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# GAIN Report

Global Agricultural Information Network

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## **Thailand**

### **Rice Price - Weekly**

#### **Weekly Rice Price Update**

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**Report Highlights:**

TH0116 Despite steady domestic prices, export prices increased slightly by 1.0 percent as the Thai baht strengthened against the U.S. dollar. Exporters encouraged the Government to release the intervention stocks on a weekly basis of 50,000 tons until stocks are depleted in order to minimize the impact on domestic prices.

**Post:**  
Bangkok

## Market Tone

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PKV.
F WR 100B	975	-	1,000	-	1,000	950	-	981	979
WR 100B	450	-	465	-	475	460	480	466	463
PB 100%	475	-	475	-	485	490	480	481	478
PB 5%	470	-	465	-	475	485	475	474	471
WR 5%	420	-	430	-	455	440	460	441	438
WR 10%	415	-	420	-	450	435	-	430	426
WR 15%	405	-	405	-	-	430	-	419	410
WR 25%	390	-	390	-	-	410	-	397	393
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	950	-	950	-	965	965	-	958	952
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 31.7 baht/US\$

Source: Average actual prices received from exporters

Despite steady domestic prices, export prices increased slightly by 1.0 percent as the Thai baht strengthened against the U.S. dollar from around 32.0 baht/\$ in the previous week to 31.7 baht/\$. Meanwhile, foreign traders are still waiting for the Thai government to release details on the rice stock release which is likely to be within this month, as such new orders have been slow coming in.

Exporters encouraged the Government to release the intervention stocks on a weekly basis of 50,000 tons until stocks are depleted in order to minimize the impact on domestic prices.

The weekly benchmark prices of white rice for August 9-15 increased by 0.9 percent. As such, farmers will receive slightly lower compensation compared to the previous week. Farmers that sell their supplies this week will be able to arbitrage as market prices are above the benchmark prices.

**Table 2: Price Insurance Scheme for MY2009/2010 rice crop**

	Rice paddy				
	Fragrant rice (Hommah)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) <sup>a/</sup>	14	16	25	16	25
2. Insured prices (Baht/ton) <sup>a/</sup>	15,300	14,300	11,000 <sup>d/</sup>	9,500	10,000
3. Benchmark prices (Baht/ton) <sup>b/ c/</sup>					
July 12-18	-	-	10,809	13,465	8,081
July 19-25	-	-	10,764	14,655	7,926
July 26 - Aug 1	-	-	10,556	15,383	7,788
Aug 2 - 8	-	-	10,379	15,259	7,748
Aug 9-15	-	-	10,219	15,242	7,816
4. Compensation (1-2), (Baht/ton)					
July 12-18	-	-	191	-	1,919
July 19-25	-	-	236	-	2,074
July 26 - Aug 1	-	-	444	-	2,212
Aug 2-8	-	-	621	-	2,252
Aug 9-15	-	-	781	-	2,184
5. Market prices (Baht/ton)					
July 12-18	13,750	11,750	11,050	15,400	7,900
July 19-25	13,750	11,750	10,950	15,400	7,900
July 26 - Aug 1	13,500	12,750	10,650	16,000	7,900
Aug 2-8	14,125	12,750	10,650	15,500	8,100
Aug 9-15 <sup>e/</sup>	14,125	12,750	10,650	15,500	8,100

Note:

