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Report Name: Grain and Feed Update

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Post: Bangkok

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Report Highlights:

MY2023/24 rice and corn production forecasts remain unchanged. MY2023/24 wheat imports are revised up to 3.0 MMT.

Executive summary

FAS Bangkok (Post's) forecast for marketing year (MY) 2023/24 rice production remains unchanged at 19.9 million metric tons (MMT), a 5 percent reduction from MY2022/23 due to reduced water availability during MY2023/24 off-season rice production. Post revised MY2022/2023 rice exports up to 8.8 MMT, a 14 percent jump from MY2021/2022 as exportable supplies of major rice exporting countries, particularly India, tightened.

Post forecasts MY2023/24 corn production to marginally increase from MY2022/23 to 5.4 MMT as farmers expanded corn planted acreage in response to attractive farm-gate prices. Post revised up the MY 2023/24 forecast for wheat imports to 3.0 MMT to reflect the higher than previously expected domestic demand for milling wheat and feed wheat in the first five months of MY2023/24.

1. Rice

According to the Ministry of Agriculture and Cooperatives (MOAC) January 10, 2024, crop report, MY2023/24 off-season rice planting between November 2023 and January 2024 totaled 6.7 million rai (1.08 million hectares; Table 1.1), up 4 percent from the same period last year due to attractive farm-gate prices. In the first two weeks of January 2024, farm-gate prices of paddy rice were 5-16 percent higher than the same period last year, particularly for white paddy rice (Figure 1.1). The Thai Meteorological Department (TMD) reported that the cumulative rainfall during the rainy season in 2023 between May-August was 18 percent below normal, especially in the central plains, the northern, and the eastern regions (Figure 1.2). However, the northern and the northeastern regions benefited from the September-October 2023 monsoon (Figure 1.3). The rainfall improved soil conditions for rice planting and increased reservoir levels for dry season management, especially MY2023/24 off-season rice production.

Post forecasts MY2023/24 off-season rice planting area and production will decrease (Figures 1.4 and 1.5) in response to a reduced water supply. The Royal Irrigation Department (RID) reported, as of January 9, 2024, that the water reservoirs in the Northern region and the Central Plains held 10,187 million cubic meters or 20 percent less water than during the same period in 2023 (Figure 1.3). Post forecasts MY2023/24 rice production at 19.9 MMT, a 5 percent drop from MY2022/23. May-September 2023 dry spells and June-December 2023 floods damaged approximately 2 percent (1.4 million rai or 224,000 hectares) of the total MY2023/24 main-crop rice acreage, as of January 17, 2024.

Table 1.1 Off-Season Rice Planting Progress (as of January 10, 2024)

