

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Required Report - public distribution

Date: 12/21/2010

GAIN Report Number: TH0175

Thailand

Rice Price - Weekly

Weekly Rice Price Update

Approved By:

Orestes Vasquez,
Agricultural Attaché

Prepared By:

Ponnarong Prasertsri,
Agricultural Specialist

Report Highlights:

TH 0175 Export prices declined by 1-2 percent due to a continued weakening of the Thai baht and a slowdown of enquiries, particularly for parboiled rice. Meanwhile, domestic prices of white rice are stable as the shipments of 230,000 tons of white rice contract to Indonesia are underway.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Dec. 20, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,005	-	1,070	-	1,050	1,080	-	1,051	1,056
WR 100 B	540	-	560	-	545	550	550	549	553
PB 100%	530	-	540	-	540	535	540	537	547
PB 5%	525	-	535	-	535	530	535	532	541
WR 5%	525	-	535	-	530	530	535	531	534
WR 10%	520	-	530	-	525	525	-	525	528
WR 15%	500	-	520	-	-	515	-	512	515
WR 25%	475	-	480	-	-	480	-	478	482
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	395	-	410	-	410	405	-	405	416
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.05 baht/U.S.\$

Source: Average actual prices received from exporters

Export prices declined by 1-2 percent due to a continued weakening of the Thai baht (30.05 baht/\$, compared to 29.95 baht/\$ in the previous week) and a slowdown of enquiries, particularly for parboiled rice. Domestic prices of parboiled rice also declined by 2.0 percent as most exporters have fulfilled their outstanding shipments to African countries. Meanwhile, domestic prices of white rice are stable as the shipments of 230,000 tons of white rice to Indonesia, contracted on December 7, are underway. Half of the contract will be delivered this month, while the rest in January of 2011. An outstanding contract for 50,000 tons of premium white rice to Iran, which was signed last month, was fulfilled last week. A new contract is in the pipeline; however details are yet to be available.

The government's weekly benchmark price for white rice for December 20-26 declined by 0.6 percent. As such, farmers will receive higher compensation compared to the previous week. Farmers that sell their supplies this week will be able to arbitrage as market prices are above 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/}					
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

Dec 6 - 12	13,871	13,417	11,605	15,463	8,905
Dec 13-19	13,742	13,317	11,464	14,518	8,954
Dec 20-26	13,539	13,139	11,070	13,876	8,904
4. Compensation (1-2), (Baht/ton)					
Nov 22-28	1,673	1,105	-	-	1,268
Nov 29 - Dec 5	1,604	947	-	-	1,064
Dec 6 - 12	1,429	883	-	-	1,095
Dec 13-19	1,558	983	-	-	1,046
Dec 20-26	1,761	1,161	-	-	1,096
5. Market prices (Baht/ton)					
Nov. 22-28	14,750	13,750	11,700	16,250	9,000
Nov. 29 - Dec 5	15,250	13,750	11,550	14,500	8,900
Dec 6-12	14,250	13,250	11,100	13,500	8,950
Dec 13-19	14,250	13,500	10,800	14,500	8,950
Dec 20-26 ^{f/}	13,750	13,500	10,700	14,500	8,950

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.

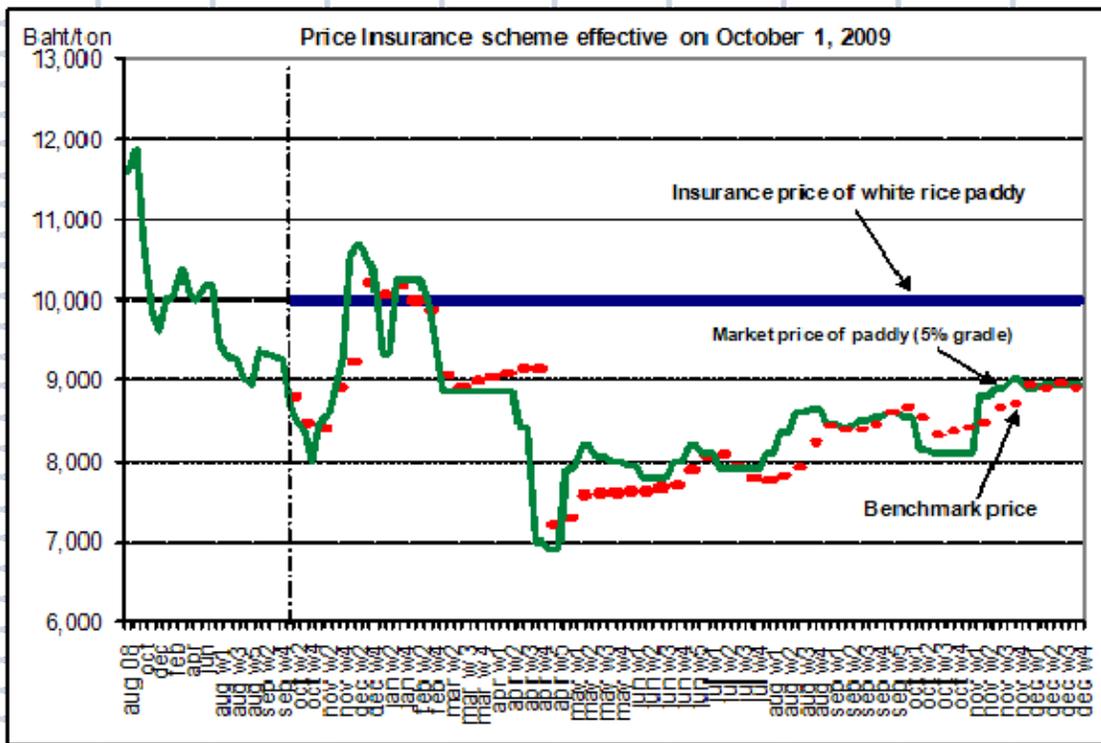
^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

^{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 Dec 20, 2010

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



Note: The benchmark price is an average of the weekly prices of white rice used for the calculation of compensation to farmers. The compensation is based on the difference between insurance price and benchmark price.

Starting March 8, 2009 the benchmark price will be published on a weekly basis instead of being a month on the 1st and 15th, based on average of the weekly prices of last 10 days in Bangkok. The prices are valid for the calculation on insurance price determination, stated by the Permanent Secretary General of the Ministry of Commerce.

Starting Apr. 22, 2010 the benchmark price will be based on average of the weekly price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for December 13-19, 2010 totaled 191,645 tons, up 36,679 tons from the previous week, and up 26,840 tons from the four-week moving average of 26,840 tons. Exports of white rice and parboiled rice during January 1 – December 19, 2010 totaled 6,311,736 tons, up 9.9 percent from 5,742,170 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – December 16, 2010 amounted to 8,492,898 tons, up 3.3 percent from 8,219,166 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)	(%)
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
Dec 5	154,521	164,008	5,965	5,500	8.5
Dec 12	154,966	158,637	6,120	5,614	9.0
Dec 19	191,645	164,806	3,612	5,742	9.9

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)	Nov 28 - Dec 3	Dec 6-10	Dec 13-17 (Preliminary)
Weekly sales	178,890	178,867	218,867
4 week cum	748,293	768,443	716,818
4 week mov. avg.	187,872	181,811	178,867
Year-to-date sales	8,841,182	7,828,788	7,231,388

End of report.