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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0147 Domestic and export prices increased by 1-2 percent due to continued strengthening of the Thai baht to 29.7 baht/\$. Also, foreign buyers and international brokers are reportedly making enquiries for Thai white rice to secure their white rice supplies due to the concern over uncertainty in Vietnamese rice exportable supplies.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Oct. 18, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,080	-	1,145	-	1,100	1,055	-	1,095	1,096
WR 100 B	480	-	510	-	500	510	505	501	498
PB 100%	520	-	570	-	550	525	520	537	53
PB 5%	515	-	560	-	545	520	510	530	7
WR 5%	475	-	495	-	480	490	500	488	482
WR 10%	465	-	480	-	475	-	-	473	468
WR 15%	460	-	470	-	-	-	-	465	460
WR 25%	450	-	460	-	-	465	-	458	452
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	410	-	440	-	430	430	-	428	428
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 29.7 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices increased by 1-2 percent due to continued strengthening of the Thai baht to 29.7 baht/\$, as compared to 29.9 in the previous week. Also, foreign buyers and international brokers are reportedly making enquiries for Thai white rice to secure their white rice supplies due to the concern over uncertainty in Vietnamese rice exportable supplies. Meanwhile, the Thai government still plans to release 4.0 million tons out of total intervention stock of 5.0 – 6.0 million tons for export and keep the balance as a safety stock for food security. So far, around 2.0 million tons have been released since August 2010. The additional stock release of around 2.0 million tons remained controversial as the sole exporter who received the approval from the government is a small exporter who may not be able to handle the export of 2.0 million tons within the 5-6 months required by the government. In addition, the market for old-crop white rice from the intervention stock is mostly in African countries which are currently dominated by Vietnamese rice.

The weekly benchmark price for white rice for October 18-24, declined by 2.7 percent. As such, farmers will receive higher compensation compared to the previous week. However, farmers that sell their supplies this week will not attain insurance prices, as the benchmark price is based on last week higher 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/}					
Sep 20-26	-	-	11,331	15,725	8,466
Sep 27 - Oct 3	-	-	11,335	15,725	8,617
Oct 4-10 ^{e/}	14,921	14,083	11,418	15,780	8,687
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
4. Compensation (1-2), (Baht/ton)					
Sep 20-26	-	-	-	-	1,534
Sep 27 - Oct 3	-	-	-	-	1,383
Oct 4-10	379	217	-	-	1,313
Oct 11-17	657	287	-	-	1,449
Oct 18-24	770	344	-	-	1,682
5. Market prices (Baht/ton)					
Sep 20-26	15,250	12,750	11,000	17,000	8,550
Sep 27 - Oct 3	15,250	12,750	11,150	17,000	8,600
Oct 4-10	15,250	13,500	11,300	18,000	8,550
Oct 11-17	15,250	13,500	11,300	18,000	8,150
Oct 18-24 ^{f/}	15,250	13,500	11,300	18,000	8,200

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.

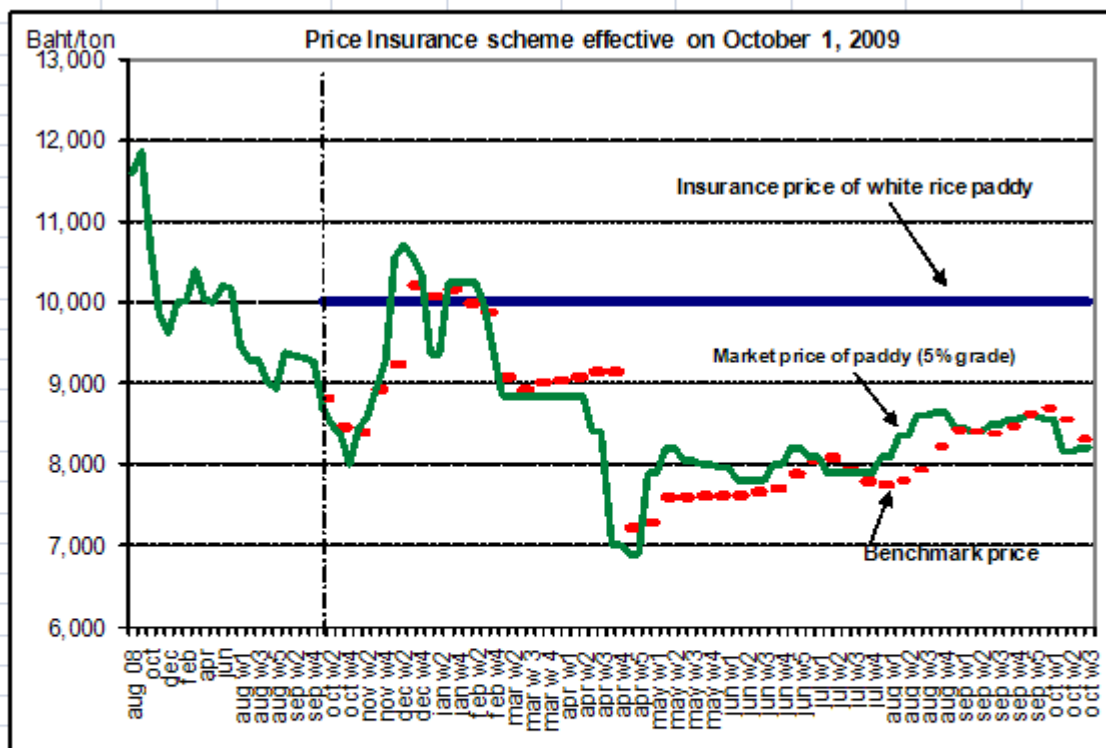
^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

^{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 Oct. 18, 2011

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 October 11-17, 2010 totaled 150,078 tons, up

13,512 tons from the previous week, and down 2,676 tons from the four-week moving average of 152,755 tons. Exports of white rice and parboiled rice during January 1 – October 17, 2010 totaled 4,815,810 tons, up 1.1 percent from 4,762,377 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – October 13, 2010 amounted to 6,448,958 tons, down 4.4 percent from 6,748,935 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 8	79,683	108,292	3,503	3,584	-2.3
Aug 15	79,644	98,644	3,583	3,696	-3.1
Aug 22	85,682	89,824	3,668	3,823	-4.0
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

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)	Sep. 27 - Oct 1	Oct 4-8	Oct 11-15 (Preliminary)
Weekly sales	156,236	142,940	166,298
4 week sum	673,484	669,893	661,482
4 week mov. avg.	168,371	167,473	165,371
Year-to-date sales	5,198,835	5,341,775	5,508,073

End of report.