



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - Public distribution

Date: 12/23/2008

GAIN Report Number: TH8210

Thailand

Grain and Feed

Weekly Rice Price Update

2008

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Report Highlights:

Domestic and export prices increased by 3-5 percent as exporters are beginning to source new-crop rice to fulfill shipments of white rice to Japan as well as outstanding contracts of parboiled rice to Middle Eastern and African countries. On December 22, the newly formed Cabinet was approved by the King. Traders anticipate the new Minister of Commerce will not immediately change current policies regarding the rice intervention program. Thus far, the Government has absorbed 2.2 million tons of paddy under the current main-crop intervention program and expects to absorb up to the targeted 8.0 million tons by the end of February 2009.

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

Indicative Prices (Week Ending Dec. 22):

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	770	785	785	-	760	740	-	768	759
WR 100 B	555	570	565	540	540	540	530	549	536
PB 5%	-	580	560	540	540	555	510	548	533
WR 5%	525	560	555	530	530	510	520	533	520
WR 10%	510	-	-	-	-	503	-	507	490
WR 15%	455	-	-	-	-	480	-	468	458
WR 25%	425	-	-	-	-	420	-	423	413
WR 35%	-	-	-	-	-	-	-	-	-
A 1 SUP	280	-	-	-	270	295	280	281	276
A 1 SPEC	-	-	-	-	-	-	-	-	-
Source: Average actual prices received from exporters, Exchange rate: 34.0 – 34.3 baht/U.S.\$									

Market Tone

Domestic and export prices increased by 3-5 percent as exporters are beginning to source new-crop rice to fulfill shipments of white rice to Japan as well as outstanding contracts of parboiled rice to Middle Eastern and African countries. Meanwhile, supplies of new-crop white rice are limited as many millers have reportedly stopped milling, particularly during the new-year holiday season when exports slow down considerably.

On December 22, the newly formed Cabinet was approved by the King. Traders anticipate the new Minister of Commerce will not immediately change current policies regarding the rice intervention program. Thus far, the Government has absorbed 2.2 million tons of paddy under the current 2008/09 main-crop intervention program valued at 16 billion baht (\$466 million). The Government expects more harvest of white rice paddy next month with the intervention program expected to absorb up to the targeted 8.0 million tons by the end of February 2009. Current market prices of paddy are approximately 20 percent lower than intervention prices due to the recent old-crop stock release and ongoing competition from Vietnam. In addition, the Thai baht strengthened to 34.3 baht/USD, compared to 34.6 baht/USD in the previous week. Export prices will likely stay at current levels through the end of the year.

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)	%
Oct 26	71,415	97,279	6,773	4,807	41.0
Nov 2	54,637	64,757	6,754	5,005	36.4
Nov 9	81,977	85,252	6,836	5,209	31.2
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

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 Dec. 15-21, 2008 totaled 84,971 tons, down 6,068 tons from the previous week, and up 10,081 tons from the four-week moving average of 74,891 tons. Exports during Jan. 1 – Dec. 21, 2008 totaled 7,348,350 tons, as compared with 6,367,965 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. 19, 2008, amounted to 9,782,044 tons, up 7.1 percent from 9,133,226 tons in the previous year.

Weekly Rice Sales

Private registered rice export sales for the period of Dec. 1-5, Dec. 8-12, and Dec. 15-19, 2008 are as follows:

Movement (MT)	Dec. 1-5	Dec. 8-12	Dec. 15-19
Weekly sales	64,284	90,756	83,639
4 week sum	211,938	271,899	324,860
4 week mov. avg.	52,985	67,975	81,215
Total weekly sales	6,445,835	6,536,591	6,620,230

End of Report.