

Franco-Thai cooperation on Agriculture and Agri-food sector in ASEAN Regional Perspectives

Conference & Panel discussion

Tuesday 7th June 2022

8h30 to 10h30 @ W Bangkok

Organized by FTCC Agri Agro committee

Cooperl



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**MINISTÈRE
DE L'ÉCONOMIE
DES FINANCES
ET DE LA RELANCE**

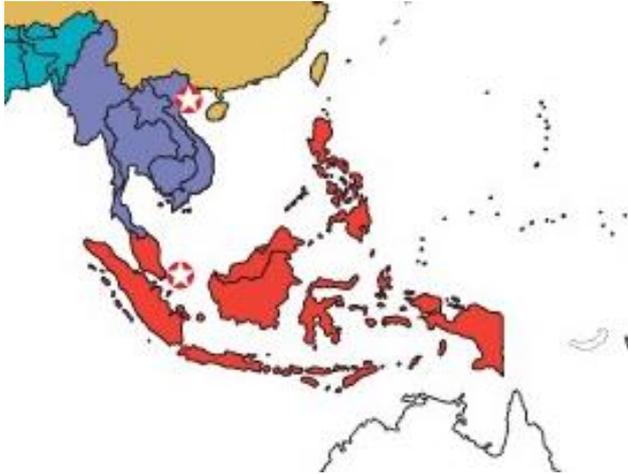
*Liberté
Égalité
Fraternité*

Direction générale du Trésor

France-Thailand cooperation on agriculture and food sector

**Marion CHAMINADE Agri-Food Counsellor – Vietnam, Thailand, Myanmar,
Cambodia, Laos | Embassy of France in Vietnam**

The follow-up of SPS and economic questions by the agri-food counsellors in Asean



-  *Wilfrid Fousse (Singapour)*
-  *Marion Chaminade (Hanoï)*

- Bi-monthly newsletter on Asean
- France development partner of Asean
- Hanoï : regional directorate of Business France and CIRAD
- Relay through the economic services of the embassies (+ local agent in several countries)

- High level economic dialogues, annually, with **Vietnam and Thailand**
- **Cambodia** : few SPS constraints but to follow with a coming law on food safety
- **Laos** : few SPS constraints
- **Myanmar** : high level exchanges with the administration are no longer possible

Plan

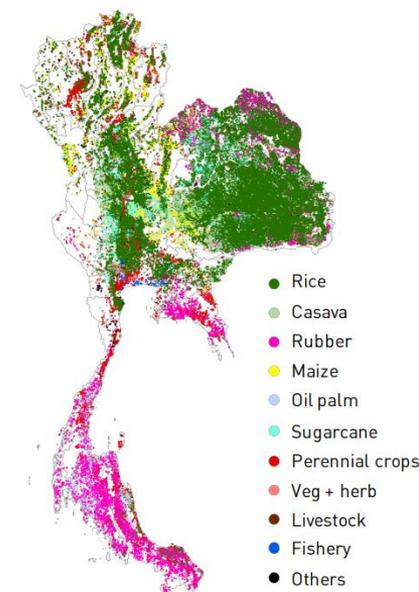
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 - Presentation of the Thai context, from a French perspective
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Thailand agricultural Policies and development strategies

A third of Thailand's workforce is working in agriculture but contributes to a mere 8% of the GDP.

- Thai agriculture development is undermined by the middle income trap i.e. weak productivity and weak value-added because of low investments in education and infrastructures while wages impedes sector's competitiveness. Thai farmers are also ageing faster than the overall population.
- Commodity-based strategy for increasing productivity and value-added in major crops (rubber tree and oil palm) with incentives force less productive farm to quit the business (rice)
- Issue-based strategy (2017-2021) to promote :
 - Organic farming via marketing, R&D, training and knowledge dissemination
 - Food security by supporting private investment and implementing better logistic management
 - Mitigation and adaptation regarding global warming : raise awareness and build database, improve water management with local communities, adopt risk maps, promote biogas production and adapt farming practices
 - Thailand 4.0 strategy



Land-use in Thailand in 2017 (Attavanich et al. 2019)

Thailand's « Industry 4.0 » strategy : a game changer ?

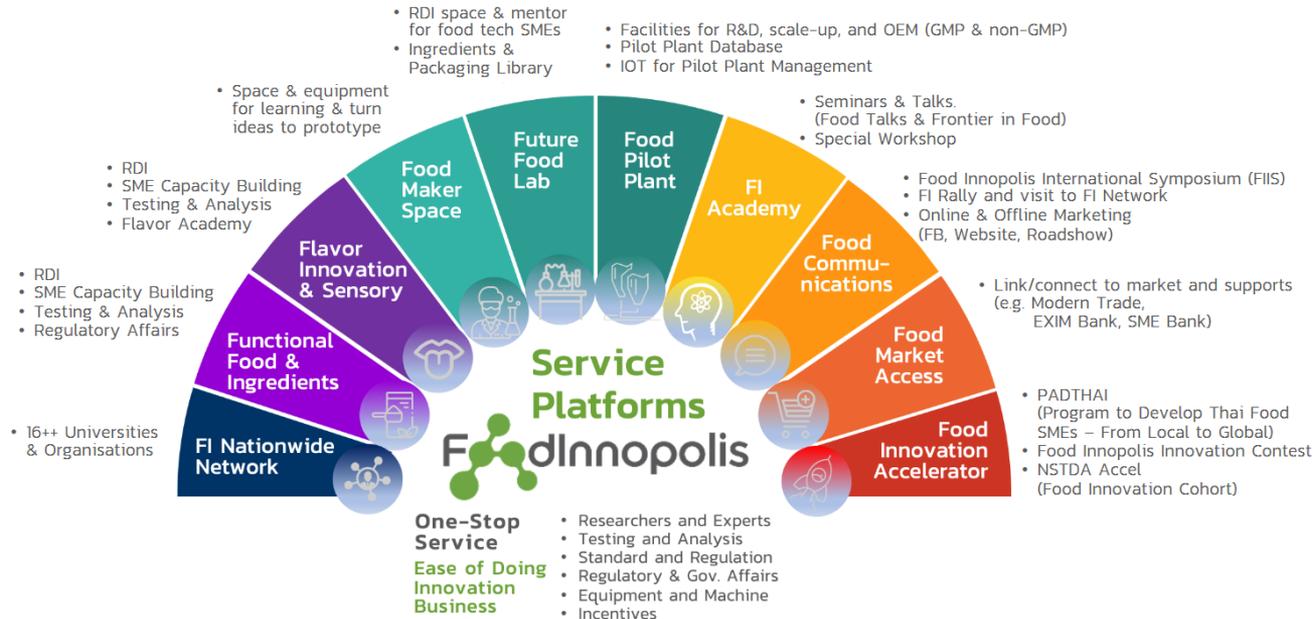
Launched in 2016, goals set in 2019 for the agriculture sector were enhanced following the covid crisis

