



Eucolait position on EU trade negotiations with Thailand

Eucolait strongly supports the ongoing negotiations for a free trade agreement (FTA) between the European Union and Thailand, relaunched in 2023 after a prolonged hiatus, and calls for their swift and ambitious conclusion. As a key economy in Southeast Asia with a growing middle class, increasing demand for high-quality dairy products, and rising awareness of their nutritional benefits, Thailand represents a strategic market for the EU dairy sector. The FTA offers a timely opportunity to consolidate and expand the presence of EU dairy exports in the country.

Dairy in Thailand

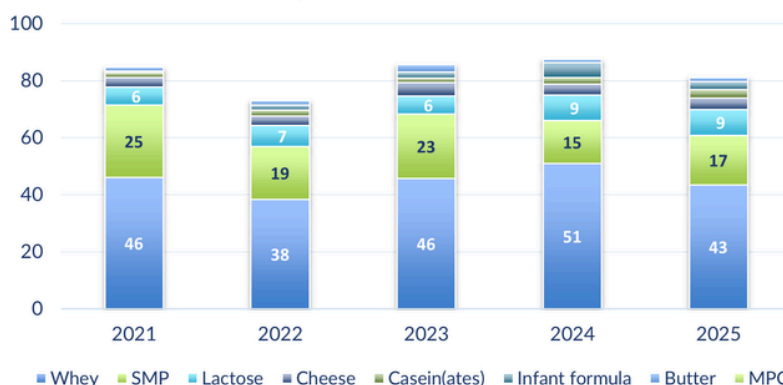
Thailand's dairy market, comprising domestic production and imports, is valued at over €3 billion annually. The Thai government has supported the development of its domestic dairy sector since the 1960s, resulting in steadily increasing milk production. However, growth has moderated compared to the late 2010s, when annual increases reached approximately 10%.

Drinking milk remains the dominant segment and often constitutes consumers' first exposure to dairy products, supported by school milk programmes introduced in the 1990s. At the same time, demand for higher value-added products is expanding. Cheese consumption is growing steadily, driven by evolving dietary patterns, urbanisation, and the expansion of food service channels. Demand growth for butter is driven by affluent consumers as well as expats and tourists. Despite this positive trend, overall dairy consumption in Thailand remains relatively low, at around 30 kg of milk equivalent per capita annually. This is roughly one-tenth of the average consumption in the EU, indicating significant potential for further market development.

Current trade situation /picture

Thailand is a net importer of dairy products, with a self-sufficiency rate of nearly 50%. Imports are dominated by powders (WMP, SMP and whey powder), followed by cheese, lactose and butterfat. EU exports to Thailand reached approximately €220 million in 2025, with whey powder and SMP representing the largest product categories in volume and value terms.

Main EU exports to Thailand (in 1000 tonnes)

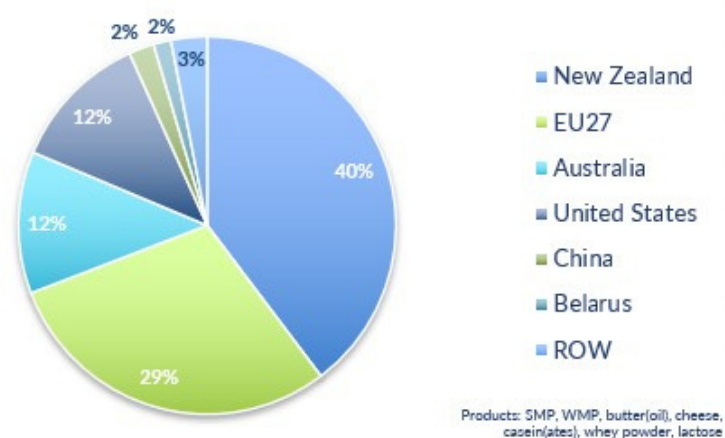


Tariffs

EU exporters currently face a significant competitive disadvantage. Since 2025, both New Zealand and Australia have benefited from full duty-free access to the Thai market under the ASEAN-Australia-New Zealand FTA.

In contrast, Thailand's MFN tariffs on dairy products applicable to EU exports remain substantial, ranging from 5% on SMP and whey powders to as high as 30% for key EU export products cheese and butter. Securing meaningful tariff liberalisation is therefore essential. The FTA must ensure that EU exporters are placed on an equal footing with their main competitors by delivering comprehensive duty- and quota-free access across all dairy categories.

Thailand imports - main suppliers



Non-Tariff barriers

A modern and ambitious FTA should include robust provisions addressing sanitary and phytosanitary measures and technical barriers to trade, ensuring transparency, predictability, and science-based decision-making. Eucolait further supports the inclusion of strong commitments on trade and sustainable development.

The negotiations represent a strategic opportunity to strengthen the EU's presence in a dynamic dairy market with considerable growth potential. Eucolait urges both parties to accelerate progress and conclude a comprehensive, ambitious agreement that delivers full duty- and quota-free access for dairy products and provides a framework for enhanced collaboration.