Thailand Agriculture:
The Country’s profiles and Current Status

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Thailand is divided into 4 geographical regions.

- **Northeast**: A drought area and poorest endowed in soil fertility with sandy soils and limited capacity to retain water.
- **North**: An extension of the central plain and has fertile soils. However, the upper north is mountainous with terrains and has small farm holdings.
- **Central Plain**: The most developed rice area. The large portion of rice area in this region is in irrigated areas and fertile soils.
- **South**: Suitable for plantation due to a long period and high rainfall. Palm oil and para-rubber are mostly grown in this region.
The Country’s Profiles

- The Country’s land area: 51.2 million ha
- Total Population in 2009: 67 (million person)
- GDP per capita: 4,098 US$ (135,235 Baht)
- Population in agriculture: 37.6% or 23 million people
- Total Farm Household: 5.78 million HH
- Farm family size: 3.95 person
Trade in Agricultural and Agricultural Processing Products 2008

Export Value on Agricultural and Agricultural Processing Products (in Percentage)

- Rubber and Products: 28%
- Cassava and Products: 16%
- Fish and Products: 9%
- Fruits and Products: 6%
- Processed Chicken: 4%
- Woods and Products: 4%
- Hides: 3%
- Soyabean and Products: 6%
- Shrimps and Products: 6%
- Others: 18%

Source: Office of Agricultural Economics

In 2008, value of export 40,588 million US$

Import Value of Agricultural and Agricultural Processing Products (in Percentage)

- Rubber and Products: 7%
- Animal feed: 9%
- Paper and Products: 11%
- Fish, fresh, chilled, frozen: 12%
- Others: 28%
- Soyabean: 6%
- Cotton raw and linters: 4%
- Woods: 4%
- Hides: 3%
- Shrimps and Products: 6%
- Others: 28%
- Milk and products: 3%


In 2008, import value 17,701 million US$
### GDP Originating from Agriculture, Hunting, Forestry and Fishing in 2008 at current prices

<table>
<thead>
<tr>
<th>Activity</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing of Cereals and Other Crops</td>
<td>59.39</td>
</tr>
<tr>
<td>Growing of Vegetables, Horticultural Specialties</td>
<td>14.33</td>
</tr>
<tr>
<td>and Nursery Products</td>
<td></td>
</tr>
<tr>
<td>Growing of Fruit, Nuts, Beverage and Spice Crops</td>
<td>17.49</td>
</tr>
<tr>
<td>Animal Farming and Service Activities</td>
<td>8.14</td>
</tr>
<tr>
<td>Forestry, Logging and Related Service Activities</td>
<td>0.65</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
</tr>
<tr>
<td>Total Value Added(million US$)</td>
<td>28,813.97</td>
</tr>
</tbody>
</table>
Cultivated area 41% or 21 million ha. Out of this, 25% is in irrigated area.

Share of Ag. GDP 9.37%

Share of agro-based industry 31%

Total ag. and ag. product export 40.59 trillion US$

Major ex. commodity: rice, sugar cane, cassava, para-rubber
Farming Situation in Thailand

- Average farm size 3.6 ha/farm.
- Mostly private farm with small land holding.
- There exist large business farms such as CP company and Betago. These business farms are expanding with increasing share in the market.
- Due to a large share of small private farm, it is very difficult in transfer technology. They are mostly in low income group.
- Many small farmers are indebtedness and a large portion of them are tenant.

Average farm household income 3,098 US$ and crop income is the larger share.

Source: Office of Agricultural Economics, 2008
### Major Crops in Thailand and Their Importance in the International Markets

<table>
<thead>
<tr>
<th>Types of Crops</th>
<th>Rice</th>
<th>Cassava</th>
<th>Sugar cane</th>
<th>Rubber</th>
<th>Palm oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of ag. cultivated area(%)</td>
<td>53.85</td>
<td>5.68</td>
<td>5.06</td>
<td>12.51</td>
<td>2.20</td>
</tr>
<tr>
<td>No. of farm hh. (million)</td>
<td>3.7</td>
<td>0.48</td>
<td>0.20</td>
<td>1.26</td>
<td>0.11</td>
</tr>
<tr>
<td>Export share in International market (%)</td>
<td>35</td>
<td>70</td>
<td>10</td>
<td>43</td>
<td>1</td>
</tr>
<tr>
<td>Rank</td>
<td>(1)</td>
<td>(1)</td>
<td>(2)</td>
<td>(1)</td>
<td>(-)</td>
</tr>
</tbody>
</table>

Source: OAE, 2008
Rice

Planted area (year 2009) 1.15 million ha (54% of ag. area)

Production 31 million ton of paddy

(20 million ton of milled rice)

Yield per ha: in wet season 2.6 ton/ha
in dry season 4.2 ton/ha

● 55% is for domestic availability
● 45% is for export
Sugarcane and Sugar

Planted area (year 2008) 1.18 million ha (5% of ag.area)
production 66.46 million ton
Average Yield 56 ton/ha
Sugar production 7.18 million ton

