Fortnightly Foodgrain Outlook

Issue No. 330 ***15 April 2021***

THIGHLIGHTS

- **The domestic wholesale and retail prices of rice remained unchanged over the last fortnight (As on 08 April 2021).**
- **The domestic wholesale and retail prices of *atta* remained unchanged over the last fortnight (As on 08 April 2021).**
- **Export prices of rice in Thailand, India, Vietnam, and Pakistan decreased over the last fortnight.**
- **Export prices of U.S (SRW), U.S (HRW) wheat, Russian, and Ukrainian wheat prices decreased over the last fortnight.**
- **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 and wholesale prices of rice *(Swarna-Indian variety*) in the Dhaka city markets remained unchanged at Tk 47.0/Kg and Tk 41.5/Kg respectively.

ATTA PRICE
Up to this fortnight, the wholesale and retail prices of *atta* in the Dhaka city markets remained unchanged at Tk 25.5/Kg and Tk 29.0/Kg respectively.

INTERNATIONAL RICE PRICE
In the fortnight ending April 09, prices of 5% parboiled rice in Thailand, India, and Pakistan as well as Vietnam 15% white rice price decreased by 4.1%, 1.3%, 2.9%, and 5.0% down to USD 470/MT, USD 380/MT, USD 433/MT, and USD 480/MT respectively.

INTERNATIONAL WHEAT PRICE
In the fortnight ending April 09, U.S (SRW), U.S (HRW) wheat, Russian, and Ukrainian wheat prices decreased by 3.3%, 3.4%, 5.1%, and 5.9% down to USD 263/MT, USD 256/MT, USD 244/MT, and USD 241/MT respectively.

GLOBAL RICE AND WHEAT PRODUCTION
In the year 2020/21, global rice production projected in April about 504 million MT, which was 1.3% higher than the previous year's projection whereas Wheat production projected about 776 million MT, which was 1.7% higher than the previous year's projection.

GLOBAL RICE AND WHEAT TRADE PROSPECT
Global rice export for 2020/21 projected in April at 45.9 million MT, which is 2.7% higher from a year earlier. In the 2020/21, world wheat trade projected in April at 196.3 million tons, which is 1% down to the previous year's export.

BANGLADESH RICE IMPORT
Up to 25 March during this FY 2020-21, Government imported 180.9 thousand MT of rice while 440.2 MT of rice was imported by the private sector.

BANGLADESH WHEAT IMPORT
Up to 25 March during this FY 2020-21, about 215.8 thousand MT of wheat was imported by the public sector while about 3689.6 thousand MT wheat was imported by the private sector.

GOVERNMENT INTERVENTION
During this fortnight, about 102.3 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by FPC, VGD, OMS, EP, and so on.

GOVERNMENT STOCK
As on 25 March 2021, the public food grain stock was estimated at 544.3 thousand MT.

GOVERNMENT PROCUREMENT
Aman rice procurement target has been fixed at 0.79 mmt in terms of rice. Up to 25 March 2021, about 82.0 thousand MT of *Aman* rice (in terms of rice) has been procured.

1. Domestic price: coarse rice and *atta*

Figure1: Change in prices of Coarse Rice (Dhaka)

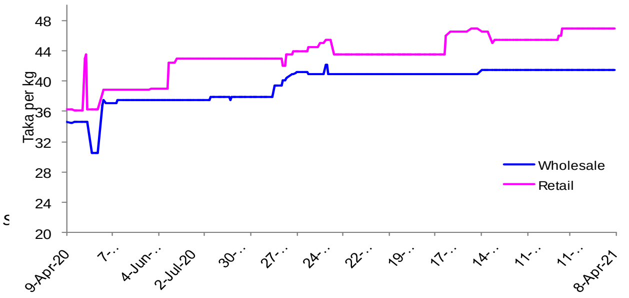
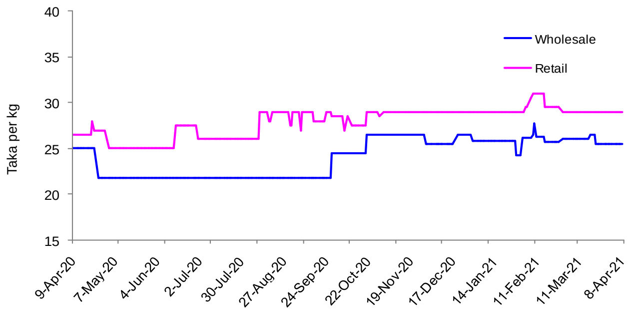


