

VII. INDIVIDUAL REPORTS ON FOOD FOR HUMAN CONSUMPTION

1. DAIRY PRODUCTS

Milk

The first dairy products introduced to Thailand were condensed milk and milk powder, which were easily stored. Sweetened condensed milk became the main dairy product during the 1960s and 1970s. In the early 1980s the per capita consumption of milk (in various forms) was only 3-4 litres per year. However, the Government's active milk promotion campaign in the mid 1980s increased public awareness of milk's nutritional value and per capita consumption of milk increased to approximately 10 litres by the end of the 1980s. It is currently estimated to be at 13 or 14 litres per capita. Thus, the local dairy industry is growing rapidly.

As shown in Table 1, while the size of the Thai dairy herd more than doubled over the past four years, the total number of dairy cattle is still small, growing to 210,000 head in 1992. In addition, approximately half of these cattle are of milk yielding age. The total number of milk cows was only 111,000 in 1992.

Although raw milk output has begun to increase more rapidly since the late 1980s, it was estimated that total milk output met less than one quarter of total demand in the country in 1992. As shown in Table 2, raw milk output increased from 74,000 tonnes in 1987 to 174,000 tonnes in 1992; 14 and 23 percent of demand respectively. While the volume of domestic milk production will increase more rapidly than demand over the next few years, demand will still be in excess of supply in the foreseeable future. In 1996 the raw milk supply is only expected to meet 31 percent of forecasted demand.

The shortfall in domestic raw milk production is filled primarily through importation. The main dairy products imported are that of milk powder and butter oil, from which recombined fluid milk is produced locally. This is then mixed with a smaller proportion of locally produced raw milk to be used in the manufacture of locally marketed dairy products. The value of key dairy imports is shown in Table 3. The 1992 total value of these products has been estimated at over 4.4 billion baht (C\$ 231.6 million).

Key growth segments in the domestic dairy industry are ready-to-drink milk, yogurt and ice cream, as well as in tetra-pak technologies for milk packaging.

Ready-to-drink milk: Ultra-High Temperature (UHT), comprises the largest share in this sub-segment and demand is growing by about 15-20 percent per year. The main source of demand for UHT milk is in the up-country provinces. In contrast, demand for fresh pasteurised milk is rising significantly in the Bangkok region and other major urban centres in the country. In Bangkok in particular, pasteurised milk appears to be replacing UHT milk in the higher income consumer segment.