

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Thailand**

### **Rice Price - Weekly**

#### **Weekly Rice Price Update**

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**Report Highlights:**

TH1159 Domestic and export prices declined 2-4 percent due to a lack of new enquiries. In addition, the Government is fulfilling its old government-to-government contract with the Indonesian Government through a private exporter, an action that has created controversy with exporters due to the lack of transparency.

**Post:**  
Bangkok

**Author Defined:**  
**Market Tone**

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Dec. 26, 2011**

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,030	-	1,070	-	1,050	990	-	1,035	1,054
WR 100 B	565	-	580	-	575	570	580	574	587
PB 100%	540	-	570	-	570	570	570	564	580
PB 5%	520	-	565	-	565	565	565	556	575
WR 5%	550	-	570	-	560	555	575	562	573
WR 10%	545	-	-	-	555	550	-	550	560
WR 15%	540	-	-	-	550	545	-	545	555
WR 25%	550	-	-	-	545	540	-	545	548
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	530	-	-	-	530	530	-	530	532
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 31.2 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices declined 2-4 percent due to a lack of new enquiries as foreign buyers continued to purchase Indian and Vietnamese rice which is \$80-120/MT cheaper. Exporters cut their offer prices \$10-20/MT for the third consecutive week. This has resulted in reducing price differences with competitors, as compared to a record \$150-170/MT. As for the old government-to-government contract with the Indonesian Government, the Thai rice exporter who was awarded the controversial closed tender is fulfilling portions of the contract since last week. The terms of the deal, which was finalized by the former Government, were the purchase of 300,000 tons of 15% grade new-crop white rice for delivery in the last quarter of 2011 at \$559/MT (C&F). The Government will likely lose money on this deal by approximately \$15/MT as the current market price is \$545/MT (FOB), as compared to approximately \$530/MT (FOB) when the deal was finalized in August 2011, in addition to costs and freights of approximately \$30/MT.

Presently, the Government is holding old-crop intervention stocks of around 2.0 million tons.

Meanwhile, the current Paddy Pledging Program has absorbed an additional 4.2 million tons of paddy (2.8 million tons milled equivalent) from October 7 to December 25, 2011 (Table 2). This accounts for 19.4 percent of the expected total MY2011/12 main-crop production of 21-22 million tons of paddy (14.5 million tons milled equivalent). Post expects the program will likely absorb 10.0 million tons of paddy (6-7 million tons milled equivalent) of MY2011/12 main-crop production by the end of the program in February 29, 2012.

<b>Table 2. MY2011/12 Main-Crop Paddy Pledging Program</b>							
Unit: Metric Ton							
Region	Number of Farmer	Amount of Paddy					
		Fragrant Rice			White Rice	Glutinous Rice	Total
		Homali	Provincial	Pathumthani			
North	228,498	243,523	243,562	2,790	990,942	122,745	1,603,562
Northeast	416,736	1,496,508	-	14	50,729	42,453	1,589,704
Central	124,559	-	58,000	11,545	985,969	-	1,055,514
<b>Total</b>	<b>769,793</b>	<b>1,740,031</b>	<b>301,562</b>	<b>14,349</b>	<b>2,027,640</b>	<b>165,198</b>	<b>4,248,780</b>
Note: As of October 7 - December 25, 2011							
Source: Department of Internal Trade, Ministry of Commerce							

### Rice Export Update

Unofficial rice exports (excluding fragrant rice) for December 19-25, 2011 totaled 77,227 tons, up 9,830 tons from the previous week, and up 6,739 tons from the four week moving average 70,488 tons.

Exports of white rice and parboiled rice during January 1 – December 25, 2011 totaled 8,232,693 tons, up 27.1 percent from 6,475,496 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 22, 2011 amounted to 10,432,838 tons, up 20.0 percent from 8,694,134 tons in the previous year.

WEEK ENDING	QUANTITY	4-WK.AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Oct 9	136,317	143,831	7,371	4,658	58.3
Oct 16	94,870	134,274	7,466	4,808	55.3
Oct 23	88,685	120,232	7,555	4,969	52.0
Oct 30	85,087	101,240	7,640	5,143	48.5
Nov 6	74,610	85,813	7,711	5,302	45.5
Nov 13	81,265	82,412	7,793	5,471	42.4
Nov 20	79,201	80,041	7,874	5,643	39.5
Nov 27	78,832	78,477	7,951	5,796	37.2
Dec 4	81,073	80,093	8,032	5,961	34.7
Dec 11	56,254	73,840	8,088	6,113	32.3
Dec 18	67,397	70,889	8,155	6,303	29.4
Dec 25	77,227	70,488	8,233	6,475	27.1

*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/REK 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)	Dec 5-9	Dec 12-16 (Revised)	Dec 19-23 (Preliminary)
<b>Weekly sales</b>	<b>45,484</b>	<b>104,049</b>	<b>76,840</b>
<b>4 week sum</b>	<b>176,171</b>	<b>274,353</b>	<b>328,587</b>
<b>4 week mov. avg.</b>	<b>44,043</b>	<b>68,588</b>	<b>82,147</b>
<b>Year-to-date sales</b>	<b>8,632,052</b>	<b>8,736,101</b>	<b>8,812,941</b>

End of report