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State of the Art



# PET FOOD MARKET

# IN THAILAND

FLANDERS INVESTMENT & TRADE MARKET SURVEY



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**PET FOOD MARKET IN THAILAND**  
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December 2020

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# 1. INTRODUCTION

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The objective of this report is to study the pet food market in Thailand (mainly related to dogs and cats as they are the most popular pets) which would be useful for Flemish companies who are looking for market opportunities of their products in the Thai market. The report presents different aspects to be considered for market entry including market overview; market structure; marketing mix employed by players in the market; consumer behaviors; regulations, import duty, market access; market outlook; opportunities and challenges; and lastly conclusion. The study is mainly based on information from online newspaper, magazines, secondary data, company websites as well as interviews with local authorities concerned and some importers.

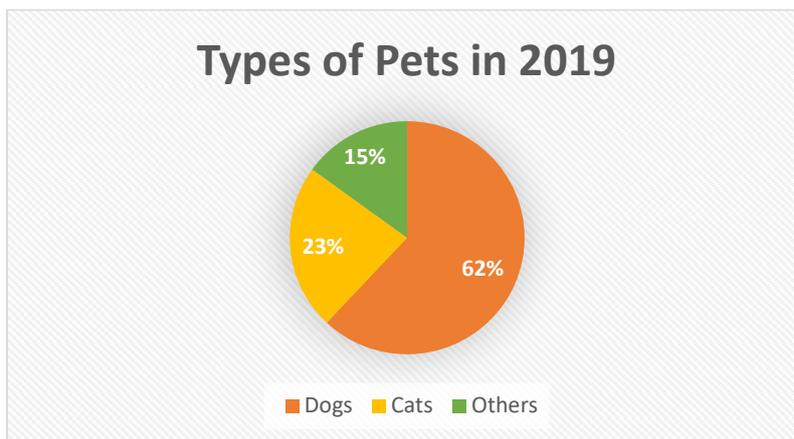
Besides this market report, FIT Bangkok also has useful contact details of importers/distributors, associations, competent government agencies as well as relevant trade exhibitions in the region. Please contact your provincial office for this detailed information.

The reference foreign exchange rate of Baht/Euro is 36.0536, as of 31 December 2020.

# 2. MARKET OVERVIEW

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Thailand's pet business ranked the 2<sup>nd</sup> largest, valued 700-800 million USD, in Asia after China whose market was worth 1 billion USD in 2019. Generally, dogs and cats are the most popular pets in Thailand with the ratios of 60% and 20% respectively, and the rest is others, e.g. birds, rabbits, rodents, pet fishes, etc. (Apichartprakulp, 2019). In 2019 there were ~14.4 million pets comprising 8.9 million dogs (62%), 3.3 million cats (23%) and others (15%) (Hypercube Insights, 2020).









## EU Imports of Pet Food from top 10 countries in 2017-2019



Product description : USA H.S. Code **230910** Dog or cat food, put up for retail sale

NO.	Country	QUANTITY (Ton)			%Growth		%Share 2019	Value (million EURO)			%Growth		%Share 2019
		2017	2018	2019	17/18	18/19		2017	2018	2019	17/18	18/19	
<b>Total EXTRA-EU(28)</b>		260,726	274,511	296,597	5	8	100	734	766	865	4	13	100
1	China, People's Republic	33,421	41,392	45,094	24	9	15	204	240	277	17	16	32
2	<b>Thailand</b>	46,890	46,484	50,237	-1	8	17	196	189	215	-4	13	25
3	Liechtenstein	79,414	93,404	99,557	18	7	34	114	137	143	20	5	17
4	Canada	31,942	28,137	29,259	-12	4	10	85	73	80	-15	10	56
5	United States	28,867	29,677	30,700	3	3	10	59	59	67	-1	14	8
6	Serbia	11,376	13,486	18,127	19	34	6	20	26	34	32	34	4
7	Norway	7,895	10,613	7,283	34	-31	2	10	14	10	34	-24	1
8	Russian Federation	4,831	1,753	5,320	-64	203	2	10	3	6	-71	110	8
9	Ukraine	1,769	2,166	2,941	22	36	1	2	3	4	38	20	0.4
10	Iceland	641	821	631	28	-23	0.2	2	3	2	28	-23	0.3
<b>Top 10 Country</b>		247,046	267,933	289,149	8	8	97	703	745	839	6	13	97
<b>Others</b>		13,680	6,578	7,448	-52	13	3	31	21	27	-31	26	3

Source : <https://trade.ec.europa.eu/tradehelp/statistics> Prepared by : Product description

Victor Seah, CEO of Nestle Purina Thailand, pointed out that the pet food market, especially the premium food segment, would grow by 9% this year from 2019 amidst the Covid-19 pandemic. The company plans to invest 2.55 billion Baht next year in building a new pet food plant at Amata City Industrial Estate in Rayong.

