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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0138 Export prices increased by 1-2 percent from the previous week due to a strengthening Thai baht from 30.5 baht/\$ to 30.0 baht/\$. The Indonesian government showed interest in buying 200,000 tons of 5% grade white rice from Thailand.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Oct. 4, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR									
100 B	1,080	-	1,130	-	1,100	1,040	-	1,088	1,079
WR									
100 B	495	-	515	-	495	495	510	502	500
PB									
100%	550	-	570	-	550	545	520	547	537
PB 5%	545	-	560	-	545	540	510	540	530
WR 5%	480	-	500	-	475	475	500	486	483
WR									
10%	470	-	485	-	470	-	-	475	470
WR									
15%	465	-	475	-	-	-	-	470	463
WR									
25%	455	-	465	-	-	460	-	460	455
WR									
35%	-	-	-	-	-	-	-	-	-
A1									
SUP	420	-	430	-	430	435	-	429	415
A1									
SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.0 baht/U.S.\$

Source: Average actual prices received from exporters

Export prices increased by 1-2 percent from the previous week due to the strengthening Thai baht to 30.0 baht/\$, as compared to 30.5 baht/\$ in the previous week. Foreign buyers continue making enquiries on Thai parboiled rice for delivery in November – December, while exporters are fulfilling outstanding shipments of parboiled rice to African countries. In addition, the Indonesian government showed interest in buying 200,000 tons of 5% grade white rice from the Thai government. Next week, Indonesian officials plan to meet with Thai government officials in order to set forth the contract terms. Although it will be a government-to-government deal, the rice from this sale will be delivered by Thai exporters, and most likely from those that were allotted stocks from the government's recent stock release.

The weekly benchmark prices for white rice for October 4-10, increased by 0.8 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 benchmark prices over market prices.

Table 2: Price Insurance Scheme for MY2009/2010 rice crop

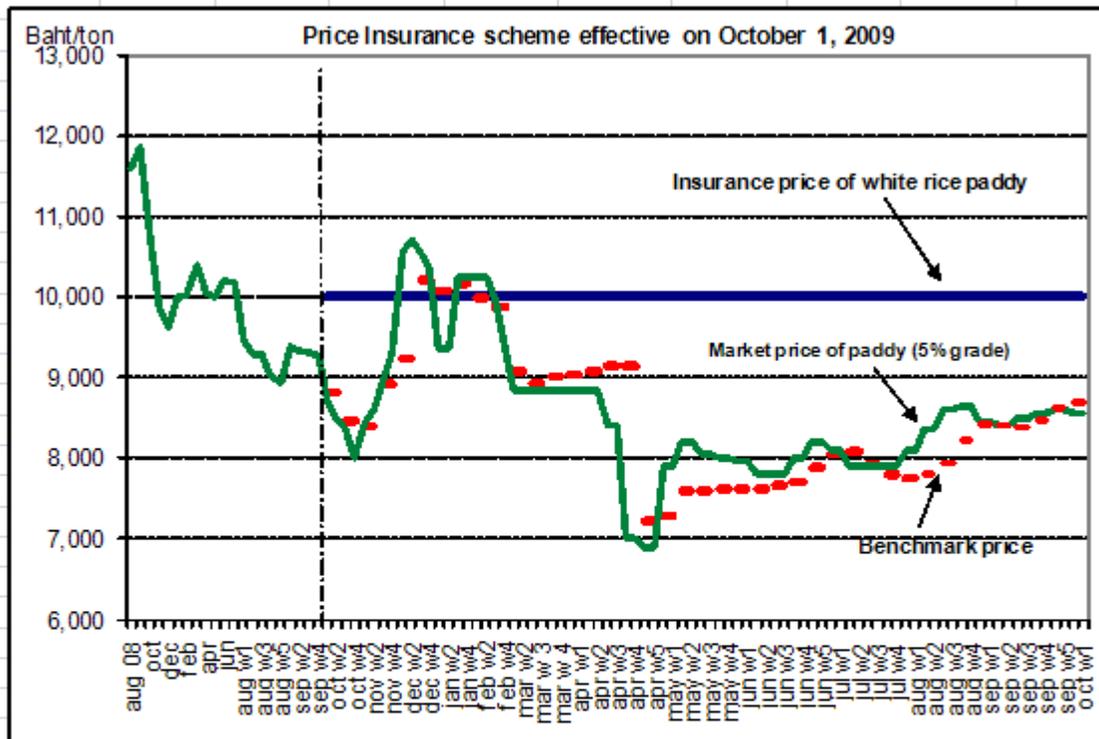
	Rice paddy				
	Fragrant rice (Hommali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) ^{a/}	14	16	25	16	25
2. Insured prices (Baht/ton) ^{a/}	15,300	14,300	11,000 ^{d/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/ c/}					
Sep 6 - 12	-	-	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
Oct 4-10 ^{e/}	14,921	14,083	11,418	15,780	8,687
4. Compensation (1-2), (Baht/ton)					
Sep 6 - 12	-	-	-	-	1,605
Sep 13-19	-	-	-	-	1,618
Sep 20-26	-	-	-	-	1,534
Sep 27 - Oct 3	-	-	-	-	1,383
Oct 4-10	379	217	-	-	1,313
5. Market prices (Baht/ton)					
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	15,250	12,750	11,150	17,000	8,600
Oct 4-10 ^{f/}	15,250	13,500	11,300	18,000	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 wholesale prices of the previous 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/} The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 crop.
- ^{f/} As of Oct. 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 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 wholesale price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for September 27 – October 3, 2010 totaled 158,804 tons, down 6,766 tons from the previous week, and up 4,727 tons from the four-week moving average of 154,077 tons. Exports of white rice and parboiled rice during January 1 – October 3, 2010 totaled 4,529,166 tons, down 0.6 percent from 4,557,219 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 28, 2010 amounted to 6,053,378 tons, down 6.4 percent

from 6,469,720 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 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
Oct 3	158,804	154,077	4,529	4,557	-0.6

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

Movement (MT)	Sep. 13-17	Sep. 20-24 (Revised)	Sep. 27 - Oct 1 (Preliminary)
Weekly sales	174,709	196,008	100,875
4 week sum	666,983	667,032	618,123
4 week mov. avg.	166,746	166,758	154,531
Year-to-date sales	4,846,591	5,042,599	5,143,474

End of report.