

Fortnightly Foodgrain Outlook

Issue No. 317

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HIGHLIGHTS

- The domestic retail price of rice decreased whereas the domestic wholesale price of rice increased over the last fortnight (As on 8 October 2020).
- The domestic retail price of *atta* remained unchanged whereas the domestic wholesale price of *atta* increased over the last fortnight (As on 8 October 2020).
- Export price of rice in Dhaka city Markets, Thailand, India and Pakistan decreased whereas export prices of rice in Vietnam and West Bengal increased over the last fortnight.
- Export prices of wheat in U.S (HRW), Russian and Ukrainian increased whereas export prices of wheat in U.S (SRW) decreased over the last fortnight.
- Export prices of wheat in Dhaka city Markets remained unchanged remained unchanged
- Global rice and wheat production projected increased than a year ago.
- Global rice export projected increased than a year ago whereas global wheat export projected decreased than a year ago.

SUMMARY

RICE PRICE

During this fortnight, the retail price of rice (*Swarna*) in Dhaka city markets decreased by 3.3% down to Tk 43.5/Kg and the wholesale price of rice in Dhaka city markets increased by 0.2% up to Tk 41.0/Kg. The retail and the wholesale price of rice (*Swarna*) in Dhaka city markets decreased by 1.1% and 0.2% over the last month.

ATTA PRICE

Up to this fortnight, the retail price of *atta* in Dhaka city markets remained unchanged at Tk 28.5/Kg and the wholesale price of *atta* increased by 12.4% up to Tk 24.5/Kg respectively. In the Dhaka city markets, the retail price of *atta* decreased by 1.7% and the wholesale price of *atta* increased by 12.4% over the last month.

INTERNATIONAL RICE PRICE

In the fortnight ending October 8, Dhaka city wholesale rice, Thai 5% parboiled rice, Pakistan 5% parboiled rice and India 5% parboiled rice prices were decreased by 0.4%, 2.5%, 1.4% and 2.4% down to USD 483/MT, 465/MT, USD 413/MT and USD 365/MT respectively. However, West Bengal parboiled rice and Vietnam 15% white rice prices were increased by 0.9% and 1.8% up to USD 356/MT and USD 453/MT respectively over the same period.

INTERNATIONAL WHEAT PRICE

In the fortnight ending October 8, U.S (HRW), Russian and Ukrainian wheat prices increased by 7.1%, 4.0% and 4.2% up to USD 270/MT, USD 248/MT and USD 247/MT respectively whereas U.S (SRW) wheat price decreased by 0.6% down to USD 219/MT. However, Dhaka city markets wheat price remained unchanged at USD 263/MT over the same period.

GLOBAL RICE AND WHEAT PRODUCTION

In the 2020/21, global rice production projected in October about 501 million MT, which was 1.1% higher than the previous year's projection. Wheat production in October 2020/21 projected about 773 million MT, which was 1.1% higher than the previous year's projection.

GLOBAL RICE AND WHEAT TRADE PROSPECT

Global rice export for 2020/21 projected in October at 44.22 million MT, which is 2.7% higher from a year earlier. In the 2020/21, world wheat trade projected in October at 189.59 million tons, which is 1% down to the previous year's export.

BANGLADESH RICE IMPORT

Up to 8 October during this FY 2020-21, Government and the private sector did not import any rice.

BANGLADESH WHEAT IMPORT

Up to 8 October during this FY 2020-21, about 215.8 thousand MT of wheat was imported by the public sector while about 1299.4 thousand MT wheat was imported by the private sector.

GOVERNMENT INTERVENTION

During this fortnight, about 120.9 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly FPC (73.5 Thousand MT), VGD (14.1 Thousand MT), OMS (11.8 Thousand MT) and so on. As on 8 October FY 2020-21, about 646.1 thousand MT food grains were distributed which is about 20.59% of the yearly target.

GOVERNMENT STOCK

As on 8 October 2020, the public food grain stock estimated at 1327.98 thousand MT; 896.98 thousand MT for rice and 431.00 thousand MT for wheat.

