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Weekly Rice Price Update

Report Categories:

Grain and Feed

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Report Highlights:

TH9117 Domestic and export prices for white rice increased slightly as the government's plan to release white rice paddy for parboiled rice production were canceled. Meanwhile, export prices for fragrant rice increased significantly due to better-than-expected bidding results.

General Information:

Indicative Prices (Week Ending Aug. 10):

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	980	-	980	-	1,000	920	-	970	950
WR 100 B	560	-	560	-	560	560	570	562	560
PB 5%	565	-	600	-	570	570	570	575	578
WR 5%	535	-	530	-	530	535	560	542	537
WR 10%	525	-	-	-	520	525	-	523	522
WR 15%	495	-	-	-	-	505	-	500	498
WR 25%	445	-	-	-	-	445	-	445	443
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	295	-	310	-	310	310	-	306	305
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 33.8 baht/US \$

Source: Average actual prices received from exporters

Market Tone

Domestic and export prices for white rice increased slightly as the government cancelled its plan to release white rice paddy for parboiled rice production due to unqualified paddy in the stocks.

The Commerce Ministry is now proposing an extension of current MY2008/09 second-crop intervention program for white rice paddy to cover all second-crop harvest of another 2 million tons of paddy during August - September. The extension is aimed to stabilize domestic prices during the transition to the new intervention program on Price Insurance for the MY2009/10 main crops.

Export prices for fragrant rice increased significantly due to better-than-expected bidding results for fragrant rice in last week's tender (Aug. 6) under the basis-bidding approach in the Agricultural Future Exchange of Thailand (AFET). The basis was finalized at -2 baht/kg. and above (against the bidding range of -6.0 to +1.50 baht/kg. from the future prices on the delivery dates). The release is expected at 200,000 tons (out of the tender of 300,000 tons) for domestic and export delivery in September – November. The next tender will be in mid August for 5 % grade white rice stocks of 460,000 tons.

The Thai government continued to discuss the final parameters for its new rice price insurance scheme. Under the Price Insurance scheme which will replace the mortgage scheme for the MY2009/10 main crop, insured prices have been reviewed again based on a profit margin of 40 percent instead of 30 percent. Insured prices for white rice paddy remained unchanged at 10,000 baht/ton (\$296/MT) with eligible tonnage of 20 tons/farmer. Insured prices for fragrant rice paddy are also unchanged at 15,300

baht/ton (\$453/MT) with eligible tonnage at 16 tons/farmer. Meanwhile, insured prices for provincial fragrant rice paddy and glutinous rice paddy were revised down to 13,300 baht/ton (\$393/MT) and 9,500 baht/ton (\$281/MT), respectively, with eligible tonnage of 16 tons/farmer.

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)	(%)
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
Jul 19	129,035	123,651	3,262	5,009	-34.9
Jul 26	99,059	109,042	3,361	5,198	-35.3
Aug 2	111,845	106,826	3,473	5,300	-34.5
Aug 9	114,776	113,679	3,587	5,421	-33.8

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 Aug. 3-9, 2009 totaled 114,776 tons, up 2,931 ton from the previous week, and up 1,097 tons from the four-week moving average of 113,679 tons. Exports during Jan. 1 – Aug. 9 totaled 3,587,471 tons, as compared with 5,421,204 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- Jul. 31, 2009, amounted to 5,073,206 tons, down 26.2 percent from 6,876,115 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Jul. 20-24, Jul. 27-31, and

Aug. 3-7, 2009 are as follows:

Movement (MT)	Jul. 20-24	Jul. 27-31 (revised)	Aug. 3-7
Weekly sales	98,161	106,352	97,419
4 week sum	439,642	379,042	410,493
4 week mov. avg.	109,911	94,761	102,623
Total weekly sales	3,779,922	3,886,274	3,983,693