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Thailand

Grain and Feed

Weekly Rice Price Update

2009

Approved by:

Gary Meyer, Agricultural Counselor
U.S. Embassy

Prepared by:

Ponnarong Prasertsri, Agricultural Specialist, Maysa Kunasirirat, Agricultural Assistant

Report Highlights:

Export prices increased despite the Thai baht weakening to 35.5 baht. Export prices of Thai white rice are expected to increase over the next couple of months as Vietnam has implemented a rice export ban through June. However, traders do not expect rice prices to rise significantly as there are no indicators of panic among foreign buyers and there is a high level of awareness of Thai rice stocks. The MY2008/09 intervention program will finish on February 28 with an expected 6.0 million ton of paddy, which is below the original target of 8.0 million tons. Increased domestic prices since January and aggressive shipments of parboiled rice exports to African countries shifted rice from entering the program and into other markets.

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

Indicative Prices (Week Ending Feb. 23):

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	845	870	870	-	860	815	-	852	856
WR 100 B	610	635	630	-	635	600	620	622	611
PB 5%	-	-	650	-	635	640	600	631	621
WR 5%	580	605	600	-	600	570	600	593	586
WR 10%	550	-	-	-	-	563	-	557	544
WR 15%	500	-	-	-	-	530	-	515	505
WR 25%	470	-	-	-	-	475	-	473	463
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	310	340	-	-	330	325	-	326	302
A 1 SPEC	-	-	-	-	-	-	-	-	-

Source: Average actual prices received from exporters,
Exchange rate: 35.5 baht/U.S.\$

Market Tone

Export prices increased 2-8 percent, despite the Thai baht weakening to 35.5 baht/\$, in anticipation of tighter exportable supplies. The Vietnamese government recently announced a new rice export ban during February 21 – June 30, 2009. Vietnamese rice is reportedly over sold and domestic prices have been increasing since January. With Vietnam exiting the market, Thai white rice export prices are expected to increase over the next couple of months. However, traders do not expect rice prices to rise significantly as there are no indicators of panic among foreign buyers and there is a high level of awareness of Thai rice stocks. Buyers are reportedly concerned over the current lack of available credit associated with the global economic recession.

The Indian Government is expected to remove its export ban after the general election in the coming months. At the moment, enquiries for Thai white rice are quiet as prices remain high at over \$600/ton. Almost all shipments of parboiled rice to African countries have reportedly been fulfilled. Some exporters continue to keep their white rice quotations unchanged from the previous weeks as they await full implementation of the Vietnamese rice export ban.

The MY2008/09 intervention program will finish on February 28 with an expected 6.0 million ton of paddy, which is below the original target of 8.0 million tons. Increased domestic prices since January and aggressive shipments of parboiled rice exports to African countries shifted rice from the program and into other markets. So far, the program has absorbed 5.7 million tons of paddy valued at 60 billion baht (\$1.7 billion), of which 2.8 million tons are white rice paddy, and approximately 2.3 million tons are fragrant rice paddy. The remainder is glutinous and Pathumthani rice. Last week, the Government announced the MY2008/09 second crop intervention program will begin on March 16 and finish by July 31, 2009, with a target of 2.5 million tons of paddy. Intervention prices will likely be set at 10,000 – 12,000 baht/ton (\$282-\$338/MT). Thus far, total outstanding rice stocks have reached 6.0 million tons, of which 2.3 million tons are old-crop intervention stocks, and the balance are current MY2007/08 main crop. The rumored intervention stock release will unlikely occur soon, but remains possible in the coming months after exporters have delivered all stocks from November 2008 tenders. At the

moment, around 60 percent of the government tendered rice has been delivered to domestic and export markets.

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)	%
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
Jan 18	127,646	-	218	379	-42.2
Jan 25	141,973	90,060	360	557	-35.3
Feb 1	73,513	107,614	434	739	-41.3
Feb 8	116,472	114,901	550	915	-39.9
Feb 15	113,467	111,357	664	1,110	-40.2
Feb 22	122,972	106,606	787	1,293	-39.2

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 Feb. 16-22, 2009 totaled 122,972 tons, up 9,504 tons from the previous week, and up 16,365 tons from the four-week moving average of 106,606 tons. Exports during Jan. 1- Feb. 22 totaled 786,663 tons, as compared with 1,293,460 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- Feb. 20, 2009, amounted to 1,113,641 tons, down 34.2 percent from 1,693,145 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Jan. 26-30, Feb. 9-13, and Feb. 16-20, 2009 are as follows:

Movement (MT)	Feb. 2-6	Feb. 9-13	Feb. 16-20
Weekly sales	82,972	174,370	142,088
4 week sum	502,854	517,761	508,130
4 week mov. avg.	125,714	129,440	127,032
Total weekly sales	625,196	799,566	941,654

End of Report.