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# GAIN Report

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## **Thailand**

### **Rice Price - Weekly**

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

**Approved By:**

Orestes Vasquez  
Agricultural Attaché

**Prepared By:**

Ponnarong Prasertsri  
Agricultural Specialist

**Report Highlights:**

TH1090 Trading activities have gradually resumed, as the new Government is being formed. The new Government will be led by the Pheu Thai Party, which campaigned on the promise to revert its rice policy to the Paddy Mortgage Scheme within the first 3-6 months of assuming control. Presently, domestic and export prices are being offered 8-10 percent higher than the pre-election's levels which were being driven by the same speculative activities on the Government's intended policy.



**Post:**  
Bangkok

## Market Tone

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending July 11, 2011**

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV. (June 27)
F WR 100 B	1,040	-	-	-	1,050	1,060	-	1,050	974
WR 100 B	580	-	-	-	580	585	580	581	539
PB 100%	570	-	-	-	560	580	620	583	535
PB 5%	565	-	-	-	555	575	615	578	530
WR 5%	560	-	-	-	560	570	570	565	522
WR 10%	550	-	-	-	550	560	-	553	511
WR 15%	535	-	-	-	545	550	-	543	502
WR 25%	515	-	-	-	540	525	-	527	478
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	440	-	-	-	450	450	-	447	430
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.0 baht/U.S.\$

Source: Average actual prices received from exporters

Trading activities have gradually resumed as the new government being formed. The new Government is being led by the Pheu Thai Party, which campaigned on the promise to revert its rice policy to the Paddy Mortgage Scheme within the 3-6 months of assuming power. Millers in some areas where off-season rice is being harvested have urged the government to start the program sooner to include the current harvest. However, it is expected that the program will likely begin in November 2011 when MY2011/12 main crop will be harvested. The intervention prices that have been promised are 15,000 baht/ton (\$500/MT) for white rice paddy, and 20,000 baht/ton (\$667/MT) for fragrant rice paddy, which are higher than current market prices by 63.0 percent and 33.0 percent, respectively. Presently, domestic and export prices are being offered 8-10 percent higher than the pre-election's levels which are also being driven by speculative activities on the Government's intended policies. Meanwhile, foreign buyers are in a wait and see approach as they are making enquiries for Vietnamese and Indian rice which is \$50-60/MT lower.

The government's weekly benchmark price for white rice for July 11-17, 2011 declined 0.2 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 above benchmark prices.

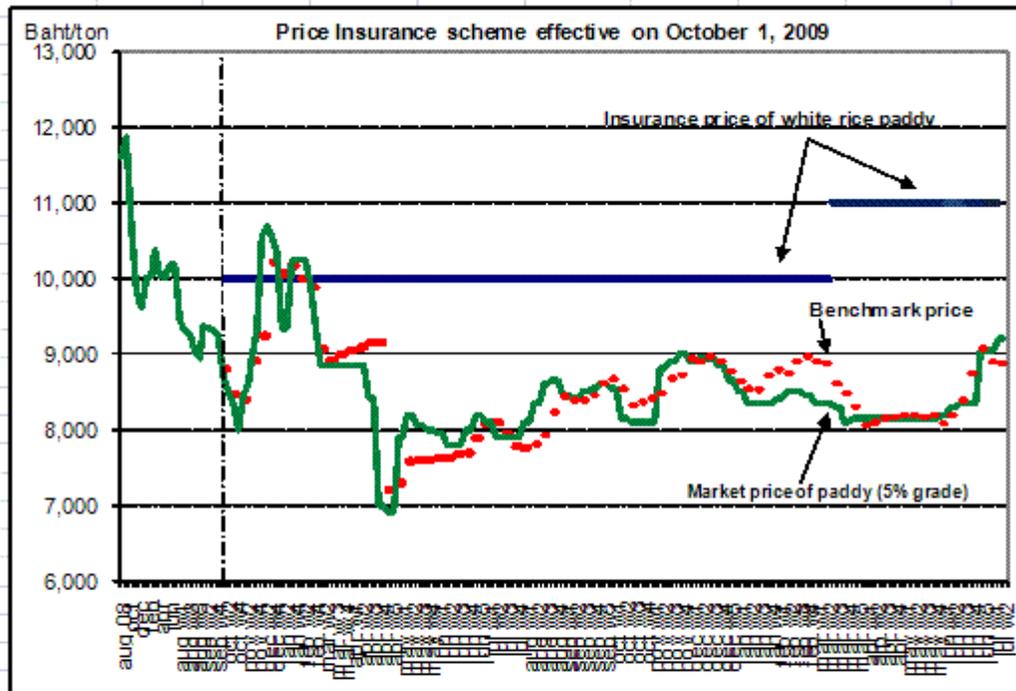
**Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop**