However, taking into account of the impact of the struggled economy caused by the pandemic, some experts have a more conservative perspective, and estimated that the pet food demand would show a lower growth ~5% this year. As witnessed in 1Q2020, there was news reporting pets abandonments, reduced pet adoptions and closures of pet service business. Many pet owners were also switching to table scraps to feed pets.

Concerning the impact of the Covid-19 in general, according to the World Bank (2020), "The Thai economy will grow next year after contracting by almost 10% this year. Next year, the Thai economy is expected to expand 3 to 4% from this year. It will not be until the end of 2022 before the Thai economy returns to its pre-Covid level of 2019. However, if there is another wave of Covid-19 in Thailand, or if effective vaccines are delayed, the recovery could be slower than anticipated."

### 3. MARKET STRUCTURE

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As the pet food business has continued performing well in the past years, more and more companies are interested to penetrate into this growing market. Hence, the competition is intense. There are ~30 brands including local produced and imported brands. Local produced pet food captures 95% of the market. Main players are leading Thai food producers who expand their business into the pet food industry, i.e. CP Group, Betagro, Asian Group, Thai Union Group, etc. (originally, they mostly focused on export.) as well as global companies, i.e. Mars Inc. and Nestle Purina, with production hubs in Thailand to serve the local and export demand. Imported pet food has only 5% market share. Top import origins are USA, France, South Korea, Australia and Austria respectively (Customs Department, 2020).

Leading brands imported are for instance:

- USA: Hill's, Eukanuba, IAMS, Proplan, Pinnacle, Taste of the Wild, Avoderm, etc.
- Europe: Royal Canin, Versele-laga, Canagan, Happy Dog & Happy Cat, etc.
- Others: ANF, Orijen, etc.

Royal Canin dominates 70-80% of the imported pet food segment (Suwanarit, 1019).

The following table presents revenues generated by the leading pet food companies in 2019 and their major brands available in Thailand:

Company	Revenue (Billion Baht)	Products : Brands	Origin
Perfect Companion Group Co., Ltd. (a subsidiary of CP Group, the largest of conglomerate in Thailand)	10.46	SmarHeart, LuvCare, A Pro, PerfectKare, I Love SmartHeart, MeO	Thailand
Mars Petcare (Thailand) Co., Ltd.	6.48	Local: Pedigree, Cesar, Wiskas, Shiba Imported: Eukanuba, IAMS	US company with production in Thailand
Nestle Purina	n.a.	Local: Alpo, Friskies, Purina, Supercoat Imported: Proplan	Swiss company with production in Thailand
Royal Canin (Thailand) Co., Ltd.	1.64	Royal Canin	Imported from France
International Pet Food Co., Ltd.	0.99	Jerhigh, K-Sy, Jenny	Thailand
Pet Focus Co., Ltd. (subsidiary of Betagro Group, the 2 <sup>nd</sup> largest integrated chicken & pork farming and meat processing in Thailand)	0.95	Dog'njoy and Cat'njoy	Thailand
Colgate-Palmolive (Hill's Pet Nutrition (Thailand) Co., Ltd.)	0.26	Hill's	Imported from USA

Source: Marketeer, Department of Business Development

## 4. MARKETING MIX

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Owing to the high competition, players in the market employ many marketing strategies in order to stay competitive. This section gives information on elements of Marketing Mix including product, price, place and promotion.

### 4.1 PRODUCT

Pet food in the Thai market is ranging from economy to premium-super premium grades. The latter accounts for 20-25%, reporting double digit growth each year. Imported pet food holds 5-10% market share. International brands and imported brands are perceived by consumers as better quality in terms of high production standards and innovation.

As pet food demand has been driven by pet humanization that pet owners are willing to spend on high quality products, premium pet food has been in high focus. Just like human food, pet owners seek for pet food made from natural raw materials and ingredients with no chemicals or artificial substances, e.g. flavors or colors. As such, in response to this premiumization trend, players in market offer various pet food recipes to cater needs of pets and their owners (Athikomvittaya, 2017). Different types of premium pet food can be seen in the market are as follows:

- natural, organic, grain-free
- vegan/plant based food for pets suffering from animal protein allergy
- fish based food
- specific food designed for different breeds, weight, life stages and activities
- innovative products, e.g. prescription food, supplement, functional food, for treatment of overweight pets and pet having problems with heart, lungs, kidney, skin, etc.(Hypercube Insights, 2020).

Most products introduced into the market focus on pets' health. In addition, the demand for pet treats and snacks, for instance freeze-dried dog food made of meat, with fruits and vegetables, biscuit, dental/oral care sticks, etc., with added high protein, vitamin and mineral for the benefit of pets' health, are on the rise as well.

In addition, players in the market also compete with each other by implementing different packaging ranging from small to large bags. Local produced pet food, both by Thai and international companies, have more variety of packaging sizes than that of imported products. During the lockdown, sales of big packs increased significantly.

