

# Fortnightly Foodgrain Outlook

Issue No. 265

18 October 2018

## HIGHLIGHTS

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

## SUMMARY

### RICE PRICE

In the fortnight ending October 11<sup>th</sup>, the wholesale prices of (Swarna) rice in Dhaka city markets decreased by 2.7% down at Tk 36.0/Kg and the retail prices remained same at Tk 40.0/Kg.

### ATTA PRICE

Over the same period, the wholesale and the retail prices of *atta* in Dhaka city markets remained same at TK 24.0/Kg and Tk 27.5/Kg respectively.

### INTERNATIONAL RICE PRICE

In the fortnight ending October 12<sup>th</sup> Indian 5% parboiled and Pakistan 5% parboiled rice prices decreased by 2.7% and 2.9% down at USD 360/MT and USD 403/MT respectively. But Vietnam 15% white rice prices increased by 0.8% up to USD 393/MT. At the same time Thai 5% parboiled rice prices remained same at USD 385/MT.

### INTERNATIONAL WHEAT PRICE

In the fortnight ending October 12<sup>th</sup> US (SRW) wheat, Russian and Ukrainian wheat prices increased by 2.7%, 2.6% and 2.0% up to USD 210/MT, USD 233/MT and USD 230/MT respectively.

### GLOBAL RICE AND WHEAT PRODUCTION

Forecast in October 2018/19 production year for global rice production is about 488 million MT and that of wheat is about 731 million MT.

### RICE AND WHEAT TRADE PROSPECT

World rice export for 2018/19 forecasted in October about at 49.7 million MT, which is 1.4% higher than the year earlier. World wheat export projected in October at about 180.8 million MT, which is 1% less than the earlier forecast.

### BANGLADESH RICE IMPORT

Up to 11<sup>th</sup> October during this FY 2018-19, about 32.0 thousand MT of rice was imported by the public sector and 51.4 thousand MT rice was imported by the private sector.

### BANGLADESH WHEAT IMPORT

Up to 11<sup>th</sup> October during this FY 2018-19, about 140.4 thousand MT wheat was imported by the public sector and about 1506.8 thousand MT by the private sector.

### GOVERNMENT INTERVENTION

During this fortnight, about 178.2 thousand MT food grains distributed through the PFDS mainly the FPC, EP, FFW, Ctg. Hill, and VGD.

### GOVERNMENT STOCK

As of October 11<sup>th</sup>, the public food grain stock estimated at about 1517.1 thousand MT.

### GOVERNMENT PROCUREMENT

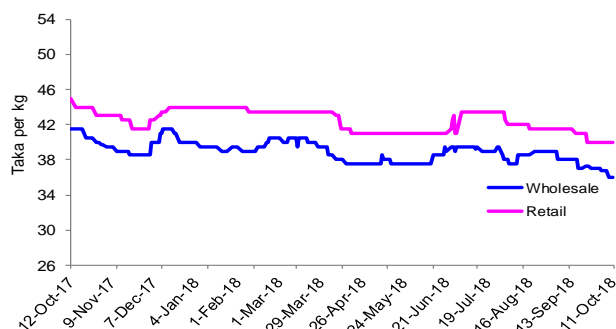
As on 15<sup>th</sup> September 2018, about 1380 thousand MT of *Boro* rice were contracted and about 1395 thousand MT of *Boro* rice were procured.

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

<http://www.mofood.gov.bd>

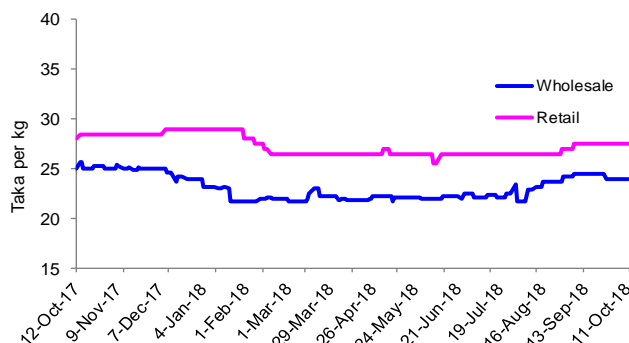
## 1. Domestic price: coarse rice and *atta*

