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GAIN Report

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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0069 Export prices were offered \$10-15/MT lower, speculation abounds that prices are bottoming-out due to the government's modification of its direct purchase program. However, exporters are not swayed by this event, expecting the impact to be temporary, if any at all, due to the current political climate. The weekly benchmark prices for April 26 – May 2 dropped significantly by 21.0 percent.

Post:

Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Weekending Apr. 26, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	975	-	1,000	-	980	945	-	975	970
WR 100 B	470	-	485	-	500	485	490	486	500
PB 100%	450	-	470	-	500	480	520	484	500
PB 5%	440	-	460	-	495	475	515	477	492
WR 5%	450	-	455	-	480	460	480	465	472
WR 10%	440	-	445	-	470	455	-	453	461
WR 15%	425	-	425	-	-	450	-	433	443
WR 25%	395	-	400	-	-	420	-	405	418
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	305	-	325	-	370	335	-	334	364
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 32.0 baht/U.S. \$

Source: Average actual prices received from exporters

Export prices were offered \$10-15/MT lower as speculation abounds that prices will bottom-out at current levels and start their recovery, as the National Rice Policy Committee modified the terms of the direct purchase program on April 26. The details of the new plan will come out soon after the Cabinet meets later this week. It's expected that the modification will provide the necessary incentives so that millers will purchase the remaining 1-2 million tons of paddy that have yet to be harvested. However, some exporters are not swayed, as they expect the impact of this direct purchase program to be temporary, if any at all, due to the current political climate and the uncertainty of the government's intervention stock policy.

The weekly benchmark prices for April 26 – May 2 dropped significantly by 21.0 percent from the previous week; as such farmers will receive higher compensation. The government revised the calculation of the benchmark prices based on average wholesale prices on a weekly basis instead of the bi-weekly basis in order to capture the market's swift swings.

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 ^{d/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/}					
Apr. 5-11	-	-	10,912	10,633	9,087
Apr. 12-18	-	-	10,433	11,094	9,142
Apr. 19-25	-	-	10,433	11,094	9,142
Apr. 26 - May 2 ^{c/}	-	-	9,292	11,106	7,210
4. Compensation (1-2), (Baht/ton)					
Apr. 5-11	-	-	88	-	913
Apr. 12-18	-	-	567	-	858
Apr. 19-25	-	-	567	-	858
Apr. 26 - May 2	-	-	1,708	-	2,790
5. Market prices (Baht/ton)					
Apr. 5-11	13,850	13,900	9,900	12,850	8,650
Apr. 12-16	13,850	13,900	9,700	12,250	8,400
Apr. 19-23	14,000	13,900	9,150	12,250	7,000
Apr. 26 - May 2 ^{e/}	13,450	13,900	9,550	12,250	7,000

Note:

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

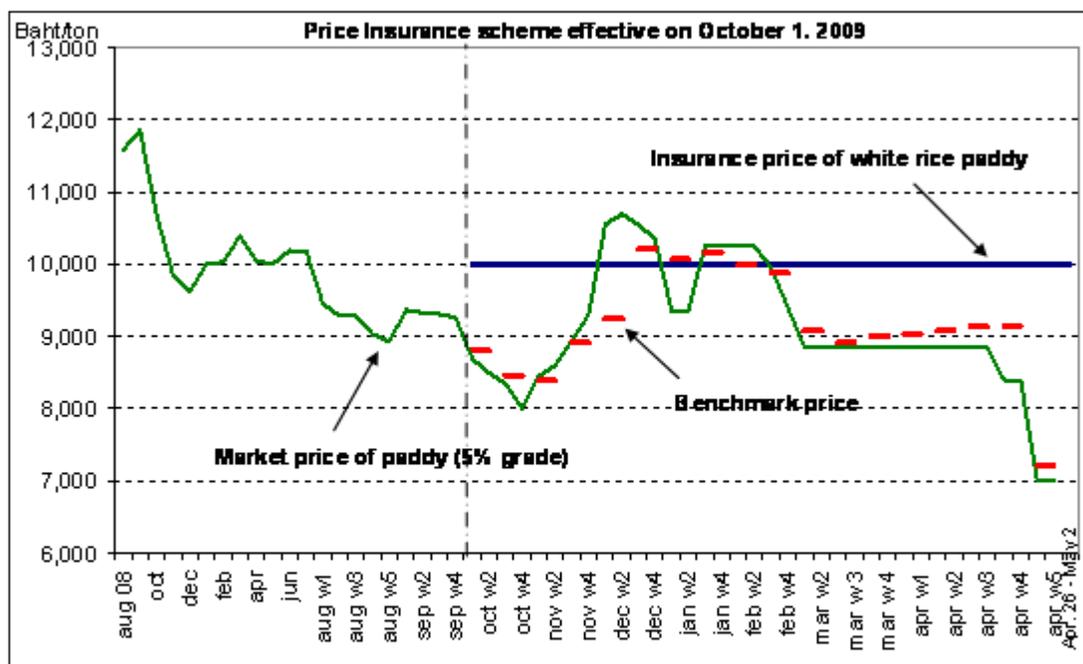
^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent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

^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales 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/} As of Apr. 26, 2011

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



Note: 1/ Benchmark prices are average historical wholesales 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.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for April 19-25, 2010 totaled 103,306 tons, up 48,268 tons from the previous week, and up 9,359 tons from the four-week moving average of 93,911 tons. Exports of white rice and parboiled rice during January 1 – April 25, 2010 totaled 1,880,813 tons, up 14.7 percent from 1,639,652 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – April 8, 2010 amounted to 2,283,641 tons, up 2.8 percent from 2,221,844 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)	(%)
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
Apr 4	101,112	106,996	1,606	1,358	18.3
Apr 11	116,187	107,586	1,722	1,446	19.1
Apr 18	55,038	91,545	1,778	1,494	19.0
Apr 25	103,306	93,911	1,881	1,640	14.7

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/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)	Apr. 5-9	Apr. 12-16	Apr. 19-23
Weekly sales	123,868	24,250	155,610
4 week sum	413,191	351,174	415,297
4 week mov. avg.	103,298	87,794	103,824
Year-to-date sales	1,952,447	1,976,697	2,132,307

End of report.