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Report Name: Grain and Feed Update

Country: Thailand

Post: Bangkok

Report Category: Grain and Feed

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Report Highlights:

FAS Bangkok revised its forecasts for MY2022/23 rice production higher to 20.2 million metric tons due to abundant water supplies and attractive farm-gate prices for off-season rice production. Thai rice exports in 2022 were higher than expected at 7.7 MMT. FAS Bangkok's forecast for corn production remains unchanged from the previous forecast, as well as corn and wheat import demand.

Executive summary

FAS Bangkok's (Post) revised its forecast for marketing year (MY) 2022/23 rice production higher to 20.2 million metric tons (MMT) due to abundant water supplies for off-season rice production and attractive farm-gate prices. MY2022/23 off-season rice planting between November 2022 and January 2023 in irrigated areas totaled 7.4 million rai (1.2 million hectares), up 38 percent from the same period last year. Thai rice exports in 2022 were higher than expected at 7.7 MMT, up 22 percent from the previous year. Post's forecast of MY2022/23 corn production remains unchanged at 5.20 MMT, a two percent reduction from MY2021/22. MY2022/23 wheat imports also remain unchanged from the previous forecast, which is 23 percent larger than MY2021/22.

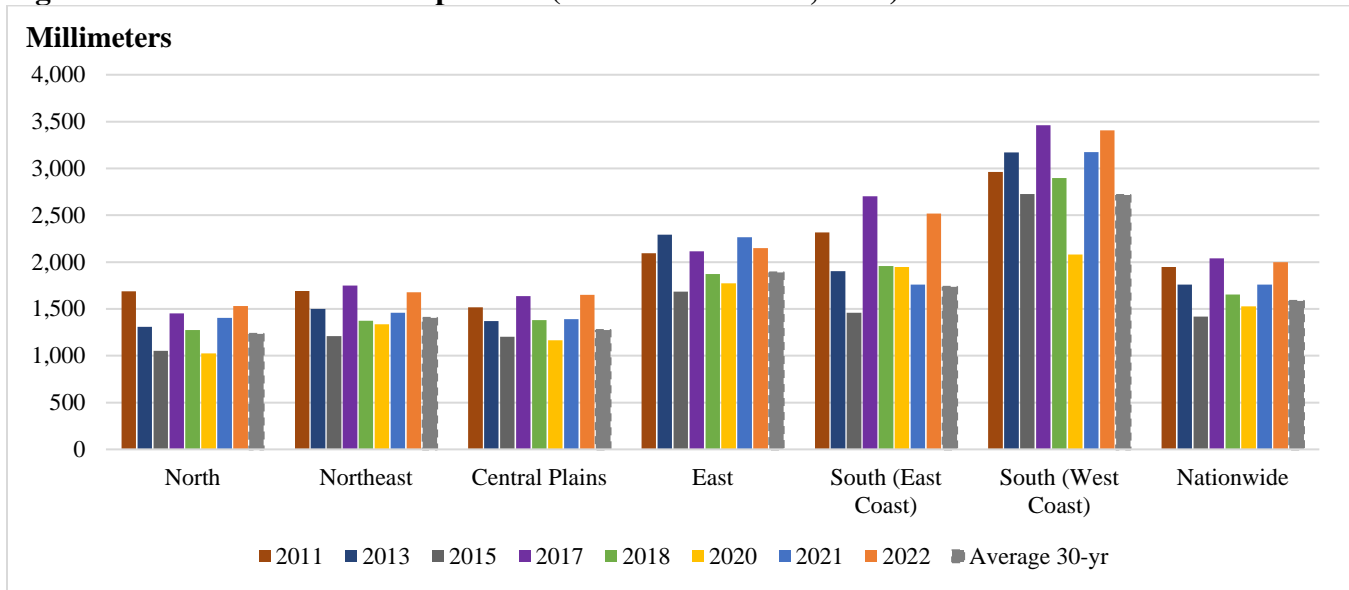
1. Rice

1.1 Production

MY2022/23 off-season rice planting was well above last year. The Royal Irrigation Department (RID) reported that MY2022/23 off-season rice planting between November 2022 and January 2023 in irrigated areas, which accounted for approximately 70 percent of total off-season rice acreage, totaled 7.4 million rai (1.2 million hectares), up 38 percent from the same period last year due to abundant water supplies and attractive farm-gate prices (Figure 1.1.1, 1.1.2, and 1.1.3). In January 2023, farm-gate prices of paddy rice were 16-21 percent higher than the same period last year, particularly for fragrant and white paddy rice.

