

Overview**Domestic Production Outlook**

Bangladesh Bureau of Statistics (BBS) finalized total food grains (Rice & Wheat) production for the fiscal year (FY) 2021-22 at 39.04 million metric ton (MMT). Crop specific achievements of production were 3 MMT of Aus, 14.96 MMT of Aman, 20 MMT of Boro and 1.08 MMT of wheat. The annual food grains production target for FY2022-23 has been set by the Ministry of Agriculture at around 42.73 MMT. The crop-specific targets are 3.69 MMT of Aus, 16.35 MMT of Aman, 21.53 MMT of Boro and 1.16 MMT of wheat. BBS has already finalized Aus rice production of FY 2022-23 at 2.90 mmt.

Food grains Import

Total import of food grains for the FY 2021-22 was 5.00 MMT, of which rice was 0.99 MMT and wheat was 4.01 MMT. As per revised budget of the FY 2022-23, the public sector budgeted importation of food grain has been fixed at 1.6 MMT, of which rice is 0.9 MMT and wheat is 0.7 MMT. Almost the entire amount of imported wheat will be used for satisfying the PFDS distribution requirement. Up to the 3rd quarter (July/22-Mar/23) of current fiscal year total foodgrain (public & private) import was 3.36 mmt

Domestic Food grains Procurement

During FY2021-22 public sector has procured about 2.02 MMT rice which is 39% higher compared to the previous fiscal year's actual internal procurement. According to the proposed revised food budget of the fiscal year 2022-23 the target of internal public rice procurement has been set at 1.7 MMT. Up to the 3rd quarter (July/22-Mar/23) of current fiscal year 1.13 mmt rice has been procured from last Boro and recently completed Aman season.

Public Food grains Distribution

Total food grains distribution through the public food distribution system (PFDS) during FY 2021-22 was 3.08 MMT which was a record in PFDS and it was 34% higher compared to the previous fiscal year's actual distribution. According to the revised budget of the fiscal year 2022-23 the target of total public food grain distribution has been set at 3.28 MMT, of which 2.58 MMT is rice and 0.70 MMT is wheat. Up to the 3rd quarter (July/22-Mar/23) of current fiscal year total food grains distribution was 2.14 mmt which was 65% of the revised budget.

Public Stock of Food grains

The opening public stock of food grain in March/2022 was 1.86 MMT. The average closing stock of food grain was about 1.58 MMT last fiscal year (2021-22). A reasonably high level of stock may be considered adequate to meet the requirements for PFDS operations in the coming months. To maintain a healthy stock in current fiscal year (2022-23) government has set up a satisfactory procurement plan from both internal and external sources. The public stock position of Mar/22 is 1.13 mmt higher than the same time of a year earlier.

Domestic Market Price

During the 3rd quarter i.e. from Jan/23 to Mar/23 of the FY 2022-23 the wholesale prices of rice and wheat price showed more or less stable trend. The nominal price of rice increased by 0.72% whilst the real price of rice and nominal and real price of wheat decreased by 0.98%, 3.16 and 4.80% respectively. On the other hand in this period, retail price of rice and atta decreased by 0.6% and 14.44% respectively.

International Production and Price Outlook

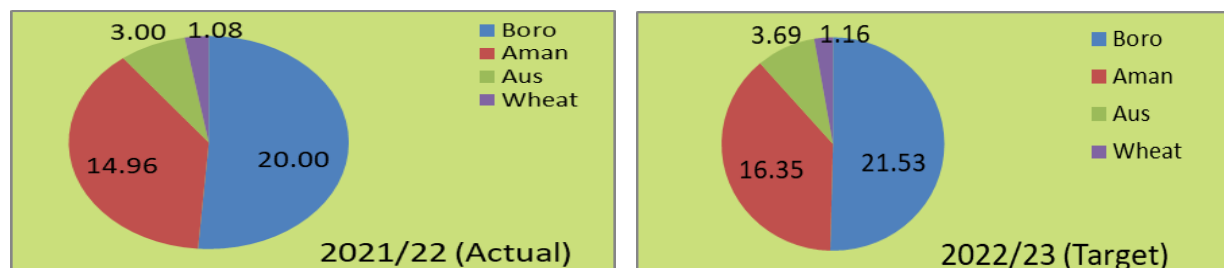
According to USDA report (March/23) global rice production showed a significant increase, largely driven by India's larger crop. During the third quarter from Jan-March/2023 FoB price of Thai 5% parboiled rice, Indian 5% parboil rice and Vietnamese 5% white rice price dropped \$22/ton, \$8/ton and \$10/ton respectively (Live Rice Index). On the other hand global wheat production around the world is expected to increase with larger crops in Kazakhstan, Australia, and India. Global trade is expected to rise with more exports from Kazakhstan, Australia, and Brazil, and decreased imports from Argentina and India. During the third quarter from Jan-March/2023 FoB price of Canada, Black Sea market and U.S. Soft Red Winter (SRW) quotes dropped by \$28/ton, \$10/ton and \$30/ton respectively (FPGA).

