Fortnightly Foodgrain Outlook

Issue No. 200 ***21 April 2016***

HIGHLIGHTS

- **The domestic wholesale and retail rice prices decreased over the last fortnight.**
- **The domestic wholesale prices of *atta* increased but retail prices remained unchanged over the last fortnight.**
- **Export price of India and Vietnam rice decreased but Thai and Pakistan rice prices increased over the last fortnight**
- **Export prices of US SRW wheat decreased, Russian wheat prices unchanged but Ukraine wheat prices increased over the last fortnight.**
- **Global rice export forecast decreased but wheat exports forecast slightly up than a year ago.**

SUMMARY

RICE PRICE

In the fortnight ending April 13th the wholesale and retail (Swarna) rice prices in Dhaka city markets decreased by 2.1% and 1.9% down to 23.00 Tk/kg and 26.50 Tk/kg respectively.

***ATTA* PRICE**

Over the same period, the wholesale prices of *atta* in Dhaka city markets increased by 2.3% up to 20.25 Tk/kg. But the retail prices remained unchanged at 25.00 Tk/kg.

INTERNATIONAL RICE PRICE

In the fortnight ending April 15th, Indian 5% parboiled rice and Vietnam 15% white rice prices decreased by 0.6% and 2.2% down to 348 USD/MT and 352 USD/MT respectively. But Thai 5% parboiled rice and Pakistan 5% parboiled rice prices increased by 1.1% and 1.4% up to 370 USD/MT and 355 USD/MT respectively.

INTERNATIONAL WHEAT PRICE

In the fortnight ending April 15th, US SRW wheat prices decreased by 4.2% down to 185 USD/MT. But in Russia wheat prices remained unchanged at 185 USD/MT. However, in Ukraine wheat prices increased by 1.7% up to 180 USD/MT.

GLOBAL RICE AND WHEAT PRODUCTION

Forecast in April 2015/16 for global rice production is about 471 million MT and that of wheat is about 733 million MT.

RICE TRADE PROSPECT

World rice export for 2015/16 is forecasted in April 2016 at 41.67 million MT, which is 2.4% lower than that of a year earlier.

WHEAT TRADE PROSPECT

World wheat export for 2015/16 is projected in April 2016 at 162.54 million MT, which is 1% higher than the previous year's forecast.

BANGLADESH RICE IMPORT

During the fiscal year 2015/16 up to April 13th, no rice was imported by the public sector but the private sector imported about 217.62 thousand MT of rice.

BANGLADESH WHEAT IMPORT

During the fiscal year 2015/16 up to April 13th, about 416.31 thousand MT of wheat was imported by the public sector while private sector imported about 2867.34 thousand MT of wheat.

GOVERNMENT INTERVENTION

Over the fortnight ending April 13th, about 84.4 thousand MT food grains were distributed mainly through the OMS, EP, VGD, VGF and TR under the public food distribution system.

GOVERNMENT STOCK

As of April 13th, the public food grain stock stood at 1138.66 thousand MT.

GOVERNMENT PROCUREMENT

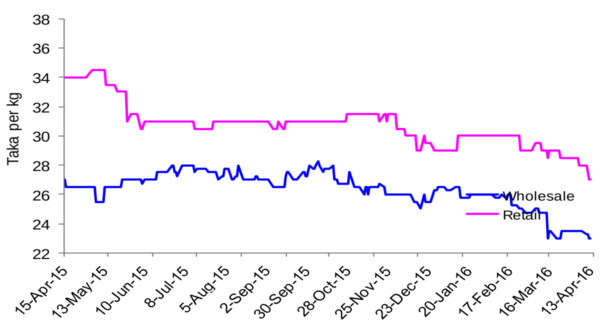
Wheat procurement has started on 10th April 2016. As of 13th April 2016 no wheat were procured.

