

# Thailand: Dairy Products

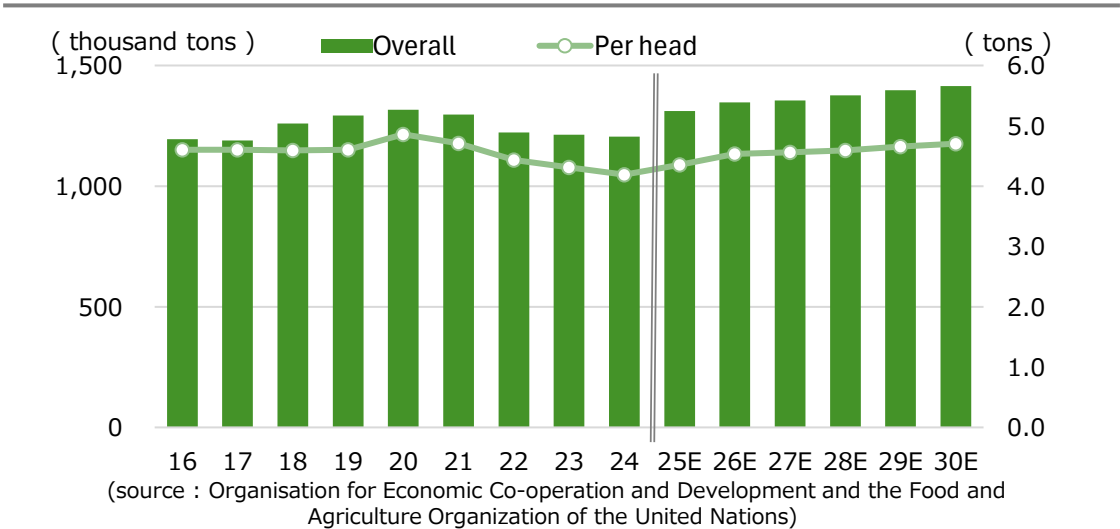
## ■ Overview: 2024 Raw Milk Production Declines for Fourth Consecutive Year

- Southeast Asia's climate is unsuitable for dairy farming, resulting in globally small-scale raw milk production. Thailand, along with Vietnam and Indonesia, engages in raw milk production. However, since the 2020s, production has continued to decline, with 2024 marking the fourth consecutive year of decrease.
- With limited raw milk production, Thailand relies heavily on imports for cheese, butter, and powdered milk.
- Per capita consumption of fresh dairy products, like in other Southeast Asian countries, remains below the global average. However, among the five countries (Thailand, Malaysia, Indonesia, the Philippines, and Vietnam), it is the highest.
- Per capita consumption of powdered milk, which can be stored at room temperature, exceeds the global average, reflecting a trend similar to other Southeast Asian countries.

## ■ Raw Milk Production

- According to the annual Agricultural Outlook jointly published by the Organisation for Economic Co-operation and Development (OECD) and the Food and Agriculture Organization of the United Nations (FAO), Thailand has seen an increase in the number of dairy cows raised. However, per-cow raw milk production (from cows, same below) has been declining since the 2020s. Consequently, overall raw milk production has been pushed down.
- In 2024, per-cow production decreased by 2.8% to 4.19 tons, and total production decreased by 0.7% to 1.205 million tons. Both figures fell below the previous year's levels for the fourth consecutive year (Figure 1).
- Japan's production accounts for only about 0.1% of the global total.

**Figure 1: Raw Milk Production, Production per Cow**



■ Fresh Dairy Products

- Amid declining raw milk production, fresh dairy products\* consumption also decreased in the 2020s. In 2024, consumption reached 1.11 million tons, a 0.7% decrease from the previous year, marking the fourth consecutive year of decline. One factor cited for the decrease is the surge in feed prices, driven by the COVID-19 pandemic and the Russia-Ukraine situation. Indeed, the producer price per cow for fresh dairy products in Thailand rose sharply from 2021 to 2022. However, the surge has paused for now. While an increase is expected from the late 2020s onward, the pace of growth is projected to be moderate, with both raw milk production and fresh dairy consumption anticipated to see modest growth (Figures 2 and 3).

\*All dairy products excluding processed dairy products (butter, cheese, skim milk powder, whole milk powder, etc.)

