Fortnightly Foodgrain Outlook

Issue No. 314 ***3 September 2020***

HIGHLIGHTS

- **The domestic retail price of rice remained unchanged whereas the domestic wholesale price of rice increased over the last fortnight (As on 27 August 2020).**
- **The domestic retail and wholesale price of *atta* remained unchanged over the last fortnight (As on 27 August 2020).**
- **Export price of rice in Dhaka city Markets, West Bengal, Thailand, Pakistan and Vietnam increased whereas export prices of rice in India remained unchanged over the last fortnight.**
- **Export prices of wheat in U.S (SRW), U.S (HRW), Russian and Ukrainian increased whereas export prices of wheat in Dhaka city Markets remained unchanged 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 price of rice *(Swarna*) in Dhaka city markets increased by 14.4% up to Tk 43.0/Kg and the wholesale price of rice in Dhaka city markets decreased by 8.3% down to Tk 37.42/Kg over the last month. The point-to-point retail and wholesale price were 34.4% and 41.6% higher respectively than that of the corresponding period of the last year.

ATTA PRICE
The retail price of *atta* in Dhaka citymarkets increased by 11.5% up to Tk 29.0/Kg whereas the wholesale price of *atta* remained unchanged at Tk 21.8/Kg over the last month. However, the point-to-point retail price was 2.1% higher comparing to the corresponding period of the last year and the point-to-point wholesale price was 10.1% lower comparing to the corresponding period of the last year.

INTERNATIONAL RICE PRICE
In the fortnight ending August 14, Dhaka city wholesale rice, West Bengal parboiled rice, Thai 5% parboiled rice, Vietnam 15% white rice and Pakistan 5% parboiled rice prices were increased by 2.5%, 1.9%, 6.9%, 2.2% and 1.2% up to USD 458/MT, USD 354/MT, 508/MT, 470/MT and USD 428/MT respectively. However, India 5% parboiled rice price was remained unchanged at USD 385/MT over the same period.

INTERNATIONAL WHEAT PRICE
In the fortnight ending August 14, U.S (SRW), U.S (HRW), Russian and Ukrainian wheat prices increased by 4.8%, 6.0%, 2.5% and 2.5% up to USD 213/MT, USD 229/MT, USD 208/MT and USD 207/MT respectively. However, Dhaka city markets wheat price remained unchanged at USD 265/MT over the same period.

GLOBAL RICE AND WHEAT PRODUCTION
In the 2020/21, global rice production projected in August about 500 million MT, which was 1.0% higher than the previous year's record. Wheat production in August 2020/21 projected about 766 million MT, which was 0.3% higher than the previous year's record.

GLOBAL RICE AND WHEAT TRADE PROSPECT
Global rice export for 2020/21 projected in August at 44.27 million MT, which is 4.4% higher from a year earlier. In the 2020/21, world wheat trade projected in August at 187.65 million tons, which is 1% down to the previous year's export.

BANGLADESH RICE IMPORT
Up to 27 August during this FY 2020-21, Government and the private sector did not import any rice.

BANGLADESH WHEAT IMPORT
Up to 27 August during this FY 2020-21, about 53.9 thousand MT of wheat was imported by the public sector while about 193.8 thousand MT wheat was imported by the private sector.

GOVERNMENT INTERVENTION
During this fortnight, about 65.9 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly VGD (23.3 Thousand MT), EP (18.0 Thousand MT), OMS (16.5 Thousand MT) and so on. As on 27 August FY 2020-21, about 289.7 thousand MT food grains were distributed which is about 9.23% of the yearly target.

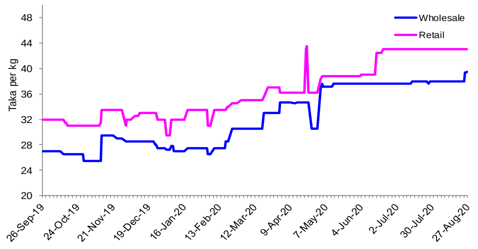
GOVERNMENT STOCK
As on 27 August 2020, the public food grain stock estimated at **1406.74** thousand MT; **1047.53** thousand MT for rice and **359.21** thousand MT for wheat.

GOVERNMENT PROCUREMENT
As on 27 August 2020, 205.90 thousand MT of *Boro* paddy, 630.07 thousand MT rice (*Boil* and *Atap*) and total 763.90 thousand MT (in terms of rice) has been procured.

