



Thailand Livestock Report

Economic Overview of Thailand 2008

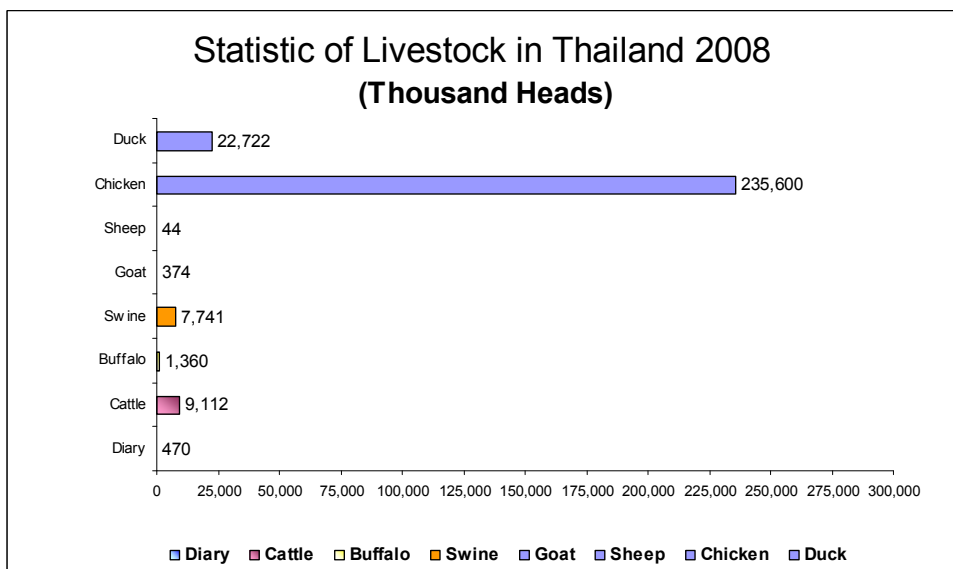
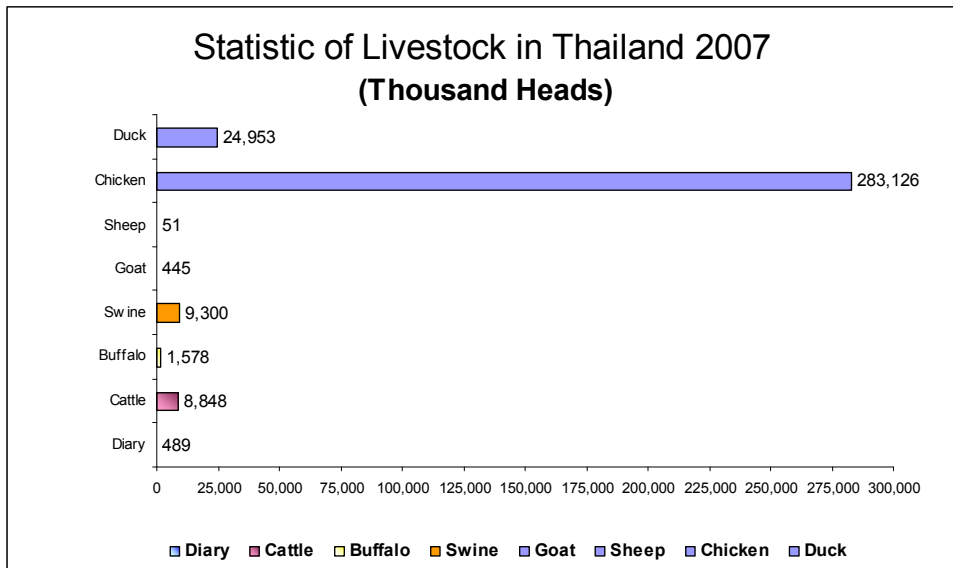
The Thai economy remained resilient through the first three quarters of this year, amidst the sharp rise in food and fuel prices. In the first three quarters of the year, real Gross Domestic Product (GDP) expanded by 5.1 percent year-on-year, compared to 4.6 percent in the same period of 2007. This was led by the robust export growth of 25 percent year-on-year in US dollar terms and 9 percent in real terms, notwithstanding the continuous appreciation of the baht. Private consumption and investment also grew by more than they did in 2007, despite the sharp increase in food and fuel prices. On the other hand, public consumption and investments in real terms have contracted in the first three quarters as a result of slow disbursement rates amidst political instability and slow project completion as raw material prices rose sharply. Real GDP growth in 2008 is 2.6 percent as the global economic slowdown and domestic political unrest weigh upon growth in the last quarter. Growth in the last quarter drops sharply to less than 1 percent year-on-year as exports of goods are negatively affected by the deceleration in demand of Thailand's major export markets. Exports of services, of which more than half are tourism receipts, have also been severely affected by the political unrest since October. As a result, manufacturing and services growth in the last quarter of this year will slow down considerably. Layoffs and work hour reduction, particularly in the manufacturing sector, have also started to rise, while private investment slows. As job security and income growth uncertainties increase, consumer confidence is falling and household consumption growth has shown clear signs of a deceleration. These trends will extend into Year 2009 as the global economy continues to slow.

