

Thailand Regains Spot as World's Top Rice Exporter

BANGKOK (AP) — Thailand's rice association said Wednesday the country has regained its spot as the world's top rice exporter by volume, after sliding behind India and Vietnam last year due to a failed subsidy and stockpiling policy.

The news website of the state-owned Mass Communications Organization of Thailand said the country exported 3.93 million tons of rice from January to May 20. It cited Thai Rice Exporters Association president Charoen Laothamatas.

The report said India exported 3.74 million tons in the same period and Vietnam exported 2.4 million tons.

Thailand's former government, ousted by a coup last month, implemented a program to buy rice from farmers at above market prices.

As the top rice exporter, Thailand hoped to control the market and push prices up. But India and Vietnam increased exports, which prompted stockpiling by Thailand as it tried to contain losses from its subsidy policy aimed at boosting rural incomes.

It's unclear if Thailand will maintain the top exporter spot for the whole year.

The U.N. Food and Agriculture Organization forecast in April that Thailand will export 8.7 million tons in 2014, behind India at 9.5 million tons.

Despite higher export volumes, Thai rice is commanding a lower price on world markets than other major exporters. The price is constrained by Thailand's large stockpile and questions about quality due to holding the grain in storage for longer than usual.

Rice association data shows Thai 5-percent grade rice is fetching an average of \$390 a ton compared with \$405 a ton for Vietnam and \$435 a ton for India.

Source URL (retrieved on 01/28/2015 - 1:54pm):

<http://www.foodmanufacturing.com/news/2014/06/thailand-regains-spot-worlds-top-rice-exporter>