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Thailand

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Weekly Rice Price Update

Report Categories:

Grain and Feed

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Report Highlights:

TH9106 Export prices continued to increase due to tighter exportable supplies. However, the current price increase will be temporary as the Government is expected to release intervention stocks early next month. The new intervention program for MY2009/10 main crop to begin in November 2009 will include both the regular mortgage scheme and new scheme based on Price Insurance.

General Information:

Indicative Prices (Week Ending Jul. 13):

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.
FWR 100 B	955	-	980	-	1,000	930	-	966	-
WR 100 B	615	-	620	-	610	590	610	609	-
PE 5%	620	-	650	-	610	640	630	632	-
WR 5%	590	-	610	-	600	560	600	592	-
WR 10%	585	-	-	-	585	555	-	575	-
WR 15%	590	-	-	-	-	530	-	540	-
WR 25%	485	-	-	-	-	470	-	478	-
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	320	-	330	-	339	330	-	330	-
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 33.8 baht/U.S.\$

Source: Average actual prices received from exporters

Market Tone

Export prices continued to increase due to tighter exportable supplies. Prices of fragrant rice surged to nearly \$1,000/MT, and \$600/MT for 5% grade white rice. So far, the Government aggressively bought current MY2008/09 second crops under the intervention program, amounting to 4.5 million tons of paddy which accounted for around 60 percent of total second-crop production. By the end of the program (July 31), the Government is expected to absorb nearly 5.0 million tons of paddy, mostly white rice. Total intervention stock will then stand at a record 7.0 – 8.0 million tons. The current price increase will be temporary as the Government will soon release the intervention stock early next month. The new stock release guidelines are reportedly expected to be proposed in the National Rice Policy Committee next week. Besides a regular tender for export, a portion of the stock of white rice and fragrant rice (700,000 – 800,000 tons) will likely be released through the Agricultural Futures Exchange of Thailand for domestic and export sales, which is intended to benefit small-scale exporters and millers as each contract is set at 15 tons.

The new intervention program for MY2009/10 main crop which will begin in November 2009 will include both the regular mortgage scheme and a new scheme on Price Insurance. The mortgage scheme will set intervention prices lower than market prices in order to avoid replicating huge losses incurred in the recent past. Meanwhile, the pilot project on the Price Insurance scheme will cover 700,000 tons of fragrant rice paddy and 1.5 million tons of white rice paddy. The reference prices will be based on production cost and a reasonable profit margin, which will be higher than intervention prices.

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)	(%)
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
May 31	132,053	143,853	2,365	3,748	-36.9
Jun 7	134,312	144,811	2,500	3,944	-36.6
Jun 8	134,312	144,811	2,500	3,944	-36.6
Jun 14	149,198	147,441	2,649	4,120	-35.7
Jun 21	118,359	133,481	2,767	4,291	-35.5
Jun 28	154,497	139,841	2,925	4,488	-34.8
Jul 5	120,707	136,440	3,045	4,657	-34.6
Jul 12	87,365	120,982	3,133	4,831	-35.2

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 Jul. 6-12, 2009 totaled 87,365 tons, down 33,341 tons from the previous week, and down 33,617 tons from the four-week moving average of 120,982 tons. Exports during Jan. 1 – Jul. 12 totaled 3,132,745 tons, as compared with 4,831,044 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- Jun. 30, 2009, amounted to 4,432,309 tons, down 26.0 percent from 5,985,623 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Jun. 22-26, Jun. 29 – Jul. 3, and Jul. 6-10, 2009 are as follows:

Movement (MT)	Jun. 22-26	Jun. 29 – Jul. 3 (Revised)	Jul. 6-10
Weekly sales	128,926	166,952	65,968

4 week sum	542,597	597,409	537,074
4 week mov. avg.	135,649	149,352	134,269
Total weekly sales	3,340,280	3,507,232	3,573,200

End of Report.