Fortnightly Foodgrain Outlook

Issue No. 290 *02 October 2019*

HIGHLIGHTS

- **The domestic wholesale and retail prices of rice remained unchanged over the last fortnight. (As on 26 September 2019).**
- **The domestic wholesale and retail price of *atta* increased over the last fortnight.**
- **Export price of rice in India and Vietnam rice prices increased whereas in Thai, Pakistan and west Bengal rice price decreased over the last fortnight.**
- **All export prices of wheat increased over the last fortnight.**
- **Global rice production projected decreased but wheat production projected increased than a year ago.**
- **Global rice and wheat export projected increased than a year ago.**

SUMMARY

RICE PRICE

Over the same period, the wholesale and retail price of *atta* in Dhaka city markets increased by 2.2% and 1.8% up to Tk 29.0/Kg and Tk 24.8 /Kg respectively.

***ATTA* PRICE**

Over the same period, , the wholesale price of *atta* in Dhaka city markets decreased by 1.8% down to Tk 24.8 /Kg and retail price of *atta* remained unchanged at Tk 29.0/Kg.

INTERNATIONAL RICE PRICE

In the fortnight ending September 27, Thai 5% parboiled rice, Pakistan 5% parboiled rice and West Bengal coarse prices decreased by 0.8%, 4.5% and 10.9% down at USD 387/MT, USD 382/MT and 336/MT respectively. However, Vietnam 15% white rice price and India 5% parboiled rice prices increased at USD 310/MT and USD 400/MT respectively.

INTERNATIONAL WHEAT PRICE

In the fortnight ending September 27, U.S (HRW), U.S (SRW), Russian wheat, and Ukrainian wheat all prices increased by 1.5%, 0.1%, 0.3% and 0.8% up to USD 206/MT, USD 203/MT, USD 188/MT, and USD 188/MT respectively. During the same period, Dhaka city wheat wholesale prices decreased by 12.4% down to USD 293.5/MT.

GLOBAL RICE AND WHEAT PRODUCTION

Forecast in September 2019/20 production year for global rice production is about 494 million MT, which is about 0.9% lower than the previous year's record and wheat production is about 766 million MT, which is 4.7% higher than that of previous year.

GLOBAL RICE AND WHEAT TRADE PROSPECT

Forecast in World rice export in September 2019/20 is about at 46.2 million MT, which is 0.6% higher than the year earlier. Projection for World wheat export in July is about 179.8 million MT, which is 3% up to the earlier forecast.

BANGLADESH RICE IMPORT

Up to 26 September of the FY 2019-20, no rice was imported by the public sector while 4.0 thousand MT of rice was imported by the private sector.

BANGLADESH WHEAT IMPORT

Up to 26 September of the FY 2019-20, about 180.1 thousand MT of wheat was imported by the public sector and about 944.9 thousand MT wheat was imported by the private sector.

GOVERNMENT INTERVENTION

Up to 26 September, about 567.4 thousand MT food grains has been distributed through the PFDS mainly the EP, OMS, and GR.

GOVERNMENT STOCK

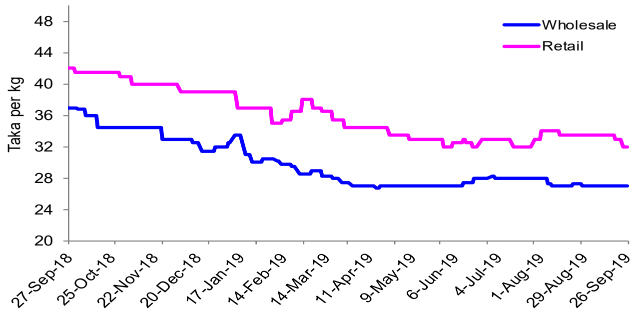
As of 26 September, the public food grain stock estimated at about 1872.9 thousand MT.

GOVERNMENT PROCUREMENT

As on 13 September 2019, about 44.2 thousand MT of wheat and about 1381.8 thousand MT of *Boro* rice has been procured.

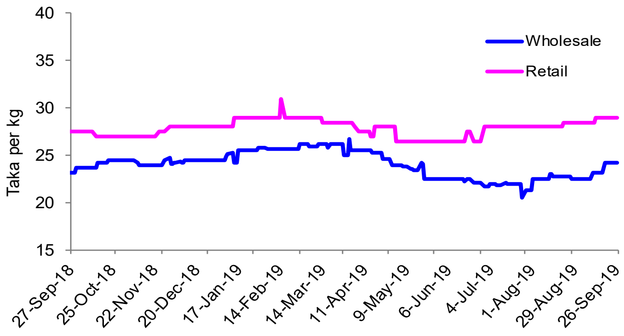
1. Domestic price: coarse rice and *atta*

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	32.00	0.0	0.0	-22.9
wholesale	27.00	0.0	0.0	-29.5
ATTA				
retail	29.00	1.8	3.6	4.8
wholesale	25.25	2.2	4.1	1.8

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 September 26, the wholesale and retail prices of *(Swarna)* rice in Dhaka city markets remained unchanged at Tk 27.0/Kg and Tk 32.0/Kg respectively. The wholesale and the retail prices are now point-to-point 27.8% and 21.5% lower respectively than that of corresponding period of last year.

