



Positioning Thailand as the Asean Organic Hub

Challenges & Opportunities

sector



- FIBL & IFOAM The World of Organic Agriculture, Statistics and Emerging Trends 2015
- 43.1M ha certified organic land, 3.4M ha in Asia (7.8%)- 2013
- 170 countries with data on organic agriculture - 2013
- worldwide \$72billion 2013 - projected \$100billion 2015
- 82 countries with organic standards - 2013

Organics in Holland



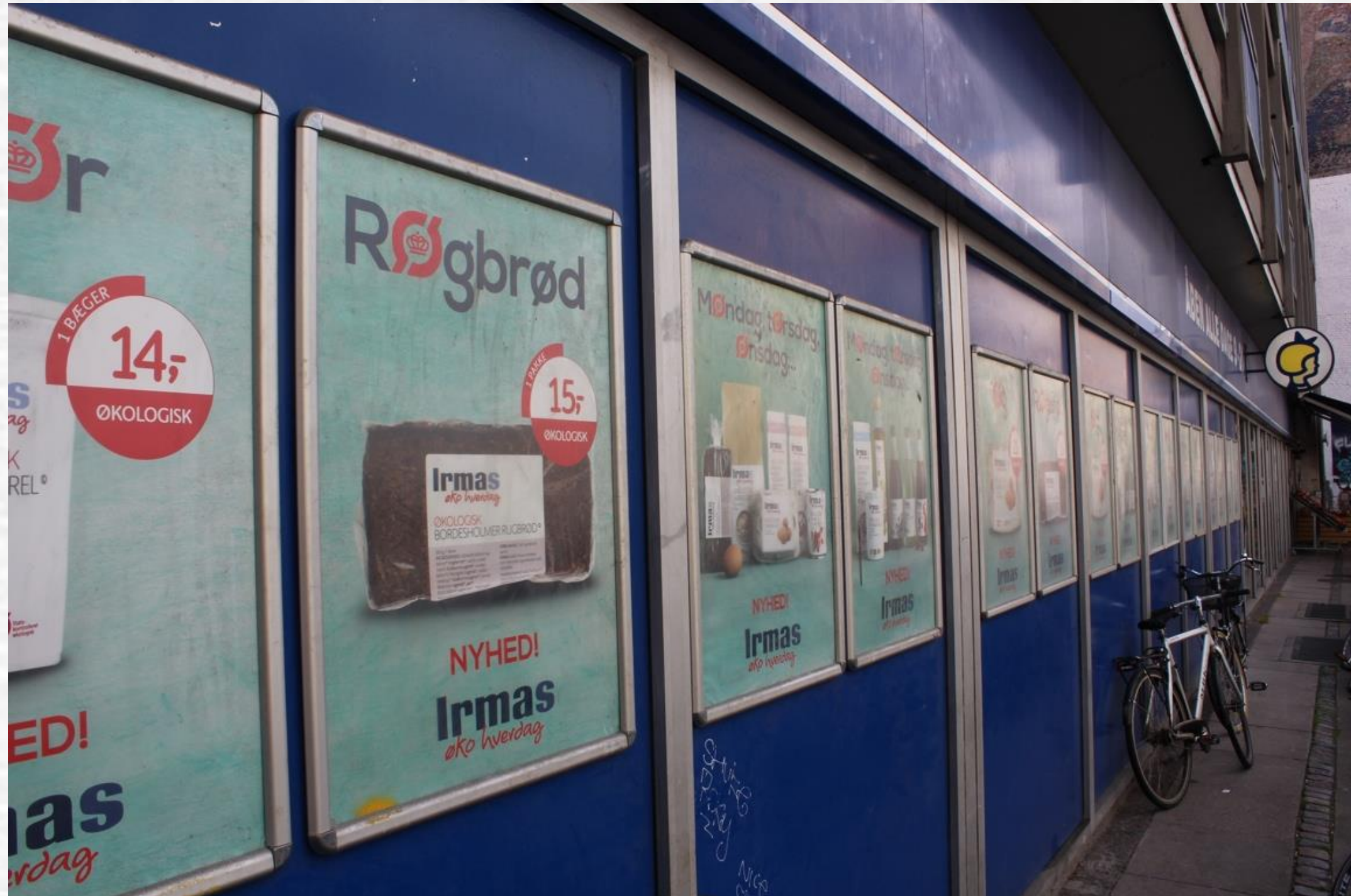
Organics in Holland



Organics in Denmark



Organics in Denmark



Organics in Denmark



Organics in Sweden



Organics in Sweden



Organics in Australia



- Australian Organic Market Report 2014
- 22M ha certified organic land (51% of world's organic land)
- Valued at US\$1.26 billion, 1.25% of conventional production
- Growth 15.4% per annum since 2008
- Exports US\$250 million, imports US\$165 million (13%)
- Domestic supply is 40% undersupplied
- Have a national standard
- Shortages in dairy, grain, fruit & vegetables

Organics in Australia



“More & more young people buy organic”

Organics in Australia



Organics in Australia



“Wwoofing around Australia”

Organics in Australia



- Bellamy's Organic floated on Australian stock exchange last August 2014
- Share price has moved from \$1.20 to \$5.26 in 11 months (337% increase)
- Now commands 14% of Australian baby food market
- Growth into China has been 30% for last 6 months
- Can't keep up with demand

Background to Adam Willson

- **Chairman of Organic Federation of Australia & Board of National Organic Standards Sub Committee**
- **Director of Soil Systems Australia**
- 29 years experience in organic policy, agronomy, horticulture, soil conservation, soil science, on-farm and commercial composting, farm design and commercial market gardening
- International work - Europe, Middle East and China
- Currently working in Greater Mekong Subregion (Cambodia, Lao PDR, Myanmar, Thailand, Vietnam, China)



