

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

Voluntary - Public

Date: 9/24/2009

GAIN Report Number: TH9143

Thailand

Post: Bangkok

Weekly Rice Price Update

Report Categories:

Grain and Feed

Approved By:

Gary Meyer, Agricultural Counselor

Prepared By:

Ponnarong Prasertsri, Agricultural Specialist

Report Highlights:

TH9143 Despite a steady decline in domestic prices, export prices increased slightly by \$1-2/MT due to the strengthening Thai baht. Domestic prices remain under downward pressure in anticipation of increasing exportable supplies from the new MY2009/10 main-crop harvest and the government stock release next month.

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending, Sep. 21, 2009

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	990	-	1,000	-	1,000	950	-	985	984
WR 100 B	532	-	555	-	540	550	590	545	545
PB 5%	605	-	610	-	620	605	570	602	601
WR 5%	502	-	530	-	520	520	520	518	518
WR 10%	492	-	-	-	510	510	-	504	503
WR 15%	462	-	-	-	-	490	-	476	475
WR 25%	417	-	-	-	-	435	-	426	425
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	292	-	315	-	300	310	-	304	304
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 33.50 baht/U.S.\$

Source: Average actual prices received from exporters

Despite a steady decline in domestic prices, export prices increased slightly by \$1-2/MT due to the strengthening Thai baht to 33.5 baht/\$, as compared to an average of 33.8 baht/\$ in recent weeks. Fluctuating exchange rates have caused some exporters to be more cautious in their quotations. Domestic prices remain under downward pressure in anticipation of increasing exportable supplies from new MY2009/10 main-crop harvest and the government stock release expected next month. The Government is planning a gradual release of old-crop intervention stocks of 1-2 million tons (out of the total stocks of approximately 6-7 million tons), which will be proposed to the National Rice Policy Committee in the coming weeks.

As for the stock tenders based on basis-bidding approach, the Government finalized its retender on September 7, 2009 to release 198,510 tons (9,420 tons for fragrant rice, and 189,090 tons for white rice). The bidding prices were mostly below expected AFET futures prices of October – December 2009 (-1.97 baht/kg for fragrant rice, and -0.3 baht/kg for white rice). The total release from these tenders (Aug. 6 and 26, and Sep. 7) was 663,270 tons of which 299,962 tons were fragrant rice and the balance was white rice.

Result of the government rice stock tender in August - September 2009

unit: ton

Tender	Quality	Tender Amount by Delivery date					Release
		Sep.	Oct.	Nov.	Dec.	Total	
#1 (Aug.6)	Fragrant rice (100% B grade MY2008/09 main crop)	100,008	98,340	101,614	-	299,962	199,855
#2 (Aug. 26)	Fragrant rice (retender)	-	50,676	49,431	-	100,107	90,687
	White rice (5% grade MY2008/09 second crop)	-	155,072	154,486	153,569	463,127	174,218
#3 (Sep. 7)	Fragrant rice (retender)	-	9,420	-	-	9,420	9,420
	White rice (retender)	-	46,261	118,742	123,906	288,909	189,090
Grand Total		100,008	253,412	256,100	153,569	763,089	663,270

Source: Public Warehouse Organization, Ministry of Commerce

The rice price insurance scheme will replace mortgage scheme on October 1, 2009. The insured prices and eligible tonnage were finalized. Compensation will be based on the difference between insured prices and benchmark prices that will be derived from market prices. The formula for the calculation of benchmark prices are expected to be finalized next week.

Price Insurance Scheme for MY2009/10 crops

Commodity	Insured Price (Baht/Ton)	Eligible tonnage (Ton/household)
Rice paddy		
- Fragrant rice	15,300	14
- Provential fragrant rice	14,300	16
- Glutinous rice	9,500	16
- White rice	10,000	25

Rice Export Update

Unofficial exports (excluding fragrant rice) for Sep. 14-20, 2009 totaled 142,128 tons, up 8,067 ton from the previous week, and up 11,722 tons from the four-week moving average of 130,406 tons. Exports of white rice during Jan. 1 – Sep. 20 totaled 4,347,600 tons, as compared with 6,245,900 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. 18, 2009, amounted to 6,222,335 tons, down 23.4 percent from 8,126,203 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)	(%)
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
Sep 20	142,128	130,406	4,348	6,246	-30.4

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. 31 - Sep. 4	Sep. 7-11	Sep. 14-18
Weekly sales	133,295	179,769	103,493
4 week sum	505,891	566,342	513,682
4 week mov. avg.	126,473	141,586	128,421
Total weekly sales	4,489,584	4,669,353	4,772,846

End of Report.