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

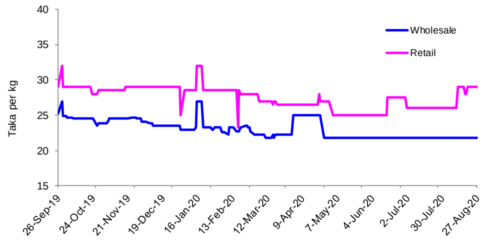
1. Domestic price: coarse rice and *atta*

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	43.00	0.0	14.4	34.4
wholesale	39.42	4.0	-8.3	41.6
ATTA				
retail	29.00	0.0	11.5	2.1
wholesale	21.80	0.0	0.0	-10.1

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 price of rice (*Swarna*) in Dhaka city markets increased by 14.4% up to Tk 43.0/Kg and the wholesale price of rice in Dhaka city markets decreased by 8.3% down to Tk 37.42/Kg over the last month. The point-to-point retail and wholesale price were 34.4% and 41.6% higher respectively than that of the corresponding period of the last year.

ATTA

The retail price of *atta* in Dhaka citymarkets increased by 11.5% up to Tk 29.0/Kg whereas the wholesale price of *atta* remained unchanged at Tk 21.8/Kg over the last month. However, the point-to-point retail price was 2.1% higher comparing to the corresponding period of the last year and the point-to-point wholesale price was 10.1% 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

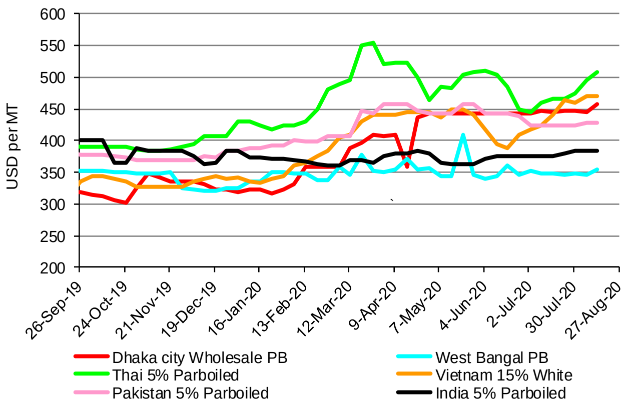
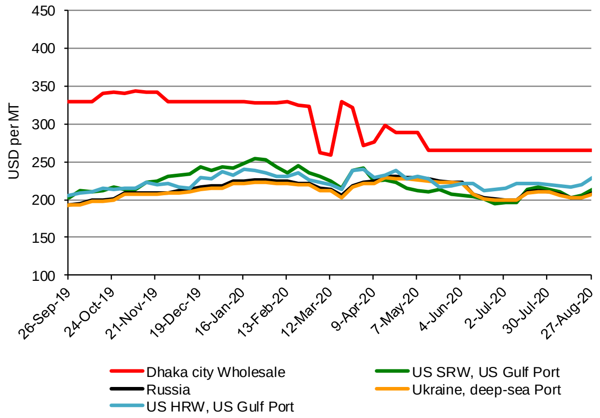


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 August 14, Dhaka city wholesale rice, West Bengal parboiled rice, Thai 5% parboiled rice, Vietnam 15% white rice and Pakistan 5% parboiled rice prices were increased by 2.5%, 1.9%, 6.9%, 2.2% and 1.2% up to USD 458/MT, USD 354/MT, 508/MT, 470/MT and USD 428/MT respectively. However, India 5% parboiled rice price was remained unchanged at USD 385/MT over the same period.

WHEAT

In the fortnight ending August 14, U.S (SRW), U.S (HRW), Russian and Ukrainian wheat prices increased by 4.8%, 6.0%, 2.5% and 2.5% up to USD 213/MT, USD 229/MT, USD 208/MT and USD 207/MT respectively. However, Dhaka city markets wheat price remained unchanged at USD 265/MT over the same period.

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

change	SEP (U20)	DEC (Z20)	MAR (H21)	MAY (K21)	JUL (N21)
28-Aug	198	206	202	204	206
21-Aug	194	197	199	201	201
change	-2.2%	-4.7%	-1.3%	-1.9%	-2.5%

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

change	SEP (U20)	DEC (Z20)	MAR (H21)	MAY (K21)	JUL (N21)
28-Aug	170	183	174	177	180
21-Aug	164	168	171	175	177
change	-3.5%	-8.2%	-1.2%	-1.6%	-1.6%

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

However, CBOT soft red winter (SRW) futures rose 2.2 cents to close at $184/MT. KCBT hard red winter (HRW) futures rose 3.5 cents to end at $156/MT (U.S. Wheat Associates, August 2020) (Table-2 & 3).

