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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1114 Domestic and export prices for white and parboiled rice increased 6-9 percent from the previous week due to tight exportable supplies. Millers continue to hold large supplies of current off-season-crop paddy so as to participate in Paddy Pledging Program which will begin on October 7, 2011, a month earlier than expected.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Sep. 5, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,065	-	1,070	-	1,070	1,070	-	1,069	1,051
WR 100 B	630	-	630	-	630	620	610	624	591
PB 100%	630	-	640	-	650	655	630	641	602
PB 5%	625	-	635	-	645	650	625	636	601
WR 5%	615	-	620	-	620	600	600	611	576
WR 10%	610	-	-	-	610	595	-	605	562
WR 15%	580	-	-	-	590	585	-	585	555
WR 25%	560	-	-	-	570	565	-	565	540
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	475	-	-	-	490	495	-	487	468
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 29.80 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices for white and parboiled rice increased 6-9 percent from the previous week due to tight exportable supplies. Exporters are facing difficulties in securing rice supplies to fulfill outstanding contracts, particularly for parboiled rice shipments to African countries. In addition, millers continue to hold large supplies of current off-season-crop paddy so as to participate in Paddy Pledging Program which will begin on October 7, 2011, a month earlier than expected. The Government has yet to finalize the detail of the program. The intervention prices are expected to be at 15,000 baht/ton (\$500/MT) for white rice and 20,000 baht/ton (\$667/MT) for fragrant rice (Hom Mali).

The government's weekly benchmark price for white rice for September 5-11, 2011 declined 4.2 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 the benchmark prices.

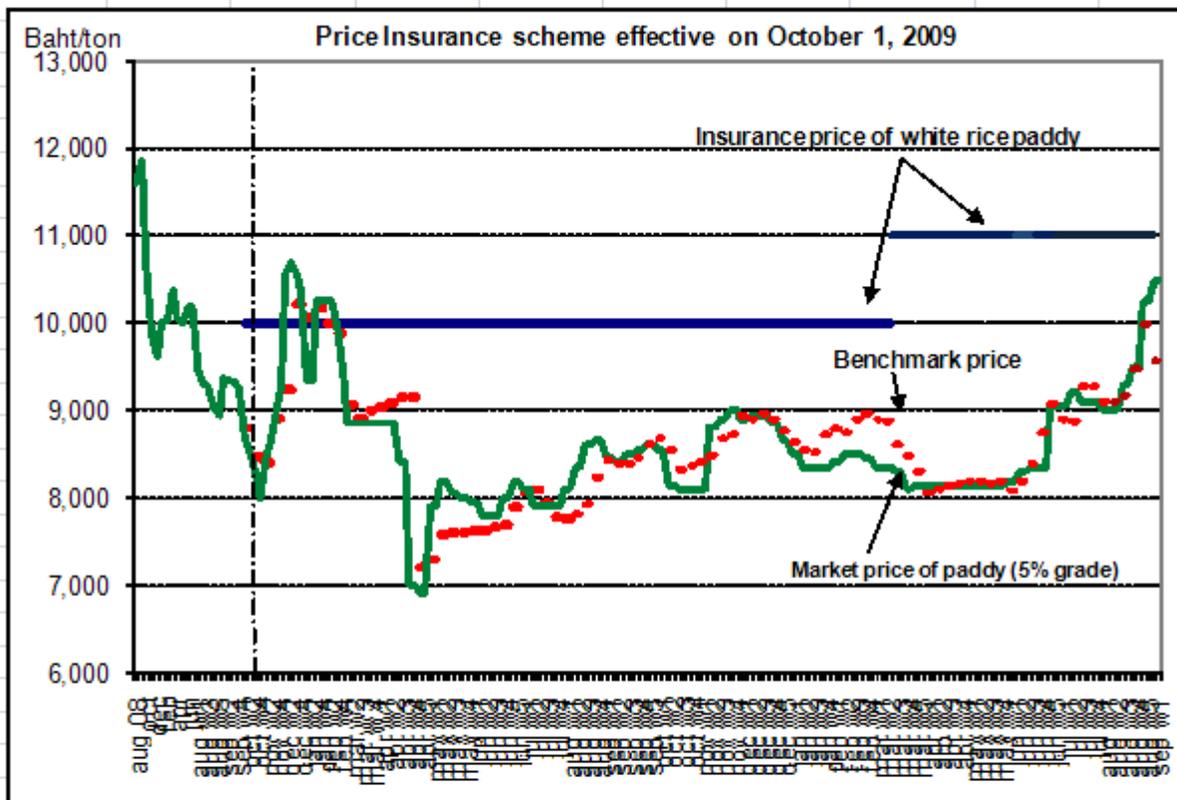
Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

	Rice paddy				
	Fragrant rice (Hommati)	Provincial fragrant rice	Patthum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household)	14	16	30 ^{a/}	30 ^{a/}	30 ^{a/}
2. Insured prices (Baht/ton) ^{b/}	15,300	14,300	11,500	10,000	11,000
3. Benchmark prices (Baht/ton) ^{b/c/}					
Aug 8-14	-	-	10,669	15,063	9,090
Aug 15-21	-	-	10,690	14,614	9,173
Aug 22-28	-	-	11,009	14,794	9,465
Aug 29-Sept 4	-	-	11,547	14,918	9,983
Sept 5-11	-	-	11,537	14,633	9,564
4. Compensation (1-2), (Baht/ton)					
Aug 8-14	-	-	831	-	1,910
Aug 15-21	-	-	810	-	1,827
Aug 22-28	-	-	491	-	1,535
Aug 29-Sept 4	-	-	-	-	1,017
Sept 5-11	-	-	-	-	1,436
5. Market prices (Baht/ton)					
Aug 8-14	14,450	13,600	11,750	16,750	9,000
Aug 15-21	14,450	14,100	10,150	16,250	9,300
Aug 22-28	14,450	14,100	10,150	15,750	9,500
Aug 29-Sept 4	14,450	14,000	11,000	15,250	10,250
Sept 5-14 ^{d/}	14,450	14,250	12,000	15,250	10,500

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 main-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 Sept 5, 2011

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 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) August 29 – September 4, 2011 totaled 148,132 tons, down 8,579 tons from the previous week, and up 4,457 tons from the four week moving average of 143,675 tons. Exports of white rice and parboiled rice during January 1 – September 4, 2011 totaled 6,651,171 tons, up 70.1 percent from 3,910,958 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 31, 2011 amounted to 8,214,856 tons, up 55.2 percent from 5,294,783 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 (%)
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	5,438	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 7	191,189	159,732	6,076	3,501	73.6
Aug 14	123,962	149,909	6,200	3,581	73.1
Aug 21	146,492	141,812	6,346	3,660	73.4
Aug 28	156,711	139,439	6,503	3,799	71.2
Sept 4	148,132	143,675	6,651	3,911	70.1

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 differences between the data.

Source: Board of Trade of Thailand

Movement (MT)	Aug. 15-19	Aug. 22-26 (Revised)	Aug. 29-Sep 2 (Preliminary)
Weekly sales	272,691	255,012	74,705
4 week sum	761,463	813,237	714,717
4 week mov. avg.	190,366	203,309	178,679
Year-to-date sales	7,076,259	7,331,271	7,405,976

End of report.