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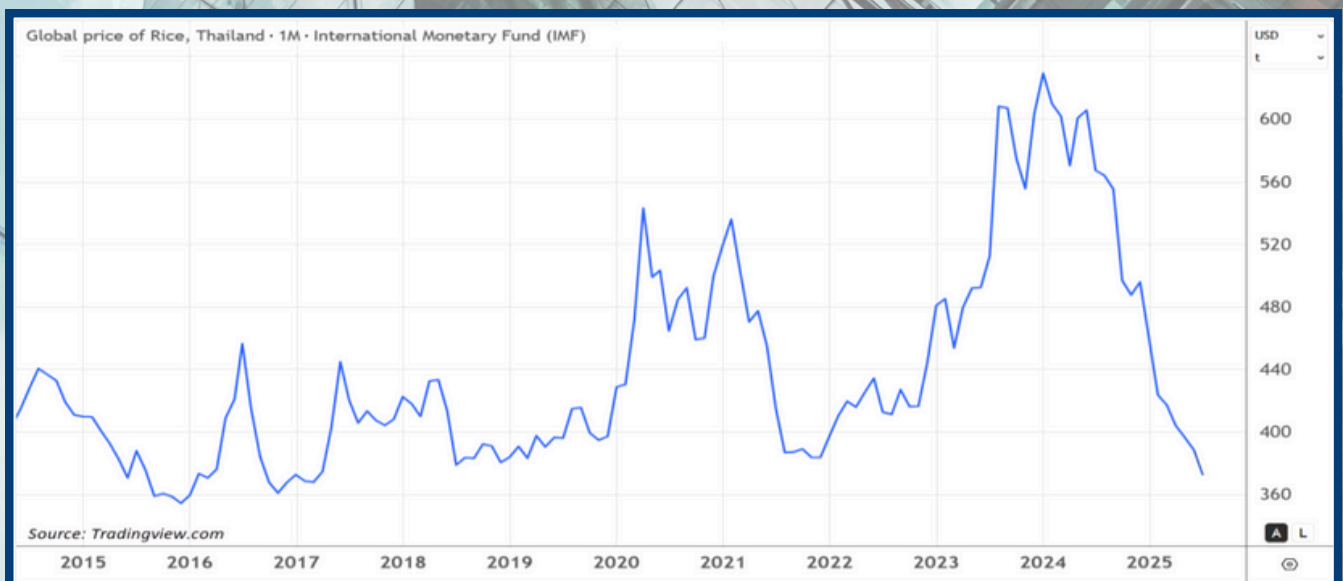
By Wilson Sy

Unli Rice

Global rice prices have tumbled to their lowest point since 2017. This decline has offered a reprieve to Filipinos whose love affair with “unlimited rice” deals highlights their status as among the world’s biggest rice consumers. For the Philippines—the world’s top rice importer—the price collapse has brought significant relief, helping keep Philippine inflation in check after a year of volatile food costs.

Thai benchmark hits eight-year low

Thailand’s benchmark 5% broken white rice sank to an eight-year low of \$376 per ton as of August 20, 2025, according to the Thai Rice Exporters Association. It is down 24% from end-2024 prices of \$495 per ton and the lowest level since 2017. The drop follows India’s gradual easing of export restrictions after its record 2024 harvest, which boosted global supply.



Global supply glut drives prices down

The rice price collapse stems from a perfect storm of oversupply. The UN Food and Agriculture Organization said its global rice price index has fallen 13% since the start of the year and 22% year-on-year. Warehouse inventories are at historic highs after India's export policy reversal. As of May 2025, the Indian government's stockpile contained about 60 million tons of rice—15 million tons higher than the multi-year average. In addition, Vietnam's restored exports of 4.72 million tons in the first half of 2025 have flooded global markets, surpassing Thailand as the world’s second largest rice exporter.

Philippines: World's largest rice importer

The Philippines has been the world's largest rice importer since 2023, according to the US Department of Agriculture (USDA). In its latest outlook, the USDA cut its forecast for Philippine rice imports in 2025 to 4.9 million metric tons (MT) from 5.4 million MT, after the government announced a two-month import ban beginning September 1. Despite the downward revision, the country is expected to keep its top spot, highlighting its heavy reliance on foreign supply and its sensitivity to global price swings.

Cheaper rice brings inflation down

The timing could not be better for the Philippines, where rice is a dietary staple and bottomless rice promotions are a cultural phenomenon. Back in March 2024, the rice component of the consumer price index (CPI) surged to a 15-year high of 24.4%, accounting for nearly half of the headline inflation. That month, Department of Agriculture (DA) data showed local regular milled rice hitting Php50 per kilo and local well milled rice at Php58. Prices have since eased to Php38.36 and Php43.44, respectively.

The relief has been dramatic. Philippine food inflation, which stood at 6.4% in July 2024, fell to -0.2% a year later. Overall inflation slowed from 4.4% in July 2024 to just 0.9% in July 2025, with a big chunk of the decline driven by cheaper rice.

Philippine Food Inflation (%)



Source: Philippine Statistics Authority, Tradingeconomics.com



Local harvest boosts supply

Domestic palay (unmilled rice) output likely rose in the second quarter of this year. In its July update, the Philippine Statistics Authority (PSA) estimated palay production at 4.35 million metric tons in the April-June 2025 period. This is a 13.2% increase from 3.85 million MT in the same quarter last year. The stronger harvest has further cushioned consumers from the global supply shock the previous year, helping anchor the decline in local rice prices.

Abundant and affordable

For inflation-weary consumers, the decline in rice prices has provided a reprieve. It has softened the blow of last year's painful surge and is keeping overall inflation low. Whether this respite lasts will depend on how global supply and weather conditions play out. But for now, Filipinos are enjoying this special moment when their most important staple is both abundant and affordable.