Fortnightly Foodgrain Outlook

Issue No. 333 ***27 May 2021***

HIGHLIGHTS

- **The domestic wholesale price of rice remained unchanged whereas the retail price decreased over the last fortnight (As on 20 May 2021).**
- **The domestic wholesale and retail prices of *atta* remained unchanged over the last fortnight (As on 20 May 2021).**
- **Export prices of rice in Thailand, and India decreased whereas rice prices in Vietnam and Pakistan increased over the last fortnight.**
- **Export prices of U.S (SRW), U.S (HRW) wheat, and Ukrainian wheat prices decreased and Russian wheat price 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
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 21, Thai and Indian 5% parboiled rice prices decreased by 3.0% and 2.7% down to USD 459/MT and USD 365/MT whereas Vietnam 15% white rice and Pakistan 5% parboiled rice prices increased by 0.6% and 1.1% up to USD 478/MT and USD 443/MT respectively.

INTERNATIONAL WHEAT PRICE
In the fortnight ending May 21, U.S (SRW), U.S (HRW) wheat, and Ukrainian wheat prices decreased by 4.1%, 5.5%, 3.4%, and 0.7% up to USD 290/MT, USD 293MT, and USD 272/MT respectively whereas Russian wheat price remained unchanged at USD 272/MT.

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 20 May during this FY 2020-21, Government imported 363.3 thousand MT of rice while 768.9 MT of rice was imported by the private sector.

BANGLADESH WHEAT IMPORT
Up to 20 May during this FY 2020-21, about 467.1 thousand MT of wheat was imported by the public sector while about 4245.4 thousand MT wheat was imported by the private sector.

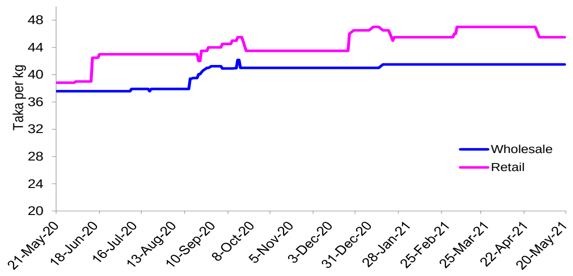
GOVERNMENT INTERVENTION
During this fortnight, about 46.2 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by VGF, VGD, EP, OMS, and so on.

GOVERNMENT STOCK
As on 20 May 2021, the public food grain stock was estimated at 747.5 thousand MT.

GOVERNMENT PROCUREMENT
Boro (in terms of rice) target has been fixed at 1523 thousand Mt and 126.55 thousand MT has been procured up to 20 May 2021. As on 20 May 2021 about 44.31 thousand MT of *wheat* has been procured.

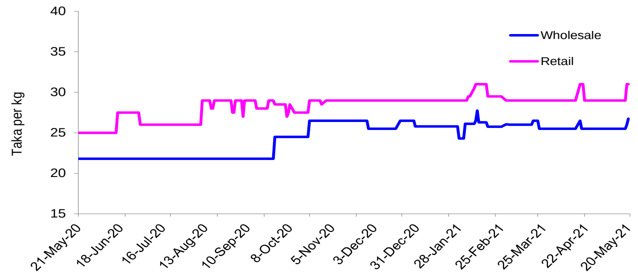
1. Domestic price: coarse rice and *atta*

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 ►	0.0 ▼	-3.2 ▲	17.2
wholesale	41.50 ►	0.0 ►	0.0 ▲	10.9
ATTA				
retail	31.00 ▲	6.9 ►	0.0 ▲	17.6
wholesale	26.75 ▲	4.9 ▲	4.9 ▲	17.8