Figure 2: Fresh Dairy Product Consumption

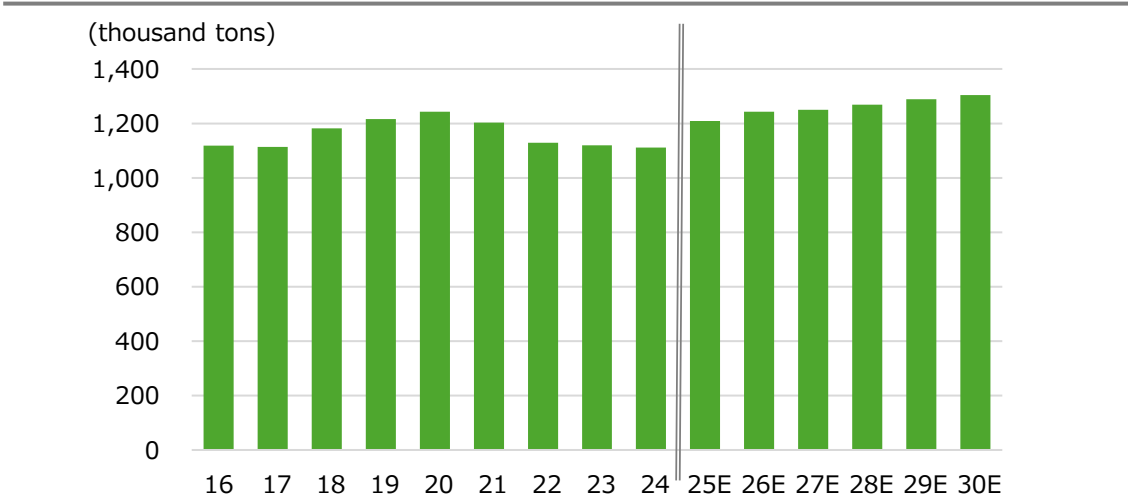
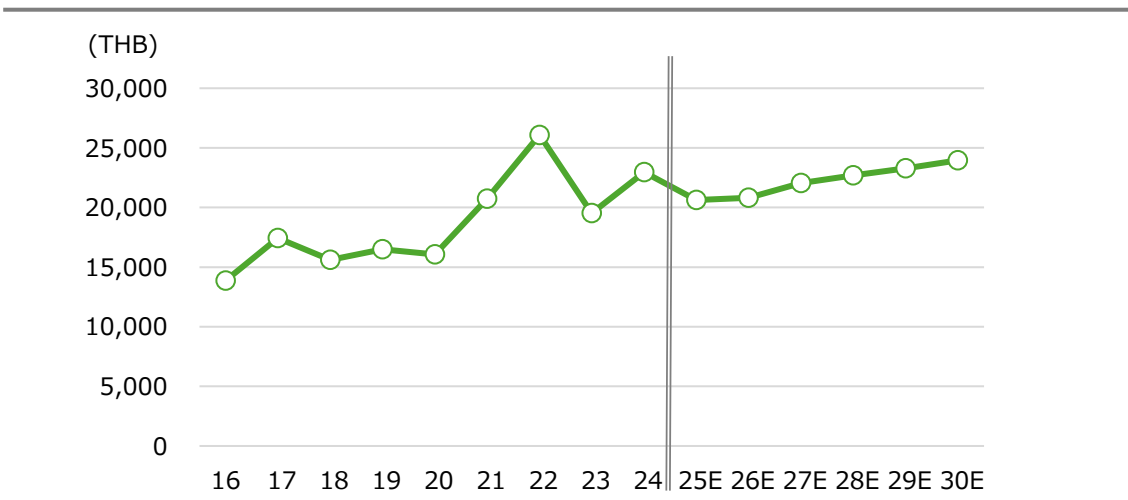