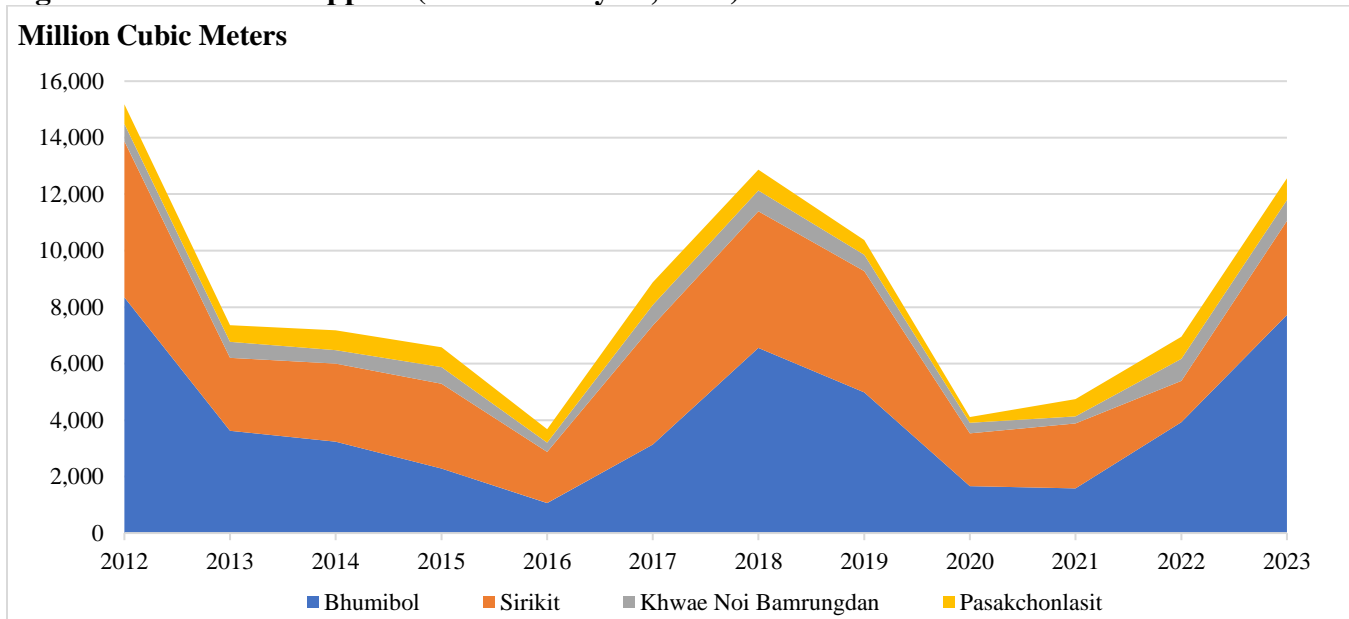
The Thai Meteorological Department (TMD) reported that the cumulative rainfall during the rainy season in 2022 from July to September was well above normal. The abundant rainfall helped improve soil conditions for rice planting, especially for MY2022/23 off-season rice production in the central plains (Figure 1.1.4). MY2022/23 off-season rice production is likely to recover to normal production levels like in MY2018/19 due to abundant water supplies as reservoirs' levels nationwide were 11 percent higher in January 2023 than the same period last year. Current reservoir levels of the four main dams in the Chao Phraya River basin were 82 percent higher than the same period last year. Post expects MY2022/23 off-season rice production to increase by 9 percent to 4.8 million metric tons, which is close to average production levels of 5-6 million metric tons (Figure 1.1.6). Post's forecast for total rice production in MY2022/23 to increase to 20.2 million metric tons, up one percent from MY2021/22.

Figure 1.1.1: Cumulative Precipitation (as of December 31, 2022)



