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Thailand

Rice Price - Weekly

Weekly Rice Price Update

Approved By:

Orestes Vasquez,
Agricultural Attaché

Prepared By:

Ponnarong Prasertsri,
Agricultural Specialist

Report Highlights:

TH0136 Domestic and export prices for most grades of rice remained unchanged from the previous week, except for parboiled rice prices which continued to increase. On September 22, Japan resumed its rice import tender to meet WTO minimum access commitments by allocating 12,000 tons of 100% B grade white rice to Thai rice exporters whose bidding prices were lower than market prices.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Sep. 27, 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	1,079
WR									
100 B	490	-	505	-	495	500	510	500	500
PB									
100%	540	-	540	-	540	545	520	537	535
PB 5%	535	-	530	-	535	540	510	530	528
WR 5%	475	-	485	-	475	480	500	483	483
WR									
10%	465	-	475	-	470	-	-	470	470
WR									
15%	460	-	465	-	-	-	-	463	463
WR									
25%	450	-	450	-	-	465	-	455	453
WR									
35%	-	-	-	-	-	-	-	-	-
A1									
SUP	410	-	410	-	410	435	-	416	415
A1									
SPEC	-	-	-	-	-	-	-	-	-

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

Source: Average actual prices received from exporters

Domestic and export prices for most grades of white rice remained unchanged from the previous week, except for parboiled rice prices which continued to increase. African and Middle East countries continue making enquiries on Thai parboiled rice for November – December deliveries as exportable supplies of Indian parboiled rice remain limited (the Indian government has yet to officially lift the ban on non-basmati rice exports, although it's assumed that some parboiled rice is making its way into the world market). Meanwhile, on September 22, Japan resumed its rice import tenders to meet its WTO minimum access requirements by allocating 12,000 tons of 100% B grade white rice to Thai rice exporters whose bidding prices were \$480/MT, 4-5 percent lower than current market prices. It is noteworthy to mention that the bid winners are those exporters who were granted Thai government stocks at favorable prices in August.

The weekly benchmark prices for white rice for September 27 – October 3, increased by 1.8 percent. As such, farmers will receive lower compensation compared to the previous week. Farmers that sell their supplies this week will not attain insurance prices, as compensation will fall short due to higher compensation prices over market 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/}					
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
Sep 27 - Oct 3	-	-	11,335	15,725	8,617
4. Compensation (1-2), (Baht/ton)					
Aug 30 - Sep 5	-	-	83	-	1,565
Sep 6 - 12	-	-	-	-	1,605
Sep 13-19	-	-	-	-	1,618
Sep 20-26	-	-	-	-	1,534
Sep 27 - Oct 3	-	-	-	-	1,383
5. Market prices (Baht/ton)					
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	15,250	12,750	11,000	17,000	8,550
Sep 27 - Oct 3 ^{e/}	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

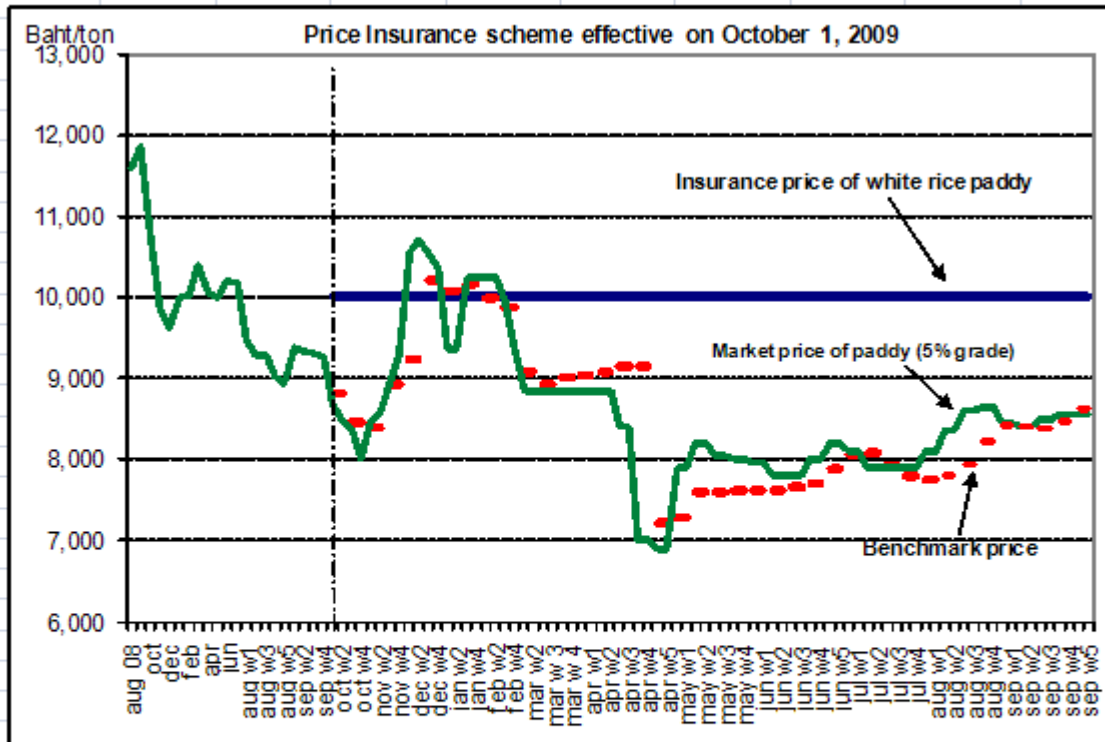
the Permanent Secretary General of the Ministry of Commerce.

^{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 27, 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 Sep 20-26, 2010 totaled 165,570 tons, up 17,855 tons from the previous week, and up 24,246 tons from the four-week moving average of 141,324 tons. Exports of white rice and parboiled rice during January 1 – September 26, 2010 totaled 4,370,362 tons, down 2.0 percent from 4,458,898 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 20, 2010 amounted to 5,807,031 tons, down 7.5 percent from 6,275,846 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 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
Sep 26	165,570	141,324	4,370	4,459	-2.0

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)	Sep. 6-10	Sep. 13-17 (Revised)	Sep. 20-24 (Preliminary)
Weekly sales	146,531	174,709	103,733
4 week sum	701,073	666,983	574,757
4 week mov. avg.	175,268	166,746	143,689
Year-to-date sales	4,671,882	4,846,591	4,950,324

End of report.