

Fortnightly Foodgrain Outlook

Issue No. 303

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HIGHLIGHTS

- The domestic wholesale and retail price of rice increased over the last fortnight (As on 26 March 2020).
- The domestic wholesale price of *atta* increased whereas the domestic retail prices of *atta* decreased over the last fortnight (As on 26 March 2020).
- Export price of rice in India, West Bengal, Thailand and Vietnam increased whereas Pakistan and Dhaka city wholesale rice price remain unchanged over the last fortnight.
- Export prices of wheat in USA (SRW), USA (HRW), Ukraine and Russia decreased over the last fortnight.
- Global rice production projected remained unchanged 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 7.2% and 8.2% up to Tk 37.0/Kg and Tk 33.0/Kg over the last month. The point-to-point wholesale and retail price were 13.7% and 7.4% higher respectively than that of the corresponding period of the last year.

ATTA PRICE

The wholesale and retail price of *atta* in Dhaka citymarkets decreased by 5.1% and 5.4% down to Tk 22.3/Kg and Tk 26.5/Kg over the last month. However, the point-to-point wholesale and retail price were 7.9% and 6.5% lower comparing to the corresponding period of the last year.

INTERNATIONAL RICE PRICE

In the fortnight ending March 27, West Bengal parboiled rice, Thai 5% parboiled rice, Vietnam 15% white rice and India 5% parboiled rice prices increased by 2.5%, 3.1%, 6.5% and 2.8% up to USD 346/MT, USD 495/MT, USD 410/MT and USD 370/MT respectively. However, Pakistan 5% parboiled rice and Dhaka city wholesale rice prices were remained unchanged at USD 408/MT and 359/MT respectively, over the same period.

INTERNATIONAL WHEAT PRICE

In the fortnight ending March 27, U.S (SRW), U.S (HRW), Russian, Ukrainian and Dhaka city wholesale wheat prices increased by 6.4%, 9.1%, 2.1%, 2.4% and 24.1% up to USD 238/MT, USD 239/MT, USD 219/MT, USD 217/MT and USD 321.4/MT respectively.

GLOBAL RICE AND WHEAT PRODUCTION

In the 2019/20, global rice production projected in March about 499 million MT, which was similar as the previous year's record. Wheat production in March 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 March at 44.51 million MT, which is 2.9% higher from a year earlier. In the 2019/20, world wheat trade projected in March at 183.31 million tons, which is 5% up to the previous year's export

BANGLADESH RICE IMPORT

Up to 26 March 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.

BANGLADESH WHEAT IMPORT

Up to 26 March during this FY 2019-20, about 383.8 thousand MT of wheat was imported by the public sector while about 4790.5 thousand MT wheat was imported by the private sector.

GOVERNMENT INTERVENTION

During this fortnight, about 123.1 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly FPC (41.2 Thousand MT), VGD (20.0 Thousand MT), EP (16.3 Thousand MT) and so on. As on 26 March FY 2019-20, about 1762.7 thousand MT food grains were distributed which is about 57.68% of the yearly target.

GOVERNMENT STOCK

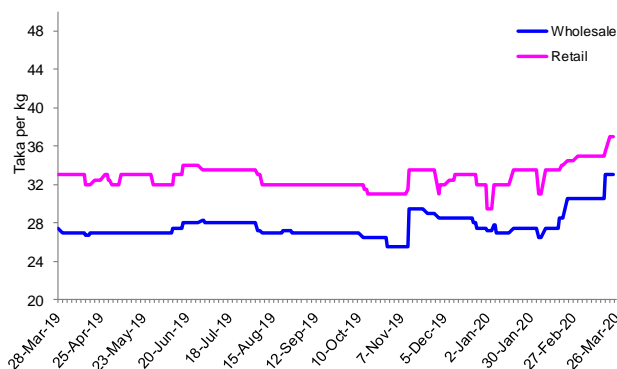
As on 26th March 2020, the public food grain stock inclusive transit estimated at **1757.80** thousand MT, **1339.67** thousand MT for rice and **418.14** thousand MT for wheat.