Some ideas of products launched by leading companies can be seen on their websites as shown below:

Perfect Companion Group: <https://pcgshoponline.com/category/dog-food>

Mars Inc.: Pedigree: <https://www.pedigree.co.th/our-products>

Mars Inc.: Royal Canin: <https://www.royalcanin.com/th/dogs/products/vet-products>

## 4.2 PRICE

Due to the high competition, local players, both Thai companies and international companies), are likely to keep their price range affordable for the economy-medium segment as they are the largest market. This strategy helps them to gain larger sale volumes. Differently, this may not be the case for the premium segment, especially imported brands, because pet owners are willing to buy high quality products regardless of prices. Some producers tend to shift to the premium-super premium segment which a high margin can be attainable.

SmartHeart by Perfect Companion Group and Pedigree by Mars Inc. are direct competitors, both of them offer reasonable prices, almost at the same price range, which are half or one third compared to that of imported brands.

Some price ideas can be seen on the following online shopping platforms of Villa Market - leading supermarket for imported products, Manoon Pet Shop, Pet Lovers Centre and Taily Buddy - leading specialty online shopping platforms for pet products, as well as Lazada - one of the most popular general online shopping platforms.

Perfect Companion Group Co., Ltd.: <https://pcgshoponline.com/category/dog-food>

Villa Market: <https://shoponline.villamarket.com/shop-online/pethousehold/pet>

Manoon Pet Shop: <https://www.manoonpetshop.co.th/>

Pet Lovers Centre: <http://www.petloverscentre.co.th/>

Taily Buddy: <https://tailybuddy.com/cat/1/dog>

Lazada: <https://www.lazada.co.th/shop-dry-dog-food/>



**B3,480.00**

Pinnacle Grain Free Trout 10.89 kg



**B2,050.00**

Pinnacle Grain Free Trout 5.45 kg



**B3,480.00**

Pinnacle Grain Free Salmon 10.89 kg



**B2,050.00**

Pinnacle Grain Free Salmon 5.45 kg



PRE-ORDER

days advance order  
Please choose delivery date

**B1,370.00**

Royal Canin Fcn Hair&skin 4k



PRE-ORDER

days advance order  
Please choose delivery date

**B659.00**

Royal Canin Fhn Fit 4k



**B299.00**

Royal Canin Intense Beauty Pouch 12\*85g



**B299.00**

Royal Canin Chihuahua Adult Wet 12\*85g



**B299.00**

Royal Canin Mini Ageing 12\*85g



**B480.00**

Royal Canin Ccw Sterilise Loaf 12\*85g



**B189.00**

Royal Canin Mini Indoor Adult 500g



**B219.00**

Royal Canin Mini Puppy 800g



**B600.00**

Hill's Science Diet Light Small Bites Chicken Meal & Rice



**B600.00**

Hill's Science Diet Active Longevity Chicken Recipe for cats



**B750.00**

Hill's Science Diet Hairball Control Chicken Recipe for cats



**B690.00**

Hill's Science Diet Optimal Care



**B750.00**

Hill's Science Diet Hairball Control Chicken Recipe for cats



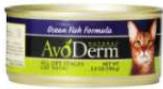
**B720.00**

Hill's Science Diet Chicken Recipe for cats light adult 1-6 years

					
<b>B72.00</b>	<b>B110.00</b>	<b>B660.00</b>	<b>B670.00</b>	<b>B880.00</b>	<b>B780.00</b>
Avoderm Cat Food 156g	Avoderm Salmon Stew 354g	Avoderm Cat Chicken & Herring 1.59kg	Avoderm Small Breed Adult Chicken Meal 2kg	Pinnacle Grain Free Trout 1.8 Kg	Pinnacle Grain Free Dog Food Chicken 1.8kg

					
<b>B45.00</b>	<b>B43.00</b>	<b>B45.00</b>	<b>B43.00</b>	<b>B16.00</b>	<b>B16.00</b>
Pedigree Meat Jerky Roasted Lamb 60g	Cesar Tray Chicken & Vegetables 100g	Pedigree Rodeo Beef- liver 90g	Cesar Tray Beef & Chicken 100g	Whiskas Pouch Tuna 85g	Whiskas Pouch Kitten Tuna 85g

					
<b>B59.00</b>	<b>B159.00</b>	<b>B126.00</b>	<b>B105.00</b>	<b>B105.00</b>	<b>B640.00</b>
Pet Smile Chicken And Sweet Potato 50g	Optimum Small Pellet 1 Kg.	Meo Mackerel 1.3kg	Nekko Love Mix Kitten Salmon&tuna 1.2kg	Nekko Love Mix Tuna&maguro	Avoderm Weight Control 2 Kg.
<b>+Add to cart</b>	<b>+Add to cart</b>				

					
<b>B2,700.00</b>	<b>B126.00</b>	<b>B185.00</b>	<b>B170.00</b>	<b>B63.00</b>	<b>B72.00</b>
Avoderm Weight Control 12kg	Meo Salmon	Smart Heart	Smart Heart Adult 7+	Me-o Creamy Treats Chicken-liver	Avoderm Cat Food 156g





[MANOON] Pedigree Puppy Chicken and Egg เพ็ดดีกรี สตรีลูกสุนัข รสไก่ไข่...  
**฿915.00**  
 ฿990.00 -8%  
 ★★★★★ (46) ไทย