- A shift from « traditional agriculture » to « smart agriculture » thanks to innovation and digitalization and thus (i) increase crop yield (ii) raise farmer's income thanks to better traceability, better quality standards, use of digital tools across the food chain (Big Data, innovation hubs, e-commerce) and training sessions
- Policies are being introduced with ambitious funding : AgriMap (land screening), Smart farmers (use of new technologies & training), Mega Farm (scaling-up farms thanks to private investments and cooperation between large land-owners), TraceThai (traceability system), agriculture learning centers...
- Thailand Board of Investment (BOI) offers incentives (exemptions on tax or import tariffs for raw material). Objective for the agro-food sector : 7% of GDP in 2028 (6% today), focusing efforts on the development of R&D
- Some issues are yet to be addressed such as worsening inequalities among farmers :
 - At least 30% of rural household cannot afford any investment in new technologies at all (below poverty line)
 - Only 10% of agricultural workers graduated from High School and the rural population is ageing

Food Innopolis

One of the 10 clusters implemented in the framework of the strategy “Thailand 4.0” in 2016

- Public-private ecosytem of research, development, innovation (research institutes, governmental organisms, universities and enterprises)



Thailand livestock sector has been facing a crisis since 2019

Figure 4: Thailand's Exports of Hogs

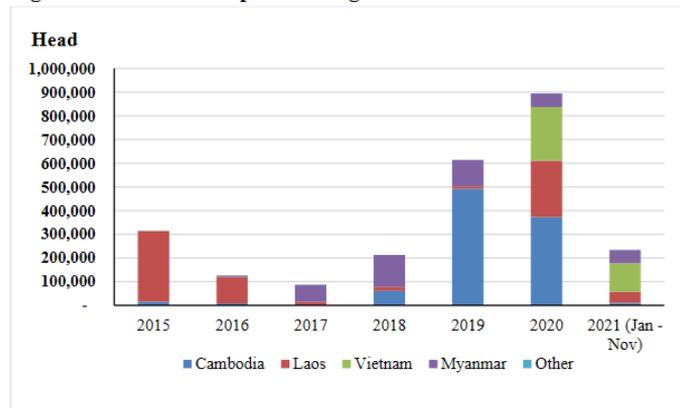
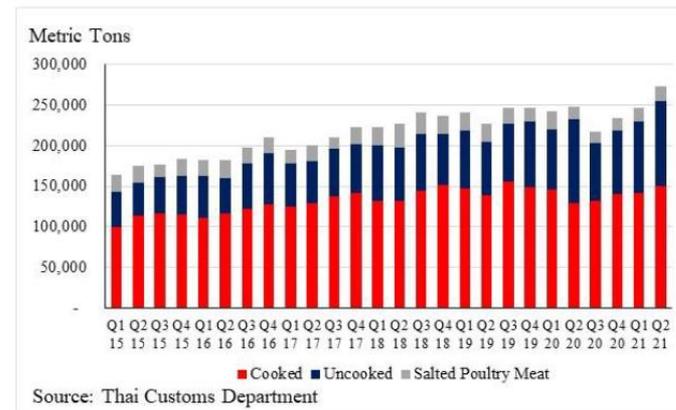


Figure 3.1: Thailand's Exports of Chicken Meat



- Authorities notified an ASF outbreak in January 2022 but are still denying importations. A 35 to 40% decrease in pork meat production is forecast, adding even more pressure on the poultry sector and thus increasing the demand for poultry feed
- Even before the war in Ukraine, with the economic recovery from the Covid-19 outbreak, the livestock sector was facing a soaring demand for animal feed, especially for swine and poultry (90% of the demand)
- Lack of transparency of Thai authorities (DLD) about livestock diseases spread and major embargos

The impact of war in Ukraine on Thai agricultural sector

The conflict worsened Thai livestock sector and sharply raised production costs elsewhere

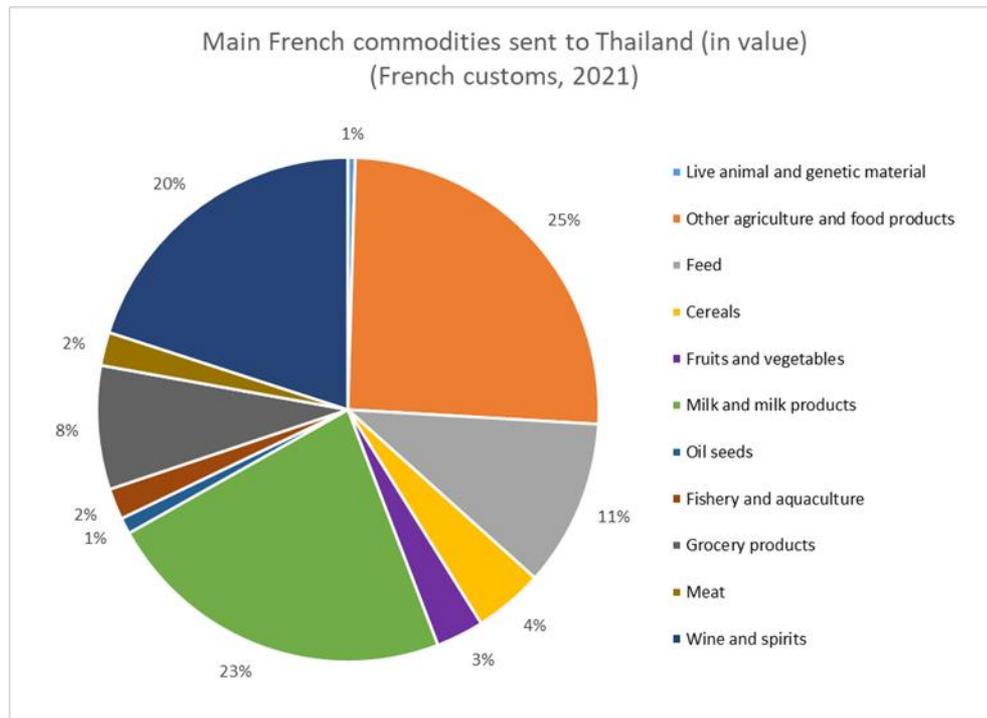
- From 2017 and 2020, Thailand imported 1,7 to 1,8 million tons of wheat for its livestock annually, of which Ukrainian wheat accounted for **40% of total feed wheat imports**. Feed price soared : +43% for wheat and +20% for corn and soybean meal compared to 2021
- On may the 2nd, Thai government waived import quota and tariffs on corn and wheat for three months to face animal feed shortage. Officials aim at importing 1,2 million tons under this new regime.
- At the same time, fertilizer price are expected to double in 2022 and crude oil prices are still rising, boosting production costs of major crops in Thailand. This could wipe off the benefits from the raise of raw food price on global markets (e.g. in the sugar sector)
- In 2021, Thailand imported 430 kt of fertilizers from Russia and 310 kt from Belarus which represents 13,2% of its imports.



The Thai Minister of Commerce and deputy Prime Minister, M. Laksanawisit, inspecting a pork meat retailer in 2020 when retail price was around 130 baths/kg. Meat price may reach 300 baths/kilo in 2022.

