



THAILAND
Livestock Report

a cura di Ice Bangkok

Industry Overview

Thailand's agriculture and livestock industries generate income for the country at the estimate of 12% of GDP¹. In the first half of 2010, the export of livestock products accounts for 4.80% of total export products with total value of 763.85 million USD.

The major meat products are fishery, shrimp, and poultry and by products which the production of 1.4 million tons value 5,688 million USD. Poultry accounts for 27% of total meat export, value approximately 1,541 million USD.

Production

Poultry

Broiler – Thailand ranks no. 9 of the World for the production of chicken meat and ranks no.4 of world chicken products exporting country. In 2009, the total value of export chicken meat and products were 49,038 million baht which can be divided into frozen chicken 1,583 million Baht (3.23%) and processed chicken 47,267 million Baht (96.77%) of total poultry meat export.

The total value of broiler industry accounts for 2.55% of Agricultural GDP and 30% of Livestock sector.

Layer – Egg is the product which has very sensitive price according to the supply and demand of the market. The 96% of eggs production are for domestic market the remaining 4% for export is aiming to trade off the oversupply eggs to stabilize the egg's domestic price.

Swine

Most of the pig production in Thailand is supplied to domestic market. There is a limitation to export pork from Thailand as the country is not fully protected from foot-and-mouth disease. The exportation of pork from Thailand takes part only 1 – 2% of the total pig production. A major export market for fresh pork is Hong Kong (42%) and major export market for pork products are Japan (92%) and Hong Kong (4%).

Considering the continuous growth of poultry and swine sector and the opportunities for the Italian companies to serve the Thai industries with premium technology and equipment, the Italian Trade Commission in Bangkok had prepared brief introduction of the Thai Poultry (Broiler and Layer) and Swine Industry for your consideration.

¹ Dept. of International Economics Affairs, Ministry of Foreign Affairs, August 2010

Poultry Industry in Thailand (Broiler and Layers)

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- Sector Overview
- Production
- Consumption
- Export of poultry meats and eggs
- Import of machineries, feed supplements & additives and veterinary medicines
- Major players in Thai poultry industry

Sector Overview:

The poultry sector has been widely acknowledged as the greatest agro-business success story in Thailand. In 2010, poultry was estimated to comprise of 59% of total meat production in Thailand¹. The poultry sector has transformed its structure over the past four decades from backyard farming into a leading exporter. At present, the production of industrial poultry in Thailand is one of the most advanced, with levels of efficiency and overall performance complying with requirements of the international markets.

Thailand's broiler meat production is forecast to grow modestly by 8% from 1.28 MMT in 2010 to 1.38 MMT in 2011. The EU and Japan remain major markets for Thai chicken meat exporters, accounting for 85-90% of total exports. There are growing trend of exporting Thai broiler's meat to Asian markets, especially in ASEAN countries. Thailand's chicken exports are forecast to be worth around 1.65 -1.73 billion USD in 2011, a 10% rise compared with 1.57 billion USD in 2010².

There are 2.5 millions families who breed approximately 266 millions birds in 2010³.

Production:

From 2006- 2010 the production of Thai chicken meat is increased at the average of 2.59% per year. In 2010 the production reached 945.86 million birds, increasing by 3.12% from 917.26 million birds in 2009⁴.

Production Systems:

Poultry production in Thailand can be classified into three major systems; large-scale industrial production, semi-industry production and smallholder backyard farming. Industrial production normally consists of vertically integrated companies controlling every stage of production from breeding hens to marketing processed chicken. Industrial poultry products are both exported and sold domestically.

Vertical production chains consist of a single company controlling all aspects of each stage of production. Hatcheries, farms, feed companies, processing plants, distribution, and markets can be integrated into a single congruent supply system.

¹ *World Meat - FAPRI 2010, Food and Agricultural Policy Research Institute, Agricultural Outlook*

² *Quoted by Mr. Anan Sirimongkolkasem, the President of Thai Broiler Processing Exporters Association, November 2010, www.worldpoultry.net*

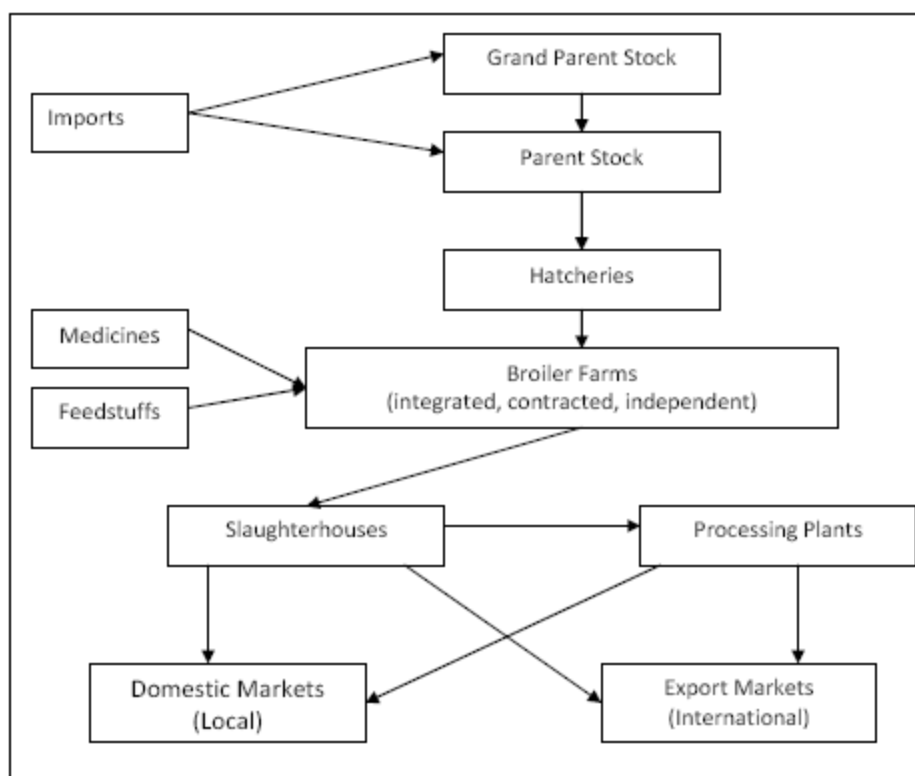
³ *Department of Livestock Development, October 2010.*