**LazMall**  
 PEDIGREE MINI DOG DRY FOOD PUPPY MILK FLAVOUR 1.3 kg เพ็ดดี...  
**฿132.00**  
 ฿149.00 -11% -FREE  
 ★★★★★ (30) ไทย



**LazMall**  
 PEDIGREE DOG FOOD DRY ADULT BEEF AND VEGETABLE FLAVOUR 2...  
**฿1,039.00**  
 ฿1,170.00 -11% -FREE  
 ★★★★★ (262) ไทย



**LazMall**  
 PEDIGREE DOG FOOD DRY PUPPY CHICKEN EGG AND MILK FLAVOUR 8...  
**฿599.00**  
 ฿629.00 -5% -FREE  
 ★★★★★ (78) ไทย



SmartHeart Power Pack 20 Kg สมาร์ท ฮาร์ท พาวเวอร์แพ็ค 20 kg  
**฿1,150.00**  
 ฿1,450.00 -21%



Smartheart สมาร์ทฮาร์ท อาหารเม็ด ลูกสุนัข พันธุ์เล็ก  
**฿165.00**



สมาร์ทฮาร์ท® สแน็ก เชดดาร์ คิวบ์ Smartheart ขนสุนัข ขนาด 50 กรัม  
**฿35.00**  
 ฿45.00 -22%



SmartHeart . สมาร์ทฮาร์ทสำหรับสุนัขโต รสน้ำมัน  
**฿165.00**



Me-o (Meo) Cat Food Seafood 3Kg อาหารแมว มีโอ แมงเม็ด สตรีซีฟู้ด ขนา...  
**฿248.95**  
 ฿375.00 -34%  
 ★★★★★ (1) สระบุรี



อาหารแมว Me-O สตรีแมงเม็ด สโตเม Meo Adult Gourmet 1.2 Kg. มีโอ meo อาหารแมว รสโคเม meo อาหารเม็ดแมว...  
**฿164.00**  
 ฿225.00 -27% ไทย



Me-o (Meo) Cat Food Tuna 20 Kg อาหารแมว มีโอ แมงเม็ด สตรีปลาทูน่า...  
**฿1,375.00**  
 ฿1,800.00 -24%  
 ★★★★★ (3) สระบุรี



MEO มีโอ ครีมี่ ทรีต 15 กรัม x 20 ซอง (1 แพ็ค) รสคัตสึโอะ  
**฿155.00**  
 กรุงเทพมหานคร

### 4.3 PLACE

Main distribution channels for pet food are the specialty trade channel (i.e. pet shops, clinics, hospitals and pet farms or breeders) and modern stores (i.e. supermarkets, hyper market and convenience stores). Both channels make up of ~90% of the market. The percentages of the specialty trade channel and the modern trade channel were 60% and 40% respectively (Suwanarit, 2018). Specialty trade shops offer a variety of pet products ranging from basic to super premium grades, whereas modern trade stores have less product selections (generally, imported and premium products are rarely seen, except the high-end supermarkets.) due to small selling spaces are allocated to this product category. Royal Canin distributes their products mainly to pet shops, clinics, hospitals, etc. having the largest market share in the specialty trade channel.

In addition, e-commerce is another channel for product placement. More Thai consumers were turning to online shopping. Key reasons for this popularity are home delivery services, convenience, time-saving and cost advantage. Their purchases are made via websites of producers, suppliers, retailers, specialty online stores, general online stores and mobile applications. Online shopping and delivery increased sharply during the lockdown. The Covid-19 has stimulated consumers to go online to search for goods and services, check product reviews and order goods. Prior to the pandemic, Thai retailers already adjusted themselves to the digital age. Many of them have created online channels for their customers to do transactions, while using data analytics to better understand their needs (Taweelappontong, 2020). As a result, the e-commerce business tends to continue to grow every year. It is expected that the value of the e-commerce market in 2020 to be as high as 220 billion Baht or 35% growth from last year (Phattarasaya, 2020). Royal Canin has marketed its products via pet shops (70%), clinics (25%), breeders (3%) as well as e-commerce (2%) (Suwanarit, 2019).

### 4.4 PROMOTION

Leading pet food companies use several promotional tools to promote their products, including above the line and below the line marketing.

