

# Fortnightly Foodgrain Outlook

Issue No. 295

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## HIGHLIGHTS

- The domestic wholesale and retail prices of rice decreased over the last fortnight. (As on 5 December 2019).
- The domestic wholesale price of *atta* decreased and retail price of *atta* increased over the last fortnight.
- Export price of rice in Vietnam, Pakistan, West Bengal and USA increased whereas India, Thailand and Dhaka city market's rice price decreased over the last fortnight.
- Export prices of wheat in Canada and USA increased whereas in Ukraine, Australia, Russia decreased and the export price of wheat in EU remain unchanged 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

In the fortnight ending December 5, the wholesale and retail price of (*Swarna*) rice in Dhaka city markets decreased by 3.4% and 4.5% up to Tk 28.5/Kg and 32.0/kg respectively.

### ATTA PRICE

Over the same period, the wholesale price of *atta* in Dhaka city markets decreased by 1.6% down to Tk 24.10/Kg but retail prices of *atta* in Dhaka city markets increased by 1.8% up to Tk.29.0/kg.

### INTERNATIONAL RICE PRICE

In the fortnight ending December 5, Thai 5% parboiled rice and West Bengal coarse rice price increased by 0.5% and 0.6% up to USD 387/MT and USD 351/MT respectively. However, Vietnam 15% white rice, Pakistan 5% parboiled rice and India 5% parboiled rice remained unchanged at USD 328/MT, USD 370/MT and USD 385/MT respectively over the same period.

### INTERNATIONAL WHEAT PRICE

In the fortnight ending December 6, U.S (SRW), Russian and Ukrainian wheat prices increased by 0.8%, 1.0% and 0.7% up to USD 233/MT, USD 212/MT and 210/MT respectively while U.S (HRW) wheat price decreased by 1.8% down to USD 217/MT. During the same period, Dhaka city wheat wholesale price remain unchanged at USD 329.8/MT.

### GLOBAL RICE AND WHEAT PRODUCTION

Forecast in December 2019/20 production year for global rice production is about 498 million MT, which is about 0.3% lower than the previous year's record and wheat production is about 765 million MT, which is 4.7% higher than that of previous year.

### GLOBAL RICE AND WHEAT TRADE PROSPECT

Forecast in World rice export in December 2019/20 is about at 45.94 million MT, which is 3.4% higher than the year earlier. Projection for World wheat export in July is about 180.47 million MT, which is 3.0% up to the earlier forecast.

### BANGLADESH RICE IMPORT

Up to 5 December during this FY 2019-20 Government did not import any rice while only 4.0 thousand MT of rice has imported by the private sector.

### BANGLADESH WHEAT IMPORT

Up to 5 December during this FY 2019-20, about 228.8 thousand MT of wheat was imported by the public sector while about 2404.0 thousand MT wheat was imported by the private sector.

### GOVERNMENT INTERVENTION

During this fortnight, up to 5 December, about 155 thousand MT food grains were distributed through the PFDS mainly the FFP, EP and OMS. As on FY 2019-20, about 1135 thousand MT food grains were distributed.

### GOVERNMENT STOCK

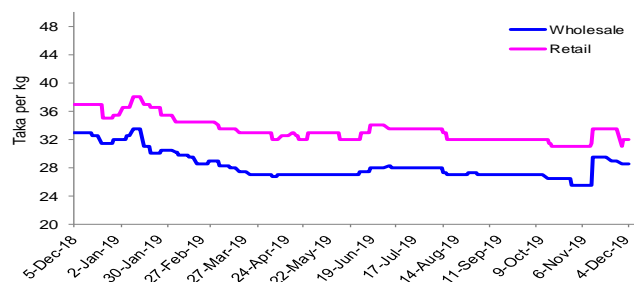
As of 5 December, the public food grain stock estimated at **1442.77** thousand MT, **997.05** thousand MT for rice and **445.72** thousand MT for wheat respectively.

### GOVERNMENT PROCUREMENT

As on 05 December, 3.24 thousands MT of *Aman* paddy that means 2.17 thousands MT in terms of rice has been procured.