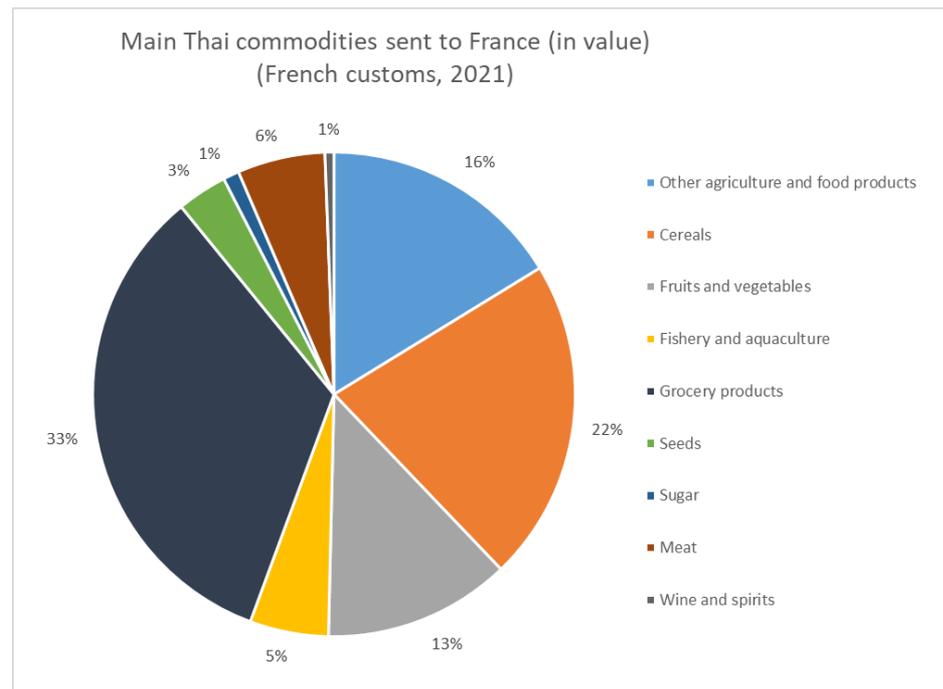
Bilateral trade : French agri-food exports to Thailand

- Mainly processed food products with high added-value (wine, milk powder)
- France is ranked 20th among Thailand's suppliers and 2nd in Europe (at same level as Germany, 1,4% market share each in 2021)
- In value : 220 million euros, + 3,9% in 2021
- Livestock :
 - Taurus gametes exports have raised by 8% compared to 2019 with a peak 2020 at 136 k€.
 - Feed exports have been raising steadily, +16% since 2019



Bilateral trade : French agri-food imports from Thailand

- Mainly raw agricultural products (low added-value)
- Value of imports in 2021 : 352 million euros
- Diversity of products : rubber, rice, sugarcane, ...
- Rubber value is far above other commodities (not in chart) : 224 million worth un 2021, + 8,4% in 2021



Opportunities for the French agri-food sector

- Growth is back in some key sectors for French exports :
 - Wine : +22,1% in 2021, but still below the 2019 record
 - Milk products : +22,6% in 2021, above the 2019 level. There's a strong demand from the Thai food industry for milk proteins
- Some prospects :
 - Oil seeds (13,7% of Thailand's imports in 2021)
 - Frozen fishes fillets (18,6% of Thailand's imports in 2021)
 - Ingredients for the food industry for a qualitative-based differenciation (organic, gluten-free, ...) : dried fruits, dairy proteins, plant-based proteins, pre and probiotics and dietary supplements

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Panorama of institutional actors in the SPS sector

- Departement of Livestock Development (DLD) CVO = M. Sorravis THANETO



กรมปศุสัตว์

Department of Livestock Development

วิสัยทัศน์ : เป็นองค์กรที่นำและขับเคลื่อนการปศุสัตว์ไทย สู่ความมั่นคง มั่งคั่ง และยั่งยืนในตลาดโลก

- Departement of Agriculture (DoA)
 - Also :
 - Food and Drug administration – MOPH : questions about labelling, food additives, traceability, authorization for cooked products ...
 - Important relay SPS at the level of EUDEL with the organization of quarterly meetings DLD/DoA-DUE-EM, the definition of priorities at the EU level, the implementation of collective files.
-

Still a lot of protectionism for animal products

- 58 market access pending demands for European products
- Need to go through an importer.
- Market opening for bovine offals and pre-listing for bovine meat in 2020-2021
- Ongoing negotiations to facilitate the market access for processed animal proteins, to open the market of ovine meat, caprine/ovine reproducers, to suppress the embargos in the poultry sector following the avian influenza outbreak
- Difficulties in the pork sector:
 - Charcuterie : update of the historical list of French exporters
 - Market opening for meat and offals – on a derogatory basis before an audit in 2022 ?

Code SH	Produits
01	Animaux vivants
	Porcins
	Bovins
	Caprins/ovins
02	Viandes, Produits carnés
	viande de porc et abats
	viande de volaille
	viande bovine et abats
03	Produits de la pêche
	produits de la pêche
04	Lait et produits de laiterie, œufs, miel ...
	lait et produits laitiers
05	Produits d'origine animale
	Génétique porcine
	Génétique bovine
	Génétique aviaire
	Protéines animales transformées (porc et volaille)
	Farines de sang
	Peaux d'ongulés
	Plumes
	Gélatines

Progress expected in the fruits and vegetable sector

- Access granted for apples and kiwis in 2021 (renewed/extended in 2021) and for vegetable seeds / eggplant in 2021
- Pending requests : potatoes (since 2017), plums (since 2019), pears (since 2021)

- Regulatory framework difficult to apprehend, slow progression of the files
- Difficulties in the transport and logistics (requirement of cold treatment).
- Fruit providers are mainly countries benefiting from tariff advantages in FTAs.

- FR apples on a premium niche, with a production calendar (October to March) with no competitor
- Growing interest of the thai consumers, for fresh and sane products, and organic agriculture.
- Important promotion by the Interbranch organization (Interfel).
- Initiation of multiple-countries audits with a collective procedure to speed up the process

FR-TH bilateral agreements

- **The FR-TH roadmap 2022-2024** puts the agriculture and food sector at a good place, with special focus on food of the future, food safety, sustainable transition of the agriculture, organic agriculture, circular economy
 - **Beyond the cooperation implemented by CIRAD and AFD, several tools for institutional cooperation** (even though there is no specific administrative arrangement for cooperation in the agriculture sector) :
 - Grants for the training Asia inter-GI
 - Grant for a residential course at ENSV-FVI on the management of veterinary services in October 2022
 - Conclusion of the High Level Economic Dialogue of November 2021
-

Perspectives for a cooperation on innovation

- **To facilitate market access** to European exporters
 - **To accompany the structuration in Thailand** -> to benefit from French experience and know-how to foster the capacity transfer from research to production.
 - **To facilitate the establishments of relationships** via university and scientific cooperation -> to create an environment that favor the implementation of collaborative projects.
 - **To accompany in a personalized manner Thai structures that wish to get closer to the European market** -> To identify contacts in start-up, of innovative solutions...
 - **To favor university exchanges** -> Grant program "France excellence"
-

