

Fortnightly Foodgrain Outlook

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HIGHLIGHTS

- The domestic wholesale and retail prices of rice decreased over the last fortnight (As on 02 January 2020).
- The domestic wholesale and retail prices of *atta* decreased over the last fortnight.
- Export price of rice in Pakistan, Vietnam and Thailand increased but India, West Bengal and Dhaka city market rice prices decreased over the last fortnight.
- Export prices of wheat in USA (SRW, HRW), Ukraine and Russia increased whereas Dhaka city markets wheat price remained 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

The wholesale and retail price of rice (*Swarna*) in Dhaka city markets decreased by 4.2% and 7.8% down to Tk 27.3/Kg and 29.5/kg respectively over last month. The wholesale and retail price were now point-to-point 12.5% and 9.6% lower respectively than that of the corresponding period of last year.

ATTA PRICE

Over the same period, the wholesale price of *atta* in Dhaka city markets decreased by 5.0% and 13.8% down to Tk 22.9/Kg and 25.0/kg respectively. The point-to-point retail price was boosted up by 2.1% at Tk 25.0/Kg. However, the point-to-point wholesale price was 8.8% lower comparing to the corresponding period of last year.

INTERNATIONAL RICE PRICE

In the fortnight ending January 03, Pakistan 5% parboiled rice, Thai 5% parboiled rice and Vietnam 15% white rice prices increased by 0.8%, 3.3% and 2.7% up to USD 373/MT, USD 408/MT and USD 344/MT respectively. However, Dhaka city wholesale rice, West Bengal coarse rice and India 5% parboiled rice prices were decreased by 3.9%, 1.0% and 2.7% at USD 324/MT, 320/MT and USD 365/MT respectively over the same period.

INTERNATIONAL WHEAT PRICE

In the fortnight ending January 03, U.S (SRW), U.S (HRW), Russian and Ukrainian wheat prices increased by 0.4%, 3.7%, 0.7% and 0.9% up to USD 244/MT, USD 237/MT, USD 219/MT and USD 215/MT respectively. 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 31 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 31 December during this FY 2019-20, about 265.3 thousand MT of wheat was imported by the public sector while about 2938.2 thousand MT wheat was imported by the private sector.

GOVERNMENT INTERVENTION

During this fortnight, up to 31 December, about 43.5 thousand MT food grains were distributed through the PFDS. The major portion of the distribution occurred through VGD (21.2 Thousand MT) followed by EP (12.2 Thousand MT) and OMS (8.9 Thousand MT). As on FY 2019-20, about 1237.5 thousand MT food grains were distributed which is about 40.5% of the yearly target.

GOVERNMENT STOCK

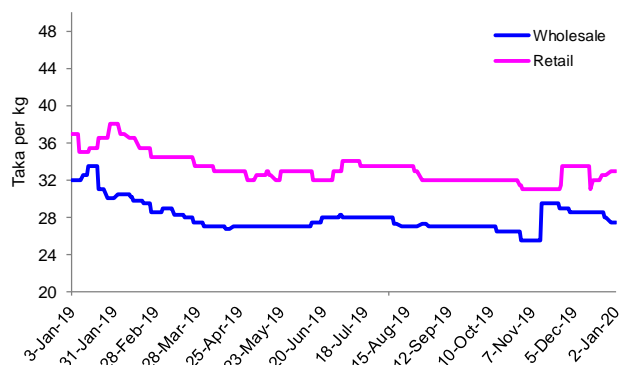
As of 31 December, the public food grain stock was estimated at **1451.15** thousand MT where **994.66** thousand MT for rice and **456.49** thousand MT for wheat respectively.

GOVERNMENT PROCUREMENT

As on 02 January, 130.52 thousand MT of *Aman* paddy that means 87.45 thousand MT in terms of rice has been procured.

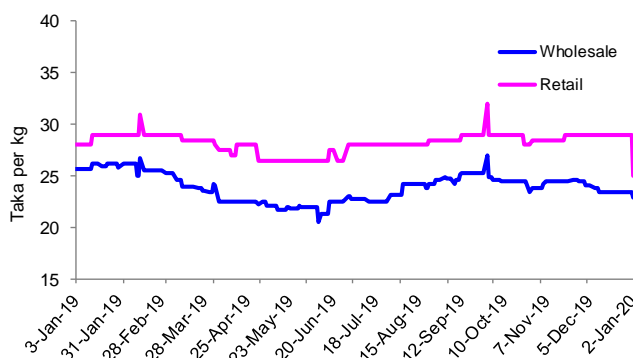
1. Domestic price: coarse rice and *atta*

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
RICE			
retail	29.50	▼ -10.6	▼ -7.8
wholesale	27.30	▼ -4.2	▼ -12.5
ATTA			
retail	25.00	▼ -13.8	▼ -13.8
wholesale	22.90	▼ -6.5	▼ -5.0

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

The wholesale and retail price of rice (*Swarna*) in Dhaka city markets decreased by 4.2% and 7.8% down to Tk 27.3/Kg and 29.5/kg respectively over last month. The wholesale and retail price were now point-to-point 12.5% and 9.6% lower respectively than that of the corresponding period of last year.

