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Thailand

Grain and Feed Annual

2013

Approved By:
Rey Santella, Agricultural Attaché

Prepared By:
Ponnarong Prasertsri, Agricultural Specialist

Report Highlights:
TH3027- MY2012/13 and MY2013/14 Thai rice exports will likely be driven by the sale of government stocks. However, Thailand will likely continue to have large carry-over rice stocks as the government is expected to keep the rice pledging programs unchanged. In addition, the imports of substitutable feed wheat will likely be limited due to the increase in world wheat prices.

Executive Summary:

MY2012/13 rice production will likely decline slightly from the previous year due to low reservoir water levels. However, rice production is expected to recover in MY2013/14 in anticipation of a favorable monsoon season. Despite an anticipated recovery of rice exports in MY2012/13 and MY2013/14, Thailand will likely continue to have large carry-over stocks of no less than 10 million metric tons as the government is expected to keep the Rice Paddy Pledging Program as a core domestic support program.

In order to pay for its rice pledging programs, the government has to speed up the sales of its rice stocks as the state-run Bank for Agriculture and Agricultural Cooperatives (BAAC) is running into liquidity problems. The government rice stocks are expected to be sold at a discount and well below acquisition prices, particularly for low quality old-crop white rice, which will likely result in strong price competition and criticism among rice exporting countries.

The government pledging programs adversely affect the livestock industry because they push the cost of feed production higher. Despite higher-than-expected corn production from acreage expansion and illegal corn imports from neighboring countries in MY2012/13 and MY2013/14, corn prices will likely remain high due to the high prices of substitutable domestic feed stocks, particularly broken rice and cassava. The government established intervention prices for the rice and cassava pledging programs are 30 to 40 percent above domestic farm gate prices. In addition, imported feed wheat will likely be limited in MY2012/13 due to higher world wheat prices. Consequently, feed wheat imports are expected to decline significantly in MY2012/13. Milled wheat imports will likely trend upward in MY2012/13 and MY2013/14 due to the growing demand for instant noodle and bakery production.

Commodities:

Corn
Rice, Milled
Wheat

Author Defined:

1. Rice

Table 1.1 Thailand's Rice Production, Supply and Demand							
Rice, Milled Thailand	2011/2012		2012/2013		2013/2014		
	Market Year Begin: Jan 2012		Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	11,000	11,000	10,940	10,837		11,120	(1000 HA)
Beginning Stocks	5,615	5,615	9,330	9,330		11,630	(1000 MT)
Milled Production	20,460	20,460	20,500	20,200		21,120	(1000 MT)
Rough Production	31,000	31,000	31,061	30,606		32,000	(1000 MT)
Milling Rate (.9999)	6,600	6,600	6,600	6,600		6,600	(1000 MT)
MY Imports	600	600	400	600		600	(1000 MT)
TY Imports	600	600	400	600		600	(1000 MT)
TY Imp. from U.S.	0	0	0	0		0	(1000 MT)
Total Supply	26,675	26,675	30,230	30,130		33,350	(1000 MT)
MY Exports	6,945	6,945	8,000	8,000		9,000	(1000 MT)
TY Exports	6,945	6,945	8,000	8,000		9,000	(1000 MT)
Consumption and Residual	10,400	10,400	10,600	10,500		10,600	(1000 MT)
Ending Stocks	9,330	9,330	11,630	11,630		13,750	(1000 MT)
Total Distribution	26,675	26,675	30,230	30,130		33,350	(1000 MT)
Yield (Rough)	3.	2.8182	3.	2.8242		2.8777	(MT/HA)

Table 2: Thailand's Paddy Area, Production, and Yield

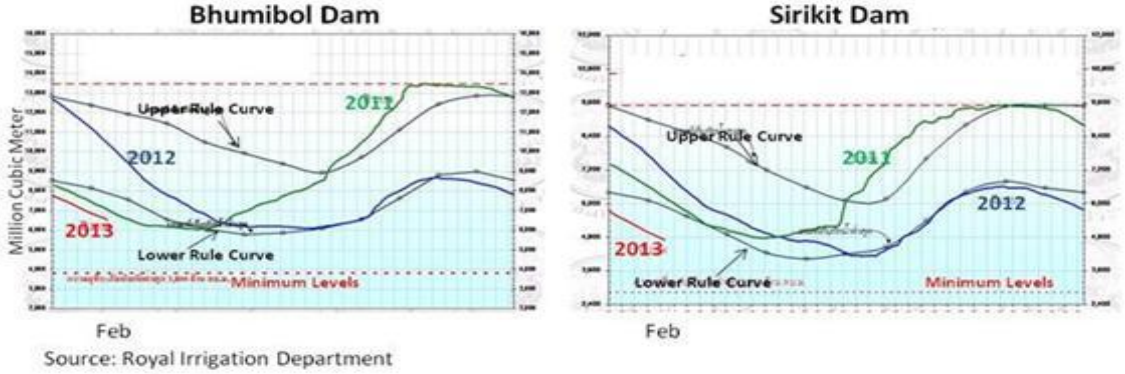
	2011/12			2012/13 (Mar 2013)			2013/14 (Mar 2013)		
	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total
Area (million hectare)									
Cultivation	9.256	2.240	11.496	9.288	2.160	11.448	9.288	2.240	11.528
Harvest	8.796	2.200	10.996	8.737	2.100	10.837	8.920	2.200	11.120
Production (million ton)									
Rough	21.400	9.600	31.000	21.471	9.135	30.606	22.400	9.600	32.000
Rice	14.124	6.336	20.460	14.171	6.029	20.200	14.784	6.336	21.120
Yield(ton/hectare)	2.433	4.364	2.819	2.457	4.350	2.824	2.511	4.364	2.878