⁴ *Office of Agricultural Economic, Ministry of Agriculture and Cooperative, January 2011*



Hatcheries import parent/grandparent stock which will be kept at a separate breeding farm. The incubation period on industrial farms is approximately 21 days, and then the chicks will be sent to others farm to raise them up. In case of utilizing the best technologies available, the raising period will take approximately 40 – 45 days until they reach the market weight. Finished birds are transports to a company slaughterhouse and the slaughtered birds are sent to processing facility.

The following chart shows an overview of broiler industry in Thailand.



Source: Thai Broiler Processing Exporters Association and the Department of Livestock Development (DLD).

Broiler

The largest broiler production in Thailand is located in the Central region, which accounts for more than half of national production, followed by the Northeastern part of the country (table 1).

Table 1: Chicken Stock in Thailand by regions (2010)

Locations	Poultry Production (birds)	Farmers (family)
Central	141,022,531	287,412
Northeastern	66,763,425	1,314,171
North	39,455,410	602,625
South	18,793,111	303,145
Total	266,034,477	2,507,353

Source: Department of Livestock Development, as of 27/10/2010

After the outbreaks of HPAI Avian Flu in 2004, more restrictions are applied for the production of chicken meat. The new export requirements, banning imports of frozen chicken from Thailand, have motivated commercial producers to move to pre-cooked chicken. Exporting firms are subject to inspection not only by the Department of Livestock Development, but also organizations from importing countries.

Integrated production involves a single firm owning and operating every aspect of production from importing parent stock to marketing packaged meats in company owned outlets. There are several firms in Thailand who use a vertically integrated production model for at least part of broiler production, most notably the CP Group, Betagro, Sahafarm, Sun Valley (Cargill), Laemthong Poultry, etc. These farms control up to 90% market share.

By the end of 2010, at least four integrated chicken producers (Betagro, Saha Farm, GFPT and Thai Food Industry) have expanded their processing facilities which had added 400,000 birds per day to their production lines⁵.

Large-scale companies has been promoting new housing systems since the HPAI Outbreak⁶ in 2004 which forced their subcontractors to invest in upgrading their holding facilities to comply with certify standards applied to agriculture commodities and food safety.

Table 2: Production, Consumption and Export of Thai chicken meat and products (2006 – 2010)

Year	Production (Million birds)	Production (ton)	Consumption (ton)	Export (ton)		
				Frozen chicken	Processed Chicken	Total
2006	849.88	1,068,809.09	809,105.09	4,937	254,767	259,704
2007	879.98	1,106,662.85	810,618.85	18,547	277,497	296,044
2008	920.75	1,157,935.20	774,621.20	23,323	359,991	383,314
2009	917.26	1,257,365.33	878,014.33	25,227	354,124	379,351
2010	945.86	1,296,569.75	879,069.75	27,500	390,000	417,500

Source: Office of Agricultural Economics, Customs Department

Layer

From 2006 – 2010, Thai egg production increased at the average growth of approximately 3.36% per year as a result of the improvement and development in production processes and increasing farm scale to be inline with the regulations of the Department of Livestock Development.

According to the estimation of the Office of Agricultural Economics, the number of egg productions in 2010 were 9,757 million eggs, increasing 1.45% from 9,618 million eggs in 2009. The advance technologies apply for layer industry enhances the production efficiency of a layer to be increased 0.69% from 290 eggs/layer/year in 2009 to 292 eggs/layer/year in 2010.

⁵ USDA Gain Report, 01/09/2010

⁶ Highly Pathogenic Avian Influenza (HPAI) H5N1 virus

Supply chain of Layer industry is quite similar to those of broiler. Many firms outsource layer egg production to contract farms. The hatchery firm provides the first farm with 1-30 days old chicks, and then the farm will alleviate them until they have reached a productive age, or they will be transported to the farm whose responsibility is to raise the chicks into egg-producing layers. Fresh eggs are continuously pick-up and taken to the processing facilities for market preparation. The eggs will be cleaned and packaged then distributed through pre-establish channels to supermarkets, wet markets and other outlets.

The second stage of production, laying eggs for sale, will be last approximately 18 months. The farms at the third stage should be available to handle the egg production while the layers undergo the fattening period for approx. 18 weeks period.

Layers those past their prime will be transported to another farm where they will be fatten for meat. Once they have reached the desired weight, live layers will be sent to slaughterhouse for processing and then distribution. Layer meat may be distributed with broiler meat.

