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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0092 Export and domestic prices increased by 1-2 percent due to tight domestic supplies of paddy as the harvest of the off-season crop comes to an end. Meanwhile, enquiries for white rice remain quiet as foreign buyers wait for details on the government's stock release plan.

Post:

Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending June 21, 2010

| Quality | Exporter Observations | | | | | | | Period Average | |
|-----------|-----------------------|----|-----|----|-----|-----|-----|----------------|------|
| | #1 | #2 | #3 | #4 | #5 | #6 | #7 | CUR. | PRV. |
| FWR 100 B | 940 | - | 965 | - | 950 | 930 | - | 946 | 935 |
| WR 100 B | 455 | - | 475 | - | 470 | 460 | 450 | 462 | 461 |
| PB 100% | 460 | - | 465 | - | 470 | 475 | 470 | 468 | 461 |
| PB 5% | 455 | - | 455 | - | 465 | 470 | 460 | 461 | 454 |
| WR 5% | 425 | - | 445 | - | 450 | 435 | 440 | 439 | 437 |
| WR 10% | 420 | - | 390 | - | 440 | 430 | - | 420 | 418 |
| WR 15% | 405 | - | 400 | - | - | 420 | - | 408 | 407 |
| WR 25% | 385 | - | 390 | - | - | 400 | - | 392 | 390 |
| WR 35% | - | - | - | - | - | - | - | - | - |
| A1 SUP | 325 | - | 320 | - | 330 | 335 | - | 328 | 326 |
| A1 SPEC | - | - | - | - | - | - | - | - | - |

Exchange rate: 32.2 baht/US \$

Source: Average actual prices received from exporters

Export and domestic prices increased by 1-2 percent due to tight domestic supplies of paddy as the harvest of the off-season crop comes to an end. Export demand is being driven by African buyers of parboiled rice as they are making new purchases of it. Meanwhile, enquiries for white rice remain quiet as foreign buyers await for details on the government's stock release plan. Exporters anticipate intervention stocks to be released in the next couple of months before main crop harvest begins in October – November. Presently, the government is setting a committee to inspect the rice quality of the intervention stocks, which currently stand at 5-6 million tons.

The weekly benchmark price for white rice for June 21-27 increased slightly by 0.4 percent as such farmers will receive smaller compensation from the previous week. However, farmers selling their supplies in this period will be able to arbitrage as market prices are above the benchmark prices.

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/c/} | | | | | |
| May 24-30 | - | - | 9,786 | 12,360 | 7,612 |
| May 31 - Jun 6 | - | - | 9,728 | 12,441 | 7,614 |
| Jun 7 - 13 | - | - | 9,745 | 12,401 | 7,614 |
| Jun 14-20 | - | - | 9,670 | 12,318 | 7,672 |
| Jun 21-27 | - | - | 9,745 | 12,393 | 7,700 |
| 4. Compensation (1-2), (Baht/ton) | | | | | |
| May 24-30 | - | - | 1,214 | - | 2,388 |
| May 31 - Jun 6 | - | - | 1,218 | - | 2,386 |
| Jun 7-13 | - | - | 1,255 | - | 2,386 |
| Jun 14-20 | - | - | 1,330 | - | 2,328 |
| Jun 21-27 | - | - | 1,255 | - | 2,300 |
| 5. Market prices (Baht/ton) | | | | | |
| May 24-30 | 13,400 | 13,250 | 10,050 | 13,300 | 8,000 |
| May 31 - Jun 6 | 13,400 | 13,250 | 9,600 | 13,350 | 7,950 |
| Jun 7-13 | 13,400 | 11,750 | 9,350 | 13,350 | 7,800 |
| Jun 14-20 | 13,000 | 11,750 | 9,350 | 13,850 | 7,800 |
| Jun 21-27 ^{e/} | 13,150 | 11,750 | 9,350 | 13,850 | 7,950 |

Note:

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

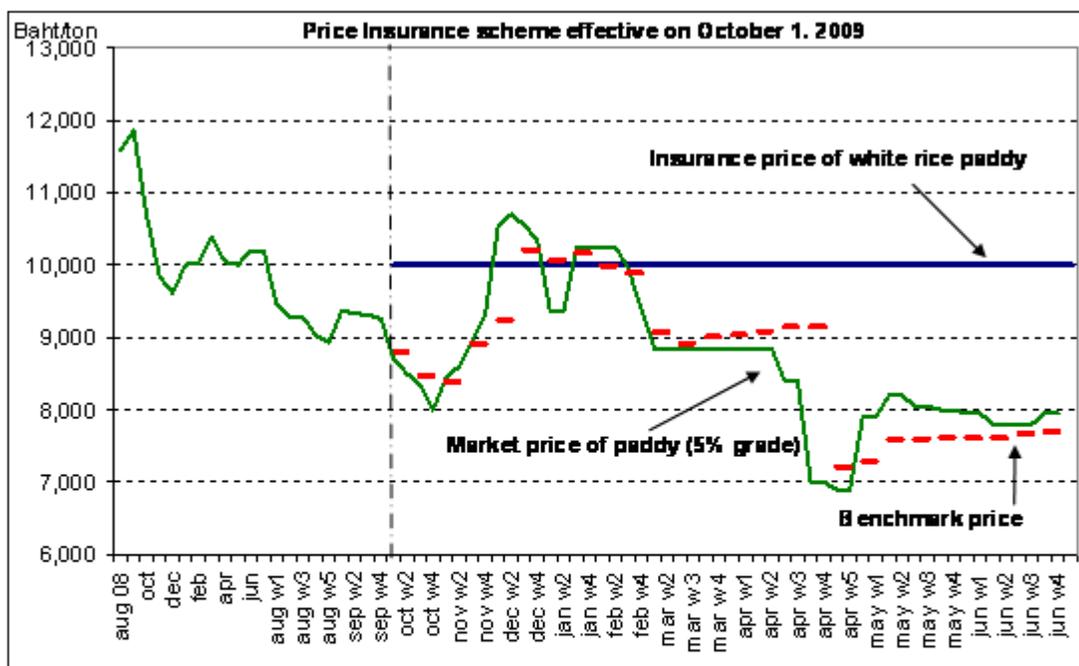
^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent 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 June 21, 2010

Figure 1: 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.

2/ 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.

3/ Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for June 14-20, 2010 totaled 105,026 tons, up 22,108 tons from the previous week, and up 701 tons from the four-week moving average of 104,325 tons. Exports of white rice and parboiled rice during January 1 – June 20, 2010 totaled 2,755,919 tons, down 0.1 percent from 2,757,847 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 7, 2010 amounted to 3,546,188 tons, down 5.9 percent from 3,766,798 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) | (%) |
| 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 |
| May 16 | 119,212 | 111,574 | 2,223 | 2,053 | 8.3 |
| May 23 | 115,187 | 114,544 | 2,339 | 2,222 | 5.3 |
| May 30 | 130,142 | 121,726 | 2,469 | 2,355 | 4.8 |
| Jun 6 | 98,942 | 115,938 | 2,568 | 2,493 | 3.0 |
| Jun 13 | 82,918 | 106,865 | 2,651 | 2,640 | 0.4 |
| Jun 20 | 105,026 | 104,325 | 2,756 | 2,758 | -0.1 |

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. 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) | May 31 - Jun. 4 | Jun. 7-11 | Jun. 14-18 |
|--------------------|-----------------|-----------|------------|
| Weekly sales | 84,401 | 68,801 | 66,664 |
| 4 week sum | 490,410 | 452,203 | 342,510 |
| 4 week mov. avg. | 122,603 | 113,051 | 85,628 |
| Year-to-date sales | 2,907,712 | 2,976,513 | 3,043,177 |

End of report.