Source: FAS Estimate

1.1 Production

MY2012/13 rice production is revised down to 30.6 million metric tons of paddy (20.2 million metric tons milled equivalent), which is approximately 1.3 percent below last year's production levels due to acreage reduction in the off-season crop caused by drought. Most farmers in non-irrigated areas shifted to off-season corn cultivation because it utilizes less water than rice cultivation. Reservoir water levels are unexpectedly at a record low, which has prompted the Royal Irrigation Department (RID) to publicly announce that they may not be able to provide enough water to farmers cultivating late off-season rice paddy crops (Figure 1). These crops account for around 10 percent of total off-season crops. The RID limited the off-season rice crop acreage at 9.2 million rai (1.5 million hectares) in 2013, down 10.9 million rai (1.7 million hectares) from the previous year. Thus, the MY2012/13 off-season rice production will likely decline to approximately 9.1 million metric tons (6.0 million metric tons milled equivalent), down 4.8 percent from last year.

Figure 1: Reservoir Levels in Major Dams



Source: Royal Irrigation Department

MY2013/14 rice production is forecast to increase 4 to 5 percent in anticipation of favorable weather conditions. The Thai Meteorological Department (TMD) expects above average precipitation at the beginning of the monsoon season in mid-May when the main-crop rice cultivation begins. TMD's

assessment is based on the International Research Institute for Climate and Society's (IRI) latest forecast (March 4, 2013) of a high probability for normal weather conditions during January – July 2013. If the forecast results are correct, the reservoir levels are expected to return to normal levels, particularly in the northern region, which will likely be enough to irrigate the MY2013/14 off-season rice crop.

Despite the lucrative intervention prices of the rice pledging program, which will likely continue in MY2013/14, the acreage expansion will likely be restricted by limited irrigated areas. Thailand's irrigated areas total approximately 30 million rai (4.8 million hectares), which account for around 20 percent of total agricultural land. According to the RID's estimate, the irrigated areas could expand to 60 million rai (9.6 million hectares). However, the government normally only allocates a budget of around 10 billion baht/year ($300 million) for irrigation projects which would expand irrigated areas to an estimated 0.2 million rai/year (0.01 million hectares). Presently, rice cultivation accounts for 40 to 50 percent of total irrigated areas.

1.2 Consumption

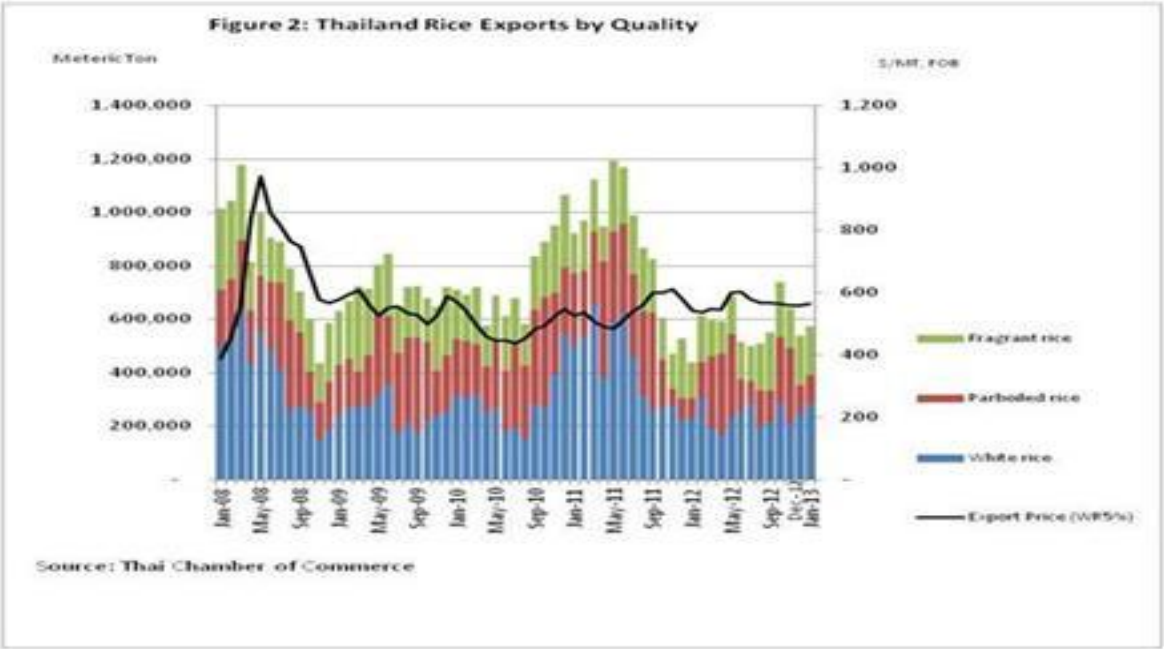
Rice is the main staple food for Thais with per capita consumption ranging from 80 kilograms for city households, around 115 kilograms for rural households, and up to 125 kilograms for low-income households. MY2012/13 and MY2013/14 rice consumption will likely stay the same as rice-based food consumption is expected to be offset by a reduction in feed demand due to high prices of broken rice. Demand of broken rice from the Thai feed industry accounts for approximately 10 percent of total rice consumption. Feed manufacturers will likely continue to replace broken rice with tapioca chips as prices of tapioca chips are presently 45 percent below those of broken rice. Feed manufacturers have also urged the government to sell broken rice stocks at discounted prices to help small feed millers.

