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# GAIN Report

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## **Thailand**

### **Rice Price - Weekly**

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

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**Report Highlights:**

TH1086 Most exporters hesitated to offer quotations except for some large exporters who are still holding large supplies of rice from the government's stock release. Market activity will likely resume next week when the new government discloses its plans to revert to the Paddy Mortgage Scheme support program.

Post:  
Bangkok

Author Defined:  
Market Tone

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

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	FRV.
FWR 100 B	-	-	-	-	-	960	-	-	974
WR 100 B	-	-	-	-	-	525	-	-	539
FB 100%	-	-	-	-	-	520	-	-	535
FB 5%	-	-	-	-	-	515	-	-	530
WR 5%	-	-	-	-	-	505	-	-	522
WR 10%	-	-	-	-	-	502	-	-	511
WR 15%	-	-	-	-	-	495	-	-	502
WR 25%	-	-	-	-	-	475	-	-	478
WR 35%	-	-	-	-	-	-	-	-	-
AI SJP	-	-	-	-	-	495	-	-	490
AI SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 90.27 baht/US \$

Source: Average actual prices received from exporters

Most exporters hesitated to offer quotations except for some large exporters who are holding large supplies of rice from the government's stock release. Market activity will likely resume next week as it is expected that the Pheu Thai Party leader, who won by a landslide vote in the general election on July 3, will disclose details on her pledge to reverse back to the "Paddy Mortgage Scheme" from the "Price Insurance Program". The Paddy Mortgage Scheme overwhelmingly benefits millers as they have aggressively been accumulating stocks in response to the Phue Thai Party's promise to implement Paddy Pledging Scheme at prices far above the current market price of 9,000 baht/tons (\$297/MT) to a price of 15,000 baht/MT (\$495/MT) for white rice paddy, . However, exporters expect that export prices of 5% grade white rice are unlikely to increase proportionately to \$1,120/MT FOB, as foreign buyers would shift to Vietnamese rice. In addition, current market is quiet due to lack of enquiries as foreign buyers are not panicking. Thailand will likely lose its export momentum of 1.0 million ton/month for the remainder of the year. Presently, most shipments are outstanding contracts of white rice from the government stock release to African countries, which were finalized at \$470 – 500/MT, FOB. The government's weekly benchmark price for white rice for July 4-10, 2011 declined 1.9 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 benchmark prices.

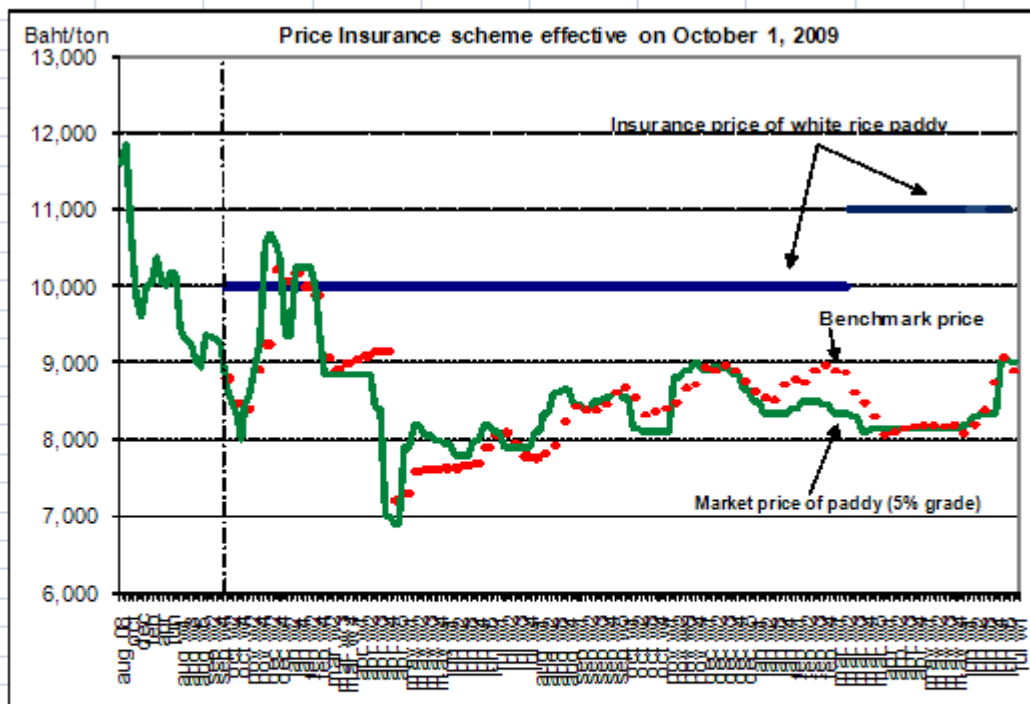
**Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop**

