

Required Report: Required - Public Distribution

Date: December 03, 2024

Report Number: TH2024-0071

Report Name: Grain and Feed Update

Country: Thailand

Post: Bangkok

Report Category: Grain and Feed

Prepared By: Mana-anya Iemsam-arng, Agricultural Specialist

Approved By: Mariya Rakhovskaya

Report Highlights:

FAS Bangkok forecasts Thailand's rice and corn production to increase in MY 2024/25 in response to improvement in average yield due to higher water supplies, compared to MY 2023/24. Thailand's rice exports in 2024 are expected to reach 9.2 million metric tons, a 2 percent increase from 2023. MY 2024/25 wheat imports are likely to decline due to high inventories and the expected recovery of MY 2024/25 corn production.

Executive summary

FAS Bangkok (Post) forecasts Thailand's milled rice production for marketing year (MY) 2024/25 to reach 20 million metric tons (MMT) in response to greater precipitation. Thailand's rice exports in the first 9 months of 2024 have spiked from 2023 levels as India maintained its export ban on white rice and export tariff on parboiled rice.

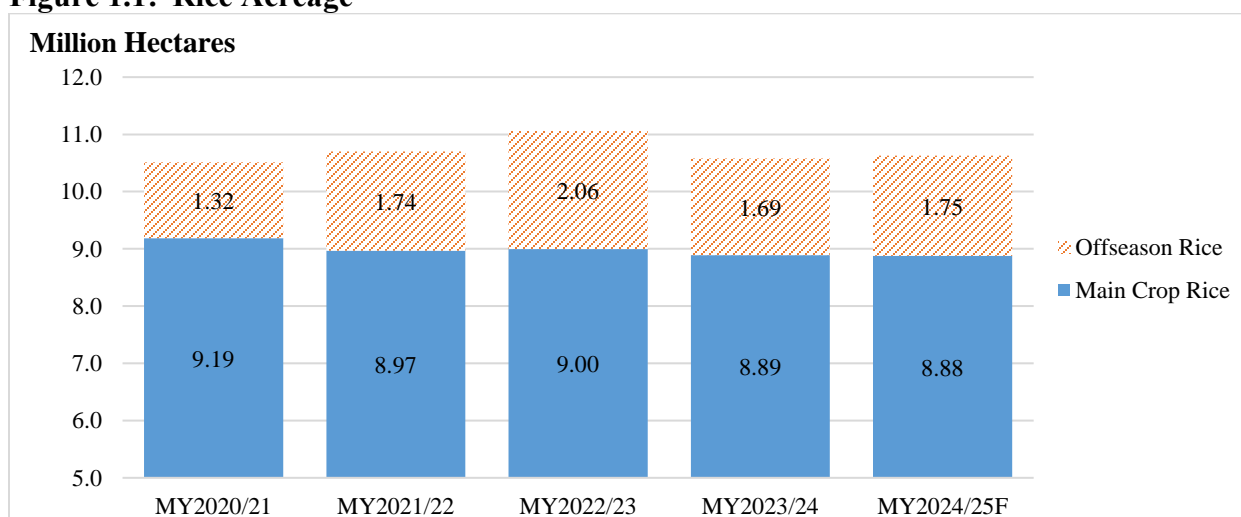
Post forecasts MY 2024/25 corn production to increase to 5.4 MMT, up 2 percent from MY 2023/24 in anticipation of higher off-season corn acreage and improvement in average yield due to higher water supplies. Post forecasts MY 2024/25 wheat imports to slightly decline from MY 2023/24 to 3.2 MMT due to high stocks and the expected recovery in domestic corn production.

1. Rice

FAS Bangkok forecasts MY 2024/25 rice acreage (Figure 1.1) and milled rice production (Figure 1.2) to slightly increase compared to MY 2023/24 due to higher average yield in response to higher water supplies. The Thai Meteorological Department (TMD) reported that cumulative precipitation between January 1 to November 10, 2024, was 10 percent higher than the same period in 2023 and 2 percent above the 30-year national average (Figure 1.3).

