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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0150 Domestic and export prices increased by 2.0 – 4.0 percent due to concerns over flooding in rice growing areas. The damage is expected at around 0.7 - 0.8 million rai (0.1 million hectares). Most exporters still believe the impact of the damage will be marginal, particularly for white rice. In addition, the government still has an outstanding intervention stock of approximately 4.0 million tons.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Nov. 1, 2010

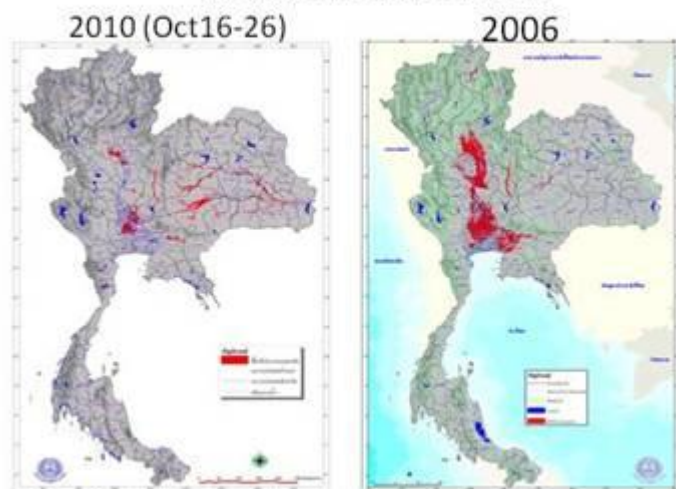
Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR								1,095	
100 B	1,080	-	1,145	-	1,100	1,055	-		1,095
WR									
100 B	505	-	510	-	505	510	505	507	501
PB									
100%	525	-	570		550	535	510	538	537
PB 5%	520	-	560	-	545	530	505	532	530
WR									
5%	485	-	495	-	485	490	500	491	488
WR									
10%	480	-	480	-	480	-	-	480	473
WR									
15%	475	-	470	-	-	-	-	473	465
WR									
25%	460	-	460	-	-	465	-	462	458
WR									
35%	-	-	-	-	-	-	-	-	-
A1									
SUP	415	-	440	-	430	425	-	428	428
A1									
SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 29.8 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices increased by 2.0 – 4.0 percent due to concerns over flooding in rice growing areas of which the damage has not been finalized. Water is receding in many areas. According to the preliminary estimate of the Office of Agricultural Economics of Ministry of Agriculture and Cooperatives, total flooded areas in rice growing areas caused by heavy rain in October 2010 were 1.9 million rai (0.3 million hectares). Damage is expected in around 0.7 - 0.8 million rai (0.1 million hectares), particularly in the river basin of lower northeast which is a white rice, glutinous rice and fragrant rice growing area where the water receded unusually slowly as rainfall was 10-15 percent higher than the previous record. Most exporters still believe the impact of the damage will be marginal, particularly for white rice. In addition, the government still has an outstanding intervention stock of approximately 4.0 million tons (mostly white rice) as the last stock release approval of 2.0 million tons in October has been canceled. The retender is unlikely until the flooding damage is finalized.

**Flooding areas in 2010 VS 2006
(as indicated in red color)**



Source: Office of Agricultural Economics

The weekly benchmark price for white rice for November 1 - 7 increased by 0.7 percent. As such, farmers will receive lower compensation compared to the previous week.

Table 2: Price Insurance Scheme for MY2009/2010 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/}					
Oct 4-10 ^{e/}	14,921	14,083	11,418	15,780	8,687
Oct 11-17	14,643	14,013	11,432	15,755	8,551
Oct 18-24	14,530	13,956	11,242	15,732	8,318
Oct 25-31	14,372	13,952	11,212	15,746	8,357
Nov 1-7	14,278	13,934	11,211	15,752	8,414
4. Compensation (1-2), (Baht/ton)					
Oct 4-10	379	217	-	-	1,313
Oct 11-17	657	287	-	-	1,449
Oct 18-24	770	344	-	-	1,682

Oct 25-31	928	348	-	-	1,643
Nov 1-7	1,022	366	-	-	1,586
5. Market prices (Baht/ton)					
Oct 4-10	15,250	13,500	11,300	18,000	8,550
Oct 11-17	15,250	13,500	11,300	18,000	8,150
Oct 18-24	15,250	13,500	11,300	18,000	8,100
Oct 25-31	15,250	13,500	11,300	18,000	8,100
Nov 1-7 ^{f/}	15,250	13,500	11,300	18,000	8,000

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.