ATTA

Over the same period, the wholesale price of *atta* in Dhaka city markets decreased by 5.0% and 13.8% down to Tk 22.9/Kg and 25.0/kg respectively. The point-to-point retail price was boosted up by 2.1% at Tk 25.0/Kg. However, the point-to-point wholesale price was 8.8% lower comparing to the corresponding period of last year.

2. International price

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

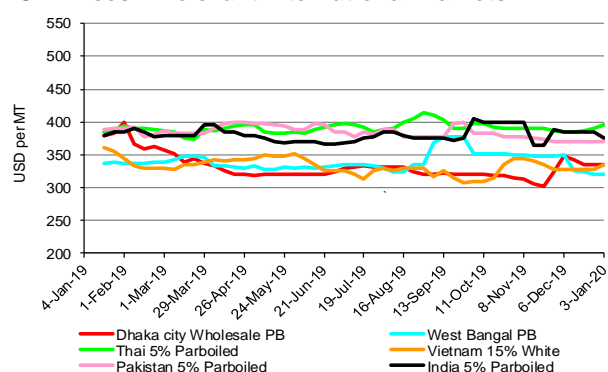
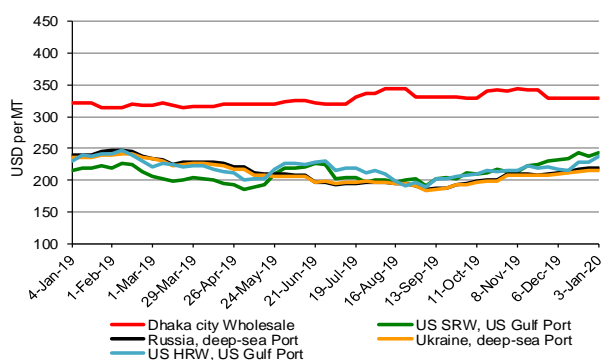


Figure: 4. Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



Source: For average weekly FOB prices: USDA, FAO, Jackson Sons & Co. (London) Ltd 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 January 03, Pakistan 5% parboiled rice, Thai 5% parboiled rice and Vietnam 15% white rice prices increased by 0.8%, 3.3% and 2.7% up to USD 373/MT, USD 408/MT and USD 344/MT respectively. However, Dhaka city wholesale rice, West Bengal coarse rice and India 5% parboiled rice prices were decreased by 3.9%, 1.0% and 2.7% at USD 324/MT, 320/MT and USD 365/MT respectively over the same period.

WHEAT

In the fortnight ending January 03, U.S (SRW), U.S (HRW), Russian and Ukrainian wheat prices increased by 0.4%, 3.7%, 0.7% and 0.9% up to USD 244/MT, USD 237/MT, USD 219/MT and USD 215/MT respectively. 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 (K20)	JUL (N20)	SEP (U20)
3-Jan	204	212	205	206	208
20-Dec	199	201	202	203	207
change	-2.2%	-5.3%	-1.6%	-1.2%	-0.9%

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

change	MAR (H20)	DEC (Z20)	MAY (K20)	JUL (N20)	SEP (U20)
3-Jan	175	187	177	180	183
20-Dec	170	173	165	178	182
change	-2.7%	-7.6%	-7.3%	-1.2%	-0.8%

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 03 January 2020, Soft red winter (SRW) March (H20) futures gained 12 cents on the week to close at \$5.55/bu. Hard red winter (HRW) March futures gained 13 cents to end at \$4.75/bu. Hard red spring (HRS) futures rose 11 cents to close at \$5.47/bu. However, CBOT wheat futures prices increased by USD 2.2/MT closed at USD 204/MT and KCBT wheat futures prices increased by 2.7/MT closed at USD 175/MT. (U.S. wheat Associates, 03 January 2020) (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	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 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%
World total	47.56	44.41	▼ -7%	45.94	▲ 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%
World total	183.51	174.90	▼ -5%	180.47	▲ 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)

