

Fortnightly Foodgrain Outlook

Issue No. 300

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HIGHLIGHTS

- The domestic wholesale and retail prices of rice and atta remained unchanged over the last fortnight (As on 13 February 2020).
- Export price of rice in Pakistan, Vietnam and West Bengal increased whereas India and Thailand rice prices decreased over the last fortnight.
- Export prices of wheat in USA (SRW), USA (HRW), Ukraine and Russia decreased 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 retail and wholesale price of rice (*Swarna*) in Dhaka city markets increased by 4.7% and 1.9% up to Tk 33.5/Kg and Tk 27.5/Kg over the last month. The wholesale and retail price were point-to-point 10.2% and 6.7% lower respectively than that of the corresponding period of the last year.

ATTA PRICE

The wholesale price of *atta* in Dhaka city markets increased by 1.3% up to Tk 23.3/Kg whereas the retail price remained unchanged at Tk 28.5/Kg over the last month. However, the point-to-point wholesale and retail price were 11.4% and 1.7% lower comparing to the corresponding period of the last year.

INTERNATIONAL RICE PRICE

In the fortnight ending February 14, Pakistan 5% parboiled rice, West Bengal coarse rice and Vietnam 15% white rice wholesale prices increased by 1.3%, 4.3%, and 3.6% up to USD 393/MT, USD 350/MT and USD 345/MT respectively. However, Thai 5% parboiled rice, India 5% parboiled rice prices were decreased by 0.5% and 0.5% at USD 423/MT and USD 372/MT respectively, whereas Dhaka city wholesale price of rice remain unchanged at USD 324/MT over the same period.

INTERNATIONAL WHEAT PRICE

In the fortnight ending February 14, U.S (SRW), U.S (HRW), Russian and Ukrainian wheat prices decreased by 6.6%, 2.5%, 0.9% and 0.7% down to USD 236/MT, USD 230/MT, USD 224/MT and USD 221/MT respectively. During the same period, and Dhaka city wheat wholesale price increased by 0.7% up to USD 329.6/MT.

GLOBAL RICE AND WHEAT PRODUCTION

In the 2019/20, global rice production projected in February about 496 million MT, which was about 0.6% less than the previous year's record. Wheat production in February 2019/20 projected about 764 million MT, which was 4.4% higher than the previous year's record. Global wheat production is up slightly.

GLOBAL RICE AND WHEAT TRADE PROSPECT

Global rice export for 2019/20 projected in February at 45.33 million MT, which is 3.6% higher from a year earlier. In the 2019/20, world wheat trade projected in February at 181.31 million tons, which is 5% up to the previous year's export

BANGLADESH RICE IMPORT

Up to 13 February Government did not import any rice while only 4.2 thousand MT of rice was imported by the private sector.

BANGLADESH WHEAT IMPORT

Up to 13 February during this FY 2019-20, about 356.1 thousand MT of wheat was imported by the public sector while about 4322.5 thousand MT wheat was imported by the private sector.

GOVERNMENT INTERVENTION

During this fortnight, about 43.8 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly EP (12.4 Thousand MT), OMS (11.3 Thousand MT), FFW (9.8 Thousand MT) and so on. As on 13 February FY 2019-20, about 1390.9 thousand MT food grains were distributed which is about 45.45% of the yearly target

GOVERNMENT STOCK

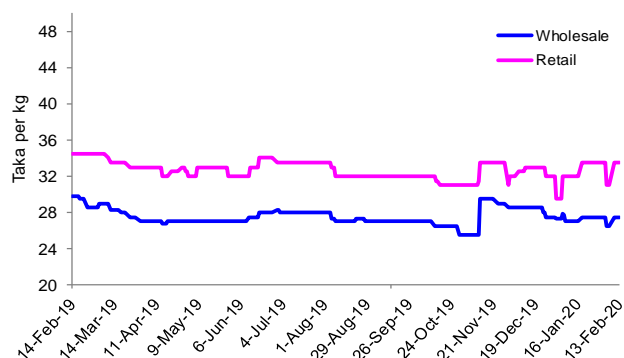
As on 13 February 2020, the public food grain stock estimated at 1830.75 thousand MT, 1358.39 thousand MT for rice and 472.36 thousand MT for wheat.

