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Thailand

Grain and Feed Annual

Annual 2010

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Report Highlights:

TH0053 MY2010/11 rice production is forecast to increase slightly in anticipation of a larger cultivated area and average yield. The bigger rice crops for MY2009/10 and MY2010/11 will enable annual export potential to reach 9.0 – 10.0 million tons. Meanwhile, anticipated reduction in corn production and strong domestic feed demand will limit Thailand's exportable supplies. Wheat import demand will continue to grow in anticipation of an upward trend in consumption of wheat based products due to the economic recovery and reduced prices.

Executive Summary:

MY2010/11 rice production is forecast to increase slightly due to an increase in cultivated area and average yield as a new irrigation dam project will be operating and the weakening of El Nino phenomenon. The larger crops in MY2009/10 and MY2010/11 will enable annual export potential to reach 9.0 – 10.0 million tons. Thailand will be holding large carry-over stocks of 6.0 – 7.0 million tons as the government stock release plan is on hold on concerns over domestic prices.

MY 2010/11 corn production is forecast to decline due to acreage reduction as farmers shift to tapioca and sugarcane as a result of attractive returns. Exportable supplies will also decrease due to the reduced production and increased demand on feed.

MY2010/11 wheat consumption will continue its upward trend due to the economic recovery and price reduction of wheat-based products. Import demand for wheat is expected to grow by 3-5 percent. However, U.S. wheat market share will likely be challenged by Canadian and Australian wheat.

MY2010/11 Mung bean production is forecast to increase in anticipation of an acreage expansion due to attractive returns. The larger crop production will help Mung bean-based food industries expand their capacity to meet the growing demand for healthy food items.

Commodities:

Rice, Milled

Corn

Wheat

1. Rice

1.1 Production

Rice, Milled Thailand/Unit: 1,000 HA; 1,000 MT	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			Market Year Begin: Jan 2011		
	USDA Official Data		New Post	USDA Official Data		New Post	USDA Official Data		Jan
			Data			Data			Data
Area Harvested	10,800	10,800	10,800	10,900	10,900	10,940			11,030
Beginning Stocks	2,707	2,707	2,707	4,787	4,787	4,787			5,787
Milled Production	19,850	19,850	19,850	20,400	20,400	20,300			20,600
Rough Production	30,076	30,076	30,076	30,909	30,909	30,758			31,212
Milling Rate (.9999)	6,600	6,600	6,600	6,600	6,600	6,600			6,600
MY Imports	300	300	300	300	300	300			350
TY Imports	300	300	300	300	300	300			350
TY Imp. from U.S.	0	0	0	0	0	0			0
Total Supply	22,857	22,857	22,857	25,487	25,487	25,387			26,737
MY Exports	8,570	8,570	8,570	10,000	10,000	10,000			10,000
TY Exports	8,570	8,570	8,570	10,000	10,000	10,000			10,000
Consumption and Residual	9,500	9,500	9,500	9,600	9,600	9,600			9,700
Ending Stocks	4,787	4,787	4,787	5,887	5,887	5,787			7,037
Total Distribution	22,857	22,857	22,857	25,487	25,487	25,387			26,737
Yield (Rough) (MT/HA)	3.	3.	2.7848	3.	3.	2.8115			2.8297

Table: Thailand's Paddy Production

	2008/09			2009/10			2010/11		
	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total
Area (million hectare)									
Cultivation	926	198	112	926	201	113	926	203	113
Harvest	879	198	108	898	195	109	905	196	110
Production (million Ton)									
Rough	2165	842	301	2258	825	308	2290	833	312
Rice	1429	556	198	1490	545	203	1511	550	206

Source: FAS Estimate

Farm-gate Price (Baht/Metric Ton)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Farm 5%	4,808	4,484	4,770	5,080	5,481	6,607	6,333	6,387	9,848	9257

Source: Office of Agricultural Economics, Ministry of Agriculture and Cooperatives

MY2009/10 rice production will increase to 30.8 million metric tons (MMT) of paddy, a 2.2 % increase from the previous year. So far, the off-season crop cultivation is expected to be 12.6 million rai (2.01 million hectares), up 1.4 percent from the previous year and far above the official target of 9.5 million rai (1.52 million hectares) due to attractive farm-gate prices.

