

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

"TH1074" "SAWASDEE THAILAND" provides the latest information on Thai agricultural situation, market access for U.S. products, and upcoming events.

General Information:

HOT NEWS

Thai Economy to Grow 3.5-4.5 Percent in 2011

The National Economic and Social Development Board (NESDB), the agency responsible to formulate development strategies, recently forecasted that in 2011 economic growth will be between 3.5-4.5% despite higher oil prices, rising inflation, and a troubled automotive industry hit by the March 11 Japanese earthquake and tsunami. According to NESDB, the economic growth will be high agricultural prices and production (especially rice, sugarcane, corn and rubber), tourism, and increased domestic spending.

Thailand CPI Growth Exceeds 4 Percent in May

The Ministry of Commerce (MOC) officially reported that the country's monthly consumer price index (CPI) in May 2011 increased by 4.19 percent as compared May 2010, or up 0.34 percent from April 2011, mainly due to increased of retail prices and prices for other food items, both fresh and processed foods, such as pork and chicken meat. According to MOC, the CPI growth for 2011 is estimated at 3.2-3.7 percent.

Thai FDA Revised a Regulation on Melamine and Its Analogues

On May 26, 2011, the The Thai Food and Drug Administration (TFDA) notified to the WTO (G/SPS/N/THA/203), the revised regulation on Melamine and its analogues contamination. The Thai FDA is considering repealing the testing results of two Melamine analogues, Ammelide and Ammeline to be in consistent with CODEX. Under this revised regulation, the Thai FDA allows no more than 1 ppm of Melamine and Cyanuric acid for infant and young children's formula milk and foods. For other foods, the level of Melamine and Cyanuric acid must not exceed 2.5 ppm. Details are available at <http://gain.fas.usda.gov>.

Thai FDA's Guideline Daily Amounts (GDA) Labeling

The Thai Food and Drug Administration (TFDA) passed the regulation on the new nutrition labeling system that would display the Guideline Daily Amounts (GDA). The GDA nutrition labeling system, as proposed by the TFDA, will provide guidance on energy, sugar, fat, and sodium, and would be mandatory for five groups of snack foods: fried or baked potato chips, fried or baked popcorn, rice crisps or extruded snack, crackers or biscuits, and filling wafers. The regulation will become effective on August 24, 2011. Details are available at <http://gain.fas.usda.gov>.

MARKET ACCESS UPDATE

U.S. Exports of Genetics Unabated as Thai Authorities Conduct Plant Audits

In late March and early April, Thai officials from the Department of Livestock Development (DLD) conducted audits of U.S. exports of bovine semen and embryo and swine semen, and earlier audits of U.S. poultry breeding farms in December of 2009. The purpose of the audits is to comply with DLD's current import requirements. However, DLD have yet to finalize their review on the audits, not have assured FAS/Bangkok that trade will continue unabated until as they work in concluding their reviews.

The Effort to End a Deadlock by New Registration Process for Agricultural Chemicals Continues

Under the new Hazardous Substance Act (No. 3) B.E. 2551 (A.D. 2008), all current licenses for the production, import, export, and possession of pesticides will become void as of August 22, 2011. Pesticide suppliers, domestic and foreign, must submit new applications to register their products. Unfortunately, suppliers have expressed shortcomings in meeting the new deadline, due to a more complicated and time-consuming process. Although stakeholders have engaged DOA to resolve this deadlock either by granting exceptions or changing the enforcement date, DOA has expressed that it is out of its legal jurisdiction to do so. To mitigate adverse consequences, DOA has expressed that they will: 1) allow stakeholders to work on two steps of registration in parallel; 2) review the submitted documents in a time manner; and 3) allow stakeholders to keep up to two years stocks of products imported or manufactured prior to August 22, 2011. If unable to register on time, possible severe shortages of product suppliers are likely to occur.

UPCOMING EVENTS

Field Survey to Assess Biofuels Situation

FAS/Bangkok will conduct a field trip to the south, central, and lower north of Thailand in mid-June to assess biofuels situation in terms of production, consumption, trade and policy for biodiesel and ethanol. Information from the survey will be used for a preparation of its Annual Biofuel Report, which is scheduled to be of public access in the FAS GAIN reporting system by early July. Last year's report forecasted a palm oil shortage if the government did not modify its policies, unfortunately the policies remained in place until the shortage become untenable in early 2011.

Food Defense Activities in Thailand

The USDA, in cooperation with the U.S. Food and Drug Administration, the U.S. Department of State, and U.S. industry representatives, has slated two APEC regional capacity building events in Thailand. The first, an APEC Laboratory Capacity Building Workshop, endorsed by the APEC/Food Safety Cooperation Forum's Partnership Training Initiative Network will tentatively take place in late August. The second event, an APEC Regional Food Defense Workshop, endorsed by the APEC/Counter-Terrorism Task Force, and will showcase the efforts and expertise of the four pilot project economies (Thailand, Peru, the Philippines, and Vietnam) experiences to the rest of the APEC community. This second event is planned to be conducted in mid to late September.

Mark Your Calendar for Food and Hotel Thailand

Food and Hotel Thailand will be held during September 13-16, 2011 at Royal Paragon Hall Exhibition and Convention Center targeting to chefs, food and beverage professionals, hotels groups and caterers, and bakeries. Last year the show hosted 758 exhibiting companies from 36 countries and attracted about 26,037 trade visitors from 62 countries, an increase of almost 2,000 buyers from 2009. This year the U.S. Potato Board, U.S. Meat Export Federation, and U.S. Poultry and Egg export Council together with U.S. exporters will showcase a variety of new and existing U.S. products while networking with local importers and trade visitors and potential new clients. More information is available at www.foodhotelthailand.com.

Food Ingredients Asia 2011 - Biggest Food Ingredients Show in Southeast Asia

Food Ingredients Asia will be held once again in Bangkok during September 21-23, 2011. The show maintained its position as the leading international trade event for food ingredients. In 2009, the show consisted of 130 exhibitors from 20 countries and 6,225 visitors from 45 countries. This year the following organizations have considered joining the U.S. pavilion: Western United States Trade Association (WUSATA), U.S. Dry Pea and Lentil Council, and U.S. Dairy Export Council. The FI Asia show is a USDA-endorsed show. Any U.S. company interested in participating should contact Sharon Cook at sharon.cook@fas.suda.gov. Additional information about this show can be found at <http://fiasia-thailand.ingredientsnetwork.com/>.

COTTON USA's Seminar on Cotton Price and Economics

COTTON USA will hold a seminar on economic outlook for global cotton markets for Thai spinners on June 13, 2011 in Bangkok. Dr. Gary Adams will present an update on global and U.S. cotton market situation and outlook. He is the National Cotton Council of America's Vice President of Economic and Policy Analysis. The National Cotton Council is COTTON USA's parent organization located in Memphis, Tennessee. He also represents the cotton industry on USDA's Advisory Committee on Trade and the USDA/NASS Advisory Committee on Agricultural Statistics.

COTTON USA's Round Table Discussion on SCM

COTTON USA will conduct a round table discussion on the COTTON USA Supply Chain Marketing (SCM) Thailand Program on June 27, 2011 in Bangkok. The discussion will review 2010 program and build on it to plan for the 2011 program and beyond. The discussion will include a plan to organize the COTTON USA SCM ASEAN Conference which will be held in Singapore in November 2011. Mr. William Bettendorf, COTTON USA SCM Marketing Director, and Mr. Robert Miller, Southeast & Northeast Asia Director will lead the meeting for all COTTON USA SCM Thai member mills.