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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0132 Domestic and export prices of white rice increased by 1 - 2 percent due to continued strengthening of the Thai baht and a shortage of broken white rice. Meanwhile, an additional government stock release of 1.4 million tons for export only is reportedly under negotiation.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Sep.13, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR									
100 B	1,060	-	1,110	-	1,050	1,020	-	1,060	1,043
WR									
100 B	475	-	505	-	485	492	500	491	483
PB									
100%	520	-	545	-	520	532	510	525	518
PB 5%	515	-	535	-	515	527	505	519	512
WR 5%	460	-	485	-	465	472	495	475	465
WR									
10%	450	-	475	-	460	467	-	463	455
WR									
15%	445	-	465	-	-	462	-	457	448
WR									
25%	435	-	450	-	-	452	-	446	438
WR									
35%	-	-	-	-	-	-	-	-	-
A1									
SUP	410	-	410	-	410	427	-	414	404
A1									
SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.6 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices of white rice increased by 1 - 2 percent due to continued strengthening of the Thai baht and a shortage of broken white rice which is used for low-grade white rice production (15-25% grade). The Thai baht further strengthened to 30.5 baht/\$, as compared to an average of 30.8 baht/\$ in the previous week. The domestic supply of broken white rice is presently limited as most millers are securing paddy for parboiled rice production to fulfill outstanding shipments to African countries. In addition, exporters are fulfilling pending shipments of broken white rice and glutinous rice to Indonesia for industrial use. Meanwhile, an additional government stock release of 1.4 million tons for export only is reportedly under negotiation.

The weekly benchmark prices for white rice for September 13-19, declined by 0.2 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 slightly above the benchmark prices.

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

	Rice paddy
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	Fragrant rice (Hommali)	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) ^{a/}	15,300	14,300	11,000 ^{d/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/ c/}					
Aug 16-22	-	-	10,331	15,304	7,930
Aug 23-29	-	-	10,669	15,347	8,224
Aug 30 - Sep 5	-	-	10,917	15,524	8,435
Sep 6 - 12	-	-	11,098	15,647	8,395
Sep 13-19	-	-	11,242	15,677	8,382
4. Compensation (1-2), (Baht/ton)					
Aug 16-22	-	-	669	-	2,070
Aug 23-29	-	-	331	-	1,776
Aug 30 - Sep 5	-	-	83	-	1,565
Sep 6 - 12	-	-	-	-	1,605
Sep 13-19	-	-	-	-	1,618
5. Market prices (Baht/ton)					
Aug 16-22	14,125	12,750	10,750	16,500	8,600
Aug 23-29	14,600	12,750	10,750	16,500	8,650
Aug 30 - Sep 5	14,850	12,750	11,000	16,500	8,450
Sep 6-12	14,850	12,750	11,000	16,750	8,400
Sep 13-19 ^{e/}	15,250	12,750	11,000	16,750	8,450

Note:

^{a/} Cabinet approval on Sep. 22, 2009

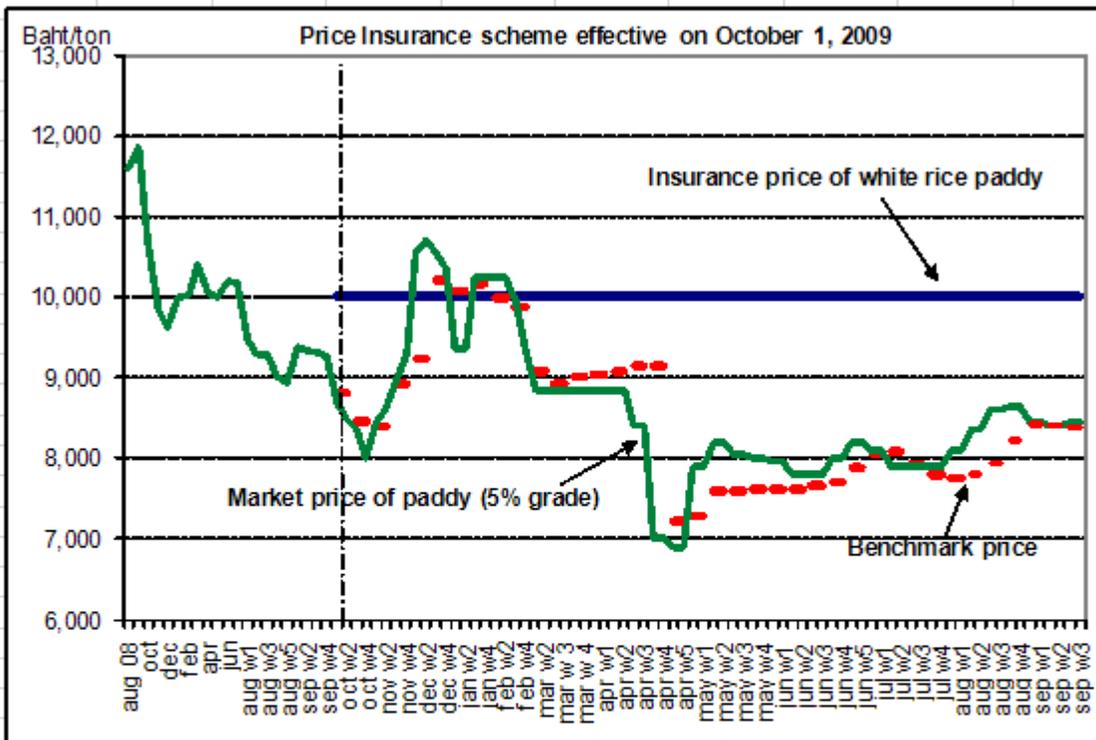
^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales 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 MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010

^{e/} As of Sep 13, 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 Sep 6-12, 2010 totaled 144,218 tons, down 36,426

tons from the previous week, and up 25,614 tons from the four-week moving average of 118,605 tons. Exports of white rice and parboiled rice during January 1 – September 12, 2010 totaled 4,057,077 tons, down 3.3 percent from 4,197,242 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – September 8, 2010 amounted to 5,462,167 tons, down 8.4 percent from 5,961,359 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)	(%)
Jul 4	84,405	93,952	2,944	3,044	-3.3
Jul 11	126,065	104,739	3,070	3,128	-1.9
Jul 18	118,235	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
Aug 29	136,724	95,433	3,805	3,960	-3.9
Sep 5	107,793	102,461	3,913	4,063	-3.7
Sep 12	144,218	118,605	4,057	4,197	-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)	Aug. 23-27	Aug. 30 - Sep. 3 (Revised)	Sep. 6-10 (Preliminary)
Weekly sales	195,959	149,784	120,991
4 week sum	595,533	663,246	675,533
4 week mov. avg.	148,883	165,812	168,883
Year-to-date sales	4,375,567	4,525,351	4,646,342

End of report.

