

MARKET OPPORTUNITY

Thailand



**ORGANIC
FOOD &
BEVERAGE**



Thai organic label



Thailand recognises the
EU organic label.

OVERVIEW

- The total market size for organic food and beverages in Thailand in 2017 is € 13.69m, making it the 43rd largest market in the world by value. Thailand is expected to see a 6.6% CAGR from 2017-2022 in the organic food and beverages sector.
- The strong upward trend is mainly seen as a result of increasing health consciousness locally, and a growing demand from high-income consumers.
- Thailand's organic food and beverage landscape is dominated mostly by Thai companies, with very few foreign companies holding a sizable share of the market.
- Thailand has an increasingly ageing population, with an estimated 14% of the population being over the age of 65. The "silver generation" are better able to spend on high quality and premium products due to higher disposable incomes.

Key business opportunities for EU companies

- 1. Seeking to import their products through local distributors or partners.** Local food importers in Thailand constantly seek to introduce new varieties of foreign products that are able to compete with local brands and provide diversity in the retail market.
- 2. With products under the category of "Easy-to-prepare/convenient food".** Increasing demand in the local market is coupled with an increased willingness to pay higher prices for healthier options.
- 3. As products from Europe are generally regarded as premium products with higher quality,** companies in Europe's organic food and beverage sector can **leverage from the strong branding of EU's organic label** to compete with the locally produced and branded products.
- 4. That can accommodate as their target segments, supermarkets and hypermarkets.** In Thailand, these cater to the middle to high income Thai consumers and foreigners, who are the main consumers of organic products.
- 5. Offering organic chilled processed meat and seafood, and organic breakfast cereals, as well as organic fruit/vegetable juices and organic fresh coffee.** These products are projected to grow at a higher rate compared to other organic product categories.

Sector characteristics

- Thailand's organic food and beverages market has seen a steady increasing trend over the past four years, with organic food taking up 70% and organic beverages taking up the remaining 30% of the market.
- The Thai food processing industry has developed rapidly and is one of the most developed in South East Asia.
- Organic packaged food and beverages are niche products in Thailand, and generally premium-priced.
- Mass grocery retailing and modern grocery retailing continues to rise in Thailand. This allows products to reach a wider consumer base. There is also an increasing demand for easy to prepare/convenient food.

Top consumer oriented products

- Top sales value for organic food:
Organic rice
- Top sales value for organic beverages:
Organic tea
- Top consumer-oriented products:
Apples, dried fruits, nuts, and dairy products

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Key players

Organic packaged food by market share*

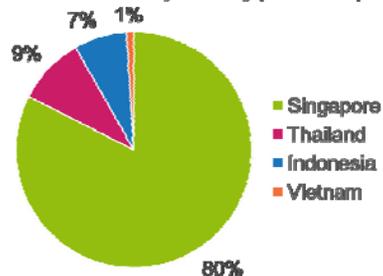
1	Capital Rice Co Ltd	64.3%
2	Green Net Coop	13.9%
3	Nature's Path Foods Inc	3.0%
4	Xongdur Thai Organic Food Co Ltd	2.1%
5	Central Group	1.9%
6	Healthy Foods Co Ltd	1.8%
7	Sampran Food Co Ltd	1.5%
8	Others	11.5%

Organic Beverages by market share*

1	Green Net Coop	22.5%
2	Khaokho Talaypu Co Ltd	5.3%
3	Central Retail Corp	2.7%
4	Coffee Beanery Co Ltd	2.0%
5	Doi Chaang Coffee Co Ltd	1.8%
6	Sampran Food Co Ltd	1.2%
7	Starbucks Coffee (Thailand) Ltd	1.1%
8	Others	63.4%

* Ranking based on 2018 data.

Market Value by Country (2015-2016)



Key players

Supermarkets*

1	Central Food Retail
2	The Mall Group
3	Foodland Supermarket
4	Villa Market
5	UFM Fuji
6	Rimping Supermarket

Hypermarkets*

1	Tesco Lotus Hypermarket
2	Big C Hypermarket
3	Siam Makro
4	7-Eleven
5	Tesco Lotus Express
6	Mini Big C
7	Family Mart

Market value (million €)

	2012	2013	2014	2015
Organic beverages	3.34	3.69	3.86	4.04
Organic food	6.76	7.46	8.25	9.13