Source : www.worldbank.or.th *Thailand Economic Monitor December 2008*



Market Analysis

1. Statistic of Livestock in Thailand 2007 – 2008

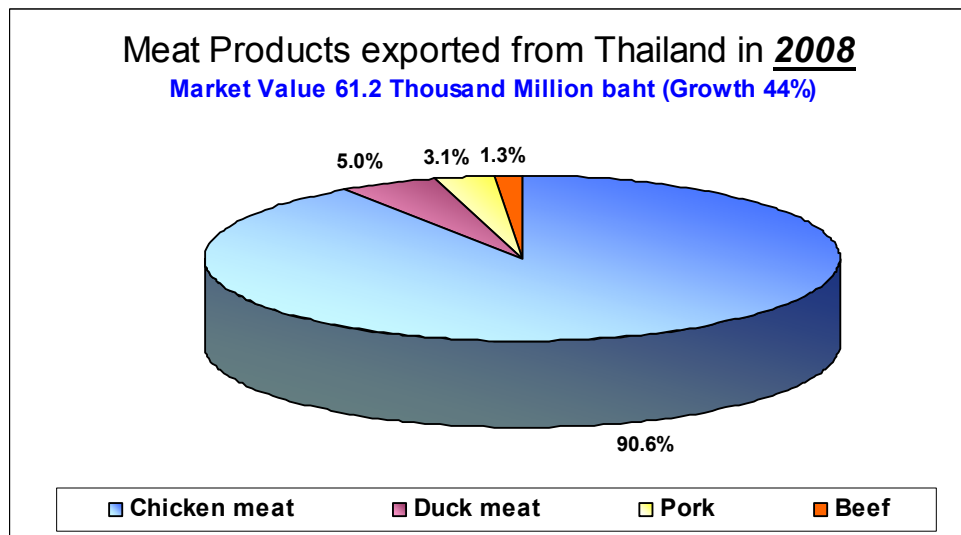
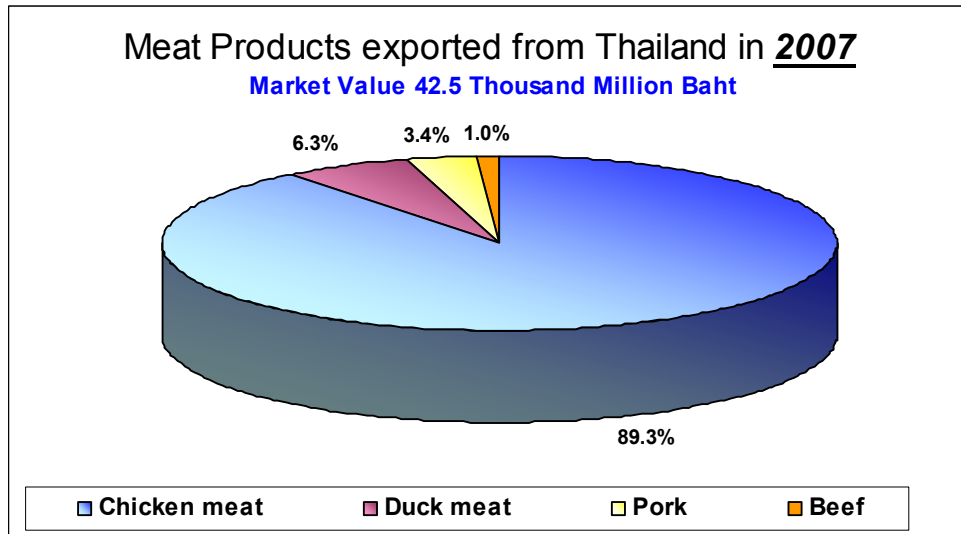


Source : Department of Livestock Development (www.dld.go.th)

The statistic above shows the composition of Livestock in Thailand in 2007-2008. The figure indicates that Chicken and Duck remain their position, while Cattle move to the 3rd rank instead of Swine. However, the major factors that make overall market value decrease are the increasing in fuel prices and cost of production as it's already mentioned in economic overview 2008.



