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Thailand

Grain and Feed

Weekly Rice Price Update

2009

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Report Highlights:

Despite an increase in domestic prices by 3-10 percent, export prices of white rice remained flat as the Thai baht weakened to 36.0 baht/\$ from 35.5 baht/\$ in the previous week. Thai rice prices will likely remain high as the government intervention program for the MY2008/09 second crop will begin on March 16, 2009 and is expected to keep the intervention prices 20-30 percent higher than market prices. Rumors of Thai-Vietnamese cooperation on rice are expected to be limited to information and technology exchanges. The next meeting on bilateral rice cooperation will be in Vietnam later this month and will attempt to develop a memorandum of understanding (MOU) for signature by mid 2009.

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

Indicative Prices (Week Ending Mar. 2):

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	860	870	870	-	870	840	-	862	852
WR 100 B	610	635	630	-	635	600	610	620	622
PB 5%	-	-	650	-	635	635	600	630	631
WR 5%	585	605	600	-	600	570	590	592	593
WR 10%	550	-	-	-	-	563	-	557	557
WR 15%	510	-	-	-	-	535	-	523	515
WR 25%	480	-	-	-	-	470	-	475	473
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	330	340	-	-	330	330	-	333	326
A 1 SPEC	-	-	-	-	-	-	-	-	-

Source: Average actual prices received from exporters,
Exchange rate: 36.0 baht/U.S.\$

Market Tone

Despite an increase in domestic prices by 3-10 percent, export prices of white rice remained flat as the Thai baht weakened to 36.0 baht/\$ from 35.5 baht/\$ in the previous week. Millers offered higher domestic prices in anticipation of the upcoming Japan rice tender expected sometime this month. Last year, Japan imported 213,290 tons of Thai rice, nearly half of which are 100% grade white rice. However, aflatoxin contamination found in last year's shipment will be a major concern among exporters wanting to participate in this year's tender. New inquiries for Thai white rice are reportedly quiet despite the Vietnamese rice export ban as Thai rice prices are considered by many buyers as too high.

Current exportable supplies of Thai white rice are limited as new second crop harvest will enter the market by the end of this month. However, Thai rice prices will likely remain high as the government intervention program for the MY2008/09 second crop will begin on March 16, 2009 and is expected to keep the intervention prices 20-30 percent higher than market prices. In addition, exporters feel Thai-Vietnamese rice cooperation will be limited to information and technology exchanges. The next meeting on bilateral rice cooperation will be in Vietnam later this month and will attempt to develop a memorandum of understanding (MOU) for signature by mid 2009.

The MY2008/09 main-crop intervention program finished on February 28, 2009 with approximately 6.0 million ton of paddy valued at 61 billion baht (\$1.7 billion), far below the target of 8.0 million tons due to the increased domestic prices in early 2009 and strong export demand for parboiled rice. Of the 6.0 million tons of paddy, 3.0 million tons are white rice paddy, and around 2.0 million tons are fragrant rice paddy, and the balance are glutinous and Pathumthani rice paddy. Thus far, total outstanding rice stocks have reached 6.2 million tons, of which 2.3 million tons are old-crop intervention stocks, and the balance are current MY2007/08 main crop. Exporters anticipate an old-crop intervention stock release by May when MY 2008/09 second crop harvest finishes.

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 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
Mar 1	95,657	112,142	882	1,493	-40.9

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 Feb. 23 – Mar. 1, 2009 totaled 95,657 tons, down 27,314 tons from the previous week, and down 16,485 tons from the four-week moving average of 112,142 tons. Exports during Jan. 1- Mar. 1 totaled 882,321 tons, as compared with 1,492,993 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 Feb. 9-13, Feb. 16-20, and Feb. 23-27, 2009 are as follows:

Movement (MT)	Feb. 9-13	Feb. 16-20	Feb. 23-27
Weekly sales	174,370	142,088	160,691
4 week sum	517,761	508,130	560,121
4 week mov. avg.	129,440	127,032	140,030
Total weekly sales	799,566	941,654	1,102,345

End of Report.