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Thailand

Grain and Feed

Weekly Rice Price Update

2008

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Report Highlights:

Domestic and export prices trended downward as higher accumulative Government rice stocks from the aggressive intervention program is fueling anticipation an imminent stock release. Also, most exporters are optimistic about current limited flood damage which has occurred as part of this year's monsoon season. Despite Thai rice being priced higher than Vietnamese, Thai rice exporters expect enquiries from the Latin American countries, like Chili and Peru, as Thai premium white rice prices are growing more competitive with U.S.

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

Indicative Prices (Week Ending Sep. 29):

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	820	-	-	-	850	790	-	820	830
WR 100 B	685	-	700	690	710	685	680	692	713
PB 5%	-	-	685	-	730	675	690	694	729
WR 5%	670	-	695	670	690	665	675	678	694
WR 10%	-	-	-	-	-	658	-	658	-
WR 15%	-	-	-	-	-	640	-	640	-
WR 25%	-	-	-	-	-	575	-	575	655
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	390	-	-	-	410	410	400	403	418
A 1 SPEC	-	-	-	-	-	-	-	-	-

Source: Average actual prices received from exporters, Exchange rate: 33.7 baht/U.S.\$

Market Tone

Domestic and export prices trended downward as higher accumulative Government rice stocks from the aggressive intervention program is fueling anticipation an imminent stock release. By the end of the second-crop intervention program (Sep. 30), the Government should have absorbed 4.2 million tons of paddy (out of the expanded target of 4.5 million tons) valued at approximately 50 billion baht (\$1.5 billion). This will bring total stocks to 4.9 million tons of rice, of which 2.1 tons were old-crop intervention stocks. The Government reportedly plans to release some of this stock through Government-to-Government sales and tenders for exports by mid-October. Currently, warehouse space remains limited for new main-crop intervention program (MY 2008/09) beginning in October. This new program also expected to absorb no less than 8.0 million tons, as the intervention prices remain higher than current market prices. Traders expect it will take several months to fully export all the upcoming released stocks.

Exporters are optimistic about current limited flood damage which has occurred as part of this year's monsoon season. Flood water has reportedly receded quickly in many areas. Also, most flooding occurred in areas where farmers typically do not currently cultivate any crops (TH8147). Meanwhile, foreign buyers, including Iran, remain hesitant to buy Thai rice which is still being offered nearly \$200/MT higher than Vietnamese rice. However, Thai rice exporters expect enquiries from the Latin American countries, like Chili and Peru, as Thai rice premium white rice prices are growing more competitive with U.S.

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)	%
Jul 27	182,769	175,180	5,204	2,980	74.6
Aug 3	101,488	158,534	5,305	3,062	73.3
Aug 10	122,027	146,116	5,427	3,165	71.4
Aug 17	125,268	132,888	5,553	3,254	70.6
Aug 24	155,649	126,108	5,708	3,355	70.2
Aug 31	154,550	139,373	5,863	3,442	70.4
Sep 7	131,622	141,772	5,995	3,573	67.7
Sep 14	129,898	142,930	6,124	3,717	65.0
Sep 23	125,818	135,472	6,250	3,866	61.7
Sep 30	133,622	130,240	6,384	4,060	57.3

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.

Unofficial exports (excluding fragrant rice) for Sep. 22-26, 2008 totaled 133,622 up 7,804 the previous week, and up 3,382 from the four-week moving average of 130,240 tons. Exports during Jan. 1 – Sep. 26, 2008 totaled 6,383,853 tons, as compared with 4,059,572 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Sep. 19, 2008, amounted to 8,104,404 tons, up 39.22 percent from 5,821,252 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Sep. 1-5, Sep. 15-19, and Sep. 22-26 are as follows:

Movement (MT)	Sep. 8-12	Sep. 15-19	Sep. 22-26
Weekly sales	104,613	144,381	112,431
4 week sum	-	-	396,997
4 week mov. avg.	-	-	99,249
Total weekly sales	5,543,389	5,687,770	5,800,201

End of Report.