Fortnightly Foodgrain Outlook

Issue No. 304 ***16 April 2020***

HIGHLIGHTS

- **The domestic wholesale price of rice increased whereas the domestic retail price of rice decreased over the last fortnight (As on 9 April 2020).**
- **The domestic wholesale price of *atta* increased over the last fortnight (As on 9 April 2020).**
- **Export price of rice in Vietnam, West Bengal, Thailand, Pakistan and Dhaka city wholesale rice increased whereas export prices of rice in India decreased over the last fortnight.**
- **Export prices of wheat in USA (SRW), USA (HRW) decreased whereas export prices of wheat in Ukraine and Russia increased over the last fortnight.**
- **Global rice production projected decreased but wheat production projected increased than a year ago.**
- **Global rice export projected decreased whereas 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 3.5% and 13.8% up to Tk 36.22/Kg and Tk 34.70/Kg over the last month. The point-to-point retail and wholesale price were 10.5% and 26.1% higher respectively than that of the corresponding period of the last year.

ATTA PRICE

The wholesale price of *atta* in Dhaka citymarkets increased by 12.1% up to Tk 25.0/Kg over the last month. However, the point-to-point wholesale price was 3.5% higher comparing to the corresponding period of the last year. Retail prices of *atta* in Dhaka citymarkets are not available due to COVID-19 pandemic over the last fortnight.

INTERNATIONAL RICE PRICE

In the fortnight ending April 10, Dhaka city wholesale rice, West Bengal parboiled rice, Thai 5% parboiled rice, Vietnam 15% white rice and Pakistan 5% parboiled rice prices increased by 5.2%, 2.0%, 12.1%, 7.3% and 8.6% up to USD 408/MT, USD 353/MT, USD 555/MT, USD 440/MT and USD 443/MT respectively. On the other hand, India 5% parboiled rice price was decreased by 1.4% down to USD 365/MT over the same period.

INTERNATIONAL WHEAT PRICE

In the fortnight ending April 10, U.S (SRW) and U.S (HRW) wheat prices decreased by 5.7% and 4.2% down to USD 225/MT and USD 229/MT respectively. However, Russian and Ukrainian wheat prices increased by 2.5% and 2.3% up to USD 224/MT and USD 222/MT respectively.

GLOBAL RICE AND WHEAT PRODUCTION

In the 2019/20, global rice production projected in April about 496 million MT, which was lower than the previous year's record. Wheat production in April 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 April at 42.80 million MT, which is 1.6% lower than a year earlier. In the 2019/20, world wheat trade projected in April at 183.31 million tons, which is 5% up to the previous year's export

BANGLADESH RICE IMPORT

Up to 9 April during this FY 2019-20 Government did not import any rice, while only 4.2 thousand MT of rice has been imported by the private sector.

BANGLADESH WHEAT IMPORT

Up to 9 April during this FY 2019-20, about 383.8 thousand MT of wheat was imported by the public sector while about 5084.4 thousand MT wheat was imported by the private sector.

GOVERNMENT INTERVENTION

During this fortnight, about 200.6 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly FPC (114.4 Thousand MT), GR (22.4 Thousand MT), VGD (17.2 Thousand MT) and so on. As on 9 April FY 2019-20, about 1963.3 thousand MT food grains were distributed which is about 64.24% of the yearly target.

GOVERNMENT STOCK

As on 9 April 2020, the public food grain stock estimated at **1555.31** thousand MT; **1152.03** thousand MT for rice and **403.28** thousand MT for wheat.

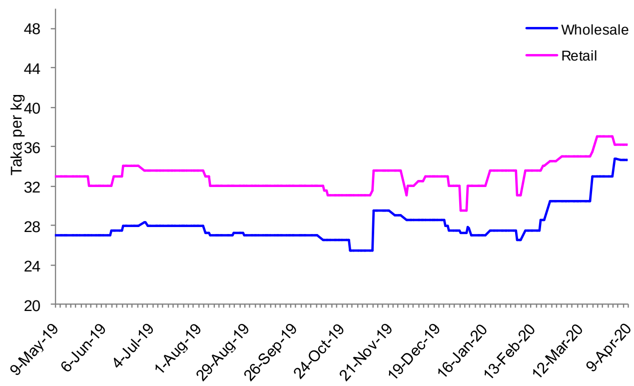
GOVERNMENT PROCUREMENT

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.

