



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 12/8/2000

GAIN Report #TH0124

## **Thailand**

### **Grain and Feed**

#### **The 2000/01 Rice Policy**

#### **2000**

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#### **Report Highlights:**

**The 2000/01 Rice Policy.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Bangkok [TH1], TH

The Rice Policy and Measures Committee has approved in principle measures to help stabilize paddy prices of the 2000/01 main rice crop. The program consists of five measures as follows:

1. Rice exports under G-to-G arrangements:

1.1 Allow the Department of Foreign Trade under the Ministry of Commerce to make G-to-G rice sales not to exceed 500,000 tons.

1.2 Exports under the "Rice Pool" will be responsible by Department of Foreign Trade, Public Warehouse Organization and Marketing Organization for Farmers.

1.3 Encourage exporters to export good quality rice by using the Thai logo.

2. Paddy Mortgage Scheme:

2.1 The Bank for Agriculture and Agricultural Cooperatives (BAAC) is responsible for the paddy mortgage scheme. The BAAC will handle 1.5 mmt of mortgaged paddy. Under this program, farmers can obtain a loan from the BAAC by mortgaging their crop to the BAAC from November 1, 2000 through March 31, 2001. Farmers are given loans worth up to 90 percent of the official set target price at a rebate credit rate. The official target and calculated loan (90% of target) prices for 2000/01 and 1999/00 are listed below:

Type/Grade (15% moisture)	Target Price (Bht/ton)	Target Price (Bht/ton)	Calculated Loan Price (Bht/ton)	Calculated Loan Price (Bht/ton)
	2000/01	1999/00	2000/01	1999/00
Jasmine paddy	6,840	6,840	6,495	6,495
Paddy 100 pct	5,560	5,560	5,280	5,280
Paddy 5 pct	5,460	5,460	5,185	5,185
Paddy 10 pct	5,260	5,260	4,995	4,995
Paddy 15 pct	5,160	5,160	4,900	4,900
Paddy 25 pct	4,960	4,960	4,710	4,710
Gl paddy LG	6,200	6,200	5,890	5,890
Gl paddy SG	5,900	5,900	5,605	5,605

2.2 The Marketing Organization for the Farmers (MOF) and Public Warehouse Organization (PWO) are allowed to intervene in the market similar to BAAC's mortgage scheme at 1,000,000 tons of milled rice -- 500,000 tons from each organization. Farmers are required to have documents certified by BAAC of their paddy before delivery to rice mills for milling and deliver their milled rice to the government's warehouses which will provide cargo receipts to the

farmers for cashing loans from BAAC.

3. Additional Programs:

3.1 The Department of Agricultural Cooperatives is authorized to spend up to 1,500 million baht to purchase paddy which will be milled by cooperative mills and sold in the local market.

3.2 The Farmers's Association, an official unit under the Department of Agricultural Extension, is authorized to spend up to 100 million baht to buy paddy, to be milled and sold in the local market.

3.3 The Ministry of Interior is authorized to spend up to 300 million baht to buy paddy, to be milled and sold in the local market.

3.4 The Royal Thai Airforce received 2.5 million baht to purchase paddy to be milled and resold to its military personnel.

3.5 The National Security Command/Supreme Command Headquarter received 10 million baht to buy paddy to be milled and resold to its military personnel.

4. Credit Assistance:

In addition to the rice purchase program indicated above, the Bank of Thailand provides a packing credit to rice exporters and millers. An amount of 20,000 million baht has been allocated through the EXIM bank to liquidate paddy transactions for rice exporting.

5. In addition to the rice intervention program, the Public Warehouse Organization (PWO) and the Marketing Organization for the Farmers (MOF) will also be responsible for another paddy mortgage scheme of 500,000 tons each in upcountry areas to stabilize paddy prices. Financial support for this program will come from the BAAC.