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Thailand

Grain and Feed

Weekly Rice Price Update

2009

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Report Highlights:

Domestic and export prices continued to increase by 5-10 percent due to tight exportable supplies. The continued increase reflects the ongoing investigation of the second government stock release made last November. Farm-gate prices for white rice paddy are reportedly increasing and are edging closer to current intervention prices. Exporters will likely remain cautious in their quotations over the next couple of weeks while domestic prices are bullish.

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

Indicative Prices (Week Ending Jan. 12):

| 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 | 865 | - | 890 | - | - | 835 | - | 863 | 794 |
| WR 100 B | 600 | - | 620 | - | - | 580 | 590 | 598 | 576 |
| PB 5% | - | - | 650 | - | - | 615 | 590 | 618 | 580 |
| WR 5% | 570 | - | 610 | - | - | 550 | 580 | 578 | 559 |
| WR 10% | 550 | - | - | - | - | 543 | - | 547 | 522 |
| WR 15% | 495 | - | - | - | - | 515 | - | 505 | 478 |
| WR 25% | 470 | - | - | - | - | 455 | - | 463 | 435 |
| WR 35% | - | - | - | - | - | - | - | - | - |
| A 1 SUP | 320 | - | - | - | - | 320 | 310 | 317 | 301 |
| A 1 SPEC | - | - | - | - | - | - | - | - | - |

Source: Average actual prices received from exporters,
Exchange rate: 34.8 baht/U.S.\$

Market Tone

Domestic and export prices continued to increase by 5-10 percent due to tight exportable supplies. The continued increase reflected the ongoing investigation of the second government stock release, made on November 28, for 0.6 million tons of 5% grade white rice from MY2007/08 second crop and 0.4 million tons of 25% grade white rice of old crops. Exporters who won the tender are facing difficulties in fulfilling the contracts as the new Government has frozen the delivery of the government stocks for two weeks. Most contracts were concluded at much lower than current market prices.

Meanwhile, parboiled rice exporters are aggressively fulfilling shipments to African countries. Many vessels have arrived at Thai ports as shipment costs are current low due to declining world oil prices. Farm-gate prices for white rice paddy are reportedly increasing and are edging closer to current intervention prices. Exporters will likely remain cautious in their quotations over the next couple of weeks while domestic prices are bullish.

The current 2008/09 main-crop intervention program has absorbed nearly 4 million tons of paddy valued at 35 - 36 billion baht (\$1 billion). The Government expects the program reach the target of 8.0 million tons by the end of February 2009.

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) | % |
| 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 |
| Dec 14 | 91,039 | 66,475 | 7,263 | 6,162 | 18.0 |
| Dec 21 | 84,971 | 74,891 | 7,348 | 6,368 | 15.4 |
| Dec 28 | 104,710 | 87,246 | 7,453 | 6,570 | 13.4 |
| Dec 31 | 16,694 | - | 7,470 | 6,597 | 13.2 |
| Jan 4 | 3,295 | - | 3 | 58 | -94.3 |
| Jan 11 | 87,324 | - | 91 | 220 | -58.9 |

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. 5-11, 2009 totaled 87,324 tons, up 84,030 tons from the previous week. Exports during Jan. 1 – 11 totaled 90,619 tons, as compared with 220,360 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1 – Dec. 31, 2008, amounted to 10,015,763 tons, up 4.8 percent from 9,557,382 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Dec. 22-26, Dec. 29-31, 2008, and Jan. 5-9, 2009 are as follows:

| Movement (MT) | Dec. 22-26 | Dec. 29-31 | Jan. 5-9 |
|--------------------|------------|------------|----------|
| Weekly sales | 63,287 | 39,017 | 122,342 |
| 4 week sum | 301,966 | - | - |
| 4 week mov. avg. | 75,492 | - | - |
| Total weekly sales | 6,683,517 | 6,722,534 | 122,342 |

End of Report.