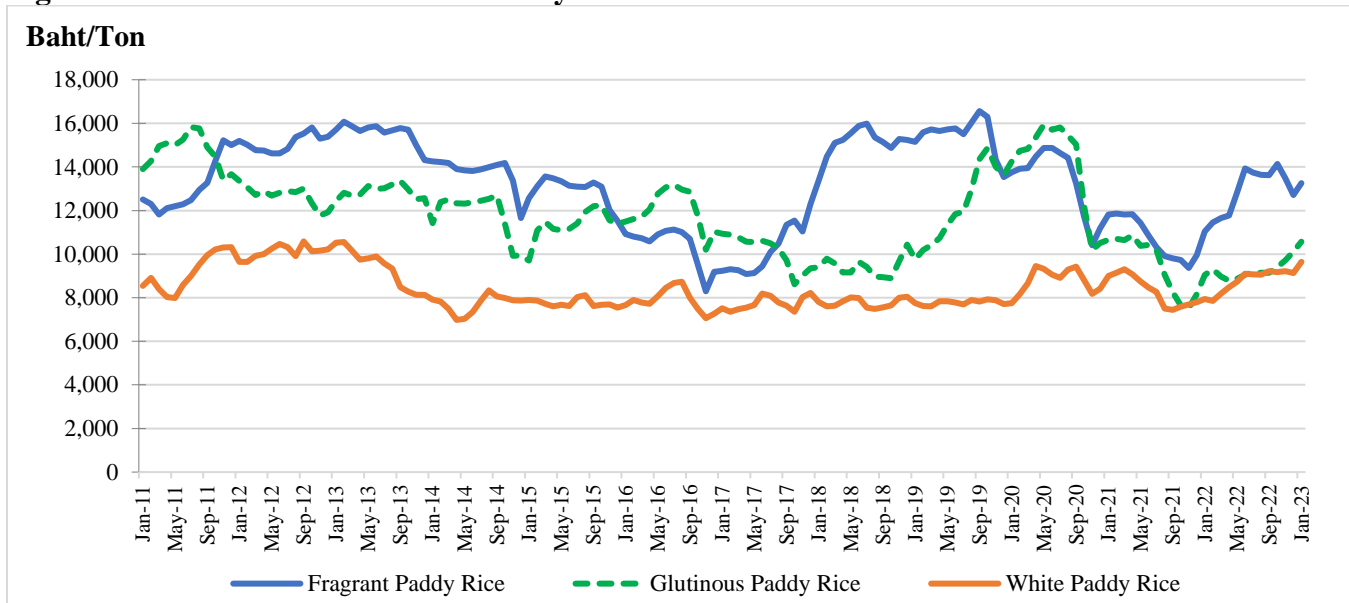
Source: Thai Meteorological Department, Ministry of Digital Economy and Society

Figure 1.1.2: Water Supplies (as of January 13, 2023)



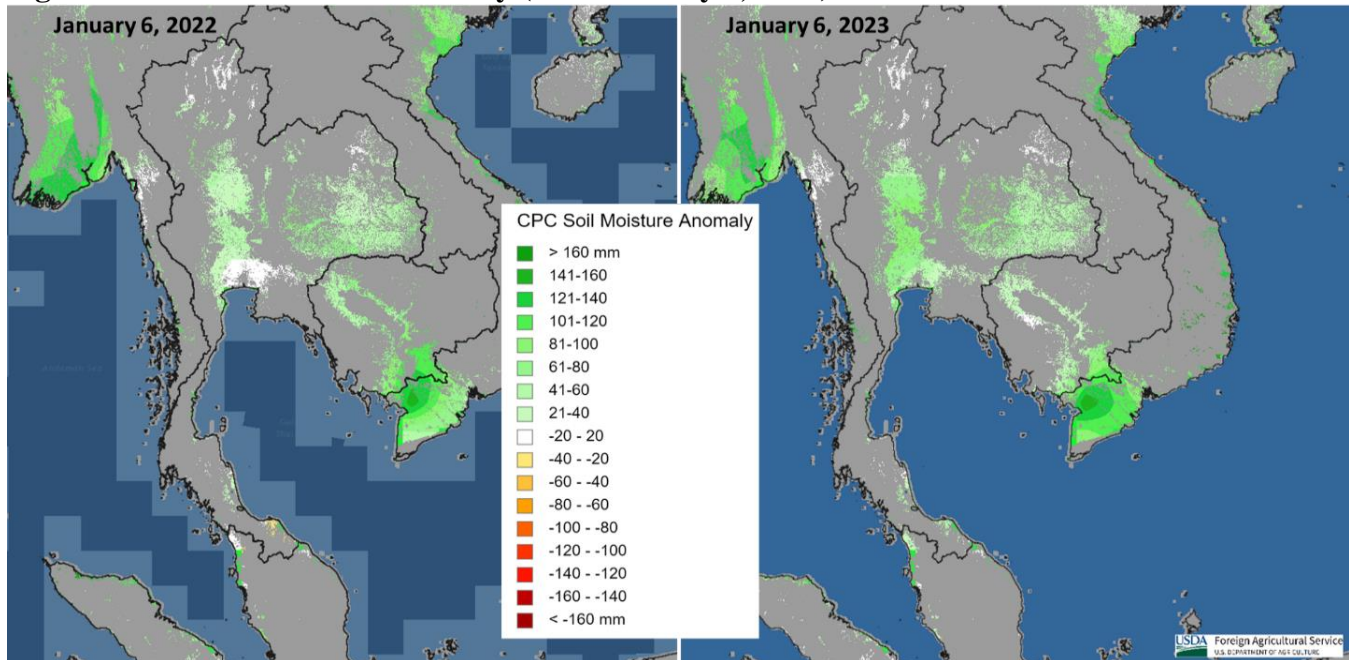
Source: Royal Irrigation Department, Ministry of Agriculture and Cooperatives

