

Fortnightly Foodgrain Outlook

Issue No. 243

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HIGHLIGHTS

- The domestic wholesale and retail prices of rice in Dhaka city markets increased over the last fortnight.
- The domestic wholesale and retail prices of *atta* in Dhaka city markets remain same over the last fortnight.
- Export price of rice in India increased but in Thailand, Vietnam and Pakistan rice export prices decreased over the last fortnight.
- Export prices of US SRW wheat, Russian and Ukrainian wheat prices decreased over the last fortnight.
- Global rice production forecast decreased but wheat production forecast increased than a year ago.
- Global rice export forecast decreased but wheat export forecast increased than a year ago.

SUMMARY

RICE PRICE

In the fortnight ending December 7th, the wholesale and retail prices of (Swarna) rice in Dhaka city markets increased by 3.9% and 2.4% down at Tk 40.0/kg and Tk 42.5/kg respectively.

ATTA PRICE

Over the same period, the wholesale and retail prices of *atta* in Dhaka city markets remain same at Tk 25.0/Kg and Tk 28.5/Kg respectively.

INTERNATIONAL RICE PRICE

In the fortnight ending December 8th Indian 5% parboiled rice prices increased by 3.8% up to USD 410/MT. But Thai 5% parboiled rice, Vietnam 15% white rice and Pakistan 5% parboiled rice prices decreased by 0.2%, 1.3% and 1.2% down at USD 402/MT, 375/MT and USD 413/MT respectively.

INTERNATIONAL WHEAT PRICE

In the fortnight ending December 8th, US (SRW) wheat, Russian and Ukraine wheat prices decreased by 0.9%, 0.3% and 1.0% down at USD 174/MT, USD 194/MT and USD 190/MT respectively.

GLOBAL RICE AND WHEAT PRODUCTION

Forecast in December 2017/18 production year for global rice production is about 483 million MT and that of wheat is about 755 million MT.

RICE AND WHEAT TRADE PROSPECT

World rice export for 2017/18 production year is forecasted in December 2017 at 45.5 million MT, which is 1.6% less than that of a year earlier. World wheat export is projected in December at 183.8 million MT, which is 1% higher than the earlier forecast.

BANGLADESH RICE IMPORT

Up to this fortnight 431.5 thousand MT rice was imported by the public sector but the private sector imported about 1609.7 thousand MT.

BANGLADESH WHEAT IMPORT

Up to this fortnight about 169.2 thousand MT wheat was imported by the public sector while private sector imported about 3022.4 thousand MT of wheat.

GOVERNMENT INTERVENTION

During this fortnight FY 2017/18 up to December 7th, about 74.5 thousand MT food grains were distributed mainly through the OMS, VGD, EP and VGF under the public food distribution system.

GOVERNMENT STOCK

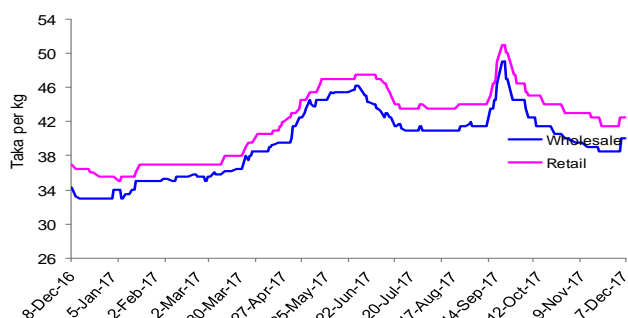
As of December 7th, the public food grain stock estimated at about 688.0 thousand MT.

GOVERNMENT PROCUREMENT

As on December 7th, about 68.8 thousand MT of *Aman* rice were contracted and 0.97 thousand MT were procured.

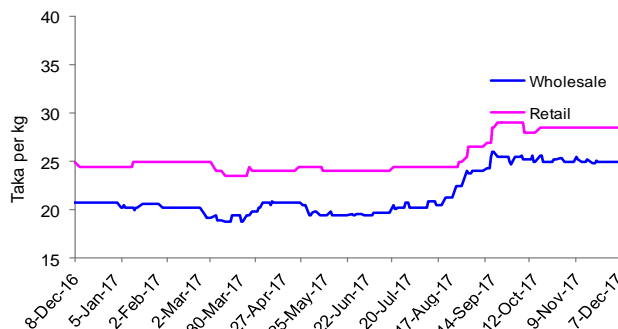
1. Domestic price: coarse rice and *atta*

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	42.50	▲ 2.4	▼ -1.2	▲ 11.7
wholesale	40.00	▲ 3.9	▲ 1.3	▲ 12.6
ATTA				
retail	28.50	▶ 0.0	▶ 0.0	▲ 14.0
wholesale	25.00	▶ 0.0	▶ 0.0	▲ 19.5