GOVERNMENT PROCUREMENT

As on 13 February, 455.20 thousand MT of *Aman* paddy, 215.49 thousand MT rice (*Boil* and *Atap*) and total 518.01 thousand MT (in terms of rice) rice has been procured.

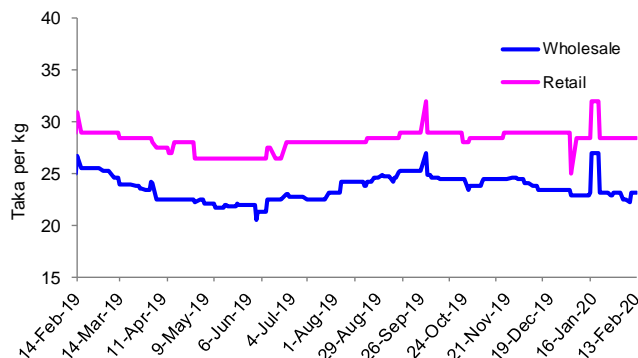
1. Domestic price: coarse rice and *atta*

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	33.50	0.0	4.7	-6.7
wholesale	27.50	0.0	1.9	-10.2
ATTA				
retail	28.50	0.0	0.0	-1.7
wholesale	23.30	0.0	1.3	-11.4

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

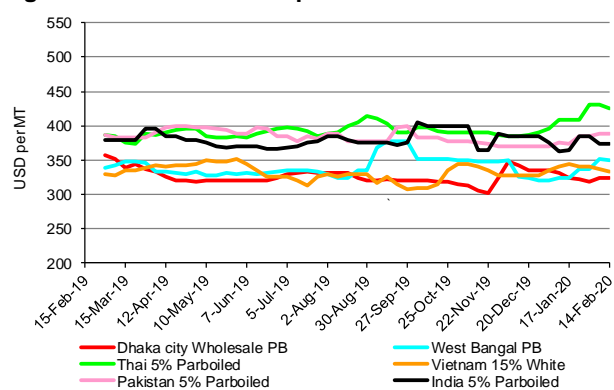
The retail and wholesale price of rice (*Swarna*) in Dhaka city markets increased by 4.7% and 1.9% up to Tk 33.5/Kg and Tk 27.5/Kg over the last month. The wholesale and retail price were point-to-point 10.2% and 6.7% lower respectively than that of the corresponding period of the last year.

ATTA

The wholesale price of *atta* in Dhaka city markets increased by 1.3% up to Tk 23.3/Kg whereas the retail price remained unchanged at Tk 28.5/Kg over the last month. However, the point-to-point wholesale and retail price were 11.4% and 1.7% lower comparing to the corresponding period of the last year.

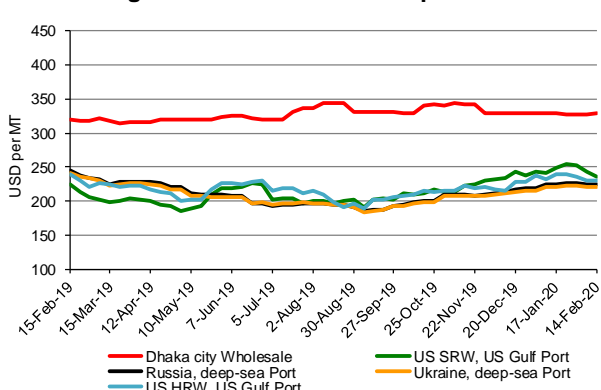
2. International price

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 February 14, Pakistan 5% parboiled rice, West Bengal coarse rice and Vietnam 15% white rice wholesale prices increased by 1.3%, 4.3%, and 3.6% up to USD 393/MT, USD 350/MT and USD 345/MT respectively. However, Thai 5% parboiled rice, India 5% parboiled rice prices were decreased by 0.5% and 0.5% at USD 423/MT and USD 372/MT respectively, whereas Dhaka city wholesale price of rice remain unchanged at USD 324/MT over the same period.

WHEAT

In the fortnight ending February 14, U.S (SRW), U.S (HRW), Russian and Ukrainian wheat prices decreased by 6.6%, 2.5%, 0.9% and 0.7% down to USD 236/MT, USD 230/MT, USD 224/MT and USD 221/MT respectively. During the same period, and Dhaka city wheat wholesale price increased by 0.7% up to USD 329.6/MT.

