Fortnightly Foodgrain Outlook

Issue No. 332 ***13 May 2021***

THIGHLIGHTS

- **The domestic wholesale price of rice remained unchanged whereas the retail price decreased over the last fortnight (As on 6 May 2021).**
- **The domestic wholesale and retail prices of *atta* remained unchanged over the last fortnight (As on 6 May 2021).**
- **Export prices of rice in Thailand, India, and Vietnam increased whereas in Pakistan, rice price decreased over the last fortnight.**
- **Export prices of U.S (SRW), U.S (HRW) wheat, Russian, and Ukrainian wheat prices increased 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 price of rice *(Swarna-Indian variety*) in the Dhaka city markets decreased by 3.2% down to Tk 45.5/Kg whereas the wholesale price remained unchanged at Tk 41.5/Kg.

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

INTERNATIONAL RICE PRICE
In the fortnight ending May 7, Thai 5% parboiled rice, Vietnam 15% white rice, and Indian 5% parboiled rice prices increased by 3.1%, 1.1%, and 1.4% up to USD 473/MT, USD 475/MT, and USD 375/MT respectively whereas Pakistan 5% parboiled rice price decreased by 1.1% down to USD 438/MT.

INTERNATIONAL WHEAT PRICE
In the fortnight ending May 7, U.S (SRW), U.S (HRW) wheat, Russian, and Ukrainian wheat prices increased by 8.2%, 8.8%, 3.4%, and 5.4% up to USD 303/MT, USD 310/MT, USD 272/MT, and USD 274/MT respectively.

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

BANGLADESH RICE IMPORT
Up to 6 May during this FY 2020-21, Government imported 319.4 thousand MT of rice while 758.9 MT of rice was imported by the private sector.

BANGLADESH WHEAT IMPORT
Up to 6 May during this FY 2020-21, about 455.9 thousand MT of wheat was imported by the public sector while about 4175.1 thousand MT wheat was imported by the private sector.

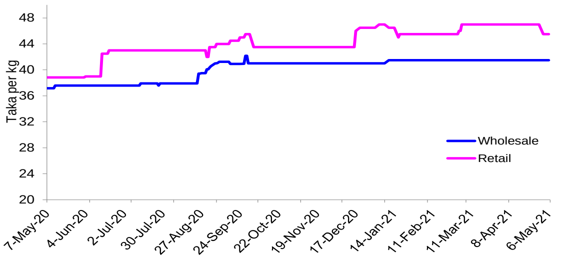
GOVERNMENT INTERVENTION
During this fortnight, about 100.2 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by FPC, OMS, VGD, VGF, and so on.

GOVERNMENT STOCK
As on 6 May 2021, the public food grain stock was estimated at 623.8 thousand MT.

GOVERNMENT PROCUREMENT
Wheat procurement target has been fixed at 100 thousand MT. Up to 6 May 2021, about 20.6 thousand MT of *wheat* has been procured.

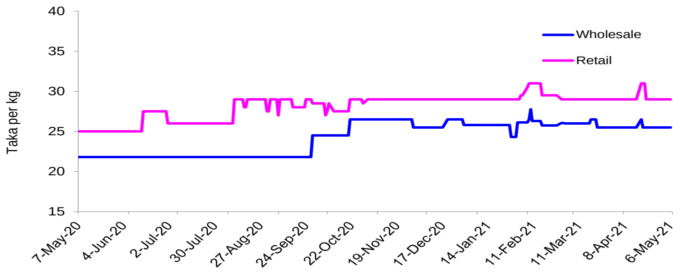
1. Domestic price: coarse rice and *atta*

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	45.50	▼ -3.2	▼ -3.2	▲ 24.3
wholesale	41.50	► 0.0	► 0.0	▲ 23.6
ATTA				
retail	29.00	► 0.0	► 0.0	▲ 10.7
wholesale	25.50	► 0.0	► 0.0	▲ 15.3

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-Indian variety*) in the Dhaka city markets decreased by 3.2% down to Tk 45.5/Kg whereas the wholesale price remained unchanged at Tk 41.5/Kg. Similarly, over the last month, the retail price of rice in the Dhaka city markets also decreased by 3.2% and the wholesale price remained unchanged. The point-to-point retail and wholesale prices were 24.3% and 23.6% higher respectively than that of the corresponding period of the last year.

