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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0161 Domestic and export prices declined by 1-2 percent from the previous week due to a slowdown in enquiries from key importers, particularly for parboiled rice. In addition, the government released additional stock of 450,000 tons.

Post:
Bangkok

Author Defined:
Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Nov. 29, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,030	-	1,100	-	1,050	1,000	-	1,045	1,048
WR 100 B	545	-	565	-	545	565	540	552	556
PB 100%	540	-	550	-	550	545	550	547	556
PB 5%	534	-	545	-	545	540	545	542	551
WR 5%	530	-	540	-	530	540	530	534	542
WR 10%	525	-	530	-	525	535	-	529	533
WR 15%	505	-	520	-	-	530	-	518	522
WR 25%	480	-	480	-	-	490	-	483	490
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	410	-	435	-	425	420	-	423	425
A1 SPEC	-	-	-	-	-	-	-	-	-

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

Source: Average actual prices received from exporters

Domestic and export prices declined by 1-2 percent from the previous week due to a slowdown in enquiries from key importers, particularly for parboiled rice. Even a more favorable exchange rate, that depreciated to 30.0 baht/\$, as compared to 29.8 baht/\$ in the previous week, was unable to spur demand. In addition, the government released additional stocks of 450,000 tons, of which 400,000 tons are old-crop 5% grade white rice and the remainder Pathumthani fragrant rice. The bidding prices for 5% grade white rice were finalized at 12,200 baht/ton (\$407/MT), up 200 baht/MT (\$7/MT) from the previous tender. However the prices remained 20 percent lower than current market prices. So far, the government has outstanding stocks of 2-3 million tons.

The weekly benchmark price for white rice for November 29 – December 5 increased by 2.3 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 - MY2010/2011 rice crop

	Rice paddy				
	Fragrant rice (Hom mali)	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/}					
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
Nov 22-28	13,627	13,195	11,763	16,239	8,732
Nov 29 - Dec 5	13,696	13,353	11,630	16,126	8,936
4. Compensation (1-2), (Baht/ton)					
Nov 1-7	1,022	366	-	-	1,586
Nov 8-14	1,343	734	-	-	1,513
Nov 15-21	1,305	881	-	-	1,313
Nov 22-28	1,673	1,105	-	-	1,268
Nov 29 - Dec 5	1,604	947	-	-	1,064
5. Market prices (Baht/ton)					
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	14,000	13,500	11,700	18,000	8,900
Nov. 22-28	14,750	13,750	11,700	16,250	9,000
Nov. 29 - Dec 5 ^{f/}	14,250	13,750	11,700	15,000	8,850

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

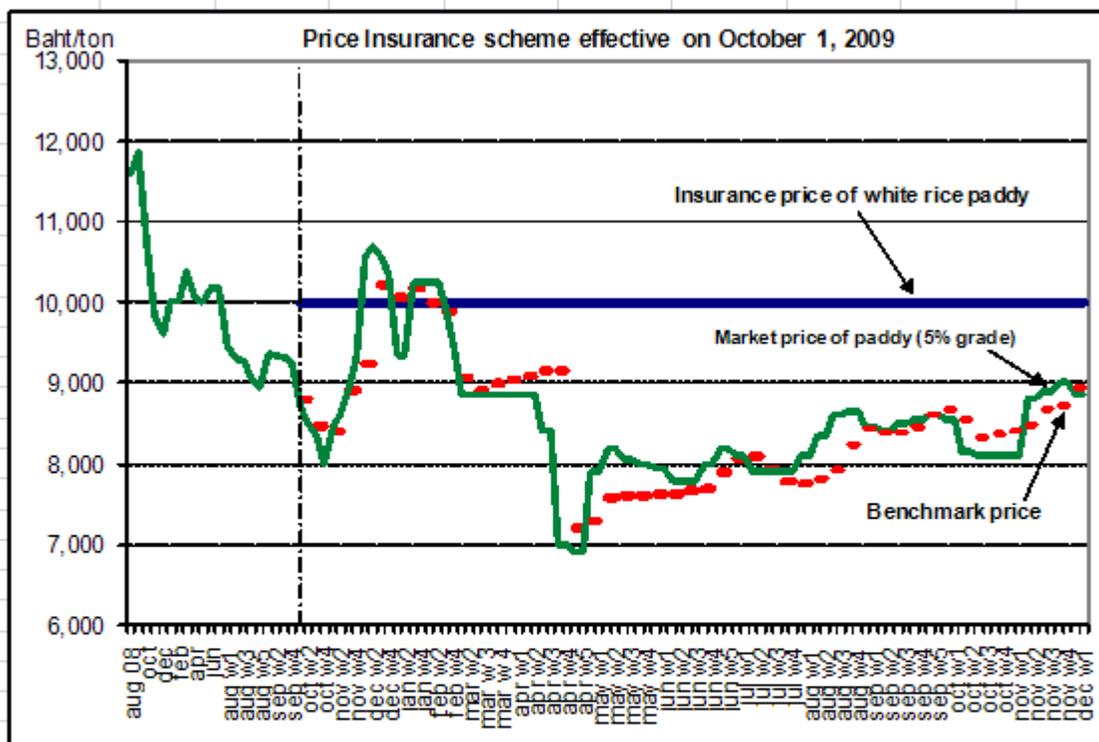
in Bangkok.

^{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. 26, 2010

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 November 22-28, 2010 totaled 158,089 tons, down 8,883 tons from the previous week, and down 5,041 tons from the four-week moving average of 163,130 tons. Exports of white rice and parboiled rice during January 1 – November 28, 2010 totaled 5,810,602 tons, up 7.1 percent from 5,424,954 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 22, 2010 amounted to 7,655,597 tons, down 0.8 percent from 7,715,739 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 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
Nov 21	166,973	167,602	5,653	5,345	5.8
Nov 28	158,089	163,130	5,811	5,425	7.1

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)	Nov 8-12	Nov 15-19 (Revised)	Nov 22-26 (Preliminary)
Weekly sales	161,453	261,240	135,949
4 week sum	698,200	785,392	774,893
4 week mov. avg.	174,550	196,348	193,723
Year-to-date sales	6,254,316	6,51,556	6,651,505

End of report.