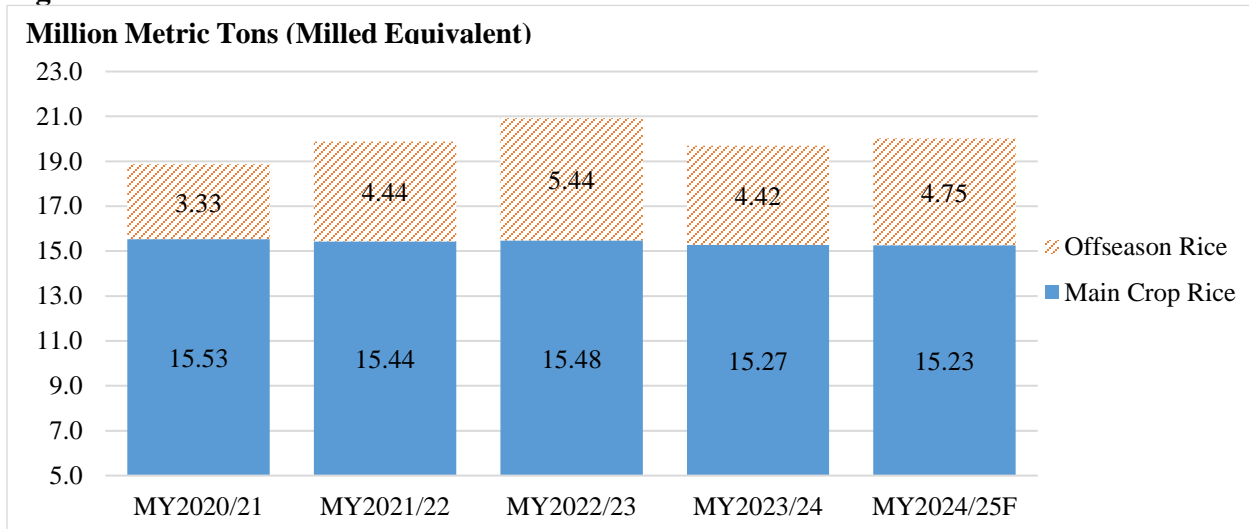
The Ministry of Agriculture and Cooperatives (MOAC) reported that flash flood damage and minor damage from landslides between August 21 to October 8, 2024 (i.e., during the reproductive growth stage), mainly in the northern and central plains, affected 885,941 rai (141,751 hectares) of rice production total. The flood damage had a marginal impact on MY 2024/25 main-crop rice harvest. Damage to crops in the lowland area of the northern region and central plains, where floods lasted more than 15 days, occurred during the flowering and ripening growth stages of the rice crop. The floods, however, had no significant impact on rice production in the Chi and Mun river basins in the northeastern region, where rice crops were in the reproductive stage transitioning to ripening stage, which is considered a critical period for rice production and quality. On average, over 70 percent of Thailand's main-season rice cultivation occurs in the northeast.

Figure 1.1: Rice Acreage



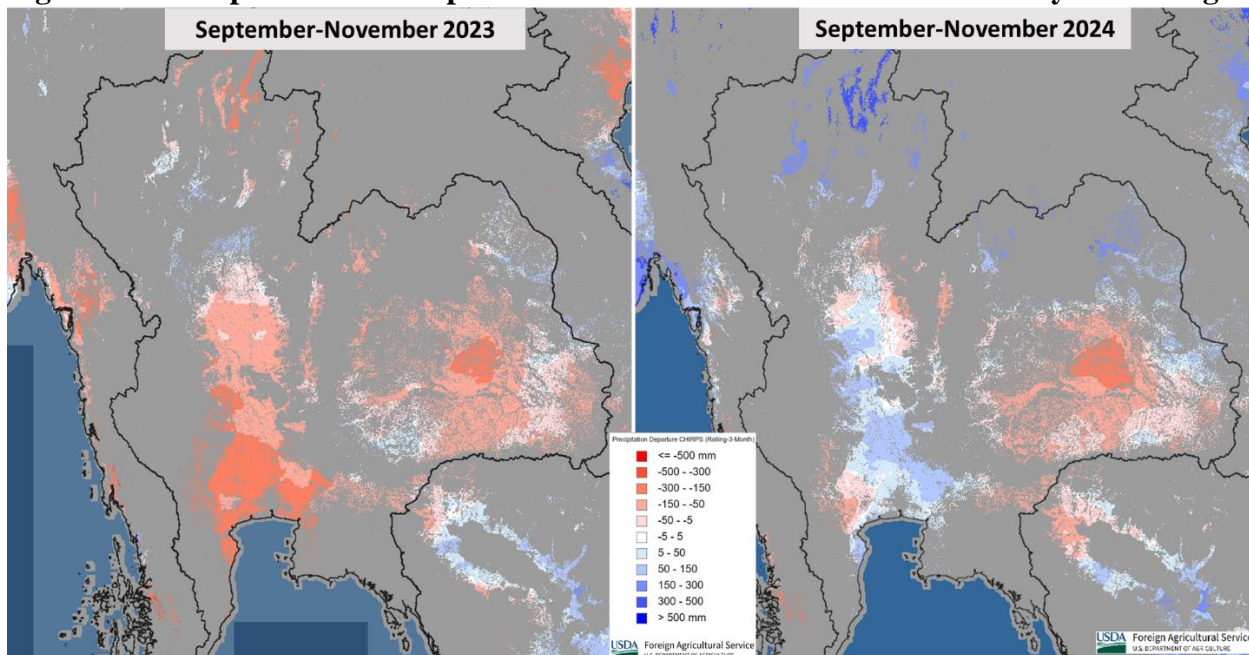
Sources: Office of Agricultural Economics, Ministry of Agriculture and Cooperatives and FAS estimate

