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Global Agricultural Information Network

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Thailand

Rice Price - Weekly

Weekly Rice Price Update

Approved By:
Paul Welcher, Agricultural Attaché

Prepared By:
Ponnarong Prasertsri, Agricultural Specialist

Report Highlights:
Export prices are declining, particularly for fragrant rice, as the majority of new-crop supplies are entering the market. In response, the government has increased the intervention price as well as allotted an additional direct payment for fragrant rice farmers.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending October 31, 2016

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR	PRV
F WR 100 B	520	-	-	530	600	530	-	545	635
WR 100 B	353	-	375	360	370	360	375	366	372
PB 100%	352	-	380	355	360	355	375	363	371
PB 5%	347	-	375	350	355	350	370	358	366
WR 5%	343	-	365	348	355	348	360	353	361
WR 10%	342	-	-	-	-	346		344	351
WR 15%	340	-	-	-	-	344		342	350
WR 25%	337	-	-	-	-	342		340	348
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	-	-	-	-	-	-	-	-	-
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 35 baht/USD

Source: Average actual prices received from exporters

Over the past week, export prices for most grades of rice declined around 2 percent. Fragrant rice prices declined a much further 14 percent meaning that fragrant rice prices have dropped nearly 100 USD/MT from the previous week to a decade low price of 545 USD/MT. Some officials have suggested that factors other than supply and demand are responsible for this large price decline and traders expect that fragrant rice prices will experience volatility over the next couple of weeks. Foreign buyers are reportedly delaying purchases of fragrant rice until prices are steadier.

On November 1, 2016 the cabinet set the intervention prices for fragrant rice paddy under the On-Farm Pledging Program at 9,500 baht per metric ton (271 USD/MT). The cabinet also approved additional direct payments of 2,000 baht per metric ton (57 USD/MT) for the harvest and postharvest handling costs for fragrant rice farmers in the northeastern region. Taking this direct payment into account, the government expects that famers who participate in the pledging program will receive 13,000 baht per metric ton (371 USD/MT) for pledged fragrant rice paddy. This amount consists of (1) pledged prices of 9,500 baht/MT (271 USD/MT) (86 percent of the current market prices), (2) storage costs of 1,500 baht/MT (43 USD/MT), and (3) a direct payment of 2,000 baht/MT (57 USD/MT). Farmers who do not participate in the pledging program are expected to earn 13,000 baht/MT (371 USD/MT), based on the current market price of 11,000 baht/MT (314 USD/MT) and the direct payment of 2,000 baht/MT (57 USD/MT). The goals of this program are to help the 2 million fragrant rice farmers and to stabilize farm-gate prices of fragrant rice paddy.

Rice Export Update

Unofficial preliminary rice exports (excluding premium white and fragrant rice) for October 24-30, 2016 totaled 102,618 metric tons, down 50,392 metric tons from the previous week and down 22,399 metric tons from the four-week moving average of 125,017 metric tons (Table 2). Rice exports from January 1 – October 30, 2016 totaled 3,425,042 metric tons, down 6 percent from the same period last year.

Table 2: 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)	(%)
Sep 11	105,307	100,826	2,599	2,916	-10.9
Sep 18	123,337	112,057	2,689	3,052	-11.9
Sep 25	118,867	111,659	2,808	3,178	-11.6
Oct 2	116,935	116,112	2,925	3,285	-11.0
Oct 9	109,805	117,236	3,035	3,373	-10.0
Oct 16	134,634	120,060	3,170	3,486	-9.1
Oct 23	153,010	128,596	3,322	3,580	-7.2
Oct 30	102,618	125,017	3,425	3,644	-6.0

Note on data: Export figures since March 22, 2002, do not include fragrant rice. In addition, starting May 1, 2013, the data will not include 100% - 25% grade white rice exports as the reporting authority 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 and white rice (100%-25% grades) export data. FAS/BKK will report only official export numbers available from the Board of Trade of Thailand. The reader should bear in mind these differences when comparing with historical data.

Source: Board of Trade of Thailand