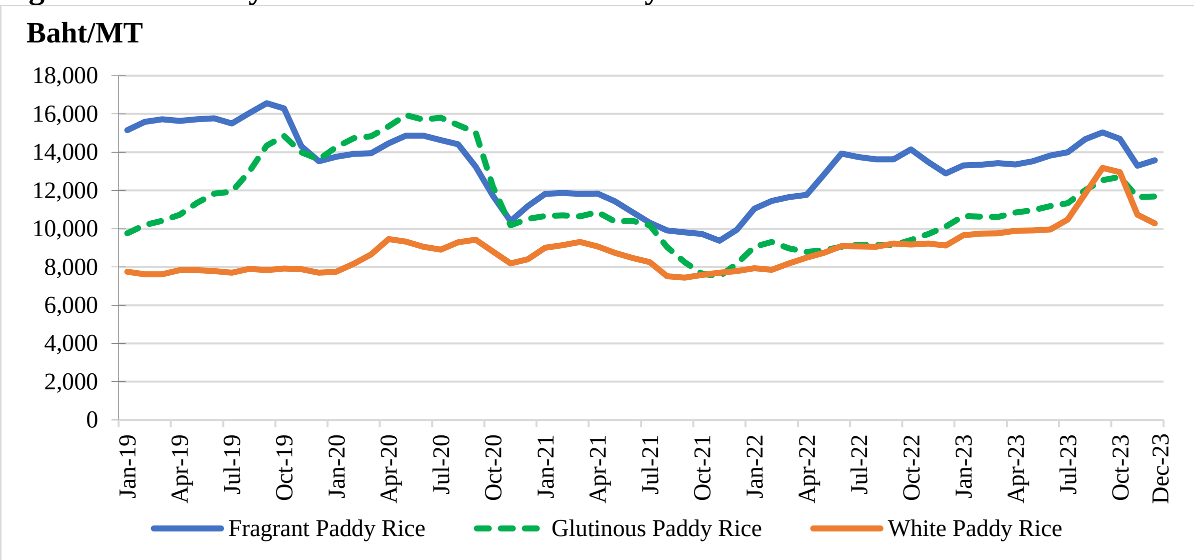
Unit: Million Hectare

Off-Season Rice	MY2021/22	MY2022/23	MY2023/24	
			Forecast[1/] (January 2024)	Planting Progress[2/] (as of January 10, 2024)
Irrigated Areas	1.262	1.6704	1.307	1.077
Non-Irrigated Areas	0.483	0.4768	0.499	0.179
Total Planted Areas	**1.746**	**2.1472**	**1.806**	**1.256**

Sources: Ministry of Agriculture and Cooperatives (MOAC) and [1/]Post's projections

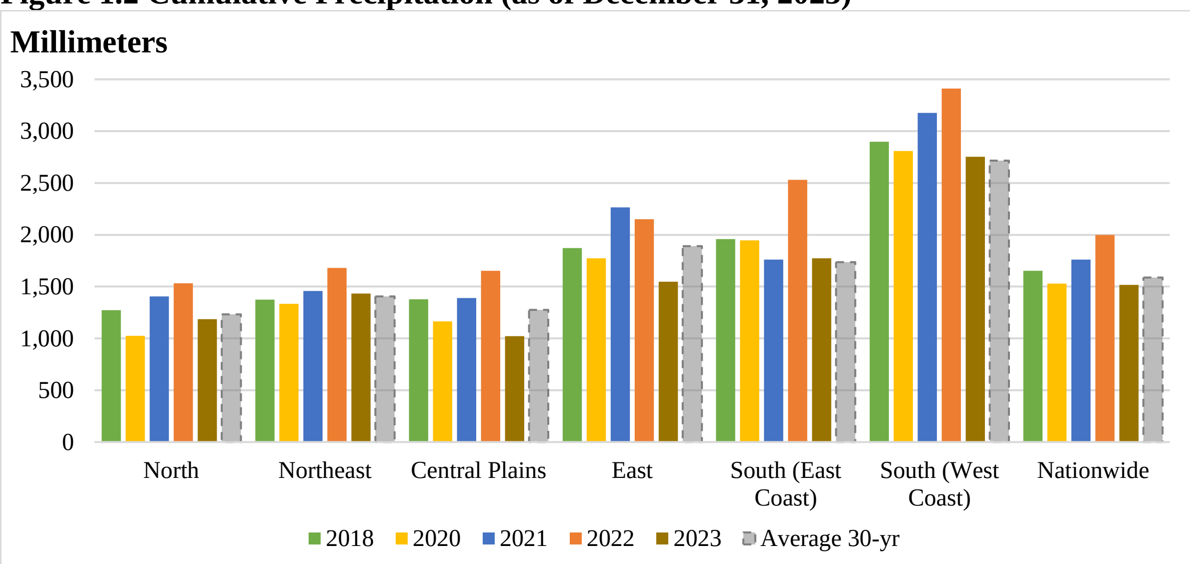
Note: [2/] Planting progress reported by MOAC

