

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

Export prices declined 1-2 percent from the previous week as traders await lower prices while the harvest is underway. The government will give more incentives for farmers and millers/traders to stockpile rice during the peak harvest.

Post:
Bangkok

Author Defined:
Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending September 26, 2016

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV
F WR 100 B	650	-	-	660	685	660	-	664	664
WR 100 B	375	-	395	375	385	380	395	384	387
PB 100%	371	-	400	370	380	375	395	382	386
PB 5%	366	-	395	365	375	370	390	377	381
WR 5%	362	-	385	363	375	367	380	372	377
WR 10%	360	-	-	-	-	365	-	363	369
WR 15%	358	-	-	-	-	363	-	361	366
WR 25%	356	-	-	-	-	360	-	358	361
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	-	-	-	-	-	-	-	-	-
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 34.5 baht/U.S.S

Source: Average actual prices received from exporters

Export prices continued to decline 1-2 percent over the past week due to a lack of new inquiries for large-volume contracts. Traders are taking a “wait and see” stance, while domestic prices are under downward pressure in anticipation of bumper supplies of the new rice crop. The harvest has already begun, particularly of the white rice production in irrigated areas in the lower northern region and central plains. Due to the delay in planting of white rice in these regions, the peak harvest is likely to occur in November 2016, which will be the same period as the seasonal harvest in the northeastern region. However, exporters do not expect any slide in domestic prices as the government will provide more incentives for farmers, farmer institutions and millers/traders to stockpile rice during the peak harvest through the On-Farm Pledging Program and Interest Rate Subsidy Program.

On September 22, 2016, the Rice Policy and Management Committee agreed to provide more incentives for farmers, farmer institutions, and rice millers/traders to stockpile rice during the peak harvest in November and December 2016. Farmers who participate in the On-Farm Pledging Program with the Bank for Agriculture and Agricultural Cooperatives will receive immediately 1,000 baht/MT (\$29/MT) in cash for storing fragrant or glutinous rice on site as opposed to in the past when they had to wait until the rice was sold on the market to receive 1,500 baht/MT (\$43/MT). They will receive the final 500 baht/MT (\$14/MT) when the rice is sold on the market in the following months. The target of this program is to pledge 2 million metric tons of fragrant and glutinous rice in the northeastern region. Meanwhile, millers/traders and farmer institutions who participate in the Interest-Rate Subsidy Program will receive a 4 percent interest rate subsidy (for 4-6 months of storage) - up from an earlier announced 3 percent interest rate subsidy. The target is to encourage millers/traders to stockpile 8 million metric tons of rice and farmer institutions to stockpile 2.5 million metric tons. The government expects these programs will help stabilize the farm-gate price of rice, as approximately half the bumper supplies will be kept off the market during the peak harvest.

Rice Export Update

Unofficial preliminary rice exports (excluding premium white and fragrant rice) for September 19-25, 2016 totaled 118,867 metric tons, down 4,470 metric tons from the previous week and up 7,208 metric tons from the four-week moving average of 111,659 metric tons (Table 2). Rice exports from January 1 – September 25, 2016 totaled 2,808,213 metric tons, down 12 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)	(%)
Aug 7	50,236	59,948	2,110	2,366	-10.8
Aug 14	50,836	64,433	2,161	2,452	-11.9
Aug 21	78,411	68,274	2,241	2,582	-13.2
Aug 28	120,462	74,986	2,362	2,700	-12.5
Sep 4	99,123	87,208	2,461	2,797	-12.0
Sep 11	105,307	100,826	2,599	2,916	-10.9
Sep 18	123,337	112,057	2,689	3,052	-11.9
Sep 25	118,867	111,659	2,808	3,178	-11.6

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