Figure 1.1.3: Farm-Gate Prices of Paddy Rice



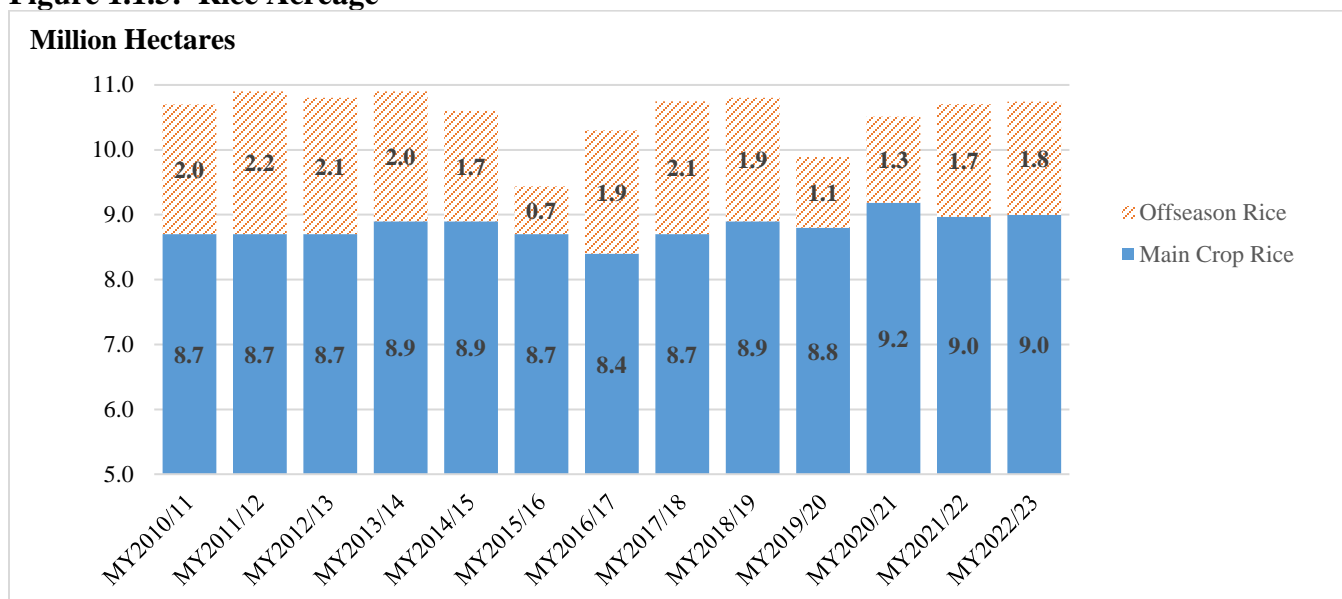
Source: Office of Agricultural Economics, Ministry of Agriculture and Cooperatives

Figure 1.1.4: Soil Moisture Anomaly (as of January 6, 2023)



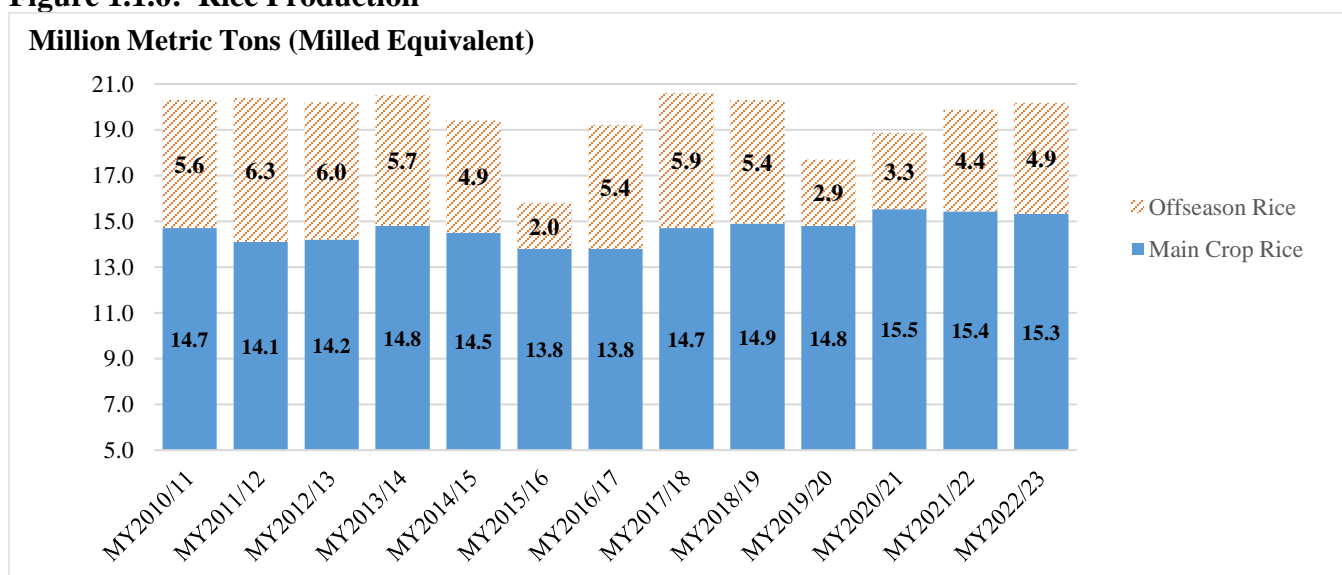
Source: Global Agricultural & Disaster Assessment Systems, Foreign Agricultural Service/USDA