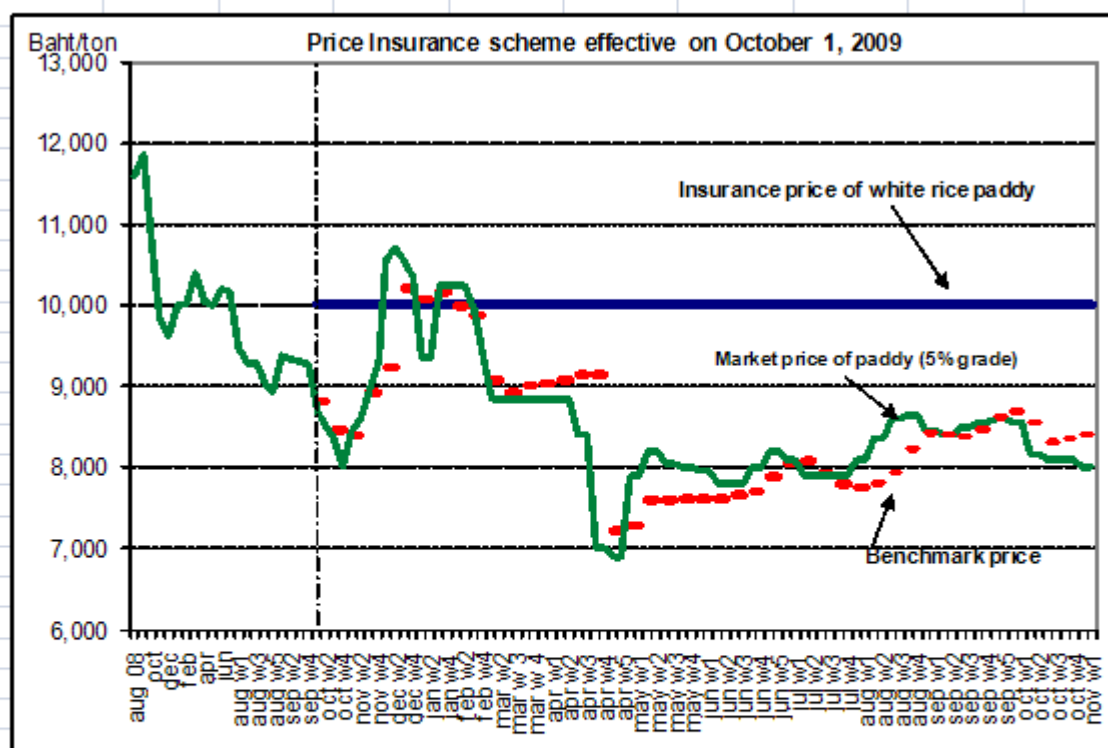
^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

^{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 Nov. 1, 2010

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.

2/ 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.

3/ 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 October 25-31, 2010 totaled 175,976 tons, up 9,681 tons from the previous week, and up 18,747 tons from the four-week moving average of 157,229 tons. Exports of white rice and parboiled rice during January 1 – October 31, 2010 totaled 5,158,082 tons, up 2.6 percent from 5,027,391 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – October 28, 2010 amounted to 6,896,840 tons, down 3.3 percent from 7,131,806 tons 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)	(%)
Aug 22	85,682	89,824	3,668	3,823	-4.0
Aug 29	136,724	95,433	3,805	3,960	-3.9
Sep 5	107,793	102,461	3,913	4,063	-3.7
Sep 12	144,218	118,605	4,057	4,197	-3.3
Sep 19	147,715	134,113	4,205	4,336	-3.0
Sep 26	165,570	141,324	4,370	4,459	-2.0
Oct 3	158,804	154,077	4,529	4,557	-0.6
Oct 10	136,566	152,164	4,666	4,666	0.0
Oct 17	150,078	152,755	4,816	4,762	1.1
Oct 24	166,295	152,936	4,982	4,905	1.6
Oct 31	175,976	157,229	5,158	5,027	2.6

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.

Source: Board of Trade of Thailand

Table 4: Weekly private registered rice export sales			
Movement (MT)	Oct 11-15	Oct 18-22 (Revised)	Oct 25-29 (Preliminary)
Weekly sales	214,341	127,926	89,094
4 week sum	709,525	641,443	620,423
4 week mov. avg.	177,381	160,361	155,106
Year-to-date sales	5,556,116	5,684,042	5,819,258

End of report.