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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1028 Domestic and export prices of white rice and parboiled rice continued to decline at the same 1 – 3 percent rate as last week as new supplies of MY2010/11 off-season crop are coming into the market. Meanwhile, the National Rice Policy Committee agreed on Monday, March 7, 2011, to revise up the insurance prices of MY2010/11 off-season crop by 5-10 percent, together with an increase in the eligible tonnage to 30 tons/farm household.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Mar 7, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	920	-	970	-	940	880	-	928	936
WR 100 B	505	-	540	-	530	510	510	519	526
PB 100%	510	-	540	-	530	510	510	520	528
PB 5%	505	-	530	-	525	505	505	514	522
WR 5%	490	-	510	-	520	490	500	502	509
WR 10%	485	-	500	-	510	487	-	496	503
WR 15%	480	-	480	-	-	480	-	480	483
WR 25%	465	-	460	-	-	460	-	462	467
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	410	-	420	-	420	415	-	416	419
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.30 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices of white rice and parboiled rice continued to decline at the same 1 – 3 percent rate as last week as new supplies of MY2010/11 off-season crop are coming into the market. Also, foreign buyers are reportedly waiting to see when rice prices will bottom out following price competition between Thai and Vietnamese rice. Meanwhile, the National Rice Policy Committee agreed on Monday, March 7, 2011, to raise the insurance prices of MY2010/11 off-season crop by 5-10 percent, together with an increase in the eligible tonnage to 30 tons/farm household. The Committee said the increase was necessary to guarantee farmers' profit margins at 30-40 percent since production cost is approximately 20 percent higher than the previous year's level. The government will likely approve this revision in a cabinet meeting this week. In addition, starting March 16, 2011, the government will implement the Direct Purchase program for MY2010/11 off-season crop in order to buy at the benchmark prices a target of 2.0 million tons of paddy. The government hopes this will stabilize domestic prices which are presently under downward pressure.

Table: Proposed Revision on MY2010/11 Off-season Price Insurance Scheme

Paddy	Original		Revised	
	Insurance Price (Baht/Ton)	Eligible Tonnage (Ton)	Insurance Price (Baht/Ton)	Eligible Tonnage (Ton)
White rice				

Pathumthani Fragrant Rice	10,000	25	11,000	30
Glutinous Rice	11,000	25	11,500	30
Glutinous Rice	9,500	16	10,000	30

The government's weekly benchmark price for white rice for March 7-13, 2011 declined 0.3 percent. As such, farmers will receive higher 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/}					
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
Feb 21-27	13,108	12,789	10,976	14,421	8,969
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
4. Compensation (1-2), (Baht/ton)					
Feb 7 - 13	2,194	1,469	104	-	1,264
Feb 14-20	2,190	1,478	75	-	1,091
Feb 21-27	2,192	1,511	24	-	1,031
Feb 28 - Mar 6	2,260	1,646	99	-	1,100
Mar 7-13	2,659	1,932	450	-	1,129
5. Market prices (Baht/ton)					
Feb 7-13	13,750	13,500	10,500	15,000	8,500
Feb 14-20	13,750	13,500	10,500	15,000	8,500
Feb 21-27	13,450	12,900	10,500	15,500	8,450

Feb 28 - Mar 6	12,950	12,450	10,500	16,500	8,350
Mar 7-13 ^{f/}	12,550	12,350	10,500	16,500	8,350

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 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.

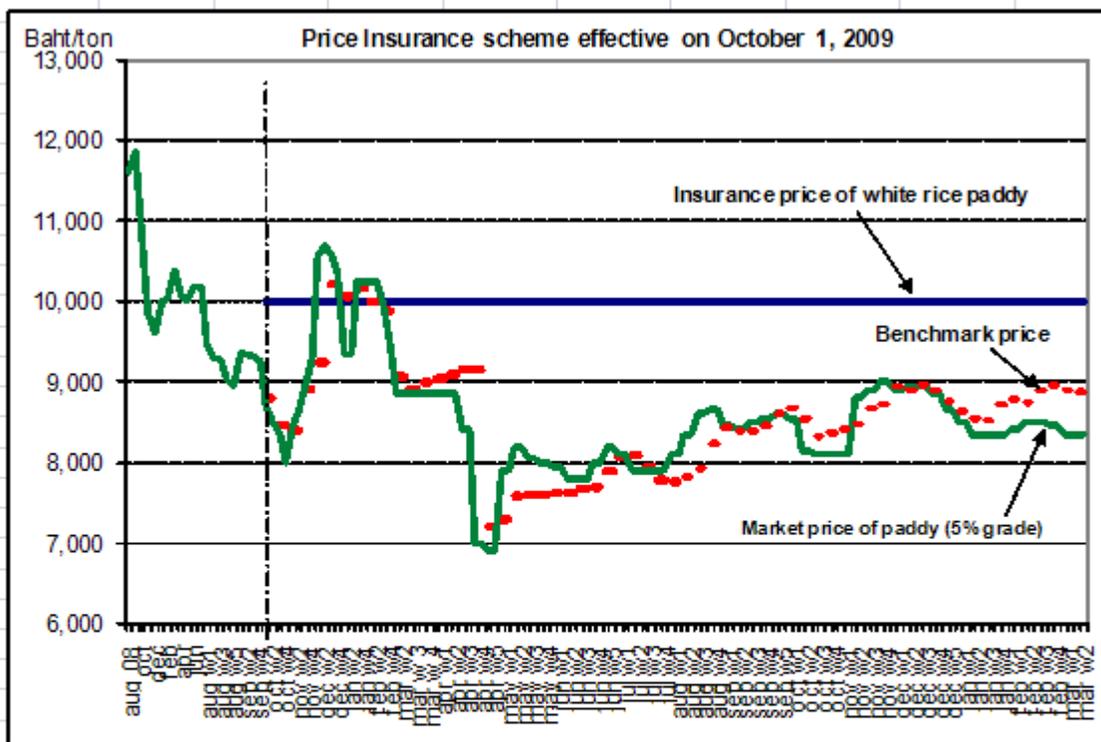
^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

^{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 Mar. 7, 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 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 28 – March 6, 2011 totaled 235,443 tons, up 47,945 tons from the previous week, and up 28,918 tons from the four week moving average of 206,525 tons. Exports of white rice and parboiled rice during January 1 – March 6, 2011 totaled 1,758,513 tons, up 50.2 percent from 1,170,828 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 3, 2011 amounted to 2,014,643 tons, up 33.8 percent from 1,505,409 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 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
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	187,469	196,950	1,523	1,032	48.6

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

Movement (MT)	Feb 14-18	Feb 21-25	Feb 28 - Mar. 4 (Preliminary)
Weekly sales	206,941	290,278	NA
4 week sum	885,359	913,596	NA
4 week mov. avg.	221,340	228,399	NA
Year-to-date sales	1,473,919	1,764,197	NA

End of report.