Figure 1.1.5: Rice Acreage



Source: Office of Agricultural Economics, Ministry of Agriculture and Cooperatives and FAS Estimation

Figure 1.1.6: Rice Production



Source: Office of Agricultural Economics, Ministry of Agriculture and Cooperatives and FAS Estimation

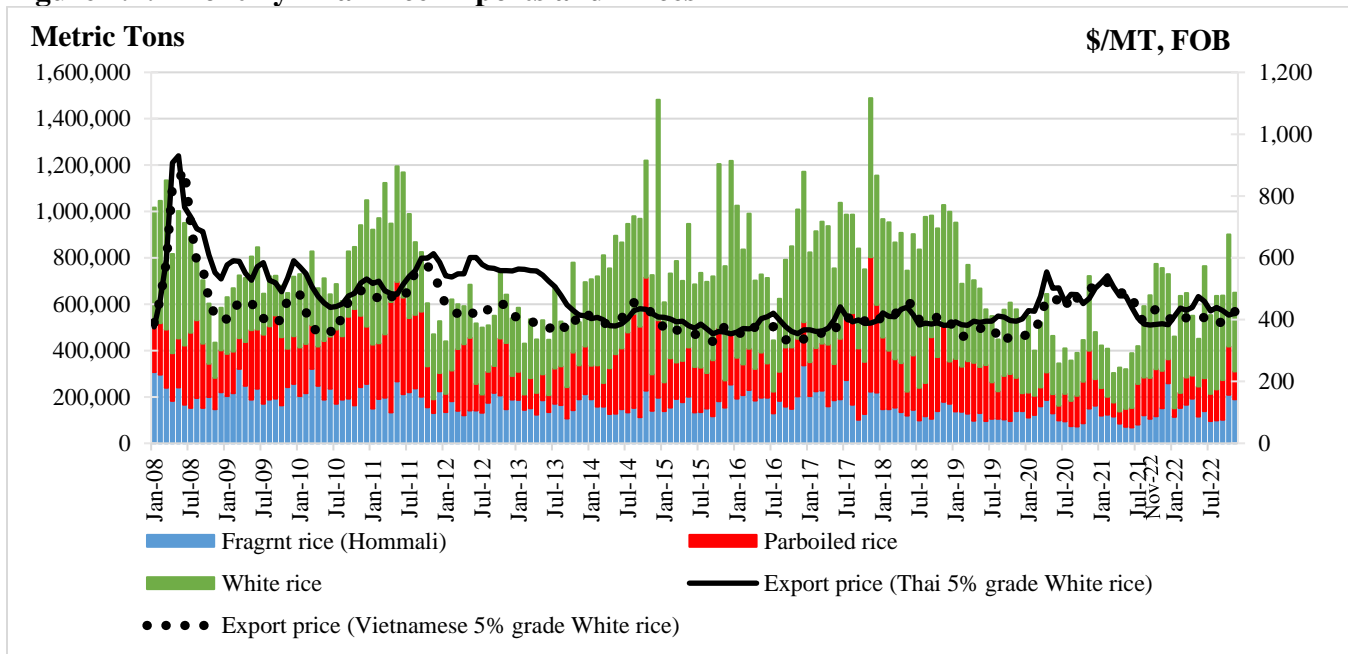
1.2 Trade

The Thai Customs Department reported that rice exports in 2022 were up both in terms of value and volume from the same period last year. Thai rice exports in 2022 totaled 7.7 MMT and had a value of 112 billion baht (\$3.9 billion), up 22 and 16 percent, respectively, from 2021, which exceeded the government’s rice export target of 7.5 MMT due to strong demand from ASEAN and Middle Eastern countries. In addition, the depreciation of the Thai baht against the U.S. dollar to the lowest rate in 16 years, which was a 10 percent depreciation from the previous year, benefited Thai rice exports and made Thai rice prices more attractive and competitive. Thai rice exports in December 2022 reached 785,785

metric tons as buyers in main rice markets, namely the United States, China, Hong Kong, and Singapore, continued seeking Thai rice to build up their inventories for high seasonal demand during the Christmas and New Year’s holidays, as well as the Lunar New Year in late January 2023. Iraq’s imports of Thai rice totaled 1.6 MMT in 2022, significantly higher from the previous year. Thailand was the second largest rice exporter, only after India in 2022.