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

change	MAR (H20)	DEC (Z20)	MAY (K20)	JUL (N20)	SEP (U20)
14-Feb	199	204	199	199	201
31-Jan	204	212	205	206	208
change	2.2%	3.6%	3.0%	3.6%	3.7%

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

change	MAR (H20)	DEC (Z20)	MAY (K20)	JUL (N20)	SEP (U20)
14-Feb	171	183	174	176	179
31-Jan	175	187	177	180	183
change	2.0%	2.2%	2.2%	2.4%	2.4%

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

Soft red winter (SRW) lost 16 cents to end at \$5.43/bu. Hard red winter (HRW) fell 7 cents to close at \$4.65/bu. Hard red spring (HRS) lost 10 cents to end at \$5.25/bu. However, CBOT wheat futures prices decreased by USD 2.2/MT closed at USD 199/MT and KCBT wheat futures prices decreased by 2.0/MT closed at USD 171/MT. (U.S. wheat Associates, 14 February 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	496	-0.6%
Ending stocks	163	175	178	1.8%

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

RICE

In the 2019/20, global rice production projected in February about 496 million MT, which was about 0.6% less than the previous year's record. Ending stocks in February 2019/20 projected about 178 million MT, which was 1.8% higher from the previous year (USDA, February 2020). Global stocks are raised marginally to a new record.

WHEAT

Wheat production in February 2019/20 projected about 764 million MT, which was 4.4% higher than the previous year's record. Global wheat production is up slightly. Ending stocks in February 2019/20 projected about 288 million MT, which was 3.5% higher than the previous year. (USDA, February 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	4.4%
Ending stocks	284	278	288	3.5%

Source: USDA, (Grain: World Markets and Trade, February 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	7.56	▼ -32%	7.50	▼ -1%
Vietnam	6.59	6.85	▲ 4%	7.00	▲ 2%
USA	2.78	3.13	▲ 13%	3.23	▲ 3%
Pakistan	3.91	4.60	▲ 18%	4.40	▼ -4%
India	11.79	10.00	▼ -15%	11.50	▲ 15%
Others	11.52	11.62	▲ 1%	11.70	▲ 1%
World total	47.65	43.76	▼ -8%	45.33	▲ 3.6%

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	47.38	51.31	▲ 8%	52.26	▲ 2%
European Union	23.38	23.31	▶ 0%	32.00	▲ 37%
Canada	22.02	24.48	▲ 11%	23.50	▼ -4%
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	16.50	14.59	▼ -12%	12.65	▼ -13%
World total	184.00	175.37	▼ -5%	183.31	▲ 5%

Source: USDA (Grain: World Markets and Trade, February 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 February at 45.33 million MT, which is 3.6% higher from a year earlier (USDA, February 2020).
- Global rice production is lowered this month due to a reduction in the forecasts for Sri Lanka and Paraguay.
- Global trade is also down, with lower imports forecast for Guinea, Egypt, and the Philippines. Exports are revised lower for India and Paraguay.
- China was Thailand's second-largest market, but its imports have fallen sharply over the past year.
- Both the United States and China have been able to benefit in 2019 from Australia's relative absence from the market amid its persistent drought.

WHEAT

- In the 2019/20, world wheat trade projected in February at 181.31 million tons, which is 5% up to the previous year's export (USDA, February 2020).
- Global production is marginally lower with a smaller crop for Morocco. Global trade is raised slightly with stronger demand from China and Turkey.
- Higher exports for the European Union, Kazakhstan, and the United States more than offset lower shipments from Canada.
- Vietnam's free trade agreement with Australia also created a preference for Australian wheat which once accounted for over 70 percent of Vietnam's total imports.