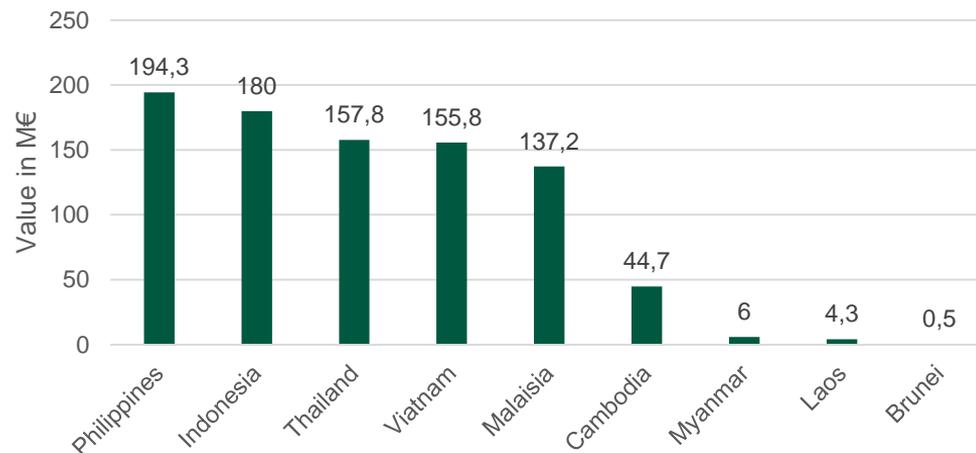
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Asean's position among French agri-food consumers

- Asean accounts for 2,8% of the global value of French agri-food exports, that is to say 1,9 billion euros
- Since Singapour is a commercial hub, it's the first importer of French agri-food products : one billion euros in 2021 (not in chart)
- Recent FTAs with Singapour and Vietnam
- Can the RCEP be an asset or a drawback for the develop of the action of French companies throughout Asean ?

French agri-food exports to Asean by country in 2021
(source : French customs)



Agroecology, the main pillar of our cooperation in continental ASEAN and an important tool to tackle climate change

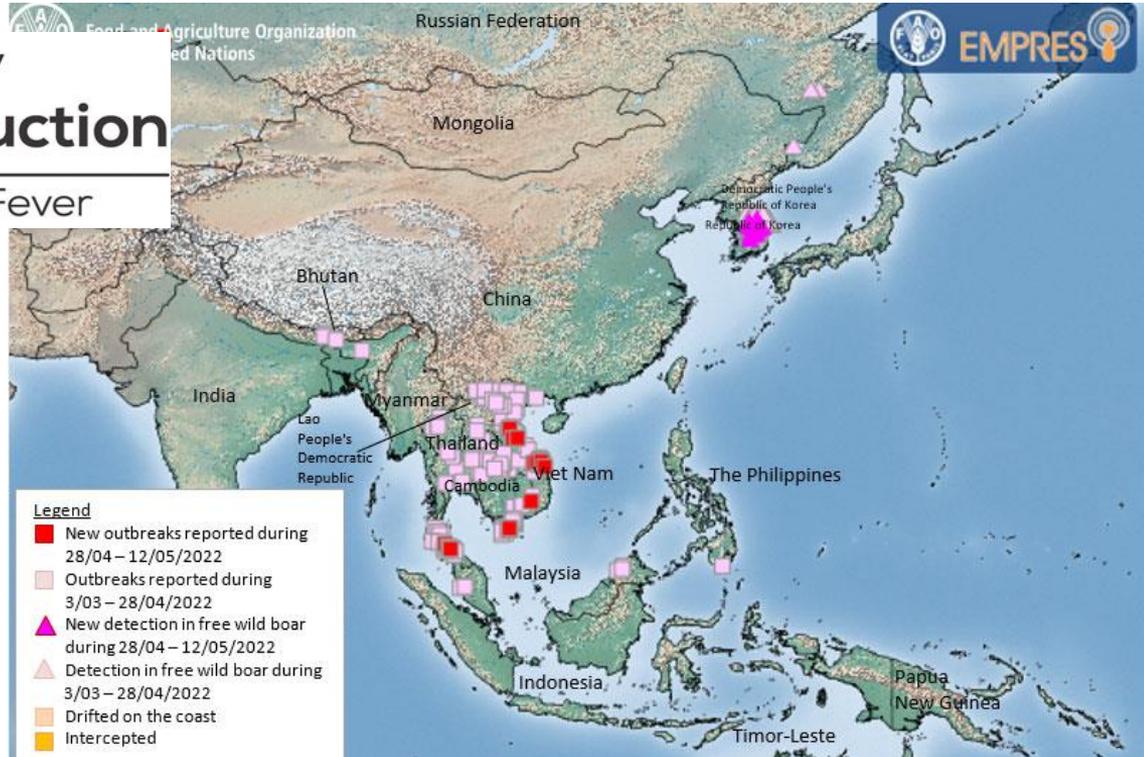
- ASEAN : at the agenda of the « Crop sector working group » and in the action plan FAO-Asean 2019-2024
 - ACTAE project (KH, LA, MM, VN), financed by AFD 2,5 millions € 2015-2019, implemented by CIRAD and GRET
 - ASSET project (KH, LA, MM, VN) « Agroecology and Safe food System Transitions in South-East Asia » 18 millions € 2020-2025. AFD, UE, CIRAD, GRET + FFEM
 - The agroecology coalition : signed by VN and KH.
-

Wrestling against ASF in the pork sector



Project implemented by ENSV-
FVI, CIRAD, AVSF, IFIP
1,7 millions \$ 2022-2025

In line with the actions already carried
out by the OIE and the FAO, the BIG
program aims to reinforce the
capacities of the whole food chain:
decision-makers, community-based
animal health workers, official and field
veterinarians, pig farmers, animal
health laboratory staffs.





Thank you for your attention !

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AT A GLANCE

600 different
JOBS



A cooperative group of
7,800 EMPLOYEES
of which over 4,300 in Brittany
and approaching 100 in China

OVER 1/3
of our pig meat production is
produced under the
Antibiotic-Free Pork initiative