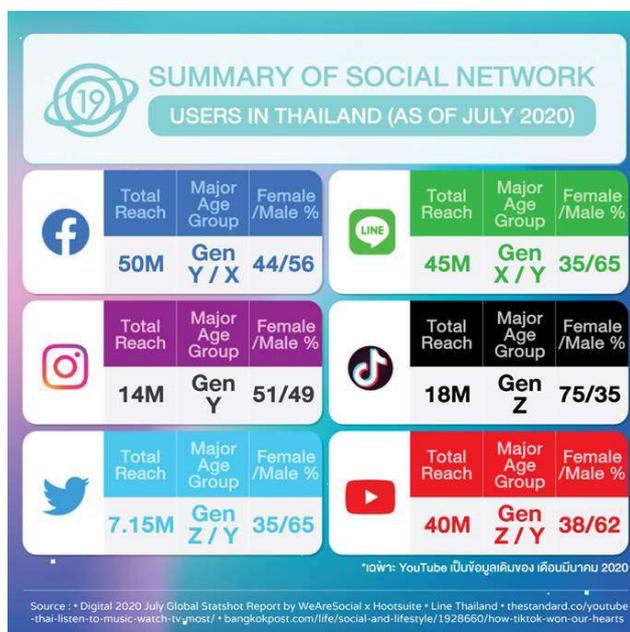
Here are some examples:

- At present, only Perfect Companion Group actively spend budgets on TV commercials (for SmartHeart and Me-O).
- Perfect Companion Group sponsors The 20<sup>th</sup> Edition of SmartHeart presents Thailand International Dog Show (TIDS 2021).
- Royal Canin” has continuously underlined the importance of establishing the good relationship with cat owners through marketing and sale channels that match the behavior of pet owners. The company collaborated with Cat Fanciers’ Club of Thailand (CFCT Club) to organize Cat Show. The company Royal Canin joined the fair under the theme “Take Your Pet to the Vet” to educate owners about the pets’ appropriate nutrition and their health prior to becoming ill. There were also other activities by Royal Canin Club such as joining or watching the cat contest, supporting and helping to find a home for stray cats through Rakmaw for Stray Cats Foundation. Royal Canin cat foods at special prices were also \* available at the fair (Suwanarit, 2019).

- Royal Canin developed an application, “Royal Canin Club”, to help dog and cat owners understand how to take better care of their pets. The app hosts much useful knowledge related to cat and dog age and breeds and is sourced from nutritionists and veterinarians (Suwanarit, 2019).
- Royal Canin participated in the Pet Expo (Suwanarit, 2019)
- Pamornchai Supply LP, a leading pet food, healthcare and supplies importer has organized ‘We Love Pets’, an annual show for 9 consecutive years till 2019. The event is a platform for lovers (i.e. pet clubs and pet owners) of birds, cats, rabbits, hamsters, turtles, etc. to bring their pet for contests and competitions, as well as to exchange information. In 2020, the company in collaboration with the Faculty of Veterinary Medicine and Applied Zoology at HRH Princess Chulabhorn College of Medical Science and Pattaya Tourism Business Association held ‘Thailand Grand Flight Championship’, another form of ‘We Love Pets’ event which gatherer bird owners to bring their trained birds to showcase their free-flying skills above the gulf of Thailand. There were more than 1,000 colorful birds participating in the competition.

As for smaller scale companies or SMEs, to increase their customer base, they tend to participate in trade shows, organize smaller-scale pet events, develop informative websites (providing more details of their products, advices for pet owners, etc.), offer loyalty reward programs, as well as use social media.

Social media becomes an effective tool that influences brand preference. At present, lifestyle of Thai people are more connected with social media. Around 90% of Business to Business communications are made through social media platform, while over 70% of Business to Consumer communications use social media platform (Marketing Oops, 2019). The picture below presents a summary of social network users in Thailand, as of July 2020:



<https://www.twfdigital.com/blog/2020/08/summary-of-social-media-users-thailand-july2020/>

## 5. CONSUMPTION AND CONSUMER BEHAVIOURS

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Urbanisation has led demographic changes associated with the rise of upper middle class who have high purchasing power. With increasing singles, smaller families without kids and elderlies, as well as rising income, people demand for companions or pets to take care of and are willing to spend on premium products to cater their needs and for healthy and happy pets. This group of people treat pets as their own children, this behavior is referred pet humanization.

In terms of pet types, dogs have been the most popular pets, accounting for 70% of pets kept. In urban living environment, e.g. busy life and small living spaces (apartments or condominiums), people tend to raise small breeds. The popular small breeds are for example, Terrier, Shih Tsu, Poodle, Chi Hua Hua, Pomeranian, etc. However, Thais are also in favor of some middle-large breeds like Beagle, French Bulldog, Siberian Husky and Golden Retriever. Due to limitations on spare time and living spaces, cats have become more popular in recent years. People tend to keep more cats because they are small, less dependent, do not need much care, and do not make noise. Pet cats have gradually increased and reached 4.5 million this year from 4 million last year. Although dogs and cats are still the most popular pets in Thailand, Thais also like birds, rabbits, rodents and pet fishes. Other than domestic pets, small exotic pets, e.g. reptiles, iguanas, squirrels, pygmy hedgehogs, raccoons, fennec foxes, otters, etc. are increasing in popularity too, especially among millennials. People acquire them because of their uniqueness, rarity and self-reliance (most of exotic pets require less time to take care of compared to domestic animals.). However, popularity of exotic pets might just be a fashionable trend as it has been emerged by social media influencers and celebrity attention. Furthermore, in Thailand, trade in wildlife animals is controlled under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Cites) agreement.