Food Planning and Monitoring Unit (FPMU), Ministry of Food

http://www.mofood.gov.bd

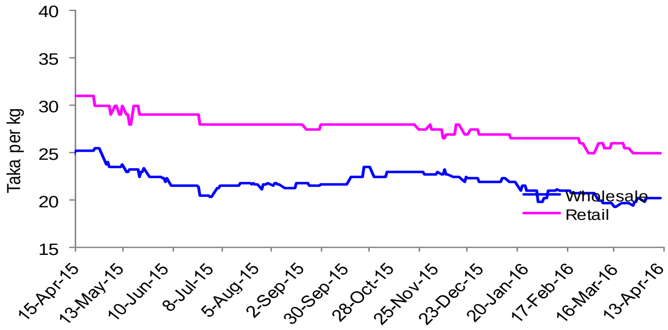
1. Domestic price: coarse rice and *atta*

Figure: 1.Change in prices of Coarse Rice (Dhaka)



Source: Department of Agricultural Marketing (DAM)

Figure: 2. Change in prices of *Atta* (Dhaka)



Source: Department of Agricultural Marketing (DAM)

Table: 1.Rice and *Atta* price changes (Dhaka city)

		change in %					
		over last fortnight		over last month		over last year	
RICE							
retail	26.50	▼	-1.9	▼	-7.0	▼	-19.4
wholesale	23.00	▼	-2.1	▼	-7.1	▼	-15.1
ATTA							
retail	25.00	►	0.0	▼	-2.0	▼	-18.5
wholesale	20.25	▲	2.3	▲	2.5	▼	-21.9

Source: DAM; Arrows indicate the direction of price change: red if a more than a 5% annual or 1% monthly/fortnightly rise, green if more than a 5% annual or a 1%monthly/fortnightly decrease; yellow otherwise, the yearly change is calculated fortnight to fortnight.

RICE

- In the fortnight ending April 13th, the wholesale and retail (Swarna) rice prices in Dhaka city markets decreased by 2.1% and 1.9% down to 23.00 Tk/kg and 26.50 Tk/kg respectively. The wholesale and retail prices are 15.1% and 19.4% lower respectively than that of corresponding period of last year.

ATTA

- Over the same period, the wholesale prices of *atta* in Dhaka city markets increased by 2.3% up to 20.25 Tk/kg. But the retail prices remained unchanged at 25.00 Tk/kg. The wholesale and retail prices are now point to point 21.9% and 18.5% lower respectively than a year ago.

2. International price

Figure: 3.Rice wholesale price in Dhaka and Kolkata and FOB Prices in relevant international markets

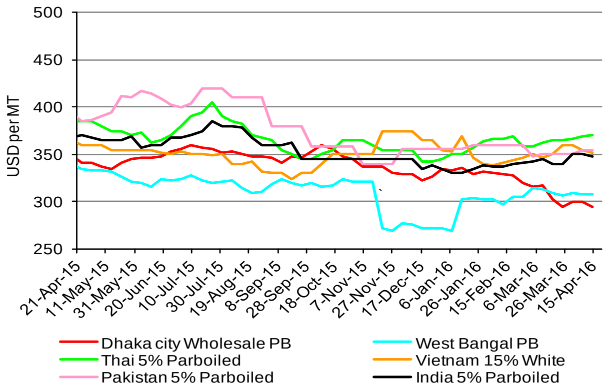
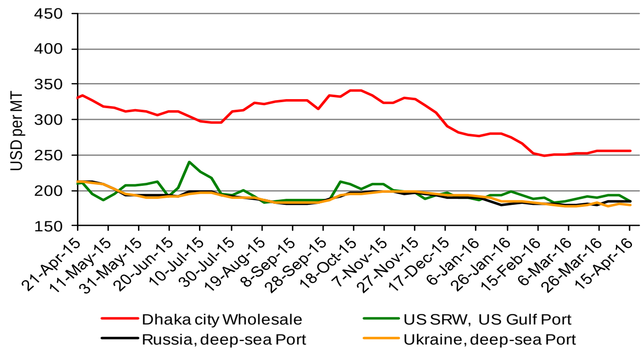


Figure: 4.Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



Source: For average weekly FOB prices: USDA, FAO, Jackson Sons& Co.(London) Lid and Agrimarket Weekly. For average wholesale prices: Department of Agriculture Marketing, Govt. of Bangladesh and Department of Consumer Affairs, Government of India

RICE

- In the fortnight ending April 15th, Indian 5% parboiled rice and Vietnam 15% white rice prices decreased by 0.6% and 2.2% down to 348 USD/MT and 352 USD/MT respectively. But Thai 5% parboiled rice and Pakistan 5% parboiled rice prices increased by 1.1% and 1.4% up to 370 USD/MT and 355 USD/MT respectively. West Bengal coarse rice prices decreased by 0.3% down at 308 USD/MT. However, Dhaka city wholesale rice prices stood at 295 USD/MT (decreased by 1.6 %).

