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Required Report - public distribution

Date: 12/7/2010

GAIN Report Number: TH0164

Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0164 Export prices increased slightly by 0.2 - 0.4 percent due to the strengthening Thai baht. Also, Iran is reportedly making new purchases of premium white rice for delivery within this month. Thailand's rice exports will likely be better than expected at 8.7 million tons in 2010.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Dec. 7, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,020	-	1,100	-	1,050	1,000	-	1,043	1,045
WR 100 B	545	-	565	-	545	565	550	554	552
PB 100%	540	-	550	-	550	545	550	547	547
PB 5%	534	-	545	-	545	540	545	542	542
WR 5%	530	-	540	-	530	540	535	535	534
WR 10%	525	-	530	-	525	535	-	529	529
WR 15%	505	-	520	-	-	530	-	518	518
WR 25%	480	-	480	-	-	490	-	483	483
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	410	-	435	-	425	420	-	423	423
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 29.85 baht/U.S.\$

Source: Average actual prices received from exporters

Despite stable domestic prices, export prices increased slightly by 0.2 - 0.4 percent due to the strengthening Thai baht - 29.85 baht/\$, compared to 30.0 baht/\$ in the previous week. Also, Iran is reportedly making new purchases of premium white rice for delivery within this month. In addition, Japan will conduct a new tender to purchase 63,000 tons of white rice this week, of which 25,000 tons will be Thai rice origin. The tender is part of Japan's minimum market access commitment under the WTO. Thai rice exporters expect Thailand's rice exports will likely be better than expected at 8.7 million tons in 2010, above the previous forecast of 8.5 million tons, due to strong export demand in the last quarter.

The weekly government price support benchmark price for white rice for December 6-12 decreased by 0.3 percent. As such, farmers will receive higher compensation compared to the previous week.

Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

	Rice paddy				
	Fragrant rice (Hommati)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage	14	16	25	16	25

(ton/household) ^{a/}					
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 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
Dec 6 - 12	13,871	13,417	11,605	15,463	8,905
4. Compensation (1-2), (Baht/ton)					
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
Dec 6 - 12	1,429	883	-	-	1,095
5. Market prices (Baht/ton)					
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	15,250	13,750	11,550	14,500	8,900
Dec 6-12 ^{f/}	15,250	13,300	11,400	13,500	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.

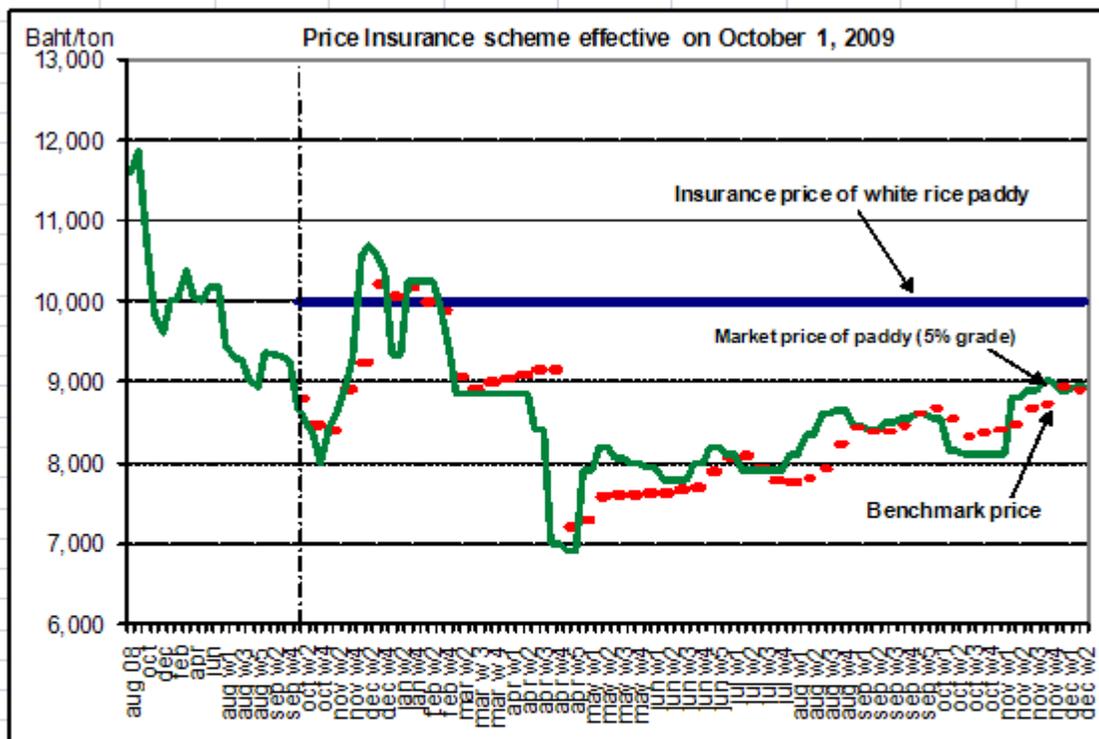
^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

^{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 3, 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 29 – December 5, 2010 totaled 154,521 tons, down 3,569 tons from the previous week, and down 9,487 tons from the four-week moving average of 164,008 tons. Exports of white rice and parboiled rice during January 1 – December 5, 2010 totaled 5,965,123 tons, up 8.5 percent from 5,499,794 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 1, 2010 amounted to 8,005,099 tons, up 1.6 percent from 7,880,761 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
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	(MT)	(MT)	(TMT)	(TMT)	(%)
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
Dec 5	154,521	164,008	5,965	5,500	8.5

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 15-19	Nov 22-26 (Revised)	Nov 29 - Dec 3 (Preliminary)
Weekly sales	261,240	145,696	114,348
4 week sum	785,392	784,640	682,737
4 week mov. avg.	196,348	196,160	170,684
Year-to-date sales	651,556	6,661,252	6,775,600

End of report.