Organics in Danube, Romania



Organics in Danube, Romania



Organics in Kunshan, China



Organics in Kunshan, China

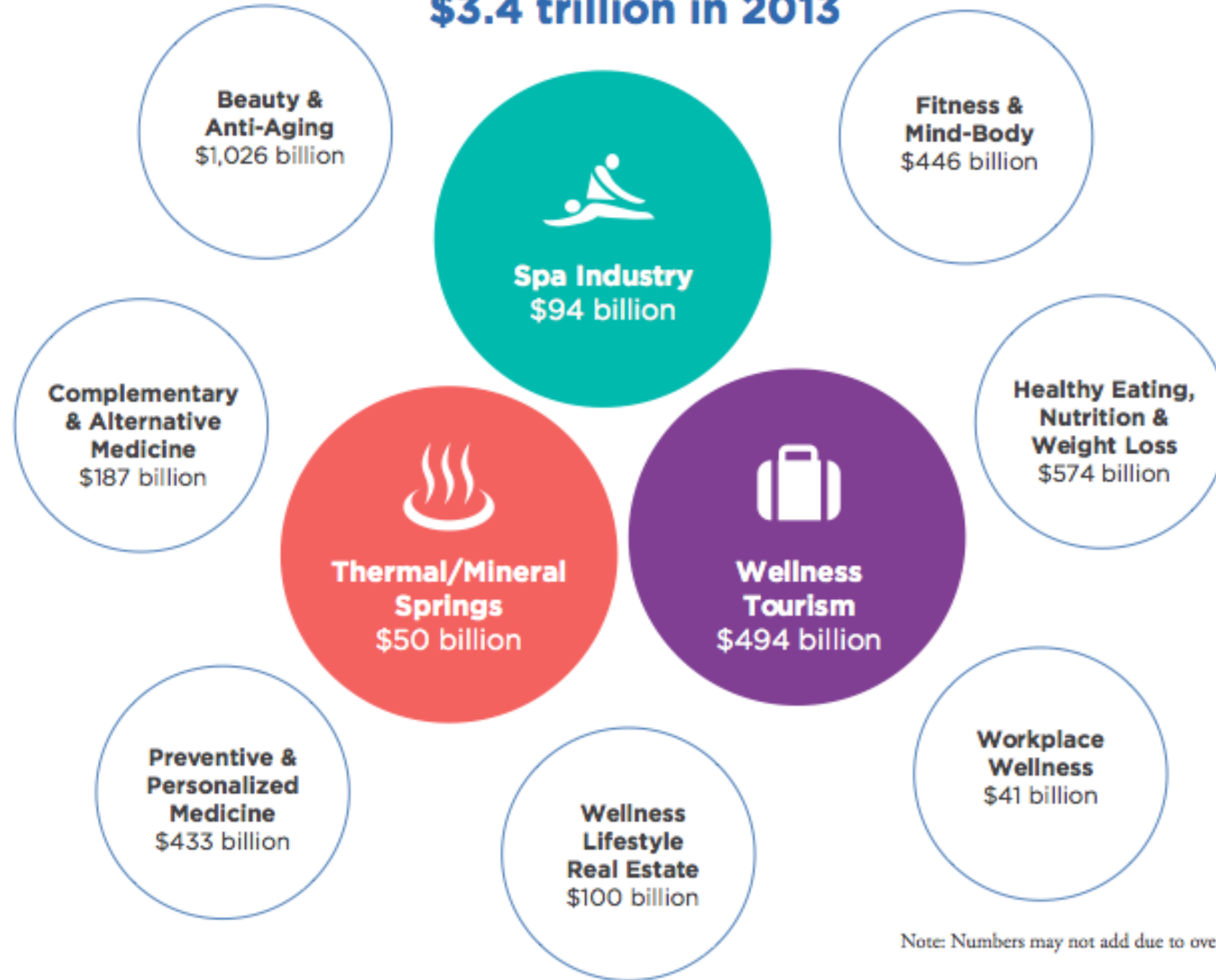


Organics in Kunshan, China

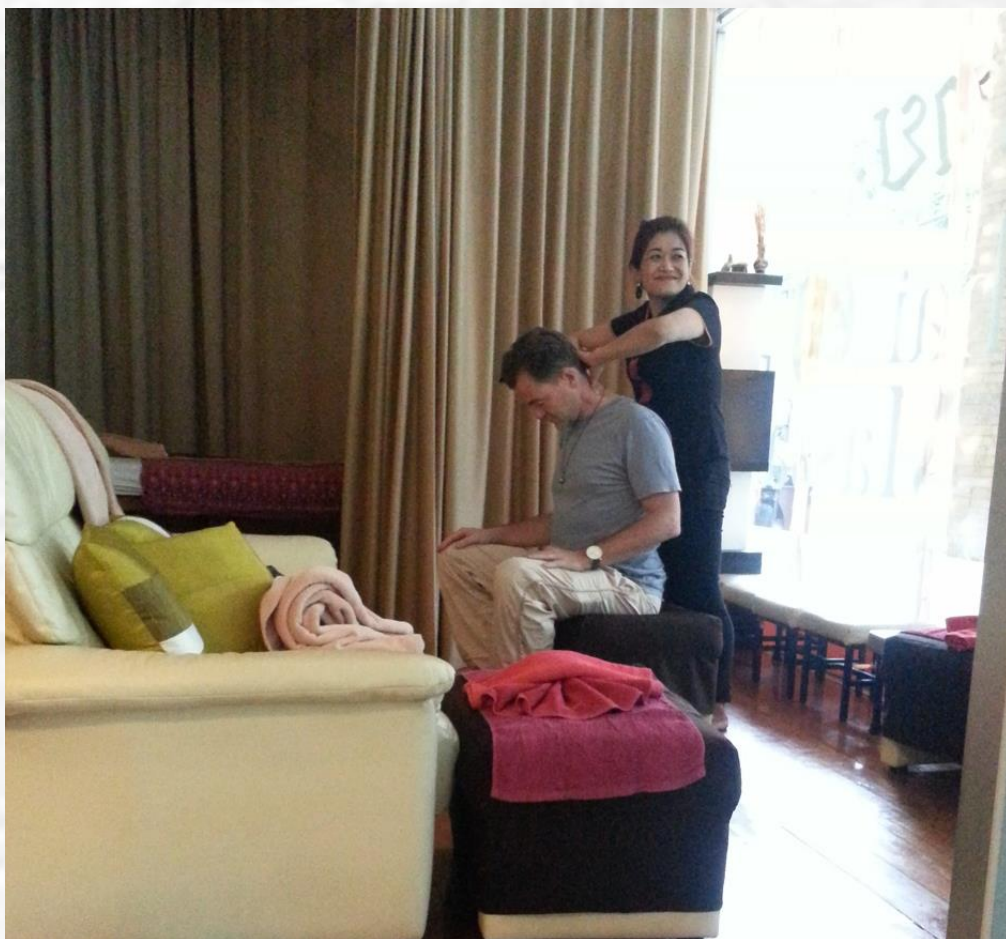


The Global Wellness Market