Table 3: Overview of Thai Layer Industry (2003 – 2008)

	Unit	2003	2004	2005	2006	2007	2008
Import layer-hen	bird	402,299	414,368	426,799	421,250	421,251	404,400
Number of incubated chicks	Bird/week	623,563	642,270	661,538	652,938	750,000	735,577
Number of layers/year	Million birds	35	29.51	35.49	35.62	37.5	39.5
Egg production per one layer-hen	Egg/year	275	275	275	280	285	285
Egg Production	Million eggs	9,625	8,115	9,760	9,974	10,688	11,258
Average price of eggs at Farm	THB/egg	1.42	2.04	2.18	1.71	1.93	2.15
Market value	Million Baht	13,668	16,555	21,276	17,055	20,627	24,204
Cost of feed ingredients	THB/kg.	7.71	8.97	8.7	9	9.6	N/a
Export	Million eggs	208	54	110	183	240	404
Total consumption	Million eggs	9,417	8,061	9,650	9,791	10,448	10,854
Thai Population	Million	63.1	61.9	62.4	62.8	63	63.4
Consumption per capita	eggs	149	130	155	156	166	171
Average price of chick	Baht/chick	13.37	21.74	15.91	14.04	18	N/a
Average production cost	Baht/egg	1.57	1.94	2.08	1.95	2.03	2.39
Profit/Lost	Baht/egg	-0.15	0.1	0.1	-0.24	-0.1	
source : Egg Strategic Plan 2005 -2008, Egg board							
Department of Livestock Development, Customs Department, The Association of hen-egg farmers, traders and exporters							

Production Costs

An average chick prices in 2008-2009 were 12-13 baht/bird and increase to a record high at 20-21 baht/bird in 2010 with an average production cost of 8-9 baht/bird. Average live broiler production costs are estimated to increase almost 10% from 32-33 baht/kg in 2009 to 35-36 baht/kg in 2010 due to escalating price of chicks and feed.

Average prices of live broiler at farm-gate in 2010 were 35-42 baht/kg. and it is forecasted the average prices in 2011 to be approximately 40-45 baht/kg⁷.

Principle ingredients for poultry feed.

Maize accounts for 65% for poultry feed production. Thailand has sufficient domestic production; some additional imported maize is from Laos and China. Maize is under the import quota with specific import duties according to the regulations of the Ministry of Commerce to protect the domestic maize production.

Soybean accounts for 32% for poultry feed production. There is not enough domestic production, and it can be imported under the authorization of the Ministry of Commerce according to the annual imported quota. Major suppliers are Argentina, China and Brazil.

Fishmeal that contains less than 60% protein accounts for 3% for poultry feed production. Thailand has sufficient domestic production; therefore there are no needs to import from abroad. Small imported volume is from Malaysia. The Ministry of Commerce do not allow to import fishmeal (contains protein less than 60%) from countries outside ASEAN.

Selling Prices

Broiler

From 2006-2010, the price of live broiler is increased at the average of 7.77% per year. In 2010, the broiler meat price per kg. was approximately 43.10 Baht increased 13% from 38.14 Baht/Kg. in 2009. The price of the broiler meat was increased according to the raising cost of feed ingredients that account for 70-80% of the total production cost.

Layer

From 2006-2010, the egg price increased at the average of 7.12% per year. In 2010, the average egg price was 2.63 Baht/egg increased 10.97% from 2.37 Baht/egg in 2009. The egg price was increased as a result of the raising cost of feed ingredients and the restriction of import parent/grandparent layer stock since 2009. The hot weather in June and July of 2010 had negative impact toward the eggs production volume, and led to the raising price of eggs at the end of last year.

Consumption

Broiler:

From 2006 – 2010, domestic broiler meat consumption increased at the average of 2.49% per year. In 2010, broiler meat consumption reached 879,070 tons; increased 0.12% from 878,014 tons in 2009 due to the recovery of the Thai economy and poultry meat prices remains the cheapest meat. In addition, an increase in domestic consumption should be partly attributed to an effort to promote new ready-to-eat chicken menu in domestic and overseas markets.

Consumption per capita of chicken meat in Thailand rose from 14.8 kgs. per year in 2006 to 15.5 kgs. per year in 2010.

⁷ Quoted by Mr. Anan Sirimongkolkasem, President – Thai Broiler Processing Exporters Association (www.thaireefer.com/news-5312-28-2.html)

Eggs:

Most of the eggs production of Thailand (96%) is for domestic consumption. From 2006 - 2010, the production capacity rose at the average 3.37% per year. In 2010, eggs consumption reached 9,600.27 million eggs, increased 3.59% from 9,268.01 million eggs in 2009. Consumption per capita of egg in Thailand is approximately 142 eggs/person/year.

Export**Broiler:**

From 2006-2010, the export volume of Thai broiler meat and products increased at the average of 12.72% per year. After the outbreaks of HPAI Avian Flu in 2004, Thai poultry exporters gradually change their export structure from fresh poultry meat to processed products. In 2010, Thailand exported total poultry meat of approximately 417,500 tons as a value of 51,109 millions Baht. The export proportion can be break down to frozen poultry meat 27,500 tons (1,797 million Baht) and 390,000 tons of processed products (49, 312 millions Baht).

Thailand export of poultry meat is benefit from JTEPA⁸ agreements that the imported duties of processed chicken from Thailand into Japan were reduced from 5.5% to 5%. The country also get import quota of 160,030 tons for processed chicken to enter the EU market with 8% import duties. Major export markets of Thai processed chicken are the EU (49%), Japan (46%) and other countries (5%).

Thailand is the world's fourth largest exporter of poultry products after Brazil (3.35 million tons), U.S.A. (2.93 million tons) and EU (0.84 million tons)⁹. The major importers of Thai poultry are the EU and Japan.