As for pet food, pet owners prefer dry food (for both dogs and cats) to wet food because it is convenient, lasts long and is more economical. However, wet food is popular to feed cats. For dog food, the ratios of dry and wet products are 80% and 15%, while for cat food they are 60% and 40% (Luangruangwech, 2020).

Regarding purchasing channels for pet food, pet owners in Thailand prefer buying pet food from specialty pet shops because they offer a wide range of product types and also the consultation provided by shop owners/staff. Supermarkets are also becoming popular among pet owners, especially seeking economy-medium products. Generally, in Thailand, supermarkets have less selection of pet products. Both pet shops and supermarkets make up of 90% of the pet food value sales (Suwanarit, 2019). Recently, the online shopping and delivery increased sharply during the lockdown. The Covid-19 has stimulated consumers to go online to search for goods and services, check product reviews and order goods.

## 6. REGULATIONS

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### 6.1 LAW COMPLIANCE

Department of Livestock Development (DLD) is the major authority controls animal feed business.

Concerning ready-to-eat dog and cat food, it is specifically controlled by DLD. Prior to importation, an importer is required to have the product registered and to obtain an import permit granted by DLD. It is also the case for ready-to-eat rabbit food (except fresh or dried plant which is controlled by the Department of Agriculture (DOA)). Other pet food for birds, rodents and pet fishes, product registration and import permission are not required. The importer merely has a duty to notify DLD of importation the product prior to its arrival into Thailand and that there are some procedures which the importer has to follow.

#### **Enforced laws are as follows:**

Animal Feed Control Act, B.E. 2558 (2015)

<http://en.dld.go.th/images/Legislation/ANIMALFEEDCONTROLACTB.E.25582015.pdf>

Remark: The main/general law controls registration, manufacture, importation and sales of animal feed.

#### **Animal based feed is specifically regulated by the following subordinate laws:**

Notification on Procedures for Importation of Animal Feed Derived from Animals into the Kingdom of Thailand B.E 2562 (A.D. 2019) - A Brief Procedure for import of animal feed derived from animals Into the Kingdom of Thailand

<http://www.spsthailand.net/link/food%20safety/Thai%20-Eng%20animal%20Feed.pdf>

According to DLD, at present, to import all kinds of poultry, ruminant and swine feed/animal protein into Thailand, a producer in an exporting country is required to undergo a factory audit by DLD. However, to begin the process, it is advisable that the importer submits the formula of an imported product for DLD's consideration and advices on further import procedures (e.g. whether or not the product is subject to a factory audit.). Useful information on law compliance can be found on the following links:

Current of Import Control and Audit System Practiced in Thailand

[https://eeas.europa.eu/archives/delegations/thailand/documents/thailande\\_eu\\_coop/workshop\\_on\\_practical\\_arrangements/5\\_current\\_of\\_import\\_control\\_and\\_audit\\_system\\_practced\\_in\\_thailand\\_dr\\_prapas\\_en.pdf](https://eeas.europa.eu/archives/delegations/thailand/documents/thailande_eu_coop/workshop_on_practical_arrangements/5_current_of_import_control_and_audit_system_practced_in_thailand_dr_prapas_en.pdf)

Procedure of Market Access on Imports of Commodities from Animal Origins into Thailand

[http://www.eeas.europa.eu/delegations/thailand/documents/thailande\\_eu\\_coop/workshop\\_on\\_practical\\_arrangements/4\\_procedure\\_of\\_market\\_access\\_on\\_imports\\_of\\_commodities\\_thanawat\\_en.pdf](http://www.eeas.europa.eu/delegations/thailand/documents/thailande_eu_coop/workshop_on_practical_arrangements/4_procedure_of_market_access_on_imports_of_commodities_thanawat_en.pdf)



Notification of Ministry of Agriculture and Cooperatives, Re : Specification of plant pests as prohibited articles, under the Plant Quarantine Act B.E. 2507 (No. 7) B.E. 2550 / List of plant pests attached <http://extwprlegs1.fao.org/docs/pdf/tha164449.pdf>

Notification of Ministry of Agriculture and Cooperatives, Re : Specification of plants from certain sources as prohibited articles, of exceptions and conditions under the Plant Quarantine Act B.E. 2507 (1964) (No. 10) B.E. 2553 (2010). 2010-05-17  
<http://extwprlegs1.fao.org/docs/pdf/tha164451.pdf>

Notification of Department of Agriculture Re : Specification, methods and conditions of pest risk analysis for the importation of prohibited articles [under the Plant Quarantine Act B.E. 2507 (1964)]  
<http://extwprlegs1.fao.org/docs/pdf/tha164451.pdf>

**To recap, DOA divides plant articles into 3 categories as follows:**

- prohibited article – It is subject to a pest risk analysis by DOA authorities in the exporting country. Once approved, to bring in the product into Thailand, a phytosanitary certificate is required. The importer has to notify the plant quarantine station at the port of arrival prior to the importation.
- Restricted article – To import, a phytosanitary certificate is required. The importer has to notify the plant quarantine station at the port of arrival prior to the importation.
- Unprohibited article (not listed as prohibited and restricted articles) - To import, a phytosanitary certificate is required. The importer has to notify the plant pest controlled area at the port of arrival prior to the importation.

