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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1083 Domestic and export prices declined 1-3 percent from the previous week due to lack of enquiries and a continued weakening of the Thai baht to 30.7 baht/\$. Millers and traders slowed down their speculative activities which were driven by political factors over the past two weeks.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending June 27, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	985	-	980	-	970	960	-	974	974
WR 100 B	540	-	545	-	540	525	545	539	546
PB 100%	535	-	530	-	545	520	545	535	540
PB 5%	530	-	525	-	540	515	540	530	535
WR 5%	515	-	535	-	520	505	535	522	531
WR 10%	505	-	525	-	510	502	-	511	520
WR 15%	495	-	515	-	-	495	-	502	513
WR 25%	480	-	-	-	-	475	-	478	490
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	420	-	435	-	430	435	-	430	429
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.50 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices declined 1-3 percent from the previous week due to lack of enquiries and a continued weakening of the Thai baht to 30.7 baht/\$, as compared to 30.4 baht/\$ in the previous week. Millers and traders slowed down their speculative activities that were driven by political factors over the past two weeks that the “Paddy Mortgage Scheme” will likely replace the current “Price Insurance Scheme” after the general election on July 3. The slowdown reflected the fact that foreign buyers are not panicking about tighter rice supplies from possible policy shift as exporters are still holding large supplies of rice from the government stock release for exports. In addition, Vietnamese rice is presently \$50/MT cheaper.

The government’s weekly benchmark price for white rice for June 27 – July 3, 2011 increased 3.8 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				
	Fragrant rice (Hommati)	Provincial fragrant rice	Patnam 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/}	15,900	14,900	11,500	10,000	11,000
3. Benchmark prices (Baht/ton) ^{d/}					
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
Jun 20-26	-	12,692	10,286	13,878	8,741
Jun 27 - Jul 3	-	12,746	10,548	14,176	9,071
4. Compensation (1-2), (Baht/ton)					
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
Jun 20-26	-	1,608	1,214	-	2,259
Jun 27 - Jul 3	-	1,554	952	-	1,929
5. Market prices (Baht/ton)					
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	12,825	12,600	9,550	16,250	8,350
Jun 20-26	13,448	12,600	10,000	16,750	8,350
Jun 27 - Jul 3 ^e	13,448	12,600	10,450	16,750	8,350

Note:

^d 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 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.

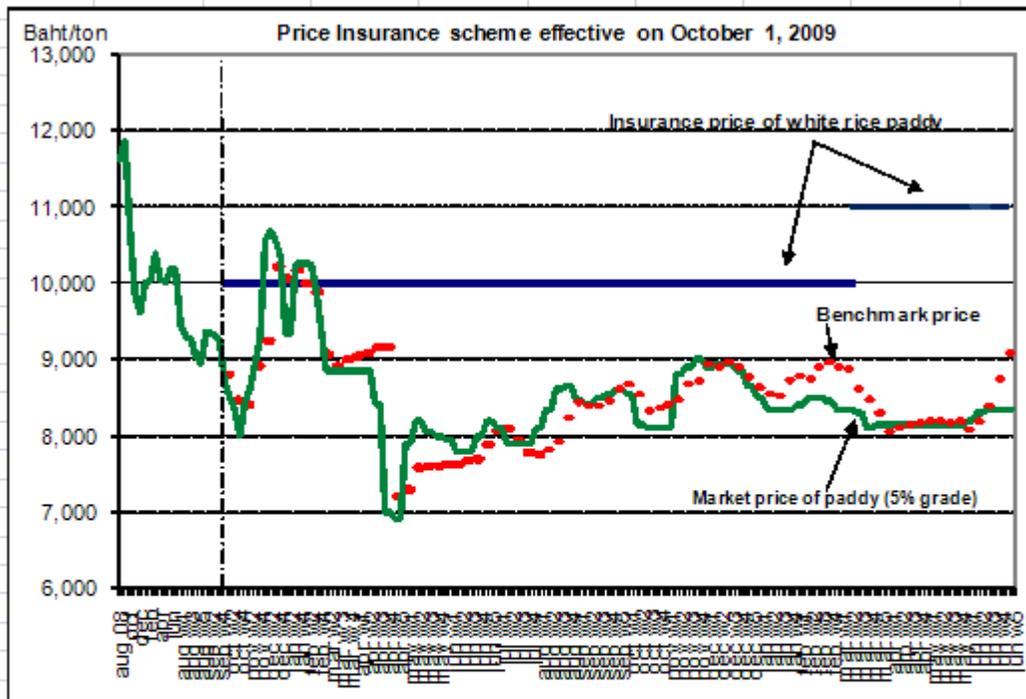
^c Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

^d The insured prices of MY 2009/10 second-crop Patnam Fragrant rice were revised up from 10,000 baht/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 season-crop Patnam 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 24, 2011

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 for rice a month on the 1st and 15th, 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 wholesales price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) June 20-26, 2011 totaled 234,849 tons, up 28,623 tons from the previous week, and up 4,937 tons from the four week moving average of 229,912 tons.

Exports of white rice and parboiled rice during January 1 – June 26, 2011 totaled 5,059,032 tons, up 77.3 percent from 2,853,863 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 17, 2011 amounted to 5,821,886 tons, up 54.9 percent from 3,757,603 tons in the previous year.

WEEK ENDING	QUANTITY (MT)	4-WK AVG (MT)	YEAR TO DATE (TMT)	YEAR AGO (TMT)	YEAR TO DATE AS % OF LAST YEAR (%)
Apr 17	97,067	170,606	2,860	1,774	61.2
Apr 24	226,216	179,599	9,086	1,872	64.8
May 1	214,293	189,627	9,300	1,975	67.1
May 8	229,502	190,255	9,534	2,099	67.9
May 15	194,850	214,700	9,719	2,217	67.8
May 22	182,980	209,741	9,901	2,324	67.9
May 29	238,188	209,790	4,199	2,499	70.1
Jun 5	242,665	214,521	4,382	2,567	70.7
Jun 12	295,908	224,785	4,618	2,649	74.9
Jun 19	206,226	290,747	4,834	2,754	75.2
Jun 26	294,849	229,912	5,059	2,854	77.9

Notes 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 differences between the data.

Source: Board of Trade of Thailand

Movement (MT)	Jun 6-10	Jun 13-17 (Revised)	Jun 20-24 (Preliminary)
Weekly sales	292,296	203,299	143,757
4 week sum	1,072,585	1,050,069	941,643
4 week mov. avg.	268,146	262,517	235,411
Year-to-date sales	5,207,919	5,411,218	5,554,975

End of report.