13 MILLION
consumers each day worldwide in
over 50 countries

**2,950 member
BREEDERS**

No. 1 IN FRANCE
No. 3 IN EUROPE
in the pig meat transformation sector

27

6 MILLION PIGS

2.4 BILLION euros
turnover in 2019

75 MILLION euros
invested each year

100% of share capital
held by our members

SITES IN FRANCE

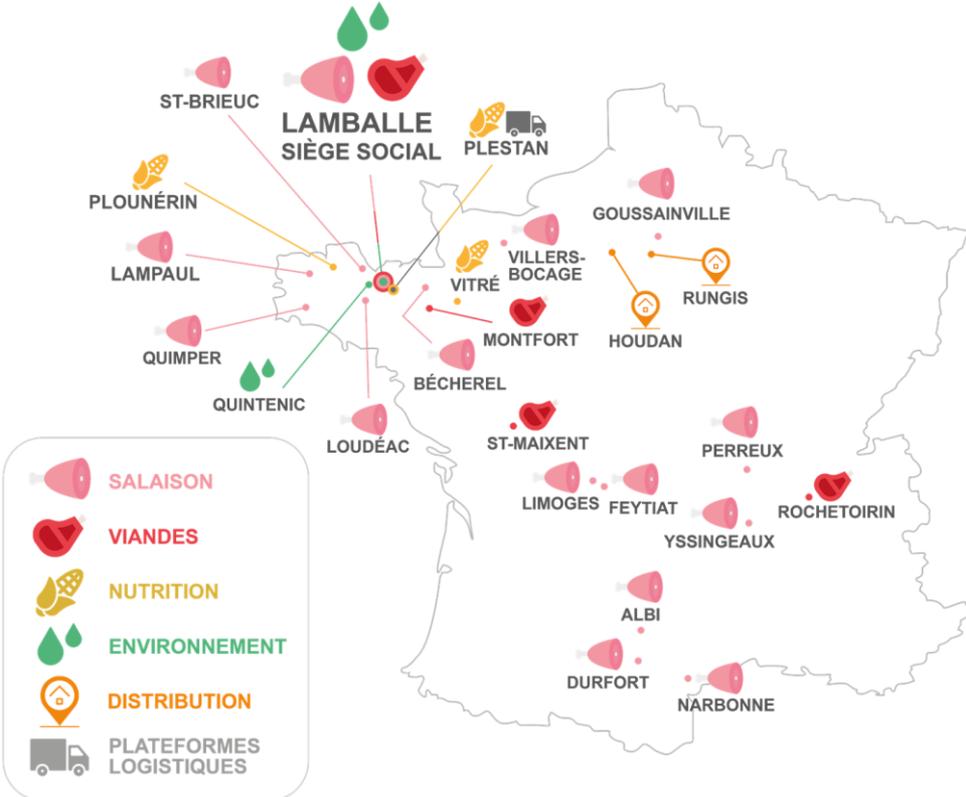


27 INDUSTRIAL SITES

8 RETAIL OUTLETS

75 BUTCHER'S SHOPS

15 FARM SHOPS



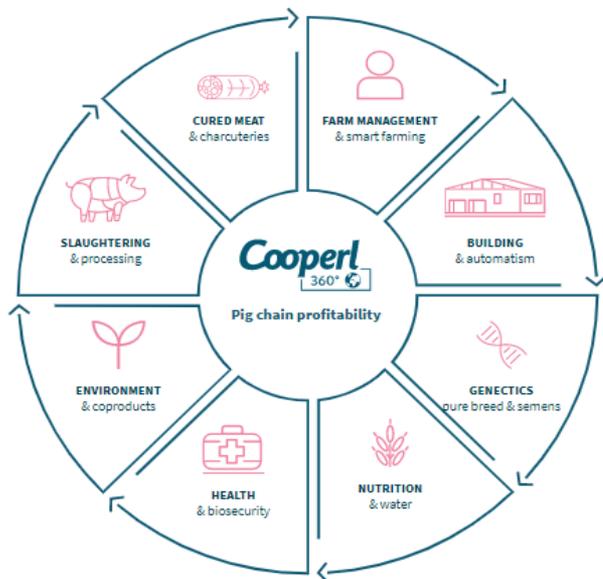
SITES ABROAD



50 EXPORT COUNTRIES
12 INTERNATIONAL OFFICES
33% OF COOPERL MEAT REVENUE
2 GGP Farms

360° APPROACH

■ A UNIQUE 360° APPROACH



∴ ABOUT COOPERL

Located in France, Cooperl is the leading **French company** offering a global solution in the pork industry.

Our unique 360° approach in the sector guarantees a reliable **traceability, food safety, animal welfare, biosecurity and environmental respect**. Everything is made for the benefit of our clients and the satisfaction of our 13 million consumers that trust us every day.

We offer an integrated range of technologies and services for people who want to invest in the pig industry in order to support them on every stage on their project.

Thanks to the organization and extensive expertise acquired in pig production for **more than 50 years**,

Cooperl is the best partner who can assure a **high return of your project with a careful consideration of human and environmental values**.

Cooperl

THANK YOU





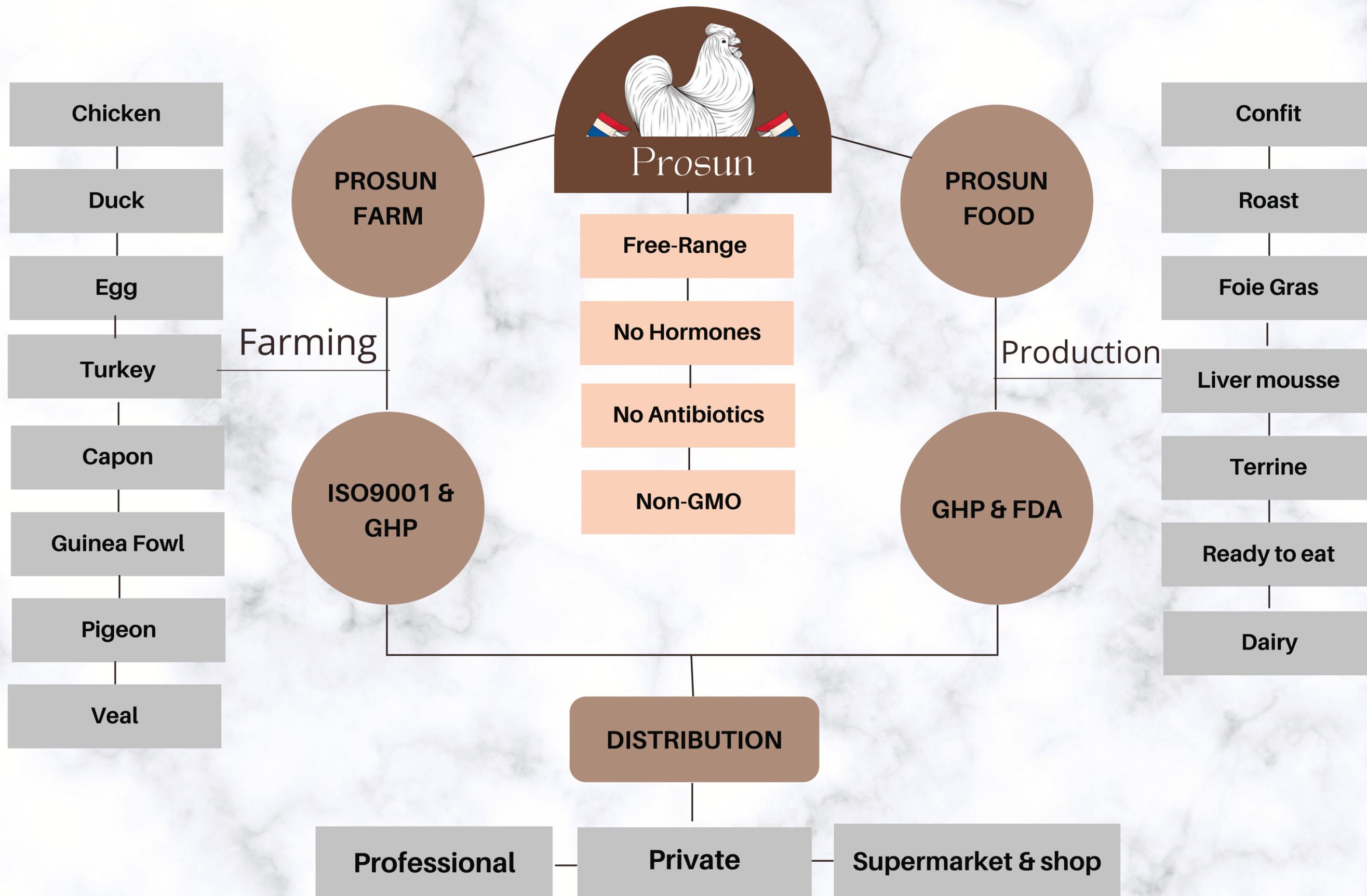
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COMPANY PROFILE