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

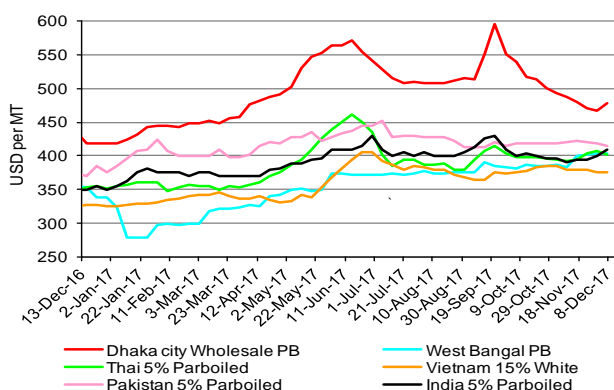
- In the fortnight ending December 7th, the wholesale and retail prices of (Swarna) rice in Dhaka city markets increased by 3.9% and 2.4% down at Tk 40.0/kg and Tk 42.5/kg respectively. The wholesale and retail prices are 12.6% and 11.7% higher respectively than that of corresponding period of last year.

ATTA

- Over the same period, the wholesale and retail prices of *atta* in Dhaka city markets remain same at Tk 25.0/Kg and Tk 28.5/Kg respectively. The wholesale and retail prices are now point to point 19.5% and 14.0% higher respectively than a year ago.

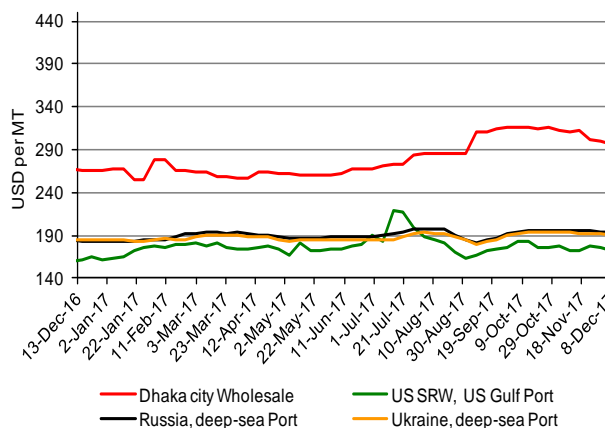
2. International price

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



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

Figure: 4. Wheat wholesale price in Dhaka and



RICE

- In the fortnight ending December 8th, Indian 5% parboiled rice prices increased by 3.8% up to USD 410/MT. But Thai 5% parboiled rice, Vietnam 15% white rice and Pakistan 5% parboiled rice prices decreased by 0.2%, 1.3% and 1.2% down at USD 402/MT, 375/MT and USD 413/MT respectively. West Bengal coarse rice prices increased by 0.2% down to USD 403/MT. However, Dhaka city wholesale rice prices stood at USD 478/MT (increased by 1.6%).

WHEAT

- In the fortnight ending December 8th, US (SRW) wheat, Russian and Ukraine wheat prices decreased by 0.9%, 0.3% and 1.0% down at USD 174/MT, USD 194/MT and USD 190/MT respectively. On the same date, Dhaka city wholesale wheat prices stood at about USD 294.5/MT (decreased by 1.5%).

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

change	DEC (Z17)	MAR (H18)	MAY (K18)	JUL (N18)	SEP (U18)
1-Dec	144	154	159	164	169
8-Dec	147	154	158	164	170
change	2.2%	-0.2%	-0.3%	0.3%	0.6%

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

change	DEC (Z17)	MAR (H18)	MAY (K18)	JUL (N18)	SEP (U18)
1-Dec	147	154	158	164	170
8-Dec	155	161	165	171	178
change	4.9%	4.7%	4.4%	4.4%	4.6%

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

Slow exports during the U.S. Thanksgiving holiday week and a strengthening U.S. dollar pressured wheat futures lower this week. CBOT and KCBT December wheat futures fell to contract lows this week due to a strengthening U.S. dollar. MGEX December wheat futures fell for the fourth consecutive week pressured by a larger than expected wheat crop in Canada. Steady export sales lent limited support. CBOT wheat futures prices gained by USD 3/MT closed at USD 147/MT and KCBT wheat futures also gained by USD 8/MT closed at USD 155/MT (U.S. wheat Associates, December 8th, 2017) (Table-2 & 3).

3. Global production and stock

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

RICE	2015/16	2016/17	2017/18 forecast	change 2017/18 over 2016/17
Production	473	487	483	-0.7%
Ending stocks	133	138	141	2.0%

Source: USDA, December, 2017.

RICE

In the 2017/18 global production projected to about 483 million MT which is 0.7% lower than the previous year, which is 2.3 million tons down from the previous forecast. In 2017/18, smaller crops in Bangladesh, Brazil, Colombia, Egypt, India, Japan, Madagascar, the Philippines, South Korea, and the United States more than offset larger projected production in Burma, Cambodia, Bolivia, China, Paraguay, Peru, Sri Lanka, Thailand, and Vietnam.