3. Global production and stock

Table 4: Rice world production and stock (million MT)

RICE	2018/19	2019/20	2020/21 forecast	change 2020/21 over 2019/20
Production	497	496	500	1.0%
Ending stocks	177	182	185	1.9%

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

RICE

In the 2020/21, global rice production projected in August about 500 million MT, which was 1.0% higher than the previous year's record. Ending stocks in August 2020/21 projected about 185 million MT, which was 1.9% higher from the previous year (USDA, August 2020). Global stocks are raised marginally to a new record.

WHEAT

Wheat production in August 2020/21 projected about 766 million MT, which was 0.3% higher than the previous year's record. Global wheat production is up slightly. Ending stocks in August 2020/21 projected about 317 million MT, which was 5.3% higher than the previous year (USDA, August 2020).

Table 5: Wheat world production and stock (millionMT)

Wheat	2018/19	2019/20	2020/21 forecast	change 2020/21 over 2019/20
Production	731	764	766	0.3%
Ending stocks	284	301	317	5.3%

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

4. Global trade

Table 6: Main rice annual exporters (million MT milled)

	2018/19	2019/20	2018/19-2019/20 change	2020/21 projected	2019/20-2020/21 change
Thailand	7.56	6.52	-14%	8.50	30%
Vietnam	6.58	6.60	0%	6.30	-5%
USA	3.14	3.05	-3%	3.10	2%
Pakistan	4.55	4.40	-3%	4.30	-2%
India	9.79	10.50	7%	11.00	5%
Others	11.81	11.34	-4%	11.07	-2%
World total	**43.43**	**42.41**	**-2%**	**44.27**	**4.4%**

Table 7: Main wheat annual exporters (million MT)

	2018/19	2019/20	2018/19-2019/20 change	2020/21 projected	2019/20-2020/21 change
USA	26.09	26.30	1%	27.00	3%
European Union	23.31	38.00	63%	25.50	-33%
Canada	24.48	23.20	-5%	24.50	6%
Australia	9.84	10.12	3%	16.50	63%
Ukraine	16.02	21.10	32%	18.00	-15%
Russia	35.86	34.24	-5%	37.50	10%
Others	39.87	37.08	-7%	38.65	4%
World total	**175.46**	**190.04**	**8%**	**187.65**	**-1%**

Source: USDA (Grain: World Markets and Trade, August 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 calendar year 2019, 2019/20 is calendar year 2020 and so on.*

RICE

- Global rice export for 2020/21 projected in August at 44.27 million MT, which is 4.4% higher from a year earlier (USDA, August 2020).
- Global production is forecast lower this month mainly on a reduction in China as well as expected smaller crops in Vietnam and Thailand.
- Consumption is also lowered primarily in China but also in Brazil, Nigeria, and Cote d'Ivoire.
- Global trade is expected to contract with reduced imports by the Philippines, Nigeria, and Cote d'Ivoire as major exporters Thailand, China, and Vietnam face tighter supplies.
- Global rice trade is forecast down in 2020 during a chaotic trading year impacted by export restrictions at the beginning of the COVID-19 pandemic and by reduced supplies in Thailand.
- Limited exportable supplies and relatively high prices are some key drivers of the global contraction of trade.

WHEAT

- In the 2020/21, world wheat trade projected in August at 187.65 million tons, which is 1% down to the previous year's export (USDA, August 2020).
- Global production is lowered this month as reductions for the European Union, Kazakhstan and Turkey more than offset a larger crop in Russia.
- Global consumption is lowered mainly on feed and residual use for the European Union.
- Global trade is up, driven by stronger imports for Pakistan.
- Exports are raised for Russia, Ukraine, and the United States, more than offsetting lower exports for the European Union.

Price movements for major exporting countries were mixed, but mostly range bound in the last month. U.S. prices witnessed the steepest decline, pressured by winter wheat harvest progress.