<sup>a/</sup> Cabinet approval on Sep. 22, 2009

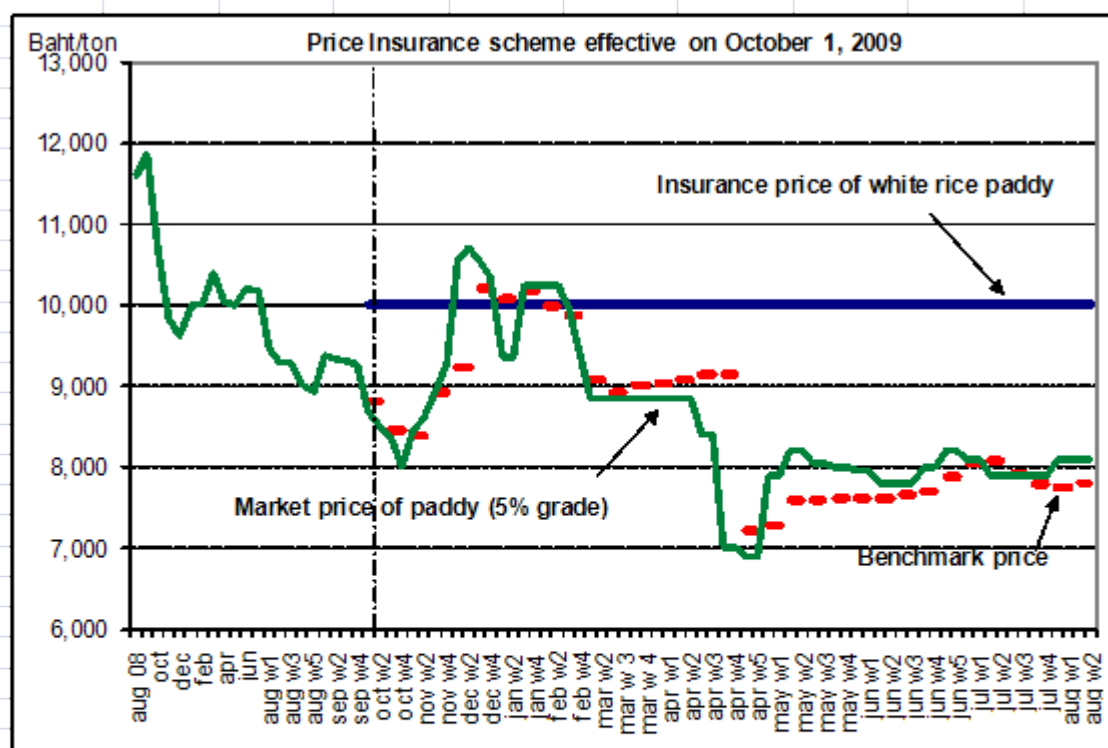
<sup>b/</sup> Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical whole sale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the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

<sup>c/</sup> Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

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

<sup>e/</sup> As of August 6, 2010

**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.

<sup>2/</sup> 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.

<sup>3/</sup> Starting Apr. 26, 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 Aug 2-8, 2010 totaled 79,683 tons, down 34,606 tons from the previous week, and down 28,609 tons from the four-week moving average of 108,292 tons. Exports of white rice and parboiled rice during January 1 – August 8, 2010 totaled 3,503,014 tons, down 2.3 percent from 3,584,047 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – July 23, 2010 amounted to 4,566,270 tons, down 8.1 percent from 4,967,068 tons in the previous year.

<b>Table 3: Weekly rice exports (excluding fragrant rice)</b>					
WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
May 30	130,142	121,726	2,469	2,355	4.8
Jun 6	98,942	115,938	2,568	2,493	3.0
Jun 13	82,918	106,865	2,651	2,640	0.4
Jun 20	105,026	104,325	2,756	2,758	-0.1
Jun 27	103,458	97,586	2,859	2,915	-1.9
Jul 4	84,405	93,952	2,944	3,044	-3.3
Jul 11	126,065	104,739	3,070	3,128	-1.9
Jul 18	118,235	108,041	3,188	3,259	-2.2
Jul 25	120,961	112,416	3,309	3,359	-1.5
Aug 1	114,289	119,887	3,423	3,468	-1.3
Aug 8	79,683	108,292	3,503	3,584	-2.3

*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

<b>Table 4: Weekly private registered rice export sales</b>			
Movement (MT)	Jul. 19-23	Jul. 26-30 (Revised)	Aug. 2-6 (Preliminary)
Weekly sales	126,743	82,840	71,571
4 week sum	540,168	486,184	424,416
4 week mov. avg.	135,042	121,546	106,104
Year-to-date sales	3,697,194	3,780,034	3,851,605

End of report.

