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GAIN Report

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Date: 7/7/2010

GAIN Report Number: TH0100

Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0100 Export and domestic prices increased by 2-4 percent for fragrant rice and broken white rice due to tight exportable supplies. Meanwhile, parboiled rice prices declined by 1.0 percent due to a slowdown in orders from African countries.

Post:

Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT) Week ending July 5, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
FWR 100 B	970	-	980	-	1,000	945	-	974	953
WR 100 B	475	-	470	-	470	465	480	472	470
PB 100%	485	-	490	-	480	480	480	483	488
PB 5%	480	-	480	-	470	475	475	476	480
WR 5%	445	-	450	-	450	440	460	449	448
WR 10%	435	-	425	-	445	435	-	435	433
WR 15%	420	-	410	-	-	425	-	418	415
WR 25%	405	-	400	-	-	405	-	403	398
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	335	-	360	-	360	350	-	351	339
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 32.2 baht/U.S. \$

Source: Average actual prices received from exporters

Export and domestic prices increased by 2-4 percent for fragrant rice and broken white rice due to tight exportable supplies. Fragrant rice millers are reportedly holding stocks speculating that a reduction in production of the new fragrant rice crop (MY20110/11) will occur due to unfavorable weather conditions in major growing areas in the northeast. Also, broken rice prices increased significantly by \$10/MT due to strong domestic demand from feed mills as they are substituting it for feed corn which is under upward price pressure driven by unfavorable weather concerns. Meanwhile, parboiled rice prices declined by 1.0 percent due to a slowdown in orders from African countries as their demand over the next few months has reportedly been covered. However, exporters are waiting to place new orders for parboiled rice and white rice, to cover their requirements for the year's last quarter, in expectation of the Government's stock release plan.

The weekly benchmark price for white rice for July 5-11 increased by 2.2 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.

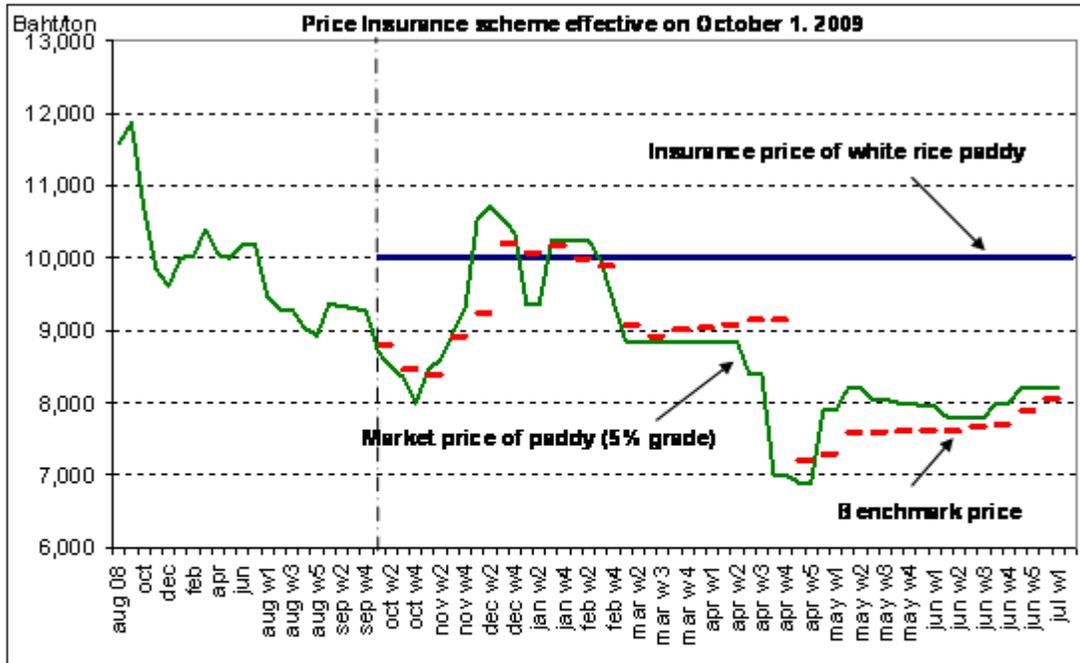
Table 2: Price Insurance Scheme for MY2009/2010 rice crop

	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) ^{b/}	15,300	14,300	11,000 ^{d/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/c/}					
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
Jun 28 - Jul 4	-	-	9,970	12,505	7,891
July 5-11	-	-	10,391	12,876	8,063
4. Compensation (1-2), (Baht/ton)					
Jun 7-13	-	-	1,255	-	2,386
Jun 14-20	-	-	1,330	-	2,328
Jun 21-27	-	-	1,255	-	2,300
Jun 28 - Jul 4	-	-	1,030	-	2,109
July 5-11	-	-	609	-	1,937
5. Market prices (Baht/ton)					
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	13,150	11,750	9,350	13,850	8,000
Jun 28 - Jul 4	13,250	11,750	9,350	13,850	8,200
July 5-11 ^{e/}	13,750	11,750	10,050	13,850	8,200

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 July 5, 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 28 – July 4, 2010 totaled 84,405 tons, down 19,053 tons from the previous week, and down 9,547 tons from the four-week moving average of 93,952 tons. Exports of white rice and parboiled rice during January 1 – July 4, 2010 totaled 2,943,782 tons, down 3.3 percent from 3,043,773 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 21, 2010 amounted to 3,800,002 tons, down 8.3 percent from 4,142,001 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 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
Jun 27	103,458	97,586	2,859	2,915	-1.9
Jul 4	84,405	93,952	2,944	3,044	-3.3

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)	Jun. 14-18	Jun. 21-25 (Revised)	Jun. 28 - Jul. 1 (Preliminary)
Weekly sales	88,149	81,364	81,364
4 week sum	363,995	322,715	322,715
4 week mov. avg.	90,999	80,679	80,679
Year-to-date sales	3,064,662	3,146,026	3,146,026

End of report.