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Thailandâ??s food industry gears up for changing markets

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The Thai food industry is expected to be valued at 2.6 trillion baht in 2019, with 1.5 trillion baht coming from domestic consumption and 1.1 trillion baht from exports. The kingdom's major export markets are ASEAN member countries, while other markets include North American, African, EU, and Oceanian countries respectively. At present, Thailand is the 12th biggest food exporter in the world, up from its 14th rank in 2017. Considering the value of its food exports in US dollars, Thailand's share in the global market is up by 2.36%, from 2.34% in the previous year. On the other hand, the major food exporters, such as the US, Brazil, and China, have experienced decreases in the global market share; while other important food exporters in the region including India and Vietnam have followed suit.

Rungphet Chitanuwat, Business Director-ASEAN, UBM Asia (Thailand) Co Ltd, under Informa PLC (UK), discloses that the food and beverage industry has seen rapid changes over the past 5 years in both technologies and consumer behavior. She adds that 'Digitization' has played a role in transforming all platforms, resulting in changes in consumer behavior. Therefore, she says, the entrepreneurs in the industry have to adjust themselves to survive amid rapid and extreme changes, by catching up with technologies, innovations, eco-friendly and health-conscious trends.

"It is undeniable that the Thai food industry has great potential and is internationally recognized. But when the global players enter the industry and hope to win market share, the Thai entrepreneurs in the food industry must adjust and be proactive. Start-ups and SMEs, in particular, are an important driving force of this industry as they are the smallest units. They are quick to update themselves while being capable of developing their products, services, and platforms to catch up with modern society and rapid changes in consumer behavior. The SMEs in the Thai food and beverage industry contributed to the GDP growth in 2017 and the increase in agricultural exports of the country. The total agricultural export in 2017 is valued at 6,551,718 million baht, up by 5.1% from 4.9 % in the previous year. This value accounts for 42.4% of the country's GDP, while start-ups in the food industry are the most invested sector which accounts for 14% of the total start-up investment of the country," Ms. Rungphet says.

Dr. Chutima Eamchotchawalit, Governor of Thailand Institute of Scientific and Technological Research (TISTR) shares that the country's revenue largely comes from agricultural products, so the use of advanced agricultural technologies, Precision Farming or Smart Farming, Urban Farming, Sustainable Farming, and complete product management play a significant role in the development of the Thai agricultural sector. She elaborates that innovative agriculture is increasingly important and truly becomes the agriculture of the future. Moreover, she says, quality food and beverage products must come of quality sources of ingredients, so encouraging the Thai agricultural sector to manufacture ingredients with high standards by applying STI (Science, Technology, and Innovation) can guarantee the quality of food and beverage products. She concludes that this will, in turn, strengthen the country's position as the world's manufacturing hub of agricultural products.

Meanwhile, the winner of Start-up Innovative F&B Products Competition is set to be announced at Fi Asia 2019 trade show, with great collaboration from 2 leading Universities. Asst. Prof. Dr. Pisit Dhamvitee, Associate Dean of the Faculty of Agricultural Product Innovation and Technology, Srinakharinwirot University, says that Thailand has 2 comparative advantages: Biodiversity and Cultural diversity which make the Thai entrepreneurs more advantageous than their competitors who do not have any or only have either one. However, he says, food is not only vital for a human body but also acts as a wonderful medium of different cultures and ways of life. He elaborates that food was previously consumed as 1 of the 4 requisites, but we cannot deny that people now see food as "health-supporting products" in terms of prevention. Dr. Pisit shares that nowadays many people are more interested in taking care of themselves by exercising. Therefore, when people change from "eating for satisfaction" to "eating for good health," all stakeholders must realize that what they offer is invaluable for consumers. This is why Thailand's agricultural and food products should be internationally recognized.

Asst. Prof. Dr. Chutima Waisarayutt, Associate Dean for Business Relations and Image Strategy, Faculty of Agro-Industry, Kasetsart University, concludes that start-ups and SMEs in the Thai food and beverage industry tend to adopt innovations and technologies to live up to the industry's standards. This is to boost investor confidence and grab consumers' attention as much as possible. The agricultural sector, meanwhile, has to adjust and take resource management and proper use production factors into consideration. According to Dr. Chutima, the sector should apply technologies in the manufacturing process to control the productions. Hence, the smart farm concept is an efficient tool for modern agricultural management in order to lift up agriculture careers and cost-effective use of resources for Thailand's future sustainability. What's more, the agricultural sector has to adjust by using technologies to add value to agricultural ingredients such as starting to build its own brand for upstream ingredients, seeking alternative choices for continued product development, as well as finding creative packages which are another supporting factor for the promotion of agricultural products nowadays.

Fi Asia 2019 will be held during September 11-13, 2019 at BITEC Bangna, bringing in a wide range of food and beverage innovations and technologies. Besides 750 exhibitors from 50 countries across the globe, the event has Innovation Zone to showcase interesting food and beverage innovations and is set to announce the winner of Start-up Innovative F&B Products Competition. A series of international seminars on interesting topics are also among the highlights.