

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Required Report - public distribution

**Date:** 6/21/2011

**GAIN Report Number:** TH1081

## Thailand

### Rice Price - Weekly

#### Weekly Rice Price Update

**Approved By:**

Orestes Vasquez  
Agricultural Attache

**Prepared By:**

Ponnarong Prasertsri  
Agricultural Specialist

**Report Highlights:**

TH1081 Domestic and export prices increased significantly by 3-7 percent despite continued weakening Thai baht to 30.40 baht/\$. This unusual price spike reflects aggressive speculative activities of millers/traders driven by political factors due to the upcoming election.

**Post:**  
Bangkok

**Author Defined:**  
**Market Tone**

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending June 20, 2011**

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	990	-	980	-	970	955	-	974	964
WR 100 B	545	-	550	-	545	540	550	546	527
PB 100%	540	-	520		550	540	550	540	525
PB 5%	535	-	515	-	545	535	545	535	520
WR 5%	530	-	540	-	525	520	540	531	509
WR 10%	520	-	530	-	515	515	-	520	494
WR 15%	510	-	520	-	-	510	-	513	489
WR 25%	495	-	-	-	-	485	-	490	469
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	425	-	435	-	430	425	-	429	430
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.40 baht/U.S.\$

Source: Average actual prices received from exporters

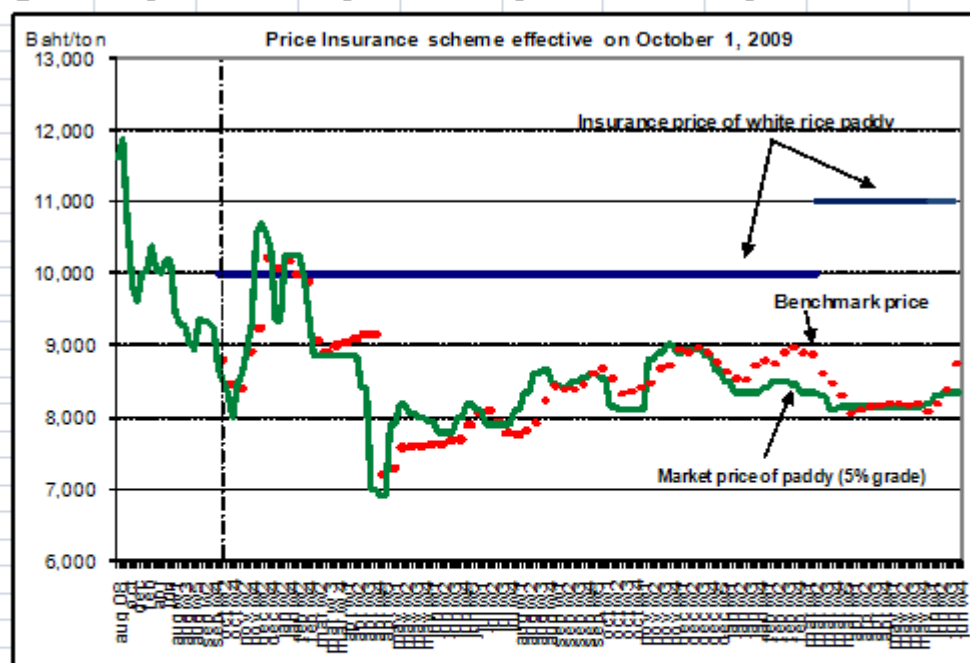
Domestic and export prices increased significantly by 3-7 percent despite continued weakening Thai baht to 30.40 baht/\$, as compared to 30.30 baht/\$ in the previous week. This unusual price spike reflected aggressive speculative activities of millers/traders driven by political factors. Millers/traders are holding on to stocks on the assumption that the domestic prices will likely double in the upcoming months due to the return of the “Paddy Mortgage Scheme”, as the Phua Thai Party has been campaigning on this platform and are expected to be the winners in the general elections on July 3. If Phua Thai wins and its promises hold, the “paddy Mortgage Scheme will replace the “Price Insurance Program” with prices far above market prices at 15,000 baht/MT (\$493/MT) for white rice paddy, as compared to current market price of approximately 8,500 baht/tons (\$280/MT). Presently, the government has got rid almost all of its old-crop intervention stocks to large exporters. Meanwhile, foreign buyers stay away from Thai rice as Vietnamese rice is \$50-60/MT cheaper.

