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Thailand

Post: Bangkok

Weekly Rice Price Update

Report Categories:

Grain and Feed

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Report Highlights:
TH9166 Domestic and export prices increased by 2-4 percent as the implementation of the Government's new price support programs has taken place. The bi-weekly benchmark prices for November 1-15, 2009 continued to fall from the previous period.

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Nov. 2, 2009

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	995	-	1,000	-	1,000	990	-	996	996
WR 100 B	505		550	-	545	520	520	528	508
PB 100%	560	-	590		555	560	550	563	561
PB 5%	550	-	580	-	550	555	540	555	550
WR 5%	495	-	520	-	530	495	480	504	488
WR 10%	485	-	-	-	520	485	-	497	477
WR 15%	450	-	-	-	-	465	-	458	448
WR 25%	420	-	-	-	-	425	-	423	413
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	310	-	310	-	305	310	-	309	296
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 33.30 baht/U.S.$

Source: Average actual prices received from exporters

Domestic and export prices increased by 2-4 percent as the Government began the implementation of the new price support programs in addition to the implementation of the new price insurance scheme. Under these measures, the Government is expected to carry-out a direct purchase at benchmark prices of 2.0 million tons of white rice paddy, and on-farm mortgage scheme for 2.0 million tons of fragrant rice paddy. These measures are worth 45 billion baht ($1.35 billion). However, exporters expect only a temporary increase in domestic and export prices, stating that the government's absorption amounts are marginal compared to total production. Meanwhile, foreign buyers remain cautious due to current price uncertainty and are also waiting to see how a rumor of import demand from India and the Philippines unfolds.

The Government established the bi-weekly benchmark prices for November 1-15, 2009 which continued to fall from the previous period. Due to lower benchmark prices, farmers will receive a larger compensation from last period's of 100 baht/ton ($3/MT) for fragrant rice paddy, and 77 baht/ton ($2.3/MT) for white rice paddy. However, farmers who sell paddy into the market this week will likely receive less income than the insurance price as current market prices remain lower than benchmark prices, unless they're able to sell under the Government's new price support measures.

Table 2: Price Insurance Scheme for MY 2009/2010 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	10,000	9,500	10,000
3. Benchmark prices (Baht/ton)[b/]					
Oct. 1-15	14,986	13,899	9,896	7,523	8,806
Oct. 16-30	14,940	13,860	8,940	7,470	8,466
Nov. 1-15	14,840	13,729	9,175	7,680	8,389
4. Compensation (1-2), (Baht/ton)					
Oct. 1-15	314	401	104	1,977	1,194
Oct. 16-30	360	440	1,060	2,030	1,534
Nov. 1-15	460	571	825	1,820	1,611
5. Market prices (Baht/ton)					
Oct. 1-15	n.a.	n.a.	8,500	n.a.	8,600
Oct. 16-30	13,675	n.a.	8,575	n.a.	8,150
Nov. 1-15 [c/]	13,600	n.a.	8,950	n.a.	8,100

Note:

[a/] Cabinet approval on Sep. 22, 2009

[b/] The benchmark prices will be published twice a month on the 1st and 16th, based on average historical wholesale prices of the last 15 days in Bangkok. These prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary of Ministry of Commerce.

[c/] As of Nov. 2, 2009

Rice Export Update

Unofficial exports (excluding fragrant rice) for October 26 – November 1, 2009 totaled 114,220 tons, down 31,039 tons from the previous week, and down 3,299 tons from the four-week moving average of 117,520 tons. Exports of white rice during January 1 – November 1, 2009 totaled 5,030,477 tons, as compared with 6,827,255 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – October 26, 2009 amounted to 7,065,663 tons, down 20.7 percent from 8,907,097 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)	(%)
Aug 16	112,267	109,487	3,700	5,547	-33.3
Aug 23	126,240	116,282	3,826	5,693	-32.8
Aug 30	139,731	123,253	3,966	5,851	-32.2
Sep 6	105,702	120,985	4,071	5,988	-32.0
Sep 13	134,061	126,434	4,205	6,118	-31.3
Sep 20	142,128	130,406	4,348	6,246	-30.4
Sep 27	116,648	124,635	4,464	6,383	-30.1
Oct 4	96,150	122,247	4,560	6,468	-29.5
Oct 11	108,202	115,782	4,669	6,536	-28.5
Oct 18	102,396	105,849	4,771	6,692	-28.7
Oct 25	145,259	113,002	4,916	6,771	-27.4
Nov 1	114,220	117,520	5,030	6,827	-26.3

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)	Oct. 12-16	Oct. 19-23	Oct. 26-30
Weekly sales	151,784	123,559	121,289
4 week sum	377,948	424,818	480,171
4 week mov. avg.	94,487	106,205	120,043
Total weekly sales	5,150,794	5,274,353	5,395,642

End of report.