Post forecasts Thai rice exports in 2023 to increase to 8.3 MMT. This is an 8 percent increase from 2022 in anticipation of strong demand for white and fragrant rice. Traders expect that Thai rice export prices will be more attractive than Vietnamese and Indian rice due to the recovery in MY2022/23 off-season rice production.

Figure 1.2: Monthly Thai Rice Exports and Prices



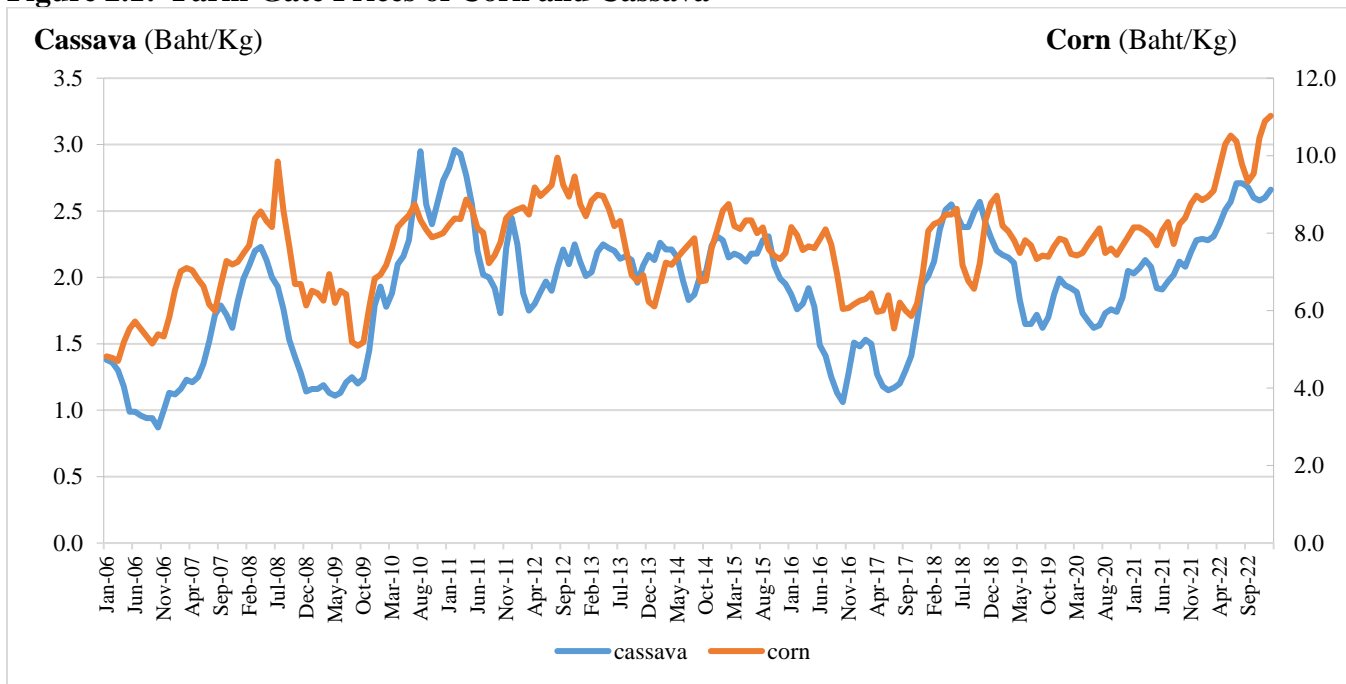
Source: Thai Customs Department, Ministry of Finance and Thai Chamber of Commerce

2. Corn

Post’s forecast of MY2022/23 corn production remains unchanged at 5.20 MMT. This is a two percent reduction from MY2021/22 in anticipation of reduced off-season corn acreage. Average farm-gate prices of corn between January and December 2022 were around 9.81 baht per kilogram (\$281/MT). Farm-gate prices of corn increased 10 percent from the same period last year. This was well above the five-year average farm-gate prices of corn due to reduced supplies of duty-free corn imports from neighboring countries under the ASEAN free trade agreement, particularly from Burma.

Corn imports in the first five months of MY2022/23 totaled 0.2 MMT, down 13 percent from the same period last year. More than half of corn imports were from Burma, accounting for 61 percent of total corn imports, followed by India and Cambodia at 24 and 14 percent of total corn imports, respectively. Corn imports from Burma will likely recover when border trading between Thailand and Burma returns to normal after restricted and limited border crossing during the last three years due to the outbreak of COVID-19.

