

Required Report: Required - Public Distribution

Date: October 01, 2026

Report Number: TH2026-0034

Report Name: Grain and Feed Monthly

Country: Thailand

Post: Bangkok

Report Category: Grain and Feed

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Report Highlights:

Thai rice prices rose into early September on steady buying from ASEAN markets, particularly the Philippines and Malaysia, which are stocking up ahead of El Niño. Shipments have picked up since late August, and the Department of Foreign Trade expects El Niño-driven demand to continue. The main concern now is water for the off-season crop. The government plans to enlarge its strategic rice reserve and says it sees no risk of a domestic rice shortage.

Market Update

Thai export prices rose from mid-August to early September and eased in the second half of the month (Table 1.1). Two factors drove the increase. First, exporters secured rice to fill Philippine and Malaysian orders. The Thai Rice Exporters Association (TREA) reported that both countries had stepped up purchases to build reserves against El Niño. TREA also reported that many exporters had signed forward contracts near \$400/MT and then had to buy rice at higher domestic prices. Data from the Department of Foreign Trade (DFT), Ministry of Commerce (MOC), show that Thai rice exports to the Philippines more than doubled in the first half of 2026, rising 110 percent to 295,939 MT. Second, the Rice Exporters Association of India warned that a weak monsoon could reduce Indian output, raise Indian domestic prices, and make Indian exports less competitive. DFT's September outlook indicates that the underlying demand remains in place, because the risk of El Niño drought continues to lead importing countries to consider additional rice purchases for food security.

Prices for individual grades followed their own markets. DFT reported that South Africa, Thailand's largest parboiled buyer, increased its imports of Thai parboiled rice this year. White rice 25 percent grade gave back most of its gains and fell to \$422/MT, because Indian, Pakistani, and Vietnamese white rice 25 percent grade sold for \$22–75/MT less than the Thai grade (Table 1.1). TREA president stated that Thai fragrant rice (Thai Hom Mali) prices stay high because of higher input and labor costs, lower yields, shipping costs, and millers' inventory practices. Thai authorities expect the MY 2026/27 fragrant rice crop to reach the market mainly in November, so buyers will depend on the remaining 2025/26 stocks until then.

Weekly export data show momentum building from late August (Table 1.2) after volatility earlier in the month. Shipments fell to 85,000 MT in the week ending August 2 and 93,000 MT in the week ending August 16, then exceeded 130,000 MT for five consecutive weeks from August 23 to September 20. The four-week average rose from 98,000 MT in early August to 136,000 MT, the highest level this year, and the cumulative deficit against 2025 narrowed from 19.9 percent in late August to 18.7 percent at September 20. TREA links the stronger shipments to Asian buyers who increased purchases to make up for Thailand's lost Middle Eastern sales. DFT expects this demand to continue. DFT also expects Vietnam to put domestic supply first, which gives Thai exporters room to win buyers who value quality and reliable delivery.

The main production risk now falls on MY 2026/27 off-season crop, which relies on irrigation. The Royal Irrigation Department (RID) expects El Niño to reach very strong intensity from November 2026 to January 2027 and has instructed dam operators to store as much water as possible.

The Department of Internal Trade (DIT) announced on September 24 that it plans to increase the volume of rice in the reserve by 30 percent and the volume of crude palm oil by 20 percent. The DIT Director-General explained that global rice stocks have increased but prices have not declined, and that the larger reserve will strengthen food security and give the government a market-stabilization tool against El Niño drought. He said Thailand faces no risk of a rice shortage and does not expect retail rice prices to rise significantly. DIT also named corn and cassava, which Thailand partly imports, as commodities that need close price monitoring.

Table 1.1: Average Export Prices (FOB) for Various Grades of Thai Rice (\$/MT)

Grade	Aug 18	Aug 25	Sep 1	Sep 8	Sep 15	Sep 22
F WR 100 B	1,135	1,136	1,122	1,114	1,131	1,149
WR 100 B	455	467	475	490	488	479
PB 100%	443	453	461	478	477	474
PB 5%	436	447	454	471	471	467
WR 5%	435	447	454	470	467	458
WR 25%	412	422	424	438	435	422
Exchange rate \$1=	32.88	32.56	33.02	32.7	33.07	33.08

Sources: Average actual prices as shared by exporters. Exchange rate: Bangkok of Thailand

Table 1.2. Thailand: Weekly Rice Exports (Excluding Hom Mali Fragrant Rice)

Week Ending	Quantity	4-WK AVG	Year to Date	Same Period 1 Year Ago	% Change from Last Year
	<i>Thousand Metric Tons</i>				<i>(%)</i>
Jul 19, 2026	96	108	2,708	3,381	(19.9)
Jul 26, 2026	117	107	2,825	3,509	(19.5)
Aug 2, 2026	85	98	2,911	3,611	(19.4)
Aug 9, 2026	103	100	3,014	3,736	(19.3)
Aug 16, 2026	93	99	3,107	3,862	(19.5)
Aug 23, 2026	132	104	3,239	4,042	(19.9)
Aug 30, 2026	137	116	3,376	4,207	(19.7)
Sep 6, 2026	139	125	3,515	4,349	(19.2)
Sep 13, 2026	136	136	3,651	4,493	(18.7)
Sep 20, 2026	134	136	3,785	4,658	(18.7)

Note on data: Export figures since March 22, 2002, do not include fragrant rice. In addition, between May 1, 2013, and December 18, 2016, the Ministry of Commerce's Office of Commodity Standards took over reporting authority for rice exports and at that time the export data did not include 25% -100% grade white rice exports. Prior to May 1, 2013, and since December 18, 2016, the Thai Board of Trade has reported rice export data, which includes 25%-100% grade white rice. The reader should bear in mind these differences when comparing historical data with current data.

Source: Board of Trade of Thailand

Attachments:

No Attachments