Figure 1.2: Rice Production



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

Figure 1.3: Comparison of Precipitation Patterns in 2023 and 2024 to the 30-year Average

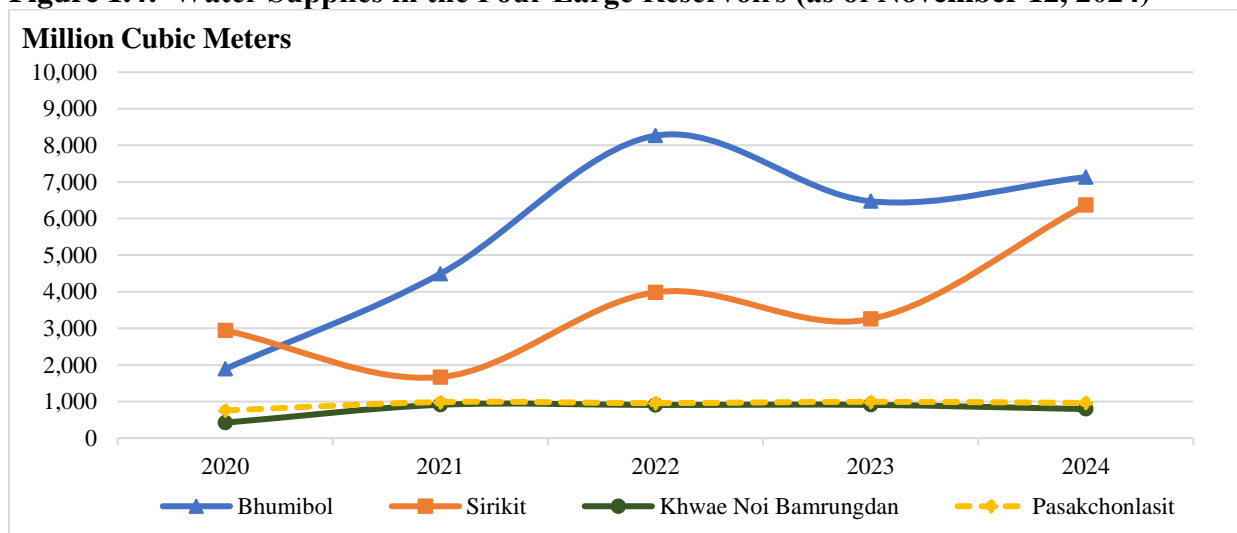


Source: USDA – Foreign Agricultural Service, Global Agricultural & Disaster Assessment System (GADAS)

Note: Precipitation departure patterns are shown for rice producing areas.

According to the Royal Irrigation Department’s November 13, 2024, rice planting progress report, MY 2024/25 off-season rice planting in irrigated areas totaled 270,344 rai (43,255 hectares). At present, most overflowed reservoirs and dams have begun to reduce discharge levels and refrain from draining water that may affect areas downstream to store water for use during the dry season. At the start of the off-season (November 1), the water reservoirs held over 38 percent more water than the 5-year average level (Figure 1.4). Thus, Post forecasts greater off-season rice production in irrigated areas, and Thai officials are monitoring production in non-irrigated areas.