Global Wellness Economy: \$3.4 trillion in 2013



The Global Wellness Market

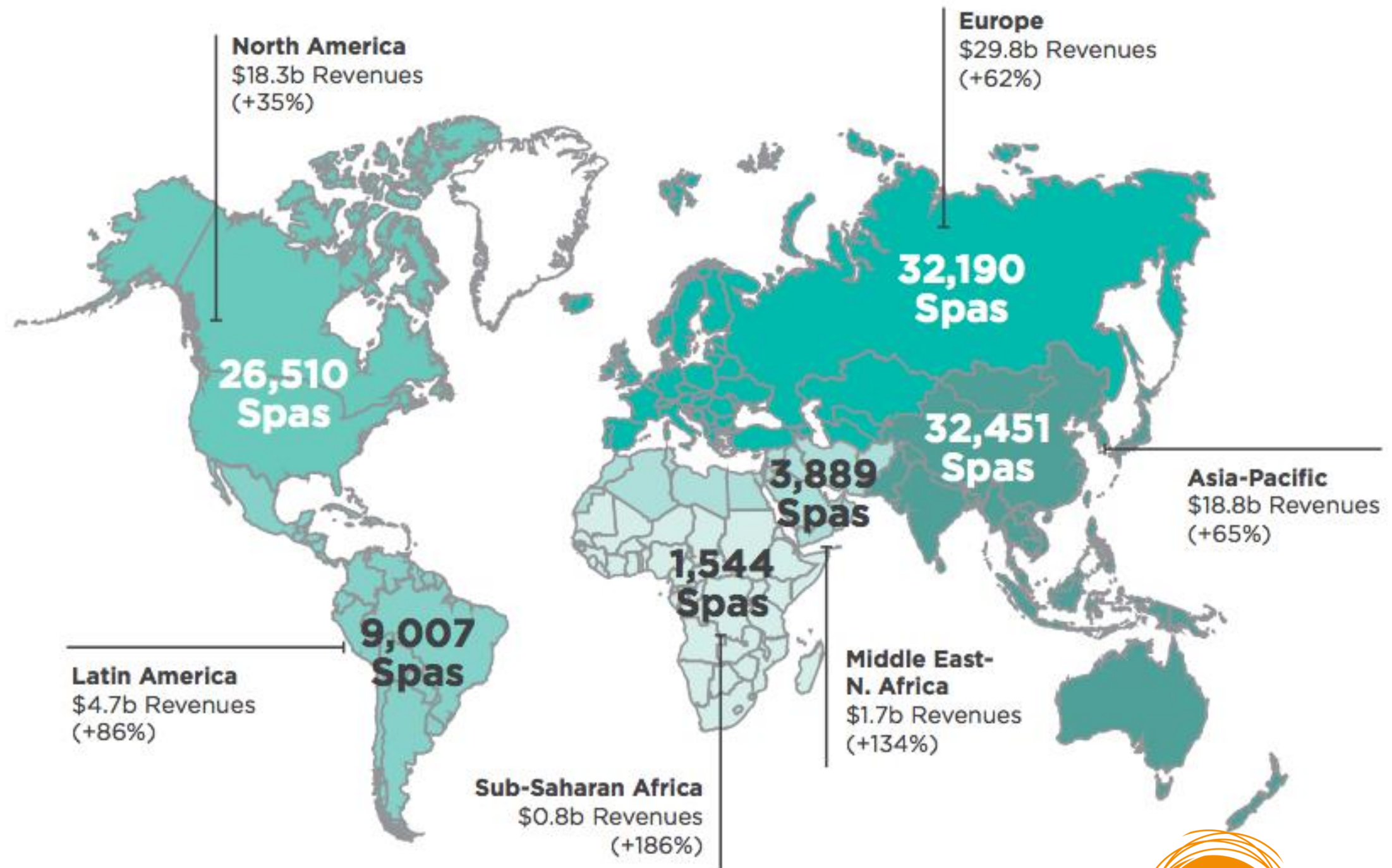


- Global Spa & Wellness Economy Monitor, September 2014, over 1000 participants
- Globally valued at US\$3.4 trillion in 2013, Organics contributes \$100 billion (2.9%)
- More and more consumers are taking preventative measures to maintain good mind-body health, prevent diseases, age better and live longer, organics is a big part of this lifestyle
- City residents are very stressed and often don't achieve work and lifestyle balance