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
<b>RICE</b>				
retail	40.00	0.0	-3.6	-12.2
wholesale	36.00	-2.7	-5.3	-15.2
<b>ATTA</b>				
retail	27.50	0.0	0.0	-3.5
wholesale	24.00	0.0	-2.0	-5.4

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

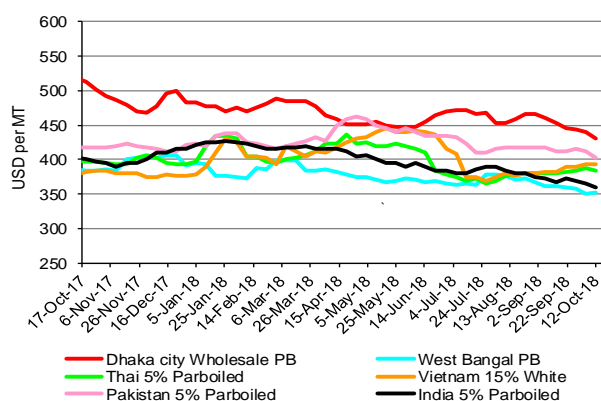
- In the fortnight ending October 11<sup>th</sup>, the wholesale prices of (Swarna) rice in Dhaka city markets decreased by 2.7% down at Tk 36.0/Kg and the retail prices remained same at Tk 40.0/Kg. The wholesale and the retail prices are 15.2% and 12.2% lower respectively than that of corresponding period of last year.

### ATTA

- Over the same period, the wholesale and retail prices of *atta* in Dhaka city markets remained same at TK 24.0/Kg and TK 27.5/Kg respectively. The wholesale and retail prices are now point-to-point 5.4% and 3.5% lower respectively than a year ago.

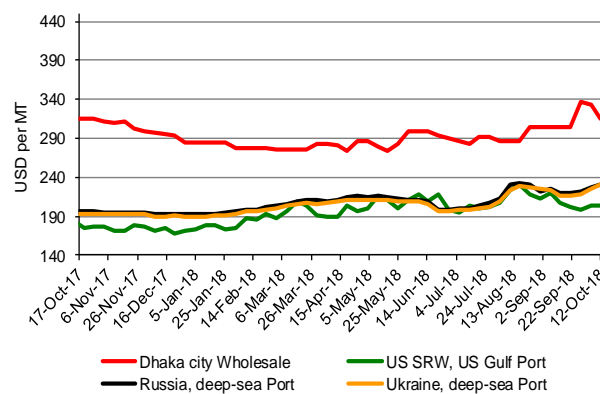
## 2. International price

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



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 FOB Prices in relevant international markets



### RICE

- In the fortnight ending October 12<sup>th</sup>, Indian 5% parboiled and Pakistan 5% parboiled rice prices decreased by 2.7% and 2.9% down at USD 360/MT and USD 403/MT respectively. But Vietnam 15% white rice prices increased by 0.8% up to USD 393/MT. At the same time Thai 5% parboiled rice prices remained same at USD 385/MT. West Bengal coarse rice prices decreased by 1.4% down at USD 353/MT. Dhaka city wholesale rice prices decreased by 2.8% down at USD 431/MT.

### WHEAT

- In the fortnight ending October 12<sup>th</sup>, US (SRW) wheat, Russian and Ukrainian wheat prices increased by 2.7%, 2.6% and 2.0% up to USD 210/MT, USD 233/MT and USD 230/MT respectively. On the same date, Dhaka city wholesale wheat prices decreased by 6.9% down at about USD 310.2/MT.