ATTA
Up to this fortnight, the retail and wholesale prices of *atta* in the Dhaka city markets remained unchanged at Tk 29.0/Kg and Tk 25.5/Kg respectively. Over the last month, the wholesale and retail prices of *atta* in the Dhaka city markets also remained unchanged. The point-to-point retail and wholesale prices were 10.7% and 15.3% 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

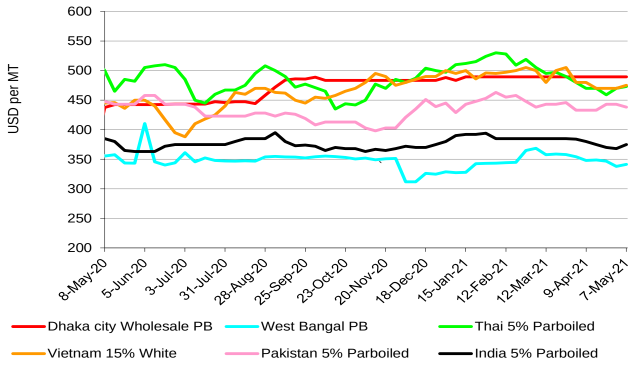
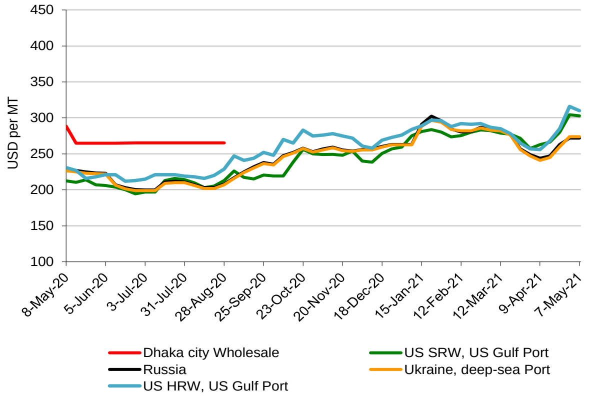


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 May 07, Thai 5% parboiled rice, Vietnam 15% white rice, and Indian 5% parboiled rice prices increased by 3.1%, 1.1%, and 1.4% up to USD 473/MT, USD 475/MT, and USD 375/MT respectively whereas Pakistan 5% parboiled rice price decreased by 1.1% down to USD 438/MT. Over the same period, West Bengal parboiled rice price decreased by 1.6% down to USD 341/MT while the Dhaka city wholesale price of rice remained unchanged at USD 489/MT.

WHEAT
In the fortnight ending May 07, U.S (SRW), U.S (HRW) wheat, Russian, and Ukrainian wheat prices increased by 8.2%, 8.8%, 3.4%, and 5.4% up to USD 303/MT, USD 310/MT, USD 272/MT, and USD 274/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)
30-Apr	273	270	269	269	270
7-May	284	280	280	281	283
change	4.2%	3.7%	4.1%	4.4%	4.5%

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

change	MAY (K21)	JUL (N21)	SEP (U21)	DEC (Z21)	MAR (H22)
30-Apr	257	258	260	262	265
7-May	267	271	272	274	277
change	4.2%	4.7%	4.7%	4.7%	4.5%

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

For the fifth week in a row, all wheat futures prices increased due to persistent dry conditions and continued strong global demand. The SRW wheat futures prices gain $11/MT to end at $273/MT. On the other hand, KCBT hard red winter (HRW) futures raised $10/MT from last week's prices to close at $257/MT (Wheat Associates, May 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, May 2021)**

RICE

In the 2020/21, global rice production projected in May 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 May 2020/21 projected about 178 million MT, which was 0.1% lower than the previous year (USDA, May 2021).

WHEAT

Global wheat production in May 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, May 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 May 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 from previous year, yellow more than 5% and green lessthan5% change. For rice, 2018/19is calendar year 2019, 2019/20 is calendar year 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, May 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, May 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, May 2021).

