Fortnightly Foodgrain Outlook

Issue No. 299 *05 February 2020*

HIGHLIGHTS

- **The domestic wholesale and retail prices of rice and atta increased over the last fortnight (As on 30 January 2020).**
- **Export price of rice in Pakistan and West Bengal increased whereas India, Thailand and Vietnam rice prices decreased over the last fortnight.**
- **Export prices of wheat in USA (SRW), Ukraine and Russia increased whereas USA (HRW) and Dhaka city markets wheat price decreased 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 retail price of rice *(Swarna*) in Dhaka city markets increased by 4.7% up to Tk 33.5/Kg whereas the wholesale price of rice in Dhaka city markets remained unchanged at TK 27.5/kg over the last month. The wholesale and retail price were point-to-point 10.6% and 9.1% lower respectively than that of the corresponding period of the last year.

ATTA PRICE
The wholesale and retail price of *atta* in Dhaka city markets decreased by 0.9% and 1.7% down to Tk 23.3/Kg and 28.5/kg respectively over the last month. However, the point-to-point wholesale and retail prices of *atta* were 9.8% and 0.5% lower comparing to the corresponding period of the last year.

INTERNATIONAL RICE PRICE
In the fortnight ending January 31, Pakistan 5% parboiled rice, West Bengal coarse rice and Dhaka city wholesale rice prices increased by 1.0%, 3.7%, and 1.8% up to USD 388/MT, USD 336/MT and USD 324/MT respectively. However, Thai 5% parboiled rice, India 5% parboiled and Vietnam 15% white rice prices were decreased by 1.2%, 2.9% and 2.3% at USD 425/MT, USD 374/MT and USD 333/MT respectively over the same period.

INTERNATIONAL WHEAT PRICE
In the fortnight ending January 31, U.S (SRW), Russian and Ukrainian wheat prices increased by 1.6%, 0.7% and 0.5% up to USD 252/MT, USD 226/MT and USD 223/MT respectively. During the same period, U.S (HRW) and Dhaka city wheat wholesale price decreased by 2.7% and 0.2% at USD 236.0/MT USD 327.3/MT.

GLOBAL RICE AND WHEAT PRODUCTION
In the 2019/20, global rice production projected in January about 497 million MT, which is about 0.5% less than the previous year's record. Wheat production in January 2019/20 projected about 764 million MT, which was 4.5% higher than the previous year's record.

GLOBAL RICE AND WHEAT TRADE PROSPECT
Global rice export for 2019/20 projected in January at 45.99 million MT, which was 2.5% higher from a year earlier. In the 2019/20, world wheat trade projected in January at 181.73 million tons, which was 4% up to the previous year's export

BANGLADESH RICE IMPORT
Up to 30 January Government did not import any rice while only 4.0 thousand MT of rice was imported by the private sector.

BANGLADESH WHEAT IMPORT
Up to 30 January, about 285.6 thousand MT of wheat was imported by the public sector while about 3280.0 thousand MT wheat was imported by the private sector.

GOVERNMENT INTERVENTION
During this fortnight, up to 31 January, about 72.2 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly VGD (24.6 Thousand MT), EP (15.8 Thousand MT), OMS (15.4 Thousand MT), and so on. As on 30 January FY 2019-20, about 1347.1 thousand MT food grains were distributed which is about 44.02% of the yearly target.

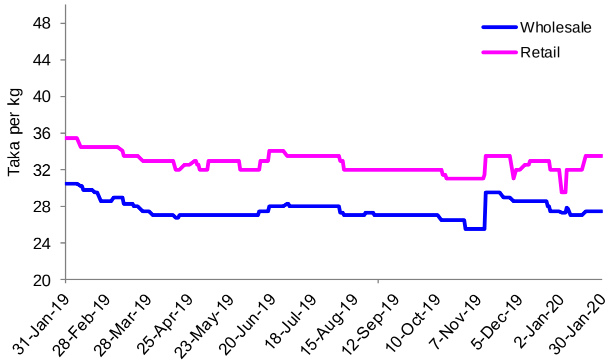
GOVERNMENT STOCK
As on 30 January 2020, the public food grain stock estimated at **1713.56** thousand MT, **1260.03** thousand MT for rice and **453.53** thousand MT for wheat.