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

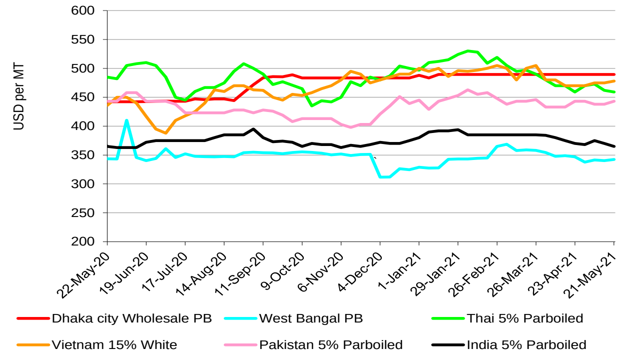
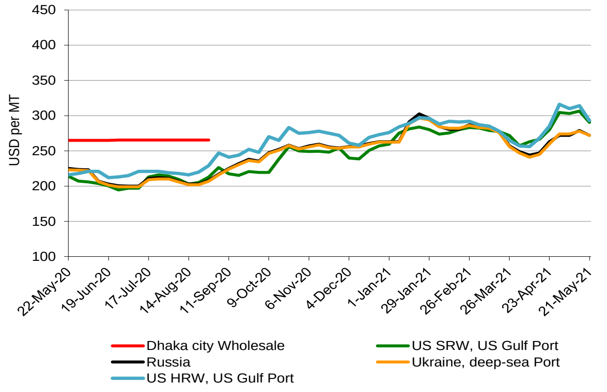


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 21, Thai and Indian 5% parboiled rice prices decreased by 3.0% and 2.7% down to USD 459/MT and USD 365/MT whereas Vietnam 15% white rice and Pakistan 5% parboiled rice prices increased by 0.6% and 1.1% up to USD 478/MT and USD 443/MT respectively. Over the same period, West Bengal parboiled rice price increased by 0.3% up to USD 342/MT while the Dhaka city wholesale price of rice remained unchanged at USD 489/MT.

WHEAT
In the fortnight ending May 21, U.S (SRW), U.S (HRW) wheat, and Ukrainian wheat prices decreased by 4.1%, 5.5%, 3.4%, and 0.7% up to USD 290/MT, USD 293MT, and USD 272/MT respectively whereas Russian wheat price remained unchanged at USD 272/MT.

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	JUL (N21)	SEP (U21)	DEC (Z21)	MAR (H22)
14-May	260	260	261	262
21-May	248	249	250	252
change	-4.7%	-4.2%	-4.1%	-4.0%

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

change	JUL (N21)	SEP (U21)	DEC (Z21)	MAR (H22)
14-May	242	244	246	249
21-May	229	232	235	238
change	-5.1%	-4.8%	-4.6%	-4.3%

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 lost $12/MT to end at $248/MT. On the other hand, KCBT hard red winter (HRW) futures raised $13/MT from last week's prices to close at $229/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	505	1.6%
Ending stocks	177	178	168	-5.5%

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

RICE

In the 2020/21, global rice production projected in May about 505 million MT, which was 1.6% higher than the previous year's projection. Bangladesh, Burma, Cambodia, China, Cote d'Ivoire, South Korea, Paraguay, Taiwan, and Thailand account for the bulk of the projected production increase in 2021/22. Ending stocks in May 2020/21 projected about 168 million MT, which was 5.5% lower than the previous year (USDA, May 2021).

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

WHEAT

Global wheat production in May 2020/21 projected about 789 million MT, which was 3.2% higher than the previous year's projection. Global wheat production is projected up in 2021/22 with higher output in major producing countries accounting for most of the increase. The European Union is the largest driver of the year-to-year increase. Ending stocks in May 2020/21 projected about 295 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	789	3.2%
Ending stocks	284	299	295	-1.5%

