

Fortnightly Foodgrain Outlook

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HIGHLIGHTS

- The domestic retail and wholesale prices of rice increased over the last fortnight (As on 17 June 2021).
- The domestic wholesale and retail prices of *atta* decreased over the last fortnight (As on 17 June 2021).
- Export prices of rice in Thailand, Vietnam, and Pakistan decreased whereas rice prices in India increased 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 lower whereas global wheat export projected higher 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 increased by 4.4% and 7.2% up to Tk 47.0/Kg and Tk 44.5/Kg respectively.

ATTA PRICE

Up to this fortnight, the retail and wholesale prices of *atta* in the Dhaka city markets decreased by 6.5% and 7.5% down to Tk 29.0/Kg and Tk 24.5/Kg respectively.

INTERNATIONAL RICE PRICE

In the fortnight ending June 18, Thai 5% parboiled rice, Vietnam 15% white rice, and Pakistan 5% parboiled rice prices decreased by 4.2%, 7.4%, and 3.3% down to USD 438/MT, USD 435/MT, and USD 443/MT respectively whereas Indian 5% parboiled rice price increased by 0.8% up to USD 365/MT.

INTERNATIONAL WHEAT PRICE

In the fortnight ending June 18, U.S (SRW), U.S (HRW) wheat, Russian, and Ukrainian wheat prices decreased by 4.5%, 1.7%, 3.0%, and 3.0% down to USD 263/MT, USD 284MT, USD 260/MT, and USD 259/MT respectively.

GLOBAL RICE AND WHEAT PRODUCTION

In the year 2021/22, global rice production projected in June about 507 million MT, which was 0.3% higher than the previous year's projection whereas Wheat production projected about 794 million MT, which was 2.4% higher than the previous year's projection.

GLOBAL RICE AND WHEAT TRADE PROSPECT

Global rice export for 2021/22 projected in June at 46.9 million MT, which is 0.2% lower from a year earlier. In the 2020/21, world wheat trade projected in June at 204 million tons, which is 4% higher than the previous year's export.

BANGLADESH RICE IMPORT

Up to 17 June during this FY 2020-21, Government imported 520.8 thousand MT of rice while 785.8 MT of rice was imported by the private sector.

BANGLADESH WHEAT IMPORT

Up to 17 June during this FY 2020-21, about 478.7 thousand MT of wheat was imported by the public sector while about 4808.0 thousand MT wheat was imported by the private sector.

GOVERNMENT INTERVENTION

During this fortnight, about 69.0 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by EP, OMS, Ctg. Hill, VGD, and so on.

GOVERNMENT STOCK

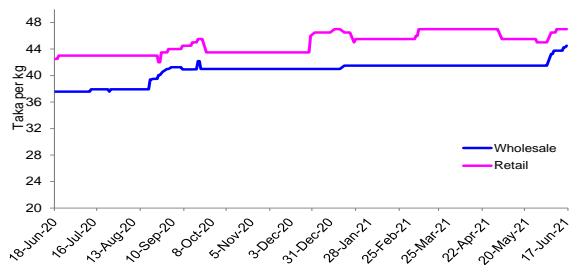
As on 17 June 2021, the public food grain stock was estimated at 1290 thousand MT.

GOVERNMENT PROCUREMENT

Boro (in terms of rice) target has been fixed at 1523 thousand Mt and 616.0 thousand MT has been procured up to 17 June 2021. As on 17 June 2021 about 91.0 thousand MT of *wheat* has been procured.

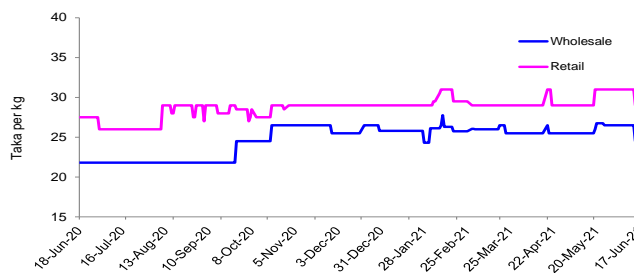
1. Domestic price: coarse rice and atta

Figure 1: 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).

