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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0154 Domestic and export prices increased by 3-5 percent as foreign buyers stepped up their enquiries of Thai white rice for export to African markets. Additionally, rice millers and traders are holding stocks speculating that MY2010/11 main-crop rice production will likely decline significantly in flooded areas. However, exporters expect prices will likely ease over the next few weeks once the damage due to floods is assessed.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Nov. 8, 2010

| Quality | Exporter Observations | | | | | | | Period Average | |
|------------------|-----------------------|----|-------|----|-------|-------|-----|----------------|-------|
| | #1 | #2 | #3 | #4 | #5 | #6 | #7 | CUR. | PRV. |
| F WR 100 B | 1,050 | - | 1,145 | - | 1,100 | 1,060 | - | 1,089 | 1,095 |
| WR 100 B | 525 | - | 530 | - | 520 | 535 | 520 | 526 | 507 |
| PB 100% | 555 | - | 570 | - | 555 | 555 | 520 | 551 | 538 |
| PB 5% WR | 550 | - | 560 | - | 550 | 550 | 515 | 545 | 532 |
| 5% WR | 510 | - | 510 | - | 510 | 515 | 510 | 511 | 491 |
| 10% WR | 500 | - | 500 | - | 500 | - | - | 500 | 480 |
| 15% WR | 490 | - | 490 | - | - | - | - | 490 | 473 |
| 25% WR | 475 | - | 480 | - | - | 480 | - | 478 | 462 |
| 35% A1 SUP | - | - | - | - | - | - | - | - | - |
| 420 | - | - | 440 | - | 430 | 425 | - | 429 | 428 |
| A1 SPEC | - | - | - | - | - | - | - | - | - |

Exchange rate: 29.5 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices increased by 3-5 percent as foreign buyers stepped up their enquiries of Thai white rice for export to African markets. Additionally, rice millers and traders are holding stocks speculating that MY2010/11 main-crop rice production will likely decline significantly by 10-20 percent due to flooding. However, exporters expect that prices will likely ease over the next few weeks once the flooded damage is assessed. Presently, the fragrant rice harvest has begun in many areas in the northeast; however prices have remained stable regardless of the flooding damage, partly due to the large carry-over stocks of local millers. In addition, exporters have no concerns over supplies of white rice as the government still has outstanding stocks of 3-4 million tons and expectations are that the government will release between 2-3 million tons once the flooding damage is assessed. Also, new-crop white rice will be cultivated soon after water recedes, particularly in the central plain.

The weekly benchmark price for white rice for November 8-14 increased by 0.9 percent. As such, farmers will receive higher 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 (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/} | | | | | |
| Oct 11-17 | 14,643 | 14,013 | 11,432 | 15,755 | 8,551 |
| Oct 18-24 | 14,530 | 13,956 | 11,242 | 15,732 | 8,318 |
| Oct 25-31 | 14,372 | 13,952 | 11,212 | 15,746 | 8,357 |
| Nov 1-7 | 14,278 | 13,934 | 11,211 | 15,752 | 8,414 |
| Nov 8-14 | 13,957 | 13,566 | 11,295 | 15,752 | 8,487 |
| 4. Compensation (1-2), (Baht/ton) | | | | | |
| Oct 11-17 | 657 | 287 | - | - | 1,449 |
| Oct 18-24 | 770 | 344 | - | - | 1,682 |
| Oct 25-31 | 928 | 348 | - | - | 1,643 |
| Nov 1-7 | 1,022 | 366 | - | - | 1,586 |
| | 1,343 | 734 | - | - | 1,513 |
| 5. Market prices (Baht/ton) | | | | | |
| Oct 11-17 | 15,250 | 13,500 | 11,300 | 18,000 | 8,150 |
| Oct 18-24 | 15,250 | 13,500 | 11,300 | 18,000 | 8,100 |
| Oct 25-31 | 15,250 | 13,500 | 11,300 | 18,000 | 8,100 |
| Nov 1-7 | 14,500 | 13,500 | 11,400 | 17,500 | 8,100 |
| Nov 8-14 ^{e/} | 14,500 | 13,500 | 11,700 | 17,500 | 8,800 |

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.