	Rice paddy				
	Fragrant rice (Hommal)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household)	14	16	30 <sup>d</sup>	30 <sup>d</sup>	30 <sup>d</sup>
2. Insured prices (Baiht/ton) <sup>d</sup>	15,900	14,900	11,500	10,000	11,000
3. Benchmark prices (Baiht/ton) <sup>e,f</sup>					
Jun 6 - 12	-	12,566	9,262	13,849	8,197
Jun 19-19	-	12,625	9,672	13,888	8,987
Jun 20-26	-	12,692	10,286	13,878	8,741
Jun 27 - Jul 3	-	12,746	10,548	14,176	9,071
Jul 4-10	-	12,814	10,989	14,292	8,901
4. Compensation (1-2), (Baiht/ton)					
Jun 6-12	-	1,734	2,238	-	2,803
Jun 19-19	-	1,675	1,828	-	2,619
Jun 20-26	-	1,608	1,214	-	2,259
Jun 27 - Jul 3	-	1,554	952	-	1,929
Jul 4-10	-	1,486	1,111	-	2,089
5. Market prices (Baiht/ton)					
Jun 6-12	12,825	12,600	9,590	15,750	8,900
Jun 19-19	12,825	12,600	9,590	16,250	8,980
Jun 20-26	13,448	12,600	10,000	16,750	8,980
Jun 27 - Jul 3	13,000	12,750	10,750	16,750	9,050
Jul 4-10 <sup>f</sup>	13,000	12,750	10,750	16,750	9,000

Note:

<sup>d</sup> Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 ton/household for MY2010/11 off-season crop<sup>e</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 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>f</sup> Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.<sup>g</sup> The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 baht/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 main-crop Pathum Fragrant rice were revised up again to 11,500 baht/ton, effective Mar. 16, 2011. Also, those of white rice were raised from 10,000 baht/ton to 11,000 baht/ton, and glutinous rice from 9,500 baht/ton to 10,000 baht/ton.<sup>h</sup> The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.<sup>i</sup> As of Jul 4, 2011

**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 once a month on the 1st and 15th, based on average 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. 28, 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) June 27 – July 3, 2011 totaled 185,298 tons, down 49,551 tons from the previous week, and down 30,272 tons from the four week moving average of 215,570 tons. Exports of white rice and parboiled rice during January 1 – July 3, 2011 totaled 5,244,331 tons, up 78.3 percent from 2,941,432 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – June 29, 2011 amounted to 6,303,123 tons, up 57.9 percent from 3,992,161 tons in the previous year.

<b>Table 3: Weekly rice exports (excluding fragrant rice)</b>					
WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Apr 24	226,216	179,599	3,086	1,872	64.8
May 1	214,239	189,627	3,900	1,975	67.1
May 8	223,502	190,255	3,524	2,099	67.9
May 15	194,850	214,700	3,719	2,217	67.8
May 22	182,980	203,741	3,901	2,324	67.9
May 29	238,188	209,790	4,199	2,499	70.1
Jun 5	242,665	214,521	4,982	2,567	70.7
Jun 12	235,908	224,785	4,618	2,649	74.9
Jun 19	206,226	230,747	4,824	2,754	75.2
Jun 26	234,849	229,912	5,059	2,854	77.9
Jul 3	185,298	215,570	5,244	2,941	78.9

*Notes 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. FASRIK 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 differences between the data.*

Source: Board of Trade of Thailand

<b>Table 4: Weekly private registered rice export sales</b>			
Movement (MT)	Jun 13-17	Jun 20-24 (Revised)	Jun 27 - July 1 (Preliminary)
Weekly sales	203,299	208,822	105,042
4 week sum	1,050,069	1,006,708	809,459
4 week mov. avg.	262,517	251,677	202,365
Year-to-date sales	5,411,218	5,620,040	5,725,082

End of report.