Fortnightly Foodgrain Outlook

Issue No. 306 *14 May 2020*

HIGHLIGHTS

- **The domestic retail and wholesale price of rice increased over the last fortnight (As on 7 May 2020).**
- **The domestic retail and wholesale price of *atta* remained unchanged over the last fortnight (As on 7 May 2020).**
- **Export price of rice in West Bengal, Vietnam and India increased whereas export prices of rice in Thailand and Pakistan decreased over the last fortnight.**
- **Export prices of wheat in USA (SRW), USA (HRW), Ukraine and Russia decreased over the last fortnight.**
- **Global rice and 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*) increased by 7.2% and 7.2% up to Tk 38.8/Kg and Tk 37.2/Kg in Dhaka city markets over the last month. The point-to-point retail and wholesale price were 14.9% and 24.4% higher respectively than that of the corresponding period of the last year.

ATTA PRICE

The retail price of *atta* in Dhaka citymarkets decreased by 17.7% down to Tk 21.8/Kg whereas the wholesale price of *atta* remained unchanged at Tk 25.0/Kg over the last month. However, the point-to-point retail and wholesale price of *atta* was 4.4% and 1.6% lower comparing to the corresponding period of the last year.

INTERNATIONAL RICE PRICE

In the fortnight ending May 8, Dhaka city wholesale rice, West Bengal parboiled rice, Vietnam 15% white rice and India 5% parboiled rice prices were increased by 7.1%, 0.3%, 1.1% and 1.3% up to USD 438/MT, USD 356/MT, USD 445/MT and USD 385/MT respectively. However, Thai 5% parboiled rice and Pakistan 5% parboiled rice prices were decreased by 4.2% and 2.2% down to USD 500/MT and USD 448/MT respectively over the same period.

INTERNATIONAL WHEAT PRICE

In the fortnight ending May 8, U.S (SRW), U.S (HRW), Russian and Ukrainian wheat prices decreased by 4.7%, 2.9%, 0.7% and 0.7% down to USD 212/MT, USD 231/MT, USD 229/MT and USD 227/MT respectively. However, Dhaka city markets wheat prices remained unchanged at USD 288/MT.

GLOBAL RICE AND WHEAT PRODUCTION

In the 2019/20, global rice production projected in May about 502 million MT, which was 1.1% higher than the previous year's record. Wheat production in May 2019/20 projected about 768 million MT, which was 5.2% higher than the previous year's record.

GLOBAL RICE AND WHEAT TRADE PROSPECT

Global rice export for 2019/20 projected in May at 45.21 million MT, which is 4.1% higher than a year earlier. In the 2019/20, world wheat trade projected in May at 186.62 million tons, which is 6% up to the previous year's export.

BANGLADESH RICE IMPORT

Up to 07 May 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 07 May during this FY 2019-20, about 384.3 thousand MT of wheat was imported by the public sector while about 5543.0 thousand MT wheat was imported by the private sector.

GOVERNMENT INTERVENTION

During this fortnight, about 92.0 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly GR (27.8 Thousand MT), VGF (19.9 Thousand MT), OMS (14.9 Thousand MT) and so on. As on 7 may FY 2019-20, about 2163.5 thousand MT food grains were distributed which is about 70.79% of the yearly target.

GOVERNMENT STOCK

As on 7 May 2020, the public food grain stock estimated at **1364.68** thousand MT; **975.80** thousand MT for rice and **388.88** thousand MT for wheat.

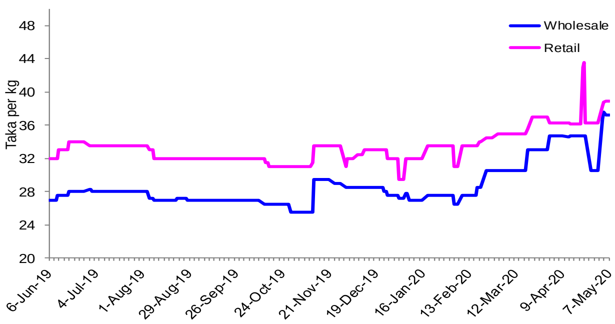
GOVERNMENT PROCUREMENT

As on 7 May 2020, 0.042 thousand MT of *Boro* paddy has been procured. And 10.44 thousand MT wheat has been procured.