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

change	DEC (Z18)	MAR (H19)	MAY (K19)	JUL (N19)	SEP (U19)
5-Oct	191	199	202	204	209
12-Oct	190	197	202	204	208
change	-0.7%	-0.5%	-0.2%	0.0%	-0.3%

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

change	DEC (Z18)	MAR (H19)	MAY (K19)	JUL (N19)	SEP (U19)
5-Oct	193	201	205	207	212
12-Oct	193	201	206	208	214
change	0.0%	0.3%	0.4%	0.7%	0.7%

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

U.S. wheat futures ended the week mixed with Canadian harvest delays due to snow and wet weather. Beneficial rain across the United States limited KCBT gains and pressured CBOT lower. CBOT December wheat futures ended the week down, KCBT remained unchanged. Limited farmer selling increased export basis across the United States. CBOT wheat futures lost by USD 1/MT closed at USD 190/MT and KCBT wheat futures prices remained same at USD 193/MT (U.S. wheat Associates, October 12, 2018) (Table-2 & 3).

### 3. Global production and stock

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

RICE	2016/17	2017/18	2018/19 forecast	change 2018/19 over 2017/18
Production	487	492	488	-0.8%
Ending stocks	137	146	145	-0.5%

Source: USDA, October 2018.

**RICE**

In the 2018/19, global production projected in October to about 488 million MT, which is about 0.8% less than the previous year's record. Global rice production is lower this month, due to a lower production in Brazil, Argentina, China, Colombia, Egypt, India, Iraq, Pakistan, South Korea, Uruguay and Venezuela. Ending stocks in October 2018/19 is projected to about 145 million tons, which is 0.5% less than the previous year.

**WHEAT**

Wheat production in October 2018/19 is projected to about 731 million tons, which is 3.7% less than the previous year. Global wheat production is down this month mainly from reduced crops in Australia and Russia. These cuts more than offset a slight production increase for the U.S. Ending stocks in October, 2018/19 is projected to about 260 million tons which is 5.3% less than the previous year. (USDA, October 2018).

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

Wheat	2016/17	2017/18	2018/19 forecast	change 2018/19 over 2017/18
Production	752	759	731	-3.7%
Ending stocks	257	275	260	-5.3%

Source: USDA, October 2018.

### 4. Global trade

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

	2016/17	2017/18	2016/17- 2017/18 change	2018/19 projected	2017/18- 2018/19 change
Thailand	11.62	10.50	▼ -10%	11.00	▲ 5%
Vietnam	6.49	7.00	▲ 8%	7.00	▶ 0%
USA	3.35	2.95	▼ -12%	3.20	▲ 8%
Pakistan	3.64	4.30	▲ 18%	4.25	▼ -1%
India	12.56	13.00	▲ 4%	13.00	▶ 0%
Others	10.46	11.28	▲ 8%	11.28	▲ 0%
<b>World total</b>	<b>48.11</b>	<b>49.03</b>	<b>▲ 2%</b>	<b>49.73</b>	<b>▲ 1.4%</b>

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

	2016/17	2017/18	2016/17- 2017/18 change	2018/19 projected	2017/18- 2018/19 change
USA	29.32	23.07	▼ -21%	29.00	▲ 26%
European Union	27.43	23.29	▼ -15%	23.00	▼ -1%
Canada	20.24	21.99	▲ 9%	24.00	▲ 9%
Australia	22.06	15.51	▼ -30%	13.00	▼ -16%
Ukraine	18.11	17.78	▼ -2%	16.50	▼ -7%
Russia	27.81	41.42	▲ 49%	35.00	▼ -15%
Others	37.30	39.41	▲ 6%	40.30	▲ 2%
<b>World total</b>	<b>182.25</b>	<b>182.46</b>	<b>▶ 0%</b>	<b>180.80</b>	<b>▼ -1%</b>

Source: (USDA, October, 2018), 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, 2016/17 is calendar year 2017, 2017/18 is calendar year 2018 and so on.

