

# Thailand expects further growth of pet food exports



**During COVID-19, the Thai domestic market has been booming. But not only the domestic market has been given a boost.**

## **Pets as family**

Just like the rest of the world, the Thai pet market has grown during the COVID-19 pandemic, with more people working from home and adopting pets. It also seems to be a growing trend that couples decide to adopt pets rather than have children, and single people get a pet as a companion. More pets means more demand for pet products.

Another reason for current market growth is that pets are increasingly considered family members. So price is no longer the main consideration when buying pet food. It is more important that the food is appropriate to the pet's age and provides all the necessary nutrients.

## **Export market**

Thai pet product manufacturing is considered to be of the same high standard as other Thai products

exported to markets across the world. Research conducted by the Thai Pet Food Trade Association (TPFA) shows that Thailand ranks number 4 among the world's pet food-exporting countries, behind Germany, the US and France.

Manufacturers' own brands account for 20% of Thai dog and cat food exports. The other 80% are OEM/private labels for renowned brands across the world. The top 5 Thai export markets last year were the US, Japan, Italy, Malaysia and Australia.

## **Impact of tariffs**

One critical factor in the export market growth is import tariffs for Thai pet food. The present rate is, on average, 0-5%. If the importing country has a foreign trade agreement with Thailand, import tariffs do not apply.

### TPFA

The Thai Pet Food Trade Association currently has 11 members. They produce mainly wet dog and cat food using fish, including tuna, as well as fish blood and bones plus other ingredients. Most of the members are canned tuna and tuna product manufacturers, so tuna by-products can be perfectly utilised as ingredients for pet food.

As pet food is twice as expensive as food for human consumption, and has higher profit margins, this has encouraged many Thai entrepreneurs to set up new companies – or expand existing processing lines – to manufacture dog and cat food. They also see bright future prospects for the pet food industry.

### Future growth

In 2020, Thailand exported 609,001 tons of pet food, valued at \$1.6 billion (€1.3 billion). Compared to 2019, this is a volume increase of 13% and a value increase of 19%.

In 2021, Thai pet food exports are expected to expand by at least 10%. Comparing the quantities during the first 5 months of 2021 with the same period in 2020 shows that export value has already increased by 25%, while volume has increased by 19%.

The TPFA estimates that Thailand will rise to 3<sup>rd</sup> place globally as a pet food exporter, and that the industry will become even more important as income generator for the country. ♦



**Dr Chanintr Chalisarapong**  
President of the  
Thai Pet Food Trade Association  
tpfa@thaipetfood.org  
thaipetfood.org

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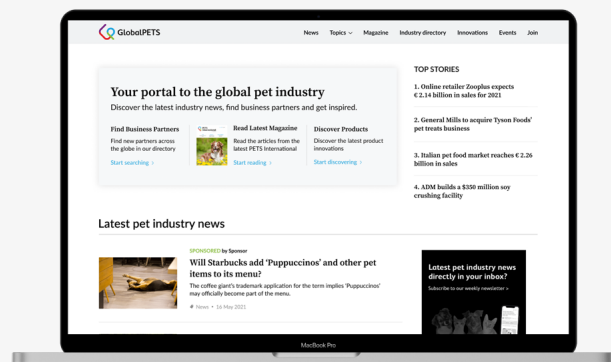
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