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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1039 Domestic and export prices of all grades of rice continued to decline by 1-4 percent from the previous week. Large supplies of Thai white rice from the government's stock release and new MY2010/11 second-crop harvest have resulted in a robust price competition with Vietnamese rice. Thai rice prices will likely be volatile this week as the government conducted a tender on Monday, March 28, 2011 to fulfill a government-to-government contract with Bangladesh.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Mar 28, 2011

| Quality | Exporter Observations | | | | | | | Period Average | |
|------------|-----------------------|----|-----|----|-----|-----|-----|----------------|------|
| | #1 | #2 | #3 | #4 | #5 | #6 | #7 | CUR. | PRV. |
| F WR 100 B | 970 | - | 990 | - | 930 | 905 | - | 949 | 958 |
| WR 100 B | 475 | - | 510 | - | 510 | 490 | 490 | 495 | 506 |
| PB 100% | 505 | - | 520 | - | 505 | 495 | 490 | 503 | 509 |
| PB 5% | 500 | - | 510 | - | 500 | 490 | 485 | 497 | 503 |
| WR 5% | 460 | - | 495 | - | 490 | 470 | 480 | 479 | 491 |
| WR 10% | 455 | - | 480 | - | 485 | 465 | - | 471 | 484 |
| WR 15% | 450 | - | 470 | - | - | 460 | - | 460 | 473 |
| WR 25% | 430 | - | 460 | - | - | 440 | - | 443 | 457 |
| WR 35% | - | - | - | - | - | - | - | - | - |
| A1 SUP | 390 | - | 400 | - | 410 | 390 | - | 398 | 405 |
| A1 SPEC | - | - | - | - | - | - | - | - | - |

Exchange rate: 30.10 baht/U.S.\$

Source: Average actual prices received from exporters

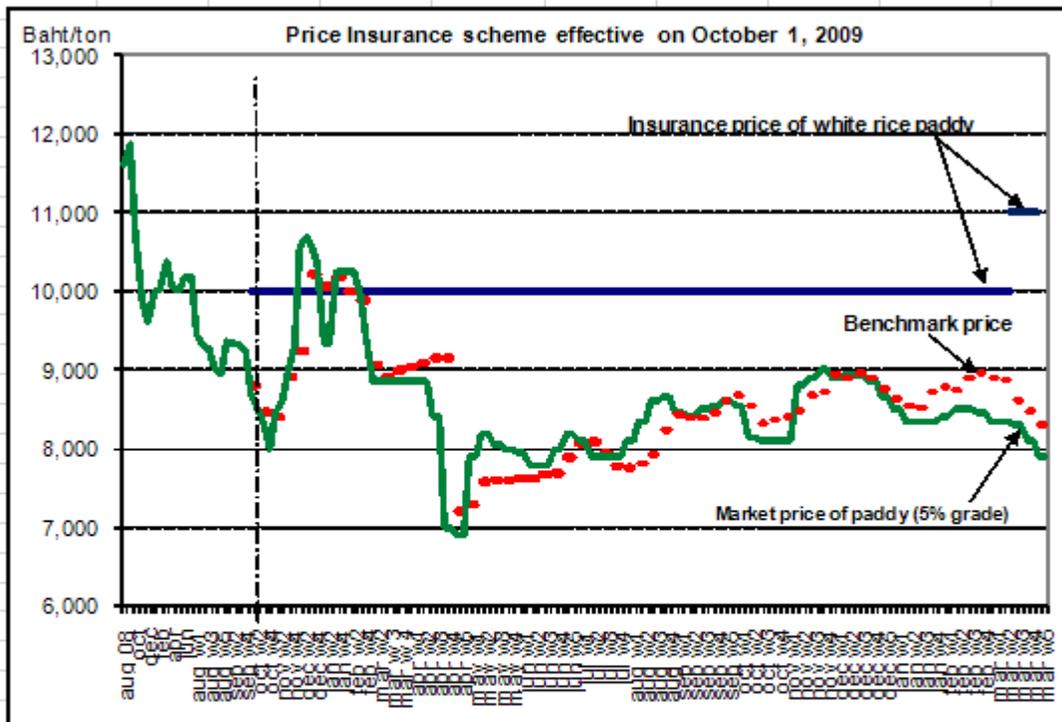
Domestic and export prices of all grades of rice continued to decline by 1-4 percent from the previous week due to lack of enquiries for large-volume contracts. Current large supplies of Thai white rice from the government's stock release of 2-3 million tons and new MY2010/11 second crop harvest have resulted in a robust price competition with Vietnamese rice for the Philippine market, as the Philippines is expected to make a private inquiry of 600,000 tons of white rice for delivery within June 30, 2011. The price difference between Thai and Vietnamese rice is presently at \$20-30/MT, as compared to \$50/MT in the previous week. However, Thai rice prices will likely remain volatile this week due to a last minute government-to-government tender conducted on Monday, March 28 to fulfill a contract with Bangladesh for 200,000 tons of 5 percent grade parboiled rice for April – May 2011 delivery. Private exporters who participated in the tender are aware of the tight shipping turnover as the first shipment is required to arrive in Bangladesh by April 16, 2011. This tender has sent signals to the millers that market conditions might be improving, thus the volatility.