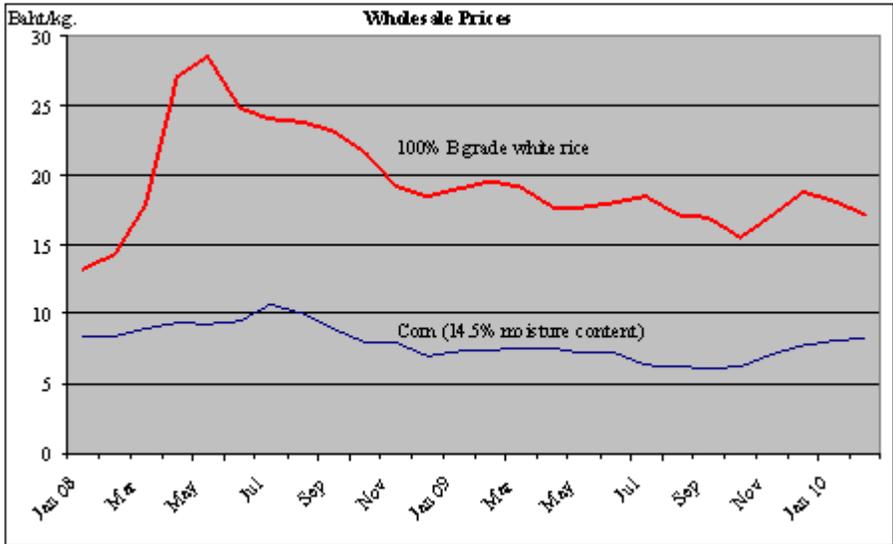
Off-season planted areas in the northeast more than doubled, particularly in the non-irrigated areas. The harvest started in early March 2010 with good yields. So far, total damage areas from drought are marginal at 3,431 rai (550 hectares) and damage from plant brown hopper is highly localized in some northern and central provinces at 30,000 – 40,000 rai (4,800 – 6,400 hectare). Meanwhile, farmers in the central plain have begun third crop cultivation, regardless of official warnings on limited water availability from major reservoirs. In view of this development, the off-season crop production has been revised downward to 1-2 percent, as damage to the third crop cultivation is expected to affect 10 percent of the crop ([TH0052, “Dry Conditions Having Slight Impact on Off-season Rice,” 3/18/2010](#)).

MY2010/11 rice production will continue to increase slightly as cultivated areas will increase 1 percent to 1,103,000 ha. A new irrigation project, Khawe Noi Dam project, will be operating at full capacity at 800 – 1,100 million cubic meters. The project will benefit Phitsanulok Province in the lower north of Thailand and should increase irrigated areas by 155,000 rai (24,800 hectares) for off-season crops. The dam will also protect 75,000 rai (12,000 hectares) of main-crop paddy from flooding damage. As well, approximately 250,000 rai (40,000 hectares) in the central plain will benefit from additional water availability in the off-season. Currently, Khwae Noi Dam is operating at half its capacity but providing critical water needs to the central plain as water output from Bhumibol and Sirikit dams has significantly decreased.

Average yield is expected to increase slightly to 2.78 mt/ha as favorable weather conditions will prevail due to the weakening El Nino phenomenon by June of 2010. Also, the Thai Meteorological Department forecasted normal average rain fall for May 2010, the beginning of the rainy season, which should provide 150-200 millimeters of precipitation for the north and northeast, major growing areas of the main crop season. Most rain-fed main-crop cultivation will begin in June – July, accounting for 60-70 percent of total main-crop cultivation.

1.2 Consumption

Rice is the main staple food for Thais and for MY2010/11 rice consumption is forecast to increase slightly in line with economic recovery. Per capita consumption is expected to be 100 – 110 kilograms. In addition, industrial use will increase for both rice-based products for human food and animal feed. Demand for broken rice in animal feed, which hovers at 1.0 million tons, is expected to increase by 3 percent or 30,000 tons as more of it will be used to substitute corn as corn production is likely to decline.



