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# GAIN Report

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## **Thailand**

### **Rice Price - Weekly**

#### **Weekly Rice Price Update**

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**Report Highlights:**

TH 1002 Domestic and export prices remain unchanged from the previous week as domestic and foreign markets have not fully resume trading activities due to New Year's holiday. The cabinet will likely approve an intervention stock release for export of 0.8 million tons of old-crop white rice 5 % grade to the top three exporters later this month.

**Post:**  
Bangkok

## Market Tone

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Jan. 4, 2011**

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	995	-	1,035	-	980	1,080	-	1,023	1,023
WR 100 B	535	-	555	-	540	550	540	544	544
PB 100%	520	-	550	-	540	535	530	535	535
PB 5%	515	-	540	-	535	530	525	529	529
WR 5%	515	-	535	-	520	530	530	526	526
WR 10%	510	-	525	-	515	525	-	519	519
WR 15%	495	-	510	-	-	515	-	507	507
WR 25%	465	-	475	-	-	480	-	473	473
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	390	-	410	-	395	405	-	400	400
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 29.85 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices remain unchanged from the previous week as most domestic and foreign market have not fully resume trading activities due to New Year's holiday. The shipments of 230,000 tons of white rice contract (dated December 7, 2010) to Indonesia are underway and will likely be fulfilled within January 2011. The cabinet is expected to approve an intervention stock release for export of 0.8 million tons of old-crop white rice 5% grade to the top three exporters later this month. Since July 2010, the government has released approximately 3.5 million tons (out of total intervention stocks of 5-6 million tons). Meanwhile, exchange rate fluctuation remains a concern among exporters as the Thai baht strengthened again to 29.85 baht/\$, compared to 30.05 baht/\$ in the previous week.

The government's weekly benchmark price for white rice for January 3-9, 2011 declined by 1.5 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 higher than benchmark prices.

**Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop**

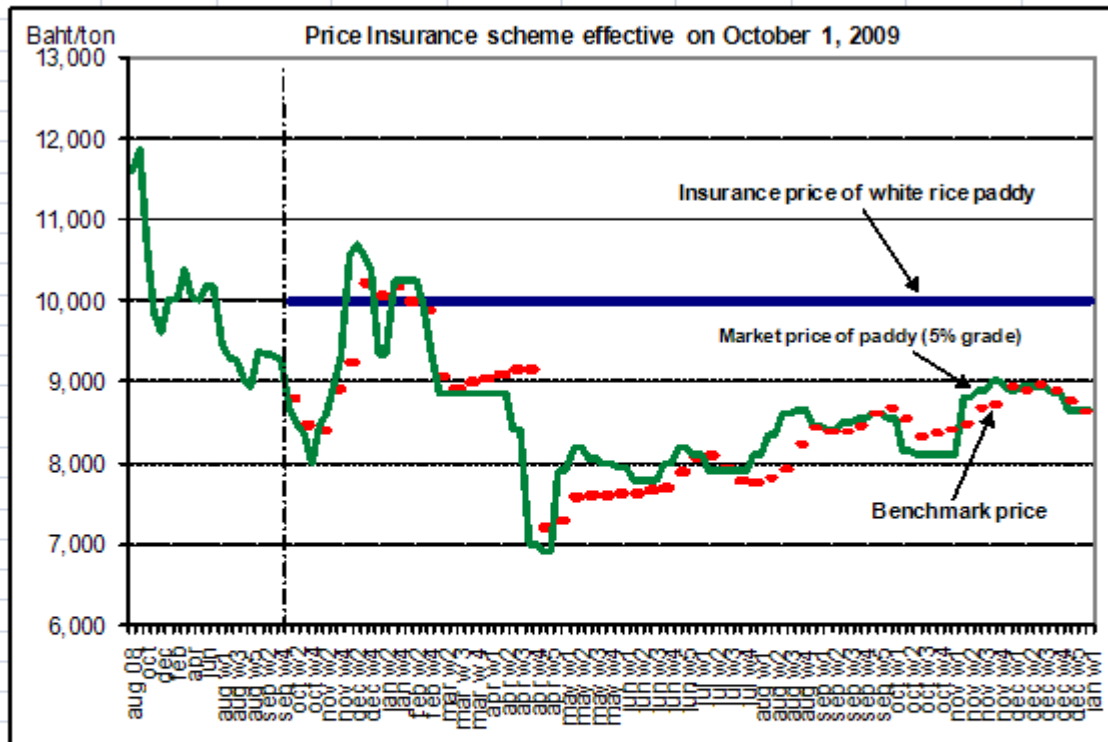
	Rice paddy				
	Fragrant rice (Hommali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) <sup>a/</sup>	14	16	25	16	25
2. Insured prices (Baht/ton) <sup>a/</sup>	15,300	14,300	11,000 <sup>d/</sup>	9,500	10,000
3. Benchmark prices (Baht/ton) <sup>b/ c/</sup>					
Dec 6 - 12	13,871	13,417	11,605	15,463	8,905
Dec 13-19	13,742	13,317	11,464	14,518	8,954
Dec 20-26	13,539	13,139	11,070	13,876	8,904
Dec 27, 2010 - Jan 2, 2011	13,295	12,873	10,657	14,002	8,769
Jan 3 - 9	13,108	12,878	10,442	13,942	8,636
4. Compensation (1-2), (Baht/ton)					
Dec 6 - 12	1,429	883	-	-	1,095
Dec 13-19	1,558	983	-	-	1,046
Dec 20-26	1,761	1,161	-	-	1,096
Dec 27, 2010 - Jan 2, 2011	2,005	1,427	343	-	1,231
Jan 3-9	2,192	1,422	558	-	1,364
5. Market prices (Baht/ton)					
Dec 6-12	14,250	13,250	11,100	13,500	8,950
Dec 13-19	14,250	13,500	10,800	14,500	8,950
Dec 20-26	13,750	13,500	10,600	14,500	8,850
Dec 27, 2010 - Jan 2, 2011	13,975	13,500	10,500	15,000	8,650
Jan 3-9 <sup>e/</sup>	13,975	14,000	10,500	15,000	8,650

