

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Thailand

Grain and Feed Update

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Approved By:

Paul Welcher, Agricultural Attaché

Prepared By:

Ponnarong Prasertsri, Agricultural Specialist

Report Highlights:

MY2018/19 rice production is revised down due to limited water supplies for off-season rice cultivation in the northeastern region. Farmers have shifted some off-season cultivation from rice to corn as corn prices are also attractive and the government will provide financial support for MY2018/19 off-season corn cultivation.

Post:
Bangkok

Executive Summary:

MY2018/19 rice production is revised down to 20.7 million metric tons due to reduced off-season rice acreage in the northeastern region as some farmers have shifted to off-season corn cultivation. However, rice production is still around 2 percent higher than MY2017/18 as increased off-season rice acreage in the northern region and the central plains will more than offset the reduced acreage in the northeastern region. Rice exports in 2018 are revised up to around 10.8 million metric tons. This is still a 7 percent reduction from 2017 due to reduced exports of fragrant and parboiled rice which more than offset increased exports of white rice.

MY2018/19 corn production is revised up to 5.3 million metric tons, up 6 percent from MY2017/18 due to expanded off-season corn acreage driven by attractive prices and government financial support. The acreage for off-season corn is higher than previously expected, particularly in the northeastern region, due to limited water supplies for MY2018/19 off-season rice cultivation.

Post's forecast for wheat remain unchanged.

1. Rice

1.1 Rice Production

MY2018/19 rice production is revised down to 20.7 million metric tons due to lower than expected off-season rice acreage caused by limited water supplies in the northeastern region. However, this is still a 2 percent increase from MY2017/18 (Table 1 and 2) as the reduced off-season rice production in the northeastern region is expected to be more than offset by increased off-season rice production in the northern region and the central plains, driven by attractive prices. The northeastern region of Thailand accounts for only around 10 percent of total off-season rice production. White paddy rice prices are still high at 7,970 baht per metric ton (U.S. \$242/MT, Figure 1.1). As of November 23, 2019, water supplies for irrigation in the northern region and central plains during the dry season (November 2018 – April 2019) totaled 12.6 billion cubic meters (Figure 1.3). This is 11 percent lower than the previous year as the precipitation in 2018 was 10-20 percent lower than precipitation in 2017. However, water supply levels remain higher than the critically low levels experienced in 2016 as precipitation in 2018 was close to average (Figure 1.2). As a result, the Royal Irrigation Department (RID) is expected to continue to provide irrigation for MY2018/19 off-season rice production in major rice growing area in the northern region and the central plains. Meanwhile, the RID will likely limit water supplies for off-season rice cultivation in the northeastern region as water supplies in major reservoirs for this region are presently 48 percent lower than the previous year's levels due to unusually low rainfall, particularly in lower part of the northeastern region.