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

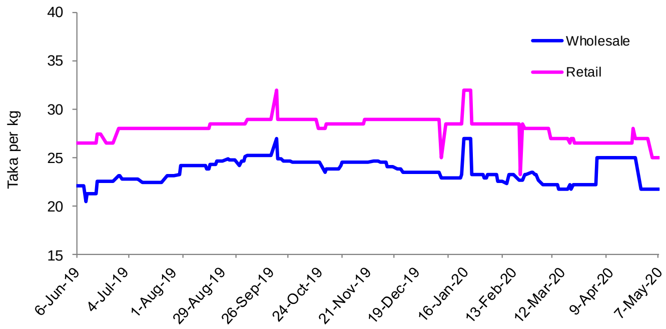
1. Domestic price: coarse rice and *atta*

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	38.80 ▲	7.1 ▲	7.2 ▲	14.9
wholesale	37.20 ▲	7.2 ▲	7.2 ▲	24.4
ATTA				
retail	21.80 ►	0.0 ▼	-17.7 ►	-4.4
wholesale	25.00 ►	0.0 ►	0.0 ►	-1.6

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
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ATTA
The retail price of *atta* in Dhaka citymarkets decreased by 17.7% down to Tk 21.8/Kg whereas the wholesale price of *atta* remained unchanged at Tk 25.0/Kg over the last month. However, the point-to-point retail and wholesale price of *atta* was 4.4% and 1.6% 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

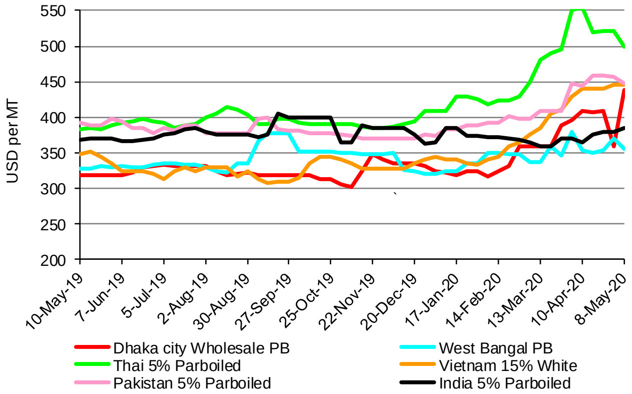
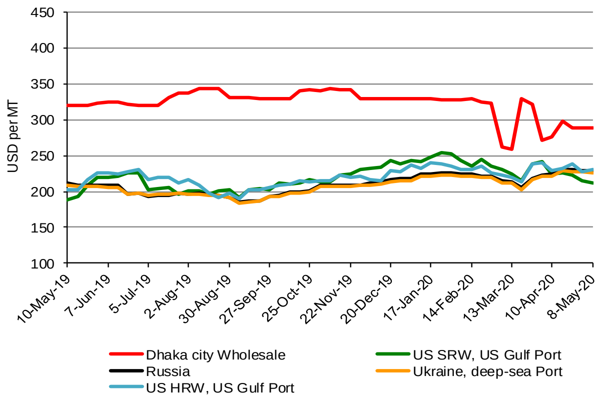


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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
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WHEAT
In the fortnight ending May 8, U.S (SRW), U.S (HRW), Russian and Ukrainian wheat prices decreased by 4.7%, 2.9%, 0.7% and 0.7% down to USD 212/MT, USD 231/MT, USD 229/MT and USD 227/MT respectively. However, Dhaka city markets wheat prices remained unchanged at USD 288/MT.

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

change	JUL (N20)	SEP (U20)	DEC (Z20)	MAR (H21)	MAY (K21)
8-May	192	200	193	196	199
1-May	190	191	194	197	197
change	-1.1%	-4.2%	0.7%	0.5%	-0.7%

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

change	JUL (N20)	SEP (U20)	DEC (Z20)	MAR (H21)	MAY (K21)
8-May	176	189	179	183	187
1-May	177	180	184	187	189
change	0.6%	-4.9%	2.6%	2.1%	1.2%

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

CBOT July SRW futures gained 5 cents to close at $5.22/bu. KCBT HRW July futures lost 3 cents to end at $4.80/bu.

CBOT soft red winter (SRW) futures rose 1.1 cents to close at $192/MT. KCBT hard red winter (HRW) futures lost 0.6 cents to end at $176/MT.