1.3 Trade

Annual rice exports are forecast at 9 - 10 million tons for MY2009/10 and MY2010/11 in anticipation of a larger crop harvest and high carry-over stocks from the government and private sectors. Parboiled rice and fragrant rice exports will continue to dominate the export market, accounting for 70 percent of total rice exports. Meanwhile, white rice exports are losing competitiveness to Vietnamese white rice. Presently, Thai white rice prices are over \$100/MT higher than Vietnamese rice, as the government has been able to sustain high prices through stock interventions. In addition, millers/traders and exporters are also holding back stocks bought at record prices in November of 2009 as speculation abounded of India's possible rice needs, as such they are waiting for prices to recoup.

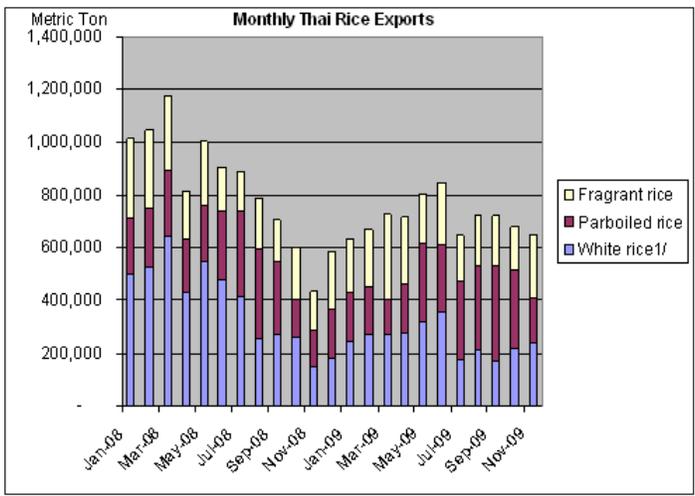


Table: Thailand's Rice Exports in 2008 (Jan - Dec.)

Unit: Metric Ton

	Rice Quality							Total
	Fragrant rice	White rice				Paboiled rice	Other	
		100%	5%	10-35%	Broken rice			
Nigeria	2,174	-	1,000	-	-	1,067,754	-	1,070,927
% change yoy	-21.2	-100.0	79.8	-	-	27.3	-	26.8
Benin	11,947	500	4,850	61,140	259	532,230	-	610,926
% change yoy	-52.2	-88.9	-90.5	257.4	-76.5	-12.0	-	-13.2
Philippines	8,571	4,561	1,490	82,178	11,838	-	47,396	156,033
% change yoy	2.0	-29.0	-98.1	-83.3	-	-	216.2	-79.0
Malaysia	108,162	11,079	19,373	-	1,706	-	20,922	161,241
% change yoy	-6.3	-7.7	-92.3	-100.0	391.1	-	-47.2	-69.7
South Africa	7,908	13,003	2,371	200,256	3,960	523,556	55	751,109
% change yoy	0.8	62.8	30.2	26622.8	209.0	-0.6	23.4	37.4
United States	377,255	4,694	39	393	34,402	74	23,368	440,224
% change yoy	0.3	0.6	-89.5	-56.5	3500.1	183.4	12.6	9.0
Iraq	14,769	214	267,041	-	-	-	-	282,024
% change yoy	96.1	-57.2	-45.1	-	-	-	-100.0	-43.0
Cote d'Ivoire	385,563	30,372	20,600	68,650	10,520	9,625	-	525,330
% change yoy	42.0	186.0	-90.2	398.0	1.3	9.9	-	-0.4
Hong Kong	196,450	52,476	1,191	1,014	1,071	-	7,123	259,324
% change yoy	-2.8	-32.6	-80.8	-59.3	-16.9	-100.0	-23.1	-13.4
Senegal	267,884	850	4,700	16,400	137,439	6,626	-	433,899
% change yoy	11.1	-53.2	-91.0	-	-24.7	6696.3	-	-9.2
Singapore	118,990	40,738	954	275	13,842	442	12,501	187,741
% change yoy	2.9	-45.2	-96.1	-63.7	183.4	-91.0	-7.5	-21.4
China	130,160	32,323	43	250	280	-	164,580	327,636
% change yoy	-25.5	-42.3	100.0	-	191.7	-	780.8	31.3
Other	996,099	367,930	297,597	399,382	297,534	736,680	220,091	3,315,311
% change yoy	4.8	-28.5	-79.8	212.1	37.6	-4.1	-34.2	-19.0
Total	2,625,930	558,739	621,248	829,938	512,849	2,876,986	496,036	8,521,726
% change yoy	5.1	-27.8	-73.5	8.0	22.3	4.5	9.9	-14.9

