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GAIN Report

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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH5066 – Export prices declined around 1 percent in anticipation of the government’s issuance of a new public tender in June and July.

Post:
Bangkok

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Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending May 25, 2015

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV
FWR 100 B	880	-	-	835	880	855	-	863	863
WR 100 B	383	-	390	385	390	385	385	386	389
PB 100%	377	-	390	374	380	378	380	380	384
PB 5%	372	-	385	370	375	373	375	375	379
WR 5%	373	-	375	370	380	375	375	375	376
WR 10%	-	-	-	-	-	373	-	373	373
WR 15%	-	-	-	-	-	370	-	370	370
WR 25%	-	-	-	-	-	355	-	355	355
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	320	-	-	330	320	320	-	323	323
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 33.5 baht/U.S.\$

Source: Average actual prices received from exporters

Export prices declined around 1 percent from the previous week. The government intends to sell up to 2 million metric tons of its old-crop rice stocks in June and July. It should be noted that Thailand is competing for a Philippines rice tender that is likely to take place in the first week of June. However, it is unclear if the Thai Government will announce a public tender for its rice stocks prior to the Philippines Government's official announcement. Trade contacts indicated that the Philippines National Food Authority is expected to issue a tender to import 25% grade new-crop white rice for delivery between July and August under a potential government-to-government contract. Thai Traders expect that the Philippines tender will total 250,000 metric tons.

Prices for Thai white rice are currently \$25 per metric ton (MT) higher than Vietnamese rice. In order to compete for the Philippines tender, the Thai Government will have to offer competitive prices compared to Vietnam. It is likely that the Thai Government will have to increase its subsidies to Thai traders if prices for 25% grade new-crop white rice remain at current levels (\$350 - \$360 per MT).

Background

In February 2015, the Thai Government won a 200,000-metric ton tender from the Philippines for delivery in March and April. The Thai Government initially offered lower prices, however, Vietnamese traders later matched those prices and won a larger piece of the tender as a result of their long standing relationships with Philippine traders. Vietnam ultimately received a 300,000-metric ton tender while Thailand was awarded a 200,000-metric ton tender. The Thai contracts consisted of 100,000 metric tons of 15% grade white rice at \$420/MT (CIF) and 100,000 metric tons of 25% grade white rice at \$369/MT (CIF). The shipments were subcontracted to rice exporters similar to past government-to-government contracts. Thai Traders reported that shipments for the 200,000 MT have already been

fulfilled.

Rice Export Update

Unofficial preliminary rice exports (excluding premium white and fragrant rice) for May 18-24, 2015 totaled 88,775 metric tons, up 23,307 metric tons from the previous week and up 9,308 metric tons from the four-week moving average of 79,466 metric tons (Table 2). Rice exports (excluding premium white and fragrant rice) from January 1 – May 24, 2015, totaled 1,472,598 metric tons, down 9 percent from the same period last year.

Total rice exports from January to March 2015 totaled 2.1 million metric tons, down 4 percent from the same period last year (See GAIN Report – TH5054 Grain and Feed Update, April 2015).

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Mar 22	65,704	74,536	798	753	6.0
Mar 29	79,199	79,816	877	838	4.6
Apr 5	128,451	90,974	1,005	929	8.1
Apr 12	58,286	82,910	1,064	1,024	3.9
Apr 19	13,968	69,976	1,077	1,055	2.2
Apr 26	77,242	69,487	1,155	1,181	-2.3
May 3	103,706	63,300	1,285	1,289	-0.3
May 10	59,917	63,708	1,318	1,395	-5.5
May 17	65,468	76,583	1,384	1,480	-6.5
May 24	88,775	79,466	1,473	1,622	-9.2

Note on data: Export figures since March 22, 2002, do not include fragrant rice. In addition, starting May 1, 2013, the data will not include 100% - 25% grade white rice exports. The reporting authority was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice and white rice (100%-25% grades) export data. FASBKK will report only official export numbers available from the Board of Trade of Thailand. The reader should bear in mind the difference between the data.

Source: Board of Trade of Thailand