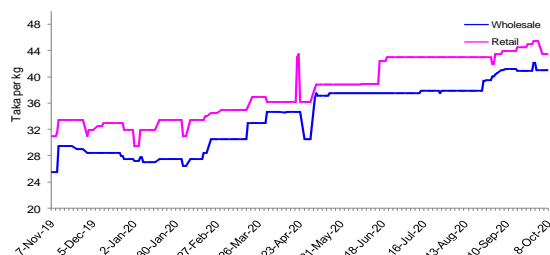
GOVERNMENT PROCUREMENT

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 *Boropaddy*, 767.01 thousand MT *Boro* rice (*Boil* and *Atap*) and total 909.93 thousand MT *Boro* (in terms of rice) has been procured.

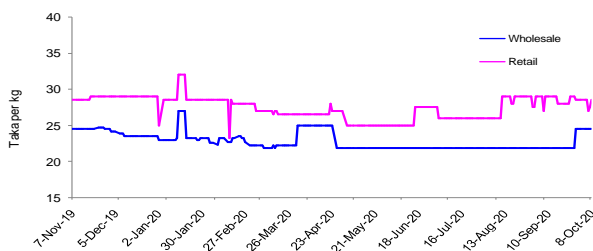
1. Domestic price: coarse rice and *atta*

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	43.50	▼	-3.3	-1.1
wholesale	41.00	▲	0.2	-0.2
ATTA				
retail	28.50	▲	0.0	-1.7
wholesale	24.50	▲	12.4	12.4

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.

ATTA

Up to this fortnight, the retail price of *atta* in Dhaka city markets remained unchanged at Tk 28.5/Kg and the wholesale price of *atta* increased by 12.4% up to Tk 24.5/Kg respectively. In the Dhaka city markets, the retail price of *atta* decreased by 1.7% and the wholesale price of *atta* increased by 12.4% over the last month. However, the point-to-point retail and wholesale price were 3.4% and 3.4% lower comparing to the corresponding period of the last year.

RICE

During this fortnight, the retail price of rice (*Swarna*) in Dhaka city markets decreased by 3.3% down to Tk 43.5/Kg and the wholesale price of rice in Dhaka city markets increased by 0.2% up to Tk 41.0/Kg. The retail and the wholesale price of rice (*Swarna*) in Dhaka city markets decreased by 1.1% and 0.2% over the last month. The point-to-point retail and wholesale price were 38.9% and 52.7% higher respectively than that of 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

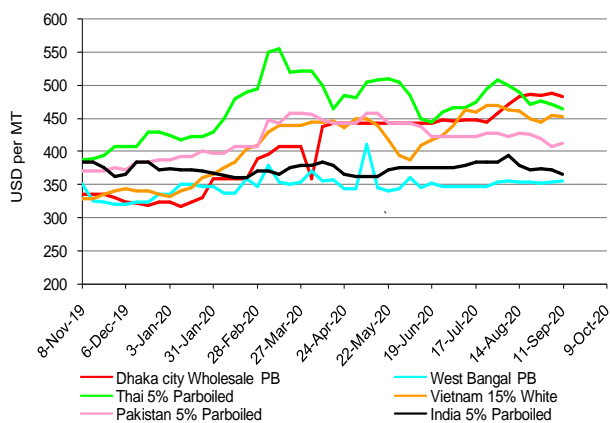
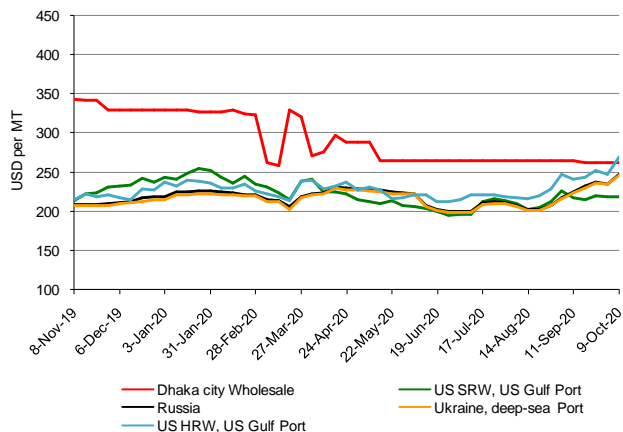


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 October 8, Dhaka city wholesale rice, Thai 5% parboiled rice, Pakistan 5% parboiled rice and India 5% parboiled rice prices were decreased by 0.4%, 2.5%, 1.4% and 2.4% down to USD 483/MT, 465/MT, USD 413/MT and USD 365/MT respectively. However, West Bengal parboiled rice and Vietnam 15% white rice prices were increased by 0.9% and 1.8% up to USD 356/MT and USD 453/MT respectively over the same period.

