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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH 1004 Domestic and export prices declined by 1-3 percent due to intervention stock release and a weakening Thai baht to 30.1 baht/\$. The government is releasing intervention stocks of 0.8 million tons at an average price of 12,600 baht/ton (\$420/MT) which is 10-15 percent lower than current market prices.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Jan. 10, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	985	-	1,035	-	980	1,050	-	1,013	1,023
WR 100 B	515	-	550	-	530	530	520	529	544
PB 100%	525	-	545	-	530	530	530	532	535
PB 5%	520	-	535	-	525	525	525	526	529
WR 5%	500	-	530	-	510	510	510	512	526
WR 10%	485	-	520	-	500	505	-	503	519
WR 15%	470	-	500	-	-	495	-	488	507
WR 25%	460	-	470	-	-	470	-	467	473
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	395	-	415	-	395	400	-	401	400
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.10 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices declined by 1-3 percent due to intervention stock release and a weakening Thai baht to 30.1 baht/\$, compared to 29.85 in the previous week. The government is releasing intervention stocks of 0.8 million tons (mostly white rice) to the top three rice exporters at an average price of 12,600 baht/ton (\$420/MT) which is 10-15 percent lower than current market prices. The government has released 4-5 million tons (out of total intervention stocks of 5-6 million tons) since July 2010. The remainder of the approximately 1.0 million tons will be kept as safety stocks for food security purposes. Meanwhile, foreign buyers made few enquiries for Thai white rice as they expect bumper new-crop supplies of Vietnamese rice in the upcoming second-crop harvest due in a couple of months.

The government's weekly benchmark price for white rice for January 10-16, 2011 declined by 1.1 percent. As such, farmers will receive higher compensation compared to the previous week. Farmers that sell their supplies this week will not attain insurance price as compensation will fall short due to higher benchmark price over market prices.

Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

	Rice paddy				
	Fragrant rice (Hommali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) ^{a/}	14	16	25	16	25
2. Insured prices (Baht/ton) ^{a/}	15,300	14,300	11,000 ^{d/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/ c/}					
Dec 13-19	13,742	13,317	11,464	14,518	8,954
Dec 20-26	13,539	13,139	11,070	13,876	8,904
Dec 27, 2010 - Jan 2, 2011	13,295	12,873	10,657	14,002	8,769
Jan 3 - 9	13,108	12,878	10,442	13,942	8,636
Jan 10-16	13,080	12,849	10,390	13,927	8,537
4. Compensation (1-2), (Baht/ton)					
Dec 13-19	1,558	983	-	-	1,046
Dec 20-26	1,761	1,161	-	-	1,096
Dec 27, 2010 - Jan 2, 2011	2,005	1,427	343	-	1,231
Jan 3-9	2,192	1,422	558	-	1,364
Jan 10-16	2,220	1,451	610	-	1,463
5. Market prices (Baht/ton)					
Dec 13-19	14,250	13,500	10,800	14,500	8,950
Dec 20-26	13,750	13,500	10,600	14,500	8,850
Dec 27, 2010 - Jan 2, 2011	13,975	13,500	10,500	15,000	8,650
Jan 3-9	13,750	13,400	10,500	14,500	8,500
Jan 10-16 ^{f/}	13,750	13,000	10,500	15,000	8,350

Note:

^{a/} Cabinet approval on
Sep. 22, 2009

^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week

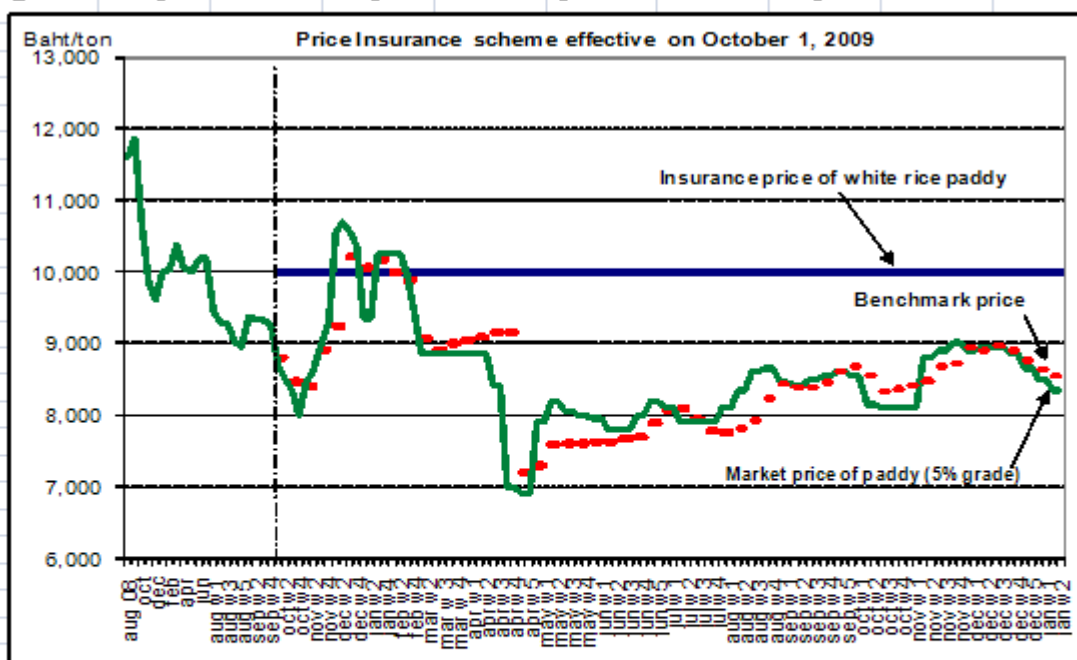
in Bangkok.

^{d/} The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 tons/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010

^{e/} The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 crop.

^{f/} As of Jan 10, 2011

Figure 1: Comparison of market price, insurance price, and benchmark price



Note: 1/ Benchmark prices are average historical wholesale prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

^{a/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 15th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

^{b/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for January 3-9, 2011 totaled 186,924 tons. Exports of white rice and parboiled rice during January 1 – 9, 2011 totaled 190,524 tons, up 81.8 percent from 104,819 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – December 31, 2010 amounted to 9.03 million tons (valued at \$5.3 billion), up 5.1 percent from 8.59 tons (valued at \$5.0 billion) in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
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	(MT)	(MT)	(TMT)	(TMT)	(%)
Nov 7	151,009	160,340	5,309	5,121	3.7
Nov 14	176,449	167,432	5,486	5,234	4.8
Nov 21	166,973	167,602	5,653	5,345	5.8
Nov 28	158,089	163,130	5,811	5,425	7.1
Dec 5	154,521	164,008	5,965	5,500	8.5
Dec 12	154,966	158,637	6,120	5,614	9.0
Dec 19	191,645	164,806	6,312	5,742	9.9
Dec 26	181,514	170,662	6,493	5,852	10.6
Dec 31	155,420	170,886	6,649	5,896	12.8
Jan 2, 2011	3,600	-	4	1	260.0
Jan 9	186,924	-	191	105	81.8

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.

Source: Board of Trade of Thailand

Table 4: Weekly private registered rice export sales			
Movement (MT)	Dec 20-24	Dec 27-31 (Revised)	Jan 3-7
Weekly sales	198,000	212,430	131,948
4 week sum	871,179	903,709	-
4 week mov. avg.	217,795	225,927	-
Year-to-date sales	7,532,431	7,744,861	131,948

End of report.