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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1016 Domestic and export prices increased 1-3 percent due to tight exportable supplies and strengthening of the Thai baht to 30.47 baht/\$. Prices are unlikely to increase much more because exporters have already secured their allotments from the government stock release to cover contracted exports of white rice to African countries and Indonesia.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Feb 7, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	970	-	1,000	-	970	925	-	966	965
WR 100 B	530	-	540	-	560	550	540	544	533
PB 100%	530	-	545	-	555	545	540	543	537
PB 5%	525	-	535	-	550	540	535	537	531
WR 5%	515	-	520	-	545	530	535	529	516
WR 10%	510	-	515	-	540	-	-	522	505
WR 15%	500	-	500	-	-	-	-	500	488
WR 25%	475	-	475	-	-	-	-	475	460
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	405	-	420	-	425	-	-	417	410
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.70 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices increased 1-3 percent due to tight exportable supplies and strengthening of the Thai baht to 30.47 baht/\$, compared to 30.90 baht/\$ in the previous week. After the long Lunar New Year holiday last week, rice millers and traders resumed their business with higher offer prices in anticipation of tighter exportable supplies while exporters are fulfilling outstanding contracts of 100% grade white rice to Iran and 5% grade white rice to African countries and Indonesia. Prices are unlikely to increase much more because exporters have already secured their allotments from the government stock release. In addition, Vietnamese white rice was offered \$40/MT lower than Thai white rice, as compared to typically \$30-35/MT difference, after the Indonesia government finalized its 820,000-ton white rice contract with Thai rice exporters last week. Meanwhile, the National Rice Committee agreed on January 31, 2011 to more aggressively implement its Direct Purchase Program with a new target of 2.0 million tons of paddy at benchmark prices. The enhanced program is an additional measure to help stabilize domestic prices. Last year, the program bought only around 150,000 tons as market prices were higher than benchmark prices.

The government's weekly benchmark price for white rice for February 7-13, 2011 declined 0.7 percent.

Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

	Rice paddy				
	Fragrant rice (Hommali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) ^{a/}	14	16	25	16	25
2. Insured prices (Baht/ton) ^{a/}	15,300	14,300	11,000 ^{d/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/ c/}					
Jan 10-16	13,080	12,849	10,390	13,927	8,537
Jan 17-23	12,990	12,799	10,403	13,966	8,527
Jan 24-30	12,989	12,798	10,787	14,206	8,715
Jan 31 - Feb 6	13,009	12,809	10,882	14,306	8,798
Feb 7 - 13	13,106	12,831	10,896	14,306	8,736
4. Compensation (1-2), (Baht/ton)					
Jan 10-16	2,220	1,451	610	-	1,463
Jan 17-23	2,310	1,501	597	-	1,473
Jan 24-30	2,311	1,502	213	-	1,285
Jan 31 - Feb 6	2,291	1,491	118	-	1,202
Feb 7 - 13	2,194	1,469	104	-	1,264
5. Market prices (Baht/ton)					
Jan 10-16	13,750	13,000	10,500	15,000	8,350
Jan 17-23	13,750	13,000	10,500	15,000	8,350
Jan 24-30	13,750	13,500	10,500	15,000	8,350
Jan 31 - Feb 6	13,750	13,500	10,500	15,000	8,400
Feb 7-13 ^{f/}	13,750	13,500	10,500	15,000	8,450

Note:

^{a/} Cabinet approval on Sep. 22, 2009

^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week

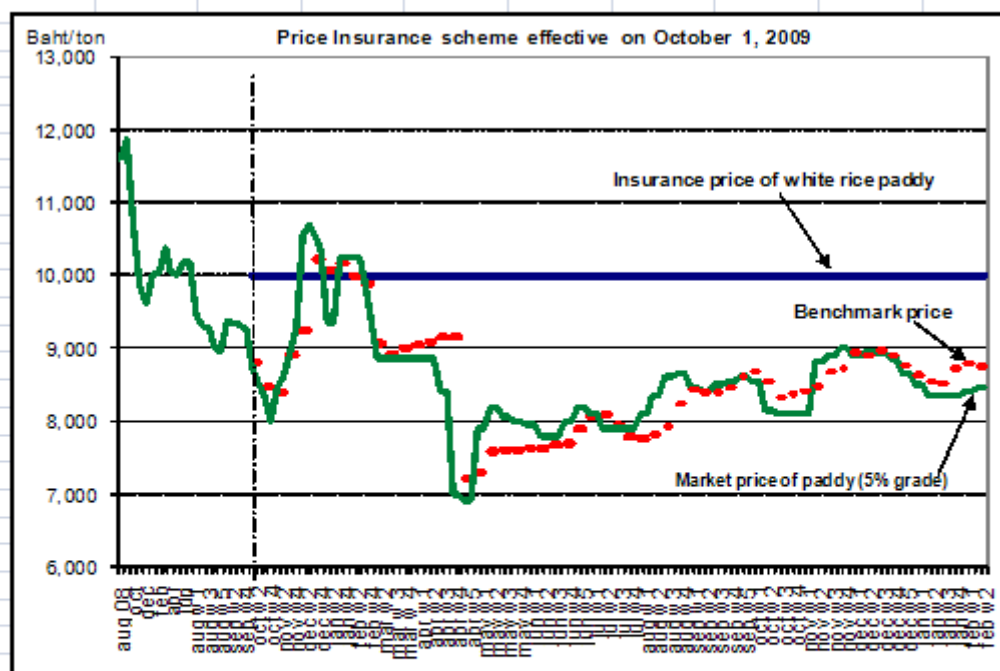
in Bangkok.

^{d/} The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 tons/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010

^{e/} The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 crop.

^{f/} As of Feb. 7, 2011

Figure 1: Comparison of market price, insurance price, and benchmark price



Note: 1/ Benchmark prices are average historical wholesale prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

^{a/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

^{b/} Starting Apr. 28, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for January 31 – February 6, 2011 totaled 197,142 tons, up 30,361 tons from the previous week, and up 11,670 tons from the four week moving average of 185,472 tons. Exports of white rice and parboiled rice during January 1 – February 6, 2011 totaled 932,411 tons, up 50.4 percent from 620,025 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – February 3, 2011 amounted to 994,244 tons, up 23.3 percent from 806,103 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
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	(MT)	(MT)	(TMT)	(TMT)	(%)
Dec 5	154,521	164,008	5,965	5,500	8.5
Dec 12	154,966	158,637	6,120	5,614	9.0
Dec 19	191,645	164,806	6,312	5,742	9.9
Dec 26	181,514	170,662	6,493	5,852	10.6
Dec 31	155,420	170,886	6,649	5,896	12.8
Jan 2, 2011	3,600	-	4	1	260.0
Jan 9	186,924	-	191	105	81.8
Jan 16	198,541	-	389	272	42.8
Jan 23	179,423	-	568	420	35.3
Jan 30	166,781	182,917	735	525	40.2
Feb 6	197,142	185,472	932	620	50.4

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports 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 export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Source: Board of Trade of Thailand

Movement (MT)	Jan 17-21	Jan 24-28	Jan 31 - Feb 4 (Preliminary)
Weekly sales	271,043	262,041	185,454
4 week sum	-	850,601	904,107
4 week mov. avg.	-	212,650	226,027
Year-to-date sales	588,560	850,601	1,036,055

End of report.