WHEAT

In the fortnight ending October 8, U.S (HRW), Russian and Ukrainian wheat prices increased by 7.1%, 4.0% and 4.2% up to USD 270/MT, USD 248/MT and USD 247/MT respectively whereas U.S (SRW) wheat price decreased by 0.6% down to USD 219/MT. However, Dhaka city markets wheat price remained unchanged at 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)
25-Sep	200	206	203	207	204
9-Oct	218	220	220	218	220
change	9.1%	6.4%	8.7%	5.6%	7.6%

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

change	DEC (Z20)	MAR (H21)	MAY (K21)	JUL (N21)	SEP (U21)
25-Sep	175	187	178	181	184
9-Oct	197	200	202	204	206
change	12.7%	7.2%	13.4%	12.5%	12.1%

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

However, CBOT soft red winter (SRW) futures rose 9.1 cents to close at \$218/MT. KCBT hard red winter (HRW) futures rose 12.7 cents to end at \$197/MT (U.S. Wheat Associates, October 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	501	1.1%
Ending stocks	177	177	179	1.2%

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

RICE

In the 2020/21, global rice production projected in October about 501 million MT, which was 1.1% higher than the previous year's projection. Ending stocks in October 2020/21 projected about 179 million MT, which was 1.2% higher from the previous year (USDA, October 2020). Global stocks are raised marginally to a new record.

WHEAT

Wheat production in October 2020/21 projected about 773 million MT, which was 1.1% higher than the previous year's projection. Global wheat production is up slightly. Ending stocks in October 2020/21 projected about 321 million MT, which was 7.3% higher than the previous year (USDA, October 2020).

Table 5: Wheat world production and stock (million MT)

Wheat	2018/19	2019/20	2020/21 forecast	change 2020/21 over 2019/20
Production	731	764	773	1.1%
Ending stocks	284	299	321	7.3%

Source: USDA, (Grain: World Markets and Trade, October 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	5.50	▼ -14%	7.00	▲ 15%
Vietnam	6.58	6.60	▶ 0%	6.30	▼ -5%
USA	3.14	3.10	▼ -3%	3.10	▲ 2%
Pakistan	4.55	4.00	▼ -3%	4.10	▼ -2%
India	9.79	12.20	▲ 12%	12.50	▲ 9%
Others	11.81	11.60	▼ -3%	11.22	▼ -4%
World total	43.43	43.00	▼ -1%	44.22	▲ 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	21.03	▲ 31%	17.50	▼ -14%
Russia	35.86	34.49	▼ -5%	39.00	▲ 10%
Others	39.87	37.50	▼ -6%	37.59	▲ 1%
World total	175.44	191.35	▲ 9%	189.59	▼ -1%

Source: USDA (Grain: World Markets and Trade, October 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 2020/21 projected in October at 44.22 million MT, which is 2.7% higher from a year earlier (USDA, October 2020).
- Global rice production is reduced slightly this month due to smaller crops in Cote d'Ivoire and Sierra Leone.
- Consumption is up, largely for India, heavily offsetting a decline for Egypt and Burma.
- Global trade is expected to expand with stronger demand from Cote d'Ivoire and Senegal, and higher exports from India more than offsetting lower trade from Thailand and Pakistan.
- Global rice production is forecast higher this month mainly on larger crops in India and the Philippines.
- Consumption is also up primarily in India but also in Pakistan and Thailand. Global trade is expected to contract slightly on lower Philippines imports.
- Lower exports for Thailand and Pakistan are only partially offset by higher exports for India.

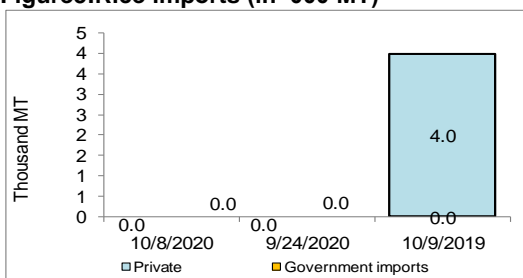
WHEAT

- In the 2020/21, world wheat trade projected in October at 189.59 million tons, which is 1% down to the previous year's export (USDA, October 2020).
- Global production is higher this month as larger crops for Russia and the European Union more than offset reductions in Canada, Ukraine, and Argentina.
- Global consumption is mostly unchanged.
- Global trade is up, driven by higher Russia exports and higher Pakistan and China imports.
- Price movements for major exporting countries were significantly up from last month's report.
- U.S. prices witnessed the most dramatic climb, owing mostly to lower projected supplies, tight elevation capacity, and strong shipments.

