



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - Public distribution

Date: 3/24/2009

GAIN Report Number: TH9046

Thailand

Grain and Feed

Weekly Rice Price Update

2009

Approved by:

Gary Meyer, Agricultural Counselor
U.S. Embassy

Prepared by:

Ponnarong Prasertsri, Agricultural Specialist

Report Highlights:

Despite a 2-3 percent reduction in domestic prices, export prices were offered 2-4 percent higher, particularly for low-grade white rice, due to the strengthening Thai baht to 35 baht. Exporters expect fewer enquiries this week, particularly for white rice. Domestic prices should also feel downward pressure from the current MY2008/09 second-crop intervention which will absorb a maximum of 2.5 million tons of paddy. Anticipated second crop harvest is expected to reach 6-8 million tons of paddy. Because of the limited second-crop intervention program, there is some speculation that the Government will be forced to increase the target to 4.5 million tons to stabilize domestic prices from dramatically increased supplies.

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

Indicative Prices (Week Ending Mar. 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	865	870	870	870	870	825	-	862	860
WR 100 B	610	639	630	623	625	585	610	617	617
PB 5%	-	-	650	-	635	595	600	620	623
WR 5%	585	610	600	605	600	555	590	592	591
WR 10%	560	-	-	-	-	548	-	554	552
WR 15%	530	-	-	-	-	520	-	525	518
WR 25%	500	-	-	-	-	460	-	480	473
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	320	335	-	-	330	325	-	326	330
A 1 SPEC	-	-	-	-	-	-	-	-	-

Source: Average actual prices received from exporters,
Exchange rate: 35.0 baht/U.S.\$

Market Tone

Despite a 2-3 percent reduction in domestic prices, export prices were offered 2-4 percent higher, particularly for low-grade white rice, due to the strengthening Thai baht to 35 baht/\$, compared to 35.7 baht/\$ in the previous week. The stronger Thai baht and resulting higher export prices have reduced market opportunities for Thai rice exports. Exporters expect fewer enquiries this week, particularly for white rice. Meanwhile, domestic prices will likely trend downward in the following weeks when the second crop will be heavily harvested by the end of March. Domestic prices should also feel downward pressure from the current MY2008/09 second-crop intervention which will absorb a maximum of 2.5 million tons of paddy. Anticipated second crop harvest is expected to reach 6-8 million tons of paddy. Farmers' credit under the current intervention program is limited at 350,000 baht/farmer (\$10,000), down from 500,000 baht (\$14,300) in the previous program.

The current intervention program is set at 2.5 million tons of paddy and is valued at 36 billion baht (\$1.0 billion). The program will run March 16- July 31, 2009. Intervention prices were set at 10,800 – 12,000 baht/ton (\$309 - \$343) for white rice paddy, unchanged from the MY 2008/09 main-crop intervention prices and 20 percent higher than current market prices. The program will likely reach the target of 2.5 million tons as intervention prices remain quite attractive. Also, there is some speculation that the Government will be forced to increase the target to 4.5 million tons to stabilize domestic prices from dramatically increased supplies.

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)	%
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
Mar 8	100,463	108,140	983	1,680	-41.5
Mar 15	104,942	106,008	1,088	1,869	-41.8
Mar 22	82,621	95,921	1,170	2,075	-43.6

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 Mar. 16-22, 2009 totaled 82,621 tons, down 22,321 tons from the previous week, and down 13,300 tons from the four-week moving average of 95,921 tons. Exports during Jan. 1- Mar. 22 totaled 1,170,346 tons, as compared with 2,075,033 tons in the previous year.

According to the Department of Foreign Trade, Ministry of Commerce, total rice exports (including fragrant rice) during Jan. 1- Mar. 20, 2009, amounted to 1,782,604 tons, down 35.8 percent from 2,777,463 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Mar. 2-6, Mar. 9-13, and Mar. 16-20, 2009 are as follows:

Movement (MT)	Mar. 2-6	Mar. 9-13	Mar. 16-20
Weekly sales	84,054	169,579	86,147
4 week sum	561,203	556,412	500,471
4 week mov. avg.	140,301	139,103	125,118
Total weekly sales	1,186,399	1,355,978	1,442,125

End of Report.