GOVERNMENT PROCUREMENT

As on 26th March, 626.66thousand MT of *Aman* paddy, 380.81 thousand MT rice (*Boil* and *Atap*) and total 797.27 thousand MT (in terms of rice) rice has been procured.

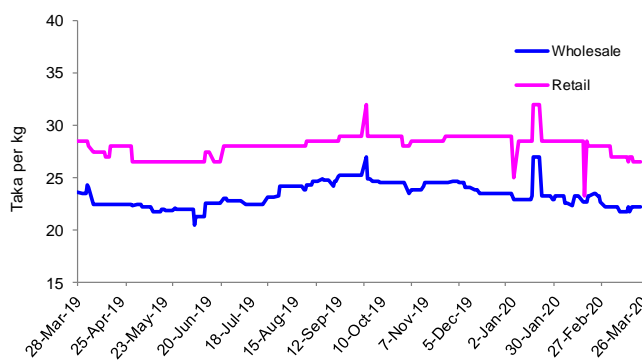
1. Domestic price: coarse rice and *atta*

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	37.00 ▲	5.7 ▲	7.2 ▲
wholesale	33.00 ▲	10.0 ▲	8.2 ▲
ATTA			
retail	26.50 ▼	-1.9 ▼	-5.4 ▼
wholesale	22.30 ▲	2.3 ▼	-5.1 ▼

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 7.2% and 8.2% up to Tk 37.0/Kg and Tk 33.0/Kg over the last month. The point-to-point wholesale and retail price were 13.7% and 7.4% higher respectively than that of the corresponding period of the last year.

ATTA

The wholesale and retail price of *atta* in Dhaka citymarkets decreased by 5.1% and 5.4% down to Tk 22.3/Kg and Tk 26.5/Kg over the last month. However, the point-to-point wholesale and retail price were 7.9% and 6.5% 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

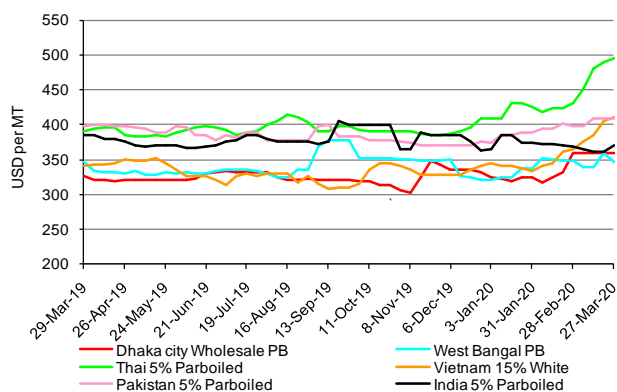
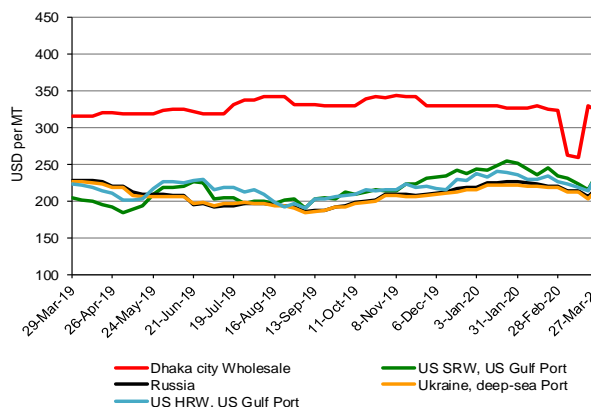


Figure: 4. Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



Source: For average weekly FOB prices: USDA, FAO, Jackson Sons & Co. (London) 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 March 27, West Bengal parboiled rice, Thai 5% parboiled rice, Vietnam 15% white rice and India 5% parboiled rice prices increased by 2.5%, 3.1%, 6.5% and 2.8% up to USD 346/MT, USD 495/MT, USD 410/MT and USD 370/MT respectively. However, Pakistan 5% parboiled rice and Dhaka city wholesale rice prices were remained unchanged at USD 408/MT and 359/MT respectively, over the same period.

