

Challenges and opportunities in Thai rice exports to China:

A case study of Infotax Survey Partnership Limited

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Abstract

The objectives of this research were: 1) To examine and analyze the specific value chain activities involved in Infotax Survey Partnership Limited's rice export operations to the Chinese market. 2) Improve the key challenges encountered by Infotax Survey Partnership Limited throughout its rice export processes, including interactions with stakeholders across the export value chain., and 3) To propose targeted value chain optimization strategies aimed at strengthening Infotax Survey Partnership Limited's competitive position in the Chinese rice market.

The study employed in-depth interviews with a purposively selected sample of five respondents from Infotax Survey Partnership Limited. The findings reveal several key insights: (1) Critical Success Factors: Successful export operations were found to rely heavily on robust quality control systems and the timely preparation of essential export documentation. Key documents include the Letter of Intent (LOI), Full Corporate Offer (FCO), Full Corporate Agreement (FCA), and various forms of Letters of Credit (LC), (2) Operational Challenges: Exporters face significant challenges including quality assurance issues, logistical disruptions, port congestion, limited sub-port capacity, and the need to adapt to evolving international and Chinese regulatory requirements, (3) Strategic Responses: To mitigate these challenges, exporters are adopting competitive pricing strategies, employing innovative rice processing methods, offering customizable packaging options, and ensuring a steady supply of high-quality rice particularly parboiled varieties. Improvements in logistics are also being pursued to reduce costs and enhance delivery efficiency, and (4) Future Outlook: The study recommends a strategic focus on the adoption of advanced processing

technologies, optimization of logistics networks, enhancement of quality control mechanisms, and expansion of buyer relationships. These initiatives are expected to significantly improve the industry's competitiveness in the Chinese market.

Keywords : *Parboiled Rice, Chinese regulations, Competitive Advantages*

Introduction

Rice plays a vital cultural, nutritional, and economic role across East and Southeast Asia, accounting for nearly 90% of global rice production and serving as the staple food for approximately 3 billion people worldwide (Xu & Hu, 2016). Among the key players in this sector, Thailand stands out as one of the world's largest and most consistent rice exporters. Despite recent trends of declining global agricultural commodity prices, Thailand's rice exports have remained robust. Any significant change in Thai rice production whether in volume, quality, or policy can have far-reaching implications for the global rice market.

Southeast Asia, including countries such as China and regions like Hong Kong, represents a crucial export destination for Thai rice. Market fluctuations and policy changes in Thailand are likely to influence regional and global rice trade dynamics through various trade channels. Therefore, close monitoring of Thailand's rice-related policies is essential to understand their potential global impact.

Rice is not only a dietary staple in Thailand but also a key driver of the national economy. As an export-led agricultural product, rice receives strategic support from the Thai government, which emphasizes the sustainable development of the industry (Caijian & Zheng, 2011). Recent trade data reflects Thailand's strong position in Asian rice markets. According to Phoolpipat (2023), Thailand exports between 600,000 and 700,000 tons of rice annually to China, primarily white rice and Thai Jasmine rice. Exports to Hong Kong are even more significant, averaging 1.7 to 1.8 million tons annually, with 70% to 80% being Thai Jasmine fragrant rice.

The sustained demand for Thai rice in China and Hong Kong can be attributed to several key factors. Thailand is globally recognized for its premium Jasmine rice, valued for its unique aroma and soft texture. Additionally, Thai rice enjoys a strong international brand image, particularly in Hong Kong, where consumers demonstrate a high level of trust in its quality. Thailand's proactive trade

relations with China and Hong Kong, supported by favorable trade policies and a reliable supply chain, further enhance the appeal and accessibility of its rice products (Thai Trade Center, 2023).

In this context, it is essential for Infotax Survey Partnership Limited, as a co-buyer, to understand the challenges and opportunities facing Thai rice exports particularly to key markets such as China to effectively assess future trade prospects and contribute to policy decisions that support Thailand's sustained competitiveness in the global rice industry.

Research objectives

1. To examine and analyze the specific value chain activities involved in Infotax Survey Partnership Limited's rice export operations to the Chinese market.
2. Improve the key challenges encountered by Infotax Survey Partnership Limited throughout its rice export processes, including interactions with stakeholders across the export value chain.
3. To propose targeted value chain optimization strategies aimed at strengthening Infotax Survey Partnership Limited's competitive position in the Chinese rice market.

