

Market brief Thailand

Financial year 2022/23

Global exports to Thailand

Rank #16 in the global dairy market (by volume)

Destination for close to 311,000 tonnes of dairy product, worth over US\$1 billion (in 2022/23).

Exports to Thailand have increased by 2% over five years (2018/19 – 2022/23).

The biggest volume growth (product categories exceeding US\$20 million) has been in:

- Butter (116%)
- Lactose (36%)
- Cheese (24%)

The biggest volume decline (products categories exceeding US\$20 million) has been in:

- Infant Powder (-47%)
- Butter oil (-20%)
- Buttermilk powder (-16%)

Australian market share

Rank at #6 in the share of Thailand's import volume.

Destination for over 23,000 tonnes of Australian dairy product, worth over US\$95 million (in 2022/23).

Exports to Thailand have decreased by 20% over five years (2018/19 – 2022/23).

The biggest volume growth (product categories exceeding US\$1 million) has been in:

- Milk (190%)
- Butter (47%)
- Cheese (31%)

The biggest volume decline (product categories exceeding US\$1 Million) has been in:

- Buttermilk powder (-61%)
- Butter oil (-47%)
- SMP (-36%)

Tariff environment

The Thailand-Australia free trade agreement (TAFTA) entered into force on 1 January 2005, with an immediate reduction in tariff rates for all dairy products. From 1st of January 2020, the ASEAN Australia New Zealand free trade agreement (AANZFATA) replaced the TAFTA as the preferential agreement for export of dairy products to Thailand. This is for all dairy products except liquid milk and SMP. In these two cases, the TAFTA agreement remains the preferred agreement with special safeguard volume restrictions set to be phased out by 2025.

Exporters are advised to consult a specialist customs broker before entering the Thai market. A summary of current tariffs for the major dairy categories imported by Thailand can be found in Table 2.

Key international marketing programs and initiatives

Dairy Australia runs or is involved in a number of marketing programs and activities in Thailand. These include the Southeast Asia Dairy Scholarship program aimed at familiarising dairy and food industry professionals from the region with aspects of the Australian dairy industry and the southeast Asian Alumni Program for past scholars. Outside of COVID-19 travel restrictions, Dairy Australia aims to regularly visit Thailand and present seminars to local industry players in key markets.