Figure 2.1: Farm-Gate Prices of Corn and Cassava



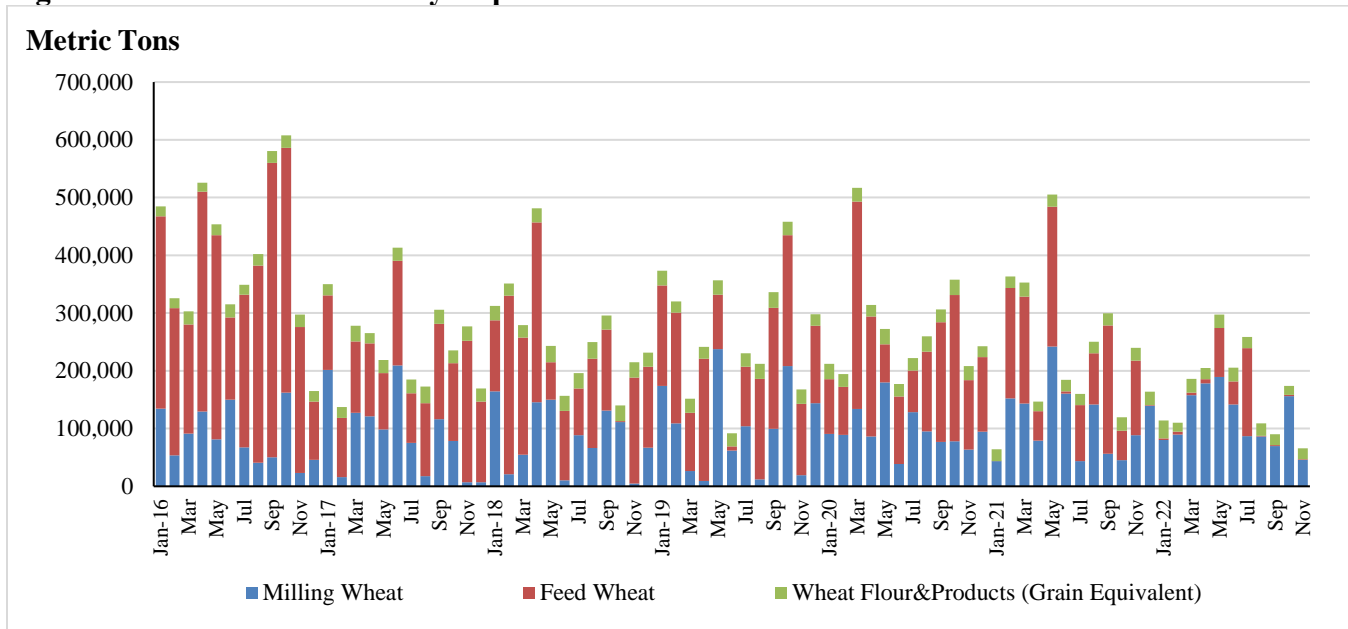
Source: Office of Agricultural Economics, Ministry of Agriculture and Cooperatives

3. Wheat

Post’s forecast for MY2022/23 wheat imports remains unchanged at 2.9 MMT. This is a 23 percent increase from MY2021/22 in anticipation of growing wheat-based food consumption. The Bank of Thailand expects the Thai economy to grow by 3.3 percent in 2022 and 3.8 percent in 2023. The Tourism Authority of Thailand expects the number of foreign tourists to increase to 25 million in 2023. Around 5 million tourists will be from China after the Chinese government removed zero-COVID measures on January 8, 2023. The Bank of Thailand anticipates that the returning of foreign tourists, especially Chinese tourists, will boost the domestic economy, particularly in the first quarter of 2023 as the Civil Aviation Authority of Thailand expects a 20 percent increase in the number of direct flights from China to Thailand. Roughly 11.8 million foreign tourists visited Thailand in 2022, mostly from East Asia and South Asia.

Wheat imports in the first five months of MY2022/23 totaled 0.69 MMT, down 35 percent from the same period last year (Figure 3.1). Feed wheat and wheat flour and products imports totaled 0.16 and 0.09 MMT, respectively. Imports of both these products are down 73 and 11 percent, respectively, from the same period last year. Feed mills reportedly shifted to locally produced corn and broken rice and duty-free imported corn in their poultry and swine feed rations due to high prices of imported feed wheat. Milling wheat imports totaled 0.39 MMT, up 10 percent from the same period last year. The Office of Industrial Economics reported that instant noodle and bakery products exports in the first five months of MY2022/23 increased 3 percent each from the same period last year. Instant noodle and bakery products accounted for around 35 and 25 percent of total milling wheat demand, respectively.