Research Methodology

1. Research Design

This study adopts a qualitative case study methodology, focusing on Infotax Survey Partnership Limited as a single case to deeply explore the challenges and opportunities it faces in exporting rice to the Chinese market. Through in-depth interviews with key personnel and secondary data analysis, the research will examine critical issues such as cost control, logistics management, market entry strategies, and value chain optimization in the export process. The aim is to provide both theoretical insights and practical recommendations that can enhance the company's competitiveness and contribute to its sustainable development.

2. Population and Samples

The research utilizes a case study approach, focusing exclusively on Infotax Survey Partnership Limited, a specialized intermediary facilitating the export of Thai rice to China. The sample study consists of five key individuals within the company who possess direct, hands-on experience in essential areas such as rice export operations, logistics coordination, and quality

assurance. These participants were purposively selected based on their expertise and relevance to the study's objectives (Malterud, Siersma, & Guassora, 2016).

The participants were chosen for their ability to provide in-depth, expert insights into the operational challenges, bottlenecks within the value chain, and potential areas for optimization in Thai rice exports to China. Purposeful sampling was employed to gather rich, context-specific data, ensuring a comprehensive and meaningful analysis aligned with the research goals.

3. Research Instruments

The primary data collection method for this study is in-depth qualitative interviews, designed to gather detailed insights into the export processes, value chain structure, and logistical practices of Infotax Survey Partnership Limited in the context of exporting Thai rice to the Chinese market. The respondents include the business owner/director and managers from the logistics, quality control, and sales departments. In-depth interviews were chosen for their ability to provide nuanced, context-rich data that reveal complex issues and individual experiences, which quantitative methods such as surveys or questionnaires may not capture. By employing qualitative interviews, the study ensures a robust and comprehensive analysis, enhancing the validity and reliability of the research findings.

4. Trustworthiness of the Study

To ensure the rigor and quality of this qualitative case study, the research applies the following measures:

1) Credibility

Member checking: Transcripts and summaries of the interviews will be shared with respondents to verify accuracy and authenticity. Triangulation: Interviews will be conducted with multiple respondents from various departments within the company to cross-validate information and enhance credibility.

2) Transferability

Detailed descriptions of the research context, company background, and respondent profiles will be provided. This allows readers and future researchers to assess the applicability of the findings to similar contexts or cases.

3) Dependability

A clear audit trail documenting all steps of the data collection and analysis process will be maintained, ensuring transparency, consistency, and repeatability of the research.

4) Confirmability

The researcher will strive to maintain objectivity during the data analysis phase, ensuring that conclusions are strictly derived from the original interview data and participants' statements, thus minimizing researcher bias and subjectivity.

5. Data Collection

In-depth qualitative interviews serve as the primary data collection method for this study. These interviews aim to provide a thorough understanding of Infotax Survey Partnership Limited's rice export value chain, logistics processes, cost management practices, market access challenges, and competitive position in the Chinese market.

The interview questions are carefully structured to capture detailed information on key aspects of the company's export activities, such as transportation practices, customs clearance efficiency, pricing strategies, logistics optimization, and stakeholder interactions within the supply chain.

By conducting interviews with senior management and experienced staff, the study aims to identify operational bottlenecks and explore practical opportunities for optimizing the export value chain.

The data collection process is designed to be rigorous and systematic, ensuring that the qualitative data gathered is detailed, accurate, and reflective of real-world practices, providing a solid empirical foundation for the subsequent analysis.

6. Data Analysis Approach

The analysis of the data collected from the in-depth interviews will follow a systematic and rigorous approach, employing thematic analysis to identify, analyze, and report patterns (or themes) within the data. This approach is well-suited for qualitative case studies, as it enables a deep understanding of the complexities in the export processes and challenges faced by Infotax Survey Partnership Limited.

Research Results

The conclusions presented in this chapter were drawn using a triangulation method, cross-verifying qualitative data collected from five interviewees occupying distinct roles within Infotax Survey Partnership Limited. This approach enhanced the credibility of the findings by integrating diverse perspectives from business ownership, logistics, quality control, and sales operations.

1. Respondent Background and Experience

The participant group included four males and one female, all holding critical roles within the rice export business. Their experience ranged from 8 to over 20 years, covering business management, operational logistics, quality assurance, and sales. Each respondent emphasized the integral role of their function in ensuring efficient export operations to the Chinese market.

