Thai rice farmers leave fields idle amid deepening rural crisis

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Thai rice farmers face an acute crisis as collapsing paddy rice prices, surging fuel and fertiliser costs, mounting debt and the threat of prolonged drought make another planting season financially ruinous for many small producers. Across the country's central rice belt, farmers are cutting acreage, reducing fertiliser use, turning to informal lenders, seeking day labour or leaving fields idle to try to avoid another loss.

Rice farmer Saithong Jamjai, 53, had just harvested her 19 hectares of land in Suphan Buri province, but decided not to sow again. After weeks of calculating the cost of fuel, fertiliser, plastic and other inputs, she told the *Washington Post* in May that planting and harvesting would cost at least $33,000, while the grain she expected to harvest in August would sell for only about $22,000. Her conclusion was blunt: "A confirmed loss."

Saithong's decision expresses the price crisis confronting Thai farmers. Under present conditions, production itself has become financially irrational for many small farmers, who face the prospect of sinking borrowed money into crops that will at best not cover the cost of planting them.

In interviews conducted by the *Washington Post* across Thailand's central rice-growing provinces, farmers described how the crisis is already reshaping daily life. Nam Aoi, 58, said she could afford to plant only 19 of her 32 hectares, the first time she had ever left farmland barren. Panida Srithong, 54, said that even if she used half as much fertiliser, she would still have to borrow from local loan sharks to finance the next crop. Saichol Sudtoo, 52, was considering day labour to cover an expected $1,800 loss and was losing sleep from anxiety over money.

These individual experiences point to a broader economic, political and environmental crisis in rural Thailand. Farmers are being hit from all sides: sharply higher costs for fuel, fertiliser, irrigation, harvesting and transport, and falling rice prices caused by global oversupply, cheaper competitors and weakened export demand.

Reuters reported in June that as a result of the Iran war retail diesel prices in Thailand had surged by more than 60 percent at their peak, while fertiliser costs had risen by more than 30 percent. At the same time, Thai rice export prices had fallen to an 18-year low, driven by ample global supply and intense competition from India. Thailand remains one of the world's leading rice exporters, but it is under mounting pressure from lower-priced supplies.

According to the US Department of Agriculture's June 2026 Rice Outlook, India is forecast to account for about 28 percent of global rice output and is projected to remain the world's largest rice producer for a third consecutive year. The same report states that India will continue to lead world rice exports, accounting for around 40 percent of global trade, due to ample exportable supplies and competitive prices.

The US-Israeli war against Iran has not just driven up prices. The Middle East is a significant market for Thai rice, accounting for 17 percent of Thailand's rice exports in 2025, with Iraq the single largest destination. According to Thai rice industry representatives cited in the *Washington Post*, rice bound for Gulf countries was removed from ships and sent back to warehouses after the bombing of Iran, adding to the glut and keeping prices depressed.

The threat of drought is also compounding farmer's problems. Krungthai COMPASS has warned that prolonged dry conditions linked to El Niño could hit Thai agriculture from the second half of 2026 through the first half of 2027. Its base-case scenario estimates crop losses at 61.86 billion baht ($US1.8 billion), or 0.31 percent of GDP, with rice output falling by 5.4 million tonnes, sugarcane by 12 million tonnes and cassava by 3.1 million tonnes.

The immediate crisis is unfolding on top of a longstanding debt trap. More than half of the 3.73 million farm borrowers at the state-owned Bank for Agriculture and Agricultural Cooperatives are trapped in long-term debt they are unlikely to escape before retirement, according to research cited by Reuters.

Recent research from the Puey Ungphakorn Institute for Economic Research points to the depth of the debt crisis. Median farmer debt has risen to around 250,000 baht ($US7,460), roughly three times higher than other households. More than 30 percent of farmers have seen their debt more than double in eight years, and a similar share now owe more than 500,000 baht. More than half are paying only interest, while only around 10 percent consistently reduce principal.

For many farmers, loans no longer function as a means of expanding or modernising production, but simply as a mechanism for surviving the next planting cycle. Ayutthaya rice farmer Phayong Saengthong, 64, told Reuters that he owes more than 1 million baht and lost another 200,000 baht after his latest harvest. With formal loans exhausted, he relies on suppliers to extend goods on credit and said he may have to stop growing rice if that credit is cut off.

Another Ayutthaya farmer, Chaon Taiupok, told Reuters that paddy prices of around 7,800 baht per tonne were far below the roughly 10,000 baht needed for farmers to find a way out. His summary was stark: “Nothing left but debt.”

The debt crisis is bound up with the extreme concentration of land and wealth in Thailand. A UN estimate previously showed the share of Thai farmers who owned their own land fell from 44 percent in 2004 to just 15 percent in 2011, a process that has only intensified. A 2024 study in Critical Asian Studies noted that the richest 1 percent control almost 67 percent of the country’s wealth. It also found that the wealthiest 10 percent own more than 60 percent of private land and 40 percent of private title deeds belong to the top 1 percent.

The Anutin Charnvirakul government has responded with limited and temporary measures. The National Rice Policy and Management Committee approved an expansion of the 1,000-baht-per-rai support measure to cover registered farmers who had not yet received payments. Farmer associations had demanded an increase to 2,000 baht per rai. [1 rai of land equals 0.16 hectares]

Thailand is entirely dependent on imported fertiliser. In the wake of the US-led war on Iran, the cost of the 46-0-0 urea fertiliser, widely used in Thai agriculture, has risen from around 800 baht to between 1,200 and 1,400 baht per 50-kilogram bag. Fertiliser accounts for nearly 40 percent of operating costs, while emergency schemes such as the Blue Flag or Green Flag Plus fertiliser programs cover only about 1 percent of domestic demand.

These figures underscore the impossibility of resolving the crisis through token subsidies. Thai agriculture is integrated into global capitalist supply chains in which farmers bear the risk of war, shipping disruption, currency shifts, commodity speculation and climate shocks, while agribusinesses, traders, banks and large landowners are better positioned to protect their interests.

The token measures announced by the increasingly unpopular Bhumjaithai government of Prime Minister Anutin Charnvirakul will do nothing to resolve the crisis facing small farmers. A second-quarter NIDA Poll released in July showed support for the opposition People’s Party at 34.80 percent, while Bhumjaithai fell sharply to 17.0 percent. However, like the government, the People’s Party has no solution to the rural crisis.