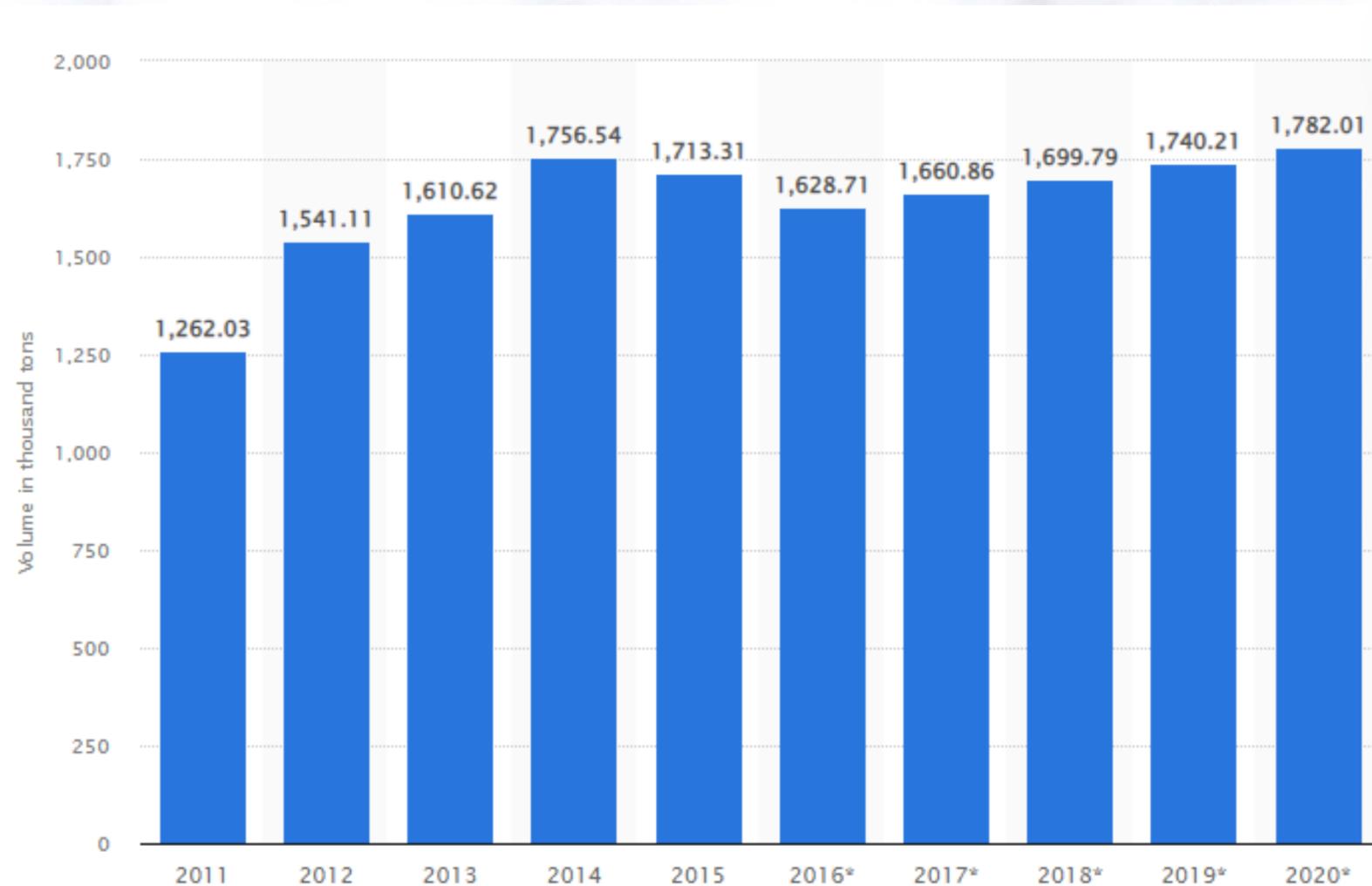
PRESENT BY
LAURENT OPPORTUNE





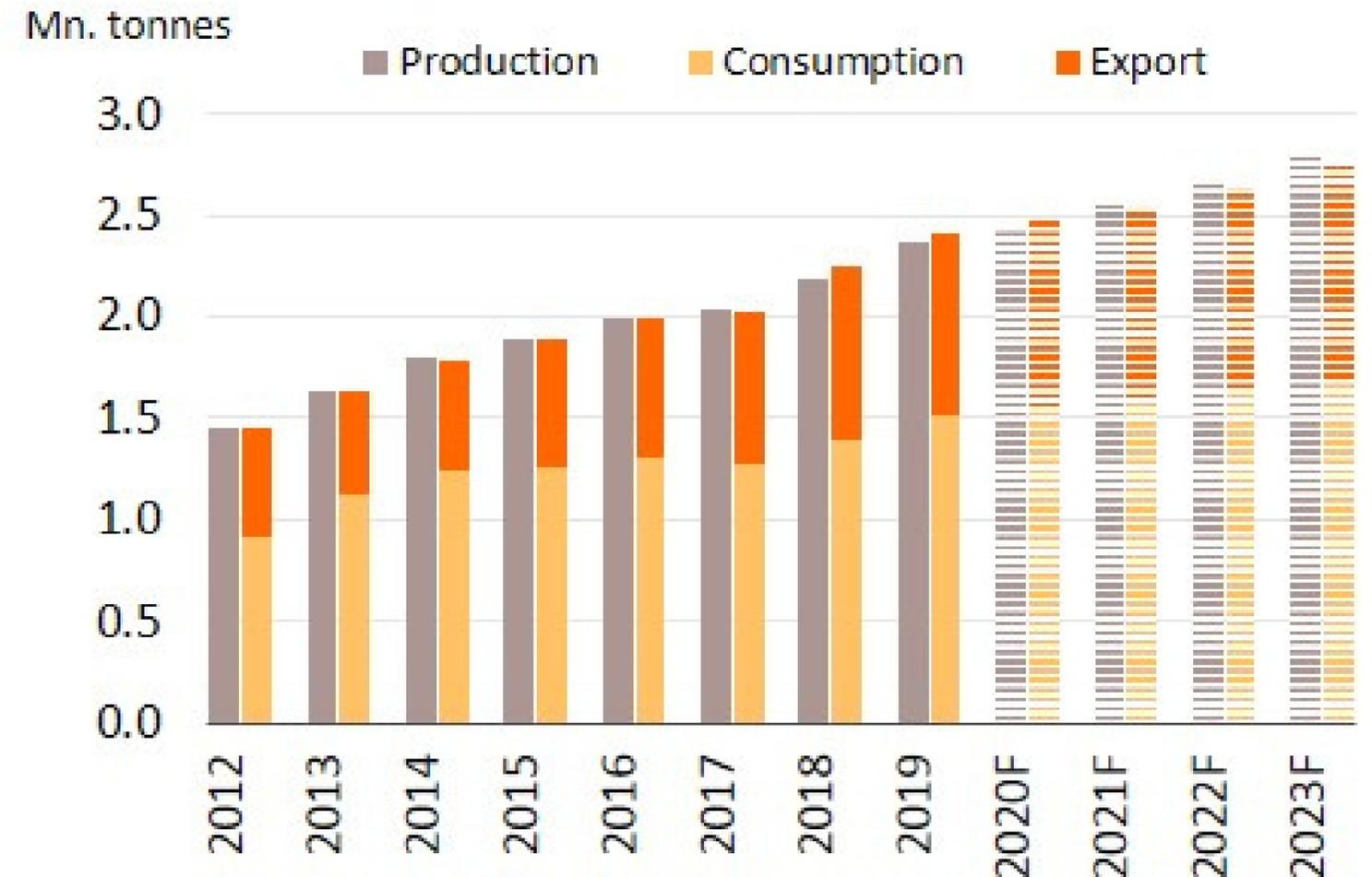
Production volume of chicken meat in Thailand & Chicken Industry Forecast

Production volume of chicken meat in Thailand from 2011 to 2020 (in 1,000 tons)