WHEAT

In the fortnight ending March 27, U.S (SRW), U.S (HRW), Russian, Ukrainian and Dhaka city wholesale wheat prices increased by 6.4%, 9.1%, 2.1%, 2.4% and 24.1% up to USD 238/MT, USD 239/MT, USD 219/MT, USD 217/MT and USD 321.4/MT respectively.

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

change	MAY (K20)	JUL (N20)	SEP (U20)	DEC (Z20)	MAR (H21)
27-Mar	210	208	205	205	207
13-Mar	186	186	188	192	196
change	-11.4%	-10.5%	-7.9%	-5.9%	-5.2%

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

change	MAY (K20)	JUL (N20)	SEP (U20)	DEC (Z20)	MAR (H21)
27-Mar	179	190	181	183	187
13-Mar	159	161	164	169	174
change	-11.4%	-15.3%	-9.0%	-7.5%	-7.1%

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

May soft red winter (SRW) futures jumped 65 cents from last week to close at \$5.71/bu. May hard red winter (HRW) futures gained 55 cents to end at \$4.87/bu.

However, CBOT wheat futures prices increased by USD 11.4/MT closed at USD 210/MT and KCBT wheat futures prices increased by 11.4/MT closed at USD 179/MT (U.S. wheat Associates, 27 March 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	499	0.0%
Ending stocks	163	175	182	4.0%

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

RICE

In the 2019/20, global rice production projected in March about 499 million MT, which was similar as the previous year's record. Ending stocks in March 2019/20 projected about 182 million MT, which was 4.0% higher from the previous year (USDA, March 2020). Global stocks are raised marginally to a new record.

WHEAT

Wheat production in March 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 March 2019/20 projected about 287 million MT, which was 3.4% higher than the previous year. (USDA, March 2020).

Table 5. Wheat world production and stock (millionMT)

Wheat	2017/18	2018/19	2019/20 forecast	change 2019/20 over 2018/19
Production	763	731	764	4.5%
Ending stocks	284	278	287	3.4%

Source: USDA, (Grain: World Markets and Trade, March 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	6.58	▲ 0%	7.00	▲ 6%
USA	2.78	3.13	▲ 13%	3.23	▲ 3%
Pakistan	3.91	4.60	▲ 18%	4.40	▼ -4%
India	11.79	9.79	▼ -17%	10.50	▲ 7%
Others	11.55	11.61	▲ 1%	11.89	▲ 2%
World total	47.68	43.27	▼ -9%	44.51	▲ 2.9%

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%	27.50	▲ 5%
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%	35.00	▼ -2%
Others	40.65	39.83	▼ -2%	36.41	▼ -9%
World total	184.00	175.37	▼ -5%	183.31	▲ 5%

Source: USDA (Grain: World Markets and Trade, March 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 March at 44.51 million MT, which is 2.9% higher from a year earlier (USDA, March 2020).
- Global rice production is raised this month primarily on a larger crop in India.
- Global trade is down, with lower imports forecast for several African countries including Nigeria.
- Exports are revised lower for India, despite its larger crop.

WHEAT

- In the 2019/20, world wheat trade projected in March at 183.31 million tons, which is 5% up to the previous year's export (USDA, March 2020).
- Global production is marginally higher as upward revisions for Argentina and India more than offset reductions for Australia and Turkey.
- Global trade is raised slightly with much larger imports for Turkey.
- Higher exports for Argentina and Russia more than offset lower projected shipments from Canada and Australia.
- Prices for all U.S. wheat classes were down during the month of March, pressured by competitor prices and losses in other markets related to the widening spread of COVID-19.

5. Import

Figure:5 Rice imports (in '000 MT)