The Global Wellness Market

Spa Industry by Region, 2013

Number of spas, spa revenues, and revenue growth since 2007



The Global Wellness Market



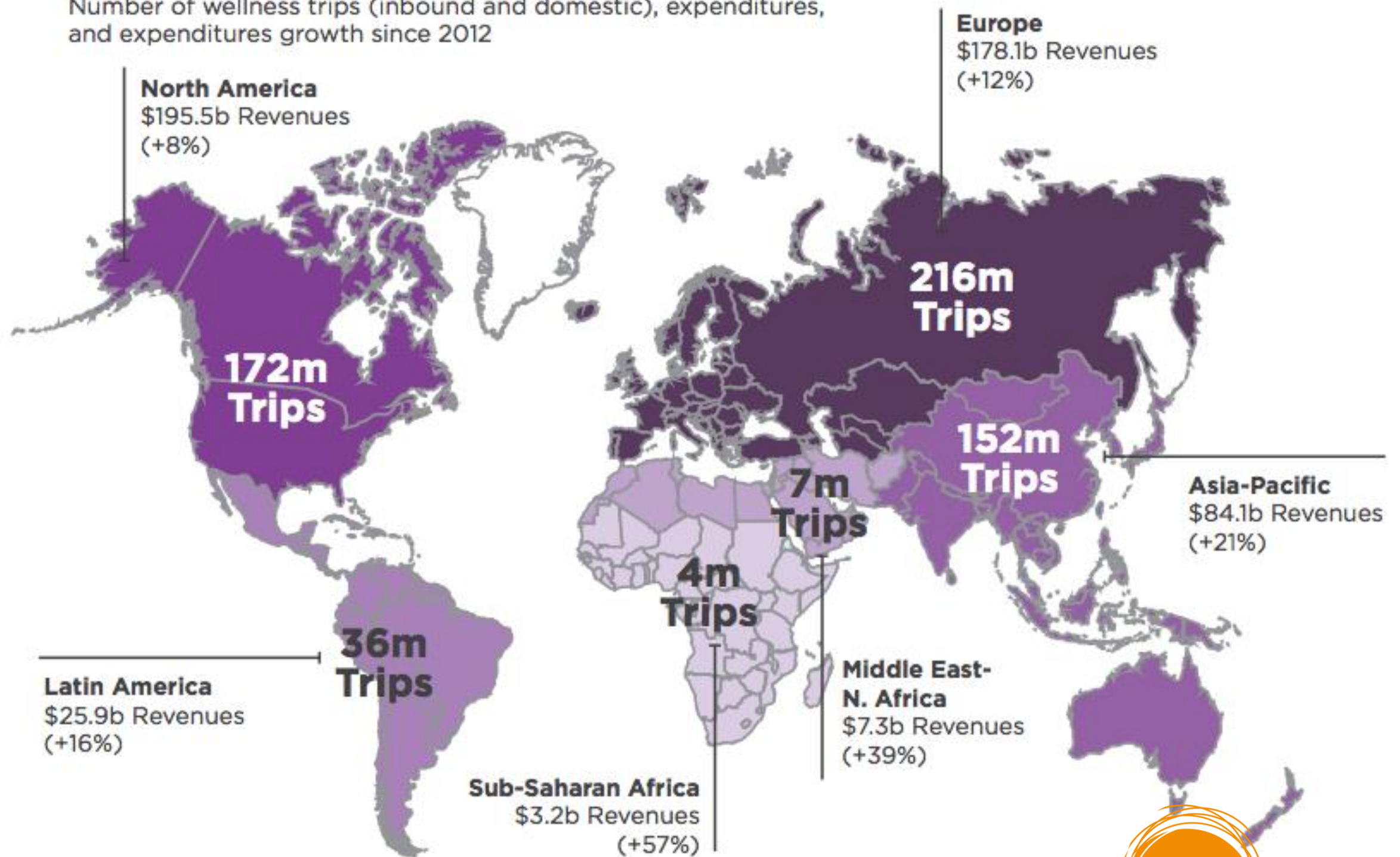
- Thailand Spa industry is worth US\$950 million
- Thailand organic industry is worth US\$52million
- 1% of Global Wellness Industry is US\$34 Billion, approximate size of tourism industry (US\$26-37Billion)
- Beauty industry is worth US\$1.0 trillion, Spa US\$94 billion, Healthy eating US\$574 billion, Wellness tourism US\$494 billion. All linked to a growing and profitable organic industry