Eggs:

There are 2 types of eggs products for export, fresh egg and by-products from eggs. An approximately 95% of the total production of eggs are for domestic consumption.

⁸ JTEPA Japan –Thailand Economic Partnership Office (www.mfa.go.th/jtepa/en/)

⁹ Office of Agricultural Economics, January 2011

Table 4: Summary of Thai Poultry Production and Marketing System

Characteristic Investments	Independent Farmer	Contract Farming			Vertical Integration
		Contract farming	Total contract	Procurement contract	
Housing and equipment, raising facilities	By farmer	By sub-contractor	By sub-contractor	By sub-contractor	Large-scale company covers all supplies itself (seed, feed mill, drugs, farms, slaughter and proc. factory, etc.)
Chicks, seed/feed, drugs/vaccine	Purchase with cash or credit and managed by farmers	Supplied by contractor, managed by farmer	Supplied and managed by contractor	Supplied by contractor, but farmers purchase	
Technologies	Farmer breeding, scavenged feed, no special housing, small scale (1-50 birds)	High level of technology adoption	High level of technology adoption	High level of technology adoption	Proprietary technology
Markets	Home consumption or flexible for any market rearer	By contractor	By contractor	By contractor	Markets own products (meat, processed food, etc.) within country and for export
Farm Gate Price	Dependent on market	Contract price	Contract price	n/a	n/a
Income	High variability, depending on both inputs and outputs	More consistent: depends on terms and capacity	Consistent earning paid small price (per bird or kg.)	Variable, depending on markets	
Risk level	high	Low	No risk	High of technological adoption	
Advantage for subcontractor	Needs experience, needs a market niche	New farmers will be trained by contractor	Business could start at once as housing available, experienced farmers	Farmers have available capital; expense could be deducted directly from contract	
Policies/Institutions	Non or government poultry distribution	Contract, subject to contractor and government quality controls	Contract, subject to contractor and government quality controls	Contract, subject to contractor and government quality controls	

Source: 'S. Heft-Neal et al', Rural Development Research Consortium, Sept., 2008

Import of Machinery

The Thai broiler and layer industry has successfully improved farming systems to encounter animal health and food safety challenges. All integrated producers are currently strictly implementing bio-security measures from the farm level to the processing level. Nearly all broiler houses of integrated producers are laid out in an evaporative cooling system which lead to higher productivity and reduce disease exposure and mortality rates.

Thai chick producers have continued to improve genetics in broiler breeding stocks so that average meat yields per bird have increased in recent years. Integrated producers have also invested money to introduce or improve their broiler meat processing facilities from slaughtering to cooking processes.

However, Thailand has to depends a lot on imported of technologies and equipment from abroad, particularly parent stock, chemical (feed additives and supplements), veterinary medicine and vaccine and farm equipment.

The following table shows import statistics of some machineries, equipment, supplements and vaccine in the sectors from major supplied countries that occupied approximately 75% of the total import.

Table 5: Thailand import of HS8433, HS8436, HS2309 and HS3002300 (combine codes, by countries, 2008-2010) – US\$

Year	2008	2009	2010	Market share (%)
China	64,212,467	111,598,676	135,569,555	28.79
U.S.A.	115,242,744	97,723,490	112,442,420	23.88
France	37,404,155	37,363,222	38,578,356	8.19
Holland	25,622,788	22,829,550	26,814,665	5.69
Australia	11,879,565	19,716,846	13,754,839	2.92
Germany	9,558,374	7,581,250	9,661,204	2.05
Japan	8,543,962	12,603,407	10,420,608	2.21
Italy	6,266,531	7,059,124	6,545,614	1.39
Others	78,680,326	101,185,019	117,156,956	24.88
Total	357,410,912	417,660,584	470,944,218	100

Source: Customs Department, January 2011

Table 6: Thailand import of HS8433 US\$ (2008 -2010)

HS8433 Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; machines for cleaning, sorting or grading eggs, fruit or other agricultural produce, other than machinery of heading No. 84.37

	2008	2009	2010	Market Share (%)
China	41,230,752	85,090,447	104,272,972	83.28
Japan	1,587,752	8,416,876	5,456,132	4.36
U.S.A.	4,326,389	5,608,233	4,090,775	3.27
Australia	1,008,383	2,667,102	3,134,195	2.5
Germany	722,203	1,006,616	1,231,781	0.98
Italy	998,215	662,636	665,556	0.53
France	215,518	1,936	418,124	0.33
Holland	1,860,236	725,057	19,985	0.02
Others	3,307,107	10,896,088	5,915,063	4.72
Total	55,256,555	115,074,993	125,204,585	100

Source: Customs Department, January 2011

Table 7: Thailand import of HS8436 in US\$ (2008 -2010)

HS8436 Other agricultural, horticultural, forestry, poultry-keeping or bee-keeping machinery, including germination plant fitted with mechanical or thermal equipment; poultry incubators and brooders

	2008	2009	2010	Market Share (%)
Malaysia	2,947,288	4,779,445	11,315,185	32
China	3,573,807	2,430,613	4,404,332	12.46
U.S.A.	3,594,711	2,209,568	4,030,811	11.4
Germany	2,219,142	1,122,869	1,814,137	5.13
Pakistan	0	3,540,813	1,685,113	4.77
Holland	1,401,975	1,540,397	1,585,043	4.48
Italy	1,770,221	1,876,728	1,234,931	3.49
France	126,754	318,163	53,630	0.15
Australia	304	0	19,733	0.06
Japan	81,993	27,664	9,276	0.03
Others	6,006,776	4,948,235	9,206,918	26.04
Total	21,722,972	22,794,494	35,359,110	100

Source: Customs Department, January 2011

HS2309 Preparations of a kind used in animal feeding.

