

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:

TH9146 Domestic and export price declined by 2-4 percent due to quiet foreign demand and anticipated supplies from the upcoming main-crop harvest. The Government's plan to implement the price insurance scheme and to release intervention stocks next month remains uncertain.

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Sep. 28, 2009

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
FWR 100 B	990	-	1,000	-	1,000	965	-	989	985
WR 100 B	525	-	535	-	530	525	530	529	545
PB 5%	580	-	590	-	600	570	550	578	602
WR 5%	495	-	510	-	510	500	500	503	518
WR 10%	485	-	-	-	500	490	-	492	504
WR 15%	455	-	-	-	-	475	-	465	476
WR 25%	412	-	-	-	-	420	-	416	426
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	290	-	300	-	300	305	-	299	304
A1 SPEC	-	-	-	-	-	-	-	-	-

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

Source: Average actual prices received from exporters

Domestic and export prices of white rice declined by 2-4 percent due to quiet foreign demand and anticipated supplies from the upcoming main-crop harvest. Foreign buyers are reportedly making inquiries about the main-crop supplies, and waiting to see what the government actions will be. The main-crop harvest will begin next month and peak in November with anticipated bumper supplies despite the concerns over Typhoon Kitsana which is expected to cause heavy rains in the northeastern part of Thailand by mid-week. Usually, the flash floods have a marginal impact on the major rice growing areas as most are located upland where the flooding recedes quickly. Meanwhile, lowland area likely to be affected is 15 percent of total planted area. It is expected that the damage to this area will be marginal, as well.

Despite the fact that insured prices were finalized, the Government's plan to implement a price insurance scheme and to release intervention stocks next month remains uncertain. The authorities are verifying the registration of farmers participating in the scheme as the area registered exceeds the census area information. Current downward pressure on domestic prices implies higher compensation to farmers, as such the 25 billion baht (\$735 million) budget might fall short to meet the insurance scheme goals.

Rice Export Update

Despite uncertainty of the government stock release, Thai rice exports will likely reach 8.5 million tons this year as a reduction in white rice exports is expected to be offset by an increase in parboiled rice and fragrant rice exports. Unofficial exports (excluding fragrant rice) for Sep. 21-27, 2009 totaled 116,648 tons, down 25,480 tons from the previous week, and down 7,987 tons from the four-week moving average of 124,635 tons. Exports of white rice during Jan. 1 – Sep. 27, 2009 totaled 4,464,248 tons, as compared with 6,382,904 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. 25, 2009 amounted to 6,414,471 tons, down 22.6 percent from 8,297,813 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 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
Sep 27	116,648	124,635	4,464	6,383	-30.1

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)	Sep. 7-11	Sep. 14-18	Sep. 21-25
Weekly sales	179,769	103,493	76,689
4 week sum	566,342	513,682	493,246
4 week mov. avg.	141,586	128,421	123,312
Total weekly sales	4,669,353	4,772,846	4,849,535

End of Report