According to the USDA Wheat Outlook May 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 eight 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)

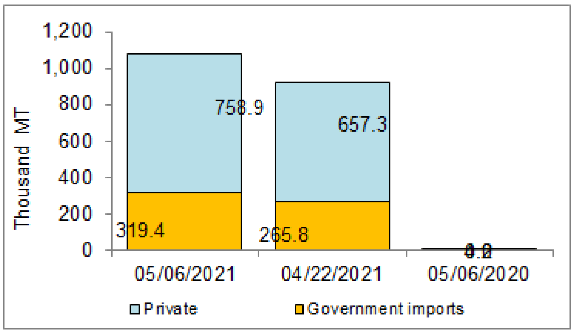
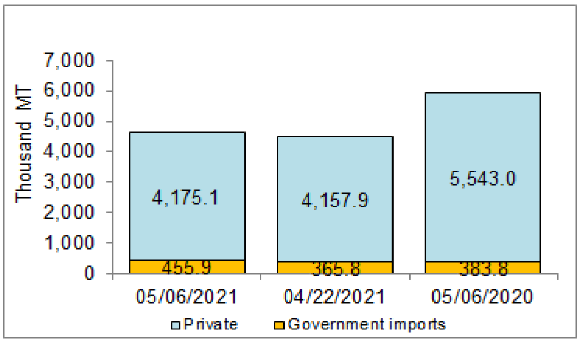


Figure 6: Wheat imports (in '000 MT)



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

RICE

- Up to 6 May during this FY 2020-21, Government imported 319.4 thousand MT of rice and the private sector imported 758.9 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 6 May during this FY 2020-21, about 455.9 thousand MT of wheat was imported by the public sector while about 4175.1 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 5543.0 thousand MT wheat.

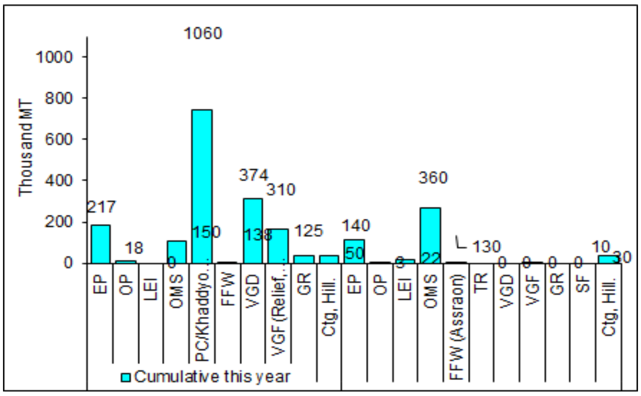
Table 8: LC situation, as of 24 April/21 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
11-24 April/21	252	295	163	300
Cumulative month, April/21	267	345	267	331
Cumulative year (starting 1st July/20)	1935	5583	740	3900

Source: Bangladesh Bank

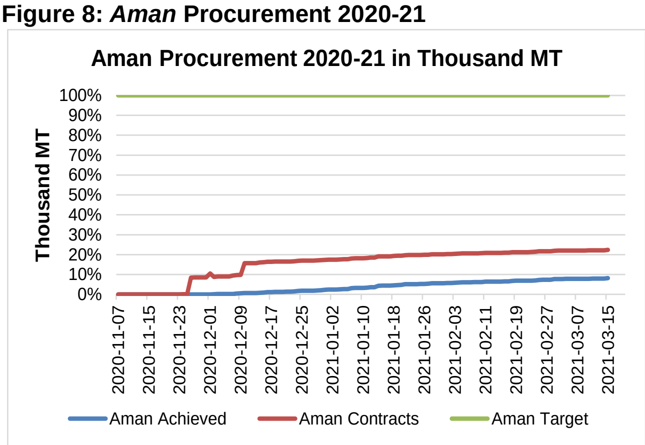
6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as Of May 6th 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*

Figure 8: *Aman* Procurement 2020-21



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 100.2 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by FPC (22.6 Thousand MT), VGD (21.1 Thousand MT), OMS (19.4Thousand MT), VGF (14.9 Thousand MT), and so on. As on 6 May FY 2020-21, about 2039 thousand MT food grains were distributed which is about 65% 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 6 May 2021, the public food grain stock was estimated at 623.8 thousand MT; 220.3 thousand MT for rice and 403.5 thousand MT for wheat (MISM, DG Food).

DOMESTIC FOOD GRAIN PROCUREMENT

- 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).
- Up to 15 March 2021, about 82.0 thousand MT of Aman rice (in terms of rice) has been procured.
- Wheat procurement target has been fixed at 100 thousand MT at 28 Tk/Kg from the domestic market. Wheat procurement has started from 01/04/2021 and will be continued up to 30 June 2021.
- Up to 6 May 2021, about 20.6 thousand MT Wheat has been procured.