**Useful links:**

Manual of Animal Feed License and Registration  
<http://pvlo-sms.dld.go.th/webnew/images/stories/63/ita/ita1002.pdf>

Manual of Importation of Animal Feed and Hazardous Substances under Responsibility of DLD  
<http://afvc.dld.go.th/webnew/images/Publication/Publication-document/110112.pdf>

Animal Feed control in Thailand  
<https://rr-asia.oie.int/wp-content/uploads/2020/01/2-6-afvc-for-oie-japan-thailand.pdf>

Ministry For Primary Industries Importing Countries Phytosanitary Requirements Thailand  
<https://www.mpi.govt.nz/dmsdocument/695-Thailand>

Remark: Providing information on phytosanitary certificate requirement as well as listing of prohibited and restricted articles.

Agricultural law in Thailand: overview  
[https://uk.practicallaw.thomsonreuters.com/3-602-5267?\\_\\_lrTS=20180512154857002&transitionType=Default&contextData=%28sc.Default%29](https://uk.practicallaw.thomsonreuters.com/3-602-5267?__lrTS=20180512154857002&transitionType=Default&contextData=%28sc.Default%29)

Remark: Please see 'Crop seed business'



## Competent government agencies:

Division of Animal Feed and Veterinary Products Control, Department of Livestock Development (DLD)  
91 Moo 4, Tiwanon Rd., Bangkadee, Patumthani 12000

Tel: +66 2 159 0406-7 ext. 102, 103 - Email: [afvc2@dld.go.th](mailto:afvc2@dld.go.th)

Website: <http://afvc.dld.go.th/forum.php?mod=forumdisplay&fid=132>

Department of Agriculture (DOA)

Tel: +66 2 940 6670 ext. 125-9 - Email: [technical\\_ard@hotmail.co.th](mailto:technical_ard@hotmail.co.th)

Website: [www.doa.go.th](http://www.doa.go.th)

## 6.2 TAXATION

According to the Customs Department, the relevant HS codes of imported dog and cat food are HS2309.1010 (containing meat) and HS2309.1090 (others). Plant base pet food for other pets (birds, rabbits, etc.) is under HS2308 (*vegetable materials and vegetable waste, vegetable residues and by-products, whether or not the form of pellets, of a kind used in animal feeding. Not elsewhere specified or included*). They are subject to the general import duty rates of 9%, 7% and 3% respectively. These are also applicable rates for imported products from Belgium. Normally, an imported product into Thailand is subject to an import duty on a CIF price and a 7% VAT on the sum of the price and import duty.

At present, an FTA between European Union and Thailand does not exist. As for Thailand's Free Trade Agreement (FTA) partner countries, import duties are exempted or reduced as shown in the following table ([www.customs.go.th](http://www.customs.go.th)) :

Origin / FTA	HS 2309.1010 Import Duty Rate (%)	HS 2309.1090 Import Duty Rate (%)	HS 2308 Import Duty Rate (%)
General	9	7	3
ASEAN	Exempted	Exempted	Exempted
ASEAN-Australia and New Zealand	Exempted	Exempted	Exempted
ASEAN-China	5	5	Exempted
ASEAN-Hongkong	9	9	Exempted
ASEAN-India	-	-	Exempted
ASEAN-Korea	Exempted	Exempted	Exempted
Thailand-Chile	Exempted	Exempted	Exempted
Thailand-Japan	Exempted	Exempted	Exempted
Thailand-Australia	Exempted	Exempted	Exempted
Thailand-New Zealand	Exempted	Exempted	Exempted
WTO	9	9	9

## 7. MARKET ENTRY

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Basically, it is advisable to appoint a local importer/distributors to market the products in Thailand. An importer has expertise in developing appropriate marketing and sale strategies that match the target markets and also possesses distribution channels nationwide, e.g. specialty retail stores, modern trade stores, pet hospitals/clinics, online retailers, etc. Most of these channels do not import products directly from overseas suppliers. Besides, as required by the Department of Livestock Development, an importer must be a locally registered company. Prior to importation of pet food, the importer must have the product registered and obtain import license granted.

To identify importers/distributors, the Flemish exporter contacts potential list of importers (FIT Bangkok can provide this upon simple request.) by emailing them a business proposal together with a brief company profile and product information and see their feedback. If there are interesting companies found, a business trip to Thailand could be considered for further detailed discussion, gain more knowledge on the local market, preliminary evaluate the partnership possibility, etc. One should consider to schedule a business trip when the major trade exhibition (Pet Expo) takes place as it is an opportunity to explore the market and establish contacts with local companies.