ATTA

- Over the same period, the wholesale and retail price of *atta* in Dhaka city markets increased by 2.2% and 1.8% up to Tk 29.0/Kg and Tk 24.8 /Kg respectively. The wholesale and retail prices are now point-to-point 2.1% and 5.5% higher respectively than that of corresponding period of last year.

2. International price

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

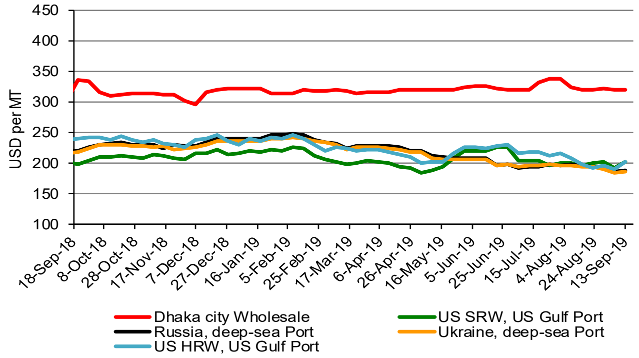
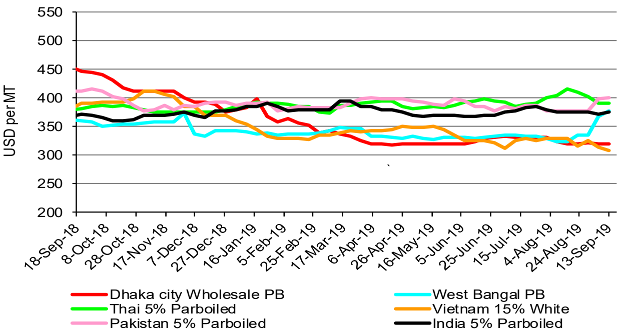


Figure: 4.Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 September 27, Thai 5% parboiled rice, Pakistan 5% parboiled rice and West Bengal coarse prices decreased by 0.8%, 4.5% and 10.9% down at USD 387/MT, USD 382/MT and 336/MT respectively. However, Vietnam 15% white rice price and India 5% parboiled rice prices increased at USD 310/MT and USD 400/MT respectively. Moreover, Dhaka city rice wholesale rice price remained unchanged at USD 320/MT over the same period.

WHEAT

In the fortnight ending September 27, U.S (HRW), U.S (SRW), Russian wheat, and Ukrainian wheat all prices increased by 1.5%, 0.1%, 0.3% and 0.8% up to USD 206/MT, USD 203/MT, USD 188/MT, and USD 188/MT respectively. During the same period, Dhaka city wheat wholesale prices also raised by 1.1% up to USD 293.5/MT.

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

change	DEC (Z19)	MAR (ZK20	MAY (ZK20)	JUL (N20)	SEP (U20)
20-Sep	178	180	182	184	186
27-Sep	179	181	183	185	187
change	0.6%	0.6%	0.6%	0.5%	0.5%

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

change	DEC (Z19)	MAR (ZK20	MAY (ZK20)	JUL (N20)	SEP (U20)
20-Sep	150	155	158	162	166
27-Sep	150	155	158	161	166
change	0.0%	-0.1%	-0.1%	-0.2%	-0.2%

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

According to U.S. Wheat Associates Weekly Report published on 27 September 2019, hard red spring (HRS) futures prices rallied week-over-week on crop quality concerns due to heavy rainfall in the Northern Plains. Hard red winter (HRW) futures were unchanged from last week and soft red winter (SRW) futures closed slightly higher on short covering and technical selling. However, CBOT wheat futures prices increased by USD 0.6/MT closed at USD 179/MT and KCBT wheat futures prices remained unchanged closed at USD 150/MT respectively. (U.S. wheat Associates, September 2019) (Table-2 & 3).

3. Global production and stock

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

RICE	2017/18	2018/19	2019/20 forecast	change 2019/20 over 2018/19
Production	495	499	494	-0.9%
Ending stocks	162	172	173	0.5%

Source: USDA, (Grain: World Markets and Trade, September 2019)

RICE

In the 2019/20, global rice production projected in September to about 494 million MT, which is about 0.9% less than the previous year's record. Global rice production is down significantly this month, primarily on lower production for India and the United States. Ending stocks in September 2019/20 projected to about 173 million tons, which is 0.5% up from the previous year. (USDA, September 2019). Global stocks are down on lower production.