Source: Department of Foreign Trade, Ministry of Commerce, and the Thai Chamber of Commerce

1.4 Stocks

MY 2009/10 and MY2010/11 rice stocks will likely remain high between 6 - 7 million tons despite the shift from the long-standing mortgage scheme to the price insurance scheme (TH9161, [“Price Insurance Starts to Replace Mortgage Scheme”, Oct. 29, 2009](#)). However, the government allowed for

a direct purchase program as a measure to stabilize domestic prices in tandem with the price insurance scheme for MY2009/10 main crop and off-season crop. The government's decision to release the old-crop rice intervention stock and paddy intervention stock is on hold due to concerns over low domestic prices.

1.5 Policy

The government replaced the mortgage scheme by the price insurance scheme for MY2009/10 main crop and sustained it for the second crop despite objections from millers and some political operatives who benefited from the previous scheme ([TH9161, "Price Insurance Starts to Replace Mortgage Scheme", Oct. 29, 2009](#)). The new price insurance scheme for MY2009/10 main crop reduced the government's budget by more than half that was allocated during the same period for MY2008/09 of 67.1 billion baht (\$2.1 billion).

However, in a measure to stabilize prices, the Government authorized an allowable direct purchase program of 4.0 million tons of paddy for MY2009/2010 ([TH0047, "Weekly Rice Price Update," 3/2/2010](#)). The program purchased 700 tons of white rice paddy during the main crop season as prices remained high, but has recently started purchasing second season crop paddy as prices have been facing a downward trend. To carry out this purchase, the government has provided a credit line of 20 billion baht (\$615 million) through the Bank for Agriculture and Agricultural Cooperative (BAAC) to buy paddy at the benchmark prices, which are presently far below the insurance prices (Figure 2).

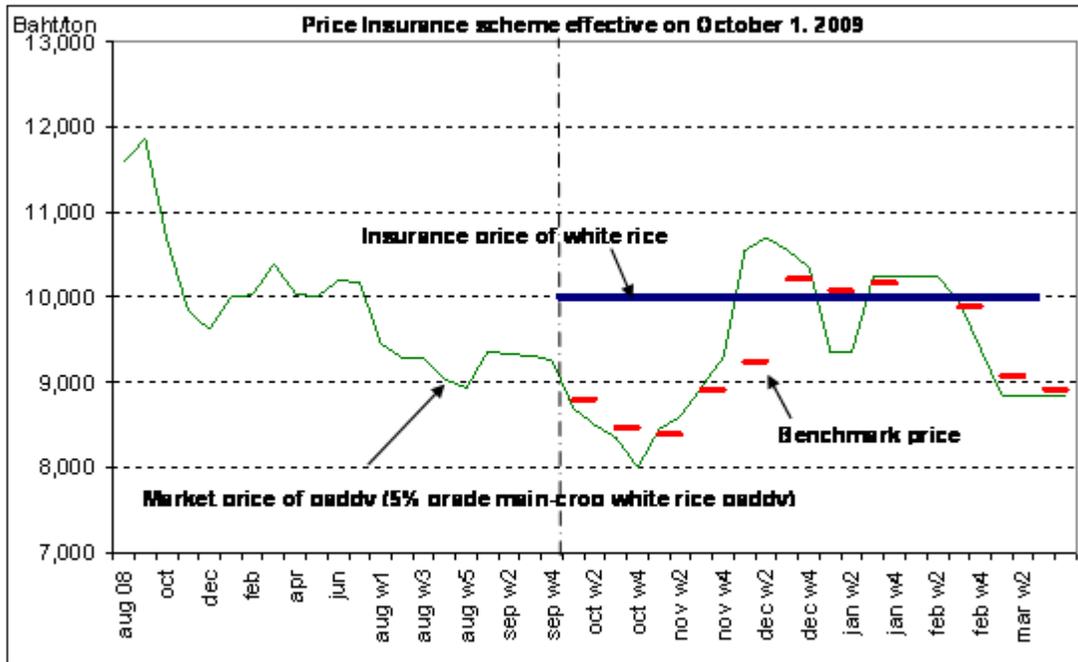
The government has just changed its calculation of benchmark prices from a bi-weekly average to a weekly average in order to capture price swings on a timelier basis ([TH0051, "Weekly Rice Price Update," 3/8/2010](#)). Under the program, farmers selling at benchmark prices will receive a compensation based on the difference between insurance prices and benchmark prices.

