Fortnightly Foodgrain Outlook

Issue No. 316 ***1 October 2020***

HIGHLIGHTS

- **The domestic retail price of rice increased whereas the domestic wholesale price of rice decreased over the last fortnight (As on 24 September 2020).**
- **The domestic retail and wholesale price of *atta* remained unchanged over the last fortnight (As on 24 September 2020).**
- **Export price of rice in Thailand, India, Vietnam, West Bengal and Pakistan decreased whereas export prices of rice in Dhaka city Markets increased 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 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

During this fortnight, the retail price of rice (*Swarna*) in Dhaka city markets increased by 2.3% up to Tk 45.0/Kg and the wholesale price of rice in Dhaka city markets decreased by 0.8% down to Tk 40.92/Kg. The retail price of rice (*Swarna*) in Dhaka city markets increased by 18.7% and the wholesale price of rice in Dhaka city markets decreased by 4.8% over the last month.

ATTA PRICE

Up to this fortnight, the retail and wholesale price of *atta* in Dhaka citymarkets remained unchanged at Tk 29.0/Kg and Tk 21.8/Kg respectively. The retail and wholesale price of *atta* in Dhaka citymarkets remained unchanged over the last month.

INTERNATIONAL RICE PRICE

In the fortnight ending September 25, West Bengal parboiled rice, Thai 5% parboiled rice, Vietnam 15% white rice, Pakistan 5% parboiled rice and India 5% parboiled rice prices were decreased by 0.5%, 2.7%, 3.7%, 2.1% and 1.6% down to USD 352/MT, 477/MT, 455/MT, USD 419/MT and USD 374/MT respectively whereas Dhaka city wholesale rice price was increased by 0.4% up to USD 486/MT over the same period.

INTERNATIONAL WHEAT PRICE

In the fortnight ending September 25, U.S (SRW), U.S (HRW), Russian and Ukrainian wheat prices increased by 1.5%, 4.6%, 5.8% and 5.6% up to USD 221/MT, USD 252/MT, USD 238/MT and USD 237/MT respectively. However, Dhaka city markets wheat price decreased by 0.9% down to USD 263/MT over the same period.

GLOBAL RICE AND WHEAT PRODUCTION

In the 2020/21, global rice production projected in September about 500 million MT, which was 0.7% higher than the previous year's record. Wheat production in September 2020/21 projected about 770 million MT, which was 0.8% higher than the previous year's record.

GLOBAL RICE AND WHEAT TRADE PROSPECT

Global rice export for 2020/21 projected in September at 44.18 million MT, which is 2.7% higher from a year earlier. In the 2020/21, world wheat trade projected in September at 189.10 million tons, which is 1% down to the previous year's export.

BANGLADESH RICE IMPORT

Up to 24 September during this FY 2020-21, Government and the private sector did not import any rice.

BANGLADESH WHEAT IMPORT

Up to 24 September during this FY 2020-21, about 189.3 thousand MT of wheat was imported by the public sector while about 975.8 thousand MT wheat was imported by the private sector.

GOVERNMENT INTERVENTION

During this fortnight, about 192.2 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly FPC (129.9 Thousand MT), OMS (19.8 Thousand MT), VGD (16.3 Thousand MT) and so on. As on 24 September FY 2020-21, about 525.2 thousand MT food grains were distributed which is about 16.74% of the yearly target.

GOVERNMENT STOCK

As on 24 September 2020, the public food grain stock estimated at 1429.94 thousand MT; 1003.25 thousand MT for rice and 426.7 thousand MT for wheat.

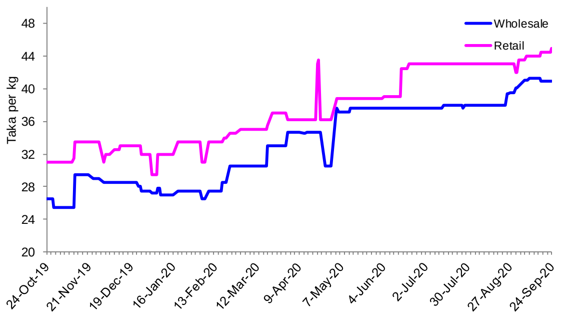
GOVERNMENT PROCUREMENT

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 24 September 2020, 219.87 thousand MT of *Boro* paddy, 767.01 thousand MT *Boro* rice (*Boil* and *Atap*) and total 909.93 thousand MT *Boro* (in terms of rice) has been procured.