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

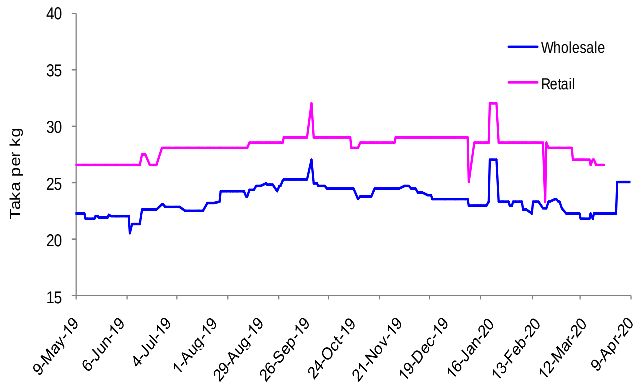
1. Domestic price: coarse rice and *atta*

Figure1: Change in prices of Coarse Rice (Dhaka)



Source: Department of Agricultural Marketing (DAM), MIS&M (DG Food).

Figure 2: Change in prices of *Atta* (Dhaka)



Source: Department of Agricultural Marketing (DAM), MIS&M (DG Food).

Table1:Rice and *Atta* price changes (Dhaka city)

		change in %		
		over last fortnight	over last month	over last year
RICE				
retail	36.22	-2.1	3.5	10.5
wholesale	34.70	5.2	13.8	26.1
ATTA				
retail	0.00	0.0	0.0	0.0
wholesale	25.00	12.1	12.1	3.5

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 3.5% and 13.8% up to Tk 36.22/Kg and Tk 34.70/Kg over the last month. The point-to-point retail and wholesale price were 10.5% and 26.1% higher respectively than that of the corresponding period of the last year.

ATTA

The wholesale price of *atta* in Dhaka citymarkets increased by 12.1% up to Tk 25.0/Kg over the last month. However, the point-to-point wholesale price was 3.5% higher comparing to the corresponding period of the last year. Retail prices of *atta* in Dhaka citymarkets are not available due to COVID-19 pandemic over the last fortnight.

2. International price

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

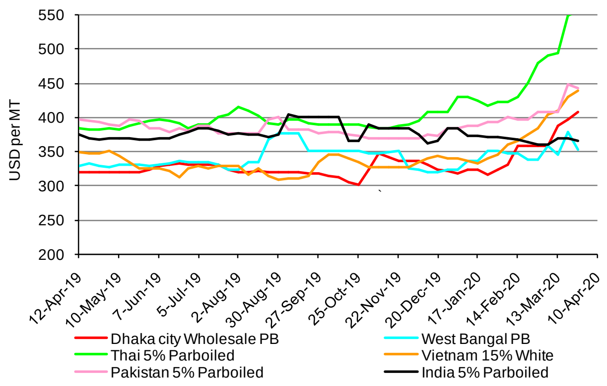
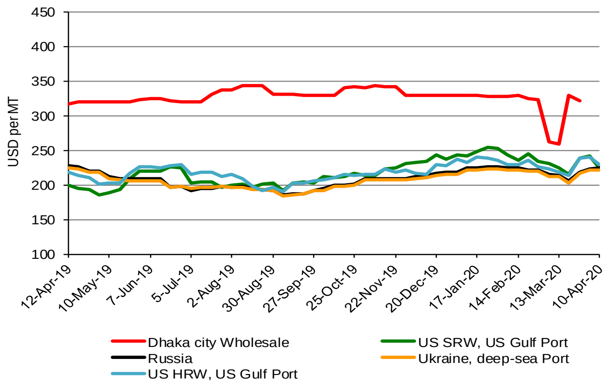


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 April 10, Dhaka city wholesale rice, West Bengal parboiled rice, Thai 5% parboiled rice, Vietnam 15% white rice and Pakistan 5% parboiled rice prices increased by 5.2%, 2.0%, 12.1%, 7.3% and 8.6% up to USD 408/MT, USD 353/MT, USD 555/MT, USD 440/MT and USD 443/MT respectively. However, India 5% parboiled rice price was decreased by 1.4% down to USD 365/MT over the same period.

WHEAT

In the fortnight ending April 10, U.S (SRW) and U.S (HRW) wheat prices decreased by 5.7% and 4.2% down to USD 225/MT and USD 229/MT respectively. However, Russian and Ukrainian wheat prices increased by 2.5% and 2.3% up to USD 224/MT and USD 222/MT respectively.

