

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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Voluntary - Public

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## Thailand

**Post:** Bangkok

### Weekly Rice Price Update

**Report Categories:**

Grain and Feed

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**Report Highlights:**

TH9133 Domestic and export prices increased significantly by 5-9 percent, particularly for white rice and parboiled rice due to limited domestic supplies of paddy following the extension of the mortgage scheme to the end of September.

## Market Tone

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Sep. 7, 2009**

| Quality    | Exporter Observations |    |     |    |       |     |     | Period Average |      |
|------------|-----------------------|----|-----|----|-------|-----|-----|----------------|------|
|            | #1                    | #2 | #3  | #4 | #5    | #6  | #7  | CUR.           | PRV. |
| F WR 100 B | 970                   | -  | 990 | -  | 1,000 | 945 | -   | 976            | 971  |
| WR 100 B   | 555                   | -  | 570 | -  | 560   | 570 | 560 | 563            | 536  |
| PB 5%      | 620                   | -  | 610 | -  | 630   | 625 | 590 | 615            | 566  |
| WR 5%      | 525                   | -  | 550 | -  | 530   | 545 | 530 | 536            | 512  |
| WR 10%     | 515                   | -  | -   | -  | 520   | 535 | -   | 523            | 500  |
| WR 15%     | 480                   | -  | -   | -  | -     | 515 | -   | 498            | 473  |
| WR 25%     | 430                   | -  | -   | -  | -     | 460 | -   | 445            | 423  |
| WR 35%     | -                     | -  | -   | -  | -     | -   | -   | -              | -    |
| A1 SUP     | 290                   | -  | 315 | -  | 300   | 320 | -   | 306            | 300  |
| A1 SPEC    | -                     | -  | -   | -  | -     | -   | -   | -              | -    |

Exchange rate: 33.8 baht/US \$

Source: Average actual prices received from exporters

Despite a retender of government stocks (282,802 tons of white rice and 9,420 tons of fragrant rice) on September 7, domestic and export prices increased significantly by 5-9 percent, particularly for white rice and parboiled rice. A sharp increase in prices reflected last week's unexpected government approval to extend the MY2008/09 second-crop intervention program (mortgage scheme) to the end of September for a total of 6.0 million tons of paddy. The Government undertook this action due to price declines during the month of August after the program ended on July 31. Intervention prices remained unchanged at 10,800 – 12,000 baht/ton (\$309 - \$343) for white rice paddy, which are approximately 30 percent higher than market prices.

The expansion of the mortgage scheme toward the end of off-season crops has resulted in limited availability of supplies of white rice paddy for parboiled rice production. As a result, exporters are struggling to secure parboiled rice to fulfill contracts, particularly to African countries, which ought to be delivered no later than November.

The Government will implement the rice price insurance scheme on October 1, 2009 with a budget of 25 billion baht (\$735 million). Insured prices have been finalized 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

Unofficial exports (excluding fragrant rice) for Aug. 31 – Sep. 6, 2009 totaled 105,702 tons, down 34,029 ton from the previous week, and down 15,283 tons from the four-week moving average of 120,985 tons. Exports of white rice during Jan. 1 – Sep. 6 totaled 4,071,411 tons, as compared with 5,988,260 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- Aug. 28, 2009, amounted to 5,737,738 tons, down 24.2 percent from 7,568,477 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 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                          |
| 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                          |

*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. 17-21 | Aug. 24-28 | Aug. 31 - Sep. 4 |
|--------------------|------------|------------|------------------|
| Weekly sales       | 156,153    | 97,125     | 133,295          |
| 4 week sum         | 479,242    | 470,015    | 505,891          |
| 4 week mov. avg.   | 119,811    | 117,504    | 126,473          |
| Total weekly sales | 4,259,164  | 4,356,289  | 4,489,584        |

End of Report.