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Thailand

Grain and Feed

Intervention Stocks Released

2008

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Report Highlights:

On November 28, 2008 the Government will retender the unsold stocks of 1.4 million tons from the last November 5th tender of 3.0 million tons as the bidding prices were too low. Of the total new tender, 1.2 million tons are white rice for export and 0.2 million tons are fragrant rice and Pathumthani fragrant rice for domestic or export market. Most white rice is 2007/08 second-crop stocks which were absorbed at record intervention prices of 14,000 baht/ton of paddy (\$400/MT).

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

Regarding the last tender on November 5, 2008 for intervention stocks of 3.0 million tons (Table 1 and 3) (TH8175), the Government decided last week to sell 1.6 million tons valued at 20 million baht (\$575 million), of which 1.1 million tons are old-crop white rice for exports (Table 2), and 0.5 million tons are fragrant rice for domestic market (Table 4). The bidding prices were reportedly offered at approximately 9,000 – 11,300 baht/ton (\$257-323/MT) for white rice, and 14,000 – 16,600 baht/ton (\$400-474/MT) for fragrant rice. Most of the winners for white rice are top-five exporters.

Table 1: Intervention Stock Tender for Exports on Nov. 5, 2008

Crop	White Rice												Grand Total
	5%			10%			15%			25%			
	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	
2004/05	10	-	10	-	-	-	683	-	683	1,099	54,726	55,825	56,518
2005/06	67,958	380,144	448,102	6,647	-	6,647	53	-	53	91,894	234,459	326,352	781,155
2006/07	186,368	433,269	619,637	4,917	-	4,917	-	-	-	2,987	1,991	4,978	629,532
2007/08	-	800,712	800,712	-	3,328	3,328	-	2,883	2,883	-	522	522	807,444
Total	254,336	1,614,125	1,868,461	11,564	3,328	14,892	736	2,883	3,618	95,980	291,697	387,677	2,274,649

Source: Public Warehouse Organization, Ministry of Commerce

Table 2: Result of the Tender for Exports

Crop	White Rice												Grand Total
	5%			10%			15%			25%			
	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	
2004/05	10	-	10	-	-	-	-	-	-	-	-	-	10
2005/06	67,958	380,144	448,102	6,647	-	6,647	53	-	53	-	5,865	5,865	460,667
2006/07	186,368	433,269	619,637	4,917	-	4,917	-	-	-	2,770	-	2,770	627,324
2007/08	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	254,336	813,413	1,067,749	11,564	-	11,564	53	-	53	2,770	5,865	8,635	1,088,001

Source: FAS

Table 3: Intervention Stock Tender for Domestic or Exports on Nov. 5, 2008

Crop	Pathumthani Rice			Fragrant Rice	Grand Total
	Main Crop	Second Crop	Total	Main Crop	
2004/05	-	659	659	26,230	26,889
2005/06	511	-	511	380,639	381,151
2006/07	4,136	27,357	31,493	75,993	107,487
2007/08	-	190,583	190,583	-	190,583
Total	4,648	218,599	223,246	482,863	706,109

Source: Public Warehouse Organization, Ministry of Commerce

Table 4: Result of Intervention Stock Tender for Domestic or Exports

Crop	Pathumthani Rice			Fragrant Rice	Grand Total
	Main Crop	Second Crop	Total	Main Crop	
2004/05	-	659	659	25,951	26,609
2005/06	-	-	-	380,543	380,543
2006/07	3,630	27,357	30,987	75,993	106,980
2007/08	-	-	-	-	-
Total	3,630	28,016	31,646	482,487	514,133

Source: FAS

On November 28, the Government will retender the balance of unsold intervention stock of around 1.4 million tons, of which 1.2 million tons are white rice for exports (Table 5) and 0.2 million tons are fragrant rice and Pathumthani fragrant rice for domestic or export sales (Table 6). The tender requires delivery of rice from the government warehouses within 180 days. All white rice will have to be exported within 45 days after the delivery. The winners need to pay 5 percent of the contracts within 10 days after the tenders are finalized. In addition, like in the previous tender (November 5), the bidding offers will not be published to the public. The Government will negotiate exclusively with those who participate in the tender.

Table 5: Retender of Intervention Stocks for Exports on Nov. 28, 2008

Crop	White Rice												Grand Total
	5%			10%			15%			25%			
	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	Main Crop	Second Crop	Total	
2004/05	-	-	-	-	-	-	683	-	683	1,099	54,726	55,825	56,507
2005/06	-	-	-	-	-	-	-	-	-	91,894	228,594	320,488	320,488
2006/07	-	-	-	-	-	-	-	-	-	217	1,991	2,208	2,208
2007/08	-	800,712	800,712	-	3,328	3,328	-	2,883	2,883	-	522	522	807,444
Total	-	800,712	800,712	-	3,328	3,328	683	2,883	3,565	93,210	285,833	379,042	1,186,648

Source: Public Warehouse Organization, Ministry of Commerce

Table 6: Retender of Intervention Stocks for Domestic or Exports on Nov. 28, 08

Crop	Pathumthani Rice			Fragrant Rice Main Crop	Grand Total
	Main Crop	Second Crop	Total		
2004/05	-	-	-	280	280
2005/06	511	-	511	96	607
2006/07	507	-	507	-	507
2007/08	-	190,583	190,583	-	190,583
Total	1,018	190,583	191,601	376	191,976

Source: Public Warehouse Organization, Ministry of Commerce

It is expected that only a few exporters will participate in the program as most of rice are 5% grade white rice of MY 2007/08 second-intervention stocks which were absorbed at recorded intervention prices of 14,000 baht/ton of paddy (\$400/MT), as compared to current market prices of around 9,000 baht/ton (\$257/MT). Also, the 25% grade white rice in this retender is low quality rice from old crops, which is reportedly not good for export market.

End of Report.