Figure 1.1 Monthly Farm-Gate Prices for Paddy Rice Between 2019-2023



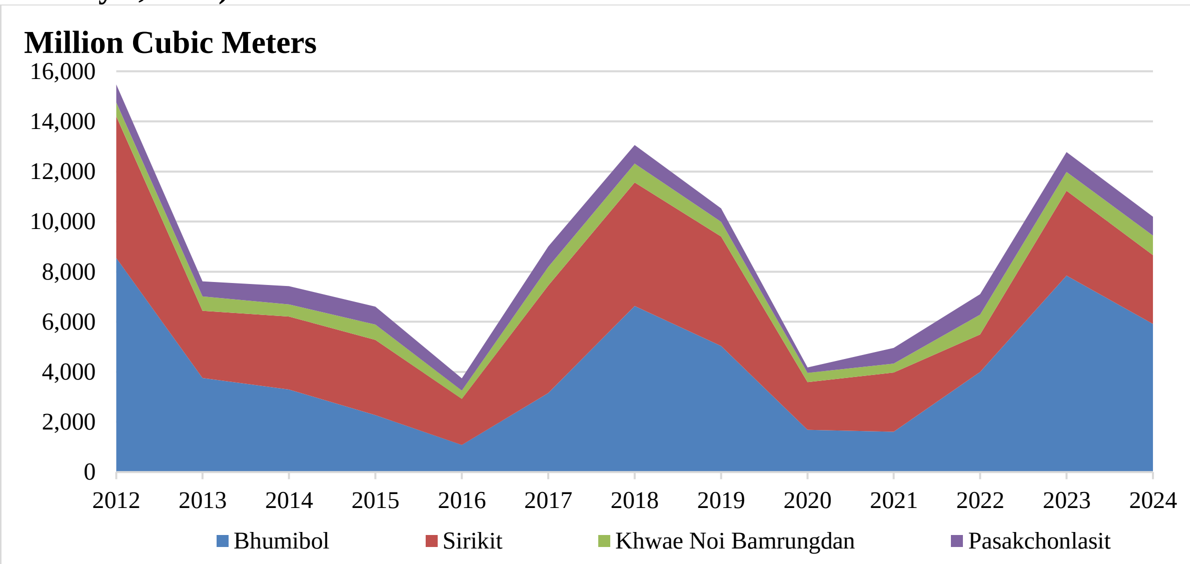
Source: Office of Agricultural Economics, MOAC
Note: The average exchange rate in December 2023 was $1=34.81 Thai baht (Bank of Thailand)

Figure 1.2 Cumulative Precipitation (as of December 31, 2023)