Figure 2: Change in prices of *Atta* (Dhaka



Source: Department of Agricultural Marketing (DAM), MIS&M (DG Food).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	47.00	0.0	0.0	28.7
wholesale	41.50	0.0	0.0	22.0
ATTA				
retail	29.00	0.0	0.0	9.4
wholesale	25.50	0.0	-1.9	6.7

Source: DAM; Arrows indicate the direction of price change: red if a morethan 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 and wholesale prices of rice (*Swarna-Indian variety*) in the Dhaka city markets remained unchanged at Tk 47.0/Kg and Tk 41.5/Kg respectively. Over the last month, both the wholesale and retail prices of rice in the Dhaka city markets also remained unchanged. The point-to-point retail and wholesale prices were 28.7% and 22.0% higher respectively than that of the corresponding period of the last year.

ATTA

Up to this fortnight, the wholesale and retail prices of *atta* in the Dhaka city markets remained unchanged at Tk 25.5/Kg and Tk 29.0/Kg respectively. However, over the last month, the wholesale price of *atta* in the Dhaka city markets decreased by 1.9% whereas the wholesale price remained unchanged. The point-to-point wholesale and retail prices were 9.4% and 6.7% higher respectively 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

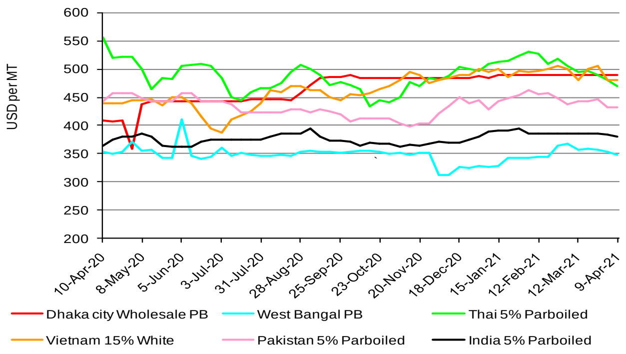
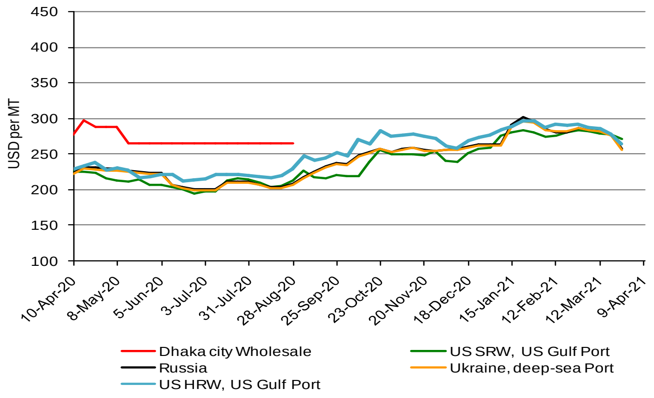


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 April 09, prices of 5% parboiled rice in Thailand, India, and Pakistan as well as Vietnam 15% white rice price decreased by 4.1%, 1.3%, 2.9%, and 5.0% down to USD 470/MT, USD 380/MT, USD 433/MT, and USD 480/MT respectively. Over the same period, West Bengal parboiled rice price decreased by 2.8% down to USD 348/MT while the Dhaka city wholesale price of rice remained unchanged at USD 489/MT.

WHEAT

In the fortnight ending April 09, U.S (SRW), U.S (HRW) wheat, Russian, and Ukrainian wheat prices decreased by 3.3%, 3.4%, 5.1%, and 5.9% down to USD 263/MT, USD 256/MT, USD 244/MT, and USD 241/MT respectively.

Note: DAM has not been updating the price of wheat of the Dhaka city markets since September 2020.

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

change	MAY (K21)	JUL (N21)	SEP (U21)	DEC (Z21)	MAR (H22)
2-Apr	224	224	225	227	229
9-Apr	235	235	236	237	239
change	4.5%	4.9%	4.7%	4.4%	4.0%

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

change	MAY (K21)	JUL (N21)	SEP (U21)	DEC (Z21)	MAR (H22)
2-Apr	208	210	213	216	220
9-Apr	215	218	221	224	228
change	3.8%	3.9%	3.8%	3.7%	3.6%

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

All wheat futures prices were up on the week. The SRW wheat futures prices gain $11/MT to end at $235/MT. On the other hand, KCBT hard red winter (HRW) futures raised $7/MT from last week's prices to close at $215/MT (Wheat Associates, April 2021) (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	498	504	1.3%
Ending stocks	176	178	178	-0.1%

Source: **USDA, (Grain: World Markets and Trade, April 2021)**

RICE

In the 2020/21, global rice production projected in April about 504 million MT, which was 1.3% higher than the previous year's projection. Projection of global rice production is insignificantly lower this month primarily on reduced production in Burma, Indonesia, and Taiwan more than offsetting larger production in the Philippines and Thailand. Ending stocks in April 2020/21 projected about 178 million MT, which was 0.1% lower than the previous year (USDA, April 2021).