Figure 1.4: Water Supplies in the Four Large Reservoirs (as of November 12, 2024)



Sources: Royal Irrigation Department, Ministry of Agriculture and Cooperatives

Note: Each colored line represents water volume in each dam that is available for use

Post projects MY 2023/24 rice exports to reach 9.2 MMT, up 5 percent from MY 2022/23 due to strong export growth of Thai rice in the first half of MY 2023/24 (Table 1.1). However, Post's MY 2024/25 forecast for rice exports is an 18 percent drop from MY 2023/24 as exporters anticipate that Thai rice exports will face strong competition in MY 2024/25, especially from India and Vietnam. Thailand's exports of white rice (50-60 percent of Thailand's rice exports) and parboiled rice (16-30 percent of Thailand's total rice exports) will likely be most impacted by competition from Indian rice. On the other hand, Thai rice exporters anticipate promising export opportunities for fragrant rice, which is a premium grade rice with high selling prices.

Rice exports in September 2024 (latest available official data as of November 13, 2024) totaled 878,711 MT, valued at 19,463 million baht (\$586 million), a one percent drop in volume from August 2024 due mainly to the slow pace of parboiled rice exports. Rice exports in the first nine months of 2024 totaled 7.45 MMT, an increase of 22 percent from the same period last year (Table 1.1). Thai Rice Exporter Association anticipated more than 700,000 MT of rice exports in October 2024 due to strong demand from African and Asian market due to competitive prices for Thai rice.

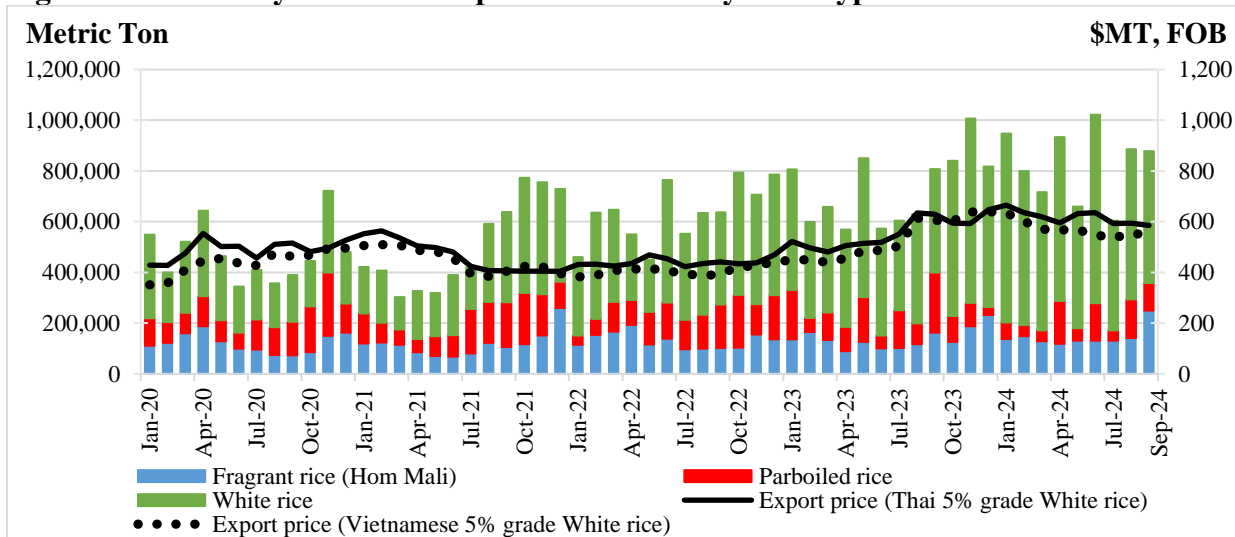
Table: 1.1: Thai Rice Exports by Varieties

Unit: Metric Tons

Rice Variety	2020	2021	2022	2023	% Change 22 vs 23	January - September		% Change 23 vs 24
						2023	2024	
White Rice	2,015,246	2,498,142	3,785,902	5,569,859	29.7	3,312,028	4,702,456	41.9
Parboiled Rice	1,419,345	1,502,968	1,511,058	1,376,229	(10.1)	1,135,540	814,791	(28.2)
Fragrant Rice	2,022,879	1,984,470	2,048,151	1,677,164	7.7	1,473,717	1,720,696	16.8
Glutinous Rice	276,568	311,101	350,226	139,975	(24.8)	182,328	214,000	17.4
Total	5,734,038	6,296,681	7,695,325	8,763,227	13.7	6,103,613	7,451,943	22.1

