

Officials from Food Division, Bangladesh visited rice industry in Thailand

23 – 28 May, 2011



Study tour participants at the Rice Department

AFMA, in association with FAO-Bangladesh, organized a study tour on rice policy and food security in Thailand. The study tour aimed to provide participants with a familiarity with the rice marketing chain in Thailand as a potential source of supply for Bangladesh. Ten officials from the Food Division of the Ministry of Food and Disaster Management, Bangladesh with a tour leader and an assistant from AFMA to many places in Bangkok and surrounding areas.

At the Rice Department and at Pathumthani Rice Research Center, participants learnt of the situation regarding production of commercial varieties of Thai rice, such as Kao Dok Mali 105 (or Jasmine rice), RD1, RD15 and Luaengpratew. They learnt that the trend of rice production is moving toward using technologies rather than extensive labour.



Visiting Pathum Rice Mill and Granary in Pathumthani province

At the Foreign Trade Department (DFT), Thai Rice Millers Association and Thai Rice Exporters Association on the second day, they had extensive discussions on the possibility to import Thai parboiled rice into Bangladesh. It was learnt that the specification of rice grades in Bangladesh is different from that in Thailand. In Thailand, parboiled rice is usually produced from surplus stock of white rice. Even though parboiled rice has a more complicated production process than the refined white rice the price of parboiled rice is not higher than refined rice because there is demand from the domestic market for refined white rice. However, the government plans to focus on and expand the market for parboiled rice. Also, the structure of the domestic market and the situation of rice mills in Thailand was discussed by the participants with the Thai Rice Millers Association.

The participants also learnt about rice processing by visiting Pathum Rice Mill and Granary PLC, and Chaiyaporn Rice and Food Products Co., Ltd. Technical and engineering aspects of rice silos were emphasized during visits. The tour aimed to help Bangladesh to improve rice handling and silo construction.

The role of futures markets and the way futures exchanges function was presented by the Agricultural Futures Exchange of Thailand (AFET). Although the Thai futures market is still new for investors and the volume of trading is not so big, it has been helping traders with risk management. At the time of the visit, AFET has just



Meeting with the Thai Rice Exporters Association

launched the new product, 5% white rice FOB, for one month. According to AFET, trading of this new product is still slow because it was launched at about the same time that the government released their large stock (40% of export volume). The result was that there was no price fluctuation in the market. When there is no price fluctuation, there is not many tradings in futures. Participants also visited Public Warehousing Organization (PWO) to learn about PWO's business and services for the rice industry as a government agency.



Visiting Chaiyaporn Rice and Food products Co., Ltd. in Samutprakarn province

experienced various types of food products and technologies used in food processing and learnt about the Halal food trends in Thailand.

The programme also included a visit to Si Mum Muang wholesale market, a TESCO-Lotus hypermarket and the THAIFEX2011 food exhibition. From discussions at the wholesale market, participants came up with some ideas about creating a private wholesale trading authority/company that could stimulate the agricultural market, as done by Si Mum Muang. TESCO-Lotus in Salaya, Nakornpathom province was selected for a visit because it is a model of a green store that practises energy saving and carbon emission reduction. In the THAIFEX exhibition participants

In conclusion, participants learnt a lot during the 6-day study tour. They got a better understanding on the role of Thailand as a producer and trader of rice. Also, they had a chance to discuss with some decision makers who are involved in the rice industry and formed relationships with Thai traders to collaborate in the future.