

WHAT INFLUENCES PRICE MORE – SUPPLY OR DEMAND ?

A PRESENTATION BY

RAKESH SODHIA

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RICE MARKET & TECHNOLOGY CONVENTION

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THAI RICE EXPORTS

Year	2011	2012	2013	2014	2015	2016
Thailand	10.67	6.95	6.72	10.97	9.78	10

MAY, 2013

LETTERS TO THE EDITOR

WE WELCOME YOUR VIEWS

Please include your name and address

Rice policy is a money-losing fiasco

This refers your front-page article on May 16 on Thai rice exports.

The government says Thailand will export 8.5 million tonnes in 2013, an increase of 20 per cent over 2012. The Thai Rice Exporters' Association says the figure is 6.5 million tonnes.

I have been in the rice-export business in Thailand for over 30 years and will place my money on the lower figure from the association. The government has no clue how to solve the problems facing the industry and reduce the huge stocks it is holding. If it discounts prices to be competitive against those of Vietnam, India, Pakistan and Myanmar, it will end up losing US\$200-\$250 per tonne.

Meanwhile, the government's storage costs increase daily, since it is paying for space, inspections, fumigation and insurance, in addition to a deterioration in rice quality over time. The government is caught between a rock and a hard place and has nowhere to go.

NA TEON 24/9/13

No wonder they say it's a good idea

Shwe Mann, speaker of Myanmar's parliament, encourages the Thai government to continue assisting farmers via the rice price-pledging scheme. This is indeed laughable. Why only Myanmar? I'm sure all farmers, millers, exporters and government leaders in Pakistan, India, Vietnam and Cambodia are strongly supporting and praising the Thai government's rice price-pledging scheme. It is because of this stupid scheme that all these countries are exporting more rice and taking market share and money away from Thailand. In short, the Thai scheme favours everyone except Thai farmers, millers and exporters. This policy was introduced purely to win the last election, and there it proved a grand success. Reducing market share, reducing revenues, closing of rice mills and export companies, and incurring huge debt are just some of the adverse effects of the policy.

When will better sense prevail? But then, this is Thailand!