Figure 1.1: Monthly Farm-gate Prices of Paddy Rice

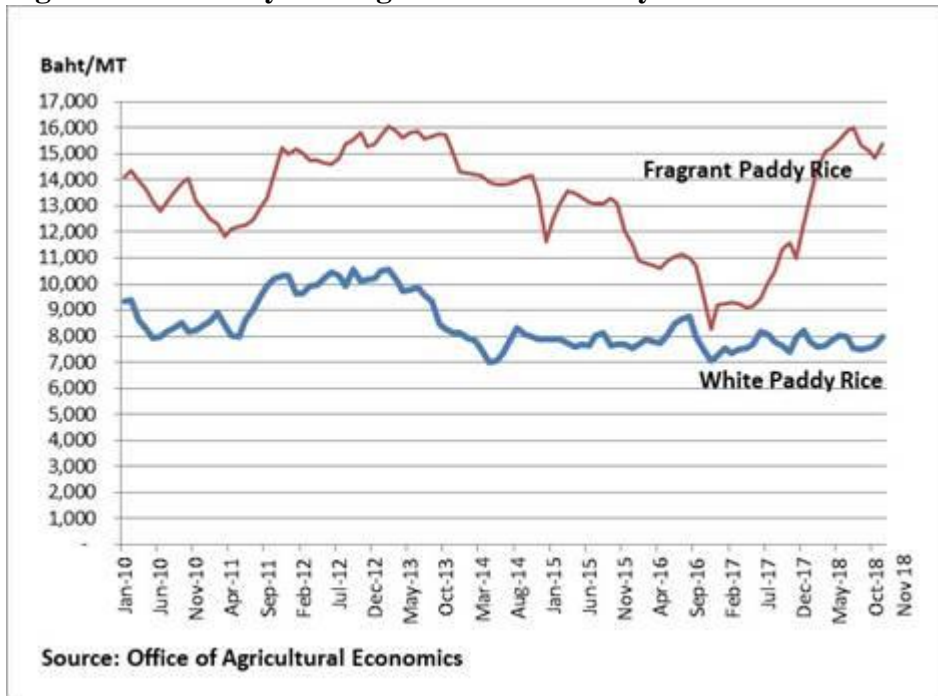


Figure 1.2 Water Available for Irrigation for Off-Season Crops

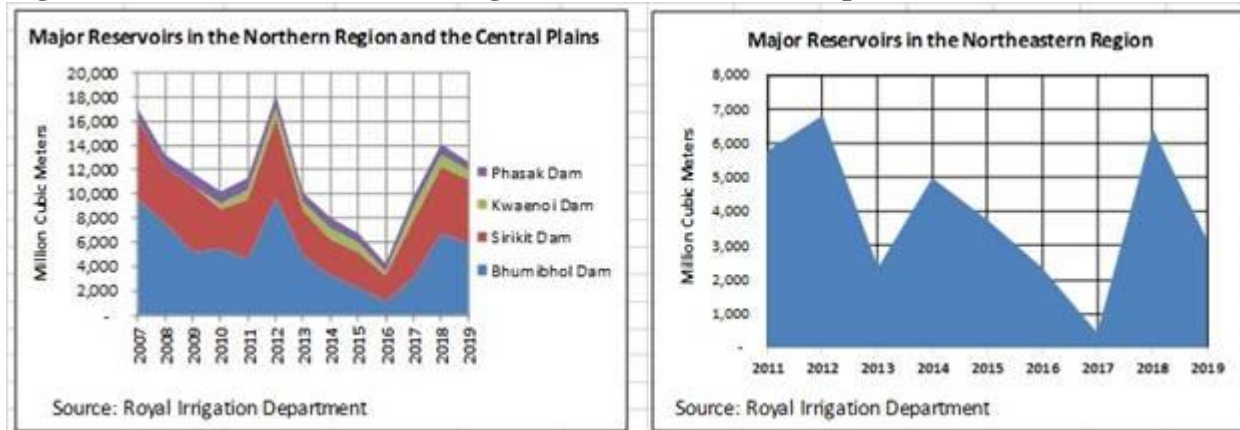
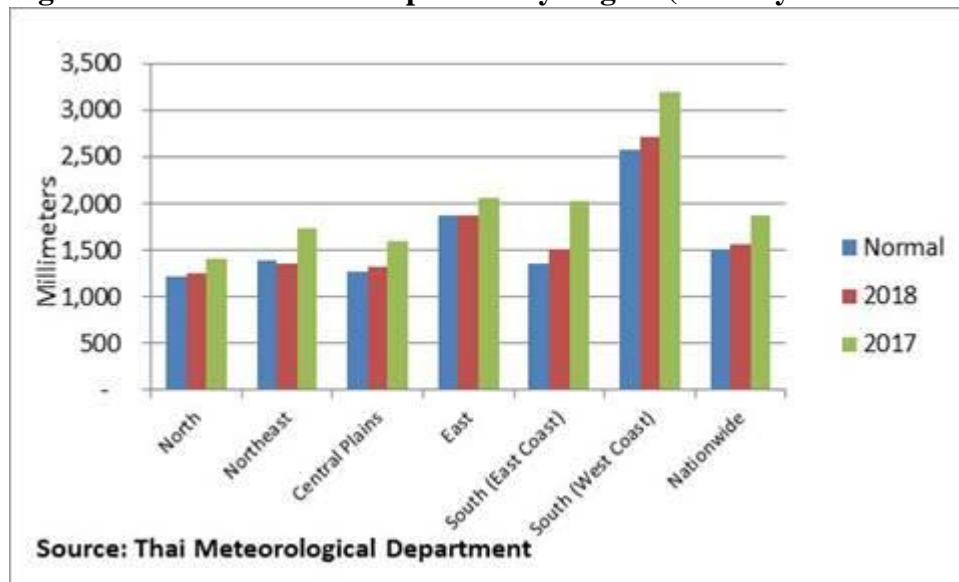


