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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1104 Domestic and export prices increased 2-4 percent due to tight domestic supplies of paddy for parboiled rice production to cover outstanding contracts and as new enquiries for parboiled rice streamed in from the African market. Meanwhile, millers are more confident to hold stocks of paddy now that the new government has been officially installed.

Post:
Bangkok

Author Defined:
Market Tones

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Aug. 8, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,060	-	-	-	1,040	1,035	-	1,045	1,038
WR 100 B	560	-	-	-	560	560	560	560	549
PB 100%	560	-	-	-	560	565	580	566	554
PB 5%	555	-	-	-	555	560	575	561	546
WR 5%	545	-	-	-	540	545	550	545	533
WR 10%	540	-	-	-	535	540	-	538	523
WR 15%	525	-	-	-	530	535	-	530	515
WR 25%	510	-	-	-	515	510	-	512	502
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	460	-	-	-	460	465	-	462	453
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 29.60 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices increased 2-4 percent due to tight domestic supplies of paddy for parboiled rice production as exporters are fulfilling outstanding contracts of parboiled rice to African countries. In addition, new enquiries of parboiled rice for the African market streamed in, especially for the Nigerian market as Indian parboiled rice exports remain unstable since the removal of its export ban. Meanwhile, millers are more confident of holding on to paddy stocks now that the new government was officially installed on Monday, August 8, 2011. Although the Government has yet to appoint its Cabinet members, millers are speculating that regardless of who gets appointed to the Ministry of Commerce, they will reinstate the Paddy Pledging Program with an aggressive intervention price of 15,000 baht/ton (\$500/MT) for white rice which would be 66.0 percent higher than current market prices.

The government's weekly benchmark price for white rice for August 8-14, 2011 declined 0.01 percent. As such farmers will receive higher 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.

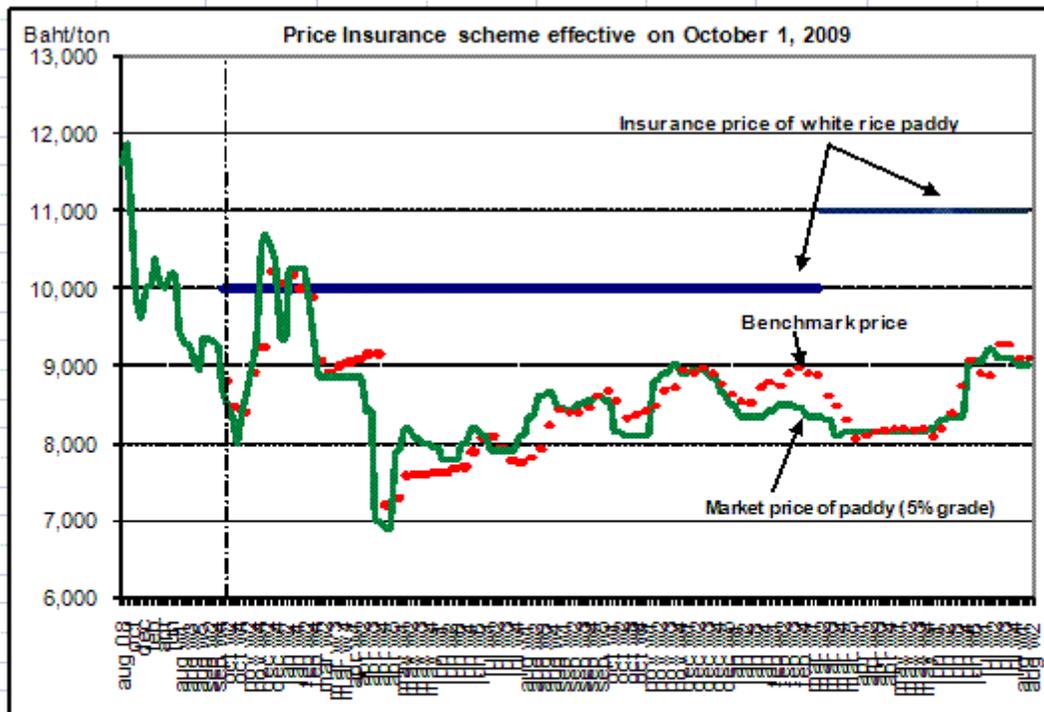
Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

	Rice paddy				
	Fragrant rice (Hom-mah)	Provincial fragrant rice	Patthum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household)	14	16	30 ^d	30 ^d	30 ^d
2. Insured prices (Baht/ton) ^e	15,300	14,300	11,500	10,000	11,000
3. Benchmark prices (Baht/ton) ^{b, c}					
Jul 11-17	-	12,791	10,296	14,776	8,879
Jul 18-24	-	12,791	10,633	14,921	9,267
Jul 25-31	-	-	10,753	15,048	9,285
Aug 1-7	-	-	10,622	15,138	9,091
Aug 8-14	-	-	10,669	15,063	9,090
4. Compensation (1-2), (Baht/ton)					
Jul 11-17	-	1,509	1,204	-	2,121
Jul 18-24	-	1,509	867	-	1,733
Jul 25-31	-	-	747	-	1,715
Aug 1-7	-	-	878	-	1,909
Aug 8-14	-	-	831	-	1,910
5. Market prices (Baht/ton)					
Jul 11-17	15,050	12,750	11,250	16,750	9,200
Jul 18-24	15,050	13,000	11,750	16,750	9,100
Jul 25-31	14,450	13,000	11,750	17,250	9,100
Aug 1-7	14,450	13,000	11,750	16,750	9,000
Aug 8-14 ^f	14,450	13,000	11,750	16,750	9,000

Note:

^a Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 ton/household for MY2010/11 off-season crop^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 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 Patthum Fragrant 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 Patthum 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 glutinous rice from 9,500 baht/ton to 10,000 baht/ton.^e The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.^f As of Aug 8, 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 in lead 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) August 1-8, 2011 totaled 131,189 tons, down 35,015 tons from the previous week, and down 28,543 tons from the four week moving average of 159,732 tons. Exports of white rice and parboiled rice during January 1 – August 8, 2011 totaled 6,076,473 tons, up 73.6 percent from 3,500,611 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 4, 2011 amounted to 7,435,715 tons, up 55.5 percent from 4,782,161 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)	(%)
May 29	238,188	209,730	4,199	2,433	70.1
Jun 5	242,665	214,521	4,982	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
Jul 17	165,055	194,616	5,608	3,184	76.0
Jul 24	176,480	180,024	5,779	3,305	74.9
Jul 31	166,204	175,251	5,945	3,415	74.1
Aug 8	131,189	159,732	6,076	3,501	73.6

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. FASIS/EE 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)	July 18-22 (Preliminary)	July 25-29 (Revised)	Aug. 1-5 (Preliminary)
Weekly sales	112,134	203,238	83,903
4 week sum	667,965	661,371	593,281
4 week mov. avg.	166,991	165,343	148,320
Year-to-date sales	6,288,005	6,491,243	6,575,146

End of report.

