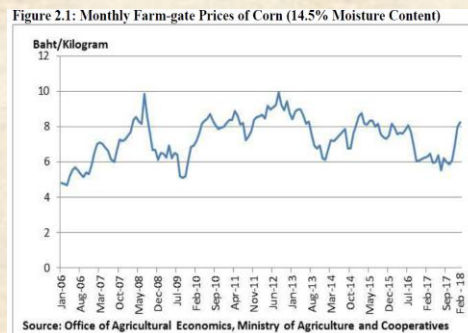
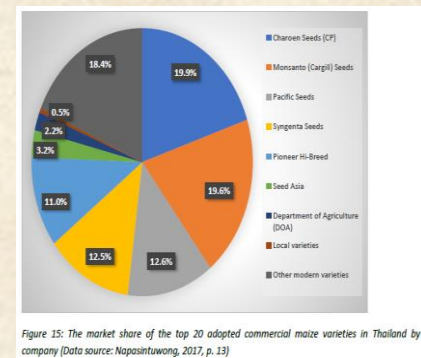


# RESEARCH BRIEF

## From field to plate: understanding the animal feed maize & poultry corporate-industrial food chain, from northern Thailand to the world

BRITISH COUNCIL NEWTON FUND, INSTITUTIONAL LINKS PARTNERSHIP PROJECT  
BETWEEN THE UNIVERSITY OF YORK & CHIANG MAI UNIVERSITY, THAILAND. 2018-19



Due to the weak land tenure context & debt dependency on middlemen, most farmers receive as little as half the advertised farmgate price, sometimes as low as 3-4 B/kg (i.e. less than 10p/kg). Over 90 % of the maize grown in Mae Chaem district is destined for just two feed mills in Lamphun province, owned by Charoen Pokphand (CP) Group and Betagro, sold via a network of 21 middlemen allied to the agribusinesses (Watcharasakonpong & Thiengburanatham, 2016).



"There are **MULTIPLE ACTORS** involved in the maize cultivation system, leading into the wider meat production value chain. These include farmers, agricultural cooperatives, middlemen, government, banks, and a variety of corporate bodies engaged in seeds, maize, feed, livestock, and meat." (Hayward, 2018, p.3)

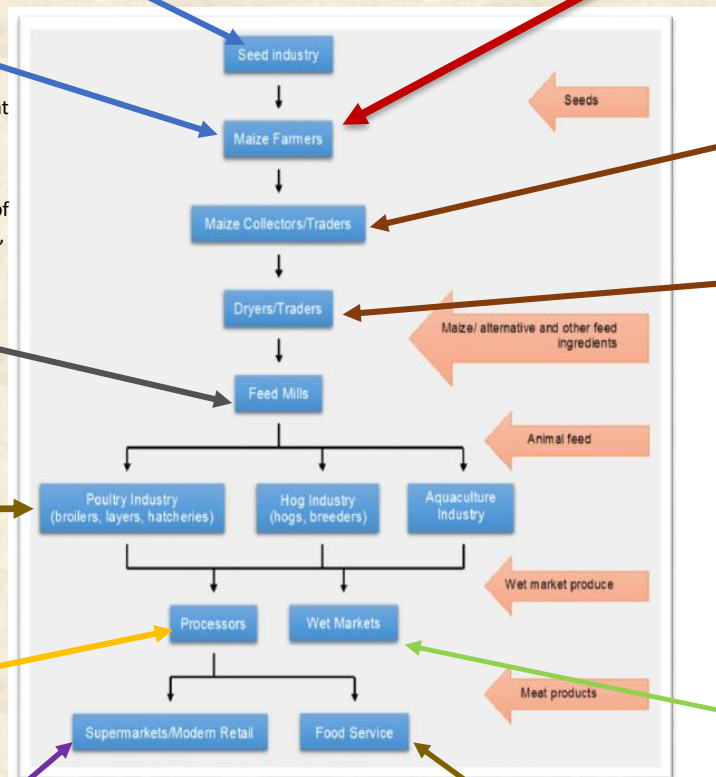


Figure 13: International trade within a meat production system – the red arrows specify imports and exports into and out of Thailand (Diagram adapted from Alavi et al., 2011, p. 255)

In March 2018, the Thai government announced that it would pay 1.4 billion baht (c. \$46.7 million) in state emergency funds to subsidise 47,000 rice farmers in 31 provinces to grow 700,000 rai of maize to supply the animal feed industry (Ekachai, 2018). Strictly speaking, because Mae Chaem farmers do not have legal land tenure, they were not eligible for this programme, but in practice a loophole was found, that mostly benefited the middlemen and feed mills.



Thailand's government officially aspires to be "the Kitchen of the World" – the poultry sector accounts for over half the feed and meat produced annually. 70 % of 1.2 million tons produced in 2015 was consumed domestically.

Source: <https://asia.nikkei.com/Economy/Shakeup-in-Thai-poultry-industry-as-human-health-fears-grow>

Thailand is the 3<sup>rd</sup> largest exporter of poultry products globally, with 11% of market share, after the United States and Brazil. There are 86 poultry processing factories in Thailand, with CP Group holding the biggest share, with 35 % of output exported. (Hayward, 2018)

**Box 4: Why has poultry demand increased?**

- Population growth
- Changing social stratification (with a rising middle class)
- Changing tastes (towards milk, eggs and meat)
- Lower level of fat than other meat products
- Cheap form of animal protein
- Relatively low production costs

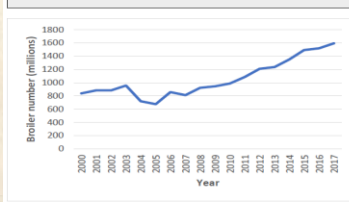


TABLE: Market Value Share of CP in different sectors of the maize-poultry supply chain (Source: Hayward, 2018, p.34)

Supply chain stage	Market value share (%)
Maize seed	50
Chemical fertilizers	28
Animal feed	32

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Hayward, D. (2018). *Maize Supply Chain Regional Mapping: Thailand, Lao P.D.R. and Myanmar*. Bangkok: Oxfam Thailand.  
Watcharasakonpong, N., & P. Thiengburanatham (2016). "Measuring the Technical and Scale Efficiency of Maize Production in Thailand: The Case of Mae Chaem District, Chiang Mai." *Journal of Economics and Sustainable Development* 7(16): 170-184