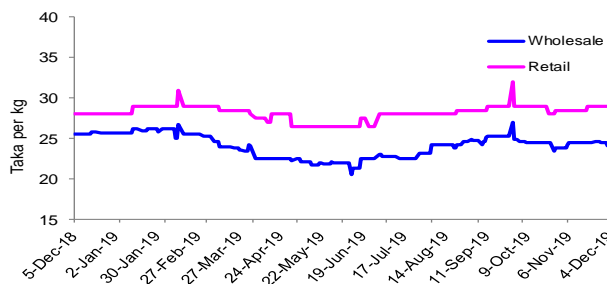
## 1. Domestic price: coarse rice and *atta*

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
<b>RICE</b>				
retail	32.00	▼ -4.5	▲ 3.2	▼ -15.3
wholesale	28.50	▼ -3.4	▲ 11.8	▼ -16.8
<b>ATTA</b>				
retail	29.00	▲ 1.8	▲ 1.8	▲ 6.1
wholesale	24.10	▼ -1.6	▼ -0.8	0.0

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

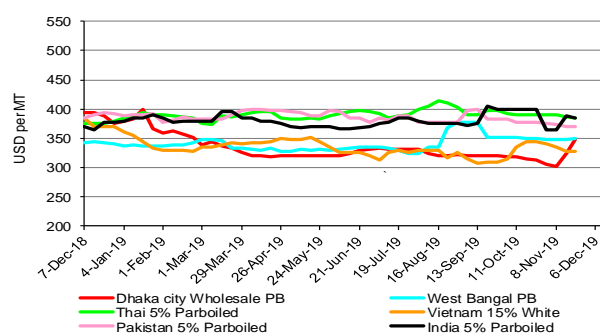
- In the fortnight ending December 05, the wholesale and retail price of (*Swarna*) rice in Dhaka city markets decreased by 3.4% and 4.5% down to Tk 28.5/Kg and 32.0/kg respectively. The wholesale and retail price are now point-to-point 16.8% and 15.3% lower respectively than that of corresponding period of last year.

### ATTA

- Over the same period, the wholesale price of *atta* in Dhaka city markets decreased by 1.6% down to Tk 24.1 /Kg but retail prices of *atta* in Dhaka city markets increased by 1.8% up to Tk.29.0/kg. The wholesale and retail prices are now point-to-point 0% lower and 6.1% higher respectively than that of corresponding period of last year.

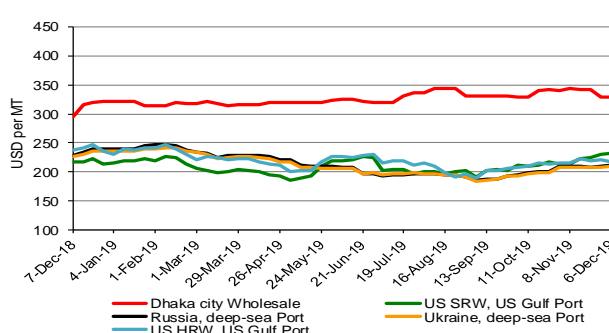
## 2. International price

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



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 December 6, Thai 5% parboiled rice and West Bengal coarse rice price increased by 0.5% and 0.6% up to USD 387/MT and USD 351/MT respectively whereas Dhaka city wholesale rice price decreased by 1.7% down to USD 336.0/MT. However, Vietnam 15% white rice, Pakistan 5% parboiled rice and India 5% parboiled rice remained unchanged at USD 328/MT, USD 370/MT and USD 385/MT respectively over the same period.

### WHEAT

In the fortnight ending December 6, U.S (SRW), Russian and Ukrainian wheat prices increased by 0.8%, 1.0% and 0.7% up to USD 233/MT, USD 212/MT and 210/MT respectively while U.S (HRW) wheat price decreased by 1.8% down to USD 217/MT. During the same period, Dhaka city wheat wholesale price remain unchanged at USD 329.8/MT.

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

change	MAR (H20)	DEC (Z20)	MAY (ZK20)	JUL (N20)	SEP (U20)
6-Dec	193	201	194	195	197
22-Nov	191	192	193	195	199
change	-1.1%	-4.3%	-0.7%	0.2%	1.1%

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

change	MAR (H20)	DEC (Z20)	MAY (ZK20)	JUL (N20)	SEP (U20)
6-Dec	158	173	161	164	168
22-Nov	159	162	165	168	173
change	0.5%	-6.3%	1.9%	2.2%	3.1%

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

### 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	498	-0.2%
Ending stocks	163	173	178	2.6%

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

#### RICE

In the 2019/20, global rice production projected in December to about 498 million MT, which is about 0.3% less than the previous year's record. Ending stocks in December 2019/20 projected to about 178 million MT, which is 2.6% higher from the previous year (USDA, December 2019). Global stocks are raised marginally to a new record.