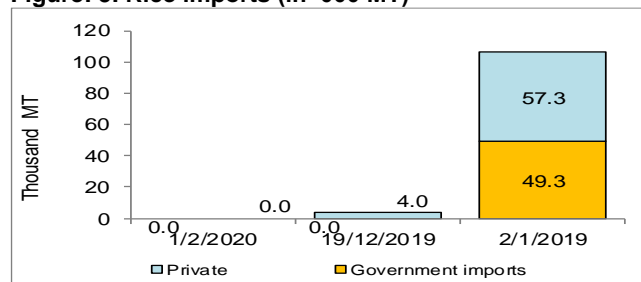
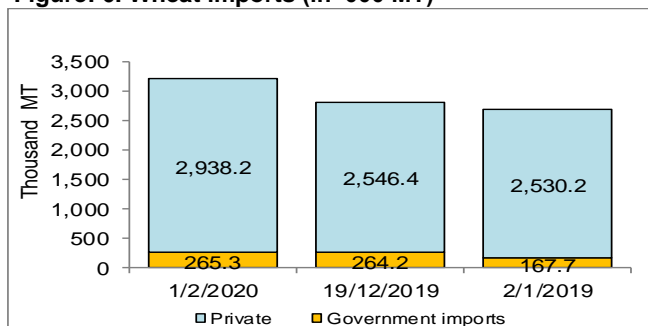


Figure 6. Wheat imports (in '000 MT)



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

RICE

- Up to 31 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 of rice was imported by the public sector and the private sector imported 57.3 thousand MT.

WHEAT

- Up to 31 December during this FY 2019-20, about 265.3 thousand MT of wheat was imported by the public sector while about 2938.2 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 2530.2 thousand MT.

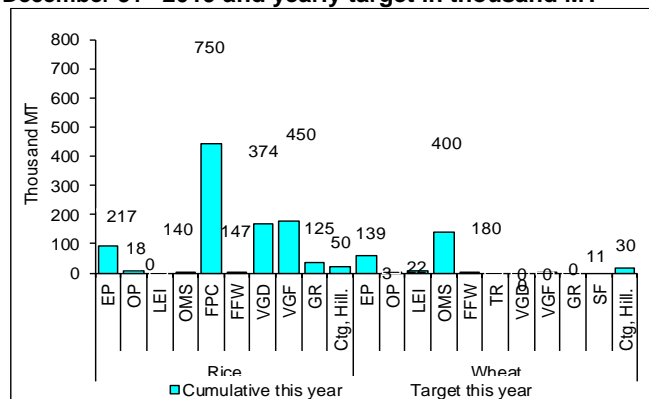
Table 8: LC situation, as of 31 December/19 in'000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
01- 31 December/19	0	907	0	544
Cumulative month, December/19	0	907	0	544
Cumulative year (starting 1st July/19)	2	3970	5	2682

Source: Bangladesh Bank

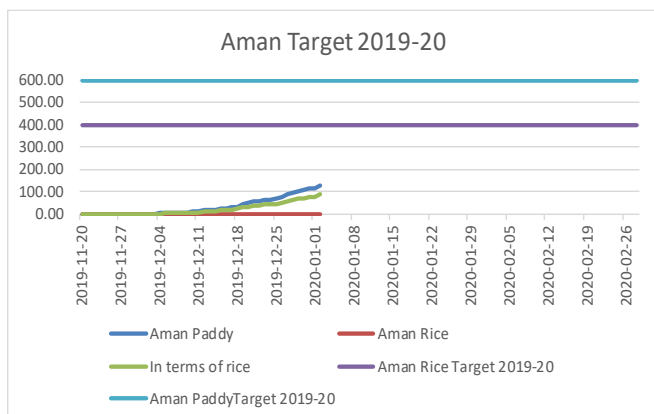
6. Government intervention

Figure 7. Rice and wheat distributed through PFDS as of December 31st 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 31 December, about 43.5 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly VGD (21.2 Thousand MT), EP (12.2 Thousand MT), OMS (8.9 Thousand MT) and so on. As on FY 2019-20, about 1237.5 thousand MT food grains were distributed which is about 40.5% 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 kg of foodgrain.

PUBLIC STOCKS

- As 31 december 2019, the public food grain stock estimated at 1451.15 thousand MT, 994.66 thousand MT for rice and 456.49 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 02 January, 130.52 thousand MT of *Aman* paddy that means 87.45 thousand MT in terms of rice has been procured (MISM, DG Food).