The Global Wellness Market

Wellness Tourism by Region, 2013

Number of wellness trips (inbound and domestic), expenditures, and expenditures growth since 2012

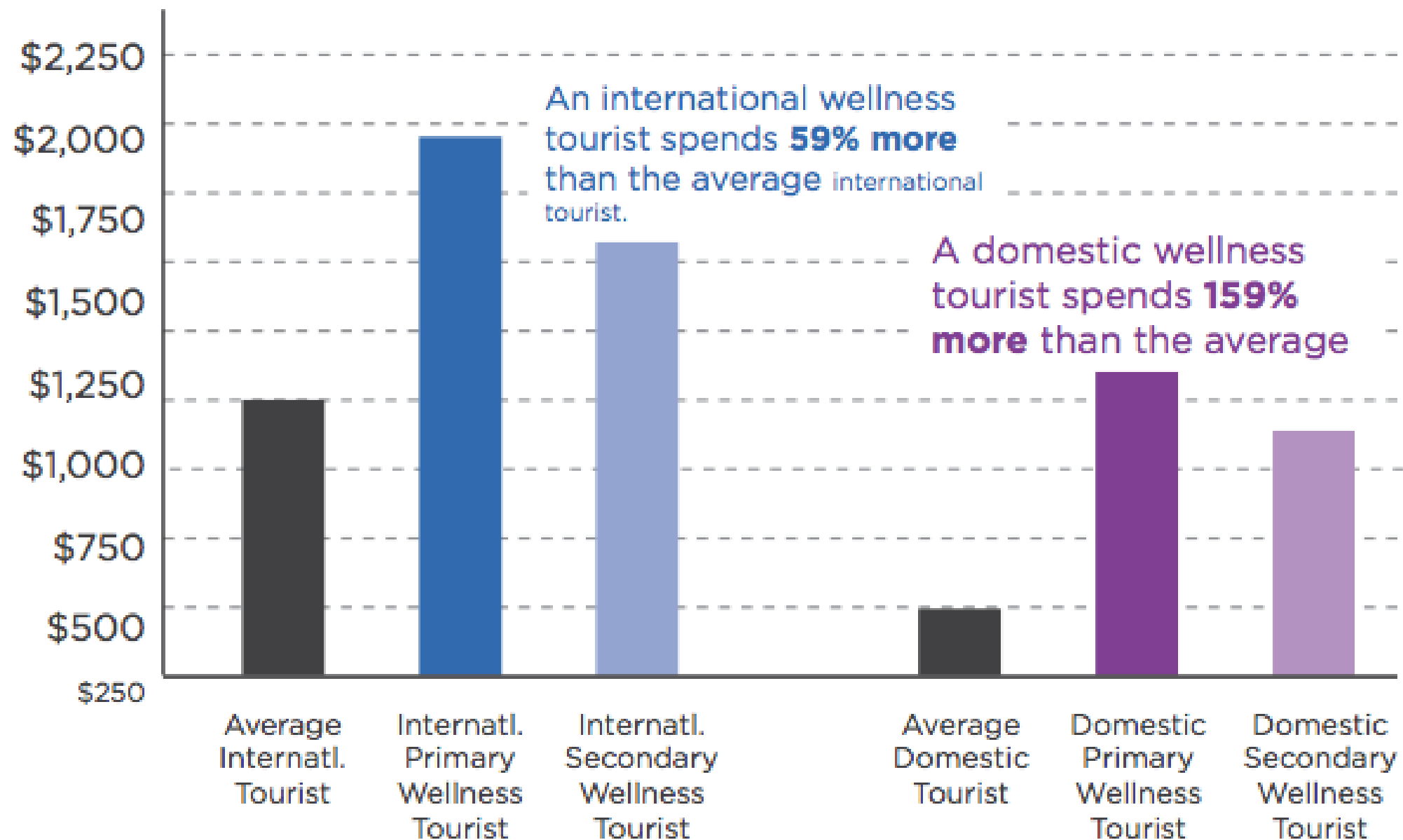


The Global Wellness Market



The Global Wellness Market

Wellness Tourism Spending (2012)