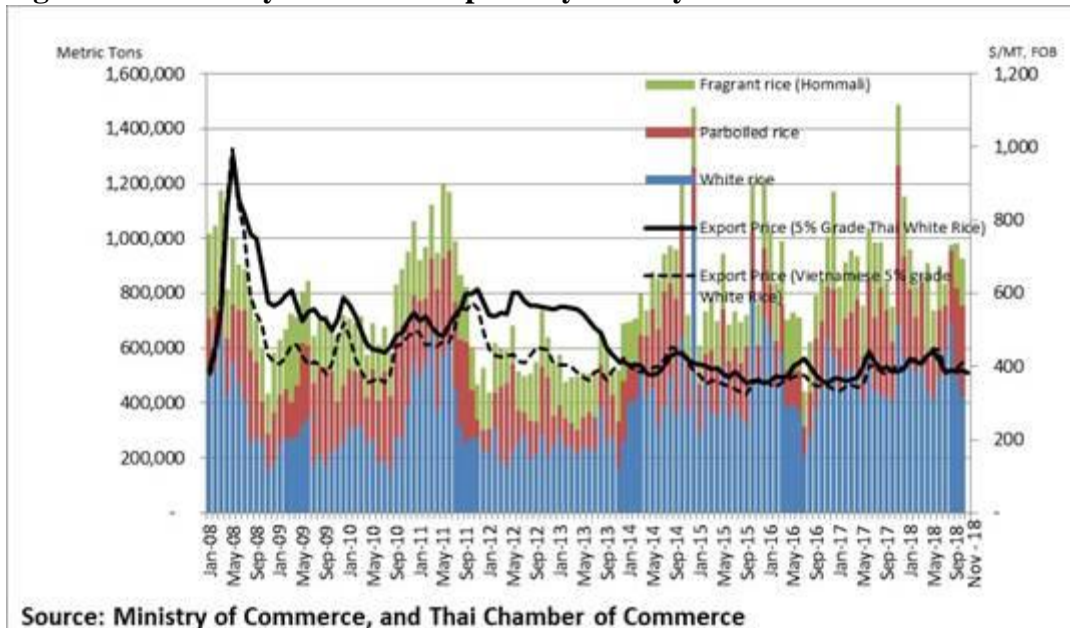
Figure 1.3: Cumulative Precipitation by Region (January 1 – November 18, 2018)



1.2 Trade

Post's forecast for rice exports in 2018 is revised up to 10.8 million metric tons due to larger than expected white rice exports. However, this is still a 7 percent reduction from 2017 due to reduced exports of fragrant and parboiled rice which more than offset increased exports of white rice. According to the Thai Customs Department, rice exports during January – October 2018 totaled 9 million metric tons, up approximately 1 percent from the same period last year. White rice exports totaled approximately 5.2 million metric tons, up 16 percent from the same period last year as Thai rice prices were more competitive than Vietnamese rice, particularly for sub-standard white rice exports to African market. Export prices of 5% grade Thai white rice have been approximately U.S. \$20-30/MT lower than Vietnamese rice for several months since June 2018 (Figure 1.4) partly due to the sale of the remaining low-quality government rice stocks in the third quarter of 2018 (details on the sale of government rice stocks can be found in [TH8140: Grain and Feed Update, October 2018](#)). Meanwhile, fragrant and parboiled rice exports have respectively declined 17 and 13 percent from 2017 due to tight exportable supplies after the sale of all the government food quality fragrant and white rice stocks in 2017.