Table: Paddy Mortgage Scheme Outlays

Year	Number of Farmers	Paddy Pledges (Metric Ton)	Value (Thousand Baht)
1999/00	113,062	697,756	3,286,433
2000/01	168,483	1,618,496	8,124,849
2001/02	683,769	6,140,902	32,204,585
2002/03	497,906	5,648,743	28,842,690
2003/04	177,137	2,608,234	12,440,180
2004/05	546,503	5,503,519	44,151,600
2005/06	770,721	7,643,033	59,828,720
2006/07	227,132	3,055,687	21,928,418
2007/08	343,518	4,420,174	56,616,333
2008/09	986,222	11,527,260	129,675,587

Source: Bank for Agriculture and Agricultural Cooperatives (BAAC)

Figure: Comparison of market price, insurance price, and benchmark price



Note: Benchmark prices are average historical wholesales prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

2. Corn

2.1 Production

Corn Thailand/Unit: 1,000 HA; 1,000 MT	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Jul 2008			Market Year Begin: Jul 2009			Market Year Begin: Jul 2010		
	USDA Official Data		New Post	USDA Official Data		New Post	USDA Official Data		Jan
			Data			Data			Data
Area Harvested	1,020	1,020	1,070	1,010	1,010	1,000		970	
Beginning Stocks	98	148	98	251	398	1,052		452	
Production	4,200	4,200	4,500	4,250	4,250	4,100		3,900	
MY Imports	500	600	900	500	500	600		700	
TY Imports	500	600	900	500	500	600		700	
TY Imp. from U.S.	2	0	0	0	0	0		0	
Total Supply	4,798	4,948	5,498	5,001	5,148	5,752		5,052	
MY Exports	647	600	646	750	800	1,400		700	
TY Exports	786	650	709	750	800	1,450		700	
Feed and Residual	3,800	3,850	3,700	3,700	3,750	3,800		3,950	
FSI Consumption	100	100	100	100	100	100		100	
Total Consumption	3,900	3,950	3,800	3,800	3,850	3,900		4,050	
Ending Stocks	251	398	1,052	451	498	452		302	
Total Distribution	4,798	4,948	5,498	5,001	5,148	5,752		5,052	
Yield (MT/HA)	4.	4.	4.2056	4.	4.	4.1		4.0206	

MY2009/10 corn production is revised downward due to lower-than-expected cultivation area and average yield. The cultivation area for off-season crop will likely drop significantly as farmers shifted to sugarcane cultivation as global sugarcane prices are at record highs. In addition, some farmers shifted to rice and Mung bean production due to more attractive returns. Also, unfavorable rain fall resulted in a reduction in average yield, particularly for off-season crop.

MY 2010/11 corn production is forecasted to decline significantly due to acreage and average yield reduction. Cultivated area is expected to decline by 3.0 percent as farmer shift to tapioca and sugarcane due to attractive returns. Also, average yields will likely drop 2 percent to 4.02 tons/ha due to unfavorable weather conditions as El Nino phenomenon will bring below average rainfall during March-April, especially for early crop production in the major growing areas in the east.