#### WHEAT

Wheat production in December 2019/20 projected to about 765 million MT, which is 4.7% higher than the previous year's record. Global wheat production is up slightly as larger crops for the EU and Russia more than offset reductions for Argentina and Australia. Ending stocks in December 2019/20 projected to about 289 million MT, which is 4.2% higher than the previous year. (USDA, December 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	763	731	765	4.7%
Ending stocks	283	278	289	4.2%

Source: USDA, (Grain: World Markets and Trade, December 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	8.10	▼ -27%	8.40	▲ 4%
Vietnam	6.59	6.85	▲ 4%	7.00	▲ 2%
USA	2.78	3.05	▲ 10%	3.13	▲ 3%
Pakistan	3.91	4.10	▲ 5%	4.00	▼ -2%
India	11.79	10.60	▼ -10%	11.50	▲ 8%
Others	11.43	11.71	▲ 2%	11.91	▲ 2%
<b>World total</b>	<b>47.56</b>	<b>44.41</b>	▼ -7%	<b>45.94</b>	▲ 3.4%

**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%	27.00	▲ 4%
European Union	23.38	23.31	▶ 0%	29.00	▲ 24%
Canada	22.02	24.46	▲ 11%	24.00	▼ -2%
Australia	15.51	9.84	▼ -37%	8.60	▼ -13%
Ukraine	17.78	16.02	▼ -10%	20.00	▲ 25%
Russia	41.43	35.84	▼ -13%	35.00	▼ -2%
Others	40.16	39.38	▼ -2%	36.87	▼ -6%
<b>World total</b>	<b>183.51</b>	<b>174.90</b>	▼ -5%	<b>180.47</b>	▲ 3%

Source: USDA (Grain: World Markets and Trade, December, 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 December at 45.94 million MT, which is 3.4% higher from a year earlier (USDA, December 2019).
- Global rice production is raised this month mainly due to a larger crop for China. Global trade is nearly unchanged with reduced imports for China partially offsetting higher imports for Ghana and the Philippines.
- Global trade is down with lower exports for Thailand and India more than offsetting higher exports for Vietnam.
- Mexico is the top export market for U.S. rice and almost 90 percent of those imports are rough rice.

#### WHEAT

- In the 2019/20, world wheat trade projected in October at 180.47 million tons, which is 3% up to the previous year's export (USDA, December 2019).
- Global wheat trade is raised slightly with strong demand for Turkey. Higher exports for the European Union, Russia and Ukraine more than offset smaller projected shipments for Argentina and Australia.
- U.S. exports are off to a faster start than the previous year based on improved competitiveness with other international suppliers. Last year, Russia's exports got off to a booming start, which left U.S. wheat struggling to reach beyond its core markets.

## 5. Import

Figure 5. Rice imports (in '000 MT)

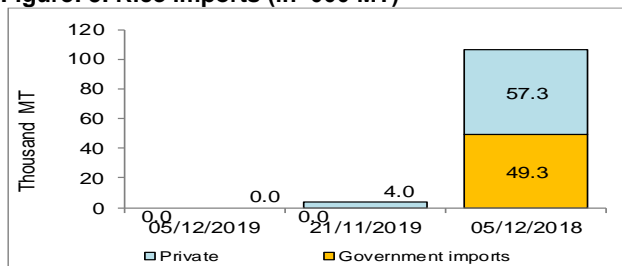
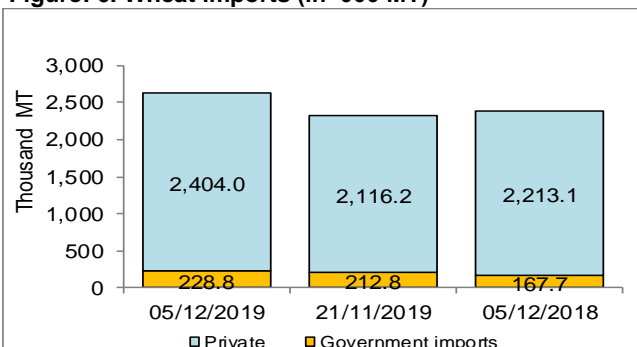


Figure 6. Wheat imports (in '000 MT)



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

### RICE

- Up to 5 December during this FY 2019-20 Government did not import any rice while only 4.0 thousand MT of rice has imported by the private sector. Over the same period of last year, about 49.3 thousand MT rice was imported by the public sector and the private sector imported 57.3 thousand MT. In FY 2018-19 public (including aid) and private sector has imported 70.4 thousand MT and 135.4 thousand MT of rice respectively.