1.3 Trade

In 2013, Thai rice exports will likely increase to 8.0 million metric tons, up 15 percent from the previous year's historical low of 6.9 million metric tons (Figure 2). The increase is expected to be driven by sales of the government's old-crop rice stocks, particularly for white rice. The Ministry of Commerce has publicly committed to selling rice stocks worth 180 billion baht ($6 billion) by the end of this year to finance current MY2012/13 and the MY2013/14 Rice Paddy Pledging Programs. Most of the stock sales are expected to be low quality white rice and will likely be discounted below the acquisition prices to enable Thai exporters to compete with Vietnamese rice. Thus, white rice exports will likely increase significantly this year as compared to the previous year's historical low of approximately 2.5 million metric tons.

Government stock sales will also include new-crop fragrant white rice which has been gradually sold since the beginning of 2013. Fragrant rice exports increased 35 percent in January 2013 as compared to the same period last year. Total fragrant rice exports will likely increase to 2 million tons by the end of the year, up around 5 percent from the previous year. However, parboiled rice exports are forecast to

decline further from last year's exports of 2.2 million metric tons, which is the lowest export level in the past five years. The drop is attributed to new import tariffs imposed by the Nigerian Government on rice imports, which have doubled since January 2013. Thailand exported around 60 percent of its parboiled rice to Nigeria last year.



In 2014, rice exports are forecast to increase to 9 to 10 million metric tons as the government will try to hasten the sales of its rice stock sales, particularly for low quality old-crop white rice which accounts for around 60-70 percent of total rice stocks.

MY2011/12 and MY2012/13 rice imports are revised up to 0.6 million metric tons due to an increase in broken rice imports and rice paddy smuggled along the Thai border. The increase reflected tight supplies of domestic broken rice caused by the pledging program. Most of the smuggled rice is from neighboring countries, particularly Cambodia and Burma. Around 70 percent of the Cambodian paddy traded along the border is fragrant rice and the balance is low-quality white rice. Most of the imported Burmese paddy is low-quality white rice.

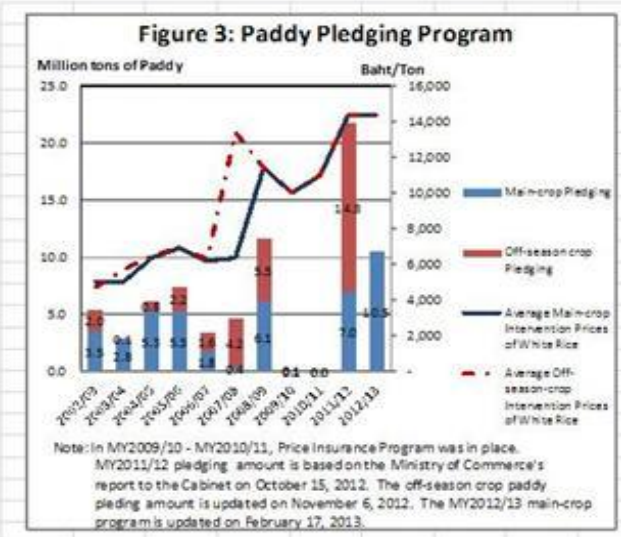
1.4 Stocks

Post estimates total rice stocks will likely increase to approximately 12 million metric tons by the end of 2013, up around 25 percent from the previous year. Most stocks are accumulated under the government pledging program. Presently, the government is estimated to hold rice stocks of approximately 16 million metric tons, of which around 9 million metric tons are carry-over stocks from MY2011/12. The remaining stocks are intervention stocks from the current pledging program. White rice accounts for 70-80 percent of the total intervention stocks. Post expects the government will likely sell its stocks of

