

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

TH1154 "SAWASDEE THAILAND" provides the latest information on Thai agricultural situation, market access for U.S. products, and upcoming events.

General Information:

HOT NEWS

Noticeable Impact on the Tourism Industry due to the Flooding Crisis

The Tourism Authority of Thailand (TAT) has estimated that Thailand will lose approximately \$500-600 million in revenue from a reduction of 400,000-750,000 foreign visitors as a result of the ongoing flood crisis. Even though most of key tourist destinations and attractions throughout Thailand have not been affected by the floods, the estimated loss is mainly due to foreign visitors have either cancelled or delayed their trips to Thailand and cancellation of many regional events. For the year 2012, the TAT has set target of 19.5 million international tourist arrivals with a revenue of \$24.85 billion, an increase of around nine per cent from 2011. Revenue from tourism accounts for about 7 percent of the country's GDP.

MARKET ACCESS

Postponing Enforcement of Trade-Disrupting Regulation on DDGS

On July 19, 2011 Department of Livestock Development (DLD), Ministry of Agriculture and Cooperatives, endorsed a new regulation stipulating that all DDGS imported or used as a feed ingredient must have a protein content not lower than 26 percent, fiber content not more than 12 percent, and moisture content not more than 12.5 percent. In an official letter in November 2011, FAS/Bangkok voiced this concern to the Deputy Director General of DLD and requested that they eschew this regulation or lower the level of protein content to a level acceptable to the Thai feed industry before it be officially implemented on October 24, 2011. These concerns prompted the Minister of Agriculture and Cooperatives to endorse a Ministerial Notification on October 23, 2011 to delay the enforcement of the regulation for 180 days (6 months) after October 24, 2011. This period will allow the department to collect additional information and review the regulation. Post will continue to monitor the situation closely to ensure that no possible trade issues arise.

Update on Agricultural Chemical Registration in Thailand

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 became void as of August 22, 2011. Pesticide suppliers, domestic and foreign, must submit new applications to register their products. Trade sources reported that as of October 18, 2011, the Department of Agriculture (DOA) officially legalized new registration approval for 45 applications of the 3,109 applications submitted. It is also reported that 135 applications have passed the review process, implying that they are technically approved by DOA and ready for legalization. Another 389 applications are in the final stages of their review.

Growing Demand for Health and Functional Food Ingredients in Thailand

The Thai health food market has enjoyed a high growth due to a strong desire among Thai consumers to maintain a healthy lifestyle and the growing awareness of the purported benefits of functional

ingredients such as herbs, minerals, vitamins, omega fatty acids and probiotics. This trend is driving the Thai functional foods and beverages industry to focus on new product development and search for ingredients that have excellent functions in order to meet the rising demand of these products. According to Euromonitor estimates, the sales of health and wellness food and drink in Thailand was nearly \$4 billion in 2010.

UPCOMING EVENTS

Asian Regional Workshop on Sustainable Food Production, Biotechnology and Biosafety

The Public Research & Regulation Initiative (PRRI), International Service for the Acquisition of Agri-biotech Applications (ISAAA) and International Food Policy Research Institute (IFPRI)/Program for Biosafety System/PBS), plan to organize an Asian workshop to address Rio de Janeiro+20 (RIO+20), the Cartagena Protocol on Biosafety (CPB), CBD and the Commission on Sustainable Development-20 (CSD-20). The regional workshop will be held at Rama Garden Hotel on December 13-14, 2011 and aim is to discuss the topics of these events, how these global events are interrelated and outcomes of these events can be implemented at the national level. For further information, please contact: ifpri-pbs@cgiar.org, r.hautea@isaaa.org and/or info@pubresreg.org, with reference to "Regional Workshops Rio+20 - CPB- CBD - CSD20".

VIV Asia 2013

The USDA Endorsed Show VIV Asia 2013 will be held on March 13-15, 2013 at the Bangkok International Trade & Exhibition Centre (BITEC) Bangkok, Thailand. The 2011 first time USDA Endorsed Show resulted 28,978 visitors from 98 countries, an increase of 39% from 2009. International visitors were 51.5 percent and 48.5 percent from Thailand. Total 15 U.S. exporters reported over \$10 million of on-site sales and estimated sales of 16 million US dollar for the next-12-months. U.S. exporters are interested in participating in the USA Pavilion, please contact the USDA Show coordinator Sharon Cook at Sharon.Cook@fas.usda.gov. More information about the show is available at www.vivasia.nl/en/Exposant.aspx.

Incoming Visitors

- Mr. Yao Feng, Chief Representative for China and Southeast Asia, Anderson Hay & Grain, has rescheduled his travel to Thailand from November 25-30 to December 13-15, 2011 due to the flooding situation. The purpose of his visit is to explore the market opportunities for U.S. hay exports to Thailand. The company shipped more than 200,000 tons of alfalfa to China in 2010.
- A team from U.S. Livestock Genetics Export, Inc. is scheduled to visit Thailand from December 8-12, 2011. The purpose of the visit is to complete an EMP project that has been ongoing for the last two years in Thailand regarding the introduction of the Beefmaster breed of cattle with Thai cattlemen. In addition, a representative from American Brahman Breeders Association (ABBA) will also join the team to promote American Brahman breed. During this visit the team will attend a Cattle Show in Nakhon Pathom Province.

