Capstone Project’s Objective

In the present, there are less people consuming rice, while the number of people consuming bread keeps increasing every day. Amount of people consuming wheat-based products such as noodles and bread has been rising significantly over 10 years. Rabobank consumer foods analyst, Haris Rahmanto stated that, “The growing middle class and changing lifestyles provide a big opportunity for bakery companies, as these consumers have strong buying power, while they embrace modern, Western lifestyles.” Moreover, according to the Boston Consulting Group, more than 9 million people are tried to enter the middle class every year (The Jakarta Post, 2016). Since 2008, wheat demand increased to approximately twice the rate of rice consumption in Asia. Kim Geon-Hui, South Korean working mother told that, "I am very busy in the morning because I have to drop my children off at kindergarten. So, I have bread for breakfast. And I often meet up with my friends at a cafe and enjoy bread with coffee over the weekends" (Ukraine Today, 2015.) This demonstrates how wheat-product becomes popular throughout the world instead of rice.

Global economic slowdown also being another factor leads to a lower purchasing power of Thailand’s main rice buyers. This declined the export price of Thai rice to the lowest in ten years. Mr Charoen Laothammathat, president of Thai Rice Exporters Association suggested that this situation caused the domestic prices of Hom Mali rice dropping to 8,000 baht/tonne. While the FOB export prices of Hom Mali rice and parboiled rice are dropped to US$700-720/tonne and US$350/tonne respectively. Thai rice stock is loaded with 4-5 million tonnes of rice this year (Thai PBS, 2016).

In 2012, there was a sharp drop in the amount of Thai rice exported. The number declined from 10,671.19 tonnes in 2011 down to 6,704.3 tonnes. This can be considered as the biggest drop in Thai rice export since 1961, actually the biggest drop in the history (Ricepedia, n.d.).

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