Table 1: Rice and Atta price changes (Dhaka city)

	change in %			
	over last fortnight	over last month	over last year	
RICE				
retail	47.00 ▲	4.4 ▲	3.3 ▲	17.9
wholesale	44.50 ▲	7.2 ▲	7.2 ▲	16.6
ATTA				
retail	29.00 ▼	-6.5 ▼	0.0 ▲	18.4
wholesale	24.50 ▼	-7.5 ▼	-3.9 ▲	17.9

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

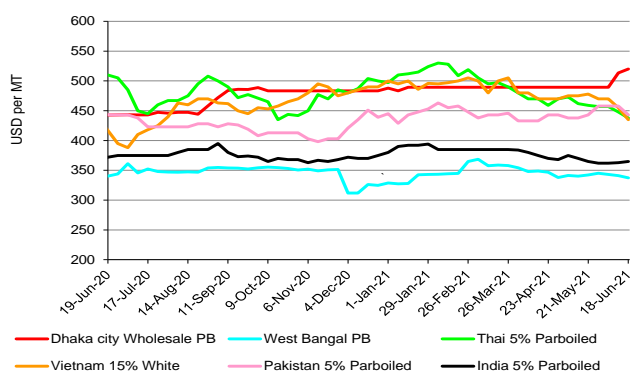
During this fortnight, the retail and wholesale prices of rice (Swarna-Indian variety) in the Dhaka city markets increased by 4.4% and 7.2% up to Tk 47.0/Kg and Tk 44.5/Kg respectively. Similarly, over the last month, the retail and wholesale prices of rice in the Dhaka city markets also increased by 3.3% and 7.2% respectively. The point-to-point retail and wholesale prices were 17.9% and 16.6% 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 decreased by 6.5% and 7.5% down to Tk 29.0/Kg and Tk 24.5/Kg respectively. Over the last month, the retail prices of atta in the Dhaka city markets remained unchanged whereas the the wholesale price decreased by 3.9%. The point-to-point retail and wholesale prices were 18.4% and 17.9% higher respectively comparing to the corresponding period of the last year.

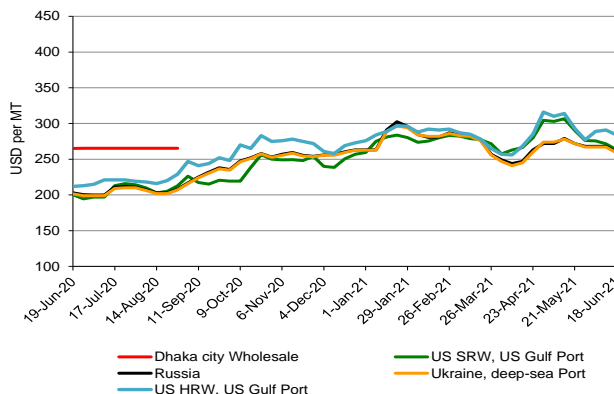
2. International price

Figure 3: Rice wholesale price in Dhaka and Kolkata and FOB Prices in relevant international markets



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

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



RICE

In the fortnight ending June 18, Thai 5% parboiled rice, Vietnam 15% white rice, and Pakistan 5% parboiled rice prices decreased by 4.2%, 7.4%, and 3.3% down to USD 438/MT, USD 435/MT, and USD 443/MT respectively whereas Indian 5% parboiled rice price increased by 0.8% up to USD 365/MT. Over the same period, West Bengal parboiled rice price decreased by 1.7% down to USD 337/MT and the Dhaka city wholesale price increased by 6.3% up to USD 520/MT.

WHEAT

In the fortnight ending June 18, U.S (SRW), U.S (HRW) wheat, Russian, and Ukrainian wheat prices decreased by 4.5%, 1.7%, 3.0%, and 3.0% down to USD 263/MT, USD 284MT, USD 260/MT, and USD 259/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	JUL (N21)	SEP (U21)	DEC (Z21)	MAR (H22)	MAY (K22)
11-Jun	250	252	255	257	258
18-Jun	244	245	247	249	249
change	-2.6%	-2.9%	-3.2%	-3.3%	-3.3%

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

change	JUL (N21)	SEP (U21)	DEC (Z21)	MAR (H22)	MAY (K22)
11-Jun	234	237	240	244	246
18-Jun	223	226	230	234	236
change	-4.9%	-4.6%	-4.3%	-4.0%	-3.8%

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

All wheat futures prices were down this fortnight. The SRW wheat futures prices lost \$6/MT to end at \$244/MT. On the other hand, KCBT hard red winter (HRW) futures lost \$11/MT from last week's prices to close at \$223/MT (Wheat Associates, June 2021) (Table-2 & 3).