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

change	MAY (K20)	JUL (N20)	SEP (U20)	DEC (Z20)	MAR (H21)
10-Apr	204	210	205	206	209
27-Mar	210	205	205	207	208
change	2.7%	-2.7%	-0.1%	0.4%	-0.3%

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

change	MAY (K20)	JUL (N20)	SEP (U20)	DEC (Z20)	MAR (H21)
10-Apr	181	193	183	186	189
27-Mar	179	181	183	187	190
change	-1.1%	-6.2%	-0.1%	0.7%	0.5%

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

CBOT soft red winter (SRW) futures gained 7 cents to close at $5.56/bu. KCBT hard red winter (HRW) futures jumped 20 cents to end at $4.92/bu.

However, CBOT wheat futures prices decreased by USD 2.7/MT closed at USD 204/MT and KCBT wheat futures prices increased by 1.1/MT closed at USD 181/MT. (U.S. Wheat Associates, 10April 2020) (Table-2 & 3).

3. Global production and stock

Table4: 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	176	182	3.4%

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

RICE
In the 2019/20, global rice production projected in April about 496 million MT, which was lower than the previous year's record. Ending stocks in April 2019/20 projected about 182 million MT, which was 3.4% higher from the previous year (USDA, April 2020). Global stocks are raised marginally to a new record.

WHEAT
Wheat production in April 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 April 2019/20 projected about 293 million MT, which was 5.3% higher than the previous year (USDA, April2020).

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	293	5.3%

Source: USDA, (Grain: World Markets and Trade, April 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	3.14	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	11.84	3%	10.17	-14%
World total	**47.68**	**43.51**	**-9%**	**42.80**	**-1.6%**

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	23.23	26.07	12%	27.10	4%
European Union	23.38	23.31	0%	33.50	44%
Canada	22.02	24.48	11%	23.00	-6%
Australia	15.51	9.84	-37%	8.50	-14%
Ukraine	17.78	16.02	-10%	20.50	28%
Russia	41.43	35.84	-13%	33.50	-7%
Others	40.65	39.83	-2%	37.41	-6%
World total	**184.00**	**175.37**	**-5%**	**183.51**	**5%**

Source: USDA (Grain: World Markets and Trade, April 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 lessthan5% change. For rice, 2017/18is calendar year 2018, 2018/19 is calendaryear2019, 2019/20 is calendar year 2020 and so on.*

RICE

- Global rice export for 2019/20 projected in April at 42.80 million MT, which is 1.6% lower than a year earlier (USDA, April 2020).
- Global rice production is reduced further this month particularly on smaller crops in Burma, Cambodia, Vietnam, Thailand, and the Philippines.
- Global trade is also cut on reduced demand from Saudi Arabia and Nigeria.
- Exports are lowered based on bans placed by Vietnam and Cambodia, and an export quota established by Burma.

WHEAT

- In the 2019/20, world wheat trade projected in April at 183.51 million tons, which is 5% up to the previous year's export (USDA, April 2020).
- Global production is virtually unchanged, while global consumption is lowered mainly on reduced food, seed, and industrial (FSI) use in India as well as decreased feed and residual use in China and the European Union.
- Global trade is slightly lower with smaller imports for Japan, Brazil, and Uzbekistan.
- Higher exports for the European Union are expected to offset reduced shipments from Russia.
- Global wheat production is estimated at a record high in 2019/20. Major producers such as China, the European Union, India, Russia, and the United States have produced at levels that are more than sufficient to meet rising global demand.

5. Import

Figure 5: Rice imports (in ‘000 MT)