5. Import

Figure 5: Rice imports (in '000 MT)

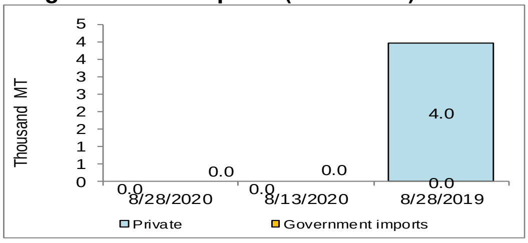
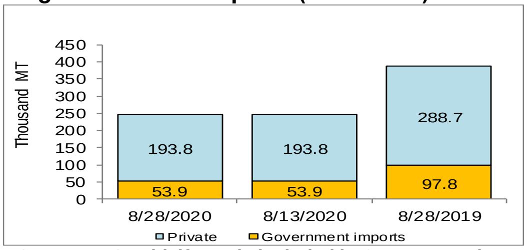


Figure 6: Wheat imports (in '000 MT)



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

RICE

- Up to 27 August during this FY 2020-21, Government and private sector did not import any rice. Over the same period of last year, about 4.0 thousand MT of rice was imported by the private sector.

WHEAT

- Up to 27 August during this FY 2020-21, about 53.9 thousand MT of wheat was imported by the public sector while about 193.8 thousand MT wheat was imported by the private sector. Over the same period of last year, 97.8 thousand MT wheat was imported by the public sector but the private sector imported 288.7 thousand MT wheat.

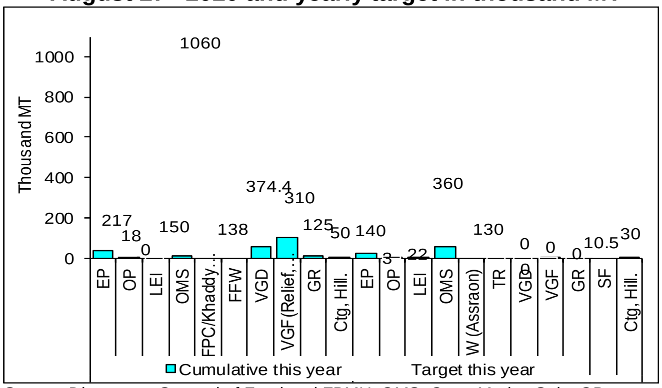
Table 8: LC situation, as of 31 August/20 in'000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
01- 31 August/20	0	536	0	230
Cumulative month, August/20	0	536	0	230
Cumulative year (starting 1st July/20)	1	1201	1	578

Source: Bangladesh Bank

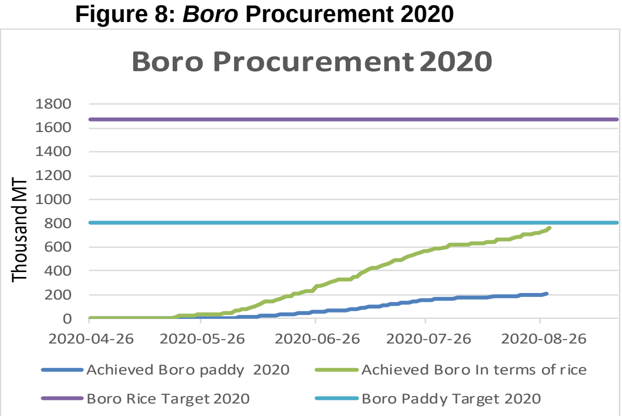
6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as of August 27th 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: *Boro* Procurement 2020



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

PUBLIC FOOD DISTRIBUTION

- The total distribution budget for 2019/20 was 3.06 million MT. The actual distribution was about 2.78 million MT. For FY 2020/21 the distribution plan through PFDS is about 3.137 million MT.
- During this fortnight, about 65.9 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly VGD (23.3 Thousand MT), EP (18.0 Thousand MT), OMS (16.5 Thousand MT) and so on. As on 27 August FY 2020-21, about 289.7 thousand MT food grains were distributed which is about 9.23% 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 27 August 2020, the public food grain stock estimated at **1406.74** thousand MT; **1047.53** thousand MT for rice and **359.21** thousand MT for wheat (MISM, DG Food).

DOMESTIC FOOD GRAIN PROCUREMENT

- 64.41 thousand MT wheat has been procured out of the target 75 Thousand MT during 15.04.2020 to 30.06.2020.
- As on 27 August 2020, 205.90 thousand MT of *Boro* paddy, 630.07 thousand MT rice (*Boil* and *Atap*) and total 763.90 thousand MT (in terms of rice) has been procured (MISM, DG Food).
- *Boro* rice procurement target has been fixed at 1.67 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. *Boro* procurement started from 26 April 2020 and continued up to 15 September 2020.