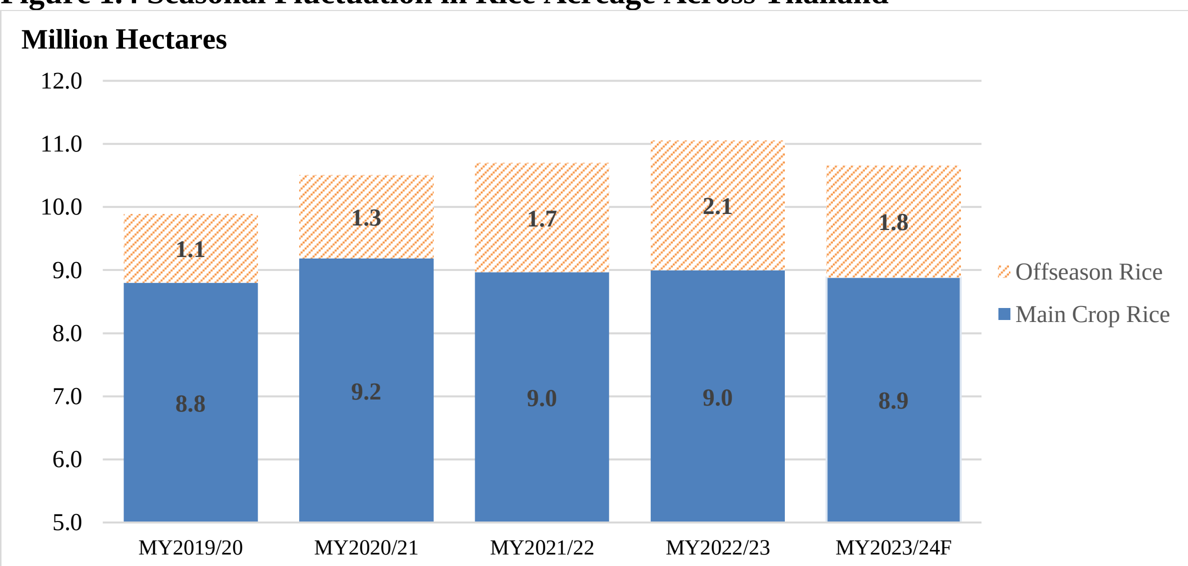
Source: Thai Meteorological Department

Figure 1.3 Water Levels in Major Reservoirs in the Northern Region and the Central Plains (as of January 9, 2024)



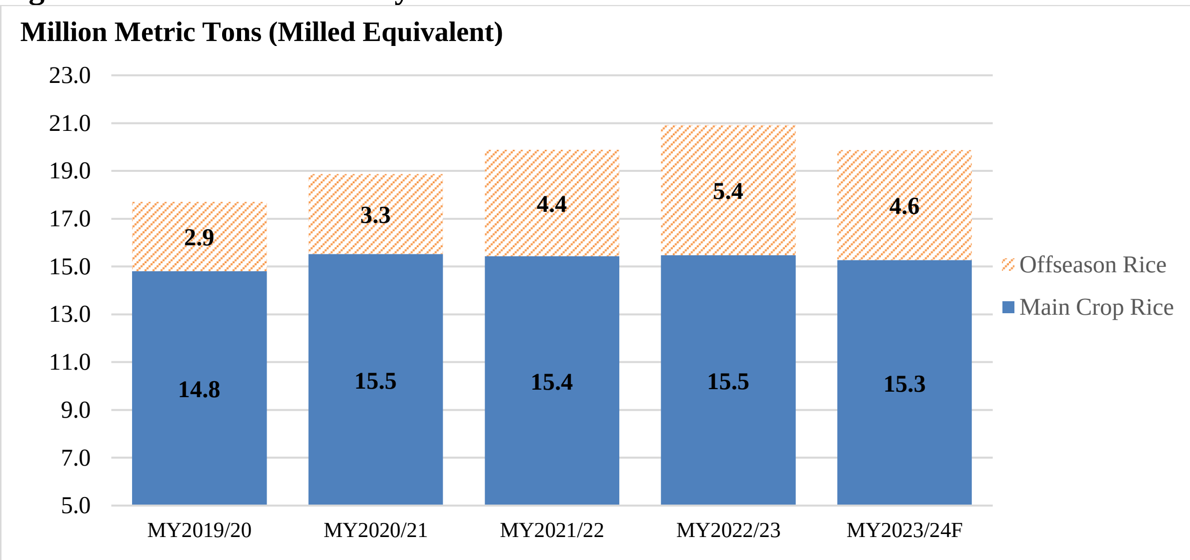
Sources: Royal Irrigation Department, MOAC
Note: Irrigated rice planting areas are primarily located in the northern region and central plains.

Figure 1.4 Seasonal Fluctuation in Rice Acreage Across Thailand



Sources: MOAC's Office of Agricultural Economics and Post's projections.
Note: The main rice season for Northern, Northeastern and Central Plains in Thailand is May through October. The off-season, which corresponds to the dry season, is November to April.

Figure 1.5 Rice Production by Season



Sources: MOAC's Office of Agricultural Economics and Post's projections.
Note: The main rice season for Northern Thailand (the top rice-producing part of the country) is May through October. The off-season, which corresponds to the dry season, is November to April.

