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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0135 Domestic and export prices increased by 2 - 3 percent due to tight domestic supplies of paddy for parboiled rice production. Also, foreign buyers and traders are making enquiries for white rice as the government has released approximately 2.7 million tons of intervention stock, and reportedly plans to release an additional 1-2 million tons.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Sep. 20, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR									
100 B	1,065	-	1,110	-	1,100	1,040	-	1,079	1,060
WR									
100 B	490	-	505	-	495	500	510	500	491
PB									
100%	535	-	540	-	535	545	520	535	525
PB 5%	530	-	530	-	530	540	510	528	519
WR 5%	475	-	485	-	475	480	500	483	475
WR									
10%	465	-	475	-	470	-	-	470	463
WR									
15%	460	-	465	-	-	-	-	463	457
WR									
25%	450	-	450	-	-	460	-	453	446
WR									
35%	-	-	-	-	-	-	-	-	-
A1									
SUP	410	-	410	-	410	430	-	415	414
A1									
SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.5 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices increased by 2 - 3 percent due to tight domestic supplies of paddy for parboiled rice production. Exporters are fulfilling outstanding shipments of parboiled rice to African countries, particularly for Nigeria. In addition, foreign buyers and traders are making enquiries for white rice as the Government has released approximately 2.7 million tons of intervention stock, and reportedly plans to release an additional 1-2 million tons, mostly white rice. The balance of around 1.0 million tons will be kept as safety stock for food security. Meanwhile, the exchange rate fluctuation is still a concern among exporters due to continued strengthening of the Thai baht to 30.5 baht/\$, compared to 30.6 baht/\$ in the previous week.

The weekly benchmark prices for white rice for September 20-26, increased by 1.0 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 slightly above the benchmark prices.

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

	Rice paddy
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	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/}					
Aug 23-29	-	-	10,669	15,347	8,224
Aug 30 - Sep 5	-	-	10,917	15,524	8,435
Sep 6 - 12	-	-	11,098	15,647	8,395
Sep 13-19	-	-	11,242	15,677	8,382
Sep 20-26	-	-	11,331	15,725	8,466
4. Compensation (1-2), (Baht/ton)					
Aug 23-29	-	-	331	-	1,776
Aug 30 - Sep 5	-	-	83	-	1,565
Sep 6 - 12	-	-	-	-	1,605
Sep 13-19	-	-	-	-	1,618
Sep 20-26	-	-	-	-	1,534
5. Market prices (Baht/ton)					
Aug 23-29	14,600	12,750	10,750	16,500	8,650
Aug 30 - Sep 5	14,850	12,750	11,000	16,500	8,450
Sep 6-12	14,850	12,750	11,000	16,750	8,400
Sep 13-19	15,250	12,750	11,000	17,000	8,500
Sep 20-26 ^{c/}	15,250	12,750	11,000	17,000	8,550

Note:

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

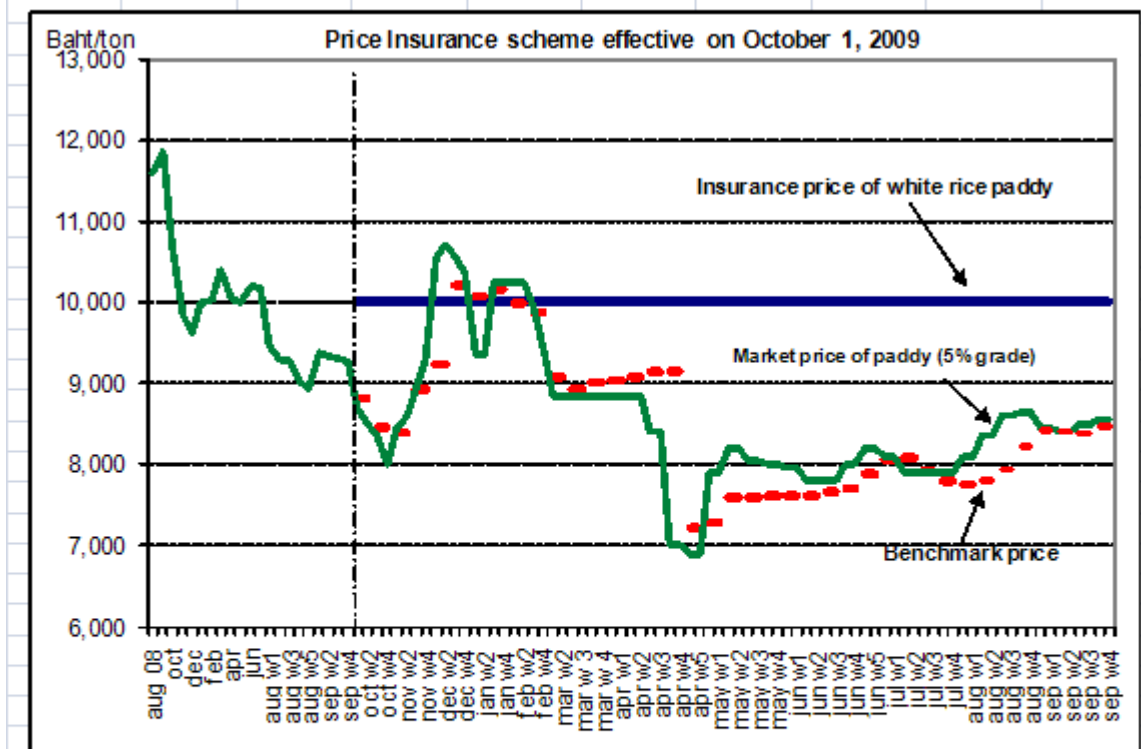
^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent 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/} As of Sep 20, 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.

^{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 wholesale price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for Sep 13-19, 2010 totaled 147,715 tons, up 3,496 tons from the previous week, and up 13,602 tons from the four-week moving average of 134,113 tons. Exports of white rice and parboiled rice during January 1 – September 19, 2010 totaled 4,204,791 tons, down 3.0 percent from 4,336,452 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – September 10, 2010 amounted to 5,574,390 tons, down 8.2 percent from 6,071,382 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)	(%)
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
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

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)	Aug. 30 - Sep. 3	Sep. 6-10 (Revised)	Sep. 13-17 (Preliminary)
Weekly sales	149,784	146,531	107,610
4 week sum	663,246	701,073	599,884
4 week mov. avg.	165,812	175,268	149,971
Year-to-date sales	4,525,351	4,671,882	4,779,492

End of report.