

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: 1/17/2012

GAIN Report Number: TH2004

Thailand

Rice Price - Weekly

Weekly Rice Price Update

Approved By:

John Wade Agricultural
Counselor

Prepared By:

Ponnarong Prasertsri
Agricultural Specialist

Report Highlights:

TH2004 Domestic and export prices further declined 2-4 percent from the previous week due to lack of enquiries. Millers are alarmed over the sluggish foreign demand as they are holding large stocks of parboiled and white rice. Presently, the difference between Thai rice prices and Indian and Vietnamese rice prices has gradually narrowed to around \$80/MT.

Post:
Bangkok

Author Defined:
Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Jan. 16, 2012

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,055	-	1,070	-	1,050	980	-	1,039	1,046
WR 100 B	550	-	550	-	545	535	550	546	562
PB 100%	520	-	530	-	540	525	540	531	550
PB 5%	515	-	520	-	530	530	530	525	545
WR 5%	520	-	530	-	540	520	540	530	548
WR 10%	515	-	-	-	530	515	-	520	538
WR 15%	-	-	-	-	-	-	-	-	533
WR 25%	-	-	-	-	-	-	-	-	528
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	500	-	-	-	515	510	-	508	515
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 31.6 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices further declined 2-4 percent from the previous week due to lack of enquiries. Millers are alarmed over the sluggish foreign demand as they are holding large stocks of parboiled and white rice, as a result from their speculative activities believing that the aggressive Paddy Mortgage Program would result in escalating world prices. In fact, domestic prices are higher than global prices and there is no demand for Thai rice. Presently, the difference between Thai rice prices and Indian and Vietnamese rice prices has gradually narrowed to around \$80/MT, compared to a \$100-170/MT difference in the past two months. As such, foreign buyers continue to purchase Indian and Vietnamese rice. This has prompted exporters to voice their concerns and have asked the Government to review its aggressive intervention program, if let unchanged it will likely result in a sharp reduction in rice exports to 7.0 million tons in 2012, as compared to 10.5 million tons in 2011. Moreover, in the worst case scenario, exports will likely decline to 6.5 million tons if India does not limit its non-basmati rice exports at 2.0 million tons.

Presently, the Government is holding old-crop intervention stocks of around 2.0 million tons. Meanwhile, the current Paddy Pledging Program has accepted a total of 5.3 million tons of paddy (3.5 million tons milled equivalent) from October 7, 2011 – January 15, 2012 (Table 2). This accounts for 23.5 percent of the expected total MY2011/12 main-crop production of 21-22 million tons of paddy (14.5 million tons milled equivalent). The Government expects the program will finally absorb only 7.0 million tons of paddy (4.6 million tons milled equivalent), by the end of the program in February 29, 2012, far below its initial target of 10.0 million tons of paddy.

Unit: Metric Ton							
Region	Number of Farmer	Amount of Paddy					
		Fragrant Rice			White Rice	Glutinous Rice	Total
		Homali	Provincial	Pathumthani			
North	269,510	279,067	253,013	2,790	1,178,791	164,207	1,877,858
Northeast	549,663	1,977,772	-	84	97,535	82,783	2,158,174
Central	141,144	-	62,203	12,208	1,153,373	-	1,227,784
Total	960,317	2,256,839	315,216	15,082	2,429,699	246,990	5,263,826

Note: As of October 7, 2011 - January 15, 2012

Source: Department of Internal Trade, Ministry of Commerce

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for January 9-15, 2012 totaled 104,079 tons, up 42,769 ton from the previous week. Exports of white rice and parboiled rice during January 1 – 15, 2012 totaled 116,489 tons, down 56.3 percent from 380,655 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – December 29, 2011 amounted to 10,518,891 tons, up 17.1 percent from 8,983,788 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)	(%)
Nov 6	74,610	85,813	7,711	5,302	45.5
Nov 13	81,265	82,412	7,793	5,471	42.4
Nov 20	79,201	80,041	7,874	5,643	39.5
Nov 27	78,832	78,477	7,951	5,796	37.2
Dec 4	81,073	80,093	8,032	5,961	34.7
Dec 11	56,254	73,840	8,088	6,113	32.3
Dec 18	67,397	70,889	8,155	6,303	29.4
Dec 25	77,227	70,488	8,233	6,475	27.1
Dec 31	57,810	64,672	8,291	6,649	24.7
Jan 1, 2012	1,100	-	1	2	-40.5
Jan 8	61,310	-	62	172	-63.6
Jan 15	104,079	-	166	381	-56.3

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/REK 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)	Dec 26-30, 2011 (Revised)	Jan 2-6, 2012 (Revised)	Jan 9-13, 2012 (Preliminary)
Weekly sales	85,752	73,615	203,266
4 week sum	335,425	-	NA
4 week mov. avg.	83,856	-	NA
Year-to-date sales	8,921,993	73,615	276,881

End of report