© Statista 2022

Figure 17: Thai Chicken Industry Forecast



Note : Forecast by Krungsri Research
Source : OAE, Krungsri Research

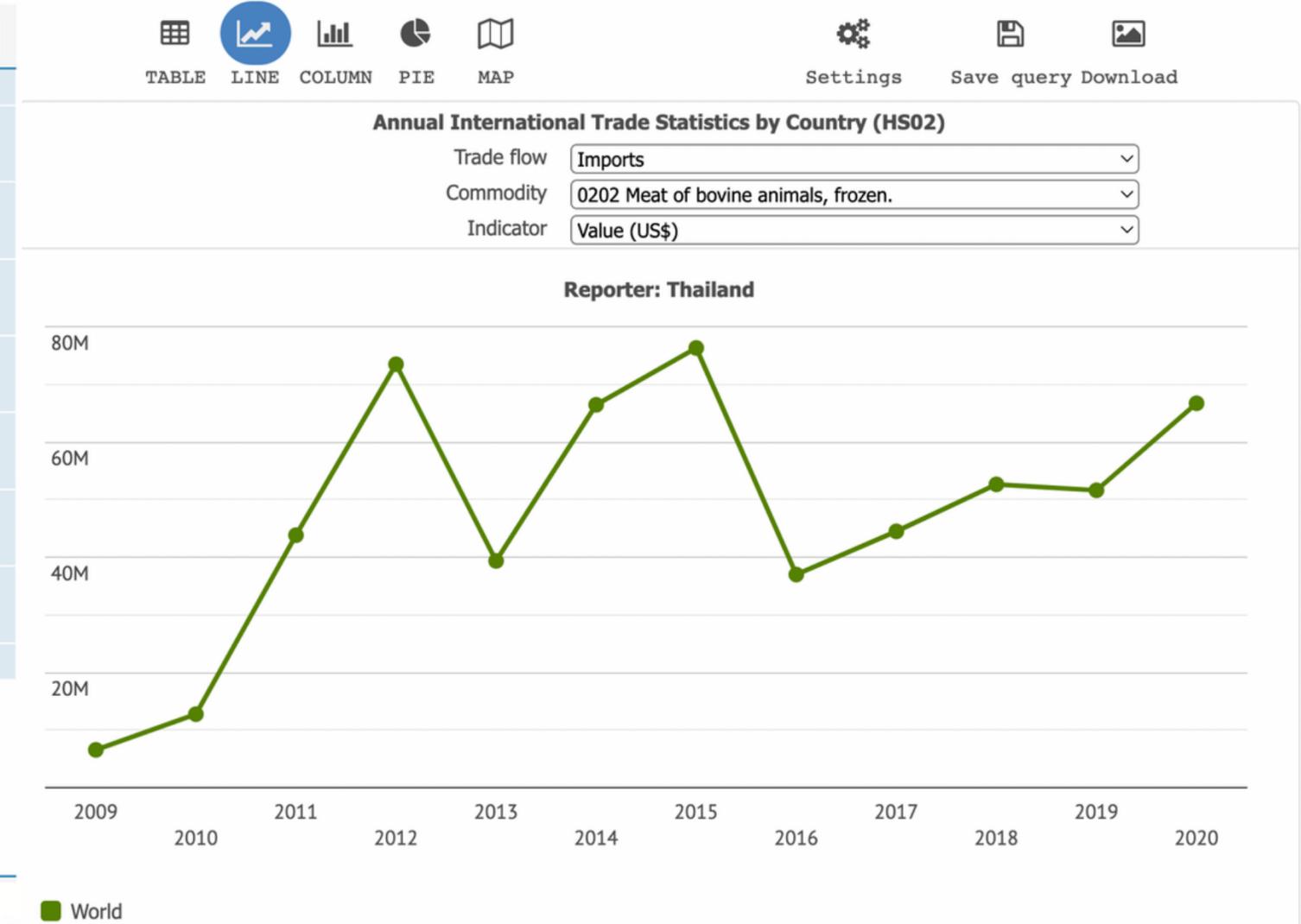
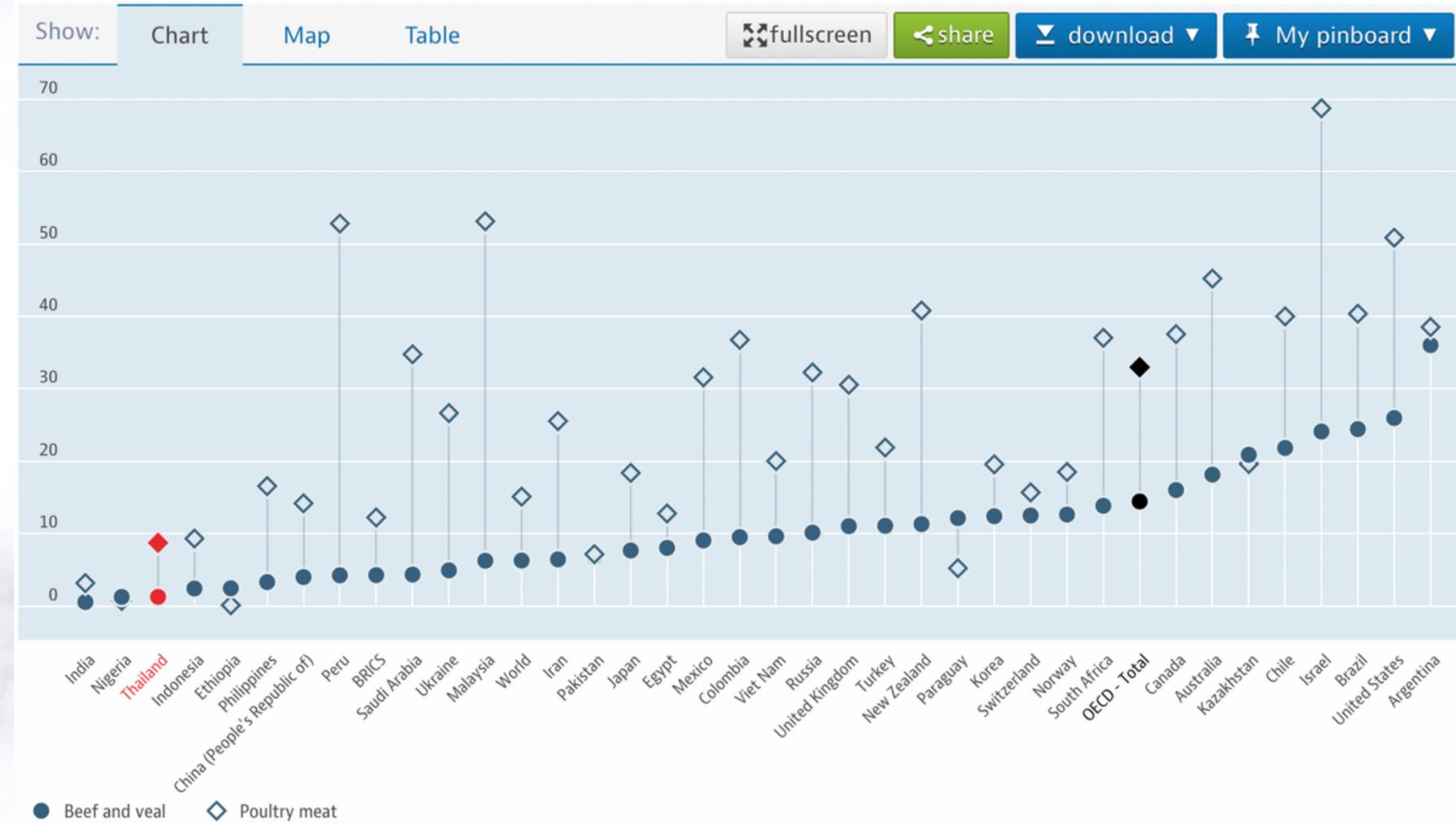