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	496	502	1.1%
Ending stocks	164	177	184	4.2%

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

WHEAT
Wheat production in May 2019/20 projected about 768 million MT, which was 5.2% higher than the previous year's record. Global wheat production is up slightly. Ending stocks in May 2019/20 projected about 310 million MT, which was 11.0% higher than the previous year (USDA, May 2020).

RICE
In the 2019/20, global rice production projected in May about 502 million MT, which was 1.1% higher than the previous year's record. Ending stocks in May 2019/20 projected about 184 million MT, which was 4.2% higher from the previous year (USDA, May 2020). Global stocks are raised marginally to a new record.

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	768	5.2%
Ending stocks	284	279	310	11.0%

Source: USDA, (Grain: World Markets and Trade, May 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%	9.00	19%
Vietnam	6.59	6.58	0%	6.60	0%
USA	2.78	3.14	13%	3.20	2%
Pakistan	3.91	4.55	16%	4.30	-5%
India	11.79	9.79	-17%	11.00	12%
Others	11.52	11.81	3%	11.11	-6%
World total	**47.65**	**43.43**	**-9%**	**45.21**	**4.1%**

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%	26.00	0%
European Union	23.38	23.31	0%	28.50	22%
Canada	22.02	24.48	11%	24.50	0%
Australia	15.51	9.84	-37%	14.00	42%
Ukraine	17.78	16.02	-10%	19.00	19%
Russia	41.43	35.84	-13%	33.50	-7%
Others	40.65	39.84	-2%	41.12	3%
World total	**184.00**	**175.39**	**-5%**	**186.62**	**6%**

Source: USDA (Grain: World Markets and Trade, May 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 May at 45.21 million MT, which is 4.1% higher than a year earlier (USDA, May 2020).
- India will remain the top exporter, followed by Thailand, Vietnam, and Pakistan.
- Global rice production is reduced further this month particularly on a smaller crop in Indonesia.
- Both global consumption and stocks are lowered, mainly on a multi-year revision for Indonesia. Despite Vietnam lifting its export ban, global trade is further reduced on slowing imports for China.
- In addition, the emergence of the COVID-19 pandemic resulted in larger purchases of staple grains including rice.
- To ensure sufficient domestic supplies, several countries implemented trade-restrictive measures in March and April.

WHEAT

- In the 2019/20, world wheat trade projected in May at 186.62 million tons, which is 6% up to the previous year's export (USDA, May 2020).
- Global production is virtually unchanged, while global consumption is lowered mainly on reduced food, seed, and industrial (FSI) and feed and residual use in the European Union.
- Exports are projected higher for the European Union but lower for the United States. Higher exports for the European Union are expected to offset reduced shipments from Russia.
- Global trade is marginally lower with offsetting adjustments to major importers.
- Global exporter prices showed mixed directions during April.
- Russia prices rose slightly as export restrictions continue as a result of COVID-19 related food security concerns. EU prices fell, greatly improving their competitiveness with Russia. U.S. wheat also declined, pressured by expectations for large competitor crops.

5. Import

Figure 5: Rice imports (in '000 MT)

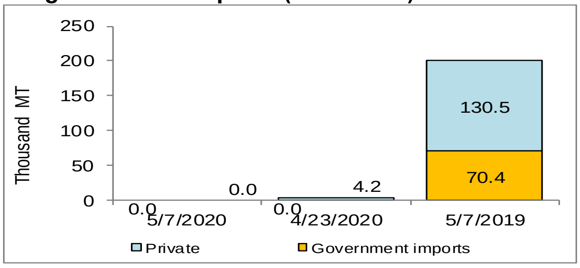
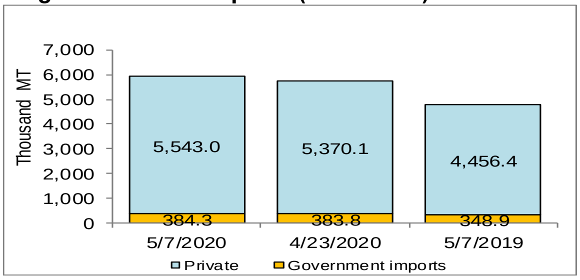


Figure 6: Wheat imports (in '000 MT)



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

RICE

- Up to 07 May 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 70.4 thousand MT of rice was imported by the public sector and the private sector imported 130.5 thousand MT.