Thailand's January-November 2023 rice exports totaled 7.95 MMT and far exceeded Thailand's total 2022 rice exports of 7.69 MMT (Table 1.2). Strong supply and competitive prices of Thai rice following the depreciation of the Thai baht against the dollar boosted global demand for Thai rice. Export prices for Thai white rice were $50/MT to $87/MT below Vietnamese prices, especially between October and November 2023 (Figure 1.6). Between January and November 2023, Thai rice exports to Indonesia increased more than 10 times to 1.3 MMT, and exports to Ghana and Singapore increased by 60 and 40 percent, respectively. White rice exports, accounting for 63 percent of Thailand's total rice exports, grew by 26 percent compared to the same period in 2022. Fragrant rice exports also jumped 8 percent from the same period in the previous year. The United States, Hong Kong, and Canada were the main markets for Thailand's fragrant rice exports. Nonetheless, Thai rice exporters express concerns about the exchange rate volatility and protracted geopolitical conflicts, which impact the trading environment and economies of trading partners.

Post adjusted Thailand's MY2022/23 rice export estimate to 8.8 MMT, reflecting the official data from the Thai Customs Department. The updated number represents a 14 percent jump from MY2021/22 as global demand, primarily for white rice, surged, in part spurred by India's export restrictions on white and brown rice since September 2022.

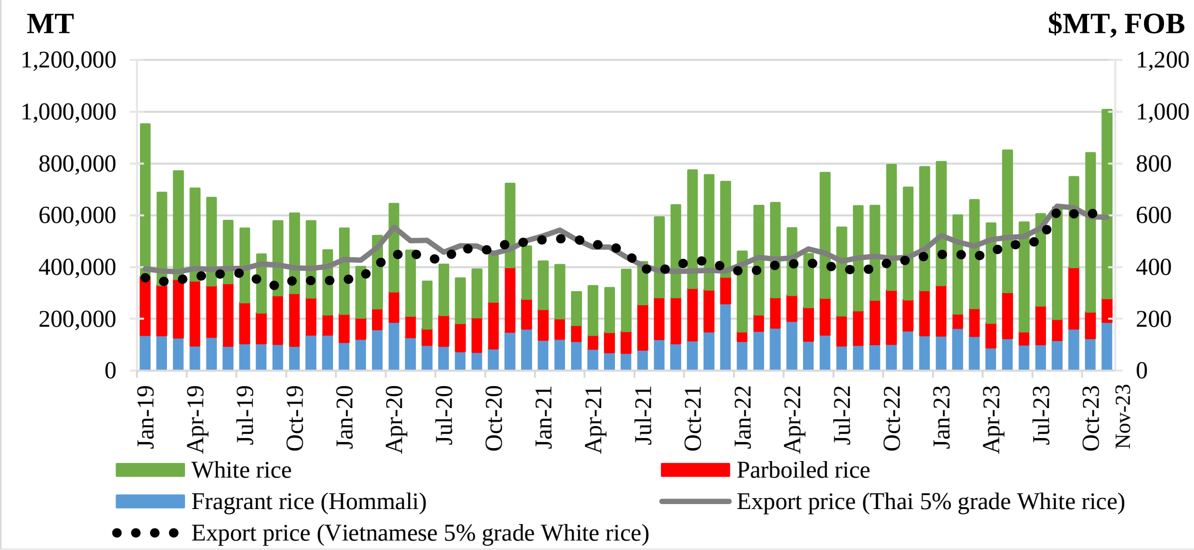
Post's forecast for Thailand's MY2023/24 rice exports to remain unchanged at 8.0 MMT, 4 percent above the 5-year average of 7.7 MMT and 9 percent below MY2022/23, in anticipation of more exportable rice supplies in Vietnam and Cambodia.

Table 1.2 Thai Rice Exports by Varieties
Unit: Metric Tons (MT)

Rice Variety	2019	2020	2021	2022	% Change 21 vs 22	January – November 2022	January – November 2023	% Change 22 vs 23
White Rice	3,209,715	2,015,246	2,498,142	3,785,902	51.5	3,988,971	5,038,729	26.3
Parboiled Rice	2,229,545	1,419,345	1,502,968	1,511,058	0.5	1,436,391	1,344,998	-6.4
Fragrant Rice	1,925,746	2,022,879	1,984,470	2,048,151	3.2	1,336,937	1,444,841	8.1
Glutinous Rice	215,421	276,568	311,101	350,226	12.6	145,462	117,160	-19.5
Total	**7,580,427**	**5,734,038**	**6,296,681**	**7,695,325**	22.2	**6,907,761**	**7,945,728**	15.0