GOVERNMENT PROCUREMENT
As on 30 January, 315.67 thousand MT of *Aman* paddy, 185.54 thousand MT rice (*Boil* and *Atap*) and total 395.25 thousand MT (in terms of rice) rice has been procured.

Food Planning and Monitoring Unit (FPMU), Ministry of Food
http://www.mofood.gov.bd

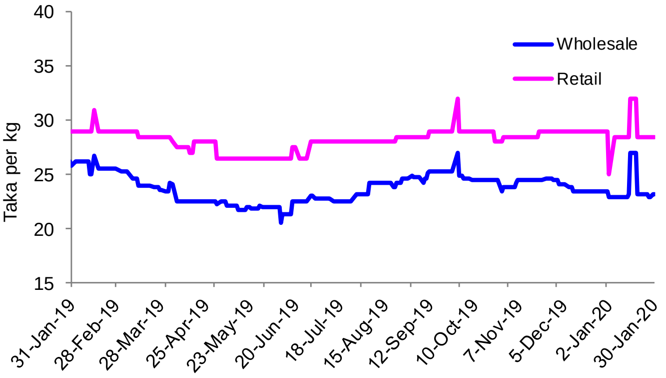
1. Domestic price: coarse rice and *atta*

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
RICE				
retail	33.50	13.6	4.7	-9.1
wholesale	27.50	0.7	0.0	-10.6
ATTA				
retail	28.50	14.0	-1.7	-0.5
wholesale	23.30	1.7	-0.9	-9.8

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
The retail price of rice *(Swarna*) in Dhaka city markets increased by 4.7% up to Tk 33.5/Kg whereas the wholesale price of rice in Dhaka city markets remained unchanged at TK 27.5/kg over the last month. The wholesale and retail price were point-to-point 10.6% and 9.1% lower respectively than that of the corresponding period of the last year.

ATTA
The wholesale and retail price of *atta* in Dhaka city markets decreased by 0.9% and 1.7% down to Tk 23.3/Kg and 28.5/kg respectively over the last month. However, the point-to-point wholesale and retail price was 9.8% and 0.5% lower comparing to the corresponding period of the last year.

2. International price

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

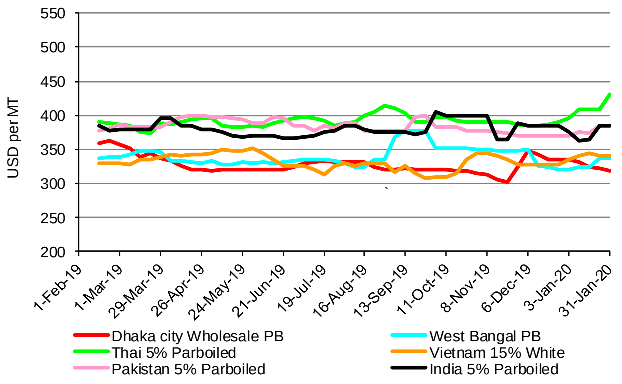
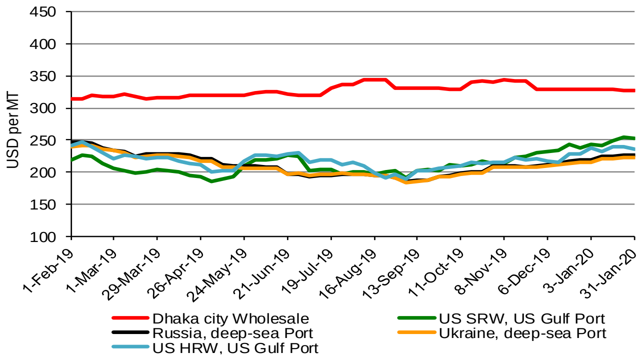


Figure: 4. Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 January 31, Pakistan 5% parboiled rice, West Bengal coarse rice and Dhaka city wholesale rice prices increased by 1.0%, 3.7%, and 1.8% up to USD 388/MT, USD 336/MT and USD 324/MT respectively. However, Thai 5% parboiled rice, India 5% parboiled and Vietnam 15% white rice prices were decreased by 1.2%, 2.9% and 2.3% at USD 425/MT, and USD 374/MT and USD 333/MT respectively over the same period.

WHEAT
In the fortnight ending January 31, U.S (SRW), Russian and Ukrainian wheat prices increased by 1.6%, 0.7% and 0.5% up to USD 252/MT, USD 226/MT and USD 223/MT respectively. During the same period, U.S (HRW) and Dhaka city wheat wholesale price decreased by 2.7% and 0.2% at USD 236.0/MT USD 327.3/MT.

