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Thailand

Rice Price - Weekly

Weekly Rice Price Update

Approved By:

Orestes Vasquez,
Agricultural Attaché

Prepared By:

Ponnarong Prasertsri,
Agricultural Specialist

Report Highlights:

TH1019 Despite upward price pressure in global grain markets this week, particularly for wheat due to drought concerns in China, export prices of white rice increased slightly by 0.2-0.6 percent from the previous week due to promising supplies. The Thai government plans to release an additional 900,000 tons of intervention stocks for export. Current quotations of Vietnamese white rice are much lower than Thai rice due to a currency devaluation.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Feb 14, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	960	-	1,000	-	970	925	-	964	966
WR 100 B	535	-	555	-	560	545	540	547	544
PB 100%	535	-	550	-	555	540	540	544	543
PB 5%	530	-	540	-	550	535	535	538	537
WR 5%	520	-	530	-	545	525	535	531	529
WR 10%	515	-	520	-	540	-	-	525	522
WR 15%	505	-	500	-	-	-	-	503	500
WR 25%	480	-	470	-	-	-	-	475	475
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	410	-	430	-	425	-	-	422	417
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.50 baht/U.S.\$

Source: Average actual prices received from exporters

Despite upward price pressure in global grain markets this week, particularly for wheat due to drought concerns in China, export prices of white rice increased slightly by 0.2-0.6 percent from the previous week due to promising supplies. The Thai government plans to release an additional 900,000 tons of intervention stock for export and will hold only 100,000 tons as safety stock. Presently, the government's outstanding stock totals approximately 1.0 million tons after releasing 4.0 million tons since last year. In addition, current quotations of Vietnamese white rice are much lower than Thai rice due to a currency devaluation of 9.3 percent to 20,693 Dong/\$ on February 11, 2011. The price difference between Thai and Vietnamese white rice presently increased to \$75-85/MT, as compared to an average of \$30-35/MT over the last couple of weeks. As a result, Vietnamese white rice becomes more attractive than Thai rice, particularly for current government-to-government inquiries from Indonesia and the Philippines. Also, India reportedly allowed some export of non-basmati premium rice last week due to a recovery in rice production.

The government's weekly benchmark price for white rice for February 14-20, 2011 increased 2.0 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 price over market 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/}					
Jan 17-23	12,990	12,799	10,403	13,966	8,527
Jan 24-30	12,989	12,798	10,787	14,206	8,715
Jan 31 - Feb 6	13,009	12,809	10,882	14,306	8,798
Feb 7 - 13	13,106	12,831	10,896	14,306	8,736
Feb 14-20	13,110	12,822	10,925	14,385	8,909
4. Compensation (1-2), (Baht/ton)					
Jan 17-23	2,310	1,501	597	-	1,473
Jan 24-30	2,311	1,502	213	-	1,285
Jan 31 - Feb 6	2,291	1,491	118	-	1,202
Feb 7 - 13	2,194	1,469	104	-	1,264
Feb 14-20	2,190	1,478	75	-	1,091
5. Market prices (Baht/ton)					
Jan 17-23	13,750	13,000	10,500	15,000	8,350
Jan 24-30	13,750	13,500	10,500	15,000	8,350
Jan 31 - Feb 6	13,750	13,500	10,500	15,000	8,400
Feb 7-13	13,750	13,500	10,500	15,000	8,500
Feb 14-20 ^{e/}	13,750	13,500	10,500	15,000	8,550

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 wholesale price of last week

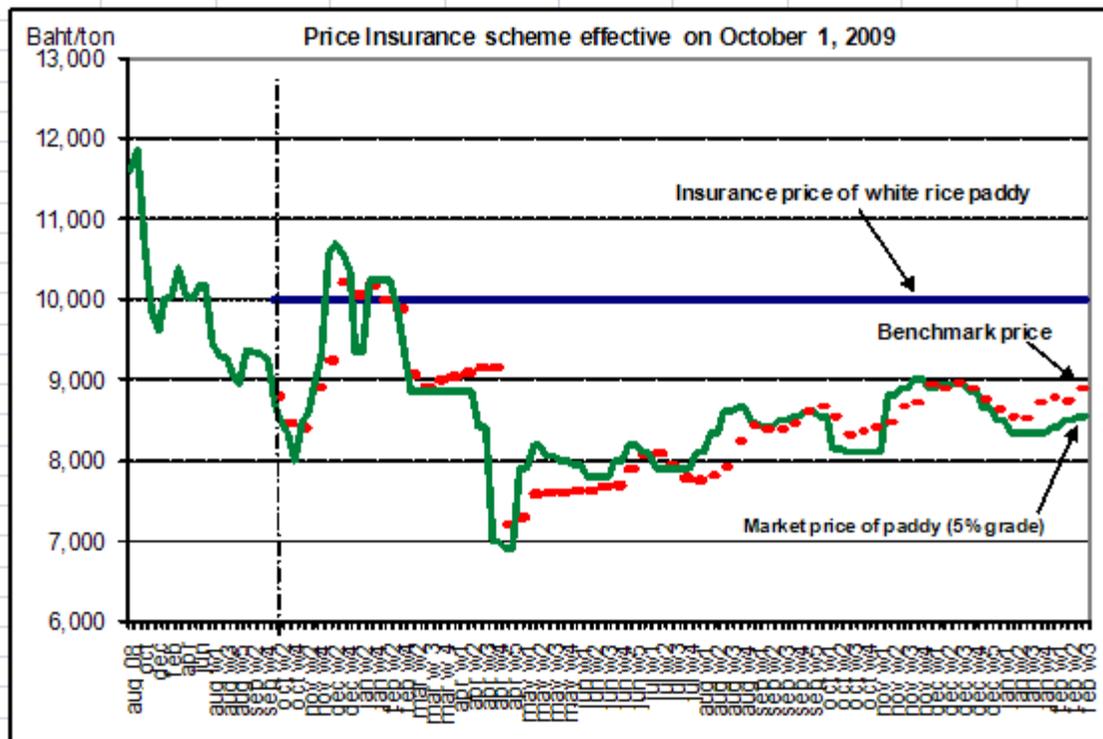
in Bangkok.

^{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 Feb. 14, 2011

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 February 7-13, 2011 totaled 214,204 tons, up 17,063 tons from the previous week, and up 24,817 tons from the four week moving average of 189,387 tons. Exports of white rice and parboiled rice during January 1 – February 13, 2011 totaled 1,146,616 tons, up 53.6 percent from 746,386 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – February 7, 2011 amounted to 1,119,213 tons, up 28.9 percent from

868,553 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)	(%)
Dec 12	154,966	158,637	6,120	5,614	9.0
Dec 19	191,645	164,806	6,312	5,742	9.9
Dec 26	181,514	170,662	6,493	5,852	10.6
Dec 31	155,420	170,886	6,649	5,896	12.8
Jan 2, 2011	3,600	-	4	1	260.0
Jan 9	186,924	-	191	105	81.8
Jan 16	198,541	-	389	272	42.8
Jan 23	179,423	-	568	420	35.3
Jan 30	166,781	182,917	735	525	40.2
Feb 6	197,142	185,472	932	620	50.4
Feb 13	214,204	189,387	1,147	746	53.6

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)	Jan 24-28	Jan 31 - Feb 4 (Revised)	Feb 7-11 (Preliminary)
Weekly sales	262,041	225,694	107,306
4 week sum	850,601	944,347	866,084
4 week mov. avg.	212,650	236,087	216,521
Year-to-date sales	850,601	1,076,295	1,183,601

End of report.