Challenges for Thailand



- **Pollution and the environment**
- Transportation & cool chain logistics
- Educating the consumers. labelling, certification & organic branding
- Ministries of Commerce & Agriculture working together
- Education of growers and helping them identify the right market

Pollution & the environment



- Thailand is not yet a model country for Organics & Wellness
- Air pollution, water pollution, garbage need to be improved
- Plastics should be reduced (eg health issues with estrogens)
- Bangkok needs to become a sister city to Copenhagen, Denmark
- Need more trees, walkways, limit cars
- Waterways shouldn't be a dumping ground, fines
- Agriculture & sewerage should be targeted, Baltic Sea

Challenges for Thailand



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Transportation & Cool Chain Logistics



- Issues with grading & fungal contamination in grains
- Long distance from market
- If mineral level in plants is low, cool chain is critical
- Quality assurance needs to be improved
- For tourists, missing an integrated transport system

Challenges for Thailand



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Educating the consumer



- Not easy to identify Organic Food and who it is certified by
- Some food labelled organic or natural without certification
- Dependence on other organic certification like USDA, JAS and EU on some product lines
- In order not to create confusion and build trust with the consumer it is better to have a clearly defined meaning of certified organic

Challenges for Thailand



- Pollution and the environment
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- Educating the consumers. labelling, certification & organic branding
- **Ministries of Commerce & Agriculture working together**
- Education of growers and helping them identify the right market

Ministries of Commerce vs Agriculture

- Ministry of Commerce has identified importance of organic farming
- Ministry of Agriculture not often aware of the changing economic trends driven primarily by women
- Different ministries don't often get the chance to share their perspectives
- Conventional agriculture lobbied by developers, seed, fertiliser, chemical and logistics companies
- Ministry of Commerce set targets for organic growth at 10% but Ministry of Agriculture may not have expertise or understand how to deliver - lag effect

Challenges for Thailand



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Education of Growers



- Many producers unaware of marketing options outside traditional associations. An example is the demand for organic food in China where 16-20% of their soils are contaminated with heavy metals.
- Best management practice is not commonly known in organics. Historically based on zero inputs and chemical free with low yields
- With urbanisation of workforce, many women have not been exposed to the information that is available
- Many growers don't see the importance of diversified crops
- Quality not consistent

Opportunities for Thailand



Opportunities for Thailand



- Develop National High Value Wellness and Organic Business Policy
- Closer links between Commerce and Agriculture Ministries
- Buy local campaign
- Supply organic food directly to China and other high value Asian markets
- Expand the export of rice, coconut, Thai spices to world, export/import data codes
- Link with Australia to develop education & extension for farmers
- Boost high value wellness-tourism
- Focus on mineral rich organics
- Value add Thai Cuisine
- Organic Market Report

Opportunities for Thailand



Value adding Thai products



- Modern society is time poor, look for quick easy to prepare meals
- Italian is great as it is easy to prepare
- Thai is also a unique food style
- Can be built around regional Thai foods spice mixes with eco packaging
- Opportunity to expand the development of organic cosmetics using local ingredients

Italy's Sana Organic Fair Vision



- Europe's second largest organic fair held in Bologna, Italy
- Regional celebration emphasising food variety in September
- 1500 international buyers, 600 merchants, 45,000 visitors
- Huge selection of Italian produce from all over Italy focussing on regions, flavours and biodiversity
- Fresh, processed, branded and private labels
- Superb cafeteria with new menu daily
- 10.3% land is organic, export focus, \$US2.17B, 45,969 growers

Italy's Sana Organic Fair Vision



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Italy's Sana Organic Fair Vision



Italy's Sana Organic Fair Vision

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CULTIVAR DA OLIO

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GRUPPO

PIERALISI

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Building the Thai Organic Hub

- Strategies required to build local, regional and international markets
- How to educate village farmers with production, networking and marketing skills. To increase rural wealth
- Build a good public transport system with integrated ticketing & connections
- Target environmental improvements, remove plastics & rubbish, recycling, eco packaging, clean up the rivers, change rules for how fertilisers are used
- Thai Organic & Natural Expo is great for building the industry





Thank you