**RICE**

- Global rice export for 2018/19 projected in October at 49.73 million MT, which is up 1.4% from a year earlier (USDA, October 2018).
- Ending stocks raised from last month, but nonetheless show a year-to-year decline. 2018/19 global ending stocks are projected to decrease 0.7 million tons to 145.2 million tons, up 0.8 million tons from the previous forecast. This is the first year-to-year decline in global ending stocks since 2006/07. China is expected to continue to hold about two-thirds of global stocks.

- Global rice trade projection in 2019 remains at a record 49.7 million tons. Burma and Australia's 2019 export forecasts lowered this month, while export forecasts for Brazil and China were increased. On an annual basis, China, Thailand, and the United States account for most of the expected increase in global rice exports in 2019. In addition, Argentina, Guyana, and Paraguay are expected to export more rice in 2019 than in 2018. In contrast, Australia, Egypt, Laos, Peru, Uruguay, and Venezuela are expected to export less rice in 2019.
- On the 2019 import side, forecasts for both China and Nigeria are projected to remain the largest rice importing countries in 2019, followed by the EU, Cote d'Ivoire, and Iran.

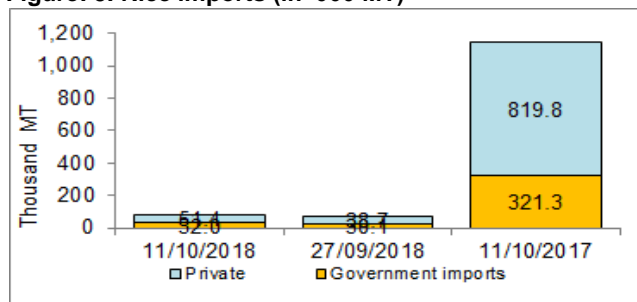
**WHEAT**

- 2018/19 world wheat trade projected in October at 180.80 million tons, which is 1% less than the previous year's export (USDA, October 2018).
- Export projection changes for 2018/2019 this month consist of just 1.0 million-ton reduction for Australia to 11.0 million, due to the country's drought.

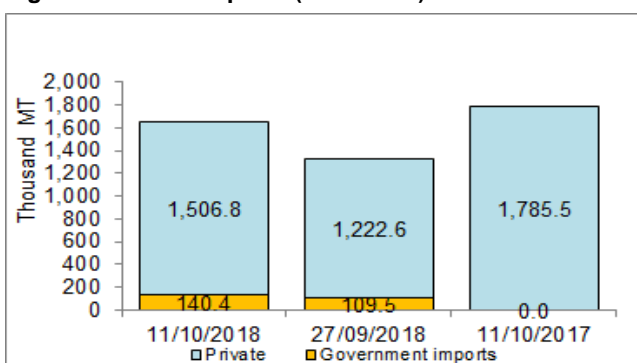
Global wheat production and trade are down this month. Wheat imports reduced this month across multiple wheat importers. The largest import declines were for Azerbaijan, Bangladesh, Nigeria, and Sudan, where wheat demand is declining gradually, reflecting higher prices and lower availability.

## 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

- Up to 11<sup>th</sup> October during this FY 2018-19 about 32.0 thousand MT of rice was imported by the public sector and 51.4 thousand MT rice was imported by the private sector. Over the same period of last year, about 321.3 thousand MT rice imported by the public sector and the private sector imported about 819.8 thousand MT. In FY 2017-18 public and private sector has imported about 880.7 thousand MT and 2990.4 thousand MT of rice respectively.

### WHEAT

- Up to 11<sup>th</sup> October during this FY 2018-19, about 140.4 thousand MT wheat was imported by the public sector but about 1506.8 thousand MT by the private sector. Over the same period of last year, no wheat imported by the public sector but the private sector imported about 1785.5 thousand MT. In FY 2017-18 public and private sector imported about 499.5 thousand MT and 5375.6 thousand MT of wheat respectively.
- Rice and wheat LC opening and settling situation presented in Table- 8.