Source: Ministry of Commerce

Figure 1.5: Monthly Thai Rice Exports and Prices by Rice Type



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

Note: The average exchange rate in October 2024 was \$1=33.20 Thai baht (Bank of Thailand)

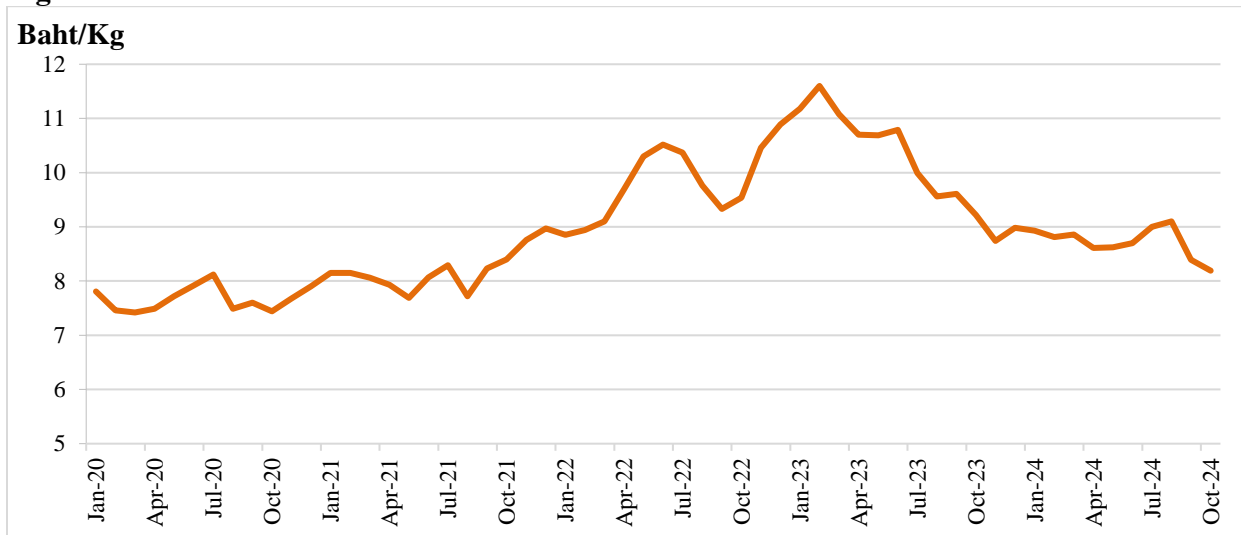
On November 8, 2024, Thailand's Prime Minister-appointed interagency National Rice Policy and Management Committee approved the following domestic support programs to help stabilize paddy rice prices with the total budget of 60.1 billion baht (\$1.8 billion): (1) 43.8 billion baht (\$1.3 billion) paddy Rice Pledging Program, in which the government will provide a financial support on storage costs of 1,500 baht per metric ton with the target of 3 MMT of paddy rice; (2) 15.7 billion baht (\$473 million) for the Loan Program for farmer organizations to purchase paddy rice with the combined target of 1.5 MMT of paddy rice; and (3) 585 million baht (\$17.6 million) for the Interest Rate Compensation Program for private operators to hold paddy rice stocks for two to six months with the combined target of 4 MMT of paddy rice. The proposed domestic support programs are awaiting Cabinet approval.

2. Corn

Post's forecast for MY 2024/25 corn production remains unchanged at 5.4 MMT. This is a 2 percent increase from MY 2023/24 due to acreage expansion and average yield improvement. MY 2024/25 corn