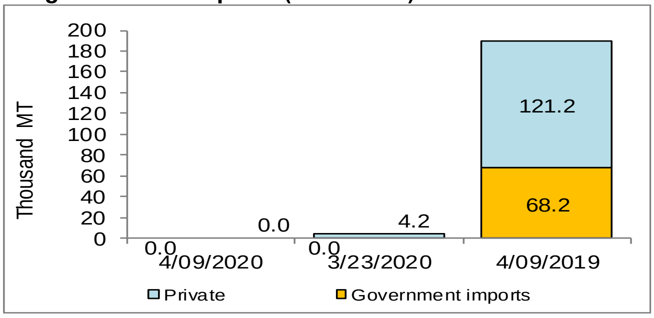
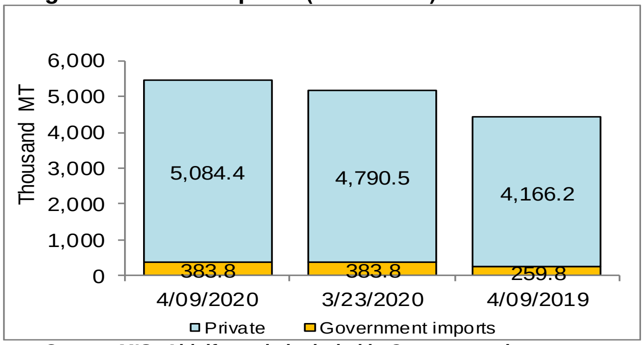


Figure 6: Wheat imports (in ‘000 MT)



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

RICE

- Up to 9 April during this FY 2019-20 Government did not import any rice while only 4.2 thousand MT of rice has been imported by the private sector. Over the same period of last year, about 68.2 thousand MT of rice was imported by the public sector and the private sector imported 121.2 thousand MT.

WHEAT

- Up to 9 April during this FY 2019-20, about 383.8 thousand MT of wheat was imported by the public sector while about 5084.4 thousand MT wheat was imported by the private sector. Over the same period of last year, 259.8 thousand MT wheat was imported by the public sector but the private sector imported 4166.2 thousand MT.

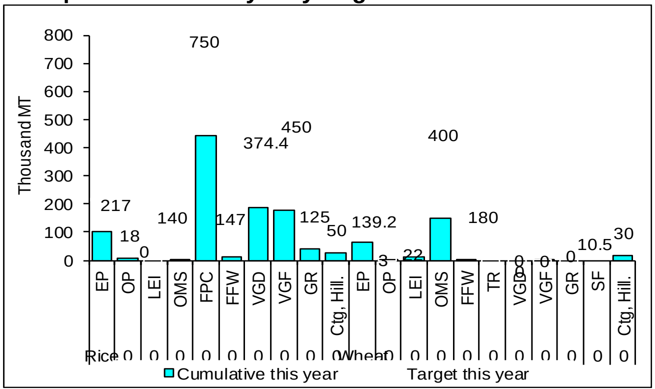
Table 8: LC situation, as of 31 March/20 in'000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
01- 31 March/20	1	178	0	442
Cumulative month, March/20	1	178	0	442
Cumulative year (starting 1st July/19)	4	5119	6	4102

Source: Bangladesh Bank

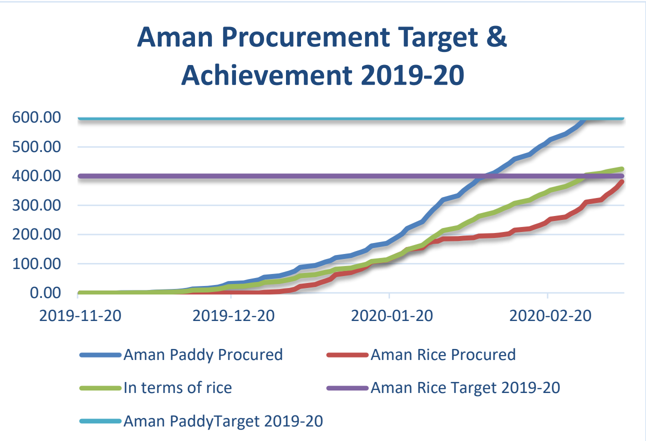
6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as of April 9th 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 200.6 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly FPC (114.4 Thousand MT), GR (22.4 Thousand MT), VGD (17.2 Thousand MT) and so on. As on 9 April FY 2019-20, about 1963.3 thousand MT food grains were distributed which is about 64.24% of the yearly target.
- The special OMS was operating in city corporation, district sadar and pourasova level rice at 10 Tk/kg. Each beneficiary being able to purchase up to 20 kg of rice per month.

PUBLIC STOCKS (inclusive transit)

- As on9 April2020, the public food grain stock estimated at **1555.31** thousand MT, **1152.03** thousand MT for rice and **403.28** thousand MT for wheat. (MISM, DG Food).

DOMESTIC FOOD GRAIN PROCUREMENT

- 44.2thousand 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 from last *Boro* season 2019 (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.
- 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 from last season 2019/20 (MISM, DG Food).