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GAIN Report

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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0120 Domestic and export prices increased by 1-5 percent due to enquiries from African countries. They are making new purchases for parboiled rice for their year-end domestic demand. Meanwhile, foreign traders, who seek large volumes of rice, reportedly hesitated to place orders on white rice as they are still waiting for the details of the government stock release.

Post:
Bangkok

Market Tone

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	EUR	HKD
FWR 100 B	985	-	1,000	-	1,000	950	-	984	981
WR 100 B	460	-	465	-	475	460	490	470	466
PB 100%	508	-	510	-	485	510	500	503	481
PB 5%	503	-	500	-	475	505	475	492	474
WR 5%	440	-	430	-	455	440	470	447	441
WR 10%	435	-	420	-	430	435	-	435	430
WR 15%	425	-	405	-	-	430	-	420	413
WR 25%	410	-	390	-	-	410	-	403	397
WR 35%	-	-	-	-	-	-	-	-	-
A1 SLP	357	-	350	-	365	365	-	359	358
A1 SBC	-	-	-	-	-	-	-	-	-

Exchange rate: 31.6 baht/US\$

Source: Average actual prices received from exporters

Domestic and export prices increased by 1-5 percent due to enquiries from African countries, particularly for Nigeria. They are making new purchases for parboiled rice for their year-end domestic demand. The shipments are usually scheduled by September – October. In addition, the quotations are driven by the concern over continued strengthening Thai baht from 31.7 to 31.6 baht/\$. Meanwhile, foreign traders, who seek large volumes of rice, reportedly hesitated to place orders on white rice as they are still waiting for the details of the government stock release.

The weekly benchmark prices of white rice for August 16-22 increased by 1.5 percent. As such, farmers will receive 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 (Hommal)	Provincial fragrant rice	Pathum fragrant rice	Glabrous 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 ^{a/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/ c/}					
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
Aug. 16-22	-	-	10,331	15,304	7,930
4. Compensation (1-2), (Baht/ton)					
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
Aug. 16-22	-	-	669	-	2,070
5. Market prices (Baht/ton)					
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	14,125	12,750	10,650	15,500	8,350
Aug. 16-22 ^{d/}	14,350	12,750	10,750	16,500	8,600

Note:

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

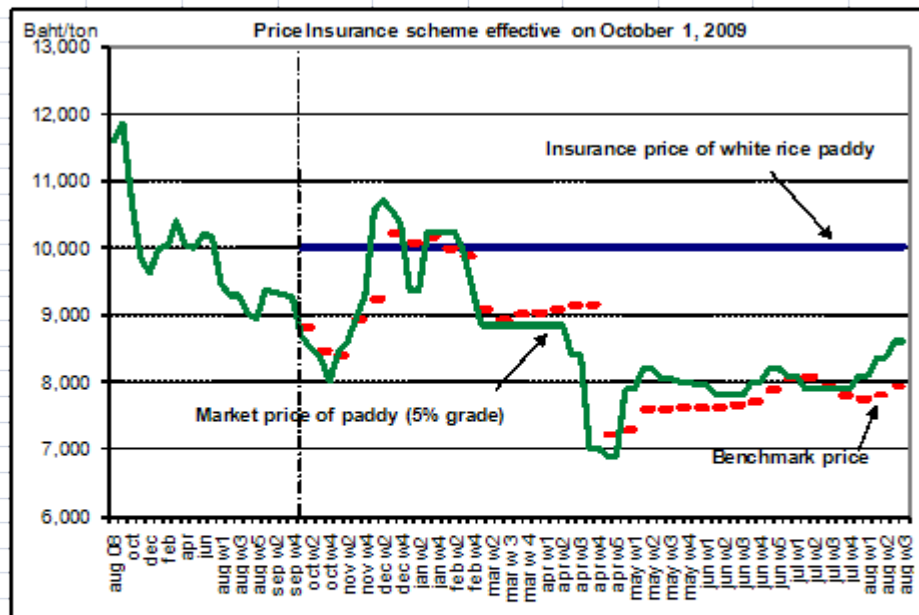
^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent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

^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale 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 tone/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010

^{e/} As of August 16, 2010

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



Note: ^v 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 price and benchmark price.

^{iv} 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.

^v 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 9-15, 2010 totaled 79,644 tons, down 38 tons from the previous week, and down 19,000 tons from the four-week moving average of 98,644 tons. Exports of white rice and parboiled rice during January 1 – August 15, 2010 totaled 3,582,659 tons, down 3.1 percent from 3,695,633 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – August 9, 2010 amounted to 4,860,400 tons, down 7.6 percent from 5,257,423 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
	(MT)	(MT)	(TMT)	(TMT)	(%)
Jun 6	98,942	115,938	2,568	2,499	9.0
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	109,458	97,586	2,859	2,915	-1.9
Jul 4	84,405	98,952	2,944	3,044	-9.9
Jul 11	126,065	104,799	3,070	3,128	-1.9
Jul 18	118,295	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	3,429	3,468	-1.3
Aug 8	79,689	108,292	3,509	3,584	-2.9
Aug 15	79,644	98,644	3,589	3,696	-9.1

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/BEK 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

Table 4: Weekly private registered rice export sales			
Movement (MT)	Jul. 26-30	Aug. 2-6 (Revised)	Aug. 9-13 (Preliminary)
Weekly sales	82,840	82,071	84,754
4 week sum	486,184	434,916	376,408
4 week mov. avg.	121,546	108,729	94,102
Year-to-date sales	3,780,034	3,862,105	3,946,859

End of report.