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### Thai rice export target revised again



#### **Thailand expected to export 8.2 million tonnes of rice in 2024, valued at 191 billion baht**

The Thai Rice Exporters Association has revised its export target for the third time this year (as of July 31). It now expects to export 8.2 million tonnes of rice in 2024, valued at 191 billion baht.

The top exported type is white rice, at 5.3 million tonnes, followed by jasmine rice at 1.3 million tonnes, parboiled rice at 0.8 million tonnes, Thai fragrant rice at 0.5 million tonnes, and glutinous rice at 0.3 million tonnes.

Positive factors include continued demand for rice imports for consumption and stockpiling for food security in importing countries, coupled with India's ongoing policy to limit rice exports.

Sombat Chalermwutinan, chairman of Asia Golden Rice Co Ltd, the country's top rice exporter, said Thailand's rice export situation in 2024 remains robust. Notably, Indonesia's rice imports from the previous year have continued into this year, resulting in improved overall rice export prices in the first half of this year across all markets.

Thailand also benefited from India's restriction on white-rice exports. In the second half of the year, Indonesia is expected to continue importing rice, although possibly at a reduced intensity. Domestic rice prices may not be as favourable as in the first half, but compared with the past several years, they are still at a high level.

"If India resumes rice exports, it will likely cause global rice prices to drop," Sombat said. "We need to assess the situation again to determine if their exports will be unrestricted as in the past. If they control export quantities, global rice prices won't swing down significantly. It's hard to say at this point.

"As for Iraq, which will resume rice cultivation for the first time in two years, it may have some impact, but the cultivated area is expected to be small."

Sombat also said the government is fortunate, as India's export slowdown and Indonesia's increased imports help alleviate the government's burden and benefit Thailand in terms of both export volume and value.

However, high freight rates and a shortage of shipping containers remain significant obstacles, affecting exports into next year, especially for shipments to the Philippines.

The Philippines imports rice mainly from Vietnam and Thailand, but since it rarely sends outgoing goods to Thailand, shipping lines charge high freight rates.

Supachai Vorraapinyaporn, chairman of Tanasan Rice Co Ltd, a major rice exporter, said that Iraq, one of its main export markets, continues to import rice, albeit with minor issues. Iraq is expected to import a similar amount of rice from Thailand as last year (Thailand exported 1.85 million tonnes to Iraq in 2023).

Overall, Thai rice exports benefit from Indonesia's ongoing imports, driven by reduced domestic production due to unfavourable weather conditions, which pushed Indonesian rice prices up by nearly 12% in June.

"Recently BULOG, Indonesia's rice importing agency, announced a tender to purchase 320,000 tonnes of 5% white rice from Thailand, Vietnam, Myanmar, Cambodia and Pakistan (expected to have already purchased 1.7 million tonnes in previous tenders). The rice must be in the new crop year (2024), processed within six months, packed in 50-kilogramme bags, and delivered via break bulk shipping by August to September 2024," Supachai explained.

Currently, Thai 5% white rice averages US\$560 per tonne, while competitors (Vietnam) are around \$540 per tonne. Therefore, Thailand's chances in this tender are slim due to price competitiveness, with the lowest bidder likely to win.

The G2G (government-to-government) rice agreement between Thailand and Indonesia has been completed, and Supachai urges the government to renegotiate as Thailand's new crop rice is entering the market.

Charoen Laothamatas, president of the Thai Rice Exporters Association, said Thailand is unlikely to win the bid against Vietnam because of the \$20-30-per-tonne price difference. However, if Vietnam wins, its prices may rise, allowing Thai rice to be more competitive in future tenders.

"Concerns for the new rice season in 2025 include the expected La Niña phase, which will bring more rain. This will increase rice production in Thailand and other countries like India and Pakistan, leading to market oversupply and price declines," Charoen noted.

**Source:** <https://www.nationthailand.com/blogs/news/general/40040282>