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

change	MAR (H20)	DEC (Z20)	MAY (K20)	JUL (N20)	SEP (U20)
31-Jan	203	209	203	203	205
17-Jan	204	212	205	206	208
change	0.1%	1.5%	1.0%	1.4%	1.5%

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

change	MAR (H20)	DEC (Z20)	MAY (K20)	JUL (N20)	SEP (U20)
31-Jan	171	184	174	176	180
17-Jan	175	187	177	180	183
change	2.0%	1.7%	2.2%	2.1%	1.9%

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

The lack of Chinese demand for U.S. wheat and broad technical selling due to coronavirus fears pressured all U.S. wheat futures prices week-over-week. Soft red winter (SRW) futures lost 20 cents to close at $5.54/bu. Hard red winter (HRW) futures lost 20 cents to end at $4.72/bu. Hard red spring futures fell 14 cents to close at $5.43/bu. However, CBOT wheat futures prices decreased by USD 0.1/MT closed at USD 203/MT and KCBT wheat futures prices decreased by 2.0/MT closed at USD 171/MT. (U.S. wheat Associates, 31 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	497	-0.5%
Ending stocks	163	174	177	1.5%

Source: USDA, (Grain: World Markets and Trade, January 2020)

RICE

In the 2019/20, global rice production projected in January about 497 million MT, which was about 0.5% less than the previous year's record. Ending stocks in January 2019/20 projected about 177 million MT, which was 1.5% higher from the previous year (USDA, January 2020). Global stocks are raised marginally to a new record.

WHEAT

Wheat production in January 2019/20 projected about 764 million MT, which was 4.5% higher than the previous year's record. Global wheat production is up slightly. Ending stocks in January 2019/20 projected about 288 million MT, which was 3.6% higher than the previous year. (USDA, January 2020).

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	764	4.5%
Ending stocks	283	278	288	3.6%

Source: USDA, (Grain: World Markets and Trade, January 2020)

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	7.90	-29%	7.50	-5%
Vietnam	6.59	6.85	4%	7.00	2%
USA	2.78	3.05	10%	3.18	4%
Pakistan	3.91	4.60	18%	4.40	-4%
India	11.79	10.60	-10%	12.00	13%
Others	11.51	11.87	3%	11.91	0%
World total	**47.64**	**44.87**	**-6%**	**45.99**	**2.5%**

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%	31.00	33%
Canada	22.02	24.46	11%	24.00	-2%
Australia	15.51	9.84	-37%	8.40	-15%
Ukraine	17.78	16.02	-10%	20.50	28%
Russia	41.43	35.84	-13%	34.00	-5%
Others	40.16	39.38	-2%	36.83	-6%
World total	**183.51**	**174.90**	**-5%**	**181.73**	**4%**

Source: USDA (Grain: World Markets and Trade, January,2020). *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 January at 45.99 million MT, which is 2.5% higher from a year earlier (USDA, January 2020).
- Global rice production is lowered this month due to a drop in Thailand's crop. Global trade is also down, as lower exports from Thailand more than offset higher trade for India and Pakistan. China and Indonesia imports are revised lower.
- The strengthening of Thailand's currency has hindered exports with the baht now at a 6-year high. Thailand competes with more competitive Indian and Vietnamese rice, which is priced about 20 percent lower.
- China was Thailand's second-largest market, but its imports have fallen sharply over the past year.

WHEAT

- In the 2019/20, world wheat trade projected in January at 181.73 million tons, which is 4% up to the previous year's export (USDA, January 2020).
- Global production is down with smaller crops in Russia and Australia more than offsetting larger crops in the European Union. Global trade is raised slightly with stronger demand from Turkey.
- Higher exports for the European Union and Ukraine more than offset lower shipments from Russia.