Figure 1 Dairy imports

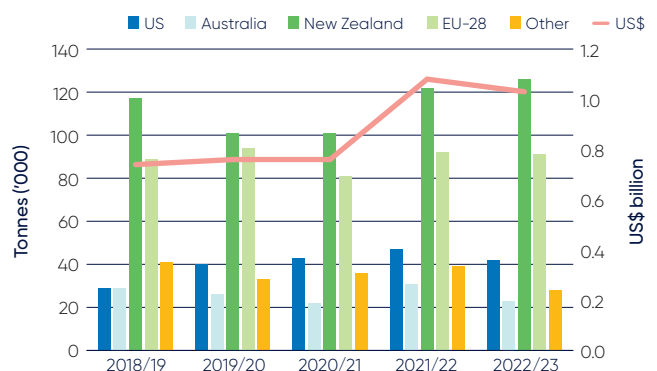


Figure 2 Top dairy exports to Thailand by volume

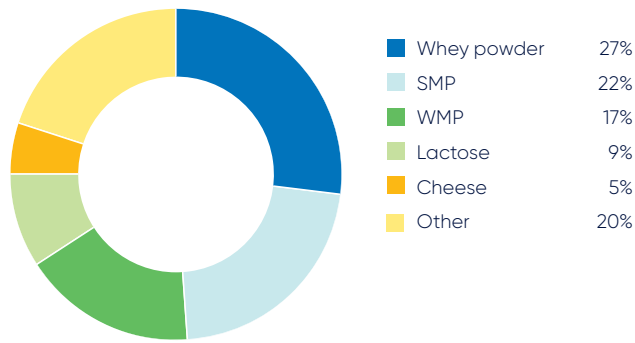


Figure 4 Top Australian dairy exports by volume

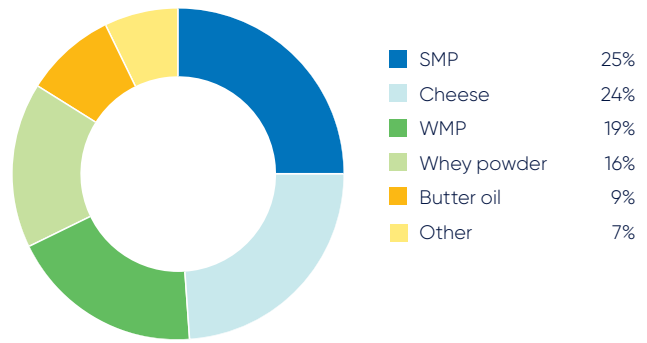


Figure 3 Top dairy exports to Thailand by US\$ value

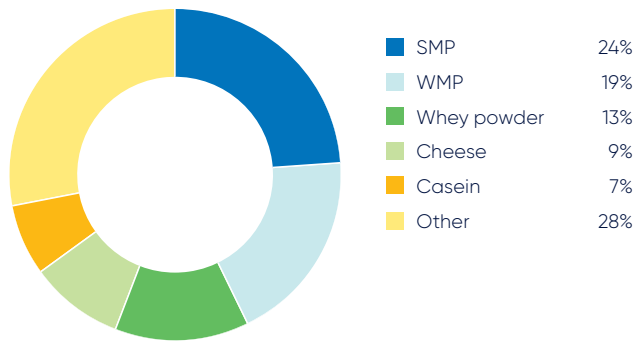


Figure 5 Top Australian dairy exports by US\$ value

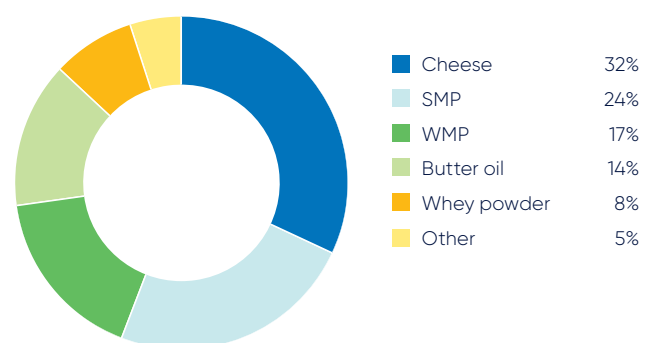


Table 1 Australia exports

Product group	Market share (US\$ %)		Volume ('000)		Value (million US\$)	
	2018/2019	2022/23	2018/2019	2022/23	2018/2019	2022/23
Butter Oil	20.9	24.3	4.1	2.2	11.6	13.6
Cheese	21.1	25.0	4.4	5.8	19.1	30.6
SMP	10.4	7.3	9.3	5.9	20.6	22.7
Whey powder	6.5	4.4	4.6	3.8	6.6	7.4
WMP	7.2	6.5	5.6	4.5	14.0	16.3
Total imports	8.1	7.4	29.4	23.5	75.8	95.3

Table 2 Dairy tariffs

Tariff category	Product category	Applied tariff %
0402	Milk and cream, concentrated or containing added sugar or other sweetening matter: skim milk powder	2.0
0404	Whey, whether or not concentrated or containing added sugar or other sweetening matter: whey and modified whey in liquid form	0.0
0405	Butter and other fats and oils derived from milk: Anhydrous Milkfat	0.0
0406	Cheese and curd: Processed cheese not grated or powdered	0.0
0406.9	Other cheese, including cream cheese, cheddar, not processed	0.0

Applied tariffs are drawn from Integration Point. Where Australia does not have a specific tariff agreement in place, the applied rate for qualifying product is the MFN rate. Where a specific tariff agreement exists, the applied rate for qualifying product is as per that agreement. The countries with specific agreements in place are: China (ChAFTA), Indonesia (AANZFTA), Japan (JAEPA), The Republic of Korea (KAFTA), Malaysia (MAFTA), Philippines (AANZFTA), Singapore (SAFTA), Philippines (TAFTA), and the USA (AUSFTA).

Further information

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