5. Import

Figure 5. Rice imports (in '000 MT)

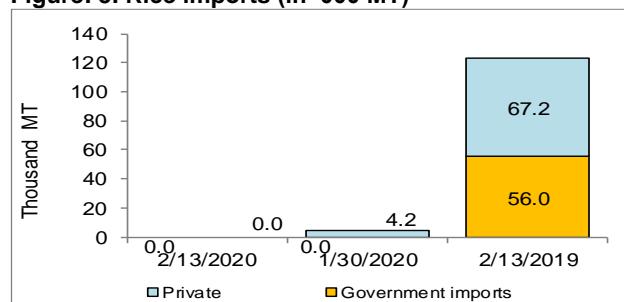
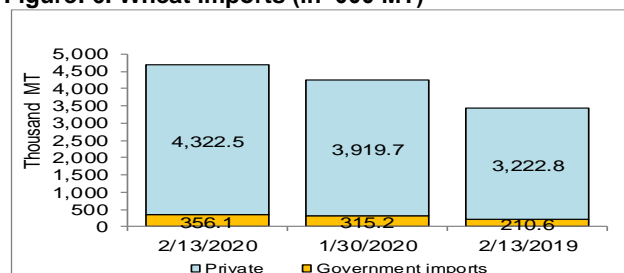


Figure 6. Wheat imports (in '000 MT)



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

RICE

- Up to 13 February 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 67.2 thousand MT.

WHEAT

- Up to 13 February during this FY 2019-20, about 356.1 thousand MT of wheat was imported by the public sector while about 4322.5 thousand MT wheat was imported by the private sector. Over the same period of last year, 210.6 thousand MT wheat was imported by the public sector but the private sector imported 3222.8 thousand MT.

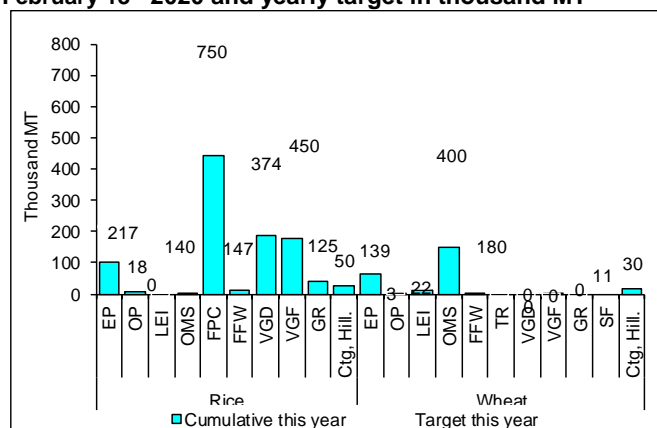
Table 8: LC situation. as of 15 February /20 in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
01- 15 February/20	0	218	0	380
Cumulative month, February/20	0	218	0	380
Cumulative year (starting 1st July/19)	3	4731	5	3442

Source: Bangladesh Bank

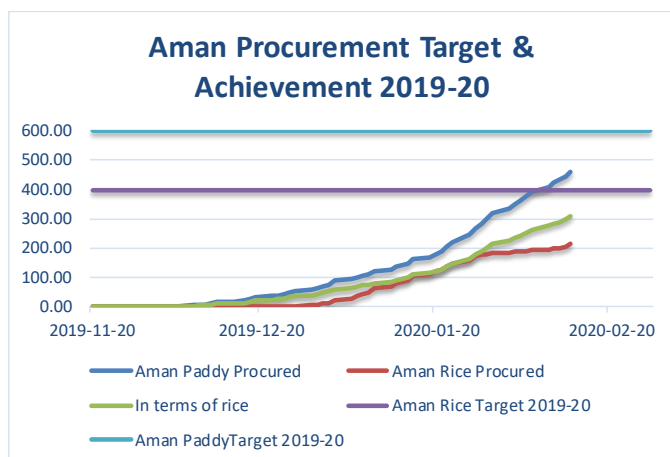
6. Government intervention

Figure 7. Rice and wheat distributed through PFDS as of February 13th 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; 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 43.8 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly EP (12.4 Thousand MT), OMS (11.3 Thousand MT), FFW (9.8 Thousand MT) and so on. As on 13 February FY 2019-20, about 1390.9 thousand MT food grains were distributed which is about 45.45% 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 13 February 2020, the public food grain stock estimated at **1830.75** thousand MT, **1358.39** thousand MT for rice and **472.36** 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 13 February, 455.20 thousand MT of *Aman* paddy, 215.49 thousand MT rice (*Boil* and *Atap*) and total 518.01 thousand MT (in terms of rice) rice has been procured (MISM, DG Food).