2. Export Process Structure

The company's rice export operations follow a highly structured process, beginning with sourcing and processing, followed by automated packaging and transportation to sub-ports. Key stages include customs clearance and final shipment to China. Respondents highlighted that quality control and timely documentation are essential for successful exports. The typical contract process follows this sequence:

Letter of Intent (LOI) → Full Corporate Offer (FCO) → Full Corporate Agreement (FCA) → Contract Signing → Issuance of LC/SBLC/RXLC → Rice Loading → Shipping

Contracts are usually structured over a 12-month period, ensuring continued supply coverage through corresponding financial instruments.

3. Major Challenges

Key obstacles identified include:

- **Quality Assurance:** Strict Chinese import standards demand the avoidance of chemical and biological contamination.
- **Logistics Disruptions:** Volatile fuel prices, port congestion, and sub-port capacity issues frequently affect delivery schedules.
- **Regulatory Compliance:** Respondents stressed the difficulty of adapting to dynamic international and Chinese trade regulations.

These factors contribute to increased operational costs and risks of shipment delays.

4. Logistics-Specific Issues

There was a strong consensus on recurring transportation challenges, including:

- Fuel cost volatility
- Congestion at ports and sub-ports
- Payment scheduling difficulties
- Customs clearance delays

Such issues negatively impact efficiency, lead times, and ultimately customer satisfaction.

5. Impact of Regulatory Changes

Policy changes in China significantly influence operational dynamics:

- New regulations may introduce stricter documentation or quality control requirements.
- Such changes can delay export approvals and inflate costs.
- Company-wide adaptability—across logistics, quality, and sales—is critical to maintaining compliance and competitiveness.

6. Competitive Landscape and Strategic Response

Vietnam and, occasionally, India were cited as key competitors. In response, Infotax Survey Partnership Limited:

- Differentiates by offering premium, innovative products (e.g., parboiled rice).
- Maintains strong buyer relationships through service reliability and product consistency.
- Competes with firms that produce high-cost parboiled rice, positioning its offering as both cost-effective and high-quality.

7. Pricing Strategy and Market Positioning

The company's pricing strategy balances competitiveness and premium quality:

- Competitive pricing is achieved without compromising rice quality.
- Advanced processing and flexible packaging create added value.
- Cost-efficiency in logistics allows for margin flexibility and better pricing offers.

8. Cost Control and Operational Efficiency

To reduce costs and improve service quality, the company:

- Streamlines the supply chain to minimize supplier and customer-side delays.
- Invests in warehouse systems and route optimization.
- Coordinates with logistics partners to prevent inefficiencies and reduce expenses.

All respondents agreed that operational improvements directly enhance profitability and competitiveness.

9. Future Areas for Optimization

Strategic areas identified for future development include:

- Incorporation of advanced processing technologies to improve product standards.

- Strengthening logistics networks to reduce time and cost burdens.
- Enhancing quality control mechanisms and building deeper buyer relationships.
- Improving financial forecasting and risk management systems.

These initiatives aim to solidify the company's leadership in the Chinese rice import market.

10. Role of Emerging Technologies and Industry Trends

Technological and policy trends are expected to reshape the industry:

- AI and Blockchain: Improve transparency, supply chain coordination, and quality traceability.
- Digital Platforms: E-commerce growth provides new avenues for market access and buyer engagement.
- Food Safety Regulations: Increasing regulatory scrutiny requires proactive adaptation.

The company must make strategic investments to harness these developments and remain competitive.

11. Strategic Recommendations

Based on insights from all respondents, the following actions are recommended:

- Strengthening collaboration with governmental and regulatory bodies to streamline export processes.
- Enhance risk mitigation strategies, especially concerning international trade volatility and currency fluctuations.
- Invest in robust financial planning and long-term buyer relationship management.

These measures will enable the company to better navigate future uncertainties, maintain its market position, and sustain long-term growth.

Conclusion and Discussion

Conclusions of Study

This approach enhances the credibility and reliability of the findings.

1) The key factors for a successful export operation include effective quality control, regulatory compliance and timely documentation, which encompasses the Letter of Intent (LOI), Full Corporate Offer (FCO), Full Corporate Agreement (FCA), and various types of Letters of Credit (LC), including Standby Letters of Credit (SBLC) and Red Cross Letters of Credit (RXLC).

2) The quality assurance, logistical disruptions, port congestion, and limitations in sub-port capacity, regulatory compliance to evolving international and Chinese regulations.