Domestic Food grains Availability

Domestic Food grains Production

Total food grains production in FY2021-22 was 39.04 MMT which was 2.5% higher than that of the previous fiscal year. Crop- specific achievements of production were 3 MMT of Aus, 14.96 MMT of Aman, 20 MMT of Boro and 1.08 MMT of wheat. The annual food grains production target for FY2022-23 has been set by the Ministry of Agriculture at around 42.73 MMT which is 4.96% higher than that of the previous fiscal year's actual production. The crop-specific targets are 3.69 MMT of Aus, 16.35 MMT of Aman, 21.53 MMT of Boro and 1.16 of Wheat. BBS has already finalized Aus rice production of FY 2022-23 at 2.90 mmt which is about 0.79 mmt less than targeted amount by Ministry of agriculture.

Figure 1: Annual foodgrain production (MMT) and crop-wise contribution



Food grains Import

Total import of food grains (public & private) for the FY 2021-22 was 5.00 MMT, of which rice was 0.99 MMT and wheat was 4.01 MMT. In FY2021-22 private sector imported 0.30 MMT rice and 3.47 MMT wheat and public sector imported 0.68 MMT rice and 0.55 MMT wheat. Government has reduced rice import duties up to 31st March/2023 aiming to increase national availability and price stabilization. As per revised budget of the FY2022-23 the public sector budgeted importation of food grains has been fixed for 1.6 MMT, of which rice is 0.9 MMT and wheat 0.7 MMT. Up to the 3rd quarter(July/22-Mar/23) of the current fiscal year total food grains import was 3.36 mmt in which 1.06 mmt rice and 2.30 mmt wheat. Wheat importation has been reduced 28% compare to same period of a year earlier.

Table 1: Food grains import (000 mt)

Category of import	Previous Import Figure			Q1	Q2	Fiscal Year 2022-23					Total Import (Budgeted & projected)
	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)			Arrival by Month				Q4	
						Jan	Feb	Mar	Total		
Rice											
GoB Com.	0	573	684	0	366	92	125	51	268	0	634
Food Aid	0	0	0	0	0	0	0	0	0	0	0
Private	4	786	304	140	161	109	4	0	113	0	414
Total Rice	4	1359	988	140	527	201	129	51	381	0	1048
Wheat											
GoB. Com.	368	479	546	37	371	95	70	84	249	23	680
Food Aid	69	0	0	0	0	0	0	0	0	0	0
Private	5998	4864	3466	332	552	149	307	304	760	856	2500
Total Wheat	6434	5343	4012	369	922	244	377	388	1009	879	3179
Food grains	6439	6702	5000	509	1449	445	506	439	1390	879	4227

Source-DG Food

Domestic Food grains Procurement

Actual rice procurement from internal sources by public sector during FY2021-22 was 2.02 MMT. According to the revised food budget of the current fiscal year the target of rice procurement has been set at 1.74 MMT. Public procurement from Aman 2022-23 season has been finished on 07 March 2023 of 0.47 thousand Aman paddy and 0.43 mmt Aman parboiled rice which in total equivalent to 0.433 mmt Aman in terms of rice. Up to the 3rd quarter (July/22-Mar/23) of current fiscal year 1.13 mmt rice has been procured from last Boro and recently completed Aman season. Government has plan to procure about 1.5 MMT rice and 0.1 MMT of wheat from upcoming season.