WHEAT

Wheat production in 2017/18 is projected to about 755 million tons which is 0.2% higher than the previous year. The world wheat production forecast for 2017/18 climbed 3.5 million tons this month to 755.2 million, exceeding last year's record by 1.6 million tons. Foreign wheat production is projected to be much further ahead of last year's amount, up 17.1 million tons. (USDA, December, 2017).

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

Wheat	2015/16	2016/17	2017/18 forecast	change 2017/18 over 2016/17
Production	735	754	755	0.2%
Ending stocks	241	255	264	3.6%

Source: USDA, December, 2017.

4. Global trade

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

	2015/16	2016/17	2015/16-2016/17 change	2017/18 projected	2016/17-2017/18 change
Thailand	9.87	11.00	▲ 11%	10.20	▼ -7%
Vietnam	5.09	6.60	▲ 30%	6.50	▼ -2%
USA	3.37	3.40	▲ 1%	3.40	▶ 0%
Pakistan	4.00	3.60	▼ -10%	3.80	▲ 6%
India	10.04	11.60	▲ 16%	11.60	▶ 0%
Others	7.74	10.10	▲ 30%	10.04	▼ -1%
World total	40.11	46.30	▲ 15%	45.54	▼ -1.6%

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

	2015/16	2016/17	2015/16-2016/17 change	2017/18 projected	2016/17-2017/18 change
USA	21.81	29.49	▲ 35%	26.00	▼ -12%
European Union	34.69	27.31	▼ -21%	28.50	▲ 4%
Canada	22.12	20.26	▼ -8%	22.00	▲ 9%
Australia	15.78	22.06	▲ 40%	19.00	▼ -14%
Ukraine	17.43	18.11	▲ 4%	17.00	▼ -6%
Russia	25.54	27.81	▲ 9%	33.50	▲ 20%
Others	34.64	37.23	▲ 7%	37.76	▲ 1%
World total	172.01	182.26	▲ 6%	183.76	▶ 1%

Source: (USDA, December 2017).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, 2015/16 is calendar year 2016, 2016/17 is calendar year 2017 and so on.

RICE

- Global rice export for 2017/18 is forecasted in November at 45.5 million MT, down 1.6% from a year earlier (USDA, December, 2017).
- Global rice trade in CY 2018 is projected at 45.5 million tons, up 0.4 million tons from the previous forecast but 1.6 percent below a year earlier. Global rice trade in 2018 is the second highest on record. India and Thailand are projected to remain the largest exporters, while China and Nigeria remain the largest importers.
- Global ending stocks in 2017/18 are projected at 140.7 million tons, up 1.8 million tons from the previous forecast and 2.7 million tons larger than 2016/17. Global ending stocks in 2017/18 are the highest since 2000/01. China accounts for most of the month-to-month and year-to-year increase in global ending stocks. China currently accounts for about two-thirds of global ending stocks.

WHEAT

- Projected 2017/18 world wheat trade projected in December at 183.76 million tons, which is 1% higher than the previous year's export (USDA December, 2017).
- The U.S. wheat export forecast for 2017/18 is lowered 0.5 million tons to 26.0 million tons. A significant increase in Canadian spring wheat production, as well as ample wheat supplies in Argentina and Black Sea countries are expected to impinge on U.S. competitiveness in wheat exports. Low U.S. export commitments and a slowing pace of sales support the forecast reduction.

The U.S. wheat export forecast for 2017/18 is lowered 0.5 million tons to 26.0 million tons. A significant increase in Canadian spring wheat production, as well as ample wheat supplies in Argentina and Black Sea countries are expected to impinge on U.S. competitiveness in wheat exports. Low U.S. export commitments and a slowing pace of sales support the forecast reduction.

5. Import

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

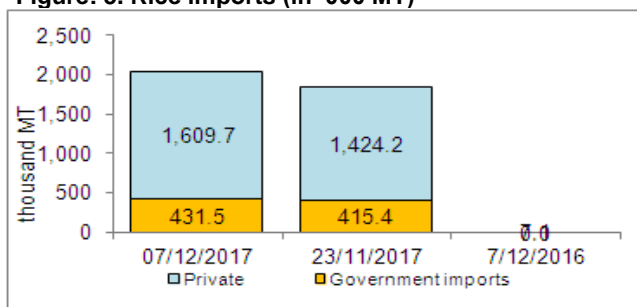
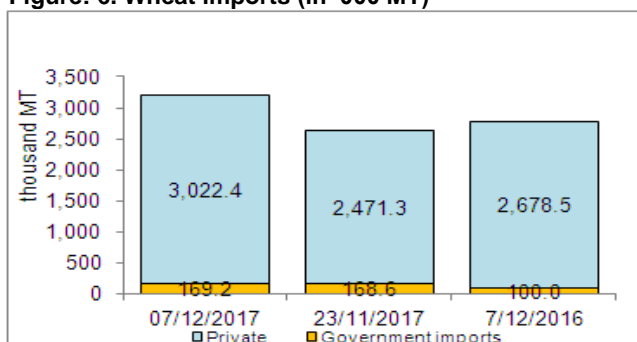