- Russian prices also witnessed a significant uptick due to robust foreign demand amid reports of historic September shipments. EU, Canadian, and Australian prices also rose on the strong upward price movements witnessed in the United States, Russia, and Ukraine.

5. Import

Figure 5: Rice imports (in '000 MT)



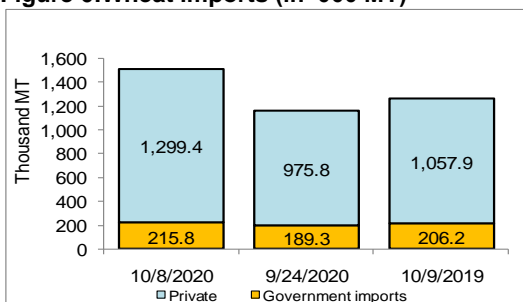
RICE

- Up to 8 October 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 8 October during this FY 2020-21, about 215.8 thousand MT of wheat was imported by the public sector while about 1299.4 thousand MT wheat was imported by the private sector. Over the same period of last year, 206.2 thousand MT wheat was imported by the public sector but the private sector imported 1057.9 thousand MT wheat.

Figure 6: Wheat imports (in '000 MT)



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

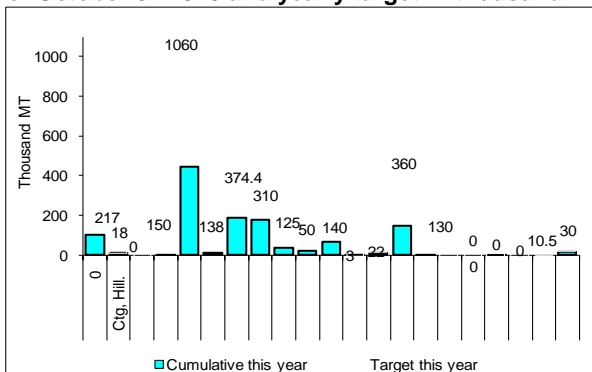
Table 8: LC situation, as of 10 October/20 in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
01- 10 October/20	0	38	0	97
Cumulative month, October/20	0	38	0	97
Cumulative year (starting 1st July/20)	1	1911	1	1365

Source: Bangladesh Bank

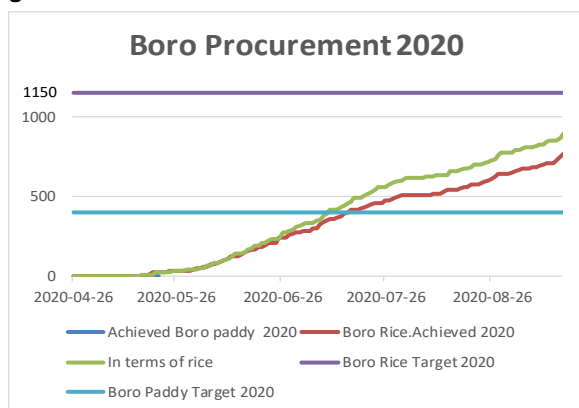
6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as of October 8th 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: MIS, 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 120.9 thousand MT food grains were distributed through the PFDS. The PFDS distribution was mainly FPC (73.5 Thousand MT), VGD (14.1 Thousand MT), OMS (11.8 Thousand MT) and so on. As on 8 October FY 2020-21, about 646.1 thousand MT food grains were distributed which is about 20.59% of the yearly target.
- The OMS drive is continuing up to the upazila level all over the country sold at 30 Tk/kg for rice and 18 Tk/kg for *Atta*. Each beneficiary being able to purchase up to 5 kg of foodgrains.

PUBLIC STOCKS (inclusive transit)

- As on 8 October 2020, the public food grain stock estimated at 1327.98 thousand MT; 896.98 thousand MT for rice and 431.00 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.
- Up to 15 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.