Public Food grains Distribution

Total food grains distribution through the Public Food Distribution System (PFDS) during FY 2021-22 was 3.08 MMT, which was a record in PFDS in Bangladesh against the revised target of 3.27 MMT set in the food budget. In the FY 2021-22 food grains distribution was 34.4% higher compare to the previous fiscal year's actual distribution which was a post covid-19 response to ensure access to food. During the last FY 2021-22 Public food distribution through the Open Market Sale (OMS) was highest (0.89 MMT), followed by the Food Friendly Programme (FFP) Essential Priorities (EP), Vulnerable Group Development (VGD), Vulnerable Group Feeding (VGF), Gratuitous Relief (GR), Hill traces (HT) and Food For Work (FFW) channels of PFDS (Table-2). According to the revised food budget of the FY 2022-23 the target of public food grain distribution under PFDS has been set at 3.28 MMT which is 6.6% higher than actual distribution of previous fiscal year. Up to the 3rd quarter (July/22-Mar/23) of current fiscal year total food grains distribution was 2.14 mmt which was 65% of revised budget. Government has expanded the OMS programme considering to price stability as well as economical access to food.

Table-2 Channel-wise distribution of food grains ('000' mt)

Offtake Categories	Channels of PFDS Offtake	FY 2019-20 (Actual)			FY 2020-21 (Actual)			Revised Budget 2022-23			FY 2022-23 Actual distribution (July/22 to Mar/23)		
		Rice	Wheat	Total	Rice	Wheat	Total	Rice	Wheat	Total	Rice	Wheat	Total
Monetized Channels of PFDS	EP	217	133	350	227	139	366	237	150	387	172	108	280
	OP	16	3	19	18	3	21	20	3	23	13	3	15
	LE	0	20	20	0	20	20	3	15	18	3	12	15
	OMS	128	301	429	467	423	889	550	350	900	486	184	670
	FFP	742	0	742	750	0	750	676	0	676	519	0	519
	Sub-total	1103	457	1560	1461	585	2047	1485	518	2003	1192	307	1499
Non-monetized Channels of PFDS	FFW	0	28	28	145	66	210	138	140	278	45	77	122
	VGF	197	5	201	300	2	302	410	0	410	160	0	160
	VWB	374	0	374	373	0	373	375	0	375	279	0	279
	GR	47	0	47	70	0	70	125	0	125	26	0	26
	SF	0	0	0	0	0	0	0	11	11	0	0	0
	HT & Others	48	30	78	60	16	76	50	30	80	35	19	54
	Sub-total	666	63	729	947	83	1030	1098	181	1278	545	96	641
Total Public Distribution	1769	520	2289	2408	669	3077	2583	698	3281	1737	403	2140	

Source-DG Food

Public Stock of Food grains

The closing public stock of food grains in March/23 was 1.86 MMT which was 2.54 MMT higher compare to same period of a year earlier. The average closing stock of food grains per month was about 1.58 MMT during the last FY (2021-22). Internal Procurement from previous Boro and Aman were satisfactory which helped government maintain a healthy public stock throughout the FY2021-22. Public food stock is a vital factor for food price stabilization as well as public food distribution system. To maintain a healthy stock as well as food price stabilization government is procuring food grains from both internal and external sources. At present public stock has been prevailing at a satisfactory level which may be reached in better position after completion of upcoming internal Boro rice procurement.

Table 3: Commodity wise closing public stock in FY 2021-22 and 2022-23 ('000' mt)

	Month	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
2021/22	Rice	1311	1654	1502	1355	1231	1510	1231	1699	1426	1044	1132	1442
	Wheat	242	169	130	184	248	345	248	287	181	123	123	165
	Total	1553	1823	1632	1540	1479	1855	1479	1985	1606	1167	1255	1607
2022/23	Rice	1607	1826	1545	1360	1290	1436	1581	1506	1448			
	Wheat	153	139	148	203	291	359	376	382	413			
	Total	1760	1965	1694	1563	1582	1795	1957	1888	1860	0	0	0

Source-DG Food (without transit)

Market Price Review

Rice and Wheat Wholesale Price

During the 3rd quarter from Jan/23 to Mar/23 of the FY2022-23 the wholesale prices of rice and wheat price showed more or less stable trend (Fig.2). The nominal price of rice increased by 0.72% whilst the the real price of rice as well as nominal and real price of wheat decreased by 0.98%, 3.16% and 4.8% respectively during the same period. The nominal of rice and wheat rose by 0.77% and 0.59% respectively while real price of rice and wheat decreased by 0.24% and 0.42% respectively during the same period of a year earlier. During Apr/22 to Mar/23 the nominal and real price of rice increased by 10.63% and 1.93% whether the nominal and real price of wheat increased by 65.80% and 57.75% during the same period. However at the same period of a year earlier nominal and real price of rice decreased by by 3.89% and 8.92% respectively but nominal and real price of wheat increased by 11.46% and 5.63% respectively.