3. Global production and stock

Table 4: Rice world production and stock (million MT)

RICE	2019/20	2020/21	2021/22 forecast	change 2021/22 over 2020/21
Production	498	505	507	0.3%
Ending stocks	178	176	168	-4.5%

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

RICE

In the 2020/21, global rice production projected at a record in June about 507 million MT, which was 0.3% higher than the previous year's projection. India and Brazil account for all of this month's upward revision in global production. Ending stocks in June 2020/21 projected about 168 million MT, which was 4.5% lower than the previous year (USDA, June 2021).

WHEAT

Global wheat production in June 2020/21 projected about 794 million MT, which was 2.4% higher than the previous year's projection. Global wheat production is raised to a record with larger crops in the European Union, Russia, Ukraine, and the United States. Ending stocks in June 2020/21 projected about 297 million MT, which was 1.1% higher than the previous year (USDA, June 2021).

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

Wheat	2019/20	2020/21	2021/22 forecast	change 2021/22 over 2020/21
Production	763	776	794	2.4%
Ending stocks	299	293	297	1.1%

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

4. Global trade

Table 6: Main rice annual exporters (million MT milled)

	2019/20	2020/21	2019/20- 2020/21 change	2021/22 projected	2020/21- 2021/22 change
Thailand	5.71	5.80	▲ 2%	6.50	▲ 12%
Vietnam	6.17	6.30	▲ 2%	6.30	▶ 0%
USA	2.87	2.90	▲ 1%	2.85	▼ -2%
Pakistan	3.93	4.20	▲ 7%	4.30	▲ 2%
India	14.56	17.00	▲ 17%	15.50	▼ -9%
Others	11.99	10.84	▼ -10%	11.48	▲ 6%
World total	45.22	47.04	▲ 4%	46.93	▼ -0.2%

Table 7: Main wheat annual exporters (million MT)

	2019/20	2020/21	2019/20- 2020/21 change	2021/22 projected	2020/21- 2021/22 change
USA	26.30	26.50	▲ 1%	25.00	▼ -6%
European Union	39.77	30.00	▼ -25%	33.00	▲ 10%
Canada	23.48	28.00	▲ 19%	23.50	▼ -16%
Australia	10.12	19.50	▲ 93%	21.00	▲ 8%
Ukraine	21.01	17.00	▼ -19%	20.50	▲ 21%
Russia	34.49	38.50	▲ 12%	40.00	▲ 4%
Others	39.61	37.05	▼ -6%	41.03	▲ 11%
World total	194.77	196.55	▲ 1%	204.03	▲ 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 less than 5% change. For rice, 2018/19 is calendar year 2019,

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

RICE

- Global rice export for 2020/21 projected in June at 46.93 million MT, which is 0.2% lower than the projection of a year earlier (USDA, June 2021).
- Global rice trade in calendar year 2022 is projected up from the previous forecast but below a year earlier and well below the record 48.4 million tons shipped in 2017. Exports forecasts were raised this month for Brazil and India but lowered for Cambodia. On the import side, 2022 forecasts were raised for China and Nepal.

WHEAT

- In the 2020/21, world wheat trade projected in June at about 204 million tons, which is 4% higher than the previous year's export (USDA, June 2021).
- Global trade for 2021/22 is boosted to a record 204 million for the July/June trade year. Exports are raised for Ukraine and India. Imports are lifted up for Turkey, Brazil, and Bangladesh, more than offsetting a reduction for the European Union.
- Global trade for 2020/21 is cut to 196.5 million. Exports for Russia are cut based on the slow pace of trade in recent months while exports for Canada increased. Reflecting the pace of trade, exports for China are lowered while shipments for India are boosted (USDA, June 2021).

Global stocks for 2021/22 increased with larger production more than offsetting reduced beginning stocks and higher consumption. The largest changes in stocks forecasts are for major exporting countries i.e. EU, Russia while stocks for the USA and Australia are projected down. Outside the major exporting countries, the revision is for India. India is still projected to have record-large stocks and account for 9 percent of global trade (USDA, June 2021).

