



"OUTLOOK OF THAILAND CROP AND SITUATION IN 2018"

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The majority of models in CLIMATE PREDICTION CENTER/NCEP/NWS and the International Research Institute for Climate and Society plume continue to predict the onset of El Niño sometime during the Northern Hemisphere fall and continuing through the winter. There is a 50-55% chance of El Niño onset during the Northern Hemisphere fall 2018 (September-November), increasing to 65-70% during winter 2018-19. The ENSO Alert System Status now is shown **El Niño Watch**.

The actual crop output in January to August 2018 was 1,312,000 metric tons and average raw material price at USD 90 per metric ton which raw material quality in summer crop was better than last year.

Outlook of Thailand crop output during September to December 2018 tentatively indicated by sub-committee of raw material of Thai Food Processors' Association (TFPA) will be around 472,000 metric tons for fresh consumption, dehydrated production and canneries. This year total Thailand crop output will be around 1.78 million metric tons or less 15% than the total crop output in 2017 due to growers stopped replanting and changed to other crops after harvesting which will continue to affect the Thailand crop output in 2019.

Thailand exports of canned pineapple during January-August 2018 comparing with same period in 2017 was decreased 13.0% and 22.6% in term of volume and in term of US Dollar value respectively but Thailand exports of pineapple juice concentrate during January-August 2018 comparing with same period in 2017 was significantly increased 11.0% in term of volume and significantly decreased 24.7% in term of US Dollar value respectively. While the exchange rate of Thai Baht has started to be appreciated against US Dollar, running at THB 32.35 to 32.84 per US Dollar or average at THB 32.62 per US Dollar in September which was not benefit to Thai exporters to compete with their competitors in Indonesia and Philippines whose their currency were depreciated 8.60% and 6.68% respectively.

All canneries in the East of Thailand have been reopened after shut down for annual maintenance and a few canneries in the South of Thailand also were just reopened with raw material price at USD 110-130 per metric ton and quality unripe and small fruit size.

The Commonwealth Bank of Australia has lifted 2018-2019 price forecast for 62% Fe iron ore fines by 9% from its previous expectation of AUD 56 per metric ton to AUD 61 per metric ton CFR China in the 12 months to June 2019 and demand for mid-grade iron ore will increase as high-grade premium proves too costly. This will affect the tinplate price to be increased to 2019 which will make the empty can cost continued to increase.

Demand of canned pineapple is continued to increase, especially food service sector, especially, China market which raw material output for peach and pear production dropped this year. The tariff problem between China and USA – Trade War has affected the importation of canned fruits into US market. However, demand of pineapple juice concentrate is slowing down, especially European market due to all cold storages in Rotterdam are congested with FCOJ, AJC and other fruit juice concentrates.



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