	Rice paddy				
	Fragrant rice (Houmao)	Provincial fragrant rice	Padrun fragrant rice	Glabrous rice	White rice
1. Eligible tonnage (ton/household)	14	16	30 <sup>d</sup>	30 <sup>d</sup>	30 <sup>d</sup>
2. Insured prices (Baht/ton) <sup>d</sup>	15,300	14,300	11,500	10,000	11,000
3. Benchmark prices (Baht/ton) <sup>d, e</sup>					
Jan 13-19	-	12,625	9,672	13,888	8,387
Jan 20-26	-	12,692	10,286	13,878	8,741
Jan 27 - Jul 3	-	12,746	10,548	14,176	9,071
Jul 4-10	-	12,814	10,389	14,292	8,901
Jul 11-17	-	12,791	10,296	14,776	8,879
4. Compensation (1-2), (Baht/ton)					
Jan 13-19	-	1,675	1,828	-	2,613
Jan 20-26	-	1,608	1,214	-	2,259
Jan 27 - Jul 3	-	1,554	952	-	1,929
Jul 4-10	-	1,486	1,111	-	2,099
Jul 11-17	-	1,509	1,204	-	2,121
5. Market prices (Baht/ton)					
Jan 13-19	12,825	12,600	9,550	16,250	8,350
Jan 20-26	13,448	12,600	10,000	16,750	8,350
Jan 27 - Jul 3	13,000	12,750	10,750	16,750	9,050
Jul 4-10	13,900	12,750	10,750	16,750	9,050
Jul 11-17 <sup>f</sup>	15,050	12,750	10,750	16,750	9,200

Note:

<sup>d</sup> Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 ton/household for MY2010/11 off-season crop<sup>e</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 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>f</sup> Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.<sup>g</sup> The insured prices of MY 2009/10 second-crop Padrun Fragrant rice were revised up from 10,000 baht/ton in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 season-crop Padrun 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 glabrous rice from 9,500 baht/ton to 10,000 baht/ton.<sup>h</sup> The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.<sup>i</sup> As of Jul 11, 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.

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 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 wholesale price of last week in Bangkok.

### Rice Export Update

Unofficial rice exports (excluding fragrant rice) July 4-10, 2011 totaled 193,263 tons, up 7,965 tons from the previous week, and down 116,646 tons from the four week moving average of 204,909 tons. Exports of white rice and parboiled rice during January 1 – July 10, 2011 totaled 5,437,594 tons, up 78.6 percent from 3,044,038 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – July 7, 2011 amounted to 6,548,172 tons, up 57.1 percent from 4,167,808 tons in the previous year.

<b>Table 3: Weekly rice exports (excluding fragrant rice)</b>					
<b>WEEK ENDING</b>	<b>QUANTITY</b>	<b>4-WK.AVG</b>	<b>YEAR TO DATE</b>	<b>YEAR AGO</b>	<b>YEAR TO DATE AS % OF LAST YEAR</b>
	<b>(MT)</b>	<b>(MT)</b>	<b>(TMT)</b>	<b>(TMT)</b>	<b>(%)</b>
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
Jun 19	206,226	230,747	4,824	2,754	75.2
Jun 26	234,849	229,912	5,059	2,854	77.3
Jul 3	185,298	215,570	5,244	2,941	78.3
Jul 10	193,263	204,909	5,438	3,044	78.6

*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/REK 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

<b>Table 4: Weekly private registered rice export sales</b>			
<b>Movement (MT)</b>	<b>Jun 20-24</b>	<b>Jun 27 - July 1 (Revised)</b>	<b>July 4-8 (Preliminary)</b>
<b>Weekly sales</b>	208,822	209,832	62,206
<b>4 week sum</b>	1,006,708	914,249	684,159
<b>4 week mov. avg.</b>	251,677	228,562	171,040
<b>Year-to-date sales</b>	5,620,040	5,829,872	5,892,078

End of report.