a waiver, if the certification is provided by an authorized agency in the exporting country. In order to receive a waiver, the licensee must apply for it through the Division of Animal Feed and Veterinary Products Control, DLD, within 30 days prior to the audit approval expiration date.
- 6. For any production facility which was audited and approved prior to this notification, the import permit licensee who holds the product registration license for the product manufactured from that approved facility must notify the Division of Animal Feed and Veterinary Products Control, DLD, within 90 days after the last audit approval expires and the case will then be proceeded as indicated in 4).
- 7. If the licensee fails to comply with the requirements indicated in the above paragraph, the right to import that specifically controlled animal feed ingredient will be suspended until the re-audit and re-approval process is completed.

Notified as of 19 April B.E. 2560 (A.D. 2017)

General Chatchai Sarikalya Minister of Agriculture and Cooperatives The notification was published in the Royal Gazette on May 3, 2017

Appendix 2

Notification of the Department of Livestock Development The Determination of the Products Listed as Specifically Controlled Animal Feed Ingredients that are Subject to Production Facility Audit and Approval B.E. 2560 (A.D. 2017)

Unofficial translation

By the authorization as given in 3) of the Ministerial Notification of the Ministry of Agriculture and Cooperatives: Rules, Procedures, and Conditions for the Importation for Specifically Controlled Animal Feed Ingredients B.E. 2560 (A.D. 2017), the Department of Livestock Development notifies as follows:

- 1. This notification is called "The Determination of the Products Listed as Specifically Controlled Animal Feed Ingredients that are Subject to Production Facility Audit and Approval B.E. 2560 (A.D. 2017)".
- 2. This notification goes into effect on 1 August B.E. 2560 (A.D. 2017).
- 3. The following products are listed as specifically controlled animal feed ingredients and are subject to a production facility audit and approval prior to being eligible for import:
 - (1) Raw material type
 - a) Meat meal;
 - b) Degreasing meat meal;
 - c) Meat and bone meal (MBM) with a protein level of 45 percent;
 - d) Meat and bone meal (MBM) with a protein level of 50 percent;
 - e) Poultry meal;
 - f) Poultry by-products meal;
 - g) Feather meal.
 - (2) Animal supplements: mineral supplement made from bone

Notified as of July 25, 2017 Apai Suttisunk Director General Department of Livestock Development

The notification was published in the Royal Gazette on August 3, 2017

Appendix 3

Ministry of Agriculture and Cooperatives Notification Regarding

"Characteristics and Conditions for Prohibited Importation of Animal Feed with Avian Influenza (AI) Risk" P. F. 25(0 (A. D. 2017)

B.E. 2560 (A.D. 2017) Unofficial translation

By virtue of Section 5 and Section 6 (3) of Animal Feed Quality Control Act B.E. 2558 (A.D.) 2015, the Ministry of Agriculture and Cooperatives as recommended by of Animal Feed Quality Control Committee notifies as follows:

- 1. This notification is called the "Ministry of Agriculture and Cooperatives Notification regarding Characteristics and Conditions for Prohibited Importation of Animal Feed with Avian Influenza Risk, B.E. 2560"
- 2. This notification is effective from the date after it is published in the Royal Gazette.
- 3. The importation of poultry meal, poultry by-products meal and feather meal used for animal feed or animal feed with poultry meal, poultry by-products meal and feather meal ingredients from countries with a suspected avian influenza outbreak or from countries that have OIE notifications on Highly Pathogenic Avian Influenza (HPAI) outbreaks within the last 12 months is prohibited, except in accordance with the following conditions:
 - 1) Poultry meal, poultry by-products and feather meal processed through one of the following processes:
 - a. Moist heat at a temperature no less than 118 degrees Celsius for at least 40 minutes
 - b. Continuous hydrolyzing process under stream pressure no less than 3.79 bars at no less than 122 degrees Celsius for a least 15 minutes
 - c. Alternative rendering process that can be proved to heat the whole product to no less than 75 degrees Celsius
 - Products going through either Processes a, b, or c need to provide evidence that the product did not have any contact with or come from sources impacted by the outbreak of avian influenza.
 - 2) Animal feed with poultry meal, poultry by-product meal, or feather meal ingredients, poultry meal, poultry by-product meal or feather meal must undergo one of the processes mentioned in requirement 1.
- 4. For countries that have a status as free of Avian Influenza, if there is an HPAI outbreak, that country must follow the OIE recommendations before they will imports will be allowed.
- 5. Importation of animal feed that came from poultry or have poultry ingredients or poultry products must follow rules and conditions listed in the Department of Livestock Development notification as endorsed by the DLD Director General.

Signed as of April 28, 2017 General Chatchai Sarikulya Minister of Agriculture and Cooperatives

The notification was published in the Royal Gazette on June 9, 2017

Appendix 4

Department of Livestock Development Notification Regarding

"Determination of Procedures and Conditions for Import of Animal Feed with Avian Influenza Risk"

B.E. 2560 (A.D. 2017)

Unofficial translation

By virtue of Section 5 of the Ministry of Agricultural and Cooperatives Notification regarding the "Characteristics and Conditions for Prohibited Importation of Animal Feed with Avian Influenza Risk" B.E. 2560 (A.D. 2017), notifies as follows.