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

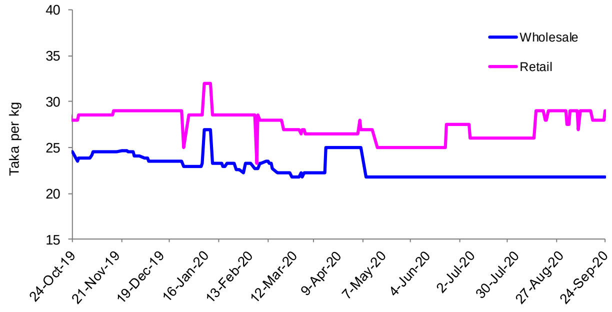
1. Domestic price: coarse rice and *atta*

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	45.00	▲ 2.3	▲ 18.7	▲ 38.6
wholesale	40.92	► -0.8	▼ -4.8	▲ 52.0
ATTA				
retail	29.00	► 0.0	► 0.0	► -1.9
wholesale	21.80	► 0.0	► 0.0	▼ -13.6

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

During this fortnight, the retail price of rice *(Swarna*) in Dhaka city markets increased by 2.3% up to Tk 45.0/Kg and the wholesale price of rice in Dhaka city markets decreased by 0.8% down to Tk 40.92/Kg. The retail price of rice *(Swarna*) in Dhaka city markets increased by 18.7% and the wholesale price of rice in Dhaka city markets decreased by 4.8% over the last month. The point-to-point retail and wholesale price were 38.6% and 52.0% higher respectively than that of the corresponding period of the last year.

ATTA

Up to this fortnight, the retail and wholesale price of *atta* in Dhaka citymarkets remained unchanged at Tk 29.0/Kg and Tk 21.8/Kg respectively. The retail and wholesale price of *atta* in Dhaka citymarkets remained unchanged over the last month. However, the point-to-point retail and wholesale price were 1.9% and 13.6% 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

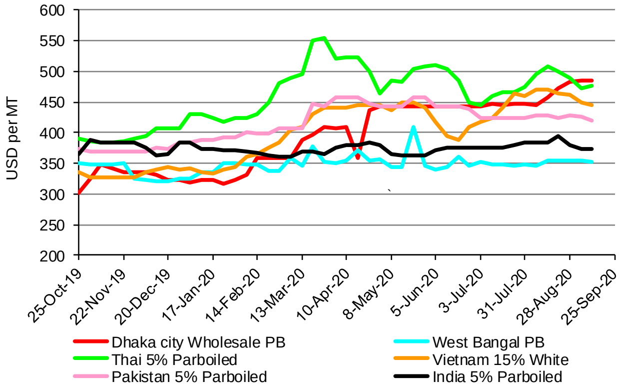
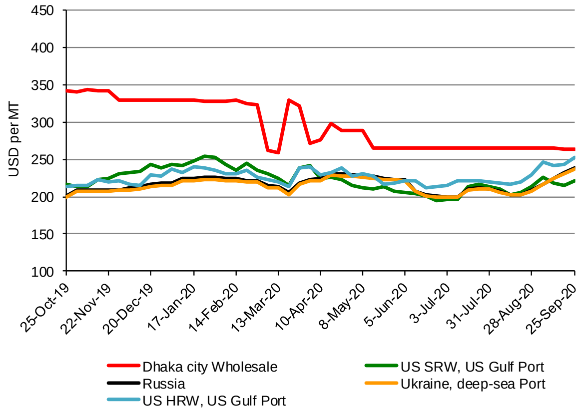


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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

In the fortnight ending September 25, West Bengal parboiled rice, Thai 5% parboiled rice, Vietnam 15% white rice, Pakistan 5% parboiled rice and India 5% parboiled rice prices were decreased by 0.5%, 2.7%, 3.7%, 2.1% and 1.6% down to USD 352/MT, 477/MT, 455/MT, USD 419/MT and USD 374/MT respectively whereas Dhaka city wholesale rice price was increased by 0.4% up to USD 486/MT over the same period.

