

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

Voluntary - Public

Clearance Office: Office of Global Analysis (OGA)

Date: 5/26/2009

GAIN Report Number: TH9079

Thailand

Post: Bangkok

Weekly Rice Price Update

Report Categories:

Grain and Feed

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Report Highlights:

Domestic and export prices increased by 1-2 percent due to the Thai baht strengthening to 34.2 baht/\$ and recent uncertainty over the 2.0 million ton stock release. The Democrat Party voiced opposition to the stock release as it will force the Thai government to incur significant losses.

However, exporters who have won the tender have urged the Government to release the stocks as some contracts have already been concluded.

General Information:

Indicative Prices (Week Ending May 25):

Thailand: Export (FOB) Prices for various grades of rice (USD/MT)

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	850	895	850	850	840	850	-	856	853
WR 100 B	540	565	550	550	550	560	540	551	544
PB 5%	520	-	560	-	530	570	550	546	541
WR 5%	535	540	530	540	530	530	520	532	523
WR 10%	530	-	525	-	-	525	-	527	518
WR 15%	495	-	510	-	-	505	-	503	498
WR 25%	445	-	450	-	-	450	-	448	442
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	310	330	335	-	330	320	-	325	318
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 34.2 baht/U.S.\$

Source: Average actual prices received from exporters

Market Tone

Domestic and export prices increased by 1-2 percent due to the Thai baht strengthening to 34.2 baht/\$ and recent uncertainty over the 2.0 million ton stock release. The Government will reconsider the stock release in the Cabinet meeting today (May 26). The Democrat Party voiced opposition to the stock release as it will force the Thai government to incur significant losses as current market prices are below current market prices by 10-15 percent for 5% grade white rice. Despite increased bidding prices after renegotiations between the Commerce Minister (Chairman of the Subcommittee on stock release) and exporters, prices remain lower than the acquisition prices paid by the government, particularly for MY2007/08 second-crop where prices were approximately 21,000 -23,000 baht/ton (\$614 – \$670/MT). Exporters who have won the tender have urged the Government to release the stocks as some contracts have already been concluded. In addition, the uncertainty over the stock release has quieted foreign inquiries.

Meanwhile, the second-crop intervention program has absorbed 3.4 million tons of paddy, mostly white rice. The program will likely reach the expanded target of 4.0 million tons of paddy before the end of the program in July. A second expansion of the program target will likely be proposed within the next few weeks.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Mar 22	82,621	95,921	1,170	2,075	-43.6
Mar 29	86,141	93,542	1,256	2,307	-45.5
Apr 2	105,037	94,685	1,362	2,489	-45.3
Apr 12	85,157	89,739	1,447	2,657	-45.6
Apr 19	55,543	82,969	1,502	2,736	-45.1
Apr 26	144,559	97,581	1,647	2,906	-43.3
May 3	142,632	106,980	1,789	3,042	-41.2
May 10	130,197	118,240	1,920	3,178	-39.6
May 17	138,960	139,094	2,059	3,363	-38.8
May 24	174,201	146,497	2,233	3,539	-36.9

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.

Unofficial exports (excluding fragrant rice) for May 18-24, 2009 totaled 174,201 tons, up 35,241 tons from the previous week, and up 27,703 tons from the four-week moving average of 146,497 tons. Exports during Jan. 1 - May 24 totaled 2,232,802 tons, as compared with 3,538,612 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- May 15, 2009, amounted to 2,902,710 tons, down 31 percent from 4,147,477 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of May 4-8, May 11-15 (revised), and May 18-22, 2009 are as follows:

Movement (MT)	May 4-8	May 11-15 (Revised)	May 18-22
Weekly sales	99,972	175,094	120,360
4 week sum	436,559	528,203	523,831
4 week mov. avg.	109,140	132,051	130,958
Total weekly sales	2,300,021	2,475,115	2,595,475