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Thailand

Grain and Feed

Weekly Rice Price Update

2008

Approved by:

Gary Meyer, Agricultural Counselor
U.S. Embassy

Prepared by:

Ponnarong Prasertsri, Agricultural Specialist

Report Highlights:

Export and domestic prices skyrocketed to over \$400/MT for white rice and \$700/MT for fragrant rice due to tighter exportable supplies driven by price speculation among traders and brokers.

However, prices may ease when the Government releases intervention stocks next month.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Bangkok [TH1]
[TH]

Indicative Prices (Week Ending Jan. 28):

Thailand: Export (FOB) Prices for various grades of rice (USD/M.T.)									
	Exporter Observations							Period Avg.	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	725	700	710	682	700	685	700	700	669
WR 100 B	425	402	410	408	410	425	405	412	389
PB 5%	420	425	420	412	415	439	400	419	399
WR 5%	410	397	400	402	400	415	400	403	380
WR 10%	-	-	-	395	398	-	-	397	376
WR 15%	-	-	-	392	396	-	-	394	373
WR 25%	-	-	-	391	-	-	-	391	371
WR 35%	-	-	-	389	-	-	-	389	367
A 1 SUP	400	-	-	383	390	-	390	391	364
A 1 SPEC	-	-	-	-	-	-	-	-	361
Source: Average actual prices received from exporters, Exchange rate: 32.8 baht/U.S.\$									

Market Tone

Export and domestic prices for all grades of rice continued to increase, particularly for white rice. Prices of white rice reached a ten-year record high, up 7 percent from the previous week, reportedly fueled by speculative demand from local traders/millers and foreign brokers. Moreover, most exporters have no quotations for low-grade white rice as they are running short of broken rice supplies for 10%-35% grade white rice production. Broken rice has been largely diverted to domestic production of feed and rice based beverages.

Foreign demand remains strong but Thai exporters will likely limit their sales to small-volume contracts of around 1,000 tons to avoid possible losses from price fluctuations. As a result, the Philippines' tender to buy 550,000 tons of 25% grade white rice today will benefit Vietnamese suppliers. However, export prices of white rice are expected to ease in the next couple of weeks as the Government plans to release old-crop intervention stocks of white rice in the amount of 500,000 tons for the domestic and export markets next month. The ending intervention stocks should decrease to approximately 1.4 million tons.

The following are the reported rice exports (as is basis):

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	%
DEC 9	146,624	191,129	6,017	4,567	31.7
DEC 16	189,887	187,787	6,207	4,650	33.5
DEC 23	204,027	187,734	6,411	4,734	34.3
DEC 30	186,048	181,646	6,597	4,804	37.3
JAN 6	81,497	-	81	33	145.0
JAN 13	172,556	-	254	102	149.0
JAN 20	165,968	-	420	190	121.3
JAN 27	169,127	147,287	589	269	118.7

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/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.

Unofficial exports (excluding fragrant rice) for Jan. 21-27, 2008 totaled 169,127 tons, up 3,159 tons from the previous week, and up 21,840 tons from the four-week moving average of 147,287 tons. Exports during Jan. 1-27, 2008 totaled 589,148 tons, as compared with 269,451 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – 22, 2008, amounted to 657,454 tons, up 64 percent from 400,409 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Jan. 7-11, Jan. 14-18, and Jan. 21-25, 2008 are as follows:

Movement (MT)	Jan. 7-11	Jan. 14-18	Jan. 21-25
Weekly sales	143,821	203,927	327,047
4 week sum	-	-	717,874
4 week mov. avg.	-	-	179,469
Total weekly sales	186,900	390,827	717,874

End of Report.