Table 8: Thailand import of HS2309 US\$ (2008 -2010)

	2008	2009	2010	Market Share (%)
U.S.A.	93,036,918	69,047,385	79,967,602	32.38
France	24,171,050	24,414,604	24,997,142	10.12
China	19,407,754	24,077,616	26,892,251	10.89
Holland	13,950,147	13,259,259	16,720,243	6.77
Australia	10,575,570	16,721,484	10,176,843	4.12
Japan	5,753,907	3,503,627	4,440,428	1.8
Germany	5,144,097	3,072,521	4,354,559	1.76
Italy	2,499,948	3,624,510	2,945,077	1.19
Others	59,610,646	68,547,476	76,449,247	30.96
Total	234,150,036	226,268,483	246,943,392	100

Source: Customs Department, January 2011

Table 9: Thailand import of HS3002300 in US\$ (2008 -2010)

HS3002300 Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes; vaccines, toxins, cultures of micro-organisms (excluding yeasts) and similar products. Vaccines for veterinary medicine - Vaccines for veterinary medicine

	2008	2009	2010	Market Share (%)
U.S.A.	14,284,726	20,858,303	24,353,232	38.39
France	12,890,833	12,628,518	13,109,459	20.67
Holland	8,410,429	7,304,837	8,489,394	13.38
Germany	1,472,932	2,379,243	2,260,726	3.56
Japan	1,120,311	655,241	514,772	0.81
Italy	998,146	895,249	1,700,051	2.68
Australia	295,308	328,260	424,067	0.67
China	154	0	0	0
Others	6,808,509	8,472,962	12,585,429	19.84
Total	46,281,348	53,522,615	63,437,131	100

Source: Customs Department, January 2011

Major players in Thai poultry industry:

Table 10: Top Ten Exporters of Chicken Meat (frozen and pre-cooked)

N o.	Exporters of Frozen Chicken	Exporters of Pre-cooked chicken
1	Saha Farm Co.,Ltd. http://www.sahafarms.com/	C.P. Merchandising Co.,Ltd. http://www.cpmerchandising.com/
2	SunFood International Co.,Ltd. http://www.sunfood.co.th/	Sun Valley (Thailand) Co.,Ltd. http://www.cargill.com/ Contact : 662-2632929
3	C.P. Merchandising Co.,Ltd. http://www.cpmerchandising.com/	Golden Poultry Farm Co.,Ltd. Contact : 662-3660222
4	Centago Co.,Ltd. http://www.centaco.co.th/site.asp	B. Food Product International Co.,Ltd. Contact : 662-9550555#2744 E-mail : sanon@betagro.com
5	B. Food Products International Co.,Ltd. Contact : 662-9550555#2744 E-mail : sanon@betagro.com	Saha Farms Co.,Ltd. http://www.sahafarms.com/
6	GFPT PCL http://www.gfpt.co.th/	Panas Poultry Co.,Ltd. thanomsak.su@panuspoultry.co.th
7	Laemthong Poultry Co.,Ltd. kanchana@laemthong.com	Aginomoto Betagro Frozen Foods (Thailand) Co.,Ltd. http://www.ajinomoto.co.th/en_aji_thailand_factory.php?nid=26&parent_id=4
8	Golden Poultry Farm Co.,Ltd. Contact : 662-3660222	GFPT PCL http://www.gfpt.co.th/
9	Kaona kaisod Co.,Ltd.	Sky Food Co.,Ltd. http://www.skyfood.co.th/
10	Better Food Co.,Ltd. http://www.thaibetterfoods.com/	C.S.G. Co.,Ltd (CPF).

Source: Customs Department

Major Players:

CP GROUP

Charoen Pokphand Group (CP Group) with headquarters in Bangkok, Thailand was founded in 1921 by the Chia brothers, and is today one of Asia's leading conglomerates. With businesses and affiliates operating within the agribusiness, retail and telecommunications markets, we currently employ over 250,000 people whom conduct our investments, operations and trading at factories and offices worldwide.

Its largest subsidiary is Charoen Pokphand Foods, which achieved 116.5 billion baht in revenue in 2005, earning a profit of 6.747 billion baht. Apart from agribusiness, the family-owned conglomerate's interests range from retailing, as the franchisee of Thailand's 7-Eleven stores, to telecommunications, as the owner of True Corporation, a mobile telephone service provider, Internet service provider, and cable television company. CP Subsidiaries also include PRC registered Super Brand Mall, Lotus Super center chain.

Charoen Pokphand traces its beginnings back to 1921, when brothers Ek Chor and Siew Whooy started the Chia Tai seed shop in Bangkok's Chinatown. They imported seeds and vegetables from China and exported pigs and eggs to Hong Kong.

Taking the Thai name Chearavanont, the family business prospered when it adopted the strategy of turning its seed customers into suppliers for an animal feed. In 1954, the company opened its first feed mill (it's now the fifth largest feed-mill operator in the world), and it soon branched out into livestock operations, beginning with poultry and then swine.

The company has grown into a global business, with more than 250 subsidiaries in 20 countries, including China, where it is known as the Chia Tai Group.

The company was famous for horizontal integration expanding into several business lines with 4-5 SET listed companies. After the Asian financial crisis in 1997, C.P. hired Price Waterhouse as its consultant and consolidated into three business lines under its main "brand names": foods (C.P. Foods), retail (7-Eleven), and telecommunications (True). Each of these companies has a separate listing but the other listed companies were merged into CPF.