2.2 Consumption

MY2009/10 corn consumption is revised upward due to higher feed consumption driven by better-than-expected poultry and swine production, as domestic demand and poultry based exports recovered in the second semester of CY2009 in line with the global economic recovery.

MY2010/11 corn consumption is expected to continue to increase from the previous year as domestic feed demand will surge 5-10 percent from last year. Total feed consumption is forecast to increase to nearly 13.0 million tons in CY2010 driven by poultry and swine production which is expected to increase by 8-10 percent as economic recovery continues to improve.

2.3 Trade

MY2010/11 corn exports are forecast to decline from record exports in MY2009/10 as exportable supplies are limited due to contraction in corn production, increase in domestic feed consumption and depletion of government stocks. In MY 2009/10, the record exports were mostly due to the government's release of all its intervention stocks of 1.1 MMT for exports, particularly to Vietnam and Malaysia. This stock release was negotiated at prices that were 30 percent lower than market prices and 50 percent lower than intervention prices ([TH9080, Thailand Postpones Rice Stock Release," 5/27/2009](#)). Meanwhile, the Philippines is poised to become a potential market for Thai corn due to the tariff reduction from 30 percent to 0-5 percent as the ASEAN Free Trade Agreement came effective on January 1, 2010.

MY2010/11 corn imports will likely increase from the previous year in anticipation of a domestic corn production shortfall. Corn imports are expected to be mainly from border trade with Laos and Cambodia, which have become significant providers since trade began in earnest in 2007 under the Joint Economic Cooperation Strategy Program, or Ayeyawady-Chao Phraya-Mekhong Economic Cooperation Strategy (ACMECS) which is an economic cooperation agreement between Burma, Laos, Cambodia, Vietnam, and Thailand.

Table: Thailand's Corn Exports (January - December)

Unit: Metric Ton

	2007	2008	2009	% Change
Vietnam	138,806	80,501	424,449	427.3
Malaysia	141,844	417,802	346,372	-17.1
Indonesia	73,409	114,726	198,494	73.0
Philippines	3,345	3,426	62,083	1712.0
Japan	2,391	3,747	13,891	270.7
Laos	622	985	6,353	545.2
China	61	105	14,214	13429.3
Cambodia	1,322	1,288	1,265	-1.8
Pakistan	965	1,567	984	-37.2
Sri Lanka	407	804	798	-0.8
Singapore	3	1,140	6,601	479.1
Taiwan	477	44,828	4,018	-91.0
Other	1,018	1,937	1,460	-24.6
Total	364,669	672,356	1,030,981	60.7

Table: Thailand's Corn Imports (January - December)

Unit: Metric Ton

	2007	2008	2009
Laos	64,948	105,640	191,174
Cambodia	78,753	309,308	93,860
India	145	221	2,202
Indonesia	100	400	1,100
Myanmar	13,649	9,261	4,907
Other	2,636	5,456	5,579
Total	160,232	430,285	298,822

2.4 Policy

In MY2009/10, the government replaced the mortgage scheme by the price insurance scheme ([TH9161, "Price Insurance Starts to Replace Mortgage Scheme", Oct. 29, 2009](#)). The program will likely continue to be implemented in MY2010/11 as the number of farmer benefiting from the program increased from 250,000 farmers to 400,000 farmers and a sharp reduction in government outlays.

As for imports, Thailand's WTO agreement allows for a TRQ of 54,700 metric tons at a 20 percent in-quota tariff rate. Shipments are allowed only during the period of March 1 – June 30, 2010 when domestic production is minimal. Meanwhile, out-of-quota imports are subject to a 73 percent tariff rate with a surcharge of 180 baht/ton (\$5/MT). However, under AFTA, countries in the region will be able to export tariff and quota free into Thailand from March 1 – June 30.