Source: Ministry of Commerce

Figure 1.6 Monthly Thai Rice Exports and Prices in 2019-2023

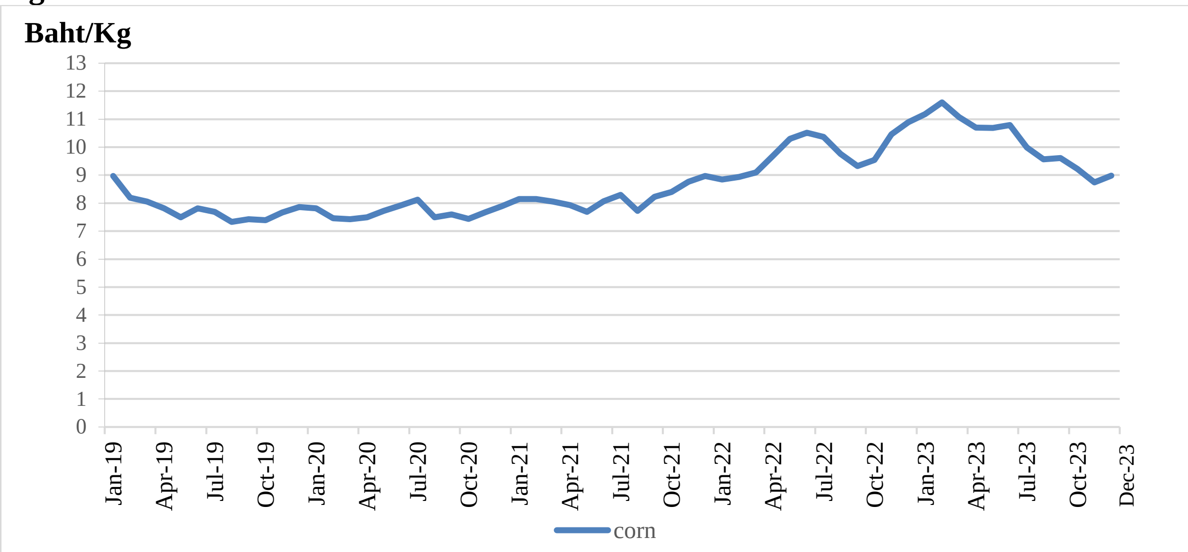


Sources: Thai Customs Department, Ministry of Finance and Thai Chamber of Commerce

2. Corn

Post's forecast of MY2023/24 corn production remains unchanged at 5.4 MMT, a one percent increase from MY2022/23 due to acreage expansion for off-season corn, following attractive farm-gate prices (Figure 2.1). Average farm-gate prices of corn between January and December 2023 were around 10.18 baht per kilogram ($292/MT), up 4 percent from the same period last year and well above the five-year average farm-gate prices. Imported corn remained strong in the first five months of MY2023/24 and well above the same period in the previous year totaling 0.326 MMT, due to increased imports of duty-free corn from Burma between February 1 and August 31, 2023, benefiting from ASEAN Free Trade Area (AFTA). From February through August, corn from Burma can enter Thailand duty-free and accounts for over 90 percent of Thailand's total corn imports. Nevertheless, the ongoing unrest in Burma has the potential to impact transborder transportation and the competitiveness of Burmese corn exports to Thailand relative to other corn suppliers.