Type	Private, family-owned
Industry	Agribusiness Telecommunications Retailing
Founded	1921



Headquarters	Bangkok, Thailand
Key people	Dhanin Chearavanont, chairman and CEO
Products	Meat, Frozen food, Restaurants, Telephone companies, Internet service provider, Hypermarkets, Convenience stores
Employees	350,000
Subsidiaries	Charoen Pokphand Foods True Corporation CP 7-Eleven PLC
Website	www.cpthailand.com

Sources

1. http://en.wikipedia.org/wiki/Charoen_Pokphand
2. <http://www.cpthailand.com/>

BETAGRO GROUP

Founded in 1967 with a registered capital of Baht 10 million, the Betagro Group began as a single entity, Betagro Company Limited, to produce and distribute animal feed. Its headquarters were originally located in Pom Prab, Bangkok, and its first feed mill in Prapadaeng, Samut Prakan province.

From that time, Betagro has grown from strength to strength; beginning with the establishment of its first animal husbandry facility in Pak Chong, Nakhon Ratchasima province, comprising poultry and swine farming, feed mill and hatchery. Success of this venture was soon followed by the company's expansion into the strategically located and resource rich province of Lop Buri. There, comprehensive production facilities that included feed production, hatchery, poultry and swine raising, fresh and frozen chicken processing, hygienic pork processing, and manufacturing of processed frozen SPF pork products, were soon to position Betagro as a leading conglomerate in the agro-industry.

To complete the supply chain of poultry and swine integration, and to support its core competencies in the agro-industry, Betagro soon after established a number of specialised companies. These businesses are now engaged in production, husbandry and genetic development in swine, broilers and layers, plus establishment of breeder farms and manufacture and distribution of veterinary medicines. The company has also formed collaborative arrangements with farmers to provide contract farming for broilers and layers and to include fattening swine, production and distribution of hygienic and fresh pork, chicken, eggs, as well as processed foods, for distribution to both domestic and international markets.



Today, the Betagro Group is recognized as being at the forefront of Thailand's agro-industry and food business, engaged in animal feed production, livestock, and animal health products, and most importantly, high-quality, safe food products. Distributed to local and overseas markets, these leading, branded products respond to the diverse needs of consumers across the globe, reflecting Betagro's guiding principle: "Let's Make Life Better."

Betagro Group focuses on the food business in both domestic and international markets with an integrated agro-industrial production base. Betagro classifies its operation in five major categories: Regional and feed business, Poultry integration business, swine integration business, animal health business, other business such as pet business, resort business

Group of Companies

B.International & Technology Company Limited
www.b-inter.com

Pet Focus Company Limited
www.dognjoy.net

Betagro Land Company Limited

Pasak Hillside Company Limited
www.pasakhillside.com

B&T Realty Company Limited

Betagro Science Center Company Limited
www.bsc-lab.com

Betagro Ootoya (Thailand) Company Limited

Betagro EXA Company Limited

Sources

1. http://www.betagro.com/index_th.php

SAHAFARMS

Grandparent Stock Farms :

Imported U.S. Cobb breed, the type of bird that gives the highest meat yield, are used as grandparent stock at our breeding farms in Pechaboon province. These grandparents are raised in a state of the art and climate controlled system. As a result, The parent stock will be strong and highly immune and fit for supplying to parent farms both domestically and internationally. SAHAFARMS can produce more than two million parents per year.



Business Lines:

1. Grandparent Stock Farms :

on an area of 560 acres, Cobb-500 chickens from USA are used to produce 2 million PS chicks annually. The facility operates 12 poultry raising lines each 14 x 108 meters in size, dark-out raising system to separate sexes, automatic water and feed systems, evaporative cooling pad system for temperature control and 24 hatcheries and incubators

2. Parent Stock Farms :

on an area of 588 acres, the facility incorporates 6 farms with a total of 60 poultry raising lines, each 14 x 124 meters in size. Capable of rising 630,000 hens and 94,500 cockerels to produce 63 million eggs annually.

3. Hatchery:

on an area of 48 acres, the facility has the capacity to produce 60 million chicks annually with 36 hatcheries and 36 incubators. The hatchery uses the latest available technology including computerized Focus Links and a central control facility, which can check operations at every step of their production process.

4. Broiler Farms:

Incorporates the largest and most modern broiler raising lines in Asia, each 170x120 meters in size and capable of raising 340,000 broilers, with a total area of 20,400 square meters. Computer-controlled, fully automated raising systems are employed to maintain precise environmental conditions, including ventilation, temperature and humidity appropriate for each stage of development. The facility is hygienically maintained with strict standard used to comprehensively prevent diseases.

5. feedmill:

On an area of 56 acres, the feedmill operation incorporates silos and warehouses for the storage of around 250,000 tons of corn, corn-drying facility with a capacity of 100 tons per hour, and a finished feed production capacity of 96,000 tons per year under the production philosophy "Good Quality Feed for Good Quality Food".

6. Processing Plant:

On an area of 1,400 acres, with the world-scale processing plant covering 70,000 square meters, the facility is installed with the most advanced machinery and is capable of processing 500,000 chickens daily. All processes satisfy strict Animal Welfare, HACCP, GMP and other standards.

7. Further Processing:

With a factory area of 30,000 square meters, the facility can produce 30,000 tons of cooked, ready-to-eat foods annually, including steamed, fried and grilled chicken products using state-of-the-art technology from Sweden and the USA.