The government's weekly benchmark price for white rice for March 28 – April 4, 2011 declined 1.7 percent. As such farmers will receive higher compensation, compared to the previous week. However, 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.

| | Rice paddy | | | | |
|---|-------------------------|--------------------------|----------------------|-----------------|-----------------|
| | Fragrant rice (Hommati) | Provincial fragrant rice | Pathum fragrant rice | Glutinous rice | White rice |
| 1. Eligible tonnage (ton/household) | 14 | 16 | 30 ^d | 30 ^d | 30 ^d |
| 2. Insured prices (Baht/ton)^e | 15,300 | 14,300 | 11,500 | 10,000 | 11,000 |
| 3. Benchmark prices (Baht/ton)^{b/c} | | | | | |
| Feb 28 - Mar 6 | 13,040 | 12,654 | 10,901 | 14,601 | 8,900 |
| Mar 7-13 | 12,641 | 12,368 | 10,550 | 15,064 | 8,871 |
| Mar 14-20 | 12,470 | 12,125 | 10,293 | 15,239 | 8,612 |
| Mar 21-27 | 12,538 | 12,195 | 10,128 | 15,182 | 8,467 |
| Mar 28 - Apr 4 | 13,019 | 11,810 | 9,936 | 14,973 | 8,310 |
| 4. Compensation (1-2), (Baht/ton) | | | | | |
| Feb 28 - Mar 6 | 2,260 | 1,646 | 99 | - | 1,100 |
| Mar 7-13 | 2,659 | 1,932 | 450 | - | 1,129 |
| Mar 14-20 | 2,830 | 2,175 | 1,207 | - | 2,388 |
| Mar 21-27 | 2,762 | 2,105 | 1,372 | - | 2,533 |
| Mar 28 - Apr 4 | 2,281 | 2,490 | 1,564 | - | 2,690 |
| 5. Market prices (Baht/ton) | | | | | |
| Feb 28 - Mar 6 | 12,950 | 12,450 | 10,500 | 16,500 | 8,350 |
| Mar 7-13 | 12,550 | 12,350 | 10,500 | 16,500 | 8,350 |
| Mar 14-20 | 12,450 | 12,500 | 9,900 | 16,500 | 8,300 |
| Mar 21-27 | 12,600 | 12,500 | 9,700 | 15,750 | 8,100 |
| Mar 28 - Apr 4 ^f | 12,600 | 12,250 | 9,300 | 15,750 | 7,900 |
| Note: | | | | | |
| ^a Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 tons/household for MY2010/11 off-season crop | | | | | |
| ^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 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 baht/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 season-crop Pathum Fragrant rice were revised up again to 11,500 baht/ton, effective Mar. 16, 2011. Also, those of white rice were raised from 10,000 baht/ton to 11,000 baht/ton, and glutinous rice from 9,500 baht/ton to 10,000 baht/ton. | | | | | |
| ^e The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop. | | | | | |
| ^f As of Mar. 28, 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 10th, based on average 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 March 21-27, 2011 totaled 190,244 tons, up 3,356 tons from the previous week, and down 20,946 tons from the four week moving average of 211,190 tons. Exports of white rice and parboiled rice during January 1 – March 27, 2011 totaled 2,367,831 tons, up 57.7 percent from 1,501,223 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – March 22, 2011 amounted to 2,690,301 tons, up 38.7 percent from 1,939,164 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) | (%) |
| 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 |
| Feb 20 | 188,985 | 191,778 | 1,336 | 880 | 51.8 |
| Feb 27 | 187,469 | 196,950 | 1,523 | 1,032 | 47.6 |
| Mar 6 | 235,443 | 206,525 | 1,759 | 1,171 | 50.2 |
| Mar 13 | 232,186 | 211,021 | 1,991 | 1,288 | 54.6 |
| Mar 20 | 186,887 | 210,496 | 2,178 | 1,409 | 54.5 |
| Mar 27 | 190,244 | 211,190 | 2,368 | 1,501 | 57.7 |

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

| Table 4: Weekly private registered rice export sales | | | |
|---|------------------|---------------------------------|-------------------------------------|
| Movement (MT) | Mar. 7-11 | Mar. 14-18 (Revised) | Mar. 21-25 (Preliminary) |
| Weekly sales | 258,038 | 191,981 | 172,255 |
| 4 week sum | 964,469 | 965,467 | 931,081 |
| 4 week mov. avg. | 241,117 | 241,442 | 232,770 |
| Year-to-date sales | 2,040,764 | 2,232,745 | 2,405,000 |

End of report.