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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:
TH0055 Domestic and export prices declined slightly by 1.0 percent as the government direct purchase program has not been fully implemented to mitigate the downward pressure of new supplies. Meanwhile, some quotations remained unchanged due to concerns over the exchange rate. The weekly benchmark prices for March 29 – April 4 were higher than the previous week's and remain higher than market prices.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Mar. 29, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	970	-	990	-	980	955	-	974	976
WR 100 B	525	-	550	-	530	515	550	534	537
PB 100%	525	-	555		540	515	580	543	547
PB 5%	520	-	550	-	530	510	575	537	542
WR 5%	490	-	510	-	500	485	540	505	508
WR 10%	485	-	500	-	490	480	-	489	493
WR 15%	460	-	485	-	-	470	-	472	477
WR 25%	440	-	455	-	-	440	-	445	450
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	365	-	390	-	380	375	-	378	380
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 32.15 baht/U.S.$

Source: Average actual prices received from exporters

Domestic and export prices declined slightly by 1.0 percent as the government direct purchase program has not been fully implemented to mitigate the downward pressure of new second-crop supplies, as modifications to the program are pending cabinet approval. The program modifications are aimed at creating adequate incentives to get rice millers interest to participate in the program. Details have yet to be hashed-out, but it's expected that millers will be able to swap their new-crop paddy for old-crop government at a higher ratio. Meanwhile, some quotations remained unchanged as concerns loom over a continued strengthening of the Thai baht.

The weekly benchmark prices for March 29 – April 4 were slightly higher than the previous week's; as such farmers will receive less compensation. Moreover, the compensation continues to fall short in attaining insurance price levels, as the benchmark prices remain higher than market prices.

Table 2: Price Insurance Scheme for MY2009/2010 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 [c/]	9,500	10,000
3. Benchmark prices (Baht/ton)[b/]					
Mar. 1-15, 2010	-	-	11,313	10,665	9,074
Mar. 15-21, 2010 [b/]	-	-	10,204	10,519	8,919
Mar. 22-28, 2010	-	-	10,317	10,374	9,006
Mar. 29 - Apr. 4	-	-	10,550	10,505	9,033
4. Compensation (1-2), (Baht/ton)					
Mar. 1-15, 2010	-	-	-	-	926
Mar. 15-21, 2010	-	-	796	-	1,081
Mar. 22-28, 2010	-	-	683	-	994
Mar. 29 - Apr. 4	-	-	450	-	967
5. Market prices (Baht/ton)					
Mar. 1-15	14,500	13,900	10,125	11,750	8,850
Mar. 15-21	14,040	13,900	10,250	11,250	8,850
Mar. 22-28	13,850	13,900	10,750	11,250	8,850
Mar. 29 - Apr. 4 [d/]	13,850	13,900	10,750	11,850	8,850

Note:

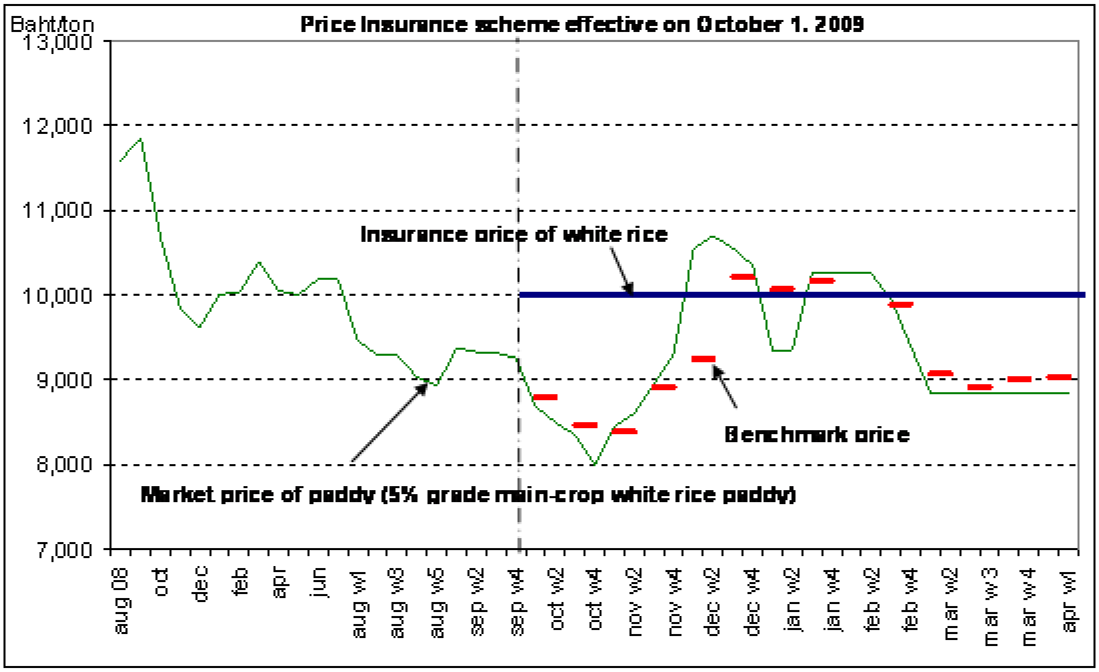
[a/] Cabinet approval on Sep. 22, 2009

[b/] Starting March 15, 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 week 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/] The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 tons/MT in MY 2009/10 main-crop price insurance scheme.

[d/] As of Mar. 29, 2010

Figure 2: Comparision of market price, insurance price, and benchmark price



Note: Benchmark prices are average historical wholesales prices which will be used for the calculation of compensation to farmers. The compensation is based on the differece between insurance prices and benchmark prices.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for March 22-28, 2010 totaled 93,840 tons, down 25,363 tons from the previous week, and down 21,685 tons from the four-week moving average of 115,525 tons. Exports of white rice and parboiled rice during January 1 – March 28, 2010 totaled 1,505,168 tons, up 20.0 percent from 1,254,471 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 19, 2010 amounted to 1,863,097 tons, up 5.4 percent from 1,767,820 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 10	111,299	-	112	85	32.6
Jan 17	171,849	-	284	211	34.8
Jan 24	137,308	105,364	422	353	19.5
Jan 31	104,448	131,226	526	428	22.9
Feb 7	98,535	128,035	624	545	14.7
Feb 14	121,947	115,559	746	654	14.1
Feb 21	139,182	116,028	886	783	13.1
Feb 28	157,915	129,395	1,043	880	18.6
Mar 7	135,227	138,568	1,178	974	21.0
Mar 14	113,829	136,538	1,292	1,077	19.9
Mar 21	119,203	131,543	1,411	1,166	21.1
Mar 28	93,840	115,525	1,505	1,254	20.0

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)	Mar. 8-12	Mar. 15-19 (Revised)	Mar. 22-26 (Preliminary)
Weekly sales	184,045	86,267	72,667
4 week sum	637,638	541,097	423,319
4 week mov. avg.	159,410	135,274	105,830
Year-to-date sales	1,539,256	1,625,523	1,698,190

End of report.