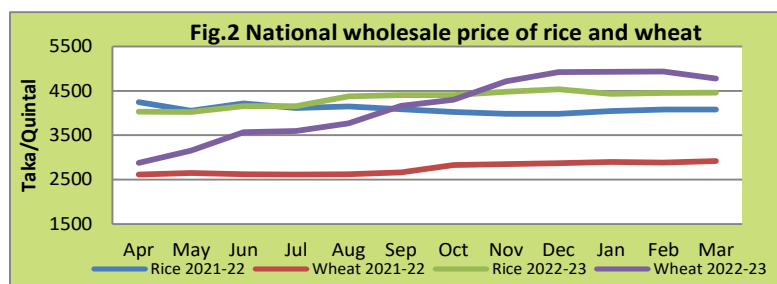
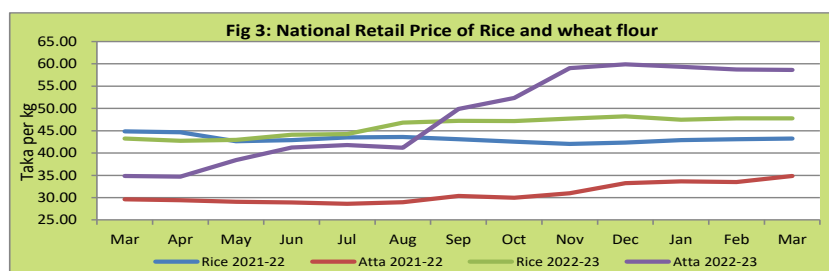


Table 4: Change of rice and wheat prices

Period	Nominal price		Real price	
	Rice	Wheat	Rice	Wheat
Jan'23 to Mar'23	0.72%	-3.16%	-0.98%	-4.80%
Jan'22 to Mar'22	0.77%	0.59%	-0.24%	-0.42%
Apr'22 to Mar' 23	10.63%	65.80%	1.93%	52.75%
Apr'21 to Mar' 22	-3.89%	11.46%	-8.92%	5.63%

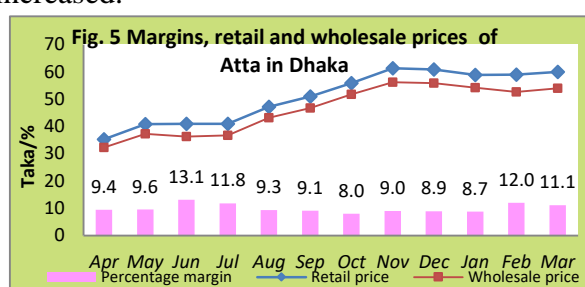
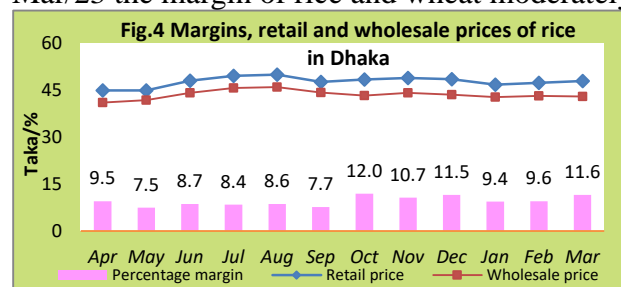
Rice and Wheat Flour Retail Prices

The retail prices of rice and atta showed more or less same trend during the 3rd quarter from Jan/23 to Mar/23 of FY2022-23. In this period, price of rice and atta increased by 2.12% but price of atta increased by 1.15%. From Mar/22 to Mar/23, price of rice showed moderately increased. In Mar/2023 rice has increased 10.4% compare to same time of a year earlier. On the other hand the retail price of atta showed sharp increasing due to unstable condition of the international wheat market (Fig-3). Mar/23 retail price of atta has increased 68.2% compare to same time of a year earlier.



