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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:**

TH0123 Domestic and export prices increased by 2-6 percent as exporters are fulfilling the shipments of parboiled rice to African countries. Also, some foreign buyers and traders have begun to make enquiries for white rice after the Government announced last week that it was finalizing stock release of approximately 1.0 million tons through a selective tender to some of the large exporters who have orders in hand.



**Post:**  
Bangkok

## Market Tone

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Aug. 23, 2010**

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	HKY.
FWR100B	995	-	1,000	-	1,000	985	-	995	984
WR100B	470	-	480	-	480	485	490	481	470
PB100%	510	-	530	-	500	520	500	512	503
PB 5%	505	-	520	-	495	515	475	502	492
WR 5%	455	-	465	-	460	465	470	463	447
WR 10%	445	-	455	-	455	460	-	454	435
WR 15%	435	-	440	-	-	435	-	443	420
WR 25%	420	-	425	-	-	435	-	427	403
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	375	-	375	-	380	395	-	381	359
A1 SEC	-	-	-	-	-	-	-	-	-

Exchange rate: 31.3 baht/US\$

Source: Average actual prices received from exporters

Domestic and export prices increased by 2-6 percent as exporters are fulfilling the shipments of parboiled rice to African countries. The shipments of parboiled rice to African countries will be aggressive during August – September. Also, some foreign buyers and traders have begun to make enquiries for white rice after the Government announced last week that it was finalizing stock release of approximately 1.0 million tons through a selective tender to some of the large exporters who have orders in hand. The bidding prices of white rice were reportedly 17 percent lower than current market prices. However, foreign buyers who seek large volumes still hesitated to place orders as the selective tender remained controversial. In addition, the strengthening Thai baht (from 31.6 to 31.3 baht/\$ this week) is still a major concern among exporters.

The weekly benchmark prices of white rice for August 23-29 increased by 3.7 percent. As such, farmers will receive lower compensation compared to the previous week. Farmers that sell their supplies this week 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)	Extraordinary fragrant rice	Pathum fragrant rice	Giliran rice	White rice
1. Eligible tonnage (ton/farmerhold) <sup>a</sup>	14	16	25	16	25
2. Insured prices (Bht/ton) <sup>a</sup>	15,300	14,300	11,000 <sup>a</sup>	9,500	10,000
3. Benchmark prices (Bht/ton) <sup>b,c</sup>					
July 26 – Aug 1	–	–	10,556	15,383	7,788
Aug 2 – 8	–	–	10,379	15,259	7,748
Aug 9–15	–	–	10,219	15,242	7,816
Aug 16–22	–	–	10,331	15,304	7,930
Aug 23–29	–	–	10,669	15,347	8,224
4. Compensation (1–2), (Bht/ton)					
July 26 – Aug 1	–	–	444	–	2,212
Aug 2–8	–	–	621	–	2,252
Aug 9–15	–	–	781	–	2,184
Aug 16–22	–	–	669	–	2,070
Aug 23–29	–	–	331	–	1,776
5. Market prices (Bht/ton)					
July 26 – Aug 1	13,500	12,750	10,650	16,000	7,900
Aug 2–8	14,125	12,750	10,650	15,500	8,100
Aug 9–15	14,125	12,750	10,650	15,500	8,350
Aug 16–22	14,125	12,750	10,750	16,500	8,600
Aug 23–29 <sup>d</sup>	14,600	12,750	10,750	16,500	8,600

Note:

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

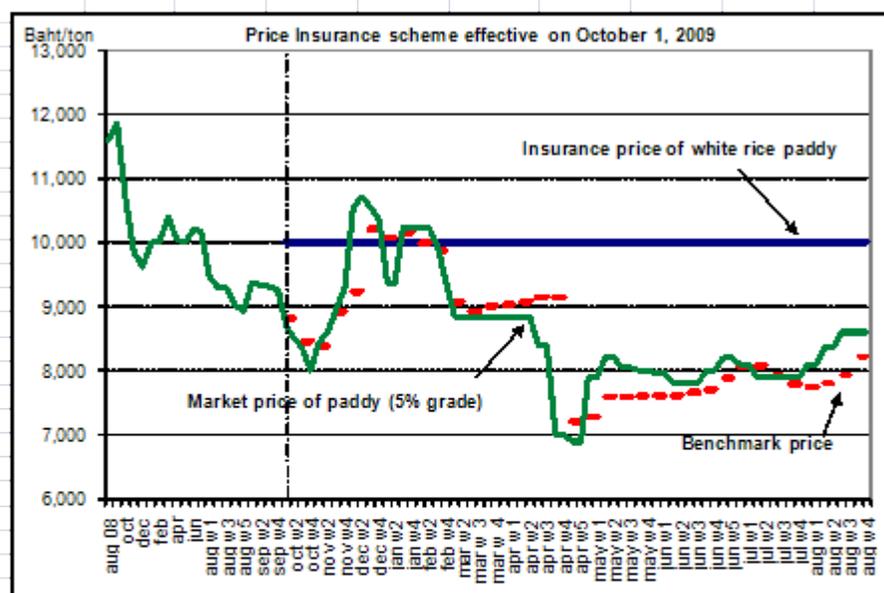
<sup>b</sup> Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the State committee on Benchmark Price Determination, chaired by the 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 baht/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010

<sup>e</sup> As of August 23, 2010

Figure 8: 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 price and benchmark prices.

<sup>20</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 Sub-committee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

<sup>21</sup> Starting April 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) for Aug 16-22, 2010 totaled 85,682 tons, up 6,038 tons from the previous week, and down 4,142 tons from the four-week moving average of 89,824 tons. Exports of white rice and parboiled rice during January 1 – August 22, 2010 totaled 3,668,341 tons, down 4.0 percent from 3,822,508 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – August 17, 2010 amounted to 4,978,105 tons, down 8.4 percent from 5,431,440 tons in the previous year.

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Jun 19	82,918	106,865	2,651	2,640	0.4
Jun 20	105,026	104,925	2,756	2,758	-0.1
Jun 27	109,458	97,586	2,859	2,915	-1.9
Jul 4	84,405	93,952	2,944	3,044	-3.3
Jul 11	126,065	104,799	3,070	3,128	-1.9
Jul 18	118,295	108,041	3,188	3,259	-2.2
Jul 25	120,961	112,416	3,309	3,359	-1.5
Aug 1	114,289	119,887	3,423	3,468	-1.3
Aug 8	79,683	108,292	3,503	3,584	-2.3
Aug 15	79,644	98,644	3,583	3,696	-3.1
Aug 22	85,682	89,824	3,668	3,823	-4.0

*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

Movement (MT)	Aug. 2-6	Aug. 9-13 (Revised)	Aug. 16-20 (Preliminary)
Weekly sales	82,071	108,704	188,970
4 week sum	434,916	400,358	462,585
4 week mov. avg.	108,729	100,090	115,646
Year-to-date sales	3,862,105	3,970,809	4,159,779

End of report.