approximately 4-5 million metric tons this year to help finance the MY2012/13 Off-Season Paddy Pledging Program and MY2013/14 Main-Crop Paddy Pledging Program. The inability of the government to sell its current stocks is due primarily to political issues, which in turn has led to tighter liquidity situation in the Bank for Agricultural and Agricultural Cooperatives (BAAC).

1.5 Policy

Rice has been heavily supported through the current government's paddy pledging program since MY2011/12 (Figure 3). The current MY2012/13 Rice Paddy Pledging Program consists of a main-crop and an off-season rice crop. The Main-Crop Rice Paddy Pledging Program began on October 1, 2012 and ended on February 28, 2013. It has received preliminary pledges of approximately 11 million metric tons of main-crop rice paddy (roughly 7 million metric tons milled equivalent, as of February 17, 2013), up around 60 percent from the same period last year. The pledges consist of approximately 6.4 million metric tons of white rice paddy, 3.7 million metric tons of fragrant rice paddy, and 0.6 million tons of glutinous rice paddy. The program establishes domestic prices of white and fragrant rice paddy above global market prices (Figure 4). The state-run BAAC has provided loans worth 136 billion baht ($4.5 billion) to approximately 1.8 million farmers, an increase of 38 percent from the same period last year (Table 3). The government expects the pledging program for the main-crop rice paddy will likely cost approximately 197 billion baht ($6.6 billion).



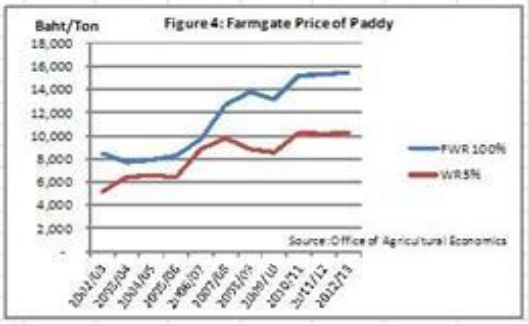


Table 3. Results of the MY2011/12 - MY2012/13 Paddy Pledging Program

Program	Number of Farmers (Million)	Amount of Paddy (Million Metric Ton)						
		Fragrant Rice			White Rice	Glutinous Rice	Total	Value (Billion Baht)
		Homali	Provincial	Pathumthani				
MY2011/12	**2.7**	**3.1**	**0.3**	**0.2**	**17.5**	**0.7**	**21.7**	**327.2**
Main crop[1]	1.3	3.1	0.3	0.02	3.1	0.4	6.9	118.6
Off-season crop[2]	1.4	0	0	0.15	14.4	0.3	14.8	208.6
MY2012/13[3]								
Main crop[4]	1.8	3.2	0.5	0.02	6.2	0.6	10.5	136.2

Note: 1/ October 7, 2011 - February 29, 2012
2/ March 1 - September 30, 2012
3/ October 1, 2012 - September 15, 2013
4/ As of February 17, 2013
Source: Ministry of Commerce

The government will likely begin its pledging program for the MY2012/13 off-season rice paddy a month behind schedule. This year's program, which normally starts in March, will be delayed due to limited financial resources caused by problems associated with the government rice stock sales. The cost of the off-season rice crop program was revised downward to approximately 100 billion baht ($3.3 billion) from 165 billion ($5.5 billion) in anticipation of smaller crops caused by drought. The Thai Government has urged the Ministry of Commerce to speed up additional rice stock sales worth 180 billion baht ($6 billion) in order to repay the BAAC, which provided the financing for the MY2012/13 and MY2013/14 Rice Paddy Pledging Programs. As of February 28, 2013, the BAAC received only 86 billion baht ($2.9 billion) from the sale of government rice stocks since April 2012, of which 23 billion baht ($0.8 billion) are sales of rice stocks accumulated prior to the start of the MY2011/12 Paddy Pledging Program. The remaining balance is rice stocks from the MY2011/12 – MY2012/13 programs.

