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GAIN Report

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Weekly Rice Price Update

Report Categories:

Grain and Feed

Approved By:

Gary Meyer, Agricultural Counselor

Prepared By:

Ponnarong Prasertsi, Agricultural Specialist

Report Highlights:

TH0002 Export prices changed insignificantly except 25% grade white rice for which prices offered were \$5-10/MT higher. Bi-weekly benchmark prices increased for January 1-15, 2010, resulting in no compensation for any rice grade.

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Jan. 4, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
FWR 100 B	1,000	-	990	-	1,000	970	-	990	988
WR 100 B	585	-	620	-	590	595	580	594	599
PB 100%	600	-	630	-	600	600	600	606	608
PB 5%	590	-	620	-	590	595	590	597	599
WR 5%	555	-	600	-	574	565	570	573	580
WR 10%	545	-	590	-	569	555	-	565	573
WR 15%	525	-	580	-	-	530	-	545	548
WR 25%	495	-	530	-	-	515	-	513	508
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	400	-	-	-	420	430	-	417	397
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 33.20 baht/U.S.\$

Source: Average actual prices received from exporters

Export prices for most grades of white rice changed insignificantly from the previous week as some foreign markets have not fully resumed from holidays. However, prices for low-grade white rice, particularly for 25% grade white rice, were offered \$5-10/MT higher as exporters are fulfilling Philippine shipments under contracts from tenders in November – December 2009. Thailand will likely provide 0.5 million tons of 25% grade white rice for January – May delivery.

The bi-weekly benchmark prices continued to increase for January 1-15, 2010, resulting in no compensation for any grade of rice (Table 2). In addition, domestic prices of white rice paddy remain higher than insured prices as millers and traders are aggressively holding paddy stocks while the Government remains uncertain in its stock release plan.

Further to the results of the stock release under the basis-bidding approach through Agricultural Future Exchange of Thailand (AFET) reported in our weekly rice report (TH9143, Sep 22, 2009), total release was finalized at 684,775 tons of which 321,467 tons were fragrant rice (MY2008/09 main crop), and 363,308 tons were white rice (MY2008/09 second crop). This amount of stock release has been reported in our estimated stock release in 2009 of 700,000 tons through AFET in our Lock-Up report (TH9184, Dec 4, 2009). The last bidding of the tender on 5% grade white rice in the amount of 293,425 tons on September 28, 2009 was cancelled due to concerns over the impact on domestic price while the government implementing new price insurance scheme, starting October 2009 (Table 3).

Table 2: Price Insurance Scheme for MY 2009/2010 rice crop

	Rice paddy				
	Fragrant rice (Hom mali)	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	10,000	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/}					
Oct. 1-15, 2009	14,986	13,899	9,896	7,523	8,806
Oct. 16-31, 2009	14,940	13,860	8,940	7,470	8,466
Nov. 1-15, 2009	14,840	13,729	9,175	7,680	8,389
Nov. 16-30, 2009	13,002	12,620	10,501	8,473	8,914
Dec. 1-15, 2009	13,720	13,388	10,565	9,591	9,242
Dec. 16-31, 2009	14,895	14,503	12,072	11,533	10,212
Jan. 1-15, 2010	15,369	14,757	12,198	11,706	10,072
4. Compensation (1-2), (Baht/ton)					
Oct. 1-15, 2009	314	401	104	1,977	1,194
Oct. 16-31, 2009	360	440	1,060	2,030	1,534
Nov. 1-15, 2009	460	571	825	1,820	1,611
Nov. 16-30, 2009	2,298	1,680	-	1,027	1,086
Dec. 1-15, 2009	1,580	912	-	-	758
Dec. 16-31, 2009	405	-	-	-	-
Jan. 1-15, 2010	-	-	-	-	-
5. Market prices (Baht/ton)					
Oct. 1-15	n.a.	n.a.	8,500	n.a.	8,600
Oct. 16-31	13,675	n.a.	8,575	n.a.	8,150
Nov. 1-15	14,075	14,000	9,775	8,800	8,525
Nov. 16-30	14,577	14,000	10,550	8,967	9,600
Dec. 1-15	15,125	14,000	12,050	11,500	10,738
Dec. 16-31	15,250	14,000	12,200	11,800	10,310

Note:

^{a/} Cabinet approval on Sep. 22, 2009^{b/} The benchmark prices will be published twice a month on the 1st and 16th, based on average historical wholesale prices of the last 15 days in Bangkok. These prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary of Ministry of Commerce.

Table 3 Result of the government rice stock tender in August - September 2009

Tender	Quality	Tender Amount by Delivery date							unit: ton
		Sep. 2009	Oct. 2009	Nov. 2009	Dec. 2009	Jan. 2010	Feb. 2010	Total	Release
#1 (Aug. 6)	Fragrant rice (100% B grade MY2008/09 maincrop)	100,008	98,340	101,614	-	-	-	299,962	199,855
#2 (Aug. 26)	Fragrant rice (retender)	-	50,676	49,431	-	-	-	100,107	90,687
	White rice (5% grade MY2008/09 second crop)	-	155,072	154,486	153,569	-	-	463,127	174,218
#3 (Sep. 7)	Fragrant rice (retender)	-	9,420	-	-	-	-	9,420	9,420
	White rice (retender)	-	46,261	118,742	123,906	-	-	288,909	189,090
#4 (Sep. 28)	Fragrant rice (100% B grade MY2008/09 maincrop)	-	-	44,138	-	-	-	44,138	21,905
	White rice (5% grade MY2008/09 second crop, including retender)	-	-	38,049	61,770	97,105	96,501	293,425	-
Grand Total		100,008	253,412	256,100	153,569	97,105	96,501	956,695	684,775

Source: Public Warehouse Organization, Ministry of Commerce

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for January 1- 3, 2010 totaled 1,000 tons, down significantly from the previous week's levels of 3,123 tons. Exports of white rice and parboiled rice during January 1 – December 31, 2009 totaled 5,895,795 tons, as compared with 7,469,526 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 25, 2009 amounted to 8,459,468 tons, down 15.0 percent from 9,911,093 tons in the previous year. The preliminary rice exports totaled 8.57 million tons in 2009, down 14.4 percent from 10.01 million tons in 2008.

Table 4: 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)	(%)
Oct 18	102,396	105,849	4,771	6,692	-28.7
Oct 25	145,259	113,002	4,916	6,771	-27.4
Nov 1	114,220	117,520	5,030	6,827	-26.3
Nov 8	93,983	113,965	5,124	6,908	-25.8
Nov 15	112,300	116,441	5,237	6,997	-25.2
Nov 22	113,768	108,568	5,350	7,047	-24.1
Nov 29	75,104	98,789	5,426	7,101	-23.6
Dec 6	80,501	95,418	5,506	7,170	-23.2
Dec 13	116,586	96,490	5,623	7,258	-22.5
Dec 20	120,454	98,161	5,743	7,348	-21.8
Dec 27	126,910	111,113	5,870	7,453	-21.2
Dec 31	25,812	97,440	5,900	7,470	-21.1
Jan 3	1,000	-	1	3	-68.0

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 5: Weekly private registered rice export sales

Movement (MT)	Dec. 14-18	Dec. 21-25	Dec. 28-31
Weekly sales	115,015	76,581	85,349
4 week sum	467,231	458,158	392,546
4 week mov. avg.	116,808	114,540	98,137
Total weekly sales	6,139,657	6,216,238	6,301,587

End of report