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GAIN Report

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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0074 Export prices continued to decline slightly by 1-2 percent due to quiet foreign demand. The weekly benchmark prices for May 10-16 increased by 4.0 percent from the previous week; as such farmers will receive lower compensation.

Post:

Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Weekending May 10, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	975	-	1,000	-	980	940	-	974	975
WR 100 B	470	-	485	-	490	475	490	482	484
PB 100%	460	-	470	-	490	475	520	483	485
PB 5%	455	-	480	-	470	470	515	474	476
WR 5%	440	-	455	-	470	450	480	459	461
WR 10%	435	-	440	-	460	445	-	445	449
WR 15%	420	-	410	-	-	440	-	423	432
WR 25%	390	-	400	-	-	415	-	402	403
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	315	-	330	-	350	330	-	331	331
A1 SPEC	-	-	-	-	-	-	-	-	-

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

Source: Average actual prices received from exporters

Export prices continued to decline slightly by 1-2 percent due to quiet foreign demand. Foreign buyers are waiting to see how the government's proposed modifications of the direct purchase, which is waiting for Cabinet approval, will play out. The new modifications will provide millers with the necessary incentives to participate in the program by allowing them to swap lower quality second-crop rice with government's high quality rice stocks at 1:1 ratio, as long as they buy current off-season crop 300 baht/ton of paddy above benchmark prices. Under this scheme, the farmers, in addition to receiving the extra 300 baht/ton for their paddy, will receive full compensation. The government expects that 300,000 tons will be exchanged under this program.

The weekly benchmark prices for May 10-16 increased by 4.0 percent from the previous week; as such farmers will receive lower compensation. Farmers that sell their supplies in this period will not attain insurance price levels, as compensation slightly falls short to bridge this gap.

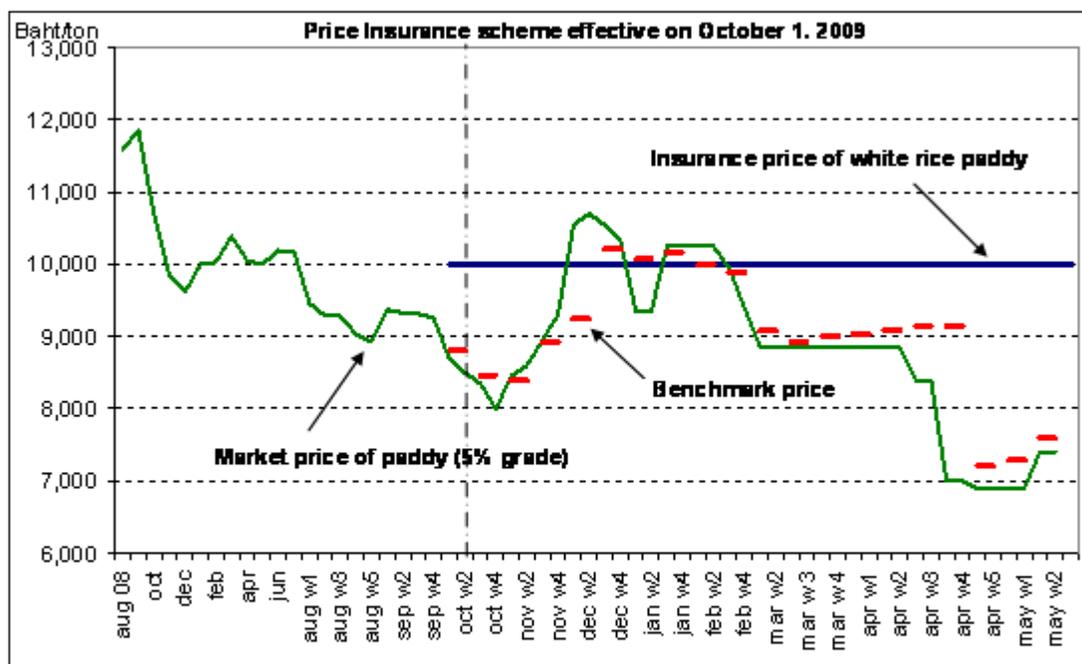
Table 2: Price Insurance Scheme for MY2009/2010 rice crop

	Rice paddy				
	Fragrant rice (Hom Mali)	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. 19-25	-	-	10,433	11,094	9,142
Apr. 26 - May 2 ^{c/}	-	-	9,292	11,106	7,210
May 3-9	-	-	9,781	11,382	7,289
May 10-16	-	-	9,769	11,668	7,589
4. Compensation (1-2), (Baht/ton)					
Apr. 19-25	-	-	567	-	858
Apr. 26 - May 2	-	-	1,708	-	2,790
May 3-9	-	-	1,219	-	2,711
May 10-16	-	-	1,231	-	2,411
5. Market prices (Baht/ton)					
Apr. 19-25	14,000	13,900	9,150	12,250	7,000
Apr. 26 - May 2	13,450	13,900	9,700	12,250	6,900
May 3 - 9	13,450	13,500	9,700	12,250	6,900
May 10-16 ^{e/}	13,325	13,250	9,750	12,500	7,400

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 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 MY 2009/10 main-crop price insurance scheme, effective Mar. 16, 2010^{e/} As of May 10, 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 May 3-9, 2010 totaled 122,091 tons, up 20,405 tons from the previous week, and up 26,561 tons from the four-week moving average of 95,530 tons. Exports of white rice and parboiled rice during January 1 – May 9, 2010 totaled 2,104,259 tons, up 9.7 percent from 1,917,841 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 23, 2010 amounted to 2,545,947 tons, down 0.5 percent from 2,557,689 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 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
May 2	101,686	94,054	1,982	1,783	11.5
May 9	122,091	95,530	2,104	1,918	9.7

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. FASBKK 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. 19-23	Apr. 26-30 (Revised)	May 3-7
Weekly sales	155,610	141,034	143,961
4 week sum	415,297	444,762	464,855
4 week mov. avg.	103,824	111,191	1,161,214
Year-to-date sales	2,132,307	2,273,341	2,417,302

End of report.