WHEAT

Wheat production in September 2019/20 projected to about 766 million tons, which is 4.7% higher than the previous year's record. Global wheat production in 2019/20 reduced further this month due to smaller crops in Australia and the Black Sea countries more than offset larger crops in the European Union and India. Ending stocks in September 2019/20 projected to about 287 million tons, which is 3.3% higher than the previous year. (USDA, September 2019).

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

Wheat	2017/18	2018/19	2019/20 forecast	change 2019/20 over 2018/19
Production	7621	731	766	4.7%
Ending stocks	282	277	287	3.3%

Source: USDA, (Grain: World Markets and Trade, September 2019)

4. Global trade

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

	2017/18	2018/19	2017/18-2018/19 change	2019/20 projected	2018/19-2019/20 change
Thailand	11.06	8.70	-21%	9.00	3%
Vietnam	6.59	6.50	-1%	6.50	0%
USA	2.78	3.00	8%	3.10	3%
Pakistan	3.91	4.10	5%	4.00	-2%
India	11.79	11.60	-2%	11.80	2%
Others	11.42	12.09	6%	11.84	-2%
World total	**47.55**	**45.99**	**-3%**	**46.24**	**0.6%**

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

	2017/18	2018/19	2017/18-2018/19 change	2019/20 projected	2018/19-2019/20 change
USA	23.23	26.07	12%	26.50	2%
European Union	23.29	23.31	0%	27.50	18%
Canada	21.99	24.48	11%	24.50	0%
Australia	15.51	9.84	-37%	10.00	2%
Ukraine	17.78	16.02	-10%	19.50	22%
Russia	41.42	35.85	-13%	34.00	-5%
Others	39.99	38.19	-4%	37.80	-1%
World total	**183.20**	**173.75**	**-5%**	**179.80**	**3%**

Source: USDA (Grain: World Markets and Trade, September, 2019).*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, 2017/18 is calendar year 2018, 2018/19 is calendar year 2019, 2019/20 is calendar year 2020 and so on.*

RICE

- Global rice export for 2019/20 projected in September at 46.24 million MT, which is 0.6% up from a year earlier (USDA, September 2019).
- Global rice trade lowered this month, because of reduced imports forecast for China and lower exports for Thailand.
- Medium grain rice, also known as japonica, comprises a relatively small portion of global rice trade, and historically been served primarily by exports from Australia and United. Meanwhile, in the past few years China has emerged as a major rice exporter as it seeks to sell off excessive supplies. China's medium grain exports have been entering many of the markets that were previously importing from the United States, such as Turkey.

WHEAT

- In the 2019/20, world wheat trade projected in August at 179.8 million tons, which is 3% up to the previous year's export (USDA, September 2019).
- Global wheat trade for the 2019/20 is lowered this month, driven by weaker demand in several key Asian markets as well as in Mexico.
- . Smaller projected exports for Argentina, Australia and Kazakhstan more than offset higher trade for Canada and the European Union.
- Regime countries to provide an economic incentive to import wheat for the purposes of exporting flour. Yemen has become an increasingly important market for Turkey's flour exports. This is expected to continue as Yemen's imports are projected unchanged in 2019/20. Iran's wheat import ban remains in place, with exceptions made if the wheat is used to re-export as flour. Iran's imports and exports are both expected to be relatively small in 2019/20.

5. Import

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

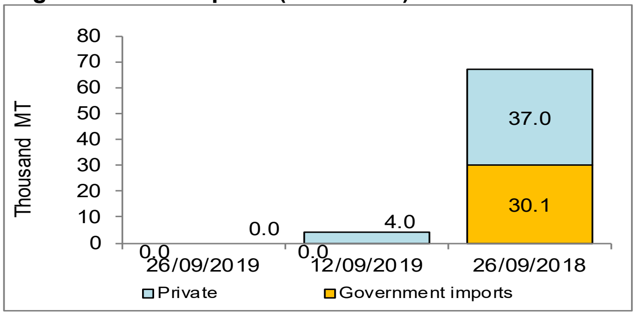
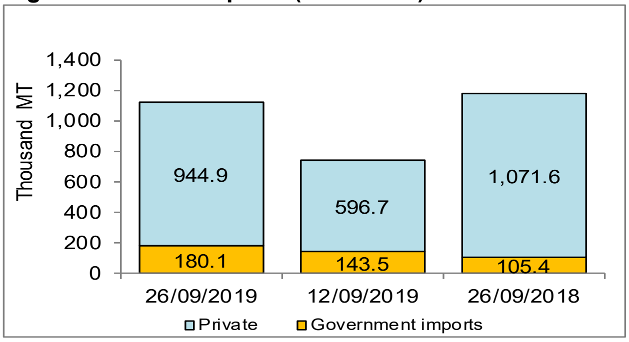


Figure: 6. Wheat imports (in '000 MT)



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

RICE

- Up to 26 September during this FY 2019-20 no rice has imported by the public sector, only 4.0 thousand MT of rice has imported the private sector. Over the same period of last year, about 30.1 thousand MT rice was imported by the public sector and the private sector imported 37.0 thousand MT. In FY 2018-19 public and private sector has imported 70.4 thousand MT and 135.4 thousand MT of rice respectively.

