



USDA Foreign Agricultural Service

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Thailand

Grain and Feed

Rice Update

2008

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Report Highlights:

MY 2007/08 rice production is revised upward to 19.3 million tons due to better than expected second-crop production driven by strong prices and resulting acreage expansion. Also, rice exports are expected to reach 10 million tons in 2008, but will likely level off in 2009 as Thai quotations will likely be limited by Thailand's aggressive intervention program.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Trade Report
Bangkok [TH1]
[TH]

Rice

Rice, Milled Thailand	2006		2007		2008				
	2006/2007		2007/2008		2008/2009				
	Market Year Begin: Jan 2007		Market Year Begin: Jan 2008		Market Year Begin: Jan 2009				
	Annual Data Displayed	New Post	Annual Data Displayed	New Post	Annual Data Displayed	Jan			
		Data		Data		Data			
Area Harvested	10270	10270	10270	10430	10430	10600	10500	10440	10700
Beginning Stocks	3594	3594	3594	2479	2512	2512	1519	2019	2219
Milled Production	18250	18250	18250	18500	18500	19300	18800	18800	19500
Rough Production	27652	27652	27652	28030	28030	29242	28485	28485	29545
Milling Rate (.9999)	6600	6600	6600	6600	6600	6600	6600	6600	6600
MY Imports	5	5	5	7	7	7	8	8	8
TY Imports	5	5	5	7	7	7	8	8	8
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0
Total Supply	21849	21849	21849	20986	21019	21819	20327	20827	21727
MY Exports	9500	9557	9557	10000	9000	10000	9000	8500	9000
TY Exports	9500	9557	9557	10000	9000	10000	9000	8500	9000
Total Consumption	9870	9780	9780	9467	10000	9600	9450	10200	9500
Ending Stocks	2479	2512	2512	1519	2019	2219	1877	2127	3227
Total Distribution	21849	21849	21849	20986	21019	21819	20327	20827	21727

MY 2007/08 rice production is revised upward to 19.3 million tons due to better than expected second-crop production driven by strong prices and resulting acreage expansion. The Royal Irrigation Department has also prioritized water management to facilitate farmers. Planted area of second crops is estimate at 11.5 million rai (1.8 million hectares), up significantly from 10.1 million rai (1.6 million hectares) in the previous year. As a result, second-crop production is expected to increase to 7.9 million tons of paddy, up significantly from 6.8 million tons in the previous year.

MY 2008/09 rice production is forecast to continue to increase to 19.5 million tons in anticipation of average yield improvement following good weather conditions. Also, some slight acreage expansion should occur for main crops as intervention prices of current program at 14,000 baht/ton (\$406/MT) for white rice paddy are currently more attractive than world market prices. In addition, the intervention prices remain unchanged in 2008/09 main-crop intervention program (TH8138), which is approximately 3,000 – 4,000 baht/ton (\$87-\$116/MT) higher than market prices. Therefore, the intervention stock of 2008/09 main crop is expected to increase to a record over 5.0 million tons of paddy. MY 2008/09 ending stocks will likely increase significantly as Thai rice exports face a competitive disadvantage from relatively cheaper Vietnamese and Indian rice.

Presently, Thai rice export prices are approximately \$100-200/MT higher than Vietnamese rice. Thai rice exports will likely increase to 10.0 million tons due to good export performance in the first half of this year with monthly averages of over 1.0 million tons while other regional suppliers banned rice exports. During Jan. 1 – Sep. 5, 2008, Thai rice exports totaled 7.8 million tons, up 42.7 percent from the 5.4 million tons in the previous year. Thai rice exports for the rest of this year will rely on government stocks which are expected to be released within this month, particularly for the lower cost old-crop intervention stocks of 2.1 million tons. In addition, a portion of current intervention stocks (2007/08 second crop) which are expected to reach a record 3.5 million tons of paddy (2.3 million tons milled equivalent) will likely be released within this year.

End of report