Difference between Retail and Wholesale Prices of Rice and Wheat Flour

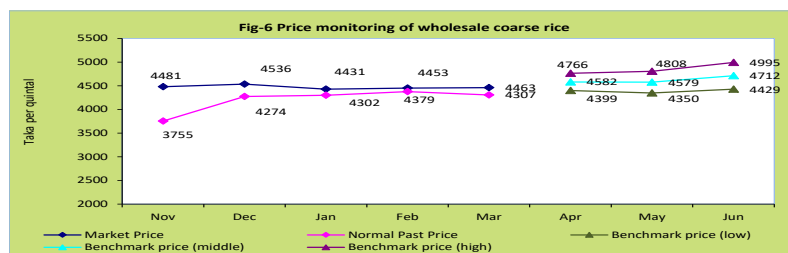
Between Apr/22 and Mar/23, retail and wholesale prices of rice and Atta in Dhaka city markets moved almost parallel to each other and some close contract with percentage margins ranging from 9.5% to 11.6% for rice and 9.4% to 11.1% for Atta (Figures 4 and 5). During Jan/23 to Mar/23 the margin of rice and wheat moderately increased.



Monitoring and Outlook for Wholesale Prices of Food grains

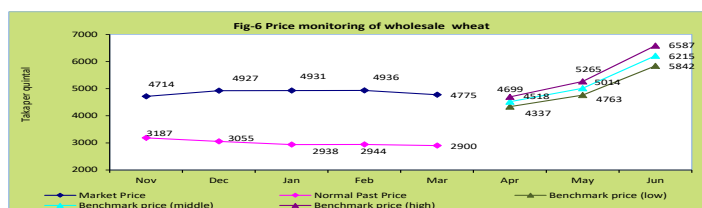
Domestic Rice Price

During Jan/23 to Mar/23 rice market prices were higher than the normalized price and their absolute differences increased from 3.0% to 3.6%. Price Monitoring Model, as shown forecasts a slight band within which the price of rice would be more or less stable during Jan/23 to Mar/23, if past trends confirmed. Based on the estimates, it is noted that there is approximately 70% chance that the Benchmark (Low) price of coarse rice would 43.99 Tk/kg in Apr/2023 and 44.29 Tk/kg in Jun/2023 (Fig. 6). However, price might become stable from upcoming new crop (Boro rice) harvesting.



Domestic Wheat Price

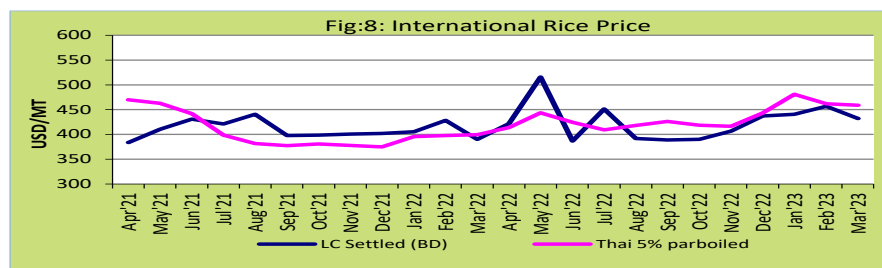
During Jan/23 to Mar/23 wheat market prices were higher than the normalized price and their absolute differences decreased from 67.8% to 64.6%. Price monitoring model, as shown, forecasts a band within which the price of wheat might be increased during Apr/23 to Mar/23 if past trends confirmed. Based on the estimates, it is noted that there is approximately 70% chance that the Benchmark(low) price of wheat would 43.37 Tk/kg in Apr/2023 and 58.42 Tk/kg in Jun/2023 (Fig.) Since, wheat supply chain has been disrupted due to ongoing global crisis that why wheat national market price has increased.



International Production and Price

Global Rice Production and Price

According to USDA report (March/23) global rice production has seen a significant increase, largely driven by India's larger crop. Consumption is projected to increase mainly in India, while exports from India are expected to rise



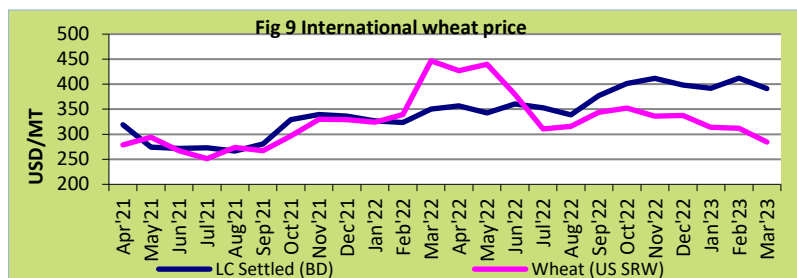
Source: Bangladesh Bank (LC) & FPMA(US SRW)