WHEAT

Global wheat production in April 2020/21 projected about 776 million MT, which was 1.7% higher than the previous year's projection. Global wheat production is marginally lower because of the downward revisions for the European Union, Ethiopia, and Japan more than offset a larger crop in Argentina. Ending stocks in April 2020/21 projected about 296 million MT, which was 1.5% lower than the previous year (USDA, April 2021).

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	776	1.7%
Ending stocks	283	300	296	-1.5%

Source: **USDA, (Grain: World Markets and Trade April 2021)**

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	5.71	-14%	6.20	15%
Vietnam	6.58	6.17	0%	6.40	-5%
USA	3.14	2.87	-3%	3.00	2%
Pakistan	4.55	3.93	-3%	4.00	-2%
India	9.81	14.56	12%	15.50	9%
Others	11.99	11.73	-3%	10.88	-4%
World total	**43.64**	**44.97**	**-1%**	**45.98**	**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%	27.50	-34%
Canada	24.45	23.48	-4%	27.00	6%
Australia	9.84	10.12	3%	19.50	78%
Ukraine	16.02	21.01	31%	17.50	-14%
Russia	35.86	34.49	-5%	39.50	10%
Others	39.93	37.58	-6%	38.31	1%
World total	**175.50**	**191.41**	**9%**	**196.31**	**-1%**

*Source:*USDA (Grain: World Markets and Trade, April 2021) *rice and wheat; arrows indicate The Direction of export quantities Change: red if more than 10% change frompreviousyear, yellow more than 5% and green lessthan5% change. For rice, 2018/19is calendar year 2019, 2019/20 is calendaryear 2020, 2020/21 is calendar year 2021 and so on.*

RICE

- Global rice export for 2020/21 projected in April at 45.9 million MT, which is 2.7% higher from a year earlier (USDA, April 2021).
- In the calendar year 2021, the projection of the global rice trade is 2 percent larger than that of the forecast a year earlier. The export forecasts for this month are reduced for Burma, Ecuador, the United States, and Uruguay. On an annual basis, this year while India, Thailand, Australia, Cambodia, Pakistan, the United States, and Vietnam are projected to increase exports; Argentina, Brazil, Burma, Paraguay, Taiwan, and Uruguay are expected to export less rice.

WHEAT

- In the 2020/21, world wheat trade projected in April at 193.3 million tons, which is 1% lower than the previous year's export (USDA, April 2021).
- Global trade is heightened slightly for the July/June trade year (TY) as stronger exports for the European Union and Russia more than offset a reduction for Argentina. Exports for the European Union are raised based on a continued strong pace of exports and competitive pricing. On the other hand, Argentina's TY exports are reduced whereas India's exports are also adjusted higher on continued competitive pricing to nearby markets. (USDA, April 2021).

According to the USDA Wheat Outlook April 2021, Global stocks are forecast lower, mostly on China stocks being forecast to decline for the first time since 2012/13. Stocks held by major exporters are often considered a relevant point of analysis as these are the stocks that are more accessible to the world market and thereby more readily affect prices. To that end, 2020/21 ending stocks held by the top 8 exporters are forecast marginally higher than last month, but still the lowest level since 2013/14.

5. Import

Figure 5: Rice imports (in '000 MT)

