

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Thailand**

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**Report Highlights:**

TH3043 "SAWASDEE THAILAND" provides the latest information on the Thai agricultural situation, market access for U.S. products, and upcoming events.

## **General Information: HOT NEWS**

### Outlook for Thailand's Soybean Imports

Based on Post's recent annual reporting on the oilseed situation, Thailand's soybean imports are estimated to increase to 2.1 MMT in MY 2012/13 and 2.2 MMT in MY 2013/14 as Thailand's livestock and poultry production continues to expand. Demand by local crushers could also increase soybean imports as they attempt to compete with imported soybean meal. U.S. market share of Thailand's soybean imports, however, fluctuates depending on the supply availability from Brazil and Argentina. U.S. market share dropped to 17 percent in MY 2011/12 from 24 percent in 2010/11 due to larger supplies from the southern hemisphere. Trade sources estimate that the U.S. market share for MY 2012/13 would increase to 25 percent following serious drought in Brazil and Argentina. U.S. market share is likely to fall in MY 2013/14 as the soybean crop production in the southern hemisphere returns to normal levels.

### The Impact of Thai FTAs on U.S. Agricultural Exports to Thailand

Recent analysis indicates that although Thailand's free trade agreements (FTAs) have impacted the viability of some exports, U.S. agricultural exports in terms of value remain competitive in the Thai market due to a variety of factors including increased disposable income of Thai consumers, growing tourism industry, increased number of expats living in Thailand, and the depreciation of the U.S. dollar over the past 4-5 years. U.S. exporters have clearly lost their competitiveness in certain agricultural export categories, particularly in consumer-oriented products (i.e. sugar/sweetener/beverage bases, snack foods, fresh fruits, and processed fruits and vegetables). On average, import tariffs for U.S. agricultural consumer-oriented products are 10 to 40 percent higher than products originating from Thai FTA countries. However, some U.S. consumer-oriented products (i.e., dairy products, tree nuts, fruit and vegetable juices, wine and beer, fresh vegetables, egg products, and uncooked red and poultry meats) have shown an increase in market share. The full report should be available by the end of April 2013.

## **MARKET ACCESS UPDATE**

### Biotech Field Trial

At a recent Global Status of Commercialized Biotech Crops in 2012 Conference, international experts presented information detailing the rapid expansion of biotech crops throughout the world. The audience consisted mainly of the Thai press and biotech advocates, including a number of government officials. Presenters claimed that 2012 marked the first year that more than half of the world's biotech crops were grown in developing countries. Brazil, in particular, was identified as a world leader in the use of biotechnology. Among ASEAN countries, Vietnam and Indonesia are likely to join the Philippines and Myanmar in allowing biotech crop use within the next two to three years. Seminar attendees also discussed the possibility of obtaining authorization to conduct biotech corn field trials in Thailand, however, the Thai Cabinet's approval is uncertain.

## **UPCOMING EVENTS**

### **Snack Food Opportunities for U.S. Dry Bean Council**

The USA Dry Bean Council (USADBC) will sponsor three key individuals, one from a Thai food manufacturing company and two from a food ingredient importing company, to participate in their technical and “Snack Food Opportunities” workshop to be held in Fargo, North Dakota during May 12-17, 2013. The technical workshop will consist of a technical information session and workshop demonstration focusing on bean-based snack processing techniques. The participants will gain hands-on experience in extruding various dry bean varieties and formulations as well as obtain new product development ideas using U.S. dry beans. More information is available at [www.usdrybeans.com](http://www.usdrybeans.com)

### **2013 California Milk Advisory Board (CMAB) Trade Mission to Thailand**

The California Milk Advisory Board (CMAB) organized a trade mission for six California dairy suppliers to Thailand during April 22-23, 2012. The mission comprised of a market briefing by the FAS/Bangkok office, one-on-one meetings with key Thai importers and manufacturers, and field visits to supermarkets, hypermarkets, and retail distributors. The participating California suppliers primarily produce milk and cheese products. More information is available at <https://www.facebook.com/pages/REAL-CALIFORNIA-MILK-THAILAND> or contact Ms. Chanida Thongbut at [chanida@successmarketing.co.th](mailto:chanida@successmarketing.co.th)

### **MYANFOOD / MYANHOTEL 2013**

MYANFOOD 2013 is the first ever official international hospitality, food and beverage trade show to be held in Yangon, Myanmar during November 6-8, 2013. The show is expected to attract over 8,000 buyers representing supermarkets, restaurants, hotels, caterers, retailers, importers/distributors, etc. U.S. exporters and trade associations interested in participating in the trade show can contact Ms. Raina at [myanfood@ambexpo.com](mailto:myanfood@ambexpo.com). More information is available at [www.ambexpo.com](http://www.ambexpo.com)

### **USA FAIR 2013**

The American Chamber of Commerce (AMCHAM) and the U.S. Embassy in Thailand will organize its sixth USA Fair, a commercial and lifestyle fair, to promote U.S. products including food and beverage products and a variety of services. The event will be held at the Central World mall during May 31 - June 2. Local importers of U.S. foods and beverages have already signed up to participate in the event. Last year, more than 150,000 people visited the Fair’s 34 exhibitions and purchased over \$2 million of products and services. More information is available at [www.amchamthailand.com](http://www.amchamthailand.com).

### **The 5<sup>th</sup> American Hardwood Design Camp**

On March 2013, the American Hardwood Export Council (AHEC), the Thai Furniture Industries

Association, and FAS/Bangkok successfully opened the 5<sup>th</sup> American Hardwood Design Camp. This year's event was attended by U.S. Ambassador Kristie Kenney, Thai Deputy Minister of Commerce Nattawut Saikuar, and numerous media representatives. During the 5-day event, FAS promoted 21 furniture prototypes that were produced by Thai design students. A number of individuals expressed interest in purchasing the furniture prototypes, however, due to factory limitations, the orders weren't fulfilled. AHEC representatives were pleased with the Design Camp and expressed interest in holding another event next year to continue creating awareness for U.S. hardwood products. In 2012, Thailand's global hardwood imports totaled \$358 million, a 12 percent increase from 2011. Hardwood imports from the United States increased 57 percent in 2012 totaling more than \$29 million.

### VIV Asia 2013

The VIV Asia Trade Show is one of the most popular shows for livestock farmers and importers of feed ingredients, feed additives, livestock equipments, etc. The 2013 VIV Asia Trade Show took place in Thailand on March 13-15 at the Bangkok International Trade and Exhibition Center (BITEC). This year's VIV Asia Trade Show hosted 770 exhibitors and 33,229 visitors from 118 countries compared to 28,978 visitors from 98 countries in 2011. The number of international visitors increased 15 percent from the previous show held in 2011. U.S. participants appreciated Post's valuable assistance, particularly in regards to updating and distributing the feed ingredient import regulations report, providing a list of feed millers in Thailand, and organizing market briefings by FAS officers and Thai private sector representatives on the Thai feed industry situation. U.S. exporters projected an estimated \$42 million in sales over the next 12-months as result of business conducted at the trade show.