3) The rice exporters are focusing on maintaining competitive pricing, innovative processing techniques, offering flexible packaging options, and ensuring the availability of superior quality rice, such as parboiled rice, to meet consumer demand and further enhance logistics networks to reduce transportation costs and time.

4) The future focus should be on adopting innovative processing technologies to enhance product quality, improving logistical networks to reduce transportation time and costs, and further enhancing quality control while expanding buyer relationships. These efforts are expected to reinforce competitive advantages in the Chinese market

Discussions of Findings

1) The rice export process in this study is structured through several key stages: ordering, sourcing, processing, packaging, and shipping. Stakeholders are heavily involved at each stage, ensuring that the product is transported to sub-ports by truck, undergoes customs clearance, and is inspected through the Check Control Inspection (CCIC) before being shipped to China. Respondents highlighted the crucial role of quality control and the timely submission of essential documentation, including the Letter of Intent (LOI), Full Corporate Offer (FCO), Full Corporate Agreement (FCA), and various forms of Letters of Credit (LC), Standby Letters of Credit (SBLC), and Red Cross Letters of Credit (RXLC), all of which were identified as integral to successful export operations.

2) The main challenges identified by respondents were related to quality assurance, where stricter quality control measures and documentation requirements were necessary to mitigate risks of chemical contamination, bacterial contamination, and physical contamination, such as the presence of metal or foreign matter. Furthermore, logistical disruptions such as transportation delays caused by fluctuations in fuel costs, port congestion, and limitations in sub-port capacity were recognized as significant hurdles. Additionally, regulatory compliance remains an ongoing challenge, as companies must continuously adapt to evolving international and Chinese regulations. According to research by Tao, Cai, and Cui (2022) it was found that echoes these concerns, noting that stringent quality control systems are essential to mitigating the risks of contamination within the rice supply

chain. Their research aligns with this study's findings, reinforcing the necessity for robust quality assurance protocols in the face of both natural and logistical disruptions. Moreover, research by Szuster and Lotko (2022) found that examined supply chain disruptions during the COVID-19 pandemic, highlighting similar logistical challenges such as fuel price volatility and congestion at key ports. Their findings support the assertion that external factors such as global economic fluctuations and regulatory changes require ongoing adaptation from exporters.

3) In terms of strategic approaches, rice exporters are focused on maintaining competitive pricing without compromising product quality. This is achieved through innovative processing techniques, flexible packaging, and offering premium products such as parboiled rice to meet consumer demand. As Xiao (2025, p. 142) notes, businesses in global supply chains adopt similar strategies to balance cost efficiency with quality, highlighting the importance of innovation in processing and logistics. This is echoed by respondents who emphasized the need for flexible and cost-effective solutions and strategic logistics investments to reduce transport costs and improve service. Additionally, technology adoption emerged as a critical component. Respondents pointed to blockchain and digital platforms as essential for enhancing transparency and coordination, in line with Zhang and Zhang's (2022) findings. Wang and Zhang (2023) also identified the digital economy as a driver for expanding global market access, a sentiment echoed by participants. Moreover, increased emphasis on food safety and traceability, discussed by Huang and Rozelle (2022), is pushing exporters to adopt more stringent compliance and tracking systems to remain competitive in evolving regulatory environments.

4) Looking ahead, respondents emphasized the need for continuous innovation in processing technologies to improve product quality and further enhance logistics networks to reduce transportation costs and time. According to research by Li & Li (2024), we argue that technologies like AI are essential for optimizing logistics and e-commerce, a sentiment that aligns with the future focus identified by respondents in this study. The anticipated advancements in processing technologies and logistics optimization are expected to reinforce the competitive edge of rice exporters in the Chinese market by improving overall supply chain efficiency and strengthening relationships with buyers.

Recommendations

1) Collaboration with Government Bodies: It is recommended that companies foster closer ties with governmental agencies to streamline export processes. This could help mitigate delays caused by regulatory hurdles and improve overall efficiency in handling the export procedures.

2) Enhanced Risk Management: Exporters should enhance their risk management strategies, particularly to address market uncertainties and fluctuations in currency exchange rates. Proactive measures could help protect against unforeseen disruptions, such as price volatility or unexpected regulatory changes.

3) Long-Term Buyer Relationships: Strengthening long-term relationships with buyers is emphasized. Building trust through consistent supply and high-quality products ensures repeat business and fosters brand loyalty in the competitive market, especially against countries like Vietnam, which present substantial price competition.

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