

1. SOYBEAN

The importation of soybean into Thailand presents several complications to the Canadian soybean exporter. While Thais use soybean extensively (oil production and to a lesser extent, soybean meal), there are substantial barriers that can make exporting this product from Canada to Thailand less than attractive.

The key issue at this time, is that Thailand is restricting the importation of soybean to 150,000 tonnes (Thai Ministry of Commerce, 1994 figure). Of this 150,000 tonnes, the primary foreign suppliers are China, the United States, India and Brazil. For a Canadian company looking at exporting soybean to Thailand, the situation is further complicated by an enforced reciprocal purchasing agreement which dictates that anyone importing soybean into Thailand must buy a certain quantity of locally produced soybean meal, as well as pay the Thai government a surtax of 925 baht (approximately C\$48.68) per tonne of imported soybean. This tax is adjusted frequently according to Chicago/world's commodity prices. Obviously this is a measure designed to protect the local Thai soybean producers. As a point of reference, Thai soybean farmers produced 672,000 tonnes of soybean in the 1989-90 growing season, with a farm value of C\$259.4 million. The yield (kg/rai) is 214.

As the Uruguay Round of the latest GATT negotiations has only just concluded, the impact on such protectionist measures remains to be seen, particularly vis-à-vis the importance placed on the issue of farm trade during this recent round. The Thai Government is currently reviewing the situation, and may open the soybean market in line with GATT directives. However, at this time, there has been no formal announcement.

For Canadian exporters of soybean, the prospects do not look particularly attractive at this time. However, there is a small niche in the soybean market of which Canadians can take advantage. For the production of soymilk, soycurd and other products for human consumption, there is a natural preference for the product to be as white as possible. Much of the yellow colouring of soybean products comes from the dark colouring of the naaval on the actual soybean. Canadian producers do grow a soybean with a smaller naaval, which, when processed, produces products that are noticeably whiter in colour. While this market is very difficult to define, it is one that may be worth considering after reviewing the other difficulties in exporting large quantities to Thailand.

SOYBEAN IMPORTS TO THAILAND, 1992

TYPE	VOLUME IN TONNES	VALUE (C\$)
Edible	143,317	47,362,736