### WHEAT

- Up to 5 December during this FY 2019-20, about 228.8 thousand MT of wheat was imported by the public sector while about 2404.0 thousand MT wheat was imported by the private sector. Over the same period of last year, 167.7 thousand MT wheat was imported by the public sector but the private sector imported 2213.1 thousand MT.

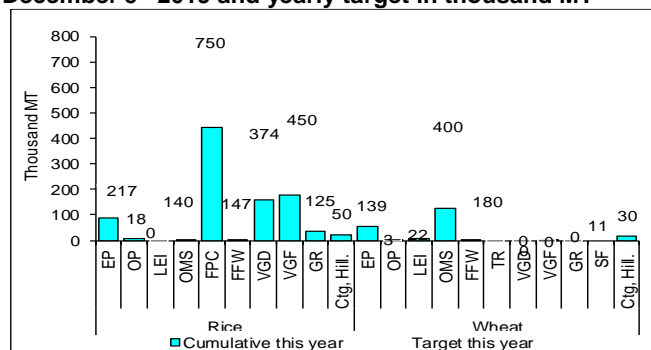
Table 8: LC situation, as of 19 October/19 (in '000 MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
17-30 November/19	0	439	0	280
Cumulative month, November/19	0	640	0	487
Cumulative year (starting 1st July/19)	1	3062	4	2138

Source: Bangladesh Bank

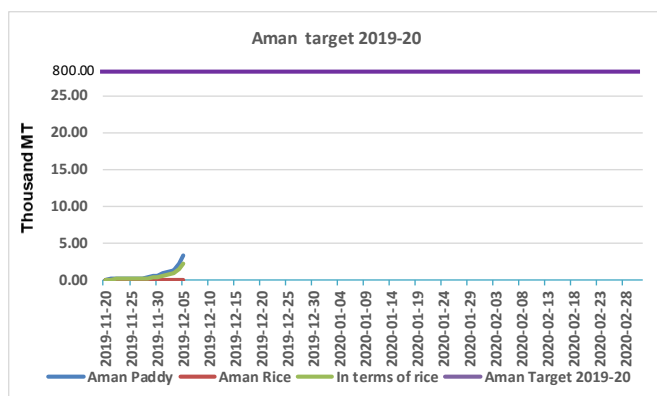
## 6. Government intervention

Figure 7. Rice and wheat distributed through PFDS as of December 5<sup>th</sup> 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

Figure 8. Aman procurement 2019



Source: MIS, DG Food.

### 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 5 December, about 155 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly Fair price (46.3 Thousand MT), OMS (24.4 Thousand MT), EP (27 Thousand MT) and so on. As on FY 2019-20, about 1135 thousand MT food grains were distributed which is about 38% of the yearly target.
- The OMS drive is continuing up to the upazila level all over the country with sold at 30 Tk/kg for rice and 18 Tk/kg for *Atta*. Each beneficiary being able to purchase up to 5 kilograms of foodgrain.

### PUBLIC STOCKS

- As of 5 December, the public food grain stock estimated at **1442.77** thousand MT, **997.05** thousand MT for rice and **445.72** thousand MT for wheat (MISM, DG Food).

### DOMESTIC FOOD GRAIN PROCUREMENT

- 44.2 thousand MT wheat has been procured. (MISM, DG Food).
- 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).
- Aman* rice procurement target has been fixed at 0.80 mmt in terms of rice at 36 Tk/Kg for parboiled rice, 35 Tk/Kg for *Atap* rice and 26 Tk/Kg for paddy from the domestic market. *Aman* procurement started from 20 November 2019 and continued up to 28 February 2020.
- As on 05 December, 3.24 thousands MT of *Aman* paddy that means 2.17 thousands MT in terms of rice has been procured.