2. Meat Export Market of Thailand



Source : Bureau of Livestock Standards and Certification, Department of Livestock Development

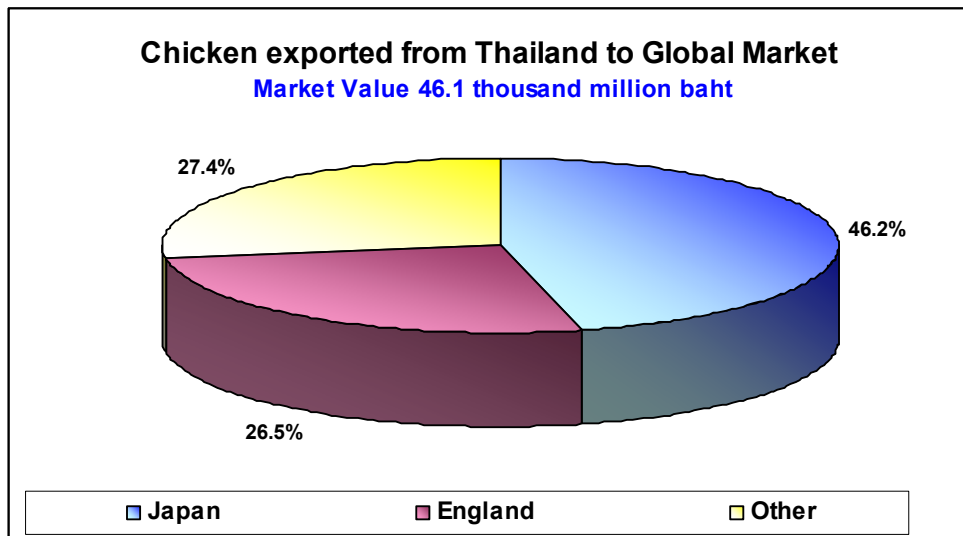
2007 Market Value 42.5 Thousand MB → 2008 Market Value 61.2 Thousand MB

The above charts represent the sharp growth of 44% in export market. The composition of the market consists of Chicken (91%), Duck (5%), Pork (3%) and Beef (1%). It implies that Thailand's major export of meat is Chicken and Duck. In addition, the ranking of the export market remains constant.

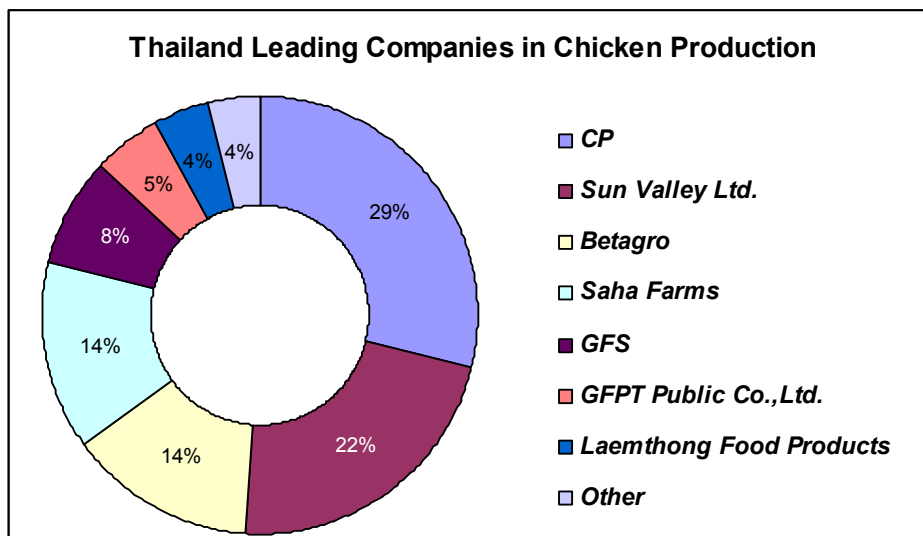


3. Meat Export to Global Market

Source : Information and Statistics Group, Information Technology Center
Department of Livestock Development (Jan-Nov 08)