2. Corn

2.1 Production

Table 2.1 Thailand's Corn Production, Supply and Demand

Corn Thailand	2011/2012		2012/2013		2013/2014		
	Market Year Begin: Jul 2011		Market Year Begin: May 2012		Market Year Begin: Jul 2013		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	1,010	1,010	1,050	1,080		1,090	(1000 HA)
Beginning Stocks	722	722	522	515		515	(1000 MT)
Production	4,300	4,300	4,500	4,600		4,700	(1000 MT)
MY Imports	400	400	300	600		600	(1000 MT)
TY Imports	400	400	300	600		600	(1000 MT)
TY Imp. from U.S.	0	0	0	0		0	(1000 MT)
Total Supply	5,422	5,422	5,322	5,715		5,815	(1000

							MT)
MY Exports	300	307	200	300		300	(1000 MT)
TY Exports	250	224	200	240		240	(1000 MT)
Feed and Residual	4,500	4,500	4,800	4,800		5,000	(1000 MT)
FSI Consumption	100	100	100	100		100	(1000 MT)
Total Consumption	4,600	4,600	4,900	4,900		5,100	(1000 MT)
Ending Stocks	522	515	222	515		415	(1000 MT)
Total Distribution	5,422	5,422	5,322	5,715		5,815	(1000 MT)
Yield	4.	4.2574	4.	4.2593		4.3119	(MT/HA)

MY2012/13 corn production is revised to 4.6 million metric tons due to the acreage expansion of the off-season corn crop. Farmers switched to corn cultivation from off-season rice cultivation due to falling water supplies. Corn crops use 40 to 50 percent less water than rice crops. In addition, corn prices are 12 to 15 percent above last year's levels. According to a study conducted by the Ministry of Agriculture and Agricultural Cooperative, farmers in the northeastern region that are repeatedly affected by drought and switch to planting corn during the off-season, yield approximately 10 percent more corn compared to yields from off-season rice cultivation.

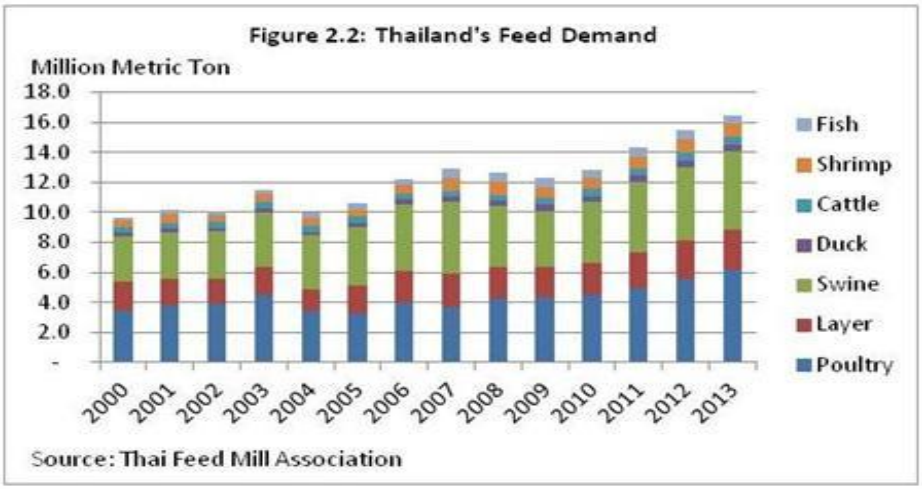
MY2013/14 corn production is forecast to increase to 4.7 million metric tons, up around 2 percent from the previous year in anticipation of average yield improvements and continued expansion of cultivated areas, particularly in the upper northern region where farmers will likely replace the soybean crop with corn. Farmers will likely continue their deforestation activities due to higher corn prices.

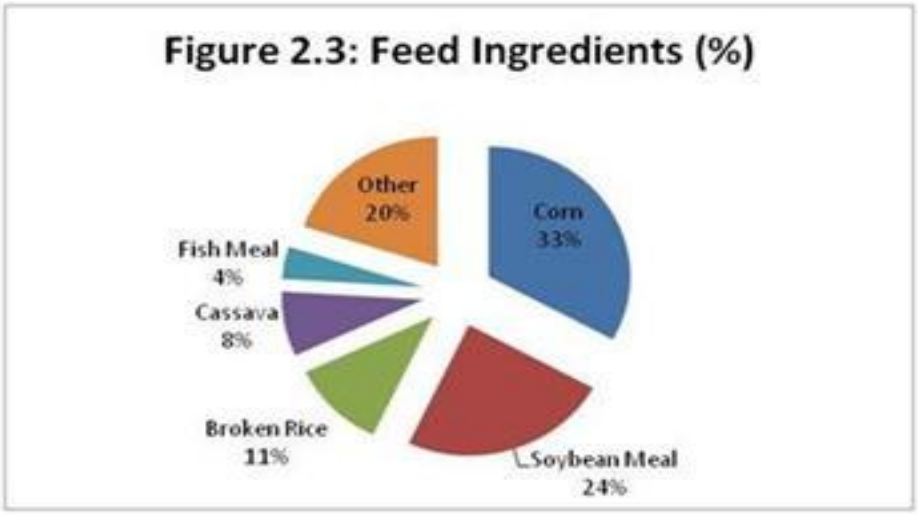
2.2 Consumption

In MY2012/13, corn consumption will likely increase 6 to 7 percent from the previous year due to continued growing livestock production, particularly for boiler production which is expected to grow around 10 percent during 2012 – 2013. Layer and swine production, which account for around 40 percent of total corn consumption, is likely increase to around 5 to 6 percent in 2012 and 2013. Around 60 percent of the domestically produced corn is used in poultry feed production. Capacity utilization of poultry and swine feed mills increased to around 80 to 90 percent during the first seven month of MY2012/13, up 3 to 5 percent from the same period last year.

