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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0156 Despite a slight weakening of the Thai baht to 29.6 baht/\$, export prices increased 1.0 percent from the previous week, particularly for premium-grade white rice. As of November 5, the Office of Agricultural Economics estimated production loss from flooding at 500,000 tons of paddy (330,000 tons milled equivalent). Meanwhile, MY2010/11 off-season rice production is expected to increase to 9.2 million tons, up significantly from this year's production levels of 8.2 million tons.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Nov. 15, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,050	-	1,145	-	1,100	1,070	-	1,091	1,089
WR 100 B	525	-	530	-	520	550	520	529	526
PB 100%	555	-	570	-	555	555	520	551	551
PB 5%	550	-	560	-	550	550	515	545	545
WR 5%	510	-	510	-	510	530	510	514	511
WR 10%	500	-	500	-	500	-	-	500	500
WR 15%	490	-	490	-	-	-	-	490	490
WR 25%	475	-	480	-	-	485	-	480	478
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	420	-	440	-	430	425	-	429	429
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 29.6 baht/U.S.\$

Source: Average actual prices received from exporters

Despite a slight weakening of the Thai baht to 29.6 baht/\$, export prices increased 1.0 percent from the previous week, particularly for premium-grade white rice, as the domestic market is still dominated by rice millers and traders who are holding stocks speculating significant crop damage from flooding. However, exporters are less pessimistic about flood damage, and expect that domestic prices will likely ease over the next few weeks. As of November 5, the Office of Agricultural Economics of the Ministry of Agriculture and Cooperative revised up its estimate on MY2010/11 main-crop paddy production loss from flooding to approximately 500,000 tons of paddy (330,000 metric ton milled equivalent), as compared to preliminary estimate on October 26 at 400,000 tons of paddy. The upward revision reflected an increase in crop damaged areas which were expected to be in total around 1.0 million rai (0.16 million hectare, accounting for 10-15 percent of total flooding area) as compared to the previous estimate of 765,205 rai (122,433 hectares). Meanwhile, the government expects an increase in MY2010/11 off-season crop production to 9.2 million tons of paddy, up significantly from this year's production of 8.2 million tons, due to good reservoir levels resulting from the heavy rains that caused the flooding.

The weekly benchmark price for white rice for November 15-21 increased by 2.4 percent. As such, farmers will receive lower compensation compared to the previous week. Farmers that sell their

supplies this week will be able to arbitrage as market prices are slightly above the benchmark prices.

Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 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/}					
Oct 18-24	14,530	13,956	11,242	15,732	8,318
Oct 25-31	14,372	13,952	11,212	15,746	8,357
Nov 1-7	14,278	13,934	11,211	15,752	8,414
Nov 8-14	13,957	13,566	11,295	15,752	8,487
Nov 15-21	13,995	13,419	11,666	15,992	8,687
4. Compensation (1-2), (Baht/ton)					
Oct 18-24	770	344	-	-	1,682
Oct 25-31	928	348	-	-	1,643
Nov 1-7	1,022	366	-	-	1,586
Nov 8-14	1,343	734	-	-	1,513
Nov 15-21	1,305	881	-	-	1,313
5. Market prices (Baht/ton)					
Oct 18-24	15,250	13,500	11,300	18,000	8,100
Oct 25-31	15,250	13,500	11,300	18,000	8,100
Nov 1-7	14,500	13,500	11,400	17,500	8,100
Nov 8-14	14,500	13,000	11,700	17,500	8,800
Nov. 15-21 ^{f/}	14,500	13,500	11,700	18,000	8,900

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.

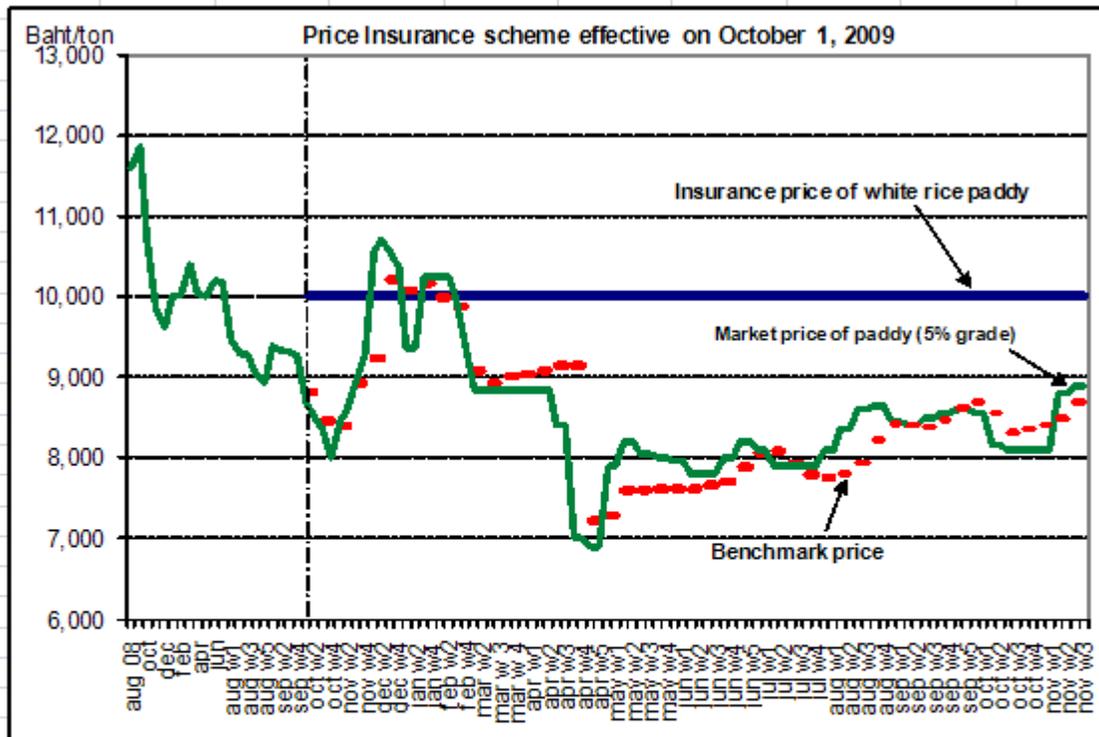
^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

^{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 Nov. 15, 2010

Figure 1: Comparison of market price, insurance price, and benchmark price



Note: ^{1/} Benchmark prices are average historical wholesales 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 wholesales 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 wholesales price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for November 8-14, 2010 totaled 176,449 tons, up 25,440 tons from the previous week, and up 9,017 tons from the four-week moving average of 167,432 tons. Exports of white rice and parboiled rice during January 1 – November 14, 2010 totaled 5,485,541 tons, up 4.8 percent from 5,233,785 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – November 11, 2010 amounted to 7,307,369 tons, down 1.9 percent from 7,450,612 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)	(%)
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
Oct 10	136,566	152,164	4,666	4,666	0.0
Oct 17	150,078	152,755	4,816	4,762	1.1
Oct 24	166,295	152,936	4,982	4,905	1.6
Oct 31	175,976	157,229	5,158	5,027	2.6
Nov 7	151,009	160,340	5,309	5,121	3.7
Nov 14	176,449	167,432	5,486	5,234	4.8

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 25-29	Nov 1-5 (Revised)	Nov 8-12 (Preliminary)
Weekly sales	146,448	216,251	56,292
4 week sum	677,777	751,088	593,039
4 week mov. avg.	169,444	187,772	148,260
Year-to-date sales	5,876,612	6,092,863	6,149,155

End of report.