Figure 2.1 Farm-Gate Prices of Corn in 2019-2023



Source: Office of Agricultural Economics, MOAC

3. Wheat

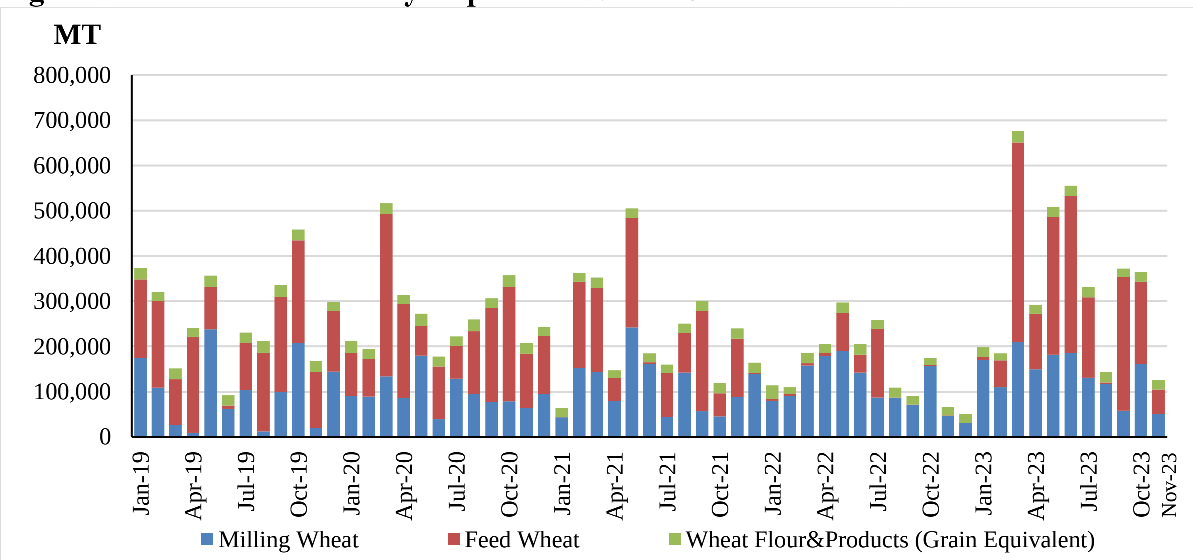
Post revised up the MY2023/24 forecast for wheat imports to 3.0 MMT to match the 5-year average for wheat imports. The MY2023/24 projection is 5 percent below the MY 2022/23 estimate as the upturn in demand for feed wheat imports will not offset a slow recovery in the milling wheat demand.

Wheat imports in the first five months of MY2023/24 totaled 1.34 MMT, up 92 percent from the same period last year (Figure 3.1), mainly due to the increase in feed wheat and milling wheat import demand. Feed wheat imports in the first five months of MY2023/24 totaled 0.713 MMT, up significantly from the same period last year as livestock production recovered and feed wheat prices were more competitive than other imported feed grains. The average price of imported feed wheat in the first five months of MY2023/24 was 10,984 baht/MT ($315/MT), down 25 percent from the same period last year. Industry sources reported feed mills shifted to feed wheat for poultry and swine feed rations in response to high corn prices, following tight global corn supplies. The Poultry Promotion Association of Thailand reported that Thailand’s 2023 chicken meat exports increased 6 percent from the previous year, indicating an increased demand for raw animal feed ingredients, particularly feed wheat. Poultry production and swine production account for respectively 56 and 27 percent of Thailand’s total animal feed demand.

Milling wheat imports in the first five months of MY2023/24 totaled 0.502 MMT, up 29 percent from the same period last year, as the tourism sector continues to recover after the pandemic. The Tourism Authority of Thailand (TAT) estimated the number of foreign tourists totaled 25 million in 2023. In 2024, TAT projects Thailand will receive 31.5 million tourists, of which around 8 million will be from China, 2 percent less than in 2019 when 11 million Chinese tourists visited. The Bank of Thailand revised its economic outlook to a 1.8 percent economic growth in 2023, compared to 2.6 percent in 2022, and projects the economy to grow by 4.4 percent in 2024.