Figure 1.4: Monthly Thai Rice Exports by Variety



2. Corn

MY2018/19 corn production is revised up to 5.3 million metric tons. This is a 6 percent increase from MY2017/18 due to expanded acreage of off-season corn driven by attractive farm-gate prices and government incentives. Presently, farm-gate prices of corn remain high at around 8.2 baht per kilogram (U.S. \$249/MT) in November 2018, up 34 percent from the same period last year (Figure 2.1). Additionally, the government will provide financial incentives for farmers that shift from MY2018/19 off-season rice cultivation to off-season corn cultivation. Farmers in targeted provinces that grow corn will receive a soft loan (a maximum of 30,000 baht (U.S. \$912) per household with 0.01% interest rate) from the Bank for Agriculture and Agricultural Cooperatives (BAAC). To finance the program, the BAAC will receive a 3.99% interest rate subsidy from the government. The Ministry of Agriculture and Cooperatives (MOAC) has revised the target for this program up to 2.8 million rai (0.4 million hectares) from 2.0 million rai (0.3 million hectares) as farmers in more provinces are now eligible to join. The MOAC reported that rice and corn farmers totaling around 1 million rai (160,000 hectares) are interested in participating in the MY2018/19 off-season corn extension program (as of November 22, 2018), of which around 726,020 rai (116,163 hectares) have already been planted. This is around 40 percent above normal for off-season corn acreage. The expanded acreage for off-season corn cultivation is higher than previously expected, particularly in the northeastern region. This is due to limited water supplies for MY2018/19 off-season rice cultivation as rice cultivation requires more water than corn cultivation.

Figure 2.1: Monthly Farm-gate Prices of Corn



Appendix Tables

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

Rice, Milled	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jan 2017		Jan 2018		Jan 2018	
Thailand	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	10247	10247	10684	10684	11140	10960
Beginning Stocks	8403	8403	4238	4175	2988	2445
Milled Production	19200	19200	20370	20370	21200	20715
Rough Production	29091	29091	30864	30864	32121	31386
Milling Rate (.9999)	6600	6600	6600	6600	6600	6600
MY Imports	250	200	250	200	250	200
TY Imports	250	200	250	200	250	200
TY Imp. from U.S.	4	0	0	0	0	0
Total Supply	27853	27803	24858	24745	24438	23360
MY Exports	11615	11628	10700	10800	11000	10000
TY Exports	11615	11628	10700	10800	11000	10000
Consumption and Residual	12000	12000	11170	11500	10200	11000
Ending Stocks	4238	4175	2988	2445	3238	2360
Total Distribution	27853	27803	24858	24745	24438	23360
Yield (Rough)	2.839	2.839	2.8888	2.8888	2.8834	2.8637

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

Table 2: Thailand's Rice Production by Crop

	2016/17			2017/18			2018/19		
	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total
Area									
(Million Hectares)									
Cultivation	8.745	1.900	10.645	9.000	2.000	11.000	9.230	2.050	11.280
Harvest	8.373	1.874	10.247	8.711	1.973	10.684	8.940	2.020	10.960
Production									
(Million Tons)									
Rough	20.909	8.182	29.091	22.227	8.637	30.864	22.606	8.780	31.386
Rice	13.800	5.400	19.200	14.670	5.700	20.370	14.920	5.795	20.715
Yield	2.497	4.366	2.839	2.552	4.377	2.888	2.529	4.347	2.864
(Ton/Hectare)									

Note: 1. Main crop rice is mostly cultivated during May - August and harvested during November - December.
2. Off-season rice is mostly cultivated during November - January and harvested during March - May.

Source: FAS Estimate

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

Corn	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jul 2016		Jul 2017		Jul 2018	
Thailand	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1168	1168	1124	1124	1150	1200
Beginning Stocks	172	172	143	167	144	190
Production	5200	5200	5000	5000	5130	5300
MY Imports	600	600	700	700	700	700
TY Imports	600	600	700	700	700	700
TY Imp. from U.S.	11	0	0	0	0	0
Total Supply	5972	5972	5843	5867	5974	6190
MY Exports	729	705	199	177	200	250
TY Exports	692	668	200	177	200	250
Feed and Residual	5000	5000	5400	5400	5500	5650
FSI Consumption	100	100	100	100	100	100
Total Consumption	5100	5100	5500	5500	5600	5750
Ending Stocks	143	167	144	190	174	190
Total Distribution	5972	5972	5843	5867	5974	6190
Yield	4.4521	4.4521	4.4484	4.4484	4.4609	4.4167

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

End of report.