5. Import

Figure 5: Rice imports (in '000 MT)

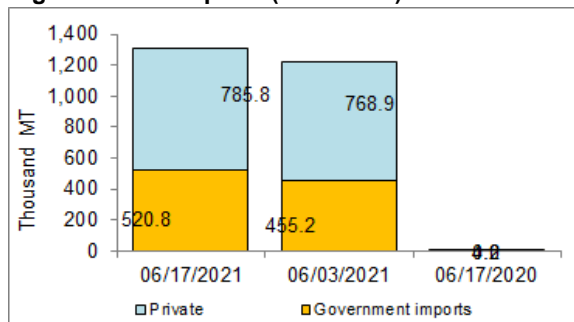
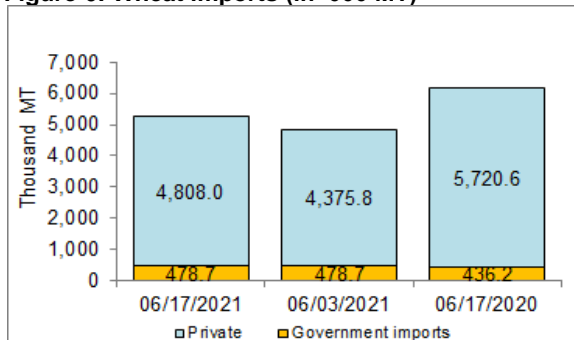


Figure 6: Wheat imports (in '000 MT)



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

RICE

- Up to 17 June during this FY 2020-21, Government imported 520.8 thousand MT of rice and the private sector imported 785.8 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 17 June during this FY 2020-21, about 478.7 thousand MT of wheat was imported by the public sector while about 4808.0 thousand MT wheat was imported by the private sector. Over the same period of last year, 436.2 thousand MT wheat was imported by the public sector while the private sector imported about 5720.6 thousand MT wheat.

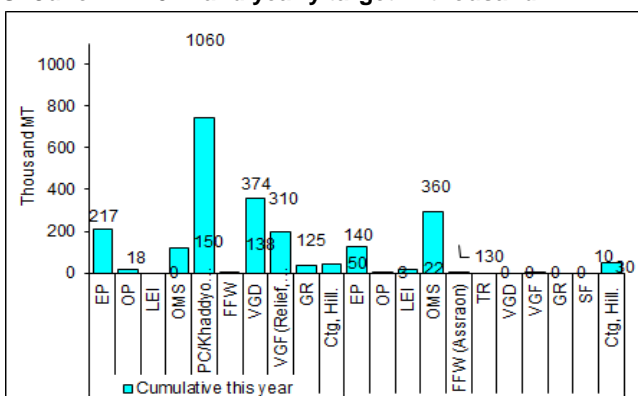
Table 8: LC situation, as of 5 June/21 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
1-5 June/21	0	107	27	96
Cumulative month, June/21	0	107	27	96
Cumulative year (starting 1st July/20)	2136	6282	1251	4846

Source: Bangladesh Bank

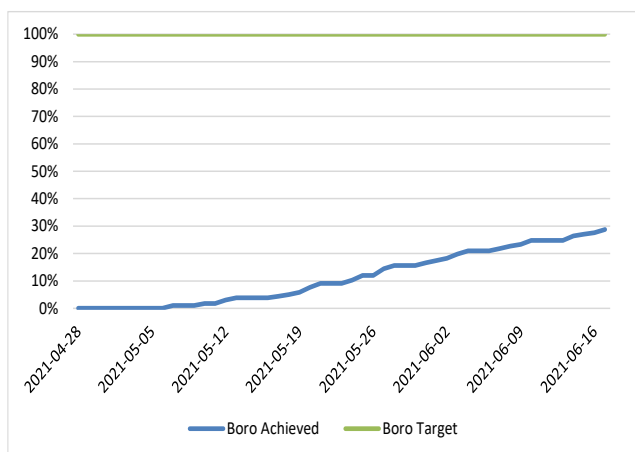
6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as Of June 17th 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 69.0 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by EP (16.8 Thousand MT), OMS (14.9 Thousand MT), Ctg. Hill (13.3 Thousand MT), VGD (12.6 Thousand MT), and so on. As on 17 June FY 2020-21, about 2219 thousand MT food grains were distributed which is about 70.7% 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 is able to purchase up to 5 kg of foodgrains.

PUBLIC STOCKS (inclusive transit)

- As on 17 June 2021, the public food grain stock was estimated at 1290 thousand MT; 871 thousand MT for rice and 419 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 17 June 2021, about 91.0 thousand MT wheat has been procured.
- Government has decided to procure 1000 thousand MT of parboiled rice, 650 thousand Mt of 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 17 June 2021, 616.0 thousand MT of *Boro* rice has been procured.