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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1078 Domestic and export prices increased by 3-4 percent driven by speculative activities by millers/traders. They are reportedly holding stocks on the basis that the new government will likely support the Paddy Mortgage Scheme at high intervention prices.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending June 13, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	970	-	960	-	970	955	-	964	954
WR 100 B	515	-	530	-	520	522	550	527	512
PB 100%	510	-	520	-	520	525	550	525	508
PB 5%	505	-	515	-	515	520	545	520	503
WR 5%	495	-	510	-	500	502	540	509	493
WR 10%	490	-	500	-	490	497	-	494	484
WR 15%	485	-	490	-	-	492	-	489	478
WR 25%	465	-	-	-	-	472	-	469	458
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	425	-	435	-	430	430	-	430	421
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.30 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices increased by 3-4 percent despite the weakening of the Thai baht to 30.30 baht/\$, compared to 30.10 baht/\$ in the previous week. The continued increase in domestic and export prices is driven by speculative activities of millers/traders. They are reportedly holding stocks on the basis that the new government, which will result from the upcoming general election on July 3, will reinstitute the “Paddy Mortgage Scheme” at high intervention prices. The prices being promised are approximately 80 percent higher than current market prices. This political campaign is controversial as exporters believe that it will adversely affect Thai rice export potential as Thai rice will be more expensive than that of its competitors.

The government’s weekly benchmark price for white rice for June 13-19 increased 2.3 percent. As such farmers will receive lower compensation compared to the previous week. Farmers that sell their supplies this week will not attain insurance prices as compensation will fall short due to higher benchmark prices over market prices.

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

	Rice paddy				
	Bagrant rice (Chommlu)	Provincial fragrant rice	Pathom fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/homestead)	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 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	13,847	8,071
Jun 6 - 12	-	12,566	9,262	13,843	8,197
Jun 13-19	-	12,625	9,672	13,888	8,387
4. Compensation (1-3), (Bht/ton)					
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
Jun 6-12	-	1,734	2,238	-	2,803
Jun 13-19	-	1,675	1,828	-	2,613
5. Market prices (Bht/ton)					
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	12,700	12,500	9,550	15,750	8,200
Jun 6-12	12,825	12,600	9,550	15,750	8,300
Jun 13-19 ^e	12,825	12,600	9,550	16,250	8,350

Note:

^a Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 tons/homestead 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.

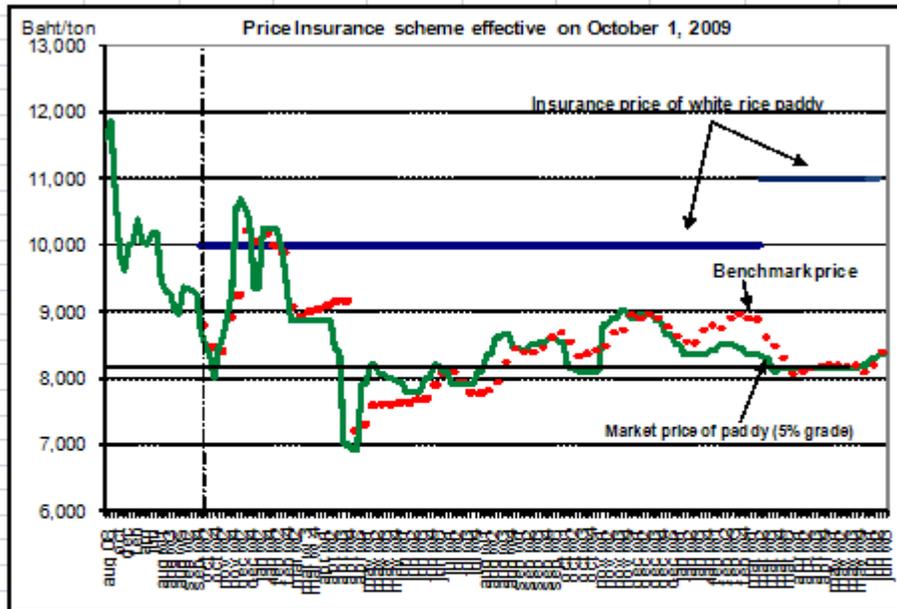
^c Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

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

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

^f As of Jun 13, 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.

* 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 Sub-committee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

* 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) June 6-12, 2011 totaled 235,908 tons, down 6,758 tons from the previous week, and up 11,122 tons from the four week moving average of 224,785 tons.

Exports of white rice and parboiled rice during January 1 – June 12, 2011 totaled 4,617,955 tons, up 74.3 percent from 2,649,193 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – June 9, 2011 amounted to 5,533,691 tons, up 53.1 percent from 3,613,464 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)

WEEK ENDING	QUANTITY (MT)	4-WK. AVG (MT)	YEAR TO DATE (TMT)	YEAR AGO (TMT)	YEAR TO DATE AS % OF LAST YEAR (%)
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
Jun 5	242,665	214,521	4,382	2,567	70.7
Jun 12	235,908	224,785	4,618	2,649	74.3

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/BEK 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 differences between the data.

Source: Board of Trade of Thailand

Table 4: Weekly private registered rice export sales

Movement (MT)	May 23-27	May 30 - Jun 3 (Preliminary)	Jun 6-10 (Preliminary)
Weekly sales	252,183	302,291	145,521
4 week sum	1,047,145	1,159,556	925,810
4 week mov. avg.	261,786	289,889	231,453
Year-to-date sales	4,613,332	4,915,623	5,061,144

End of report.