WHEAT

In the fortnight ending September 25, U.S (SRW), U.S (HRW), Russian and Ukrainian wheat prices increased by 1.5%, 4.6%, 5.8% and 5.6% up to USD 221/MT, USD 252/MT, USD 238/MT and USD 237/MT respectively. However, Dhaka city markets wheat price decreased by 0.9% down to USD 263/MT over the same period.

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

change	DEC (Z20)	MAR (H21)	MAY (K21)	JUL (N21)	SEP (U21)
11-Sep	199	207	202	205	205
25-Sep	200	203	207	204	206
change	0.4%	-2.0%	2.1%	-0.2%	0.9%

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

change	DEC (Z20)	MAR (H21)	MAY (K21)	JUL (N21)	SEP (U21)
11-Sep	173	185	177	180	182
25-Sep	175	178	181	184	187
change	0.8%	-3.7%	2.2%	2.1%	2.4%

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

However, CBOT soft red winter (SRW) futures rose 0.4 cents to close at $200/MT. KCBT hard red winter (HRW) futures rose 0.8 cents to end at $175/MT (U.S. Wheat Associates, September 2020) (Table-2 & 3).

This week, extreme drought spread in eastern Washington and the Nebraska Panhandle. Much of the High and Northern Plains are now abnormally to extremely dry. Looking ahead, dry windy conditions are expected to advance the wheat harvest across the Northern Plains and scattered rain is expected across the Southern Plains which could benefit early winter wheat development.

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	0.7%
Ending stocks	177	182	185	1.7%

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

RICE

In the 2020/21, global rice production projected in September about 500 million MT, which was 0.7% higher than the previous year's record. Ending stocks in September 2020/21 projected about 185 million MT, which was 1.7% higher from the previous year (USDA, September 2020). Global stocks are raised marginally to a new record.

WHEAT

Wheat production in September 2020/21 projected about 770 million MT, which was 0.8% higher than the previous year's record. Global wheat production is up slightly. Ending stocks in September 2020/21 projected about 319 million MT, which was 6.5% higher than the previous year (USDA, September 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	770	0.8%
Ending stocks	284	300	319	6.5%

Source: USDA, (Grain: World Markets and Trade, September 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	6.50	-14%	7.50	15%
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	11.00	12%	12.00	9%
Others	11.81	11.45	-3%	10.98	-4%
World total	**43.43**	**43.00**	**-1%**	**44.18**	**2.7%**

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	38.43	65%	25.50	-34%
Canada	24.45	23.48	-4%	25.00	6%
Australia	9.84	10.12	3%	18.00	78%
Ukraine	16.02	21.01	31%	18.00	-14%
Russia	35.86	34.24	-5%	37.50	10%
Others	39.87	37.55	-6%	38.10	1%
World total	**175.44**	**191.12**	**9%**	**189.10**	**-1%**

Source: USDA (Grain: World Markets and Trade, September 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 September at 44.18 million MT, which is 2.7% higher from a year earlier (USDA, September 2020).
- Global production is forecast lower this month mainly on a reduced crop in Thailand. Consumption is also lowered primarily in Thailand.
- Global trade is expected to expand with higher exports from India and Brazil more than offsetting a reduction for Thailand.
- India's exports are anticipated to continue to climb and well exceed those from Thailand on the continued decoupling of prices between the two exporters, mirroring the situation seen nearly a decade ago. Ever since India repealed its 3-year non-basmati export ban in late 2011, it has been the dominant global exporter, edging out Thailand which had held that role for over 3 decades. While exports from India are forecast to climb in 2020, exports from Thailand are forecast at the lowest since 1998. Thailand's exports are expected to rebound in 2021, and India's exports will also rise and dominate the global market based on the abundant supply situation and competitive factors.