Figure 3: Per-cow fresh dairy producer price

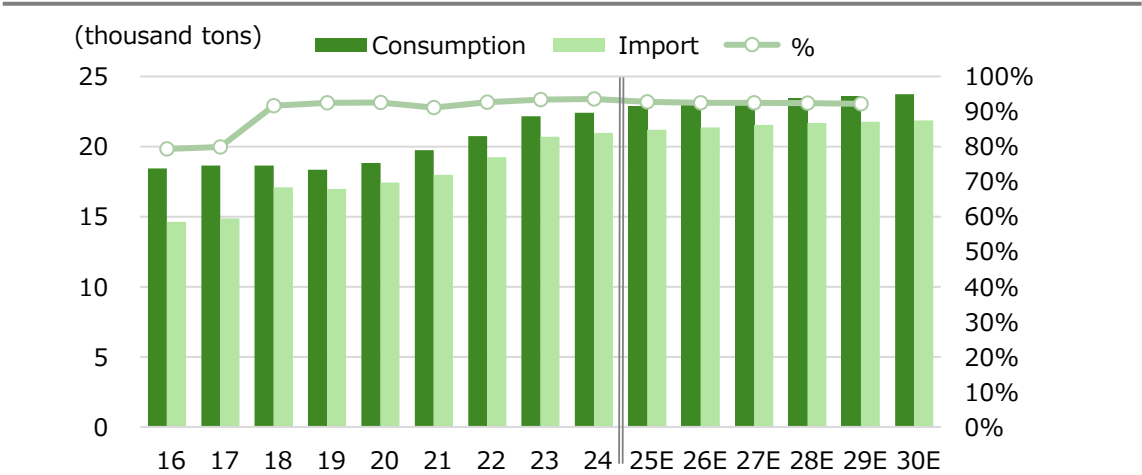


(source : Organisation for Economic Co-operation and Development and the Food and Agriculture Organization of the United Nations)

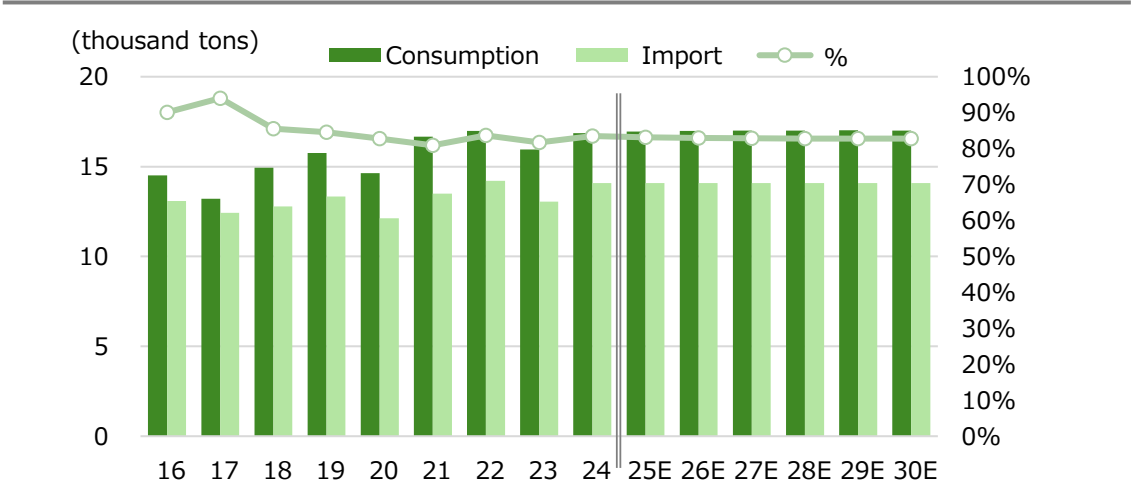
■ Cheese, Butter

- Looking at cheese consumption (fresh and processed), it has continued to increase since the late 2010s, except for a slight decrease in 2019, reaching 22,400 tons in 2024, a 1.2% increase. Future consumption is also expected to grow, but the rate of increase is projected to slow.
- Domestic production is limited, with the majority dependent on imports. The ratio of imports to consumption has remained slightly above 90% since 2018 (Figure 4).
- Consumption of butter and other milk-derived fats fluctuated, advancing and retreating. In 2024, consumption increased by 5.7% to 16,900 tons, marking the first increase in two years. Significant future growth is not anticipated, with consumption expected to remain largely flat.
- Like cheese, butter has a high import dependency. However, the ratio of imports to consumption is slightly over 80%, lower than that for cheese (Figure 5).

