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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1030 Domestic and export prices of most grades of rice continued to decline at the same 1 – 3 percent rate as last week due to fewer enquiries from foreign buyers. Meanwhile, the Cabinet approved on March 8, 2011 to raise the insurance prices for MY2010/11 second-crop by 5-10 percent, together with an increase in the eligible tonnage to 30 tons/farm household.

Post:
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Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Mar 14, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	920	-	970	-	900	910	-	925	928
WR 100 B	500	-	535	-	530	505	510	516	519
PB 100%	510	-	530	-	520	510	510	516	520
PB 5%	505	-	520	-	510	505	505	509	514
WR 5%	485	-	510	-	510	490	500	499	502
WR 10%	480	-	500	-	505	487	-	493	496
WR 15%	475	-	480	-	-	480	-	478	480
WR 25%	460	-	460	-	-	460	-	460	462
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	410	-	420	-	410	415	-	414	416
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.25 baht/U.S.\$

Source: Average actual prices received from exporters

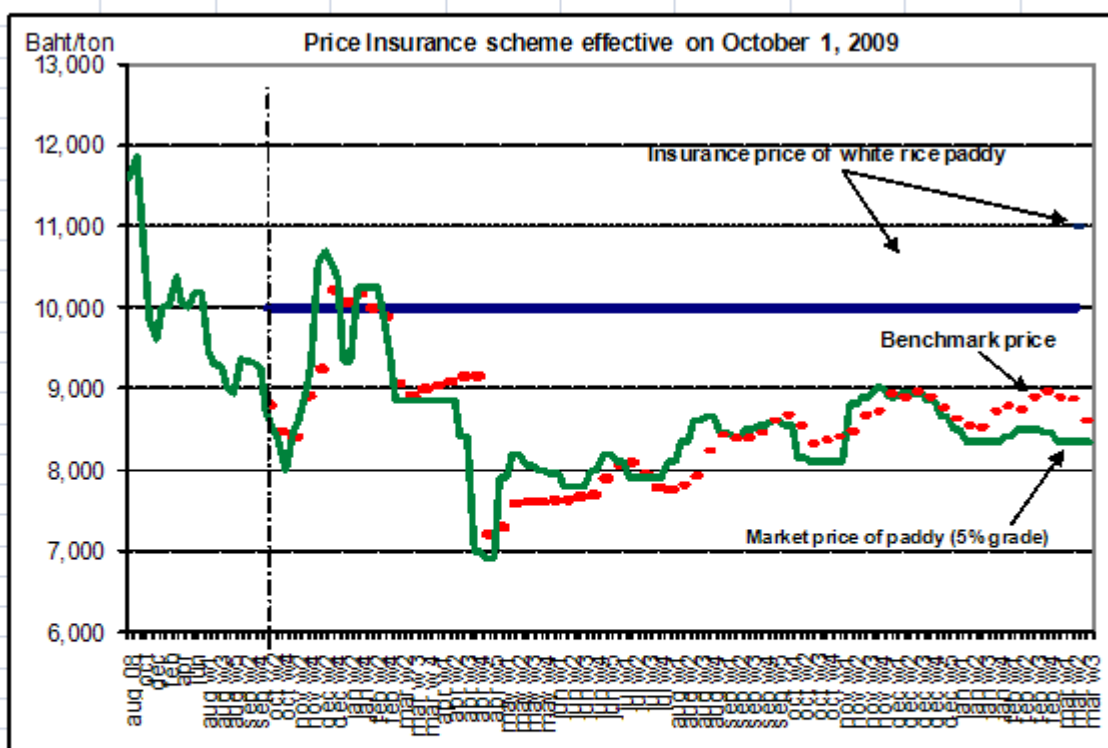
Domestic and export prices of most grades of rice continued to decline at the same 1 – 3 percent rate as last week due to fewer enquiries from foreign buyers. They are reportedly placing orders for Vietnamese rice which are presently offered \$50/MT lower than Thai rice. Meanwhile, the Cabinet approved on March 8, 2011 to raise the insurance prices of MY2010/11 second-crop by 5-10 percent, together with an increase in the eligible tonnage to 30 tons of paddy/farm household from 25 tons/household for all grades of white rice, glutinous rice and Pathum fragrant rice. The increase was necessary to guarantee farmers' profit margins at 30-40 percent since production cost is approximately 20 percent higher than the previous year's level. In addition, the government will implement the Direct Purchase program this week in order to buy second-crop paddy at the benchmark prices with the target of 2.0 million tons of paddy. The government hopes the program will help stabilize domestic prices which are under downward pressure as new-crop supplies are coming into market.