WHEAT

- In the 2020/21, world wheat trade projected in September at 189.10 million tons, which is 1% down to the previous year's export (USDA, September 2020).
- Global production is raised this month as larger crops for Canada, Australia, and the European Union more than offset a smaller crop in Argentina.
- Global consumption is up marginally on greater feed and residual use in Australia and Canada.
- Global trade is also up, driven by stronger imports for China, and higher exports from Canada and Australia stemming from greater exportable supplies.
- Over the past decade, Canada has expanded its exports particularly to markets that favor its high protein spring wheat. Indonesia is the world's second-largest wheat importer and continues to increase its purchases of Canadian milling wheat.

5. Import

Figure 5: Rice imports (in '000 MT)

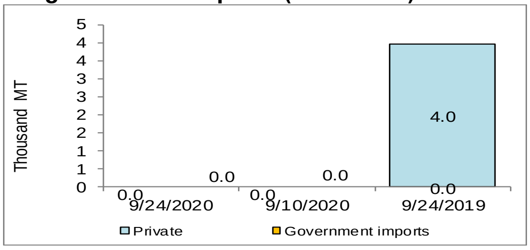
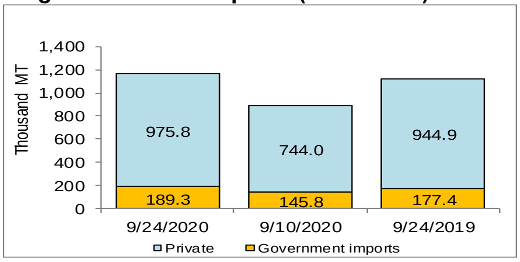


Figure 6: Wheat imports (in '000 MT)



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

RICE

- Up to 24 September 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 24 September during this FY 2020-21, about 189.3 thousand MT of wheat was imported by the public sector while about 975.8 thousand MT wheat was imported by the private sector. Over the same period of last year, 177.4 thousand MT wheat was imported by the public sector but the private sector imported 944.9 thousand MT wheat.

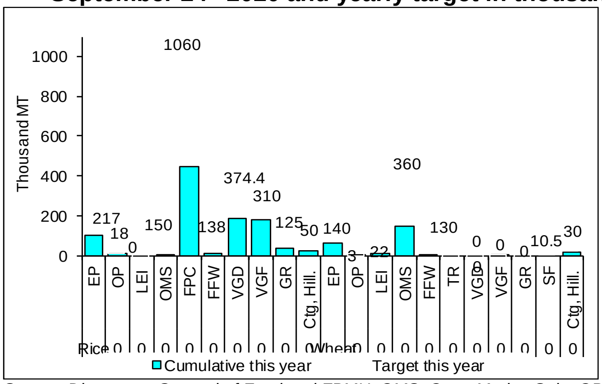
Table 8: LC situation, as of 26 September/20 in'000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
01- 26 September/20	0	533	0	499
Cumulative month, September/20	0	533	0	499
Cumulative year (starting 1st July/20)	1	1735	1	1077

Source: Bangladesh Bank

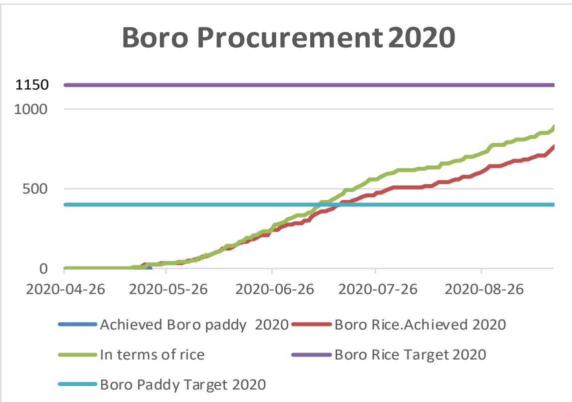
6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as of September 24th 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 3.14 million MT.
- During this fortnight, about 192.2 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly FPC (129.9 Thousand MT), OMS (19.8 Thousand MT), VGD (16.3 Thousand MT) and so on. As on 24 September FY 2020-21, about 525.2 thousand MT food grains were distributed which is about 16.74% 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 24 September 2020, the public food grain stock estimated at 1429.94 thousand MT; 1003.25 thousand MT for rice and 426.7 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 24 September 2020, 219.87 thousand MT of *Boro* paddy, 767.01 thousand MT *Boro* rice (*Boil* and *Atap*) and total 909.93 thousand MT *Boro* (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.