Domestic use 29.82%
Export 65.30%

* Sugarcane and sugar industry are protected industry. The domestic price is fixed at a higher price than international market.
Cassava

Planted area (year 2008) 1.24 million ha (5.7% of ag.area)
Production 26.9 million/ton
Average Yield 21.7 ton.ha
Domestic use 38.25%
Export (starch, chip, pillet) 61.75%

- Previously EU was the major importer for Thai cassava.
- Recently, the important export market for Thai cassava is China.
- Thailand is ranked no. 1 in the international market.
Oil Palm and Palm Oil

Planted area (year 2008) 0.58 million ha
(3.6 million rai)

Production 9.3 million ton

Average Yield 16 ton/ha

Palm oil production 1.5 million ton

Domestic use 79.26%

Export 20.74%

• A Program for bio-diesel is promoted. The commercial supply for bio-
diesel is very small.
Rubber Trees

Planted area (year 2008) 2.67 m ha (16.7 million rai)

Production 3.2 million ton

Average Yield 1.20 ton/ha

Domestic Use 10%

Export 90%
Chicken

Production Broiler  694.36 million ton
Native Chicken        68.4 million ton
    Domestic use  61.2%
    Export                38.8%

• A large –scale production raises chicken in a compartment to meet international standard for export.
Shrimp: Marine and aquaculture shrimps

Statistical data

- No. of farmers: 31,179 farms
- Aquaculture area: 464,881 rai (74,381 ha)
- Production: 264,923 ton

Marine Fishery

- Production of shrimp: 350.6 million ton
- Value: 1,893 million US$
Key Commodities and Input Prices

### Average key Commodity Prices in 2009

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paddy</td>
<td>9,257 Baht/ton (281US$)</td>
</tr>
<tr>
<td>Cassava root</td>
<td>1,320 Baht/ton (40US$)</td>
</tr>
<tr>
<td>Sugar cane</td>
<td>753 Baht/ton (23US$)</td>
</tr>
<tr>
<td>Palm oil</td>
<td>3,640 Baht/ton (110US$)</td>
</tr>
<tr>
<td>Rubber sheet</td>
<td>58,470 Baht/ton (1,772US$)</td>
</tr>
</tbody>
</table>

### Average key Input Prices in 2009

<table>
<thead>
<tr>
<th>Input</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ammonium sulphate</td>
<td>11,831 Baht/ton (359US$)</td>
</tr>
<tr>
<td>Urea</td>
<td>14,501 Baht/ton (439US$)</td>
</tr>
<tr>
<td>Diesel</td>
<td>27 Baht/liter (0.82US$)</td>
</tr>
<tr>
<td>Daily wage rate</td>
<td>230 Baht (7US$)</td>
</tr>
</tbody>
</table>
Marketing Access of Agricultural Products

Farm and Rural Market - less development in infrastructure; local assemblers play important role.

Export market – exporters are strong market power in price determination.

Agricultural Future Market - trading on para rubber; cassava, white rice. The volume is still small.
Local assemblers

Paddy marketing

Milled rice marketing

Rice millers

Rice millers

Rice millers

Rice millers

Retailers

Domestic consumer

Exporters

Brokers

Milled rice

Wholesalers

Source: Jutatip (2004)
Central Wholesale Market for Agricultural Produces

- Talard Thai
- Talard See Mum Muang

Traditional Retail Market for Fruits and Vegetables
Traditional Floating Market
Problems to Overcome

Current Problems Facing by Farmers

- Low productivity
  - subsistant farming with poor farm management skill.
  - soil degradation due to continuously planting a monocrop for years without improving soil nutrient.
  - dependent on rainfall condition but lack of irrigation infrastructure development.
  - public investment in research budget for agriculture is less priority.

- Low farm price and high production costs
  - lack of marketing power due to small farmers.
  - marketing arranged by agricultural cooperatives is less efficient.
Current Problems Facing by Farmers

- **Aging farmers and less family labor force**
  - average age of rice farmer is now 58 year olds and younger generation does not want to continue farming.
  - farm labor force is rapidly declining. It is costly for small farmers to maintain their farms due to high labor cost and machine rental cost.

- **Lossing farm land ownership due to indebtedness**
  - low crop price and higher physical risk, particularly drought, flooding, and a spreading of plant insects and diseases.
### Future Challenges

• **Movement to Free Trade Under WTO Agreements**
  - Effective on January 1, 2010, the AFTA – FTA reduction to zero rate of duty for almost agricultural products.
  - Increasing market access but raising standard for food quality and safety.
  - Supply chain enhancement is necessary for Thailand agricultural products to maintain their competitiveness in the international trade.

• **Climate Change**
  - The greenhouse effect has already impacted Thailand agriculture. High variation of temperature and unusual rainfall pattern causing yield loss to farmers, creating high production cost and reducing the production return.
Thank You for Your Attention