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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:

TH0047 Export prices declined by 1-2 percent due to quiet foreign demand, as buyers are flocking to cheaper Vietnamese rice and concerns over high freight costs. The government implemented the direct purchase program which helped decelerate the reduction in domestic prices.

Post:
Bangkok

Market Tone

Table 1: Export Prices (F O B) for various grades of Thai rice (USD/MT), Week ending Mar. 8, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	975	-	1,000	-	980	935	-	973	986
WR 100 B	530	-	560	-	530	525	550	539	546
PB 100%	520	-	575	-	550	535	580	552	561
PB 5%	515	-	565	-	530	530	575	543	555
WR 5%	480	-	520	-	500	495	540	507	516
WR 10%	470	-	510	-	490	490	-	490	503
WR 15%	455	-	495	-	-	475	-	475	480
WR 25%	440	-	465	-	-	460	-	455	457
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	370	-	400	-	380	390	-	385	391
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 32.5 baht/US \$

Source: Average actual prices received from exporters

Despite a strengthening Thai baht to 32.5 baht/\$ from last week's 32.7 baht/\$, export prices declined by 1-2 percent due to quiet foreign demand. Foreign buyers are reportedly buying cheaper Vietnamese rice, with a price difference of over \$100/MT. Also, some buyers are reluctant to conclude deals due to concerns of surging freight costs, which have doubled from the previous year. This week the government implemented the direct purchase program which enables farmers to sell paddy at benchmark prices. However, the program got off to a slow start as few millers have shown interest in program participation due to the unattractive terms and conditions, compared to those of the mortgage scheme. Only 1,500 tons of white rice paddy were bought this week out of a program allowance of 1.9 million tons and a credit line of 20 billion baht (\$615 million). Yet, the program had a psychological impact on the market as it helped decelerate the reduction in domestic prices.

The biweekly benchmark prices of MY2009/10 second-crop white rice for March 1-15, 2010 were lower than the previous period. However, market prices of paddy are much lower than current benchmark prices, as increasing supplies from off-season crops adds daily downward pressure on prices which the lagging benchmark price is unable to account for.

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

	Rice paddy				
	Fragrant rice (Hommati)	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/}					
Feb. 1-15, 2010	14,915	14,359	12,004	11,511	9,993
Feb. 16-28, 2010	14,796	14,148	11,824	11,207	9,886
Mar. 1-15, 2010	-	-	11,313	10,665	9,074
4. Compensation (1-2), (Baht/ton)					
Feb. 1-15, 2010	385	-	-	-	7
Feb. 16-28, 2010	504	152	-	-	114
Mar. 1-15, 2010	-	-	-	-	926
5. Market prices (Baht/ton)					
Feb. 1-15	15,025	14,000	11,750	11,800	10,250
Feb. 16-28	14,700	13,900	11,500	11,125	9,400
Mar. 1-15 ^{d/}	14,500	13,900	10,200	11,750	8,850

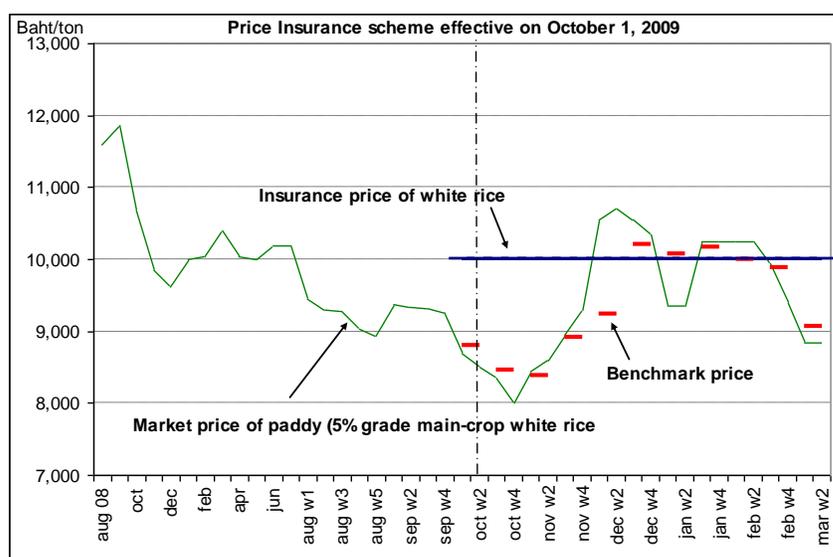
Note:

^{a/} Cabinet approval on Sep. 22, 2009

^{b/} The benchmark prices will be published twice a month on the 1st and 16th, based on average historical wholesale prices of the last 15 days in Bangkok. These prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary of 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 March 8, 2010



Rice Export Update

Unofficial rice exports (excluding fragrant rice) for March 1-7, 2010 totaled 135,227 down 22,687 tons from the previous week, and down 3,340 tons from the four-week moving average of 138,568 tons. Exports of white rice and parboiled rice during January 1 – March 7, 2010 totaled 1,178,296 tons, up 21.0 percent from 973,684 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 18, 2010 amounted to 1,147,875 tons, up 7.9 percent from 1,064,224 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 20	120,454	98,161	5,743	7,348	-21.8
Dec 27	126,910	111,113	5,870	7,453	-21.2
Dec 31, 2009	25,812	97,440	5,900	7,470	-21.1
Jan 3, 2010	1,000	-	1	3	-68.0
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

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)	Feb. 15-19	Feb. 22-26 (Revised)	Mar. 1-5 (Preliminary)
Weekly sales	182,811	190,442	47,161
4 week sum	570,961	703,580	653,816
4 week mov. avg.	142,740	175,895	163,454
Year-to-date sales	1,084,429	1,274,871	1,322,032

End of report.