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	-25%	6.50	14%
Vietnam	6.58	6.17	-6%	6.30	2%
USA	3.14	2.87	-9%	2.85	-1%
Pakistan	4.55	3.93	-14%	4.30	9%
India	9.81	14.56	48%	15.00	3%
Others	12.28	11.99	-2%	11.48	-4%
World total	**43.92**	**45.22**	**3%**	**46.43**	**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%	25.00	-5%
European Union	24.69	39.77	61%	33.00	-17%
Canada	24.45	23.48	-4%	23.50	0%
Australia	9.84	10.12	3%	21.00	107%
Ukraine	16.02	21.01	31%	20.00	-5%
Russia	35.86	34.49	-4%	40.00	16%
Others	41.03	39.61	-3%	40.73	3%
World total	**177.98**	**194.77**	**9%**	**203.23**	**4%**

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, 2018/19 is calendar year 2019, Global trade is slightly higher with more imports for Azerbaijan, Iran; Pakistan2019/20 is calendar year 2020, 2020/21 is calendar year 2021 and so on.*

RICE

- Global rice export for 2020/21 projected in May at 46.43 million MT, which is 2.7% higher from a year earlier (USDA, May 2021).
- Global rice trade is forecast to expand 0.1 million tons in 2022 with Thailand accounting for the bulk of export expansion. On an annual basis, exports are projected to increase from Australia, Burma, Cambodia, EU, and Paraguay. In contrast, the projection for exports in 2022 is expected to reduce for India, the United States, and Vietnam. On the other hand, Ethiopia, Iran, Iraq, Madagascar, Nigeria, and the Philippines account for most of the expected increase in global imports on a year-to-year basis.

WHEAT

- In the 2020/21, world wheat trade projected in May at 203.2 million tons, which is 4% higher than the previous year's export (USDA, May 2021).
- Global trade is slightly up with more imports for Azerbaijan, Iran, Pakistan, and Turkey. The projection of Exports is higher for Canada, and lower for Argentina, Ukraine, and the United States. Russia is forecast to be the largest global exporter. The European Union and the USA also projected to increase the export. While trade is up overall, there are some countries like Pakistan, Morocco, and China with notably lower import demand (USDA, May 2021).

Global stocks are forecast to increase marginally but would remain slightly below the record-large ending stocks level of 2019/20. Ending stocks among the major exporting countries are projected up. This represents the second straight year of incremental gains among major exporter stocks, but the total is still down substantially from 2018/19. Exporter ending stocks are considered a relevant metric for assessing market availability, as these are the supplies that are most available to the world market and exert an impact on global prices (USDA, May 2021).

5. Import

Figure 5: Rice imports (in '000 MT)

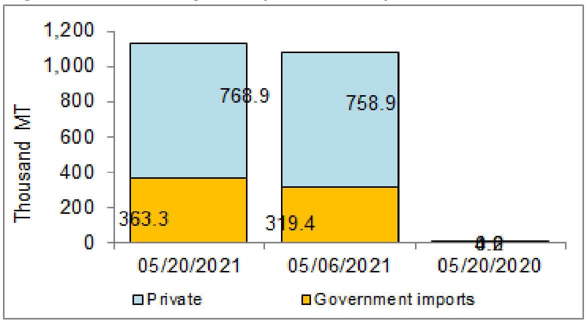
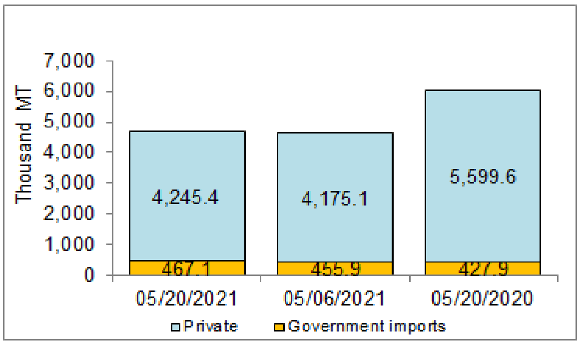


Figure 6: Wheat imports (in '000 MT)



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

RICE

- Up to 20 May during this FY 2020-21, Government imported 363.3 thousand MT of rice and the private sector imported 768.9 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 20 May during this FY 2020-21, about 467.1 thousand MT of wheat was imported by the public sector while about 4245.4 thousand MT wheat was imported by the private sector. Over the same period of last year, 427.9 thousand MT wheat was imported by the public sector while the private sector imported about 5599.6 thousand MT wheat.

