

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Required Report - public distribution

**Date:** 9/7/2010

**GAIN Report Number:** TH0129

## **Thailand**

### **Rice Price - Weekly**

#### **Weekly Rice Price Update**

**Approved By:**

John Wade, Agricultural  
Counselor

**Prepared By:**

Ponnarong Prasertsri,  
Agricultural Specialist

**Report Highlights:**

TH0129 Export prices for most grades of rice increased by 1 - 2 percent due to the strengthening Thai baht. Some quotations used a rate below the current exchange rate due to the concern over a continued strengthening of the Thai baht. Also, African countries are making enquiries for Thai low-grade white rice.

**Post:**  
Bangkok

## Market Tone

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Sep.6, 2010**

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,050	-	1,100	-	1,010	1,010	-	1,043	1,008
WR 100 B	465	-	500	-	480	480	490	483	481
PB 100%	510	-	540	-	510	520	510	518	514
PB 5%	505	-	530	-	505	515	505	512	508
WR 5%	445	-	480	-	460	460	480	465	463
WR 10%	440	-	470	-	455	455	-	455	451
WR 15%	435	-	460	-	-	450	-	448	440
WR 25%	430	-	445	-	-	440	-	438	425
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	400	-	400	-	400	415	-	404	384
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 31.0 baht/U.S.\$

Source: Average actual prices received from exporters

Export prices for most grades of rice increased by 1 - 3 percent due to the strengthening Thai baht from 31.15 baht/\$ to 31.0 baht/\$. Some quotations were based on 30.5 baht/\$ due to the concern over a continued strengthening of the Thai baht. In addition, African countries are making enquiries for low-grade white rice due to limited exportable supplies of Vietnamese rice. This resulted in a significant increase in quotations of 15-25% grade Thai white rice of \$10-15/MT as domestic supplies of Thai broken rice to blend with premium grade white rice are limited during the end of MY2009/10 season. Meanwhile, the ongoing government stock release of 1.6 million tons is mostly premium grade white rice from MY2008/09 intervention stock.

The weekly benchmark prices for white rice for September 6-12, declined by 0.5 percent. As such, farmers will receive higher compensation compared to the previous week. However, farmers that sell their supplies this week will still not receive insurance price levels, as the compensation falls slightly short of bridging this gap.

**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) <sup>a/</sup>	14	16	25	16	25
2. Insured prices (Baht/ton) <sup>a/</sup>	15,300	14,300	11,000 <sup>d/</sup>	9,500	10,000
3. Benchmark prices (Baht/ton) <sup>b/ c/</sup>					
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
Aug 30 - Sep 5	-	-	10,917	15,524	8,435
Sep 6 - 12	-	-	11,098	15,647	8,395
4. Compensation (1-2), (Baht/ton)					
Aug 9-15	-	-	781	-	2,184
Aug 16-22	-	-	669	-	2,070
Aug 23-29	-	-	331	-	1,776
Aug 30 - Sep 5	-	-	83	-	1,565
Sep 6 - 12	-	-	-	-	1,605
5. Market prices (Baht/ton)					
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	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 <sup>e/</sup>	14,850	12,750	11,000	16,500	8,350

Note:

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

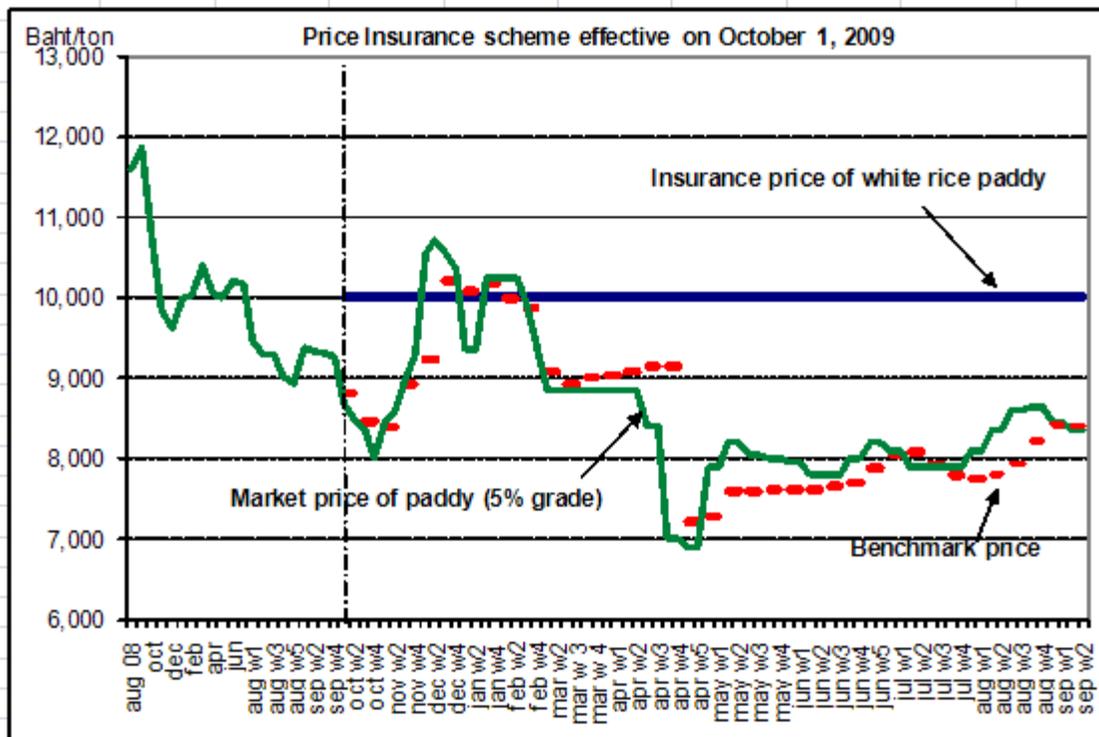
<sup>b/</sup> Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the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

<sup>c/</sup> Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales 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 tons/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010

<sup>e/</sup> As of Sep 6, 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.**

<sup>2/</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 wholesales 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.**

<sup>3/</sup> **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 Aug 30 – Sep 5, 2010 totaled 107,793 tons, down 28,932 tons from the previous week, and up 5,352 tons from the four-week moving average of 102,461 tons. Exports of white rice and parboiled rice during January 1 – September 5, 2010 totaled 3,912,858 tons, down 3.7 percent from 4,062,589 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, 2010 amounted to 5,287,903 tons, down 8.8 percent from 5,796,865 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)	(%)
Jun 27	103,458	97,586	2,859	2,915	-1.9
Jul 4	84,405	93,952	2,944	3,044	-3.3
Jul 11	126,065	104,739	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

*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

<b>Table 4: Weekly private registered rice export sales</b>			
<b>Movement (MT)</b>	<b>Aug. 16-20</b>	<b>Aug. 23-27 (Revised)</b>	<b>Aug. 30 - Sep. 3 (Preliminary)</b>
<b>Weekly sales</b>	<b>208,799</b>	<b>195,959</b>	<b>92,684</b>
<b>4 week sum</b>	<b>482,414</b>	<b>595,533</b>	<b>606,146</b>
<b>4 week mov. avg.</b>	<b>120,604</b>	<b>148,883</b>	<b>151,537</b>
<b>Year-to-date sales</b>	<b>4,179,608</b>	<b>4,375,567</b>	<b>4,468,251</b>

End of report.