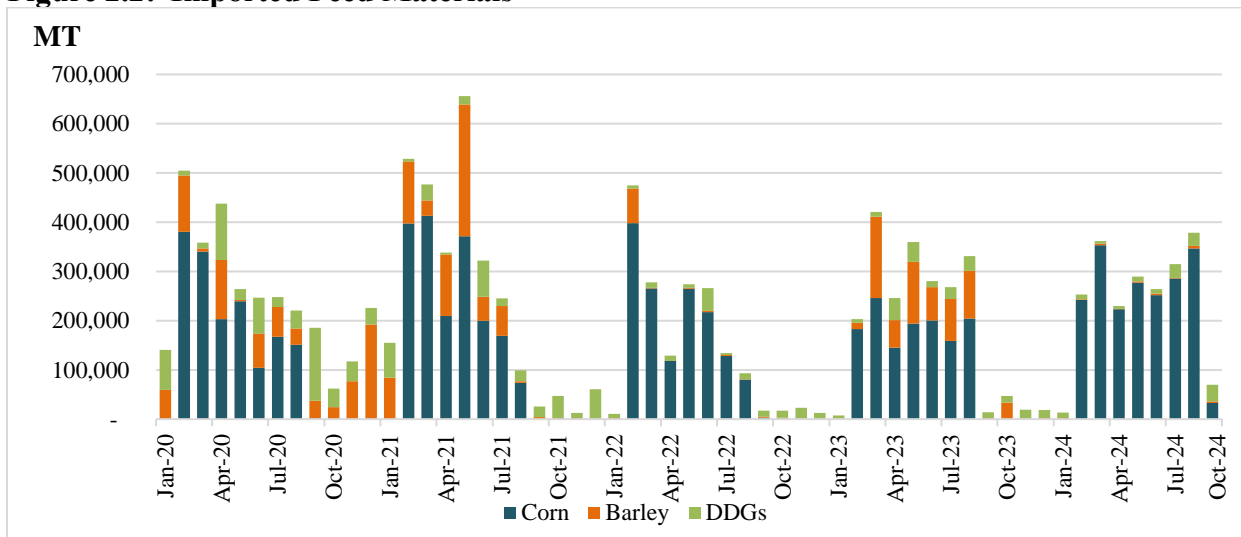
production experienced more favorable weather conditions and less damage from drought than in MY 2023/24. So far, average farm-gate corn prices in October 2024 were around 8,190 baht per metric ton (\$247/MT), a 11 percent drop from the same period last year. The downward pressure on farm-gate prices of corn (Figure 2.1) was attributed to an increase in local corn production and a surge in duty-free corn imports from neighboring countries in the ASEAN free trade agreement (AFTA), particularly Burma.

Figure 2.1: Farm-Gate Prices of Corn



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

Figure 2.2: Imported Feed Materials



Source: Thai Customs Department, Ministry of Finance

Corn imports in the first three months of MY 2024/25 grew by 83 percent from MY 2023/24 and were up 85 percent from the average five-year import levels. A recovery in Thailand’s swine and poultry production drove feed corn demand in the first half of 2024. Swine production in 2024 is expected to reach 80 percent of production capacity prior to the African Swine Fever (ASF) outbreak in 2022. Most

corn imports were from Burma, Laos, and Cambodia, which enjoy duty-free access with unlimited quota between February 1 and August 31.

Imports of distiller's dried grains with solubles (DDGS) in the first three months of MY 2024/25 rose 35 percent to 88,746 MT from MY 2023/24 as import prices of DDGS were competitive, down more than 20 percent from the same period last year (Figure 2.2). The United States accounted for 92 percent of all total DDGS imports. In the meantime, imports of barley dropped to 9,187 MT, far below the five-year average import volume of 78,815 MT, as import prices of barley were less competitive compared to other feed ingredients. Almost all barley imports came from Australia due to the duty-free treatment under the Thailand-Australia Free Trade Agreement.

On September 27, 2024, Thailand's National Maize Policy and Management Committee approved the budget of 320.7 million baht (\$9.7 million) for the following domestic support and production programs to help stabilize corn prices: (1) 50.5 million baht (\$1.5 million) Corn Purchasing Program by Public Warehouse Organization (PWO) in which the government will offer a subsidy of 500 baht per metric ton of corn purchased between October 2024 to March 31, 2025; (2) 26.67 million baht (\$0.8 million) for the Loan Program for farmer organizations to purchase corn; (3) 35 million baht (\$1.1 million) for the Interest Rate Compensation Program for private operators to hold corn stocks for two to six months between November 2024 to January 2025; and 207.54 million baht (\$6.3 million) for two other support programs for corn production. The proposed domestic support programs are awaiting Cabinet's approval.

The government's measures for importing feed corn and alternative raw materials remain unchanged. Importers can import duty-free feed corn under the AFTA during February 1 – August 31, 2025. Also, importers are required to purchase three tons of domestic corn for every ton of imported feed wheat.