Figure 3.1: Thailand's Monthly Imports of Wheat Grains and Products



Source: Thai Customs Department, Ministry of Finance

Appendix Tables

Table 1: Thailand's Rice Production, Supply, and Distribution

Rice, Milled Market Year Begins Thailand	2020/2021		2021/2022		2022/2023	
	Jan 2021		Jan 2022		Jan 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	10509	10509	10702	10702	10850	10745
Beginning Stocks (1000 MT)	3900	3900	3980	3971	3283	3278
Milled Production (1000 MT)	18863	18863	19878	19878	20100	20176
Rough Production (1000 MT)	28580	28580	30118	30118	30455	30570
Milling Rate (.9999) (1000 MT)	6600	6600	6600	6600	6600	6600
MY Imports (1000 MT)	200	125	125	125	150	150
TY Imports (1000 MT)	200	125	125	125	150	150
TY Imp. from U.S. (1000 MT)	1	0	0	0	0	0
Total Supply (1000 MT)	22963	22888	23983	23974	23533	23604
MY Exports (1000 MT)	6283	6297	7900	7696	8500	8300
TY Exports (1000 MT)	6283	6297	7900	7696	8500	8300
Consumption and Residual (1000 MT)	12700	12620	12800	13000	12800	13000
Ending Stocks (1000 MT)	3980	3971	3283	3278	2233	2304
Total Distribution (1000 MT)	22963	22888	23983	23974	23533	23604
Yield (Rough) (MT/HA)	2.7196	2.7196	2.8142	2.8142	2.8069	2.845

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2022/2023 = January 2023 - December 2023

Table 2: Thailand's Rice Production by Crop

	2020/2021			2021/2022			2022/2023		
	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total
Area (Million Hectares)									
Cultivation	9.370	1.354	10.724	9.370	1.754	11.124	9.370	1.800	11.170
Harvest	9.185	1.324	10.509	8.966	1.736	10.702	8.995	1.750	10.745
Production (Million Tons)									
Rough	23.530	5.050	28.580	23.389	6.730	30.118	23.220	7.350	30.570
Rice	15.530	3.333	18.863	15.437	4.442	19.878	15.325	4.851	20.176
Yield (Ton/Hectare)	2.562	3.814	2.720	2.609	3.877	2.814	2.581	4.200	2.845

Table 3: Thailand's Corn Production, Supply, and Distribution

Corn Market Year Begins Thailand	2020/2021		2021/2022		2022/2023	
	Jul 2020		Jul 2021		Jul 2022	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1255	1254	1200	1200	1200	1200
Beginning Stocks (1000 MT)	675	675	740	1190	343	1293
Production (1000 MT)	5500	5500	5300	5300	5200	5200
MY Imports (1000 MT)	1921	1921	1519	1519	1500	1600
TY Imports (1000 MT)	1846	1846	1487	1500	1500	1600
TY Imp. from U.S. (1000 MT)	7	0	0	0	0	0
Total Supply (1000 MT)	8096	8096	7559	8009	7043	8093
MY Exports (1000 MT)	56	56	116	116	70	100
TY Exports (1000 MT)	57	57	116	115	60	100
Feed and Residual (1000 MT)	7200	6750	7000	6500	6500	6600
FSI Consumption (1000 MT)	100	100	100	100	100	100
Total Consumption (1000 MT)	7300	6850	7100	6600	6600	6700
Ending Stocks (1000 MT)	740	1190	343	1293	373	1293
Total Distribution (1000 MT)	8096	8096	7559	8009	7043	8093
Yield (MT/HA)	4.3825	4.386	4.4167	4.4167	4.3333	4.3333

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Corn begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Table 4: Thailand's Wheat Production, Supply, and Distribution

Wheat Market Year Begins	2020/2021		2021/2022		2022/2023	
	Jul 2020		Jul 2021		Jul 2022	
Thailand	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	754	754	789	789	366	256
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	3306	3306	2351	2351	2900	2900
TY Imports (1000 MT)	3306	3306	2351	2351	2900	2900
TY Imp. from U.S. (1000 MT)	759	759	526	526	0	600
Total Supply (1000 MT)	4060	4060	3140	3140	3266	3156
MY Exports (1000 MT)	311	311	324	324	300	300
TY Exports (1000 MT)	311	311	324	324	300	300
Feed and Residual (1000 MT)	1650	1600	1200	1200	1400	1200
FSI Consumption (1000 MT)	1310	1360	1250	1360	1300	1400
Total Consumption (1000 MT)	2960	2960	2450	2560	2700	2600
Ending Stocks (1000 MT)	789	789	366	256	266	256
Total Distribution (1000 MT)	4060	4060	3140	3140	3266	3156
Yield (MT/HA)	0	0	0	0	0	0

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Wheat begins in July for all countries. TY 2022/2023 = July 2022 - June 2023

Attachments:

No Attachments