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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH 1093 Domestic and export prices declined 6 - 9 percent from the previous week due to lack of enquiries. The Government has yet to finalize the details of the new rice policy program that is slated to begin in November 2011. Millers, who speculated that the program would be implemented in July or August for the current MY2010/11 off-season crop, have been forced to sell a portion of their rice stocks due to liquidity concerns.

Post:
Bangkok

Author Defined:
Market Tones

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending July 18, 2011

| Quality | Exporter Observations | | | | | | | Period Average | |
|------------|-----------------------|----|----|----|-------|-------|-----|----------------|-------|
| | #1 | #2 | #3 | #4 | #5 | #6 | #7 | CUR. | PRV. |
| F WR 100 B | 1,060 | - | - | - | 1,050 | 1,040 | - | 1,050 | 1,050 |
| WR 100 B | 545 | - | - | - | 540 | 535 | 540 | 540 | 581 |
| PB 100% | 520 | - | - | - | 520 | 525 | 580 | 536 | 583 |
| PB 5% | 515 | - | - | - | 515 | 520 | 575 | 531 | 578 |
| WR 5% | 510 | - | - | - | 520 | 515 | 530 | 519 | 565 |
| WR 10% | 505 | - | - | - | 510 | 510 | - | 508 | 553 |
| WR 15% | 500 | - | - | - | 505 | 505 | - | 503 | 543 |
| WR 25% | 485 | - | - | - | 500 | 495 | - | 493 | 527 |
| WR 35% | - | - | - | - | - | - | - | - | - |
| A1 SUP | 440 | - | - | - | 450 | 450 | - | 447 | 447 |
| A1 SPEC | - | - | - | - | - | - | - | - | - |

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

Source: Average actual prices received from exporters

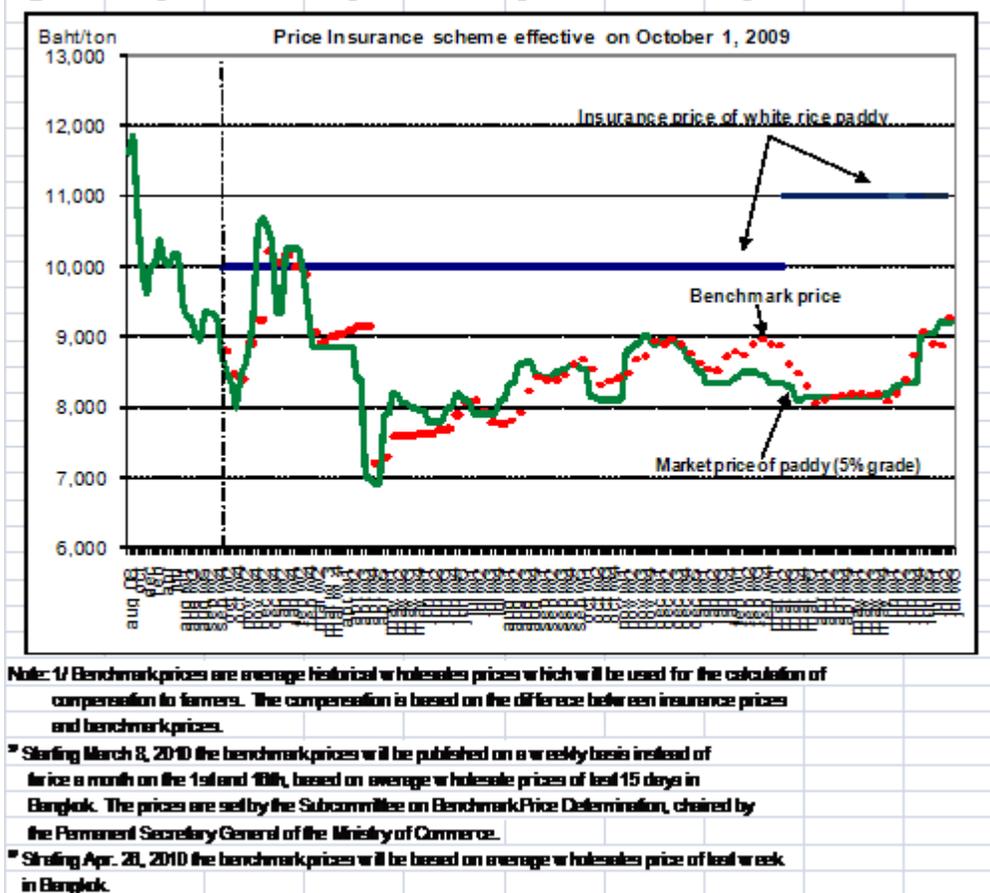
Domestic and export prices declined 6 - 9 percent from the previous week due to lack of enquiries. Foreign buyers are in a wait and see approach as Thai rice prices fluctuate due to the winning party's, the Pua Thai Party, promise to change the domestic support policy program from the Price Insurance Scheme to the Paddy Mortgage Scheme. Although the Government has not been officially installed, there is a strong indication that the new Government will implement the program in November of 2011 for MY2011/12 main crop with intervention prices of 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. Millers, who speculated that the program would be implemented in July or August for the current MY2010/11 off-season crop, have sold portion of their rice stocks due to liquidity concerns.

