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# GAIN Report

Global Agricultural Information Network

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## **Thailand**

### **Rice Price - Weekly**

#### **Weekly Rice Price Update**

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**Report Highlights:**

TH0087 Domestic and export prices declined by 1-2 percent from the previous week in anticipation of possible government stock release. The Rice Policy Committee will likely consider the stock release plan this week. Weekly benchmark prices for white rice for June 7-13 remain unchanged from the previous week.

**Post:**

Bangkok

## Market Tone

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending June 7, 2010**

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV. (May 10)
FWR 100 B	935	-	965	-	950	885	-	934	955
WR 100 B	450	-	475	-	470	455	450	460	465
PB 100%	445	-	465	-	470	450	470	460	458
PB 5%	440	-	455	-	465	445	460	453	452
WR 5%	420	-	445	-	450	425	440	436	440
WR 10%	415	-	390	-	440	420	-	416	418
WR 15%	400	-	400	-	-	415	-	405	410
WR 25%	380	-	390	-	-	395	-	388	393
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	320	-	320	-	330	330	-	325	325
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 32.40 baht/US \$

Source: Average actual prices received from exporters

Domestic and export prices declined by 1-2 percent from the previous week in anticipation of possible government stock release. The Rice Policy Committee will likely consider the stock release plan which will be proposed by the Internal Trade Department this week. Exporters support release as they expect more enquiries next month for delivery in the last quarter of this year, particularly from African countries. Presently, fragrant rice price also declined significantly by \$20-30/MT from the previous week due to an increase in domestic supplies resulting from the on-farm storage release. Farmers reportedly redeemed large portion of their paddy pledged under the on-farm mortgage program which was a government measure to stabilize domestic prices while implementing the MY2009/10 main-crop price insurance scheme. Paddy pledged under this program totaled 900,000 ton out of the target of 2.0 million tons.

The weekly benchmark prices for white rice for June 7-13 remain unchanged from the previous week as such farmers will receive same compensation as in the previous week. In addition, farmers that sell their supplies in this period will be able to arbitrage as market prices remain 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) <sup>a/</sup>	14	16	25	16	25
2. Insured prices (Baht/ton) <sup>a/</sup>	15,300	14,300	11,000 <sup>d/</sup>	9,500	10,000
3. Benchmark prices (Baht/ton) <sup>b/c/</sup>					
May 10-16	-	-	9,769	11,668	7,589
May 17-23	-	-	9,810	12,135	7,598
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
4. Compensation (1-2), (Baht/ton)					
May 10-16	-	-	1,231	-	2,411
May 17-23	-	-	1,190	-	2,402
May 24-30	-	-	1,214	-	2,388
May 31 - Jun 6	-	-	1,218	-	2,386
Jun 7-13	-	-	1,255	-	2,386
5. Market prices (Baht/ton)					
May 10-16	13,500	13,250	9,900	13,450	8,200
May 17-23	13,650	13,250	10,050	13,300	8,050
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 <sup>e/</sup>	13,400	11,750	9,200	13,350	7,950

Note:

<sup>a/</sup> Cabinet approval on Sep. 22, 2009

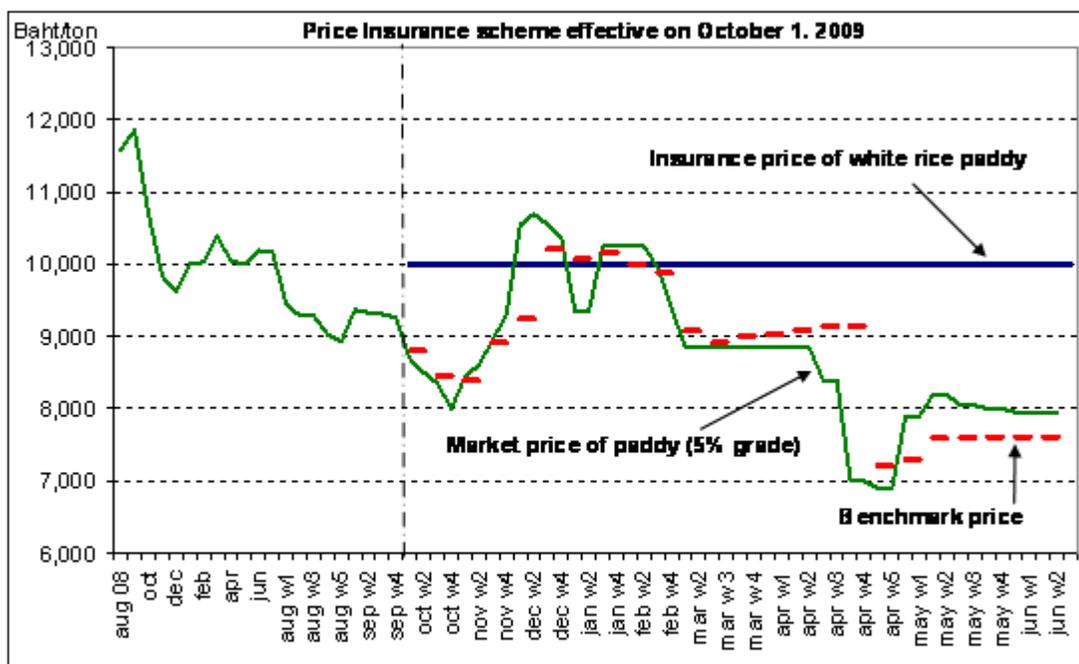
<sup>b/</sup> Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

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

<sup>d/</sup> 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

<sup>e/</sup> As of June 7, 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.

### Rice Export Update

Unofficial rice exports (excluding fragrant rice) for May 31 – June 6, 2010 totaled 98,942 tons, down 31,470 tons from the previous week, and down 16,996 tons from the four-week moving average of 115,938 tons. Exports of white rice and parboiled rice during January 1 – June 6, 2010 totaled 2,567,967 tons, up 3.0 percent from 2,492,648 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 31, 2010 amounted to 3,379,331 tons, down 4.3 percent from 3,562,873 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)	(%)
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
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

*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 17-21	May 24-28	May 31 - Jun. 4 (Preliminary)
Weekly sales	176,357	122,644	47,046
4 week sum	568,360	549,970	453,055
4 week mov. avg.	142,090	137,493	113,264
Year-to-date sales	2,700,667	2,823,311	2,870,357

End of report.