- 1. This notification is called the "Rules and Conditions for the Importation of Animal Feed from Poultry or with Poultry Ingredients or Products from Poultry with Avian Influenza Risk"
- 2. This notification is effective henceforth.
- 3. Feed ingredients from poultry are defined as follows:
 - (1) Poultry meal
 - (2) Poultry by-products meal
 - (3) Feather meal
 - (4) Blood meal
 - (5) Plasma powder
 - (6) Egg powder
 - (7) Poultry Fats/Oils
 - (8) Palatability Enhancers/ Flavoring Agent Innards
- 4. Animal feed as stated by number 3 is subject to a facility audit and approval. Approval of a production facility is valid for 5 years, dated from the audit approval notification date. If the facility approval has expired, the import permit licensee must arrange a re-audit and re-approval.
 - While an audit is being arranged, the Director General of the DLD is authorized to grant a waiver. Under a waiver, importation can continue as long as a Certificate of Health is issued by the authorized government agency of the exporting country to accompany every shipment. The waiver will end once a facility is approved by DLD officials or at the discretion of the Director General.
- 5. Imports of animal feed of products listed under number 3 must have a Certificate of Health in accordance to the Requirements for Importation agreed upon by Thailand and the exporting country. During the pending consultations, the previous version of Certification of Health can be used.

Notified as of July 25 2017 Apai Suttisunk (Director General, DLD)

The notification was published in the Royal Gazette on August 3, 2017

Appendix 5

Ministerial Notification of the Ministry of Agriculture and Cooperatives
"Characteristics and Conditions on Prohibited Importation for Animal Feed Ingredients that are at Risk of BSE Disease"

B.E. 2560 (A.D. 2017)

Unofficial translation

By the authorization as given in Section 5 and Section 6(1) of the Feed Quality Control Act B.E. 2558 (A.D. 2015); the Ministry of Agriculture and Cooperatives, as recommended by the Committee on Feed Quality Control, notifies as follows:

- 1) This notification is called Characteristics and Conditions on Prohibited Importation for Animal Feed Ingredients that are at Risk of BSE Disease B.E. 2560 (A.D. 2017).
- 2) This notification comes into effect the day after the notification is published in the Royal Gazette.
- 3) In this notification:
- "Countries having a risk of BSE" means a country or an area that is classified undert the World Organisation for Animal Health (OIE)'s guidelines on BSE, i.e., Country Group 1, Country Group 2, and Country Group 3.

Country Group 1 means a country classified as a Negligible BSE Risk Country.

Country Group 2 means a country classified as a Controlled BSE Risk Country.

Country Group 3 means a country classified as an Undetermined BSE Risk Country.

- 4) The imports of meat and bone meal (MBM), meat meal, degreasing meat meal, bone meal, or greaves, which are derived from cattle and are intended as feed ingredients are prohibited, if they are:
 - (1) Product(s) from country group 1, derived from cattle born prior to the implementation of cattle feed ban; or
 - (2) Products from country group 2 and country group 3.
- 5) This import prohibition is applied to tallow containing insoluble impurities greater than 0.15 percent by weight except when:
 - (1) the imported product originates from country group 1; or
 - (2) the imported product originates from the country group 2 and is derived from cattle that receives ante-mortem and post-mortem inspections and are not suspected or known to have BSE and the product is not derived from tonsils and distal ileum from animal of any age, of from the

brain, eyes, skull and vertebral column for cattle that have more than 30 months of age.

- 6) The import prohibition is applied to tallow derivatives containing insoluble impurities more than 0.15 percent by weight except when:
 - (1) the imported product originates from country group 1; or
 - (2) the imported product originates from country group 2 under the following conditions:
 - (a) the product is derived from cattle that receives ante-mortem and post-mortem inspections that are suspected or known to have BSE and the product is not derived from tonsils and distal ileum from animal of any age, of from the brain, eyes, skull and vertebral column for cattle that have more than 30 months of age.
 - (b) the product is produced under a hydrolysis process, saponification process, or transesterification process which requires high temperature and pressure;
 - (3) the imported product originates from country group 3 and is produced under a hydrolysis process, saponification process, or transesterification process which requires high temperature and pressure.
- 7) The import prohibition is applied to gelatin and collagen derived from bones except when:
 - (1) the imported product originates from country group 1; or
 - (2) the imported product originates from country group 2 or country group 3 under the following conditions:
 - (a) the product is derived from cattle that receives ante-mortem and post-mortem inspections and that is not known suspect or confirmed of BSE cases; and
 - (b) the product does not contains vertebrae columns from cattle that have more than 30 months of age or from the skull from cattle of any age; and
 - (c) bones are processed by the following steps:
 - 1. degreasing
 - 2. acid demineralization
 - 3. acid or alkaline treatment
 - 4. filtration
 - 5. sterilization through heating to no less than 138 degrees Celsius for at least 4 seconds.
- 8) The import prohibition is applied to Di-calcium phosphate containing protein or fat except when:
 - (1) the imported product originates from country group 1;
 - (2) the imported product is originates from country group 2 or country group 3 and is a byproduct of bone gelatin production under the following conditions:
 - (a) the product is derived from cattle that receives ante-mortem and post-mortem inspections and that is not known suspect or confirmed of BSE cases; and
 - (b) the product does not contains vertebrae columns from cattle that have more than 30 months of age or from the skull from cattle of any age; and
 - (c) bones are processed by the following steps:
 - 1. degreasing
 - 2. acid demineralization
 - 3. acid or alkaline treatment
 - 4. filtration
 - 5. sterilization through heating to no less than 138 degrees Celsius for at least 4

seconds.

- 9) The import prohibition is applied to blood meal and blood by-products derived from cattle slaughtered by a stunning process by means of injecting compressed air or gas into the cranial cavity or by a pithing process or other means which cuts brain tissue or vertebrae columns.
- 10) The importation of animal feed derived from cattle and any mixtures derived from cattle or products derived from cattle must comply with rules and conditions as determined by the Director General of DLD.

Notified as of 28 April B.E. 2560 (A.D. 2017)

General Chatchai Sarikalya Minister of Agriculture and Cooperatives

The notification was published in the Royal Gazette on June 9, 2017

End of Report.