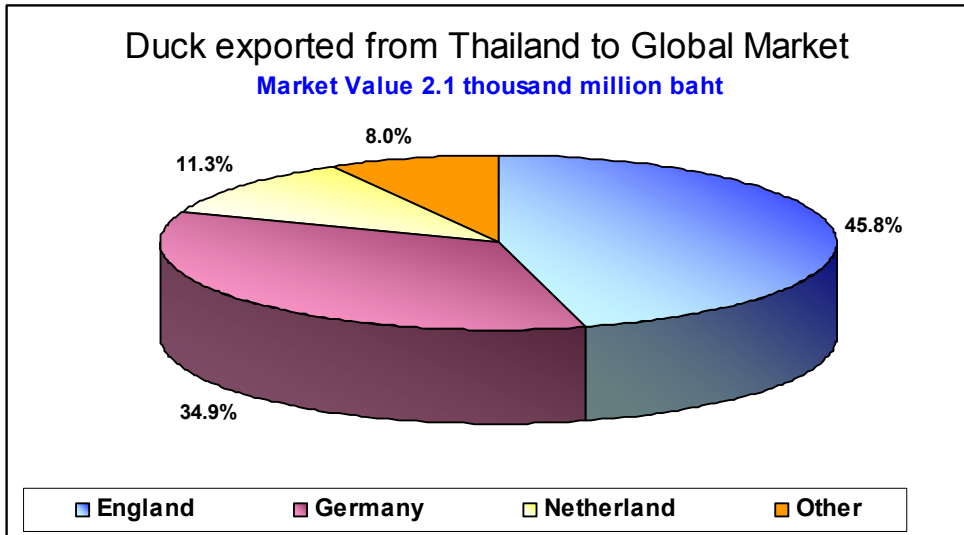
The first rank of meat export to global market is Chicken with total market value of 46,100 million baht. The importers are Japan (46.2%), England (26.5%), Netherlands (9.2%), Vietnam (4.3%), Germany (3.7%), Singapore (2.3%), Ireland (1.8%) and other respectively.



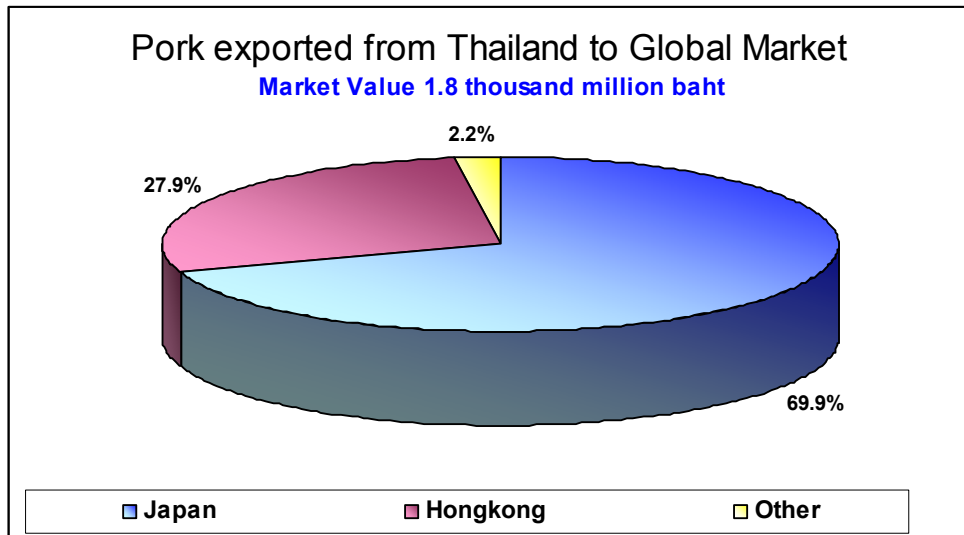
Source : Thailand export chicken Association data on 2008



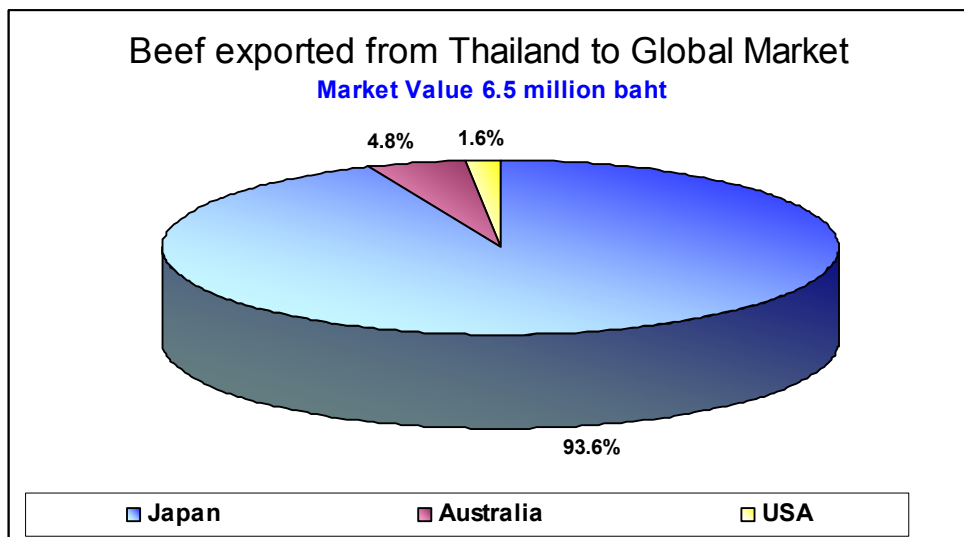
As the chicken industry has the highest value in Thailand, the market share are consisting of Charoen Pokkapan (CP) 29%, Sunvalley Ltd. 22%, Betagro 14%, Saha Farm 14% and so on. The total production level is around 24,176 tons per month in 2008 comparing with 23,376 tons per month in 2007. It is noticeable that the productivity and market expansion have developed time by time.



