

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

Required Report - public distribution

Date: 8/4/2010

GAIN Report Number: 0112

Thailand

Rice Price - Weekly

Weekly Rice Price Update

Approved By:

Orestes Vasquez,
Agricultural Attaché

Prepared By:

Ponnarong Prasertsri,
Agricultural Specialist

Report Highlights:

TH0112 Domestic and export prices increased slightly by 1.0 percent due to enquiries from African countries. Meanwhile, foreign traders, mostly those who seek large volumes of rice, are waiting for the Thai government to release details on the rice stock release.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Aug. 2, 2010									
Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100B	970	-	1,000	-	1,000	945	-	979	971
WR 100B	445	-	465	-	470	455	480	463	462
PB 100%	468	-	475	-	480	485	480	478	471
PB 5%	463	-	465	-	470	480	475	471	465
WR 5%	415	-	430	-	450	435	460	438	439
WR 10%	410	-	420	-	445	430	-	426	424
WR 15%	400	-	405	-	-	425	-	410	407
WR 25%	385	-	390	-	-	405	-	393	392
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	943	-	945	-	960	960	-	952	946
A1 SPEC	-	-	-	-	-	-	-	-	-
Exchange rate: 31.9 baht/US\$									
Source: Average actual prices received from exporters									

Domestic and export prices increased slightly by 1.0 percent due to enquiries from African countries as they are making new purchases of parboiled rice for their domestic demand for the third quarter. Also, they made enquiries for premium white rice as the price difference between Thai and Vietnamese rice declined to approximately \$80/MT, from \$100/MT. Meanwhile, foreign traders, mostly those who seek large volumes of rice, are waiting for the Thai government to release details on the rice stock release which is expected to cause downward pressure on prices.

The weekly benchmark prices of white rice for August 2-8 declined by 0.5 percent. As such, farmers will receive slightly higher compensation compared to the previous week. Farmers that sell their supplies this week will be able to arbitrage as market prices are above the benchmark prices.

Table 2: Price Insurance Scheme for MY2009/2010 rice crop

	Rice paddy				
	Fragrant rice (Hommah)	Provincial fragrant rice	Patnum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) ^{a/}	14	16	25	16	25
2. Insured prices (Baht/ton) ^{a/}	15,300	14,300	11,000 ^{d/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/ c/}					
July 5-11	-	-	10,391	12,876	8,063
July 12-18	-	-	10,809	13,465	8,081
July 19-25	-	-	10,764	14,655	7,926
July 26 - Aug 1	-	-	10,556	15,383	7,788
Aug 2 - 8	-	-	10,379	15,259	7,748
4. Compensation (1-2), (Baht/ton)					
July 5-11	-	-	609	-	1,937
July 12-18	-	-	191	-	1,919
July 19-25	-	-	236	-	2,074
July 26 - Aug 1	-	-	444	-	2,212
Aug 2-8	-	-	621	-	2,252
5. Market prices (Baht/ton)					
July 5-11	13,750	11,750	10,050	14,500	8,100
July 12-18	13,750	11,750	11,050	15,400	7,900
July 19-25	13,750	11,750	10,950	15,400	7,900
July 26 - Aug 1	13,500	12,750	10,650	16,000	7,900
Aug 2-8 ^{e/}	14,125	12,750	10,650	15,500	7,900

Note:

^{a/} Cabinet approval on Sep. 22, 2009

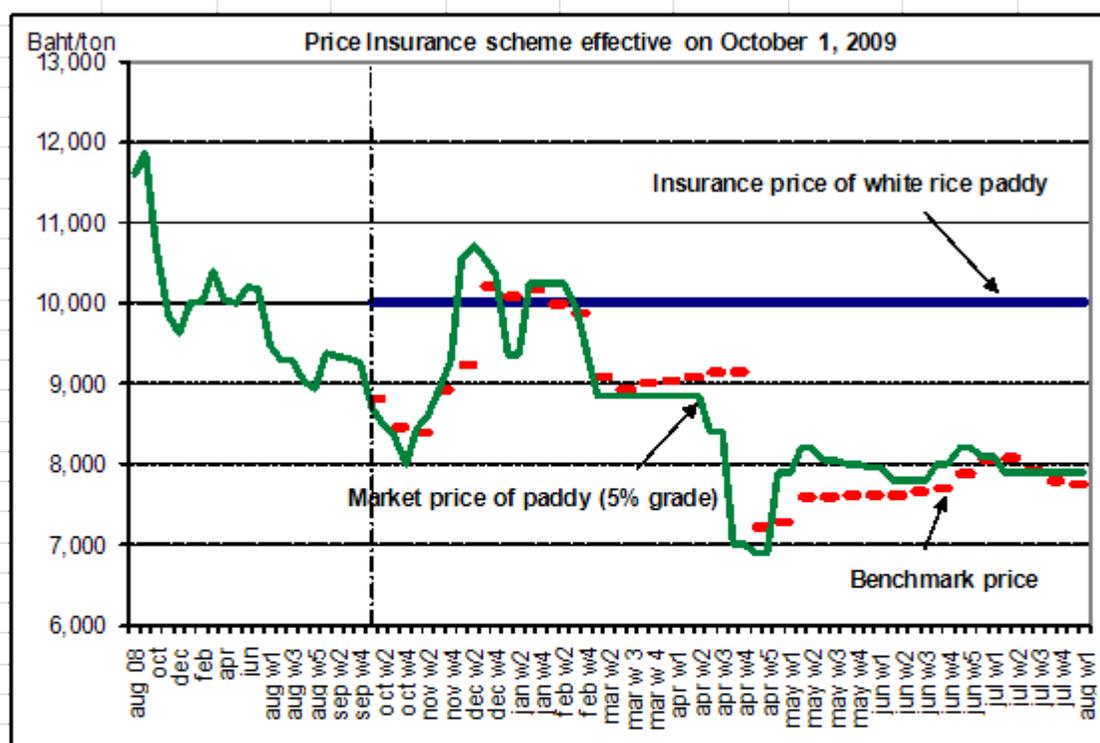
^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical whole sale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

^{d/} The insured prices of MY 2009/10 second-crop Patnum Fragrant rice were revised up from 10,000 tons/MT in MY 2009/10 main-crop price insurance scheme, effective Mar. 16, 2010

^{e/} As of August 2, 2010

Figure 1: Comparison of market price, insurance price, and benchmark price



Note: 1/ Benchmark prices are average historical wholesale prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

^{2/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

^{3/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for July 26 – August 1, 2010 totaled 114,289 tons, down 6,672 tons from the previous week, and down 5,559 tons from the four-week moving average of 119,887 tons. Exports of white rice and parboiled rice during January 1 – August 1, 2010 totaled 3,423,331 tons, down 1.3 percent from 3,467,619 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – July 23, 2010 amounted to 4,566,270 tons, down 8.1 percent from 4,967,068 tons in the previous year.

Table 3: 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)	(%)
May 23	115,187	114,544	2,339	2,222	5.3
May 30	130,142	121,726	2,469	2,355	4.8
Jun 6	98,942	115,938	2,568	2,493	3.0
Jun 13	82,918	106,865	2,651	2,640	0.4
Jun 20	105,026	104,325	2,756	2,758	-0.1
Jun 27	103,458	97,586	2,859	2,915	-1.9
Jul 4	84,405	93,952	2,944	3,044	-3.3
Jul 11	126,065	104,739	3,070	3,128	-1.9
Jul 18	118,235	108,041	3,188	3,259	-2.2
Jul 25	120,961	112,416	3,309	3,359	-1.5
Aug 1	114,289	119,887	3,423	3,468	-1.3

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 4: Weekly private registered rice export sales			
Movement (MT)	Jul. 12-16	Jul. 19-23 (Revised)	Jul. 26-30 (Preliminary)
Weekly sales	143,262	126,743	51,910
4 week sum	505,789	540,168	455,254
4 week mov. avg.	126,447	135,042	113,814
Year-to-date sales	3,570,451	3,697,194	3,749,104

End of report.