Imports of wheat flour and products increased to 0.106 MMT in the first five months of MY2023/24. The Office of Industrial Economics (OIE) reported that production and consumption of instant noodles and bakery products in the first five months of MY2023/24 dropped one percent compared to 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	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jan 2022		Jan 2023		Jan 2024	
Thailand	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	10702	10702	11072	11072	10650	10652
Beginning Stocks (1000 MT)	4380	4380	4126	3812	3885	3071
Milled Production (1000 MT)	19878	19878	20909	20909	20000	19865
Rough Production (1000 MT)	30118	30118	31680	31680	30303	30098
Milling Rate (.9999) (1000 MT)	6600	6600	6600	6600	6600	6600
MY Imports (1000 MT)	50	50	50	50	50	150
TY Imports (1000 MT)	50	50	50	50	50	150
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	24308	24308	25085	24771	23935	23086
MY Exports (1000 MT)	7682	7696	8700	8800	8200	8000
TY Exports (1000 MT)	7682	7696	8700	8800	8200	8000
Consumption and Residual (1000 MT)	12500	12800	12500	12900	12500	12900
Ending Stocks (1000 MT)	4126	3812	3885	3071	3235	2186
Total Distribution (1000 MT)	24308	24308	25085	24771	23935	23086
Yield (Rough) (MT/HA)	2.8142	2.8142	2.8613	2.8613	2.8454	2.8256

(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 2023/2024 = January 2024 - December 2024

Table 2. Thailand's Rice Production by Crop

	2021/2022			2022/2023			2023/2024		
	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total
Area (Million Hectares)									
Cultivation	9.370	1.754	11.124	9.370	2.127	11.497	9.400	1.765	11.165
Harvest	8.966	1.736	10.702	8.995	2.077	11.072	8.890	1.762	10.652
Production (Million Tons)									
Rough	23.389	6.730	30.118	23.448	8.233	31.681	23.142	6.957	30.099
Rice	15.437	4.442	19.878	15.476	5.434	20.909	15.274	4.592	19.865
Yield (Ton/Hectare)	2.609	3.877	2.814	2.607	3.964	2.861	2.603	3.948	2.826

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

Corn	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jul 2021		Jul 2022		Jul 2023	
Thailand	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Harvested (1000 HA)	1200	1200	1180	1180	1250	1250
Beginning Stocks (1000 MT)	740	740	336	843	391	673
Production (1000 MT)	5300	5300	5200	5350	5400	5400
MY Imports (1000 MT)	1512	1519	1194	1220	1800	1500
TY Imports (1000 MT)	1480	1500	1346	1220	1800	1500
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	7552	7559	6730	7413	7591	7573
MY Exports (1000 MT)	116	116	39	40	100	100
TY Exports (1000 MT)	116	116	38	40	100	100
Feed and Residual (1000 MT)	7000	6500	6200	6600	6900	6800
FSI Consumption (1000 MT)	100	100	100	100	100	100
Total Consumption (1000 MT)	7100	6600	6300	6700	7000	6900
Ending Stocks (1000 MT)	336	843	391	673	491	573
Total Distribution (1000 MT)	7552	7559	6730	7413	7591	7573
Yield (MT/HA)	4.4167	4.4167	4.4068	4.5339	4.32	4.32

(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 2023/2024 = October 2023 - September 2024

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

Wheat	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jul 2021		Jul 2022		Jul 2023	
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)	789	789	366	456	746	886
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	2351	2351	3163	3163	2700	3000
TY Imports (1000 MT)	2351	2351	3163	3163	2700	3000
TY Imp. from U.S. (1000 MT)	527	526	585	562	0	500
Total Supply (1000 MT)	3140	3140	3529	3619	3446	3886
MY Exports (1000 MT)	324	324	333	333	300	300
TY Exports (1000 MT)	324	324	333	333	300	300
Feed and Residual (1000 MT)	1200	1100	1200	1100	1250	1300
FSI Consumption (1000 MT)	1250	1260	1250	1300	1300	1300
Total Consumption (1000 MT)	2450	2360	2450	2400	2550	2600
Ending Stocks (1000 MT)	366	456	746	886	596	986
Total Distribution (1000 MT)	3140	3140	3529	3619	3446	3886
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 2023/2024 = July 2023 - June 2024						

Attachments:

No Attachments