According to the Thai Feed Mill Association (TFMA), total feed demand is expected to increase to 16.5 million metric tons in 2013, up around 7 percent from the previous year, due to strong demand for poultry and swine feed (Figure 2.2). Corn and soybean meal usually account for around 50 to 60 percent of the total feed rations (Figure 2.3). The substitution of feed wheat for corn will likely slow down in 2013 due to a surge in feed wheat prices which increased around 10 to 15 percent from the same period last year. In the past several years, feed wheat increasingly substituted corn in feed rations for poultry and swine feed due to high domestic corn prices and corn import constraints, particularly in 2012 when domestic corn prices were 25 to 30 percent above imported feed wheat prices. In light of the high prices, feed millers are demanding that the government sell one million tons of low quality broken white rice at discounted prices as feed production costs, particularly for swine and poultry feed, have increased 5 to 10 percent.

MY2013/14 corn consumption will likely trend upward in anticipation of continued strong demand for poultry and swine feed. The substitution of feed wheat for corn will likely continue to decline due to larger supplies of domestic corn and anticipated government sales of feed-grade broken rice from intervention stocks.





2.3 Trade

MY2012/13 and MY2013/14 corn exports are revised upward to around 0.3 million tons due to an increase in exportable supplies of high quality corn from the off-season crop acreage expansion. The government has also approved more corn imports from neighboring countries for domestic use and re-exports in 2013. The new corn import regulation will likely result in larger imports of corn, particularly from Laos and Cambodia. MY2012/13 corn imports are revised up to approximately 0.6 million metric tons, half of which are expected to be from corn smuggled along the borders between Thailand, Laos, and Cambodia.

2.4 Policy

The government does not have a pledging program for corn due to high domestic corn prices at around 10 baht/kg. The last Corn Pledging Program was implemented in MY2009/10 with the intervention prices of 8.5 baht/kg.

As for imports, Thailand's WTO agreement allows for a Tariff Rate Quota (TRQ) of 54,700 tons at a 20 percent in-quota tariff rate. Shipments will be allowed only from March 1 to June 30, 2013 when domestic production is minimal. The out-of-quota imports are subject to a 73 percent tariff rate with a surcharge of 180 baht/tons ($6/MT). Meanwhile, ASEAN Free Trade Agreement (AFTA) signatory countries will be able to export corn to Thailand tariff and quota free between March 1 and June 30, 2013. In addition, on January 21, 2013 the Thai Cabinet approved the import of 200,000 metric tons of corn from Laos between January 1 and February 28, 2013. The corn will be re-exported. Furthermore, 100,000 metric tons of corn from Cambodia will be allowed to enter the country in August 2013 and

150,000 metric tons in November 2013 through January 2014 for feed use. However, ASEAN members, particularly Laos and Cambodia, have already begun to complain about the import window restrictions placed on corn imports. Only the state-run Public Warehouse Organization is authorized to import corn to control impact on domestic corn farmers.

3. Wheat

Table 3.1: Thailand's Wheat Production, Supply and Demand							
	2011/2012		2012/2013		2013/2014		
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: Jul 2013		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	0	0	0	0		0	(1000 HA)
Beginning Stocks	742	742	915	1,176		1,036	(1000 MT)
Production	0	0	0	0		0	(1000 MT)
MY Imports	2,578	2,826	1,800	2,000		2,100	(1000 MT)
TY Imports	2,578	2,826	1,800	2,000		2,100	(1000 MT)
TY Imp. from U.S.	550	538	0	550		580	(1000 MT)
Total Supply	3,320	3,568	2,715	3,176		3,136	(1000 MT)
MY Exports	185	172	170	170		170	(1000 MT)
TY Exports	185	172	170	170		170	(1000 MT)
Feed and Residual	1,300	1,300	1,000	1,000		900	(1000 MT)
FSI Consumption	920	920	950	970		1,020	(1000 MT)
Total Consumption	2,220	2,220	1,950	1,970		1,920	(1000 MT)
Ending Stocks	915	1,176	595	1,036		1,046	(1000 MT)
Total Distribution	3,320	3,568	2,715	3,176		3,136	(1000 MT)

3.1 Production

Wheat production is insignificant in Thailand due to unfavorable climatic conditions, lack of seed development, and unattractive returns, as compared to other field crops such as rice and tapioca, which receive government support. Cultivation is limited in the upper northern region as a minor crop after the main-crop rice harvest, particularly in the Maehongson and Nan provinces. Total production is estimated at approximately 300 to 400 tons in a cultivated area of 1,000 rai (160 hectares).