Regarding the total export market, duck is the second with estimated market value of 2,100 million baht. For the export of duck to global market, the major importers are Europe countries such as England 45.8%, Germany 34.9%, Netherlands 11.3%, Ireland 2.4%, Belgium 1.3% and other respectively.



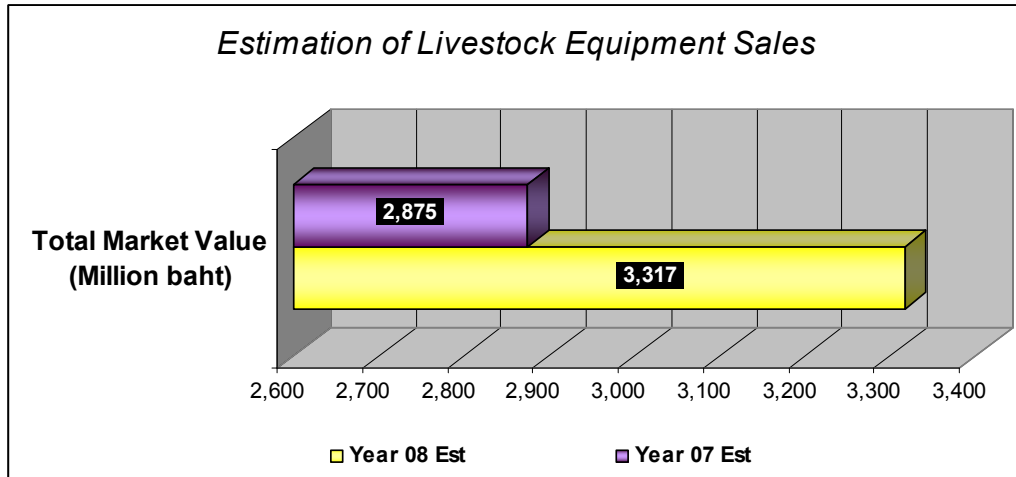
Thirdly, the exports of Pork to global market, the major importers are mainly in Asia for instance Japan 69.9%, Hong Kong 27.9%, Cambodia 1.1%, Singapore 0.7% and other respectively. The estimated total market value is 1,800 million baht.



Lastly, the export of beef to global market is estimated about 6.5 million baht. The major importers are Japan 93.6%, Australia 4.8% and USA 1.6% respectively.



4. Livestock Equipment Industry



Source : *Thairegistration.com*

Regarding the positive growth of livestock export market especially Chicken, Pork and Beef, livestock equipment reacts in the same direction. The growth of livestock equipment is remarkable with 15% growth rate, approximately 3,317 million baht comparing with 2007.

The major business firms in this industry have been mention on the following data;

Leading Companies in Livestock Equipment Industry

- | | | |
|-----|--|---------------------|
| 1. | KPI Kasetphand Industry Co.,Ltd | (31% market share) |
| 2. | B. International & Technology Co.,Ltd | (12% market share) |
| 3. | Munters Thailand Co.,Ltd | (11% market share) |
| 4. | Karoon Brothers Co.,Ltd | (11% market share) |
| 5. | Hutek (Asia) Co.,Ltd | (7% market share) |
| 6. | BD Agriculture Thailand Ltd (Big Dutchman) | (8% market share) |
| 7. | Dan-Tech Co.,Ltd | (5% market share) |
| 8. | Delta Vet Co.,Ltd | (2% market share) |
| 9. | Dynamic Engineering Co.,Ltd | (2% market share) |
| 10. | Top Products Supply Co.,Ltd | (1.5% market share) |