5. Import

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

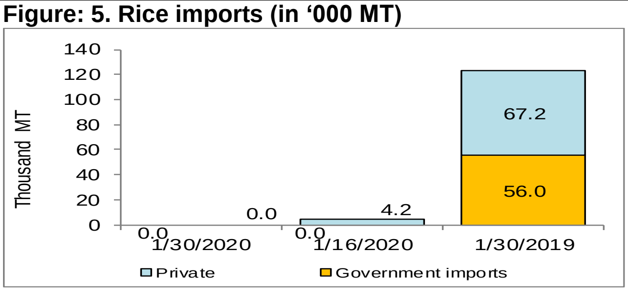
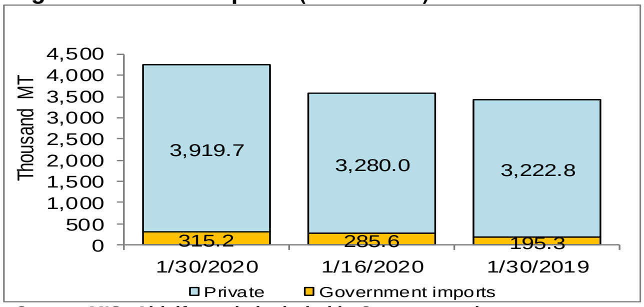


Figure: 6. Wheat imports (in '000 MT)



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

RICE

- Up to 30 January during this FY 2019-20 Government did not import any rice while only 4.2 thousand MT of rice has imported by the private sector. Over the same period of last year, about 56.0 thousand MT of rice was imported by the public sector and the private sector imported 58.2 thousand MT.

WHEAT

- Up to 30 January during this FY 2019-20, about 315.2 thousand MT of wheat was imported by the public sector while about 3919.7 thousand MT wheat was imported by the private sector. Over the same period of last year, 195.3 thousand MT wheat was imported by the public sector but the private sector imported 3222.8 thousand MT.

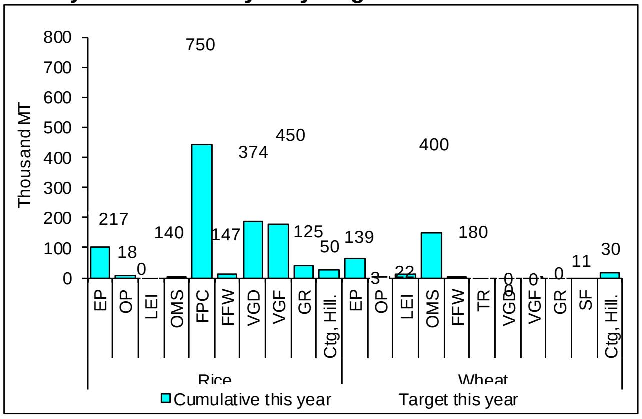
Table: 8: LC situation, as of 30 January /20 in'000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
01- 25 January/20	1	352	0	269
Cumulative month, December/19	1	352	0	269
Cumulative year (starting 1st July/19)	2	4321	5	2951

Source: Bangladesh Bank

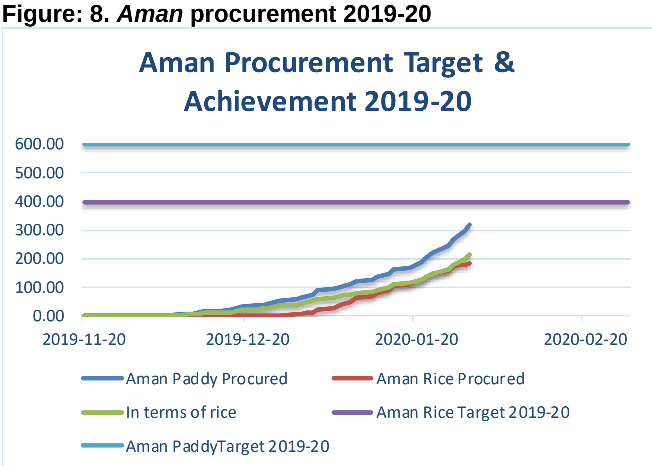
6. Government intervention

Figure: 7. Rice and wheat distributed through PFDS as of January 30th 2020 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 2019-20



Source: MISM, 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, about 72.2 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly VGD (24.6 Thousand MT), EP (15.8 Thousand MT), OMS (15.4 Thousand MT), and so on. As on 30 January FY 2019-20, about 1347.1 thousand MT food grains were distributed which is about 44.02% 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 on 30 January 2020, the public food grain stock estimated at **1713.56** thousand MT, **1260.03** thousand MT for rice and **453.53** 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) 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 30 January, 315.67 thousand MT of *Aman* paddy, 185.54 thousand MT rice (*Boil* and *Atap*) and total 395.25 thousand MT (in terms of rice) rice has been procured (MISM, DG Food).