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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1070 Domestic and export prices remain unchanged from the previous week due to a lack of trading activities. Foreign buyers are holding off on finalizing contracts as price competition remains strong between Thai and Vietnamese white rice.

Post:
Bangkok

Author Defined:
Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending May 31, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	960	-	900	-	960	935	-	939	939
WR 100 B	480	-	510	-	495	492	490	493	493
PB 100%	500	-	510	-	500	495	500	501	501
PB 5%	495	-	505	-	495	490	495	496	496
WR 5%	465	-	490	-	480	472	480	477	477
WR 10%	460	-	480	-	460	468	-	467	467
WR 15%	457	-	470	-	-	462	-	463	463
WR 25%	440	-	-	-	-	450	-	445	445
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	410	-	430	-	425	412	-	419	419
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.20 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices remain unchanged from the previous week due to lack of trading activities, especially for large-volume enquiries. Foreign buyers are holding off on finalizing large-volume contracts as price competition remains strong for Thai and Vietnamese white rice. They believed that Thai and Vietnamese rice exporters are engaged in price cutting activities. Presently, Thai rice prices are \$5-10/MT below Vietnamese rice.

The government's weekly benchmark price for white rice for May 30 – June 5, 2011 declined 1.4 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 (Hom Mali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household)	14	16	30 ^a	30 ^a	30 ^a
2. Insured prices (Bht/ton) ^b	15,300	14,300	11,500	10,000	11,000
3. Benchmark prices (Bht/ton) ^{c,d}					
May 2-8	-	12,440	9,267	14,392	8,182
May 9-15	-	12,498	9,217	13,809	8,188
May 16-22	-	12,526	9,058	13,551	8,164
May 23-29	-	12,500	9,044	13,837	8,183
May 30 - Jun 5	-	12,506	9,088	13,897	8,071
4. Compensation (1-2), (Bht/ton)					
May 2-8	-	1,860	2,233	-	2,818
May 9-15	-	1,802	2,283	-	2,812
May 16-22	-	1,774	2,442	-	2,836
May 23-29	-	1,800	2,456	-	2,817
May 30 - Jun 5	-	1,794	2,412	-	2,929
5. Market prices (Bht/ton)					
May 2-8	12,650	12,650	9,550	16,250	8,150
May 9-15	12,700	12,500	9,550	15,500	8,150
May 16-22	12,700	12,500	9,550	15,500	8,150
May 23-29	12,700	12,500	9,550	15,750	8,150
May 30 - Jun 5 ^e	12,700	12,500	9,550	15,750	8,150

Note:

^a Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 tons/household for MY2010/11 off-season crop

^b Starting March 8, 2010 the insured prices will be published on a weekly basis (at end 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 Rice 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 MY2009/10 second-crop Pathum Fragrant rice were revised up

from 10,000 to 11,500 Bht/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010.

In addition, the insured prices of MY2010/11 season-crop Pathum Fragrant rice were revised up again

to 11,500 Bht/ton, effective Mar. 16, 2011. Also, those of white rice were raised from 10,000 Bht/ton to

11,000 Bht/ton, and glutinous rice from 9,500 Bht/ton to 10,000 Bht/ton.

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

^f As of May 30, 2011

Figure 1: Comparison of market price, insurance price, and benchmark price



Rice Export Update

Unofficial rice exports (excluding fragrant rice) for May 23-29, 2011 totaled 238,188 tons, up 55,808 tons from the previous week, and up 28,458 tons from the four week moving average of 209,730 tons. Exports of white rice and parboiled rice during January 1 – May 29, 2011 totaled 4,139,382 tons, up 70.1 percent from 2,433,592 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – May 23, 2011 amounted to 4,758,138 tons, up 50.0 percent from 3,171,433 tons in the previous year.

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
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
Apr 10	220,993	193,061	2,763	1,708	61.7
Apr 17	97,067	170,606	2,860	1,774	61.2
Apr 24	226,216	179,599	3,086	1,872	64.8
May 1	214,233	189,627	3,300	1,975	67.1
May 8	223,502	190,255	3,524	2,099	67.9
May 15	194,850	214,700	3,719	2,217	67.8
May 22	182,380	203,741	3,901	2,324	67.9
May 29	238,188	209,730	4,139	2,433	70.1

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. FASBEK 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)	May 9-13	May 16-20 (Revised)	May 23-27 (Preliminary)
Weekly sales	379,267	225,805	267,463
4 week sum	1,124,178	1,108,836	1,002,365
4 week mov. avg.	281,045	277,209	250,591
Year-to-date sales	4,135,334	4,361,149	4,568,552

End of report.