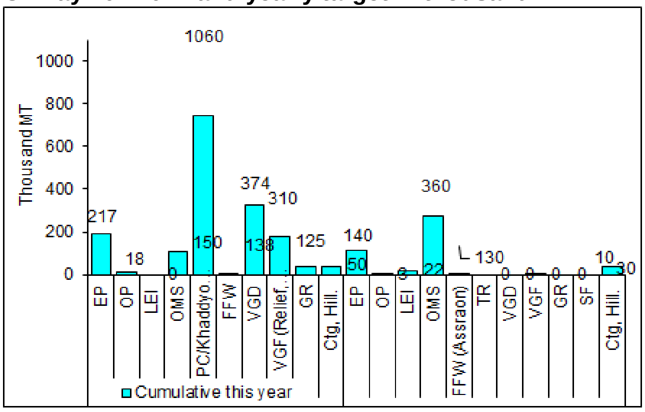
Table 8: LC situation, as of 30 April/21 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
25-30 April/21	165	241	163	121
Cumulative month, April/21	417	535	326	421
Cumulative year (starting 1st July/20)	2085	5773	800	3990

Source: Bangladesh Bank

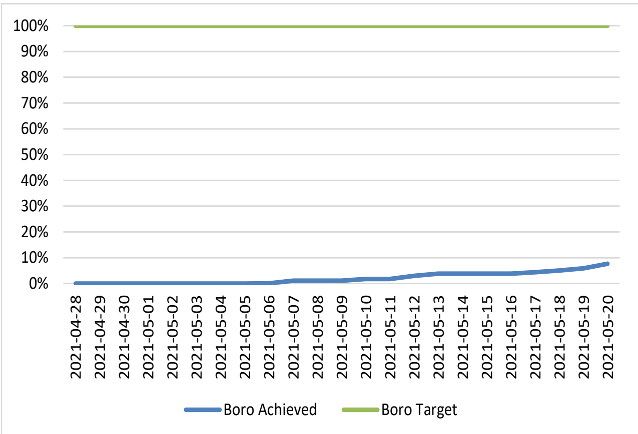
6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as Of May 20th 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: Progress of *Boro* Procurement target



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 46.2 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by VGF (14.1 Thousand MT), VGD (9.3 Thousand MT), EP (9.1Thousand MT), OMS (9.0 Thousand MT), and so on. As on 20 May FY 2020-21, about 2085.2 thousand MT food grains were distributed which is about 66.5% 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 20 May 2021, the public food grain stock was estimated at 747.5 thousand MT; 299.4 thousand MT for rice and 448.1 thousand MT for wheat (MISM, DG Food).

DOMESTIC FOOD GRAIN PROCUREMENT

- Up to 15 March 2021, about 82.0 thousand MT of *Aman* rice (in terms of rice) has been procured.
- Wheat procurement target from the domestic market has been fixed at 100 thousand MT at 28 Tk/Kg. Wheat procurement has started from 01/04/2021 and will be continued up to 30 June 2021.
  As on 20 May 2021, about 44.31 thousand MT wheat has been procured.
- Government has decided to procure 1000 thousand MT of parboiled rice, 650 thousand Mt os paddy, and 100 thousand MT of *Atap* rice, a total of 1523 thousands MT of rice (in terms of rice) from during the ongoing *Boro* season. Procurement price has been fixed at Tk 40/kg for parboiled rice, Tk 39/kg for *Atap* rice, and Tk 27/Kg for paddy. *Boro* procurement started from 28 April 2021 and will continue up to 16 August 2021. As on 20 May 2021, 126.55 thousand MT of *Boro* rice has been procured.