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Thailand

Grain and Feed

Weekly Rice Price Update

2008

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Report Highlights:

Export prices increased by 1-2 percent in response to the government proposal of a new second-crop intervention policy. Despite upward pressure on prices, future increases will likely be softened by next month's expected relaxation of the Vietnamese rice export ban.

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

Indicative Prices (Week Ending Jun. 9):

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	1,020	-	-	-	1,200	970	-	1,063	1,057
WR 100 B	800	-	-	-	890	810	800	825	808
PB 5%	-	-	-	-	950	820	800	857	890
WR 5%	780	-	-	-	870	760	780	798	788
WR 10%	-	-	-	-	-	-	-	-	-
WR 15%	-	-	-	-	-	-	-	-	-
WR 25%	-	-	-	-	-	-	-	-	-
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	550	-	-	-	750	-	550	617	630
A 1 SPEC	-	-	-	-	-	-	-	-	-

Source: Average actual prices received from exporters, Exchange rate: 33 baht/U.S.\$

Market Tone

Export prices of white rice increased by \$10-20/MT, up 1-2 percent from the previous week after the Government announced their plan for a new second-crop mortgage program beginning June 15 and running until September 30. Under their proposal, which will be announced after the June 10 Cabinet meeting, will set intervention prices at 14,000 baht/ton (\$430/MT) for white rice paddy (15% moisture content), which is 20 percent higher than current market prices (TH8087). Despite recent upward pressure on prices, the current increases have been partly offset by the continued weakening of the Thai baht, which is at a five-month low of 33 baht/\$.

Domestic prices of white rice remained unchanged this week as exporters reportedly have fewer enquiries from foreign buyers than in previous weeks. Foreign demand remains strong but buying decisions are reportedly delayed due to current price fluctuations prior to intervention program implementation. However, export prices are expected to increase as current farm-gate prices have increased to 13,500 baht/ton (\$410/MT), as compared to 9,000 – 12,000 baht/ton (\$280-375/MT). Nevertheless, further price increases will likely be softened by next month's expected relaxation of the Vietnamese rice export ban.

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)	%
APR 20	85,612	164,306	2,745	1,472	86.5
APR 27	169,952	147,135	2,915	1,608	81.3
MAY 4	135,461	137,116	3,050	1,685	81.0
MAY 11	137,226	132,063	3,188	1,795	77.6
MAY 18	187,581	157,555	3,375	1,902	77.4
MAY 25	174,175	158,611	3,549	2,026	75.2
JUN 1	209,946	177,232	3,759	2,134	76.1
JUN 8	192,204	190,977	3,952	2,248	75.8

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 Jun. 2-8, 2008 totaled 192,204 tons, down 17,742 tons from the previous week, and up 1,228 tons from the four-week moving average of 190,977 tons. Exports during Jan. 1 – Jun. 8, 2008 totaled 3,951,572 tons, as compared with 2,247,758 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – May 31, 2008, amounted to 5,020,033 tons, up 50 percent from 3,345,003 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of May 12-16, May 19-23, and May 26-30, 2008 are as follows:

Movement (MT)	May 19-23	May 26-30	Jun. 2-6
Weekly sales	207,927	137,226	213,934
4 week sum	800,077	761,988	746,938
4 week mov. avg.	200,019	190,497	186,735
Total weekly sales	3,851,419	3,988,645	4,202,579

End of Report.