WHEAT

- In the fortnight ending April 15th, US SRW wheat prices decreased by 4.2% down to 185 USD/MT. But in Russia wheat prices remained unchanged at 185 USD/MT. However, in Ukraine wheat prices increased by 1.7% up to 180 USD/MT. On the same date, Dhaka city wholesale wheat prices stood at about 255.1 USD/MT (unchanged).

Table: 2.Chicago Board of Trade SRW Futures (USD/MT)

Closing price	MAY(K16)	JUL (N16)	SEP (U16)	DEC (Z16)	Mar (H17)
8-Apr	169	171	176	180	186
15-Apr	169	172	175	182	188
change	-0.1%	-0.1%	0.2%	-0.3%	0.7%

Table: 3.Kansas Board of Trade HRW Futures (USD/MT)

change	MAY(K16)	JUL (N16)	SEP (U16)	DEC (Z16)	Mar (H17)
8-Apr	169	173	178	185	190
15-Apr	168	172	177	185	190
change	-0.5%	1.8%	2.5%	3.9%	2.6%

Source: U.S. Wheat Associates Weekly Price Report, Conversion rates: 1USD/bu = 36.743 USD/MT

Wheat futures markets ended the week mixed. Abundant global supplies continue to weigh on the market, but the U.S. dollar weakened against competitor currencies this week, notably Australia, which supported export demand. CBOT wheat futures lost by 3 USD/MT on the week to close at 169 USD/MT and KCBT also lost by 1 USD/MT to close at 168 USD/MT (U.S. wheat Associates, April 15, 2016). (Table-2 & 3).

3. Global production and stock

Table: 4. Rice world production and stock (million MT)

	2013/14	2014/15	2015/16 forecast	change 2015/16 over 2014/15
Production	478	479	471	-1.7%
Ending stocks	107	104	90	-13.0%

Source: USDA, April, 2016.

RICE

- Global rice production (0.5 Million) lowered for 2015/16 is forecasted in April at 471 million MT (milled) down about 1.7% from a year earlier (USDA, April, 2016). Production forecasted lowered for Brazil, Philippines and Vietnam. (USDA, April 2015/16).
- Global ending stocks for 2015/16 are forecasted in April at 90 million MT, which is 13.0% below than a year earlier.

WHEAT

- Global wheat production for 2015/16 in April is projected to reach 733 million MT, up about 1.1% from a year earlier. This is due to larger crops in Argentina and the EU more than offset reductions in Ethiopia and Pakistan (USDA, April, 2016).
- World wheat ending stocks for 2015/16 are forecasted in April at 239 million MT, which is 11.4% higher than a year earlier.

Table: 5. Wheat world Production and stock (million MT)

	2013/14	2014/15	2015/16 forecast	change 2015/16 over 2014/15
Production	716	725	733	1.1%
Ending stocks	194	215	239	11.4%

Source: USDA, April, 2016.

4. Global trade

Table: 6. Main rice annual exporters (million MT, milled)

	2013/14	2014/15	2013/14-2014/15 change	2015/16 projected	2014/15-2015/16 change
Thailand	10.97	9.78	-11%	10.00	2%
Vietnam	6.33	6.61	4%	7.00	6%
USA	3.00	3.47	16%	3.33	-4%
Pakistan	3.60	4.00	11%	4.40	10%
India	11.56	11.05	-4%	9.00	-19%
Others	8.63	7.82	-9%	7.95	2%
World total	**44.08**	**42.72**	**-3%**	**41.67**	**-2.4%**

Table: 7.Main wheat annual exporters (million MT)