Meat Consumption & Thailand imports Meat of bovine animals, frozen.

Meat consumption Beef and veal / Poultry meat, Kilograms/capita, 2029 or latest available

Source: OECD-FAO Agricultural Outlook (Edition 2021)

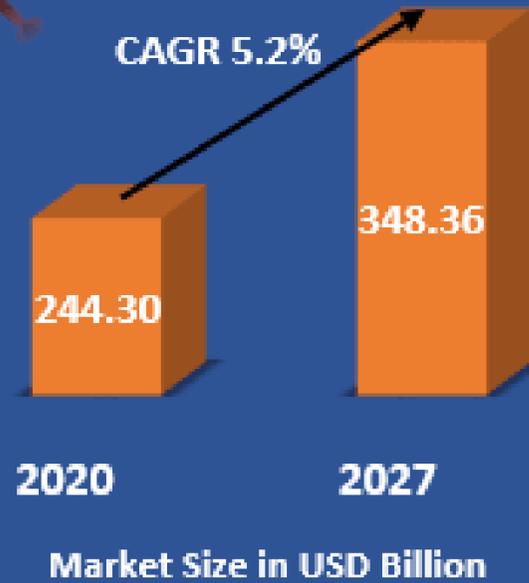
Thailand | Imports and Exports | World | Meat of bovine animals, frozen | Value (US\$) and Value Growth, YoY (%) | 2009 - 2020



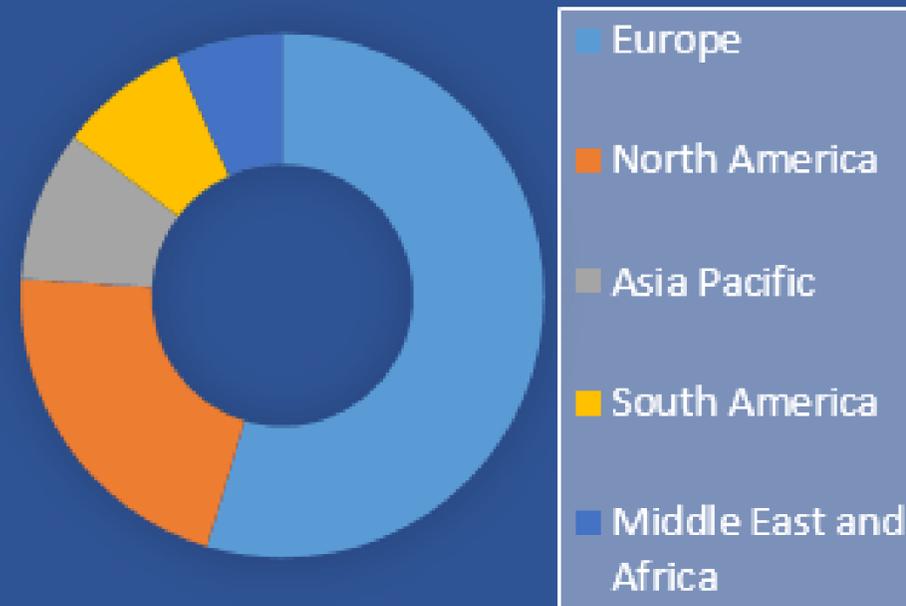


Impact of
COVID-19
Analysis

Global Frozen Food Market



Regional Analysis in 2020 (%)



Key Players

- | | |
|-----------------------|-------------------------|
| Nestle | Pinnacle Foods Inc. |
| General Mills Inc. | Unilever PLC |
| Ajinomoto Co., Inc. | Amy's Kitchen, Inc. |
| Iceland Foods Ltd. | Kraft Food, Inc. |
| Mc Cain foods | H. J. Heinz Company. |
| ConAgra Foods Inc. | The Schwan Food Company |
| Maple Leaf Foods Inc. | Kuppies |
| BRF SA | Bubba Foods |
| Rich Products Coop. | |

End-User Segment Overview



Global Frozen Food Market size was valued at US\$ 244.30 Bn in 2020 and the total revenue is expected to grow at 5.2 % through 2021 to 2027, reaching nearly US\$ 348.36 Bn.



Thank you

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