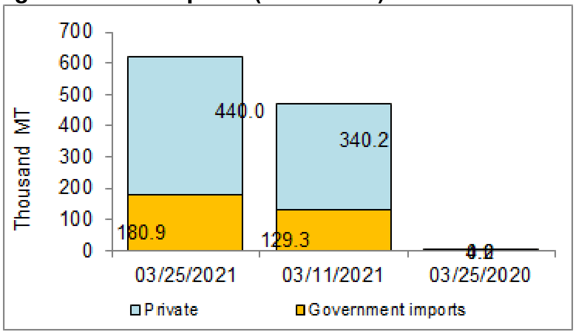
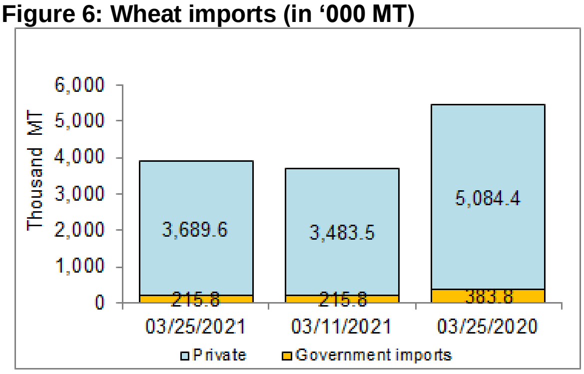


Figure 6: Wheat imports (in '000 MT)



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

RICE

- Up to 25 March during this FY 2020-21, Government imported 180.9 thousand MT of rice and the private sector imported 440.2 MT rice. Over the same period of last year, the government did not import any rice but about 4.0 thousand MT of rice was imported by the private sector.

WHEAT

- Up to 25 March during this FY 2020-21, about 215.8 thousand MT of wheat was imported by the public sector while about 3689.6 thousand MT wheat was imported by the private sector. Over the same period of last year, 383.8 thousand MT wheat was imported by the public sector while the private sector imported about 5084.4 thousand MT wheat.

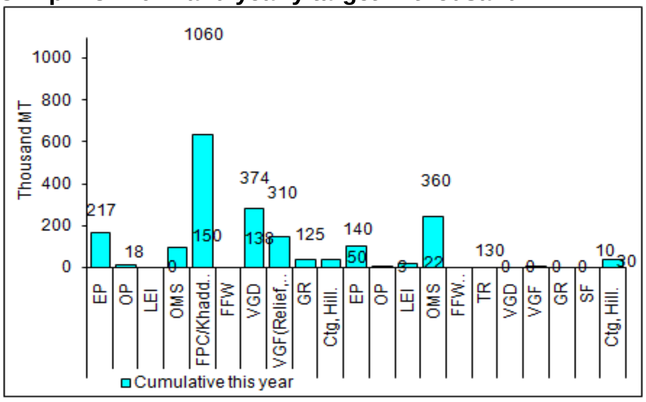
Table 8: LC situation, as of 31 March/21 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
14-31 March/21	360	286	256	363
Cumulative month, March/21	668	484	310	441
Cumulative year (starting 1st July/20)	1668	5238	474	3569

Source: Bangladesh Bank

6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as Of April 8th 2021 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*

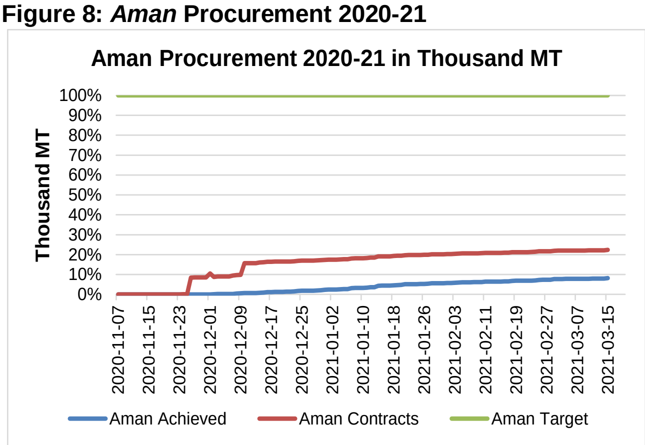
PUBLIC FOOD DISTRIBUTION

- The total distribution budget for 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 102.3 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by FPC (47.0 Thousand MT), VGD (19.2 Thousand MT), OMS (17.3Thousand MT), EP (11.6 Thousand MT), and so on. As on 08 April FY 2020-21, about 1803.5 thousand MT food grains were distributed which is about 57.5% 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 25 March 2021, the public food grain stock was estimated at 544.3 thousand MT; 357.7 thousand MT for rice and 186.6 thousand MT for wheat (MISM, DG Food).

Figure 8: *Aman* Procurement 2020-21



Source: 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).
- *Aman*rice procurement target has been fixed at 0.79 mmt in terms of rice at 37 Tk/Kg for parboiled rice, 36Tk/Kg for Atap rice and 26 Tk/Kg for paddy from the domestic market. *Aman*procurement will be continued up to 15 March 2021.
- Up to 15 March 2021, about 82.0 thousand MT of Aman rice (in terms of rice) has been procured.