3. Wheat

3.1 Production

Wheat Thailand/Unit: 1,000 HA; 1,000 MT	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Jul 2008			Market Year Begin: Jul 2009			Market Year Begin: Jul 2010		
	USDA Official Data		New Post	USDA Official Data		New Post	USDA Official Data		Jan
			Data			Data			Data
Area Harvested	0	0	0	0		0		0	
Beginning Stocks	436	352	436	396		324		224	
Production	0	0	0	0		0		0	
MY Imports	1,127	1,100	1,055	1,200		1,100		1,150	
TY Imports	1,127	1,100	1,055	1,200		1,100		1,150	
TY Imp. from U.S.	556	390	447	0		440		450	
Total Supply	1,563	1,452	1,491	1,596		1,424		1,374	
MY Exports	147	15	147	140		150		160	
TY Exports	147	15	147	140		150		160	
Feed and Residual	200	290	200	200		210		220	
FSI Consumption	820	865	820	830		840		850	
Total Consumption	1,020	1,155	1,020	1,030		1,050		1,070	
Ending Stocks	396	282	324	426		224		144	
Total Distribution	1,563	1,452	1,491	1,596		1,424		1,374	
Yield	0.	0.	0.	0.		0.		0.	

Wheat production is insignificant in Thailand due to the unfavorable climatic conditions, lack of seed development, and unattractive returns. Cultivation is limited in the north, particularly in Maehongson province. Total production is estimated at approximately 500-600 tons in a cultivated area of 1,000 rai (160 hectares).

3.2 Consumption

MY2010/11 wheat consumption is forecast to continue its upward trend as economic recovery persists and the significant price reductions on wheat-based products as global wheat prices have declined. Presently, prices of locally produced wheat flour declined 20-30 percent from the previous year, closer to the price pre-crisis levels in 2008. In addition, manufacturers of bakery and instant noodles, accounting for 60-70 percent of total wheat consumption, have doubled their production capacity in order to meet the growing domestic and export demand. Besides, demand for wheat-based feed continues to grow from better-than-expected shrimp production driven by strong export demand in 2009.

Table: Wholesales Prices of Local Wheat Flour

Wheat Flour	Protein Content (%)	Average Wholesale Prices	
		Bag/bag (22.5 kg.)	U.S. cent /pound
Bread	13.5 - 14.0	400	24
Noodle	11.5 - 12.0	350	21
All Purpose	10.0 - 10.5	320	19
Cake	10.0	550	33
Biscuit	8.0 - 10.0	300	18

3.3 Trade

IN MY2009/10 wheat imports are revised upward as millers built up inventories due to a sharp reduction in wheat prices. Also, attractive wheat grain prices encouraged feed mills to shift from imported wheat flour to wheat grain.

MY2010/11 wheat imports are forecast to increase by 3-5 percent in anticipation of the ongoing economic recovery and low wheat grain prices. However, U.S. wheat market share is expected to decline due to competition from Canadian and Australian wheat, which are reportedly 8-10 percent below U.S. wheat particularly for high protein wheat, as exportable supplies from these countries have increased. In addition, Australian wheat benefits Thai flour mills due to advantages in lower transportation and storage costs, as wheat is imported in containers instead of bulk shipments done with U.S. wheat which must use the more expensive silos.

Table: Thailand's Wheat Grain Imports (Jan. - Dec.)

unit: Metric Ton

	2006	2007	2008	2009	% Change
United States	454,100	432,648	346,433	497,180	43.5
Australia	426,780	97,722	276,339	406,191	47.0
Canada	125,154	325,301	70,670	163,109	130.8
Russia	-	-	-	30,250	-
Ukraine	-	-	-	7,132	-
Other	26	1,094	1,466	1,000	(31.8)
Total	1,006,060	856,765	694,909	1,104,863	59.0

Table: Thailand's Wheat Flour Imports (Jan. - Dec.)

unit: Metric Ton

	2007	2008	2009	% Change
Turkey	3,337	15,928	28,717	80.3
China	93,263	38,117	21,764	-42.9
Japan	16,877	10,189	14,567	43.0
Philippines	13,057	15,925	11,002	-30.9
Singapore	24,308	16,485	10,691	-35.1
Other	3,587	9,935	9,170	-7.7
Total	179,026	143,786	116,913	-18.7

3.4 Policy

The tariff rate on imported wheat has been zero since September 2007. Meanwhile, the tariff on wheat flour is 5 percent (0.5 baht/kg), except within AFTA which is duty free effective January 1, 2010. Local flour millers are not concerned with the current tariff structure as they are able to compete with imported flour.