	2013/14	2014/15	2013/14-2014/15 change	2015/16 projected	2014/15-2015/16 change
USA	31.52	22.75	-28%	21.30	-6%
European Union	32.03	35.42	11%	32.50	-8%
Canada	22.16	24.83	12%	22.00	-11%
Australia	18.34	16.58	-10%	16.50	0%
Ukraine	9.76	11.27	16%	15.50	38%
Russia	18.61	22.80	23%	23.00	1%
Others	30.03	27.81	-7%	31.74	14%
World total	**162.44**	**161.45**	**-1%**	**162.54**	**1%**

Source: (USDA, April, 2016).*rice and wheat; arrows indicate the Direction of export quantities Change: red if more than 10% change from previous year, yellow more than 5% and green less than 5% change. For rice, 2014/15 is calendar year 2015, 2015/16 is calendar year 2016 and so on.*

RICE

- Total calendar year 2015/16 global rice export is forecasted in April at 41.67 million MT, down 2.4% from a year earlier (USDA, April, 2016). Global stocks are revised lower this month largely on a reduction for Japan.
- The trade is revised down slightly, as higher exports for India are more than offset by declines for Pakistan and Egypt, and smaller imports for Turkey.
- There were three significant 2016 export revisions this month. First, Pakistan's 2016 exports were lowered 0.2 million tons to 4.4 million tons due to smaller supplies resulting from downward crop revisions. Second, Egypt's 2016 export forecast was lowered from 2015. Third, India's 2016 export forecast was raised 0.4 million tons to 9.0 million tons based on a faster pace of trade and more competitive prices than Pakistan's.

WHEAT

- Wheat export for 2015/16 is forecasted in April 162.54 million MT, which is 1% higher than the previous year's forecast (USDA, April, 2016).
- This is due to upward revisions for Algeria, China and others offset by diminished imports for Brazil, Iran and Sudan. Exports for Argentina and Kazakhstan are raised, while the EU is revised downward. U.S. exports are almost trimmed.

Wheat exports are projected down 0.5 million tons to 32.0 million for the European Union, as export licenses lag behind the projected pace despite a surge in March. Exports are also revised down for Iran and Pakistan by 0.3 and 0.1 million tons, respectively, as both countries appear to be undercut by Turkey and Kazakhstan in wheat flour trade.

5. Import

Figure: 5. Rice imports (in '000 MT)

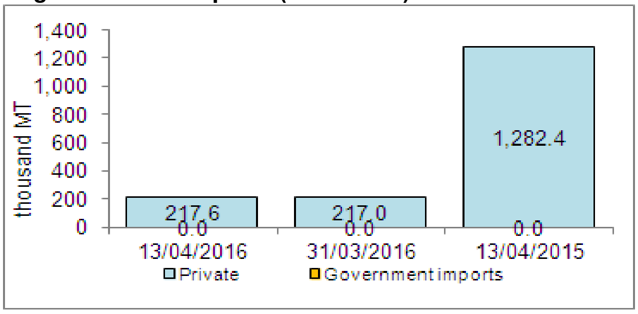
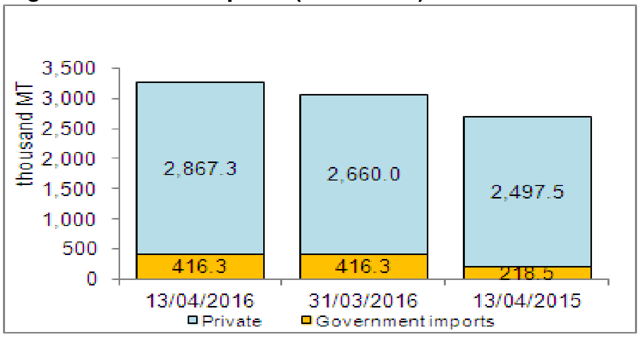


Figure: 6. Wheat imports (in '000 MT)



Source: MIS; Aid, if any, is included in Government imports

RICE

- As of April 13th, no rice was imported by the public sector but the private sector has imported about 217.62 thousand MT of rice in this fiscal year. Over the same period of last year, no rice was imported by the public sector but the private sector imported about 1282.44 thousand MT.

