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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH 2101 – Export prices declined 1-2 percent due to the release of government rice stocks and a lack of new inquiries. The Government released 57,604 metric tons of fragrant rice below current market prices. Meanwhile, the Thai Cabinet approved the 240 billion baht (\$8 billion) MY012/13 Paddy Pledging Program.

Post:
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Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending October 1, 2012

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,105	-	1,060	-	1,000	1,085	-	1,063	1,058
WR 100 B	580	-	570	-	580	565	570	574	575
PB 100%	575	-	580	-	590	580	580	581	596
PB 5%	570	-	575	-	585	575	575	576	577
WR 5%	560	-	560	-	570	555	555	560	562
WR 10%	-	-	-	-	-	550	-	550	555
WR 15%	-	-	-	-	-	545	-	545	550
WR 25%	-	-	-	-	-	540	-	540	545
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	520	-	-	-	510	505	-	512	512
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.8 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices for most grades of rice declined 1-2 percent from the previous week due to the release of government rice stocks and a lack of new inquiries. On September 28, 2012, the Commerce Ministry released 57,604 metric tons of rice out of the 586,193 metric ton tender that was announced on September 19, 2012 (Table 2). Around 50 percent of the stock release consisted of 100% B grade fragrant rice. Bids were finalized at \$758 – 939/MT, approximately 20 percent below current market prices. The stock release also included 22,000 tons of broken fragrant rice at \$484 – 526/MT roughly 8 percent below current market prices. Provincial fragrant rice, Pathumthani fragrant rice, and glutinous rice made up the remaining mix.

Foreign buyers are holding off finalizing their contracts as the government gradually releases stocks. The new tender is likely to be conducted in mid-October 2012.

The Thai Government is currently holding total intervention stocks of around 14-15 million metric tons; of which 1-2 million metric tons are old-crop rice. As of September 13, 2012, the MY2011/12 Paddy Pledging Program pledged 20.7 million metric tons of paddy (13.7 million metric tons milled equivalent); of which 7.0 million metric tons are main-crop paddy (4.6 million metric tons milled equivalent - Table 3), and 13.8 million metric tons are off-season crop paddy (9.1 million metric tons milled equivalent - Table 4).

On October 2, 2012, the Cabinet approved a budget of 240 billion baht (\$8 billion) to fund a portion of the MY012/13 Paddy Pledging Program. The approved program was funded considerably lower than expected due to budgetary concerns, but it will enable farmers to receive loans during the MY2012/13 main rice growing season. The program will be effective from October 1, 2012 – February 28, 2013 with the pledging target range of 15.0 million metric tons of paddy (roughly 10 million tons milled equivalent). The intervention prices remain unchanged for white rice paddy (13,800 - 15,000 baht/tons (\$444 – \$482/MT)) which is around 40 percent above current market prices. Fragrant rice paddy prices will range between 18,000 – 20,000 baht/ton (\$579 – \$643/MT), which is 20 percent above current market prices. No limit restrictions were imposed on the pledged amount. The program will be funded by a 150 billion baht (\$5.0 billion) loan from government banks and 90 billion baht (\$3 billion) from the release of government rice stocks. The Cabinet may consider another budget for the MY2012/13 off-season rice crop next year.

Quality	Tender (Metric Ton)	Bidding Result		Balance (Metric Ton)	
		(Metric Ton)	Bidding Price		
			(Baht/MT)		(US\$/MT)
MY2011/12 Main-Crop Rice	586,193	57,684		528,509	
- 100% B Grade Fragrant Rice	291,709	27,483	23,500 - 29,100	264,226	
- Provincial Fragrant Rice	133,750	1,325	25,000	132,425	
- Pathumthani Fragrant Rice	6,379	1,471	24,000 - 25,000	4,908	
- Broken Fragrant Rice	53,182	21,995	15,000 - 16,300	31,187	
- Broken Provincial Fragrant Rice	52,394	-	-	52,394	
- Broken Pathumthani Fragrant Rice	876	-	-	876	
- 10% Grade Glutinous Rice	47,903	5,330	18,000 - 19,000	42,573	

Source: Ministry of Commerce

Table 3. MY2011/12 Main-Crop Paddy Pledging Program (October 7, 2011 - February 29, 2012)

Unit: Metric Ton							
Region	Number of Farmers	Amount of Paddy					
		Fragrant Rice			White Rice	Glutinous Rice	Total
		Honuli	Provincial	Pathumthani			
North	990,415	912,870	269,552	2,790	1,465,654	290,496	2,281,902
Northeast	787,897	2,774,890	-	84	164,062	211,621	3,150,597
Central	154,816	-	65,872	12,968	1,266,425	-	1,944,665
South (Feb 1 - Jul 31, 2012)	21,082	-	-	-	173,593	-	173,593
Total	1,294,210	3,087,760	995,424	15,242	3,089,794	442,057	6,950,157

Note: As of August 17, 2012
Source: Department of Internal Trade, Ministry of Commerce

Table 4. MY2011/12 Off-season Paddy Pledging Program

Unit: Metric Ton					
Region	Number of Farmers	Amount of Paddy			
		White Rice	Pathumthani	Glutinous Rice	Total
North	532,573	5,165,806	5,933	205,647	5,377,386
Northeast	201,227	782,819	1	97,434	880,254
Central	483,074	6,033,539	129,080	-	6,162,619
South	3,903	29,245	-	-	29,245
Total	1,220,777	12,011,409	135,014	303,081	12,449,504

Note: As of March 1 - September 6, 2012
Source: Department of Internal Trade, Ministry of Commerce

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for September 24-30, 2012 totaled 98,922 tons, up 7,492 tons from the previous week and up 18,442 tons from the four-week moving average of 80,480 tons. Exports of white and parboiled rice from January 1- September 30, 2012 totaled 3,622,435 tons, down 49.7 percent (7,207,282 tons) from last year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) from January 1 – September 21, 2012 amounted to 4,817,590 tons, down 45.1 percent (8,774,314 tons) from last year.

Table 4: 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)	(%)
July 15	49,526	83,016	2,729	5,576	-51.1
July 22	89,531	80,528	2,818	5,751	-51.0
July 29	110,006	82,953	2,928	5,916	-50.5
Aug 5	89,677	84,685	3,018	6,044	-50.1
Aug 12	84,875	93,522	3,103	6,170	-49.7
Aug 19	64,801	87,340	3,167	6,317	-49.9
Aug 26	77,361	79,179	3,245	6,473	-49.9
Sep 2	55,693	70,683	3,301	6,623	-50.2
Sep 9	55,497	63,338	3,356	6,778	-50.5
Sep 16	76,072	66,156	3,432	6,900	-50.3
Sep 23	91,429	69,673	3,524	7,046	-50.0
Sep 30	98,922	80,480	3,622	7,207	-49.7

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/REK 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 5: Weekly private registered rice export sales

Movement (MT)	Sep. 3-7	Sep. 10-14	Sep. 17-21	Sep. 24-28
Weekly sales	51,484	77,226	167,906	182,734
4 week sum	390,100	375,507	431,476	479,350
4 week mov. avg.	97,525	93,877	107,869	119,838
Year-to-date sales (excluding Apr. 9 - Jun. 29)	2,380,209	2,457,435	2,625,341	2,808,075

End of report