4. Bean

4.1 Production

Bean Thailand/Unit: 1,000 HA; 1,000 MT	2008			2009			2010		
	2008/2009			2009/2010			2010/2011		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	USDA Official Data		New Post	USDA Official Data		New Post	USDA Official Data		Jan
			Data			Data			Data
Area Harvested	0	270	270	0	260	265		270	
Beginning Stocks	0	2	3	0	4	5		3	
Production	0	290	290	0	280	300		310	
MY Imports	0	8	8	0	8	16		10	
TY Imports	0	8	8	0	8	16		10	
TY Imp. from U.S.	0	0	0	0	0	0		0	
Total Supply	0	300	301	0	292	320		323	
MY Exports	0	41	41	0	30	54		55	
TY Exports	0	41	41	0	30	54		55	
Feed and Residual	0	5	5	0	5	5		5	
FSI Consumption	0	250	250	0	255	258		260	
Total Consumption	0	255	255	0	260	263		265	
Ending Stocks	0	4	5	0	2	3		3	
Total Distribution	0	300	301	0	292	320		323	
Yield	0.	0.	1.0741	0.	1.0769	1.1321		1.1481	

MY2009 Mung bean production is revised upward 2 percent to 300,000 MT due to acreage expansion in off-season crops at the expense of corn cultivation due to higher returns.

MY2010 Mung bean production is forecast to increase in anticipation of acreage expansion due to attractive returns. Current farm-gate prices have increased significantly from the previous year.

4.2 Consumption

Mung bean consumption will likely increase in line with the economic recovery. Mung beans are raw material for vermicelli, which account for half of total Mung bean use. Mung bean based vermicelli products continued to grow in CY2009 following the upward trend of the healthy food market. The food industry also expanded their production capacity to meet the demands of diversified products of vermicelli, bean flour, bean sprouts and cake, and various confectionary items. Meanwhile, the use of Mung beans in the feed industry is marginal as prices are much higher than other grains, but the byproducts are exclusively used by the feed industry.

4.3 Trade

MY2010 Mung beans exports are forecast to increase in anticipation of a larger supply due to increased production. Exports in MY2009 are revised upward 80 percent to 54,000 MT due to continued import demand from India. Meanwhile, total pulses imports in 2009 increased significantly, particularly for Mung beans which accounted for half of total pulses imports, due to growing domestic market of vermicelli products.

Table: Thailand's Mung Beans Exports

Unit: Metric Ton

	2007	2008	2009	% Change
India	1,170	9,041	15,019	66.1
United States	5,204	5,939	4,465	-24.8
Pakistan	1,182	8,382	6,693	-20.1
Cambodia	427	590	9,117	1445.1
Canada	1,863	3,384	3,099	-8.4
Sri Lanka	3,662	1,988	3,248	63.3
Malaysia	1,900	1,640	1,929	17.6
United Kingdom	2,032	1,167	1,035	-11.2
Indonesia	1,087	536	1,239	131.3
Hong Kong	1,563	1,311	1,095	-16.5
Singapore	1,536	1,177	1,014	-13.9
Philippines	894	1,541	1,053	-31.7
Other	6,801	4,994	4,587	-8.1
Total	29,320	41,689	53,592	28.6

Table: Thailand's Mung Beans Imports

Unit: kg

	2007	2008	2009	% Change
Myanmar	6,726	7,852	13,782	75.5
Australia	0	-	1,275	-
Indonesia	46	-	324	-
Vietnam	503	-	281	-
Malaysia	115	115	247	115.1
China	2	1	250	24875.0
Other	31	48	22	-53.5
Total	7,423	8,016	16,181	101.9

4.4 Policy

Mung beans are considered to be a minor crop. The Government does not offer any mortgage scheme or price insurance scheme. The crop is normally encouraged by the Government as a second crop to replace paddy.

End of report.