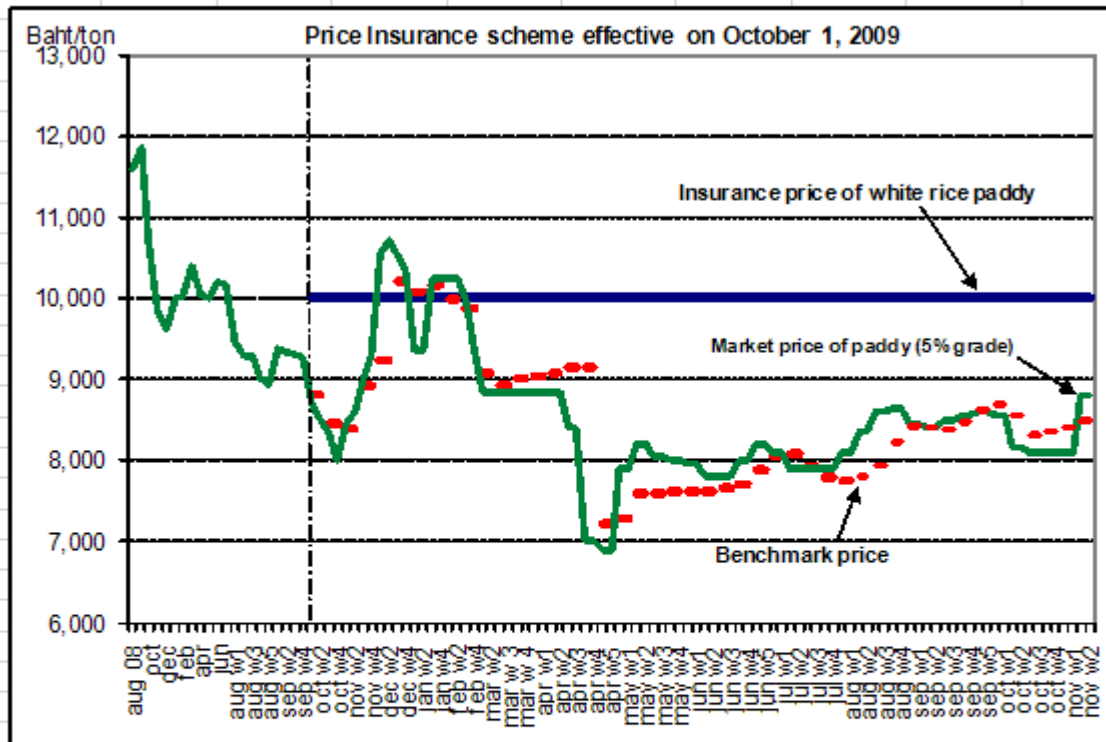
^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

^{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 Nov. 8, 2010

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



Note: ^{1/} Benchmark prices are average historical wholesales 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.

^{2/} 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.

^{3/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for November 1-7, 2010 totaled 151,009 tons, down 24,967 tons from the previous week, and down 9,831 tons from the four-week moving average of 160,840 tons. Exports of white rice and parboiled rice during January 1 – November 7, 2010 totaled

5,309,091 tons, up 3.7 percent from 5,121,205 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – November 3, 2010 amounted to 7,084,992 tons, down 2.8 percent from 7,286,196 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) | (%) |
| Aug 29 | 136,724 | 95,433 | 3,805 | 3,960 | -3.9 |
| Sep 5 | 107,793 | 102,461 | 3,913 | 4,063 | -3.7 |
| Sep 12 | 144,218 | 118,605 | 4,057 | 4,197 | -3.3 |
| Sep 19 | 147,715 | 134,113 | 4,205 | 4,336 | -3.0 |
| Sep 26 | 165,570 | 141,324 | 4,370 | 4,459 | -2.0 |
| Oct 3 | 158,804 | 154,077 | 4,529 | 4,557 | -0.6 |
| Oct 10 | 136,566 | 152,164 | 4,666 | 4,666 | 0.0 |
| Oct 17 | 150,078 | 152,755 | 4,816 | 4,762 | 1.1 |
| Oct 24 | 166,295 | 152,936 | 4,982 | 4,905 | 1.6 |
| Oct 31 | 175,976 | 157,229 | 5,158 | 5,027 | 2.6 |
| Nov 7 | 151,009 | 160,340 | 5,309 | 5,121 | 3.7 |

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

Table 4: Weekly private registered rice export sales

| Movement (MT) | Oct 18-22 | Oct 25-29 (Revised) | Nov 1-5 (Preliminary) |
|--------------------|-----------|---------------------|-----------------------|
| Weekly sales | 127,926 | 146,448 | 149,309 |
| 4 week sum | 641,443 | 677,777 | 648,146 |
| 4 week mov. avg. | 160,361 | 169,444 | 171,037 |
| Year-to-date sales | 5,684,042 | 5,876,612 | 6,025,921 |

End of report.