The government's weekly benchmark price for white rice for July 18-24, 2011 increased 4.4 percent. As such farmers will receive lower compensation compared to the previous week. Farmers that sell

their supplies this week will not attain insurance price, as compensation will fall short due to higher benchmark price over market prices.

| | Rice paddy | | | | |
|--|-------------------------|--------------------------|----------------------|------------------|------------------|
| | Fragrant rice (Hommati) | Provincial fragrant rice | Pathum fragrant rice | Glutinous rice | White rice |
| 1. Eligible tonnage (ton/household) | 14 | 16 | 30 ^{af} | 30 ^{af} | 30 ^{af} |
| 2. Insured prices (Bht/ton)^{af} | 15,300 | 14,300 | 11,500 | 10,000 | 11,000 |
| 3. Benchmark prices (Bht/ton)^{af,af} | | | | | |
| Jun 20-26 | - | 12,692 | 10,286 | 13,878 | 8,741 |
| Jun 27 - Jul3 | - | 12,746 | 10,548 | 14,176 | 9,071 |
| Jul 4-10 | - | 12,884 | 10,389 | 14,292 | 8,901 |
| Jul 11-17 | - | 12,791 | 10,296 | 14,776 | 8,879 |
| Jul 18-24 | - | 12,791 | 10,633 | 14,921 | 9,267 |
| 4. Compression (1-2), (Bht/ton) | | | | | |
| Jun 20-26 | - | 1,608 | 1,214 | - | 2,259 |
| Jun 27 - Jul3 | - | 1,554 | 952 | - | 1,929 |
| Jul 4-10 | - | 1,486 | 1,111 | - | 2,099 |
| Jul 11-17 | - | 1,509 | 1,204 | - | 2,121 |
| Jul 18-24 | - | 1,509 | 867 | - | 1,733 |
| 5. Market prices (Bht/ton) | | | | | |
| Jun 20-26 | 13,448 | 12,600 | 10,000 | 16,750 | 8,350 |
| Jun 27 - Jul3 | 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 | 15,050 | 12,750 | 11,250 | 16,750 | 9,200 |
| Jul 18-24 ^{af} | 15,050 | 13,000 | 11,750 | 16,750 | 9,200 |
| Note: | | | | | |
| ^{af} Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 tons/household for MY2010/11 off-season crop | | | | | |
| ^{af} 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. | | | | | |
| ^{af} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok. | | | | | |
| ^{af} The insured prices of MY 2009/10 second-crop PathumFragrant 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 PathumFragrant 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. | | | | | |
| ^{af} The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop. | | | | | |
| ^{af} As of Jul 14, 2011 | | | | | |

Figure 1: Comparison of market price, insurance price, and benchmark price



Rice Export Update

Unofficial rice exports (excluding fragrant rice) July 11-17, 2011 totaled 165,055 tons, down 28,208 tons from the previous week, and down 29,561 tons from the four week moving average of 194,616 tons. Exports of white rice and parboiled rice during January 1 – July 17, 2011 totaled 5,602,650 tons, up 76.0 percent from 3,184,282 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 11, 2011 amounted to 6,679,028 tons, up 57.1 percent from 4,251,789 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 (%) |
|-------------|------------------|-------------------|-----------------------|-------------------|--|
| 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 | 182,980 | 209,741 | 3,901 | 2,924 | 67.9 |
| May 29 | 238,188 | 209,790 | 4,199 | 2,493 | 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 | 230,747 | 4,824 | 2,754 | 75.2 |
| Jun 26 | 234,849 | 229,912 | 5,059 | 2,854 | 77.9 |
| Jul 3 | 185,298 | 215,570 | 5,244 | 2,941 | 78.9 |
| Jul 10 | 193,263 | 204,909 | 5,498 | 3,044 | 78.6 |
| Jul 17 | 165,055 | 194,616 | 5,603 | 3,184 | 76.0 |

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 difference between the data.

Source: Board of Trade of Thailand

| Movement (MT) | Jun 27 - July 1 | July 4-8 (Revised) | July 11-15 (Preliminary) |
|--------------------|-----------------|-----------------------|-----------------------------|
| Weekly sales | 209,832 | 151,993 | 89,155 |
| 4 week sum | 914,249 | 773,946 | 659,802 |
| 4 week mov. avg. | 228,562 | 193,487 | 164,951 |
| Year-to-date sales | 5,829,872 | 5,981,865 | 6,071,020 |

End of report.