3.2 Consumption

MY2011/12 wheat consumption is revised up to 2.2 million metric tons which increased around 48 percent from the previous year. The increase reflected strong demand for feed wheat which substituted corn in feed rations due to high domestic corn and broken rice prices. Feed wheat consumption is estimated to increase to 1.3 million metric tons, up significantly from approximately 0.6 million metric tons in the previous year.

MY2012/13 wheat consumption is likely to decline significantly from the previous year due to the reduction in feed wheat demand. A surge in feed wheat prices has also made it less attractive for feed use. Feed wheat consumption is expected to decline significantly to approximate 1 million metric tons as current prices of imported feed wheat have increased 10 percent above last year's levels. Meanwhile, demand for milling wheat in the food processing industry is expected to increase 4 to 5 percent from the previous year due to rising instant noodle and bakery production. Instant noodle and bakery production accounts for 60 to 70 percent of total milling wheat consumption. In 2012, overall industrial capacity utilization and the production of bakery products increased 3 to 4 percent from the previous year. Instant noodle production also increased 10 to 15 percent from the previous year.

MY2013/14 wheat consumption is forecast to decline further in anticipation of a reduction of feed wheat demand. The substitution of feed wheat for corn in feed rations is likely to decline as prices of imported feed wheat are expected to remain less attractive for feed use. Consumption of milling wheat, however, will likely trend upward due to continued increase in instant noodle and bakery production. Also, the largest flour mill in Thailand is expanding its production capacity by 20 percent by the end of 2013. In addition, a new flour mill, which is a joint venture between the largest Thai bakery and the largest instant noodle manufacturers, is scheduled to come online in early 2014. Moreover, a top-five flour mill is expected to double its milling capacity to 500 million tons per day by mid-2014.

3.3 Trade

MY2011/12 wheat imports are revised up to 2.8 million metric tons, up around 60 percent from the previous year due to an increase in feed wheat demand which is used as a substitute for corn and tapioca in feed rations. Most feed wheat is low quality wheat from Australia. Imports of feed wheat from Australia increased to approximately 1 million tons, up significantly from an annual average 0.2 to 0.3 million metric tons, as Australia's wheat crop quality was adversely affected by unfavorable weather conditions.

MY2012/13 wheat imports will likely decline to 2 million metric tons, down significantly from the previous year, due to a reduction of feed wheat demand as prices for imported feed wheat become less attractive for feed use. Feed wheat imports are expected to decline significantly to approximately 0.5 million metric tons, as import prices increased 10 percent from the previous year due to a reduction in global wheat production and limited supplies of feed-grade wheat. Most feed wheat will likely be

imported from India. Also, imports of wheat flour are expected to decline approximately 5 to 6 percent due to a reduction in shrimp feed demand. Meanwhile, imports of milling wheat will likely increase to 1.2 million tons, up 2 to 3 percent from the previous year as demand for milling wheat in the food processing industry remains strong. U.S. wheat imports are expected to increase to 550,000 metric tons, up around 2 to 3 percent from the previous year, due to limited supplies from Australia.

MY2013/14 wheat imports are forecast to increase to 2.1 million metric tons, up around 5 percent from the previous year. Import demand for milling wheat will likely trend upward as flour mills expand their milling capacity, which is driven by growing wheat-based food consumption. U.S. wheat imports are expected to increase to 580,000 metric tons, up around 5 percent from the previous year as flour mills trend to produce more premium bread flour which relies on high protein wheat.

Table: Thailand's Wheat Grain Imports

	2009		2010		2011		2012		% Change 2012/2011	
	Metric Ton	,000 US$	Metric Ton	,000 US$	Metric Ton	,000 US$	Metric Ton	,000 US$	Metric Ton	,000 US$
United States	497,180	147,356	529,520	159,323	423,458	168,457	477,236	188,645	12.7	12.0
Australia	406,191	112,801	438,705	121,862	642,945	209,277	1,381,790	414,578	114.9	98.1
Canada	163,109	46,726	136,802	38,302	310,349	113,083	198,636	70,231	-36.0	-37.9
India	-	-	0	0	41,778	11,669	268,478	87,848	542.6	652.8
China	-	-	2,839	915	6,360	2,905	0	1	-100.0	-100.0
Russia	30,250	5,774	117,757	26,427	2,552	757	2,939	821	15.2	8.5
Romania	-	-	72,139	14,607	-	-	-	-		
Liechtenstein	-	-	52	12	-	-	-	-		
Lithuania	0	0	534	126	-	-	203	65		
Turkey	-	-	56,249	13,152	-	-	-	-		
Ukraine	7,132	1,583	62,837	13,284	-	-	245,308	65,824		
Other	1,000	268	282,126	60,961	10	12	7,397	2,040	74417	17569
Total	**1,104,863**	**314,508**	**1,699,560**	**448,972**	**1,427,452**	**506,159**	**2,581,987**	**830,053**	80.9	64.0