and imports will increase in China, Nigeria, and Vietnam. Global stocks are set to increase, mainly in India and China. During the third quarter from Jan-March/2023 of Current FY Thai 5% parboiled rice monthly average FoB price dropped \$22/ton. At the same time Indian 5% parboiled rice and Vietnamese 5% white rice FoB reduced \$8/ton and \$10/ton respectively (Live Rice Index). In March 2023 FoB price of Indian 5% parboiled rice, Thailand 5% parboiled rice, and Vietnamese 5% white rice increased by \$60/ton, \$16/ton, and \$33/ton respectively compare to same time of a year earlier During the 3rd quarter from Jan-Mar/2023 of Current FY LC settled (BD) price and Thai 5% parboiled rice showing upward trend (Fig-8). During this time period price of LC settled(BD) and Thai 5% parboiled rice FoB price decreased 2% and 4.6% respectively.

Global Wheat Production and Price

According to USDA report (March/23) Global wheat production around the world is expected to increase with larger crops in Kazakhstan, Australia, and India. Global trade is expected to rise with more exports from Kazakhstan, Australia, and Brazil, and decreased imports from Argentina and India. Global consumption of grain is anticipated to grow, with increased food, seed, and industrial use in India and increased feed and residual use in Kazakhstan. Stocks and prices are forecasted to remain stable.

During the third quarter from Jan-March/2023 of Current FY Argentina Wheat monthly average FoB price dropped \$26/ton. At the same time Canada, Black Sea market and U.S. Soft Red Winter (SRW) quotes dropped by \$28/ton,



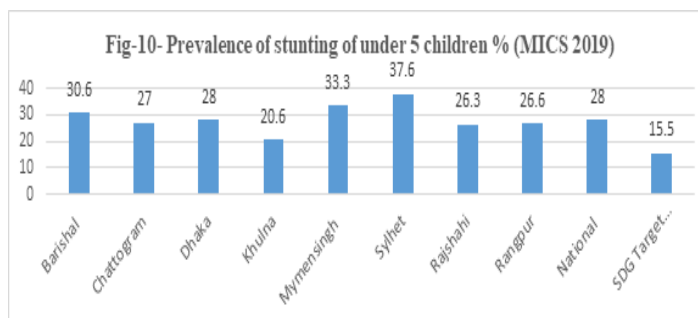
Source: Bangladesh Bank (LC) & FPMA(US SRW)

\$10/ton and \$30/ton respectively according to Food Price Monitoring and analysis (FPMA). In March 2023 FoB price of Argentina Wheat, Canada, Black Sea Market and U.S. Soft Red Winter (SRW) decreased by \$67/ton, \$108/ton, \$116/ton and \$163/ton respectively compare to same time of a year earlier. During the 3rd quarter from Jan-Mar/2023 of Current FY price of LC settled (BD) and US SRW wheat FoB price showing downward trend (Fig-9). During this time period price of LC settled (BD) and US SRW wheat decreased by 5% and 9% respectively.

Food Consumption and Nutrition

Prevalence of Stunting in Regional level

Stunting is considered as chronic undernutrition. It is defined as low height-for-age. It is the result of chronic or recurrent undernutrition, usually associated with poverty, poor maternal health and nutrition, frequent illness and/or inappropriate feeding and care in early life. Stunting



prevents children from reaching their physical and cognitive potential. Prevalence of stunting of under five children is an important indicator of malnutrition as well as Sustainable Development Goals (SDG-2). Bangladesh has improved in this indicator. Prevalence of stunting of under five children has declined from 41% in 2011 to 28% in 2019. However, there is regional variation in the prevalence of Stunting. Recent National Survey (MICS-2019) shows that the prevalence of stunting of under five children is highest in Sylhet Division (37.6%) and lowest in Khulna Division (20.6%). The prevalence of Stunting of under five children is 28% in national level (Fig-10). Out of eight Division, there Divisions (Sylhet, Mymensingh and Barishal) have higher prevalence of stunting than that of National level. It is important to give priorities to reduce stunting in these districts. Both nutrition specific and nutrition sensitive interventions need to be implemented to reduce the prevalence of stunting in consideration with the regional disparity in Bangladesh. It is also important to achieve Sustainable Development Goals by 2030. Different Ministries and Agencies have been working to reduce stunting and to achieve SDG Targets by 2030.