The government’s weekly benchmark price for white rice for June 20-26 increased 4.2 percent. As such farmers will receive lower compensation compared to the previous week. Farmers that sell their supplies this week will not attain insurance prices as compensation will fall short due to higher

benchmark prices over market prices.

<b>Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop</b>					
	<b>Rice paddy</b>				
	<b>Fragrant rice (Hom Mali)</b>	<b>Provincial fragrant rice</b>	<b>Pathum fragrant rice</b>	<b>Glutinous rice</b>	<b>White rice</b>
<b>1. Eligible tonnage (ton/household)</b>	14	16	30 <sup>a</sup>	30 <sup>a</sup>	30 <sup>a</sup>
<b>2. Insured prices (Bht/ton)<sup>a</sup></b>	15,300	14,300	11,500	10,000	11,000
<b>3. Benchmark prices (Bht/ton)<sup>a</sup></b>					
May 23-29	-	12,500	9,044	13,837	8,183
May 30 - Jun 5	-	12,506	9,088	13,847	8,071
Jun 6-12	-	12,566	9,262	13,843	8,197
Jun 13-19	-	12,625	9,672	13,888	8,387
Jun 20-26	-	12,692	10,286	13,878	8,741
<b>4. Compensation (1-3), (Bht/ton)</b>					
May 23-29	-	1,800	2,456	-	2,817
May 30 - Jun 5	-	1,794	2,412	-	2,929
Jun 6-12	-	1,734	2,238	-	2,803
Jun 13-19	-	1,675	1,828	-	2,613
Jun 20-26	-	1,608	1,214	-	2,259
<b>5. Market prices (Bht/ton)</b>					
May 23-29	12,700	12,500	9,550	15,750	8,150
May 30 - Jun 5	12,700	12,500	9,550	15,750	8,200
Jun 6-12	12,825	12,600	9,550	15,750	8,300
Jun 13-19	12,825	12,600	9,550	16,250	8,350
Jun 20-26 <sup>b</sup>	13,448	12,600	9,550	16,750	8,350
<b>Note:</b>					
<sup>a</sup> Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 tons/household for MY2010/11 off-season crop					
<sup>a</sup> 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.					
<sup>a</sup> Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.					
<sup>a</sup> The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 baht/ton 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.					
<sup>a</sup> The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.					
<sup>b</sup> As of Jun 20, 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 for once a month on the 1st and 10th, 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. 28, 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) June 13-19, 2011 totaled 206,226 tons, down 29,682 tons from the previous week, and down 24,521 tons from the four week moving average of 230,747 tons. Exports of white rice and parboiled rice during January 1 – June 19, 2011 totaled 4,824,181 tons, up 75.2 percent from 2,753,523 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – June 9, 2011 amounted to 5,533,691 tons, up 53.1 percent from 3,613,464 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)	(%)
Apr 10	220,993	193,061	2,763	1,708	61.7
Apr 17	97,067	170,606	2,860	1,774	61.2
Apr 24	226,216	179,599	3,086	1,872	64.8
May 1	214,233	189,627	3,300	1,975	67.1
May 8	223,502	190,255	3,524	2,099	67.9
May 15	194,850	214,700	3,719	2,217	67.8
May 22	182,380	203,741	3,901	2,324	67.9
May 29	238,188	209,730	4,139	2,433	70.1
Jun 5	242,665	214,521	4,382	2,567	70.7
Jun 12	235,908	224,785	4,618	2,649	74.3
Jun 19	206,226	230,747	4,824	2,754	75.2
<i>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. FASBKK 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.</i>					
SOURCE: Board of Trade of Thailand					

Table 4: Weekly private registered rice export sales			
Movement (MT)	May 30 - Jun 3	Jun 6-10 (Revised)	Jun 13-17 (Preliminary)
Weekly sales	302,291	292,296	146,621
4 week sum	1,159,556	1,072,585	993,391
4 week mov. avg.	289,889	268,146	248,348
Year-to-date sales	4,915,623	5,207,919	5,354,540

End of report.