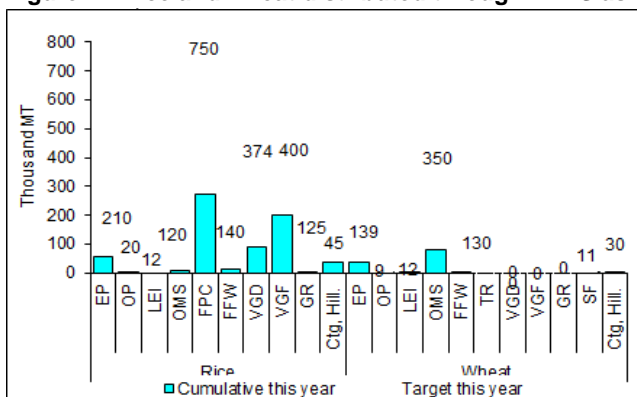
**Table 8: LC situation, as of 30<sup>th</sup> September/18 (in '000 MT)**

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
23-30 September/18 (provisional)	9	271	9	149
Cumulative month, September/18	19	404	23	240
Cumulative year (starting 1st July/18)	45	1209	138	842

Source: Bangladesh Bank

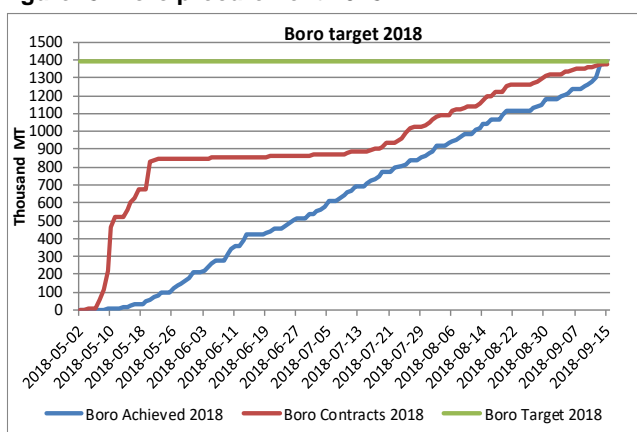
## 6. Government intervention

**Figure 7. Rice and wheat distributed through PFDS as of**



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. Boro procurement 2018**



### PUBLIC FOOD DISTRIBUTION

- The total distribution budget for 2017/18 was 2.17 million MT. The actual distribution was about 2.12 million MT in 2017/18. For FY 2018/19 the distribution plan through PFDS is about 2.87 million MT.
- During this fortnight, up to October 11<sup>th</sup>, about 178.2 thousand MT food grains were distributed through the PFDS. These PFDS distribution was mainly FPC (125.8 thousand MT), EP (13.8 thousand MT), FFW (12.4 thousand MT), Ctg. hill (8.9 thousand MT) and VGD (8.1 thousand MT). As on FY 2018-19 about 812.0 thousand MT food grains were distributed which is about 28.2% of the yearly target.
- The OMS drive is continuing up to the upazila level all over the country.

### PUBLIC STOCKS

- As of October 11<sup>th</sup>, the public food grain stock estimated at 1517.1 thousand MT, 1150.2 thousand MT for rice and 366.9 thousand MT for wheat (MISM, DG Food).

### DOMESTIC FOOD GRAIN PROCUREMENT

- Government decided to procure *Boro* ( in terms of rice) with the target ( provisional) of about 1.4 mmt of rice at 26 Tk/kg for paddy, 38 Tk/kg for parboiled rice and 37 Tk/kg for white rice from the domestic market to provide a price incentive to the farmers from this *Boro* procurement season. The duration of *Boro* procurement was from 2<sup>nd</sup> May 2018 to 15<sup>th</sup> September 2018.
- As on 15<sup>th</sup> September 2018, about 1379.9 thousand MT of *Boro* rice were contracted and about 1379.5 thousand MT of *Boro* rice were procured. Moreover, 24.4 thousand MT of paddy were procured. Therefore, 1395.4 thousand MT (in terms of rice) were procured during this fortnight.(MISM, DG Food).