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## Thailand

### Grain and Feed

### Weekly Rice Price Update

**2008**

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**Report Highlights:**

Domestic and export prices continued to decline by 3-6 percent due to increasing exportable supplies from the government intervention stock release. Twice during the month of November (5<sup>th</sup> and 28<sup>th</sup>), the Government released 2.6 million tons of intervention stocks through two tenders totaling 3.0 million tons of old-crop intervention stocks. It is expected to take a few months for old-crop intervention rice stocks to deplete before enquiries will return for new-crop Thai white rice, where export prices of premium white rice remain above \$500/MT.

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

**Indicative Prices (Week Ending Dec. 8):**

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	750	780	780	-	780	735	-	765	785
WR 100 B	530	550	530	540	540	525	540	536	569
PB 5%	-	550	520	540	540	530	540	537	567
WR 5%	500	540	520	530	530	495	530	521	551
WR 10%	485	-	-	-	-	490	-	488	509
WR 15%	440	-	-	-	-	470	-	455	474
WR 25%	415	-	-	-	-	415	-	415	437
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	285	-	-	-	290	295	300	293	299
A 1 SPEC	-	-	-	-	-	-	-	-	-

Source: Average actual prices received from exporters, Exchange rate: 35.4 baht/U.S.\$

**Market Tone**

Domestic and export prices continued to decline by 3-6 percent due to increasing exportable supplies from the government intervention stock release. Twice during the month of November (5<sup>th</sup> and 28<sup>th</sup>), the Government released 2.6 million tons of intervention stocks through two tenders totaling 3.0 million tons of old-crop intervention stocks. The intervention stock releases included 2.1 million tons of white rice for export and the balance was fragrant rice for release into the domestic market. Some exporters participating in the first tender on November 5 have already delivered 5% grade white rice to African countries this month at \$360-\$370/MT, FOB, as compared to current Thai export prices of \$500-\$550/MT. Vietnam is currently selling rice as low as \$400-\$450/MT for 5% white rice. As a result, foreign buyers are seeking only intervention rice stocks. It is expected to take a few months for old-crop intervention rice stocks to deplete before enquiries will return for new-crop Thai white rice, as current export prices are more than \$100/MT higher. Exports are expected to be quiet through December, and possibly even lower than the November level which fell to 422,156 tons.

Export prices of premium white rice will likely stay above \$500/MT as the current intervention program prices remain attractive at 14,000 baht/ton (\$340/MT). The current program, which began November 1, has absorbed 1.4 million tons of paddy (0.9 million tons milled equivalent). Outstanding intervention stocks increased to 3.2 million tons despite the release of 2.6 million tons in the recent two tenders.

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)	%
Oct 12	96,178	111,040	6,569	4,411	48.9
Oct 19	132,978	112,830	6,702	4,604	45.6
Oct 26	71,415	97,279	6,773	4,807	41.0
Nov 2	54,637	64,757	6,754	5,005	36.4
Nov 9	81,977	85,252	6,836	5,209	31.2
Nov 16	87,896	73,981	6,997	5,405	29.4
Nov 23	51,310	68,955	7,049	5,614	25.6
Nov 30	55,287	69,118	7,104	5,829	22.0
Dec 7	68,265	65,689	7,172	5,977	20.0

*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 Dec. 1-7, 2008 totaled 68,265 tons up 12,978 tons from the previous week, and up 2,575 tons from the four-week moving average of 65,689 tons. Exports during Jan. 1 – Dec. 7, 2008 totaled 7,172,340 tons, as compared with 5,977,271 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Nov. 30, 2008, amounted to 9,402,562 tons, up 11.3 percent from 8,447,063 tons in the previous year.

### Weekly Rice Sales

Private registered rice export sales for the period of Nov. 17-21, Nov. 24-28, and Dec. 1-5, 2008 are as follows:

Movement (MT)	Nov. 17-21	Nov. 24-28	Dec. 1-5
Weekly sales	30,678	86,181	64,284
4 week sum	209,763	228,304	211,938
4 week mov. avg.	52,441	57,076	52,985
Total weekly sales	6,295,370	6,381,551	6,445,835

End of Report.