**Figure 4: Cheese (Fresh & Processed) Consumption, Imports, Import Ratio**



**Figure 5: Butter and Other Dairy Fats/Oils - Consumption, Imports, Import Ratio**

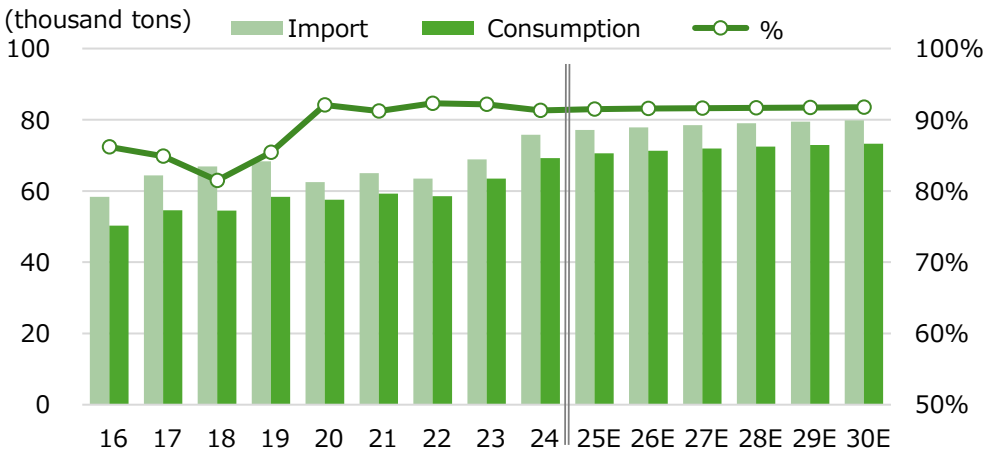


(source : Organisation for Economic Co-operation and Development and the Food and Agriculture Organization of the United Nations)

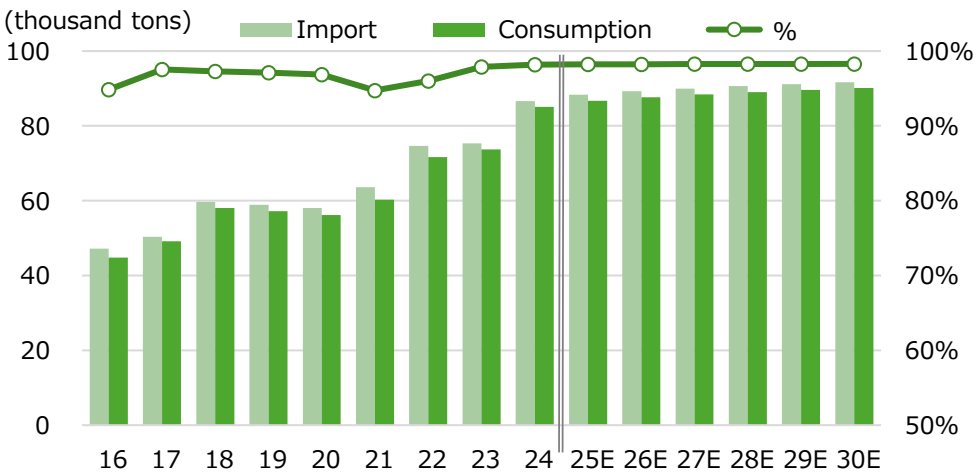
■ Powdered Milk

- Consumption of skim milk powder has been on an upward trend, expanding by 9.1% to 69,200 tons in 2024. While consumption is expected to continue increasing, the growth rate is projected to slow.
- Skim milk powder is covered by imports, with domestic consumption accounting for about 90% of the imported volume and the remainder being exported (Figure 6).
- Whole milk powder consumption is also increasing, with a higher growth rate compared to skim milk powder. Consumption in 2024 reached 85,100 tons, a 15.4% increase, nearly doubling since the mid-2010s. However, growth is expected to slow going forward.
- Whole milk powder also relies heavily on imports, with domestic consumption accounting for 98% of total imports in 2024 (Figure 7).

**Figure 6: Skim Milk Powder - Imports, Consumption, and Domestic Consumption Ratio**



**Figure 7: Whole Milk Powder - Import Volume, Consumption Volume, and Domestic Consumption Ratio**



(source : Organisation for Economic Co-operation and Development and the Food and Agriculture Organization of the United Nations)

■ Per capita consumption

- Per capita consumption of fresh dairy products, butter, and cheese remains below the global average, similar to other Southeast Asian countries. However, for fresh dairy products, it ranks highest among the five major Southeast Asian nations.
- Conversely, per capita consumption of skim milk powder and whole milk powder exceeds the global average. Factors driving powdered milk consumption include its ability to be stored at room temperature and the thriving food processing industry that utilizes powdered milk.

**Figure 8: Consumption Volume and Per Capita Consumption by Product Category (2024)**

|                             | Consumption   |             | Per Capita Consumption (kg) |               |
|-----------------------------|---------------|-------------|-----------------------------|---------------|
|                             | Thousand tons | World Share | Thailand                    | World average |
| Fresh dairy products        | 1,112         | 0.2%        | 15.89                       | 63.67         |
| Butter and Other Dairy Fats | 17            | 0.1%        | 0.24                        | 1.61          |
| Cheese (fresh/processed)    | 22            | 0.1%        | 0.31                        | 3.21          |
| Skim milk powder            | 69            | 1.6%        | 0.99                        | 0.54          |
| Whole milk powder           | 85            | 1.6%        | 1.21                        | 0.64          |

(source : Organisation for Economic Co-operation and Development, Food and Agriculture Organization of the United Nations, and the United Nations)

(Ashu Research : August 2025)