

2. ANIMAL FEED

In 1993, Thailand produced over 5.6 million tonnes of animal feed. While Thailand's production of animal feed has grown steadily (it is currently in a plateau stage), the key thing to observe is that the value of this feed has risen dramatically. Between 1988 and 1990 the value for approximately the same quantity of animal feed has risen by 37%.

In Thailand, the four most important ingredients for the production of animal feed are rice, corn (maize), oilseed, and fishmeal. However, as was previously noted, many Thai animal feed producers are looking for new ingredients for their animal feed. In all circumstances, the key to successfully exporting products of this nature from Canada to Thailand is to be very cost competitive. Due to the geographic distance between our two countries, price competitiveness is often a problem. Still, a market exists and is growing in value.

Due to rising production costs in Thailand, the international demand for Thailand's animal feed exports are decreasing. As Thai production costs rise to world levels, and as Thai farmers are being educated to use better and often times more expensive feeds, the market for imported animal feed is beginning to grow. While Thailand will continue to produce substantial quantities of animal feed (5.6 million tonnes in 1993), opportunities do appear to exist in this field for Canadian suppliers of animal feed and/or animal feed ingredients.

The rate of animal feed production is not growing significantly in Thailand, while the price is going up. Better, more expensive feeds are in increased demand. More and more, Thai producers of animal feed are looking abroad for animal feed ingredients (soybean meal, sunflower seed meal, rapeseed meal and fishmeal). The difficulties associated with soybean have been previously discussed, and while fish-meal also has import quotas associated with it, Canadian exporters can look at other less-regulated feed ingredients. The current import duty on feed ingredients is approximately 10% (with some exceptions). For wheat, it is 1.00 baht per kilo (about five cents a kilo in Canadian dollars).

Specific opportunities in other areas of animal feed include the importation into Thailand of chicken and swine feed. Chicken production in Thailand has increased dramatically in the past two years, primarily due to a marked increase in the export of chicken to countries like China and Japan. Thai animal feed producers project a substantial rise in demand for this feed. A similar situation exists with swine. As exports of pork rise, the demand for swine feed to fuel the increase in local production is also increasing. Also, the recent flooding of the Mississippi River area in the United States has contributed to Thailand's tight supply of corn and soybean meals (the United States exports these commodities to Thailand).

In Thailand, approximately 50% of animal feed ingredients are made from maize and maize related products. Maize is primarily sourced locally, but is also imported from China and South Africa.