

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Thailand

**Post:** Bangkok

### Weekly Rice Price Update

**Report Categories:**

Grain and Feed

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**Report Highlights:**

TH9139 Domestic and export prices declined by 2-3 percent due to the government stock release and the slowdown in parboiled rice inquiries. The rice price insurance scheme will begin on October 1, 2009, replacing the mortgage scheme.

## Market Tone

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Sep. 14, 2009**

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
FWR 100 B	985	-	1,000	-	1,000	950	-	984	976
WR 100 B	530	-	555	-	540	550	550	545	563
PB 5%	600	-	610	-	620	605	570	601	615
WR 5%	300	-	330	-	320	320	320	318	336
WR 10%	490	-	-	-	510	510	-	503	523
WR 15%	460	-	-	-	-	490	-	475	498
WR 25%	415	-	-	-	-	435	-	425	445
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	290	-	315	-	300	310	-	304	306
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 33.8 baht/US \$

Source: Average actual prices received from exporters

Domestic and export prices declined by 2-3 percent due to the government's stock release and the slowdown in parboiled rice inquiries from African countries. The Government finalized its release of intervention stock of last month's tenders (Aug. 6 and 26) of 464,762 tons of which 290,543 tons are MY2008/09 fragrant rice and 174,219 tons are MY2007/08 white rice. The bidding prices were mostly below expected AFET futures prices for October – December (-2.48 baht/kg for fragrant rice and -0.50 baht/kg for white rice). Also, the September's tender (282,802 tons of white rice and 9,420 tons of fragrant rice) will likely be finalized at a discount. In addition, rice traders expect the Government to release old-crop intervention stocks of 1.0 - 2.0 million tons through regular tender in mid October. Despite a downward trend in domestic prices of white rice due to the intervention stock release and the new price insurance scheme that will replace the mortgage scheme in October, exporters remain conservative in their quotations due to concerns over the strengthening Thai baht from the current level of 33.8 baht/\$ in the last quarter of this year.

Parboiled rice prices are leveling off as current shipments have been fulfilled, particularly for African countries. Also, new inquiries slowed down because most parboiled rice contracts have been fulfilled to meet seasonal demand in African countries during December. The shipments usually take a month from Thailand.

The rice price insurance scheme will begin on October 1, 2009 with a budget of 25 billion baht (\$735 million). Insured prices were set at 10,000 baht/ton (\$296/MT) for white rice paddy, 15,300 baht/ton (\$453/MT) for fragrant rice paddy, 14,300 baht/ton (\$393/MT) for provincial fragrant rice paddy, and 9,500 baht/ton (\$281/MT) for glutinous paddy. However, the eligible tonnage has not been finalized but is expected to be 20 tons/farmer. The compensation will be based on the difference between insured prices and the benchmark prices that will be derived from market prices. The formula for the calculation of benchmark prices will likely be finalized in the coming weeks.

## Rice Export Update

The Thai Rice Exporters Association President was quoted this week as confirming expected exports of 8.5-8.7 million tons for this year.

Unofficial exports (excluding fragrant rice) for Sep. 7-13, 2009 totaled 134,061 tons, up 28,359 ton from the previous week, and up 7,628 tons from the four-week moving average of 126,434 tons. Exports of white rice during Jan. 1 – Sep. 13 totaled 4,205,472 tons, as compared with 6,118,062 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- Sep. 7, 2009, amounted to 5,935,368 tons, down 24.3 percent from 7,840,861 tons in the previous year.

**Table 2: 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 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
Aug 16	112,267	109,487	3,700	5,547	-33.3
Aug 23	126,240	116,282	3,826	5,693	-32.8
Aug 30	139,731	123,253	3,966	5,851	-32.2
Sep 6	105,702	120,985	4,071	5,988	-32.0
Sep 13	134,061	126,434	4,205	6,118	-31.3

*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 3: Weekly private registered rice export sales**

Movement (MT)	Aug. 24-28	Aug. 31 - Sep. 4	Sep. 7-11
Weekly sales	97,125	133,295	179,769
4 week sum	470,015	505,891	566,342
4 week mov. avg.	117,504	126,473	141,586
Total weekly sales	4,356,289	4,489,584	4,669,353

End of Report.