## 8. MARKET OUTLOOK

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Generally, the pet food market is expected to continue to grow by 5-10% in 2020-2025. The uptrend will still be supported by the pet humanization phenomenon that pet owners consider their pets as friends, family members or their own children and are willing to spend on high quality pet food for their pets' health and wellness. As such, the pet humanization drives the demand for premium pet food, focusing on high quality ingredients, i.e. natural/organic, high protein content, vegan, essential nutrient, supplements and functional food. Pet owners are also interested in food suitable for pets' different ages, breeds, weights and activities. The most popular pets are dogs (especially small breeds) while cats gain more popularity in recent years due to the fact that people adjust themselves in the urban environment and lifestyle. Pet treats with added value that benefit pets' health are also of interest. Besides dogs and cats, other popular domestic pets are birds, rabbits, rodents and pet fishes. Exotic pets become trendy but the market is relatively small since wildlife trade is still illegal in Thailand.

## 9. OPPORTUNITIES AND CHALLENGES

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There are some opportunities for market entry and challenges in the Thai pet food market to be considered as follows:

### 9.1 OPPORTUNITIES

- Thailand is the 2<sup>nd</sup> largest economy in the ASEAN region after Indonesia with ~38 million middle to higher income consumers who are willing to purchase premium products.
- Thailand is the gateway to its neighboring countries, e.g. Cambodia, Laos and Myanmar. Thailand imports products and then reexports them to these countries along the borders.
- Urbanites representing ~50% of the population have high purchasing power and preferences on sophisticated/westernized lifestyle and premium products.
- Thailand's pet business ranked the 2<sup>nd</sup> largest, valued 700-800 million USD, in Asia after China whose market was worth 1 billion USD in 2019.
- The pet food market continues to grow by ~5-10%, especially the premium segment.
- Pet dog and cat population will continue to grow by 10%.
- Pet humanization trend still drives the demand for premium pet food.  
Imported pet foods from developed countries are perceived as high quality in terms of their high standards and innovation. So are the products from Belgium.
- Other than dogs and cats, there are market opportunities for other kinds of pets too. Birds, rabbits, rodents and pet fishes are also popular among Thais. Exotic pets become trendy, however, they remain in the niche.

### 9.2 CHALLENGES

- Competition in the pet food market is intense. Players in the market include local producers and global producers with production base in Thailand who have high net worth and distribution network as well as pet food exporters who turn to take part in the growing local market. Thailand is a net exporter of pet food and ranks the world's 4<sup>th</sup> largest exporter after Germany, USA and France. Thai pet food producers/exporters offer high quality products that already meet international standards.
- Major players actively launch a variety of products in response to needs of pets and their owners and spend a great deal of financial resource on promotional marketing activities.
- There are already plenty of imported brands with a wide selection of product categories.
- Due to high prices of imported products, they are limited to only the niche market. Pet owners who suffer from the poor economy might become price sensitive and switch to cheaper brands.
- Thailand and Europe do not have a free trade agreement which makes European products less competitive, compared to products imported from Australia, New Zealand, Japan and other countries that Thailand is partnering with, where import duties are exempted or reduced.
- It takes time to have pet food registered and to obtain import licenses.



All in all, the Thai pet food market will continue to perform well, especially in the premium segment. Though the market provides opportunities for market entry, a number of challenges should be taken into consideration to minimize risks.

## 11. TRADE EXHIBITIONS

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### **PET EXPO, 20<sup>th</sup> Edition**

(Annual event to promote the attitude and understanding of the basis of quality livestock, to provide activities that educate and entertain the pet and to be a business opportunity and to increase sales to companies participating in the exhibition.)

Date: 20 - 23 May 2021

Venue: Bangkok International Trade & Exhibition Centre (BITEC), Bangkok

Organiser: N.C.C. Exhibition Organizer Co., Ltd.

Website: <http://www.petexpothailand.net/index.php>

### **The 20<sup>th</sup> Edition of SmartHeart presents Thailand International Dog Show (TIDS 2021)**

(The largest and only dedicated dog care exhibition in ASEAN, organize annually, takes up over 10,000 square meters of the exhibition. Over 200 local and international exhibitors will be showcasing the latest dog care products, food, dog owners and dogs.)

Date: 1-4 July 2021

Venue: IMPACT Exhibition Center, Bangkok

Organisers: IMPACT Exhibition Management Co., Ltd. / The Kennel Association of Thailand (KATH) / Thai Pet Product Industries Association (TPIA) Exhibition Co., Ltd. / Thai Pet Product Industries Association (co-organiser)

Website: <https://thailand-dogshow.com/>

### **PET FAIR SOUTH-EAST ASIA 2021**

(Pet Fair South East Asia is the latest regional expansion of the worldwide leading Pet Industry Tradeshow Platform 'Pet Fair' (e.g. Pet Fair Asia, Shanghai, China). Pet Fair South East Asia provides international pet brands with a strategic market entry and market expansion platform into SE ASIA's high-growth pet markets.)

Date: 6-8 October 2021 (for trade only)

Venue: Bangkok International Trade & Exhibition Centre (BITEC), Bangkok

Organiser: VNU Exhibitions Asia Pacific Co., Ltd.

Website: <https://www.petfair-sea.com/>

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