Note:

<sup>a/</sup> Cabinet approval on Sep. 22, 2009<sup>b/</sup> 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.

- <sup>c/</sup> Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.
- <sup>d/</sup> 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
- <sup>e/</sup> The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 crop.
- <sup>f/</sup> As of Dec 30, 2010

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



**Note:** <sup>1/</sup> 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.

<sup>2/</sup> 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 wholesales 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.

<sup>3/</sup> 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 January 1 – 2, 2011 totaled 3,600 tons, up 260 percent from 1,000 tons in the previous year. Exports for December 27-31, 2010 totaled 155,420 tons, down 26,094 tons from the previous week, and down 15,466 tons from the four-week moving average of 170,886 tons. Exports of white rice and parboiled rice during January 1 – December 31, 2010 totaled 6,648,669 tons, up 12.8 percent from 5,895,795 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including

fragrant rice) during January 1 – December 23, 2010 amounted to 8,726,578 tons, up 3.7 percent from 8,416,721 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)	(%)
Oct 31	175,976	157,229	5,158	5,027	2.6
Nov 7	151,009	160,340	5,309	5,121	3.7
Nov 14	176,449	167,432	5,486	5,234	4.8
Nov 21	166,973	167,602	5,653	5,345	5.8
Nov 28	158,089	163,130	5,811	5,425	7.1
Dec 5	154,521	164,008	5,965	5,500	8.5
Dec 12	154,966	158,637	6,120	5,614	9.0
Dec 19	191,645	164,806	6,312	5,742	9.9
Dec 26	181,514	170,662	6,493	5,852	10.6
Dec 31	155,420	170,886	6,649	5,896	12.8
Jan 2, 2011	3,600	-	4	1	260.0

*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

<b>Table 4: Weekly private registered rice export sales</b>			
<b>Movement (MT)</b>	<b>Dec 13-17</b>	<b>Dec 20-24</b>	<b>Dec 27-31 (Preliminary)</b>
<b>Weekly sales</b>	<b>313,672</b>	<b>198,000</b>	<b>212,430</b>
<b>4 week sum</b>	<b>818,875</b>	<b>871,179</b>	<b>903,709</b>
<b>4 week mov. avg.</b>	<b>204,719</b>	<b>217,795</b>	<b>225,927</b>
<b>Year-to-date sales</b>	<b>7,334,431</b>	<b>7,532,431</b>	<b>7,744,861</b>

End of report.