3. Wheat

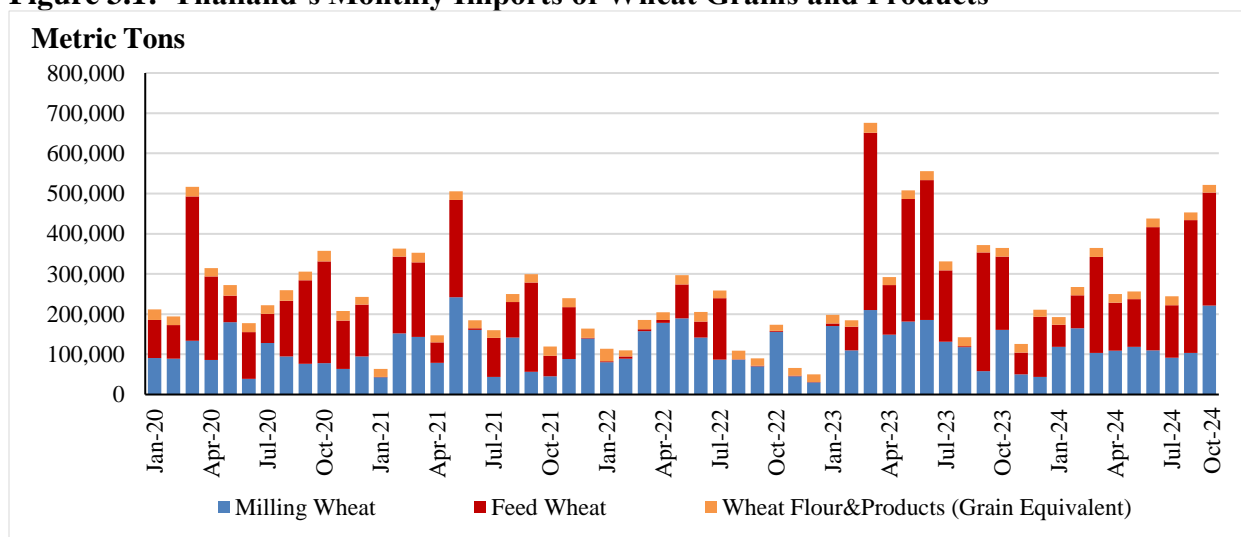
Post's forecast for MY 2024/25 wheat imports remains unchanged and represents a 3.5 percent decline from MY 2023/24. Flour mills still carry high inventories of wheat grain imported in MY 2022/23 and MY 2023/24 in anticipation of a post-COVID-19 spike in demand for wheat-based foods. However, tourism numbers have still not bounced back to pre-pandemic levels. On the other hand, a positive pace of production and domestic consumption of instant noodle and bakery products in the second half of 2024 and the first half of 2025 is likely to continue in the second half of 2024.

Wheat imports in the first three months of MY 2024/25 were up 44 percent from the same period in MY 2023/24 due to increased demand for feed wheat and milling wheat. Feed wheat imports in the first three months of MY 2024/25 totaled 741,916 MT, up 56 percent from the same period in MY 2023/24. Imports of milling wheat totaled 374,368 MT, up 25 percent from the first three months of MY 2023/24. Meanwhile, wheat flour and products totaled 60,783 MT, down 3 percent from the same period in MY 2023/24. The Office of Industrial Economics (OIE) reported that the total feed production and consumption in the first nine months of 2024 increased one percent, from the same period in 2023. This upward trend is also present for milling wheat imports driven by a growing demand for instant noodles and baked goods, which increased by 5 and 3 percent, respectively, from the same period in 2023.

The government continued to restrict feed wheat imports in 2023 and 2024. Importers are required to purchase three tons of domestic corn for every ton of imported feed wheat. Eligible feed wheat importers must be feed mill owners. Additionally, feed mill owners are prohibited from reselling imported feed wheat. The government also set the minimum purchase prices for locally produced corn at 8.5 baht per kilogram (\$258/MT).