The government's weekly benchmark price for white rice for March 14-20, 2011 declined 2.9 percent. As such farmers will receive higher compensation, compared to the previous week. In addition, higher compensation reflected the cabinet approval on March 8, 2011 to raise insurance prices for MY2010/11 second-crop. However, farmers that sell their supplies this week will not attain insurance prices, 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 (Hommati)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household)	14	16	30 ^d	30 ^d	30 ^d
2. Insured prices (Baht/ton)^{e/}	15,900	14,900	11,500	10,000	11,000
3. Benchmark prices (Baht/ton)^{d/}					
Feb 14-20	13,110	12,822	10,925	14,385	8,909
Feb 21-27	13,108	12,789	10,976	14,421	8,969
Feb 28-Mar 6	13,040	12,654	10,901	14,601	8,900
Mar 7-13	12,641	12,968	10,990	15,064	8,871
Mar 14-20	12,470	12,125	10,293	15,239	8,612
4. Compensation (1-2), (Baht/ton)					
Feb 14-20	2,190	1,478	75	-	1,091
Feb 21-27	2,192	1,511	24	-	1,091
Feb 28-Mar 6	2,260	1,646	99	-	1,100
Mar 7-13	2,699	1,932	490	-	1,129
	2,890	2,175	1,207	-	2,388
5. Market prices (Baht/ton)					
Feb 14-20	13,750	13,500	10,900	15,000	8,500
Feb 21-27	13,450	12,900	10,500	15,500	8,450
Feb 28-Mar 6	12,950	12,450	10,900	16,500	8,950
Mar 7-13	12,550	12,950	10,500	16,500	8,950
Mar 14-20 ^f	12,450	12,250	10,900	16,500	8,950
Note:					
^{d/} Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 tons/household for MY2010/11 off-season crop					
^{e/} 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 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.					
^{d/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.					
^{e/} The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 baht/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 season-crop Pathum Fragrant rice were revised up again to 11,500 baht/ton, effective Mar. 16, 2011. Also, those of white rice were raised from 10,000 baht/ton to 11,000 baht/ton, and glutinous rice from 9,500 baht/ton to 10,000 baht/ton.					
^{d/} The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.					
^{f/} As of Mar. 14, 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.

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 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 March 7-13, 2011 totaled 232,443 tons, down 3,257 tons from the previous week, and up 21,165 tons from the four week moving average of 211,021 tons. Exports of white rice and parboiled rice during January 1 – March 13, 2011 totaled 1,990,699 tons, up 54.6 percent from 1,287,655 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – March 10, 2011 amounted to 2,299,200 tons, up 36.4 percent from 1,685,551 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
	(MT)	(MT)	(TMT)	(TMT)	(%)
Jan 2, 2011	3,600	-	4	1	260.0

Jan 9	186,924	-	191	105	81.8
Jan 16	198,541	-	389	272	42.8
Jan 23	179,423	-	568	420	35.3
Jan 30	166,781	182,917	735	525	40.2
Feb 6	197,142	185,472	932	620	50.4
Feb 13	214,204	189,387	1,147	746	53.6
Feb 20	188,985	191,778	1,336	880	51.8
Feb 27	187,469	196,950	1,523	1,032	47.6
Mar 6	235,443	206,525	1,759	1,171	50.2
Mar 13	232,186	211,021	1,991	1,288	54.6

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)	Feb 21-25 (revised)	Feb 28 - Mar. 4	Mar. 7-11 (Preliminary)
Weekly sales	308,807	N.A.	169,083
4 week sum	932,125	N.A.	875,514
4 week mov. avg.	233,031	N.A.	218,879
Year-to-date sales	1,782,726	N.A.	1,951,809

End of report.