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GAIN Report

Global Agricultural Information Network

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Required Report - public distribution

Date: 12/20/2016

GAIN Report Number: TH6154

Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

Export prices increased approximately 1 percent as exporters are seeking white rice supplies for the new shipments under the government-to-government agreement with China.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending December 19, 2016

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV
F WR 100 B	580	-	-	585	620	585	-	593	593
WR 100 B	368	-	392	372	382	372	397	381	379
PB 100%	363	-	395	367	375	365	387	375	371
PB 5%	358	-	390	362	370	360	382	370	366
WR 5%	358	-	382	357	367	362	382	368	366
WR 10%	356	-	-	-	-	359	-	358	356
WR 15%	354	-	-	-	-	357	-	356	354
WR 25%	345	-	-	-	-	349	-	347	345
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	-	-	-	-	-	-	-	-	-
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 35.8 baht/USD

Source: Average actual prices received from exporters

Despite the weakening Thai baht to 35.8 baht/USD compared to 35.4 baht/USD last week, export prices increased approximately 1 percent. The increase reflected the demand for new-crop white rice for the second shipment under the two million metric ton government-to-government agreement with China signed in December 2015. Under this second shipment, 100,000 metric tons of 5% grade white rice is expected to be delivered to China during January - February 2017. The Thai government will allocate the shipment tonnages to private rice exporters as the government does not hold the stocks of new-crop rice. The FOB prices have yet to be finalized by the Thai and Chinese governments.

The National Rice Policy and Management Committee will consider the sale of non-food grade rice stocks for ethanol production in mid-January 2017. The government is holding rice stocks of approximately 8 million metric tons, of which around 4 million metric tons are non-food grade rice. The government target is to sell off the non-food grade rice stocks for ethanol production in 2017. However, trade sources expect that the use of rice stocks which is a substitute for cassava will likely be limited to 1.0 - 1.5 million metric tons per year, based on the current production capacity of cassava-based ethanol producers. In addition, prices of rice must be able to compete with cassava which is currently hovering around 1.80 baht/kg (50 USD/MT). In 2015-2016, no ethanol producers won public tenders of rice stocks as their bids were too low, compared to the bids by feed mills at 7-8 baht/kg (197-225 USD/MT).

Rice Export Update

Unofficial preliminary rice exports (excluding premium white and fragrant rice) for December 12-18, 2016, totaled 51,213 metric tons, down 39,267 metric tons from the previous week and down 27,814 metric tons from the four-week moving average of 79,027 metric tons (Table 2). Rice exports from January 1 - December 18, 2016, totaled 4,101,277 metric tons, down 3 percent from the same period last year.

Table 2: Weekly Rice Exports (excluding fragrant rice)

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Oct 30	131,273	132,180	3,473	3,679	-5.6
Nov 6	128,572	136,872	3,582	3,724	-3.8
Nov 13	98,118	127,743	3,680	3,774	-2.5
Nov 20	105,033	115,749	3,785	3,851	-1.7
Nov 27	80,473	103,049	3,866	3,954	-2.2
Dec 4	93,941	94,392	3,960	4,058	-2.4
Dec 11	90,480	92,482	4,050	4,157	-2.6
Dec 18	51,213	79,027	4,101	4,212	-2.6

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 as 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. FAS/BKK will report only official export numbers available from the Board of Trade of Thailand. The reader should bear in mind these differences when comparing with historical data.

Source: Board of Trade of Thailand