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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH 1106 Domestic and export prices increased 1-2 percent as exporters faced difficulties in securing rice supplies to fulfill outstanding contracts of parboiled rice. Millers are holding large supplies of current off-season-crop paddy to participate in the Paddy Pledging Program which has been categorized as an urgent policy under the new Cabinet.

Post:
Bangkok

Author Defined:
Market Tones

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Aug. 15, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,060	-	1,040	-	1,040	1,040	-	1,045	1,045
WR 100 B	565	-	570	-	570	580	580	573	560
PB 100%	565	-	575	-	575	585	585	577	566
PB 5%	560	-	570	-	570	580	580	572	561
WR 5%	550	-	550	-	550	560	560	554	545
WR 10%	545	-	-	-	545	555	-	548	538
WR 15%	530	-	-	-	540	550	-	540	530
WR 25%	515	-	-	-	520	525	-	520	512
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	460	-	-	-	460	470	-	463	462
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 29.70 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices increased 1-2 percent as exporters faced difficulties in securing rice supplies to fulfill outstanding contracts, especially for parboiled rice exports to African countries due to limited paddy supplies. Current tight paddy supplies reflect speculative activities of millers. They are holding large supplies of current off-season-crop paddy of 3-4 million tons which they have been accumulating since mid-June 2011, with the assumption that they will be able to participate in the Paddy Pledging Program which has been categorized as an urgent new government policy by the incoming Cabinet members appointed on August 9, 2011. Millers expect to attain intervention prices of 15,000 baht/tons (\$500/MT) for white rice paddy which would be 66.0 percent higher than current market prices.

However, the Cabinet has not finalized the details of the program, and it's not clear if millers will be able to allot the off-season-crop paddy to the new Paddy Pledging Program.

The government's weekly benchmark price for white rice for August 8-14, 2011 increased 0.9 percent. As such farmers will receive lower compensation compared to the previous week. Farmers that sell

their supplies this week will not attain insurance price, as compensation will fall short due to higher benchmark price over market prices.

	Rice paddy				
	Fragrant rice (Hommati)	Provincial fragrant rice	Patthum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household)	14	16	30 ^d	30 ^d	30 ^d
2. Insured prices (Baht/ton)^d	15,300	14,300	11,500	10,000	11,000
3. Benchmark prices (Baht/ton)^{d, e}					
Jul 18-24	-	12,791	10,633	14,921	9,267
Jul 25-31	-	-	10,753	15,048	9,285
Aug 1-7	-	-	10,622	15,138	9,091
Aug 8-14	-	-	10,669	15,063	9,090
Aug 15-21	-	-	10,650	14,614	9,173
4. Compensation (1-2), (Baht/ton)					
Jul 18-24	-	1,509	867	-	1,733
Jul 25-31	-	-	747	-	1,715
Aug 1-7	-	-	878	-	1,909
Aug 8-14	-	-	831	-	1,910
Aug 15-21	-	-	810	-	1,827
5. Market prices (Baht/ton)					
Jul 18-24	15,050	13,000	11,750	16,750	9,100
Jul 25-31	14,450	13,000	11,750	17,250	9,100
Aug 1-7	14,450	13,000	11,750	16,750	9,000
Aug 8-14	14,450	13,600	11,750	16,750	9,000
Aug 15-21 ^f	14,450	13,600	10,150	16,250	9,100

Note:

^d Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 ton/household for MY2010/11 off-season crop

^e 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.

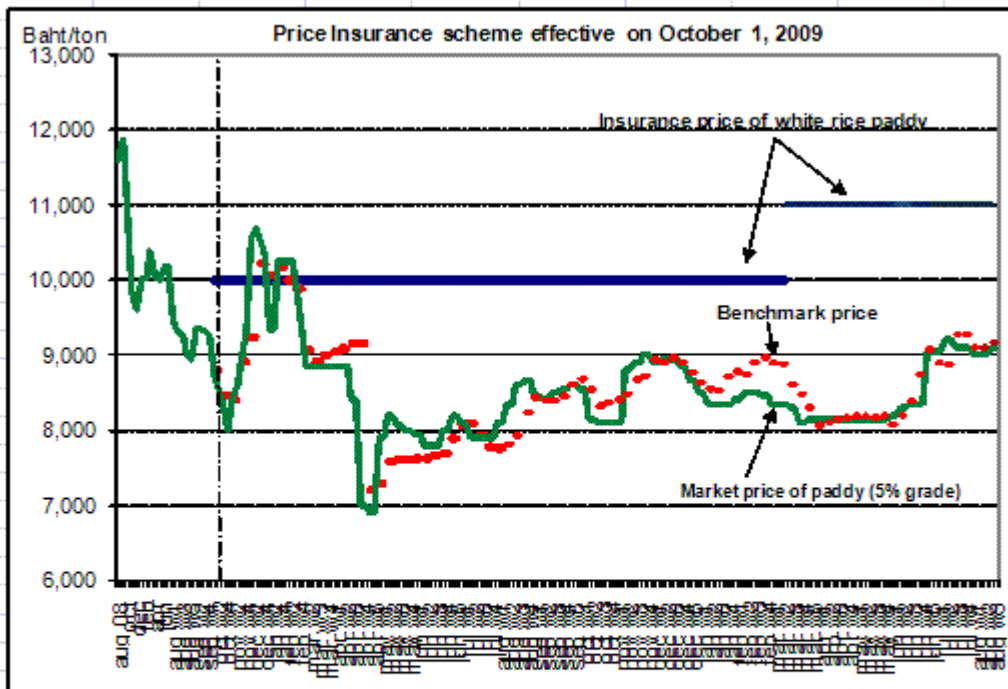
^d Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

^d The insured prices of MY 2009/10 second-crop Patthum 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 season-crop Patthum 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.

^d The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.

^f As of Aug 15, 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 twice a month on the 1st and 10th, 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) August 9-14, 2011 totaled 123,362 tons, down 7,827 tons from the previous week, and down 25,946 tons from the four week moving average of 149,309 tons. Exports of white rice and parboiled rice during January 1 – August 14, 2011 totaled 6,199,835 tons, up 73.1 percent from 3,581,202 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – August 9, 2011 amounted to 7,591,800 tons, up 56.1 percent from 4,863,882 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)	(%)
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
Jul 10	193,263	204,909	5,438	3,044	78.6
Jul 17	165,055	194,616	5,603	3,184	76.0
Jul 24	176,480	180,024	5,779	3,305	74.9
Jul 31	166,204	175,251	5,945	3,415	74.1
Aug 8	131,189	159,732	6,076	3,501	73.6
Aug 14	123,962	149,909	6,200	3,581	73.1

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. FASBKK 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

Table 4: Weekly private registered rice export sales

Movement (MT)	July 18-22 (Revised)	July 25-29 (Revised)	Aug. 1-5 (Revised)	Aug. 8-12 (Preliminary)
Weekly sales	138,925	203,238	173,225	N.A.
4 week sum	694,756	688,162	709,394	N.A.
4 week mov. avg.	173,689	172,041	177,349	N.A.
Year-to-date sales	6,314,796	6,518,034	6,691,259	N.A.

End of report.