Source: Department of Customs

3.4 Policy

The tariff rate on imported wheat has been zero since September 2007. Meanwhile, the applied tariff on wheat flour is 5 percent or 0.5 baht/kg (whichever is higher), except within AFTA countries (Brunei, Indonesia, Malaysia, Philippines, and Singapore) and ASEAN-Australia-New Zealand, which has been duty free since January 2010. Wheat flour imports from Vietnam will be duty free in 2015. The imported wheat quality is low, thus, the US is not competitive in this market.

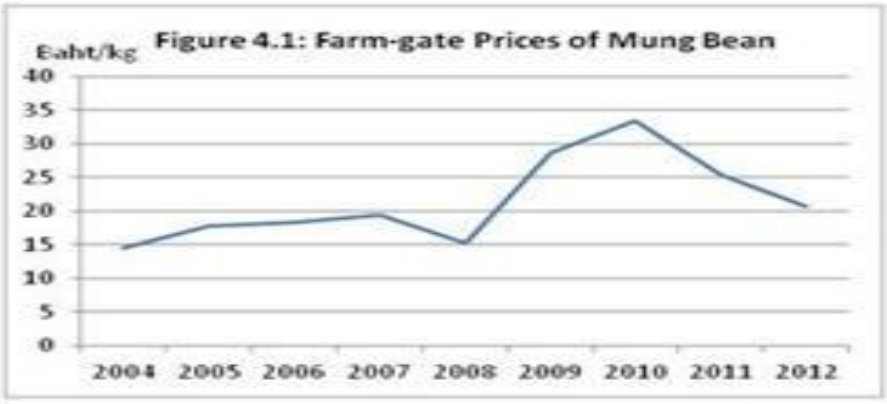
4. Beans

Table 4.1: Thailand's Production, Supply and

Bean Thailand/Unit: 1,000 HA; 1,000 MT	2011			2012			2013			UOM
	2011/2012			2012/2013			2013/2014			
	Market Year Begin: Jan 2011			Market Year Begin: Jan 2012			Market Year Begin: Jan 2013			
	USDA Official		Jan Data	USDA Official		Jan Data	USDA Official		Jan Data	
Area Harvested		272	272		260	260			270	(1000 HA)
Beginning Stocks		3	3		3	3			3	(1000 MT)
Production		310	312		295	300			310	(1000 MT)
MY Imports		30	19		25	15			10	(1000 MT)
TY Imports		30	19		25	15			10	(1000 MT)
TY Imp. from U.S.		0	0		0	0			0	(1000 MT)
Total Supply		343	334		323	318			323	(1000 MT)
MY Exports		20	35		20	41			40	(1000 MT)
TY Exports		20	35		20	41			40	(1000 MT)
Feed and Residual		5	5		5	5			5	(1000 MT)
FSI Consumption		315	291		295	269			273	(1000 MT)
Total Consumption		320	296		300	274			278	(1000 MT)
Ending Stocks		3	3		3	3			5	(1000 MT)
Total Distribution		343	334		323	318			323	(1000 MT)
Yield		1.1397	1.1471		1.1346	1.1538			1.1481	(MT/HA)

4.1 Production

MY2013/14 mung bean production is likely to increase slightly due to acreage expansion as farmers are expected to replace off-season rice cultivation with mung bean. The Royal Irrigation Department (RID) has encouraged farmers in irrigated areas to shift to alternative crops which use less water than rice due to the low reservoir water levels in most irrigated areas.



4.2 Consumption

MY2013/14 mung bean consumption will likely trend upward as the Thai food industries are expected to continue to expand their production capacity to meet growing demand of diversified products such as vermicelli, bean flour, bean sprouts, and various confectionary items. However, the use of mung bean in the feed industry remains marginal as bean prices are high as other grains.

4.3 Trade

MY2012/13 mung bean exports increased to 40,685 metric tons, up 15 percent from the previous year due to large exportable supplies resulting from a reduction in domestic consumption and the Thai food industry's slow recovery from the severe flooding in the last quarter of 2011. MY2013/14 mung beans

exports will likely remain at around 40,000 metric tons as anticipated increase in mung bean production is expected to be offset by domestic consumption.

4.4 Policy

Mung bean is a minor crop that does not receive any government support. It is normally promoted by government extension agents as a rotational crop to improve the soil quality after the main rice crop paddy has been harvested. As for imports, the tariff rate on imported mung beans is 5.0 percent, except from AFTA member countries, which is duty free.

End of Report

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