WHEAT

- Up to 07 May during this FY 2019-20, about 384.3 thousand MT of wheat was imported by the public sector while about 5543.0 thousand MT wheat was imported by the private sector. Over the same period of last year, 348.9 thousand MT wheat was imported by the public sector but the private sector imported 4456.4 thousand MT.

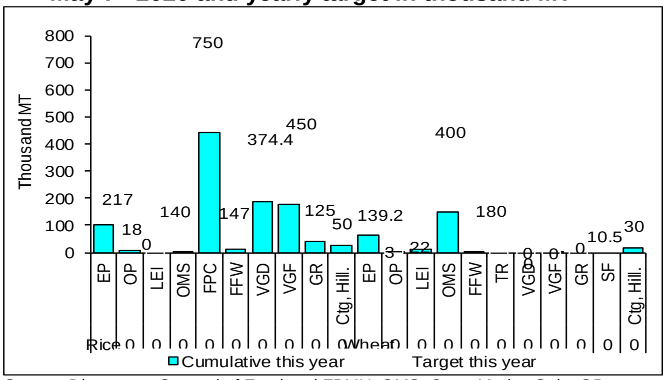
Table 8: LC situation, as of 30 April/20 in'000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
01- 30 April/20	0	335	0	129
Cumulative month, April/20	0	335	0	129
Cumulative year (starting 1st July/19)	4	5454	6	4231

Source: Bangladesh Bank

6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as of May 7th 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*

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 92.0 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly GR (27.8 Thousand MT), VGF (19.9 Thousand MT), OMS (14.9 Thousand MT) and so on. As on 7 may FY 2019-20, about 2163.5 thousand MT food grains were distributed which is about 70.79% 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 on 7 May 2020, the public food grain stock estimated at **1364.68** thousand MT; **975.80** thousand MT for rice and **388.88** thousand MT for wheat (MISM, DG Food).

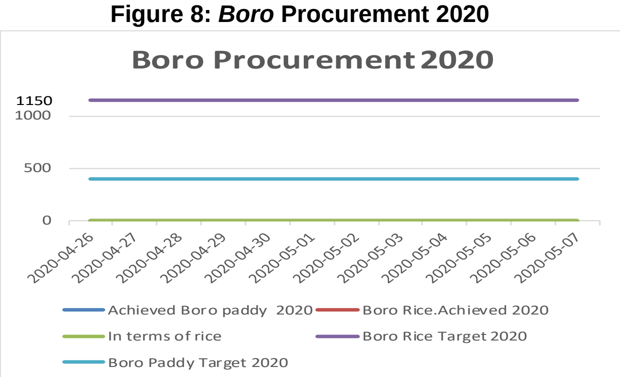
DOMESTIC FOOD GRAIN PROCUREMENT

- *Boro* rice procurement target has been fixed at 1.15mmt 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. *Boro* procurement started from 26 April 2020 and continued up to 15 September 2020.

DOMESTIC FOOD GRAIN PROCUREMENT

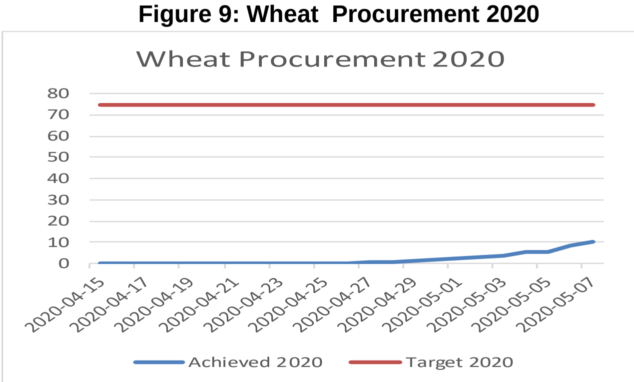
- As on 7 May 2020, 0.042 thousand MT of *Boro* paddy has been procured (MISM, DG Food).
- As on 7 May 2020, 10.44 thousand MT wheat has been procured.

Figure 8: *Boro* Procurement 2020



Source: MISM, DG Food.Source: MISM, DG Food

Figure 9: Wheat Procurement 2020



Source: MISM, DG Food.Source: MISM, DG Food