8. Animal Medicine:

The animal medicine facility, which covers 1,000 square meters, has been established according to standards set by the Thai Food and Drug Administration under the Ministry of Public Health. The facility's production lines are powered medicines with a capacity of 2,000 Kb. per day, liquid medicines with a capacity of 2,000 liters per day and

disinfectant with a capacity of 2,000 liters per equipped with modern laboratory, controlling quality of drugs in compliance with GMP.

9. Research & Development Section:

The R&D facility is staffed by a team of fully qualified veterinarians and the scientists who are specialized in different fields and fully supported by modern sciences instruments and equipment, An IT system used in the diagnosis of animal disease and a laboratory is certified ISO/IEC 17025 quality standard.

Saha Interfood [Further Processing plant] :

Further processing plant I :

Cooked product

From quality raw materials and constant innovation, SAHA FARMS has created a wide variety of processed food products for different groups of customers both at home and abroad.

Yakitori

SAHA FARMS was the first Thai company to produce and export Yakitori and grilled chicken products to Japan.

Further processing plant II

Chicken Meatball and Sausage

To respond to the demand of consumers in the country, SAHA FARMS equipped with the production capacity of 450 tons per day, under the brands such as SAHAFARMS, HF, Zaab, Aleep, Sadab, Esan, Kai Thai, Farm, Health, Etc.

Source

1. <http://www.sahafarms.com/>

SUN VALLEY (CARGILL)

Cargill is an international producer and marketer of food, agricultural, financial and industrial products and services. Founded in 1865, our privately held company employs 131,000 people in 66 countries.

Five major business segments

Cargill is an international provider of food, agricultural and risk management products and services. There are 75 businesses organized around five major segments: Agriculture Services, Food Ingredients and Applications, Origination and Processing, Risk Management and Financial, and Industrial. Thailand is under food ingredients and applications segment

Cargill Meats Thailand

Cargill Meats Thailand is a large, fully integrated poultry processing business with locations in Saraburi, and Koraj, Thailand, and a sales office in Tokyo.

We produce a wide range of cooked chicken products, with more than 80 percent of our products exported to Japan, Europe, Canada and Hong Kong. In Asia, Cargill Meats Thailand's customers are large food manufacturers and distributors.



We also serve the Canadian and European markets by supplying other Cargill business units that engage in food processing and distribution.

Source

1. <http://www.cargill.com/>

LAEMTHONG POULTRY

Laemthong Poultry Co., Ltd. is a member of Laemthong Corporation Group (LCT), which has been developing itself to become one of Thailand's leading processors in the agro-industry business. The company has been in the chicken meat business since 1990, producing fresh chicken meat plus a variety of chicken meat products in accordance with worldwide market needs. We export around 30 percent of total output to many countries in Asia and Western Europe.

Laemthong Poultry has streamlined its integrated system to provide products of higher quality. Our operation covers animal feed production, poultry breeding of imported grandparent stocks from one of the best developed breeds in the world, supplying day-old-chicken, broiler rearing, food processing and export of chicken products. In this way, the quality of our chicken products can be monitored at all stages of production.

Food safety is our primary concern. We are exercising sanitary control that meets the international food safety standard set by the European Union, Japan and the United States Department of Agriculture, and are certified by the Department of Livestock Development (DLD). Our products are also approved by Sheikhul Islam Office, which means that they can be consumed by people of all races and religions in the world.

Laemthong Poultry was established as a private limited company with registered capital of US\$ 14.4 million. The company's head office is located in Bangkok and a factory is in Nakornrachasima. The company employs a total of 2,000 employees including 15 engineers and 100 quality assurance staff.

Source

1. <http://dbms.thailand.com/storefront/storefront.php?view=overview&conco=TH&sid=TH899>

GFPT

GFPT Public Company Limited founded on 25 November 1981, at present, GFPT has registered capital in the amount of Baht 1,400,000,000 and paid-up capital in the amount of Baht 1,253,821,000. GFPT Public Company Limited is the parent company of the group, operates fresh frozen chicken and further processing chicken under GFPT's brand and customers' brand in both of domestic and international market.

GFPT Public Company Limited and subsidiary companies operate fully integration of chicken business. To begin with feed mill business, rearing grand parent chicken to produce parent DOC, rearing parent chicken to produce broiler DOC, rearing broiler, slaughtered and processed chicken products.

GFPT Public Company Limited is the parent company of the group, operates processed chicken products, the company has the following Subsidiary companies



- 1) Krungthai Feedmill Public Company Limited, operates feed mill business
- 2) GP Breeding Company Limited, operates rearing grand parent chicken to produce parent DOC
- 3) Krungthai Farm Company Limited, operates rearing parent chicken to product broiler DOC
- 4) M.K.S. Farm Company Limited, operates rearing broiler
- 5) GF Foods Company Limited, operates processed chicken products
- 6) McKey Food Services (Thailand) Limited, operates processed chicken products
- 7) GFPT Nichirei (Thailand) Limited, operates chicken evisceration and processed chicken foods

Business Model



Source

1. <http://www.gfpt.co.th/>

Swine Industry in Thailand

Content

- Sector Overview
- Production
- Consumption
- Import & Export

Sector Overview

Pork has become the second most important meat in Thai consumption, with average consumption in 2010 of approximately 13.77 kg per person per year.

Development of pig production started in 1960 when the first groups of exotic pig breeds were imported by the Department of Livestock Development from the United Kingdom. These were Large Whites, Tamworth and Berkshire breeds. Later, Landrace and Duroc Jersey breed pigs were imported from the United States.

