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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1042 Domestic and export prices of white rice increased slightly by 1-2 percent from the previous week due to the implementation of the government direct purchase program in order to stop the downward trend of domestic prices. Meanwhile, a government-to-government tender for parboiled rice shipment to Bangladesh was finalized with no impact on parboiled rice prices.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Apr 4, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	970	-	990	-	930	905	-	949	949
WR 100 B	480	-	510	-	510	490	490	496	495
PB 100%	505	-	520	-	505	495	490	503	503
PB 5%	500	-	510	-	500	490	485	497	497
WR 5%	470	-	495	-	490	470	480	481	479
WR 10%	465	-	480	-	485	465	-	474	471
WR 15%	460	-	470	-	-	460	-	463	460
WR 25%	440	-	460	-	-	440	-	447	443
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	395	-	400	-	410	390	-	399	398
A1 SPEC	-	-	-	-	-	-	-	-	-

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

Source: Average actual prices received from exporters

Domestic and export prices of white rice increased slightly by 1-2 percent from the previous week due to the implementation of the government direct purchase program. The government approved a budget of 5.0 billion baht (\$166 million) for the Ministry of Commerce (Public Warehouse Organization) and the Ministry of Agriculture (Marketing Organization for Farmer) to buy at benchmark prices a target of up to 500,000 tons of MY2010/11 off-season-crop paddy, effective April 2 – June 30, 2011. The program is aimed at stopping the downward trend that domestic prices have been facing which have already declined 40-50 percent from their highs. It's expected that MY2010/11 off-season crop of 3-4 million tons of paddy will be harvested in this period. Meanwhile on March 31, a government-to-government tender for 200,000 tons of 5 percent grade parboiled rice shipment to Bangladesh was allocated to two large exporters. This acquisition had no impact on domestic parboiled rice prices.

The government's weekly benchmark price for white rice for April 4-10, 2011 declined 3.1 percent. As such farmers will receive higher compensation, compared to the previous week. Farmers that sell their

supplies this week will be able to arbitrage as market prices are slightly above the benchmark prices.

Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

	Rice paddy				
	Fragrant rice (Hommati)	Provincial fragrant rice	Patthum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household)	14	16	30 ^{d/}	30 ^{d/}	30 ^{d/}
2. Insured prices (Baht/ton) ^{d/}	15,300	14,300	11,500	10,000	11,000
3. Benchmark prices (Baht/ton) ^{b/c/}					
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 3	13,019	11,810	9,936	14,973	8,310
Apr 4-10	-	11,778	9,378	14,781	8,056
4. Compensation (1-2), (Baht/ton)					
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 3	2,281	2,490	1,564	-	2,690
Apr 4-10	-	2,522	2,122	-	2,944
5. Market prices (Baht/ton)					
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 3	12,600	12,250	9,300	15,750	8,150
Apr 4-10 ^{f/}	12,700	12,500	9,300	16,250	8,150

Note:

^{d/} Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 ton/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.

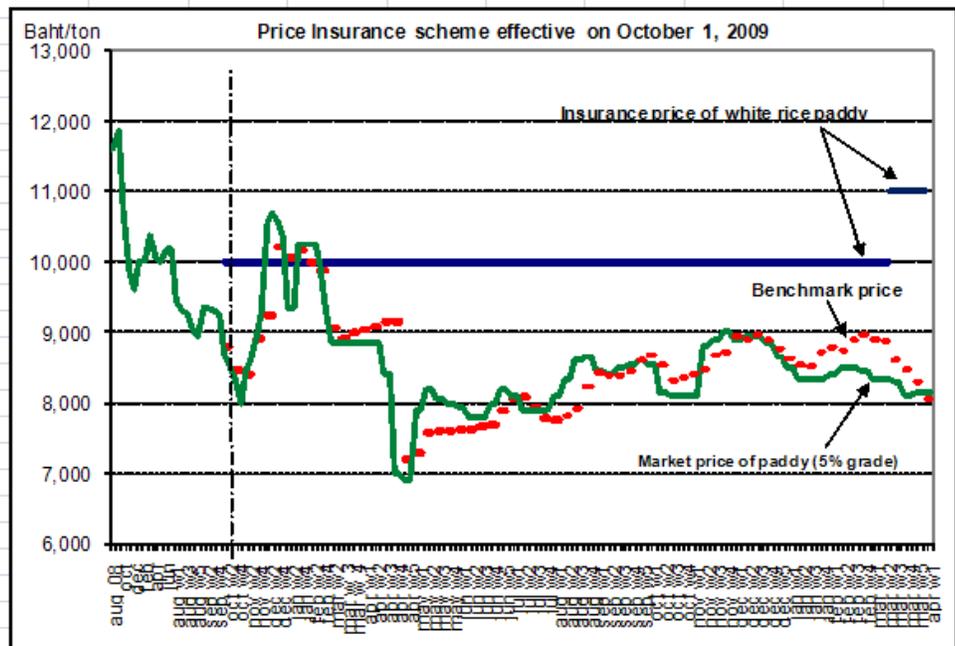
^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

^{e/} The insured prices of MY 2009/10 second-crop Patthum Fragrant rice were revised up from 10,000 baht/ton in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 season-crop Patthum 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.

^{f/} The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.

^{g/} As of Apr. 4, 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 28 – April 3, 2011 totaled 174,121 tons, down 16,123 tons from the previous week, and down 21,739 tons from the four week moving average of 195,860 tons. Exports of white rice and parboiled rice during January 1 – April 3, 2011 totaled 2,541,952 tons, up 58.8 percent from 1,601,062 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 31, 2011 amounted to 3,012,021 tons, up 41.0 percent from 2,136,391 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 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
Apr 3	174,121	195,860	2,542	1,601	58.8

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. 14-18	Mar. 21-25 (Revised)	Mar. 28 - Apr. 1 (Preliminary)
Weekly sales	191,981	198,077	178,151
4 week sum	965,467	956,903	826,247
4 week mov. avg.	241,442	239,226	206,562
Year-to-date sales	2,232,745	2,430,822	2,608,973

End of report.