The tariff on wheat imports has been zero since September 2007. Meanwhile, the applied tariff on wheat flour is 5 percent or 0.5 baht/kg (\$16/MT), except for imports under the ASEAN Free Trade Agreement (Brunei, Indonesia, Malaysia, Philippines, and Singapore) and the ASEAN-Australia-New Zealand Free Trade Agreement, under which wheat flour has been duty free since January 2010 as long as 40 percent of the content originates from the exporting country. Wheat flour imports from Vietnam have been duty free since the end of 2015 under the ASEAN Economic Community Agreement.

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	2022/2023		2023/2024		2024/2025	
	Jan 2023		Jan 2024		Jan 2025	
Thailand	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	11072	11072	10650	10580	10700	10630
Beginning Stocks (1000 MT)	4126	4126	3949	3522	2349	1218
Milled Production (1000 MT)	20909	20909	20000	19696	20100	20018
Rough Production (1000 MT)	31680	31680	30303	29842	30455	30330
Milling Rate (.9999) (1000 MT)	6600	6600	6600	6600	6600	6600
MY Imports (1000 MT)	50	50	100	100	100	100
TY Imports (1000 MT)	50	50	100	100	100	100
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	25085	25085	24049	23318	22549	21336
MY Exports (1000 MT)	8736	8763	9300	9200	7500	7500
TY Exports (1000 MT)	8736	8763	9300	9200	7500	7500
Consumption and Residual (1000 MT)	12400	12800	12400	12900	12400	12900
Ending Stocks (1000 MT)	3949	3522	2349	1218	2649	936
Total Distribution (1000 MT)	25085	25085	24049	23318	22549	21336
Yield (Rough) (MT/HA)	2.8613	2.8613	2.8454	2.8206	2.8463	2.8532
(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 2024/2025 = January 2025 - December 2025						

Table 2: Thailand's Rice Production by Crop

	2022/2023			2023/2024			2024/2025		
	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total
Area (Million Hectares)									
Cultivation	9.370	2.127	11.497	9.400	1.765	11.165	9.337	1.870	11.207
Harvest	8.995	2.077	11.072	8.890	1.690	10.580	8.880	1.750	10.630
Production (Million Tons)									
Rough	23.448	8.233	31.681	23.142	6.700	29.842	23.130	7.200	30.330
Rice	15.476	5.434	20.909	15.274	4.422	19.696	15.266	4.752	20.018
Yield (Ton/Hectare)	2.607	3.964	2.861	2.603	3.964	2.821	2.605	4.114	2.853

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

Corn Market Year Begins Thailand	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	1180	1180	1220	1220	1230	1230
Beginning Stocks (1000 MT)	336	336	391	440	474	606
Production (1000 MT)	5200	5350	5300	5300	5400	5400
MY Imports (1000 MT)	1194	1194	1716	1716	1800	1500
TY Imports (1000 MT)	1346	1346	2018	1700	1800	1500
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	6730	6880	7407	7456	7674	7506
MY Exports (1000 MT)	39	40	33	50	50	50
TY Exports (1000 MT)	38	40	31	50	50	50
Feed and Residual (1000 MT)	6200	6300	6800	6700	7100	6700
FSI Consumption (1000 MT)	100	100	100	100	100	100
Total Consumption (1000 MT)	6300	6400	6900	6800	7200	6800
Ending Stocks (1000 MT)	391	440	474	606	424	656
Total Distribution (1000 MT)	6730	6880	7407	7456	7674	7506
Yield (MT/HA)	4.4068	4.5339	4.3443	4.3443	4.3902	4.3902

(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 2024/2025 = October 2024 - September 2025

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

Wheat Market Year Begins Thailand	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	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)	366	366	546	746	578	862
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	3163	3163	3316	3316	3600	3200
TY Imports (1000 MT)	3163	3163	3316	3316	3600	3200
TY Imp. from U.S. (1000 MT)	586	585	572	0	0	0
Total Supply (1000 MT)	3529	3529	3862	4062	4178	4062
MY Exports (1000 MT)	333	333	334	300	340	300
TY Exports (1000 MT)	333	333	334	300	340	300
Feed and Residual (1000 MT)	1350	1200	1600	1600	1900	1800
FSI Consumption (1000 MT)	1300	1250	1350	1300	1400	1300
Total Consumption (1000 MT)	2650	2450	2950	2900	3300	3100
Ending Stocks (1000 MT)	546	746	578	862	538	662
Total Distribution (1000 MT)	3529	3529	3862	4062	4178	4062
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 2024/2025 = July 2024 - June 2025

Attachments:

No Attachments