The imported pigs were used for breeding improvement and were cross breed with the native pigs. Throughout the 1960s and 1970, crossbreed pigs were raised by backyard producers for consumption by the farm family and also as a source of income.

Commercial development of this sector was fostered by small number of feed mill companies which provided piglets, animal feeds drugs, veterinary services and farm management expertise to contracted pig producers. At present, modern swine feeding and management systems from western countries have been accepted by farmers.

The Central part of the country generate about 50 percent of Thailand's pig population. Most of the pork produced in Thailand is consumed domestically because of the presence of foot-and-mouth disease (FMD) in some of the producing areas in Thailand which is the main constraint of prohibition to export Thai swine product in many foreign countries. Thailand's major export markets are Japan and Hong Kong.

Table 1: Production, Export and Consumption of swine in Thailand (2008-2010)

(Unit: thousand tons)	2006	2007	2008	2009	2010
Production (million pig)	13.315	13.545	12.088	11.771	12.120
Production (million tons)	1.065	1.084	0.967	0.942	0.970
Consumption (million tons)	0.998	1.110	0.952	0.886	0.929
Consumption per capita (kg.)	13.4	13.4	13.7	13.4	13.77

Source: Association of Swine Producers and Processors for Exporting

Production

In Thailand around 80% of pigs produced are from intensive farming systems and 56% of these are from farms with over 1,000 pigs. The remainder are from small (50-200 pigs), to medium (201 – 1,000 pigs) farms. Large intensive farms are either integrated company owned (8.5%) or private independent (47.5%) farms. Although modern intensive pig production in Thailand began in 1970s, large scale or industrialized pig farming was slow to develop up until the 1980s after which it rapidly increased.

In 2010, there were production of 12.12 million pigs, increased 2.96% from 11.77 million pigs in 2009. In 2009, the pig prices were in good range all year and the ingredients for animal feed decreased comparing with 2008.

Table 2: Pigs Stock in Thailand by regions (2010)

Locations	Pig Production (heads)	Farmers (family)
Central	4,517,561	20,008
Northeastern	1,520,591	73,564
North	1,491,595	81,769
South	817,270	24,119
Total	8,347,017	199,460

Source: Department of Livestock Development, as of 27/10/2010

Even though integrated commercial pig farms have developed in recent years, there are many constraints in several important areas. Pigs' diseases still exist and plagues the industry abides by the unhygienic standard of many slaughterhouses, the low level of meat inspection and the high incidence of illegal slaughtering. These are obstacle factors for exporting Thai pork products to foreign markets.

The Livestock Department (DLD) is protecting consumer health by enforcing access to safe and wholesome animal products. One of the means is the decision to establish at least one modern abattoir in each of the 76 municipalities across the country.

Production cost

The 'hog cycle' was effected by the large variations in the price of pigs were a result of the overreaction of markets to supply and demand. Prohibition of the shipping of meat carcasses across the trading area of each slaughterhouse and the limited of only one slaughterhouse in each trading area are regulations that have resulted in higher marketing costs and limited market alternatives for pig growers.

Selling Price

In 2010 the live pig at farm-gate was at the average of 60 Baht per kg., increased 5.49% from the farm-gate average price of 56.88 Baht per kg in 2009. The selling price of pork had gradually increased at the beginning of last year according to the effect of Porcine Reproduction and Respiratory syndrome (PRRS) and Porcine Epidemic Diarrhea (PED) which caused the decreased in number of pigs supply to domestic market.

Consumption

Most of the pork production is for domestic market. In 2010, there were consumption demand for pork 11.63 million pigs or 0.93 million tons, increased 4.85% from 0.89 million tons in 2009.

Import

Thailand imports other parts of fresh and frozen pork (pork skin, liver and offal) from aboard. In 2010, the importation of those products was approximately 10,000 tons, valued 118 million Baht, decreased 9.87% in volume from 11,095 tons, valued 162.72



million Baht. Most of the imported liver (HS0206) are from South Korea (31.13%) and Australia (19.90%)¹ and other parts from Belgium, Germany and the Netherlands.

Export

The export of pork and processed pork is account for only 1% of the total domestic production because Thailand is situated in the area where the foot-and-mouth disease is still exist. Major foreign buyer of fresh pork is Hong Kong, whereas processed pork is exported to Japan. Live pigs are exported to neighboring countries those are Cambodia, Lao PDR and Myanmar.

In 2010, Thailand exported 1,000 tons of fresh pork products, value 55 million Baht, decreased 62.24% in volume comparing to 2,648 tons, value 141.50 million Baht in 2009. Export of processed pork products reached 8,000 tons, value 1,832 million Baht, increased 20.92% in volume comparing to 6,616 tons, value 1,617.06 millions Baht. Export of live pigs account for 290,000 heads, value 1,263 million Baht, decreased 33.80% in volume from 438,079 heads, valued 1,786.02 million Baht. Major export markets are Japan (68%), Hong Kong (31%) and others (1%)².

The Office of Agricultural Economics forecasts the production of pigs will increase to 12.38 million pigs, increase 2.16% from 12.12 million pigs in 2010.

Market Structure: Domestic Consumption 98%, Import 1%, Export 1%

International Standard Slaughterhouse: 8 factories

International Standard Processing Factories: 25 factories

Export Products: fresh pork (30%), processed pork (70%)

¹ Customs Department, January 2011

² Thailand is in the area where there are existing mouth diseases, which is major constraint to export pork product to foreign markets.