WHEAT

- Up to 12 September during this FY 2019-20, about 180.1 thousand MT of wheat was imported by the public sector while about 944.9 thousand MT wheat was imported by the private sector. Over the same period of last year, 105.4 thousand MT wheat was imported by the public sector but the private sector imported 1071.6 thousand MT. In FY 2018-19 public and private sector imported 473.7 thousand MT and 5154.7 thousand MT of wheat respectively.

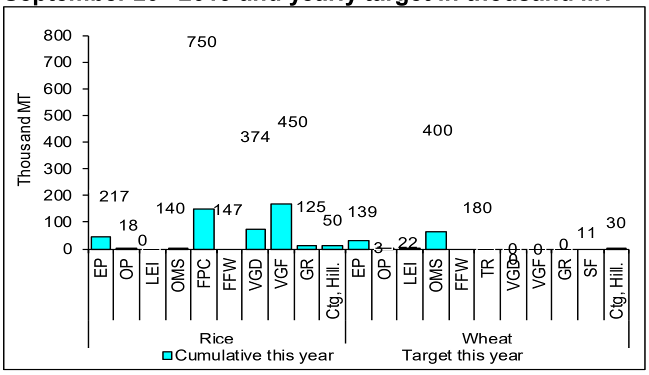
Table: 8: LC situation, as of 21 September/19 (in '000 MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
08-21 September/19	0	337	0	328
Cumulative month, September/19	0	409	0	391
Cumulative year (starting 1st July/19)	1	1475	3	854

Source: Bangladesh Bank

6. Government intervention

Figure: 7. Rice and wheat distributed through PFDS as of September 26th 2019 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*

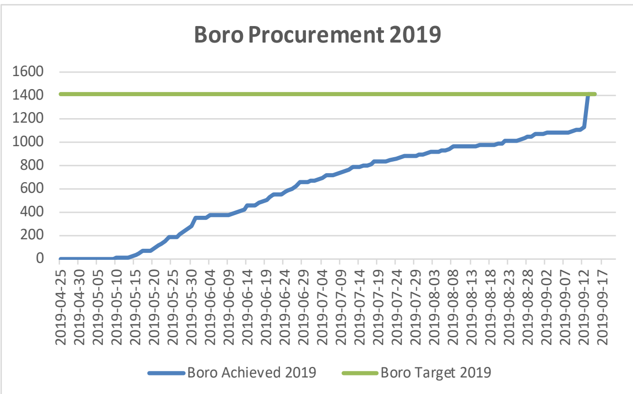
PUBLIC FOOD DISTRIBUTION

- The total distribution budget for 2018/19 was 2.85 million MT. The actual distribution was about 2.59 million MT. For FY 2019/20 the distribution plan through PFDS is about 3.06 million MT.
- During this fortnight, up to September 26, about 226.6 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly Fair price (148.0 Thousand MT), VGD (45.6 Thousand MT OMS (15.8 Thousand MT),) and so on. As on FY 2019-20, about 567.4 thousand MT food grains were distributed which is about 9.3% of the yearly target.
- The OMS drive is continuing up to the upazila level all over the country.

PUBLIC STOCKS

- As of 26 September, the public food grain stock estimated at 1872.9 thousand MT, 1496.1 thousand MT for rice and 376.8 thousand MT for wheat (MISM, DG Food).

Figure: 8. *Boro* procurement 2019



Source: MISM, DG Food.

DOMESTIC FOOD GRAIN PROCUREMENT

- Government has decided to procure 50 thousands MT wheat (provisional) at the rate of 28 Tk/kg from the domestic market aiming to provide a price incentive to the farmers. The duration of wheat procurement is set from 1 April 2019 to 30 June 2019.
- 44.2 thousand MT wheat has been procured. (MISM, DG Food).
- *Boro* rice procurement target has also been fixed at 1.41 mmt in terms of rice at 36 Tk/Kg for parboiled rice, 35 Tk/Kg for white rice and 26 Tk/Kg for paddy from the domestic market. *Boro* procurement started from 25 April 2019 and continued up to 15 September 2019.
- As on 26 September 2019, 1148.7 of *Boro* rice and 399.9 thousand MT of paddy total 1409.8 thousand MT (in terms of rice) has been procured. (MISM, DG Food).