WHEAT

- Up to the fortnight ending April 31st, about 416.31 thousand MT wheat was imported by the public sector and about 2876.34 thousand MT by private sector. Over the same period of last year, 218.54 thousand MT was imported by the public sector and the private sector imported about 2497.45 thousand MT.

.

- Rice and wheat LC opening and settling situation are presented in Table- 8.

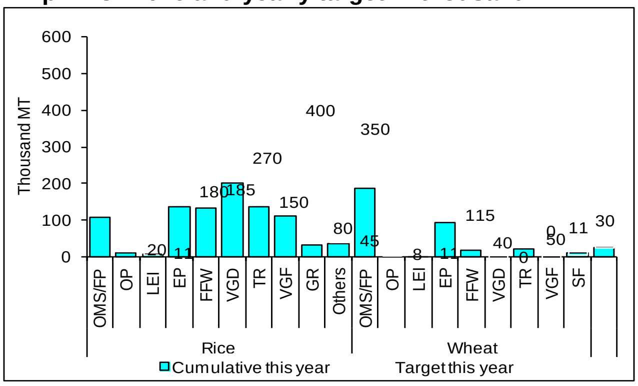
Table: 8: LC situation, as of 31st March/16 (in '000 MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
20-31 March/16 (provisional)	4	260	3	145
Cumulative month, March/16	7	326	9	230
Cumulative year (starting 1st July/15)	333	2943	409	2764

Source: Bangladesh Bank

6. Government intervention

Figure: 7. Rice and wheat distributed through PFDS as of April 13th 2016 and yearly target in thousand MT

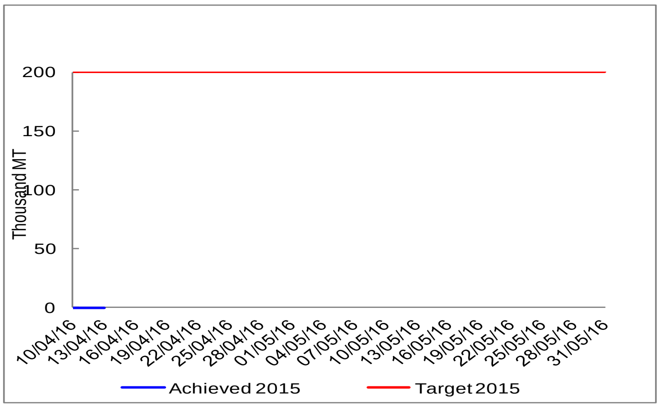


Source: Directorate General of Food and FPMU; OMS: Open Market Sale; OP: Other Priorities; LEI: Large Employers; EP: Essential; Priorities; FFW: Food for Work; VGD: Vulnerable Group Development; TR: Test Relief; VGF: Vulnerable Group Feeding; GR: Gratuitous Relief; SF: School Feeding

PUBLIC FOOD DISTRIBUTION

- The total distribution planned for 2015/16 is revised at 2.21 million MT. The actual distribution was about 1.84 million MT in 2014/15.
- Over this fortnight ending April 13th, 84.4 thousand MT food grains were distributed mainly through OMS (67.8 thousand MT), EP (9.1 thousand MT), VGD (2.7 thousand MT), VGF (1.0 thousand MT) and TR (0.9 thousand MT). As of this date, a total of about 1286.0 thousand MT has been distributed through the PFDS, which is about 58.13% of the yearly target.
- The OMS drive is continuing in small scale only rice in Dhaka and Chittagong areas and *atta* all over the country.

Figure: 8. WHEAT procurement 2016



PUBLIC STOCKS

- As of April 13th, the public food grain stock stood at 1138.66 thousand MT, 822.56 thousand MT for rice and 316.10 thousand MT for wheat (MISM, DG Food).

DOMESTIC FOOD GRAIN PROCUREMENT

- The government started procurement of 0.2 million MT of wheat at 28 Tk/kg from the domestic market to provide price incentive to the farmers. The drive has begun on April 10th 2016 and will close on May 31st 2016. *Boro* procurement target and price will be set in next FPMC meeting.
- As on 13th April no wheat was procured.