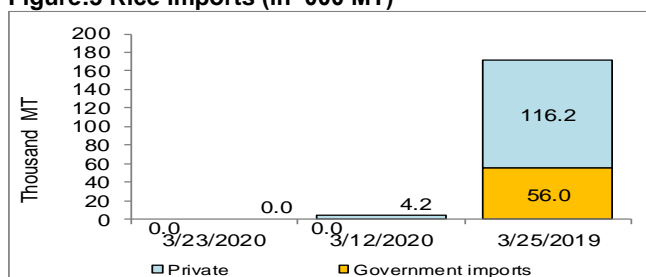
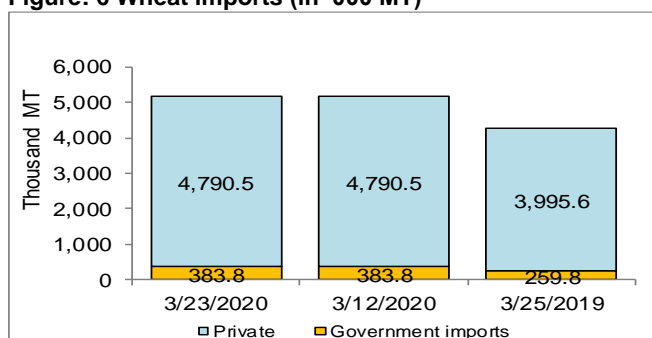


Figure: 6 Wheat imports (in '000 MT)



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

RICE

- Up to 26 March 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 86.4 thousand MT.

WHEAT

- Up to 26 March during this FY 2019-20, about 383.8 thousand MT of wheat was imported by the public sector while about 4790.5 thousand MT wheat was imported by the private sector. Over the same period of last year, 232.8 thousand MT wheat was imported by the public sector but the private sector imported 3933.5 thousand MT.

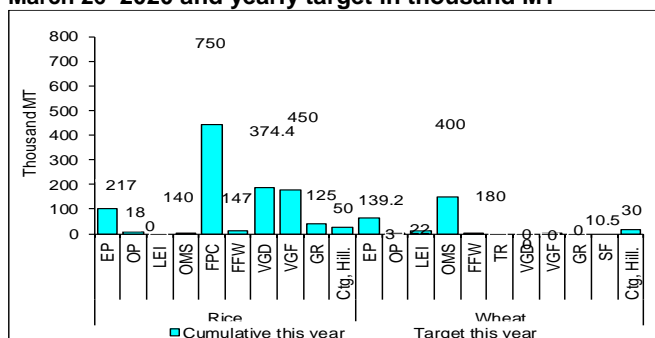
Table: 8: LC situation, as of 26 March/20 in'000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
01- 21 March/20	1	106	0	329
Cumulative month, March/20	1	106	0	329
Cumulative year (starting 1st July/19)	3	5047	6	3989

Source: Bangladesh Bank

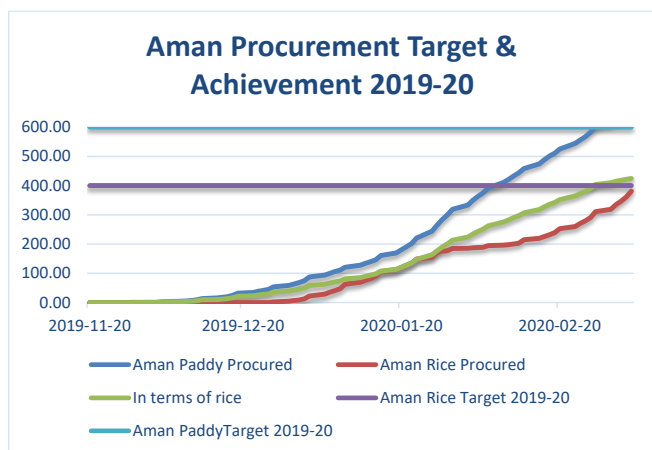
6. Government intervention

Figure:7 Rice and wheat distributed through PFDS as of March 26th2020 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 123.1 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly FPC (41.2 Thousand MT), VGD (20.0 Thousand MT), EP (16.3 Thousand MT) and so on. As on 26 March FY 2019-20, about 1762.7 thousand MT food grains were distributed which is about 57.68% 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 (inclusive transit)

- As on 26th March 2020, the public food grain stock estimated at 1757.80 thousand MT, 1339.67 thousand MT for rice and 418.14 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 05 March 2020.
- As on 26th March, 626.66 thousand MT of *Aman* paddy, 380.81 thousand MT rice (*Boil* and *Atap*) and total 797.27 thousand MT (in terms of rice) rice has been procured (MISM, DG Food).