Figure: 6. Wheat imports (in '000 MT)



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

RICE

- As of December 7th, about 431.5 thousand MT of rice was imported by the public sector but the private sector imported about 1609.7 thousand MT of rice up to this fortnight. Over the same period of last year, no rice was imported by the public sector but the private sector imported about 7.1 thousand MT.

WHEAT

- Up to the fortnight ending December 7th, about 169.2 thousand MT wheat was imported by the public sector but about 3022.4 thousand MT by private sector. Over the same period of last year, about 99.9 thousand MT of wheat was imported by the public sector but the private sector imported about 2678.5 thousand MT.
- Rice and wheat LC opening and settling situation are presented in Table- 8.

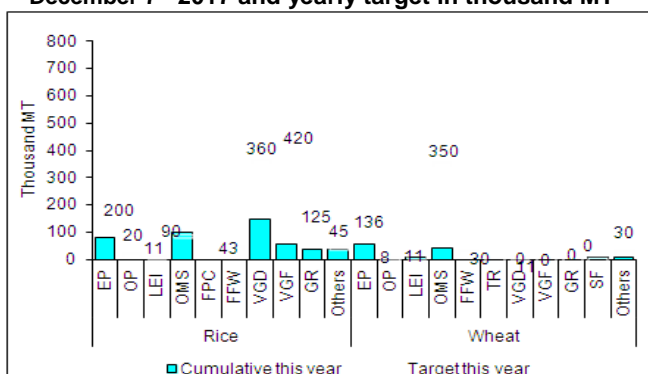
Table: 8: LC situation, as of 30th November/17 (in '000 MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
19-30 November/17 (provisional)	115	415	220	227
Cumulative month, November/17	346	651	444	480
Cumulative year (starting 1st July/17)	2900	3979	1758	2078

Source: Bangladesh Bank

6. Government intervention

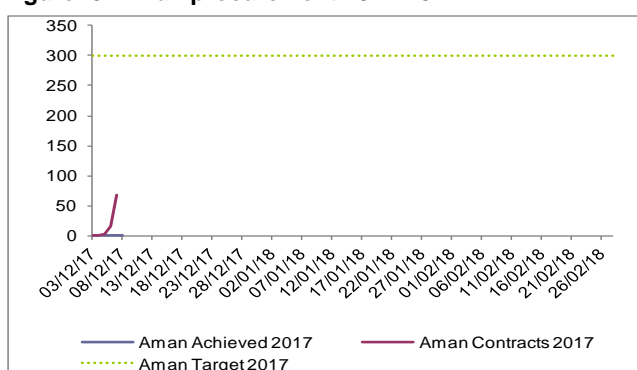
Figure: 7. Rice and wheat distributed through PFDS as of December 7th 2017 and yearly target in thousand MT



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

Figure: 8. Aman procurement 2017-18



PUBLIC FOOD DISTRIBUTION

- The total distribution planned for 2017/18 is at about 2.74 million MT. The actual distribution was about 2.24 million MT in 2016/17.
- Over this fortnight ending December 7th, about 74.5 thousand MT food grains were distributed through the PFDS mainly OMS (22.8 thousand MT), VGD (13.0 thousand MT), EP (11.9 thousand MT) and VGF (11.0 thousand MT). As of this date, a total of about 610.6 thousand MT has been distributed through the PFDS, which is about 22.3% of the yearly target.
- The OMS drive is continuing up to the upazila level all over the country.

PUBLIC STOCKS

- As of December 7th, the public food grain stock estimated at 688.0 thousand MT 347.0 thousand MT for rice and 341.0 thousand MT for wheat (MISM, DG Food).

DOMESTIC FOOD GRAIN PROCUREMENT

- During the recent past *Boro* procurement season the target was about 0.70 mmt of paddy, 0.70 mmt of parboiled rice and 0.10 mmt of white rice at 24 Tk/kg for paddy, 34 Tk/kg for parboiled rice and 33 Tk/kg for white rice from the domestic market to provide a price incentive to the farmers. About 0.39 mmt (in tremms of rice) were procured.
- Government has decided to procure 300.0 thousand MT of *Aman* rice from ongoing *Aman* season (3rd December 2017 to 28th February 2017) at the rate of 39 Tk/kg.
- As on 7th December 2017, about 68.8 thousand MT of *Aman* rice were contracted and 0.97 thousand MT were procured (MISM, DG Food).