# Fortnightly Foodgrain Outlook

***Issue No. 337*** ***22 July 2021***

**HIGHLIGHTS**

- **The domestic retail price of rice remained unchanged whereas the wholesale price increased over the last fortnight (As on 15 July 2021).**
- **The domestic wholesale price of *atta* decreased whereas the wholesale price remained unchanged over the last fortnight (As on 15 July 2021).**
- **Export prices of rice in Thailand, Vietnam, India, and Pakistan decreased over the last fortnight.**
- **Export prices of U.S (SRW), Russian, and Ukrainian wheat prices decreased whereas U.S (HRW) wheat price increased 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 price of rice *(Swarna-Indian variety*) in the Dhaka city markets remained unchanged at Tk 49.0/Kg whereas the wholesale price increased by 2.2% up to Tk 46.0/Kg.

### *ATTA* PRICE

Up to this fortnight, the retail price of *atta* in the Dhaka city markets remained unchanged at Tk 29.0/Kg whereas the wholesale price decreased by 2.9% down to Tk 23.8/Kg.

### INTERNATIONAL RICE PRICE

In the fortnight ending July 16, Thai, Indian, and Pakistan 5% parboiled rice as well as Vietnam 15% white rice prices decreased by 4.8%, 2.7%, 4.7%, and 3.8% down to USD 400/MT, USD 355/MT, USD 403/MT, and USD 385/MT respectively.

### INTERNATIONAL WHEAT PRICE

In the fortnight ending July 16, U.S (SRW), Russian, and Ukrainian wheat prices decreased by 1.6%, 2.5%,and 2.5% down to USD 242/MT, USD 238/MT, and USD 236/MT respectively whereas U.S (HRW) wheat price increased by 1.4% up to USD 288MT.

### GLOBAL RICE AND WHEAT PRODUCTION

In the year 2021/22, global rice production projected in July about 506 million MT, which was 0.2% higher than the previous year's projection whereas Wheat production projected about 792 million MT, which was 2.1% higher than the previous year's projection.

### GLOBAL RICE AND WHEAT TRADE PROSPECT

Global rice export for 2021/22 projected in July at 47.0 million MT, which is 1.9% lower from a year earlier. In the 2021/22, world wheat trade projected in July at 205.5 million tons, which is 4% higher than the previous year's export.

### BANGLADESH RICE IMPORT

Up to 15 July during this FY 2021-22, Government imported 76.8 thousand MT of rice while the private sector did not import any rice.

### BANGLADESH WHEAT IMPORT

Up to 15 July during this FY 2021-22, both the public and private sector did not import any wheat.

### GOVERNMENT INTERVENTION

During this fortnight, about 117.9 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by OMS, EP, LEI, and so on.

### GOVERNMENT STOCK

As on 15 July 2021, the public food grain stock was estimated at 1574.1 thousand MT.

### GOVERNMENT PROCUREMENT

*Boro* (in terms of rice) target has been fixed at 1523 thousand Mt and 961.0 thousand MT has been procured up to 15 July 2021. As on 15 July 2021 about 103.2 thousand MT of *wheat* has been procured.

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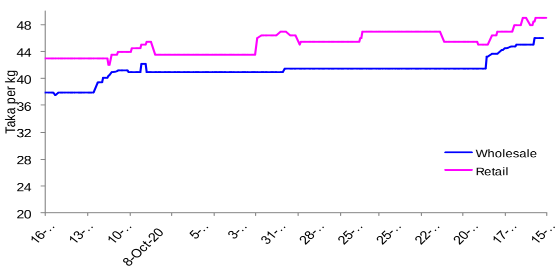
***http://www.mofood.gov.bd***

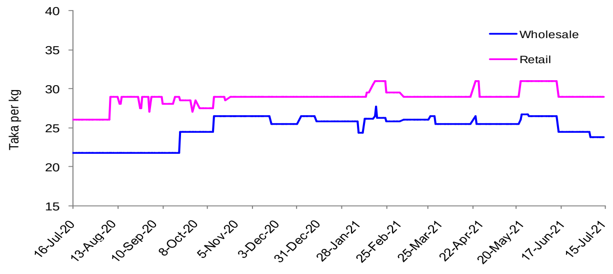
# 1. Domestic price: coarse rice and *atta*

**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 | 49.00 | ▶ 0.0 | ▲ 4.3 | ▲ 13.3 |
| wholesale | 46.00 | ▲ 2.2 | ▲ 4.0 | ▲ 20.9 |
| **ATTA** | | | | |
| retail | 29.00 | ▶ 0.0 | ▶ 0.0 | ▲ 11.5 |
| wholesale | 23.80 | ▼ -2.9 | ▼ -2.9 | ▲ 9.8 |

*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 price of rice *(Swarna-Indian variety*) in the Dhaka city markets remained unchanged at Tk 49.0/Kg whereas the wholesale price increased by 2.2% up to Tk 46.0/Kg. Over the last month, the retail and wholesale prices of rice in the Dhaka city markets increased by 4.3% and 4.0% respectively. The point-to-point retail and wholesale prices were 13.3% and 20.9% higher respectively than that of the corresponding period of the last year.

***ATTA***
Up to this fortnight, the retail price of *atta* in the Dhaka city markets remained unchanged at Tk 29.0/Kg whereas the wholesale price decreased by 2.9% down to Tk 23.8/Kg. Similarly, over the last month, the retail price of *atta* in the Dhaka city markets remained unchanged whereas the wholesale price decreased by 2.9%. The point-to-point retail and wholesale prices were 11.5% and 9.8% 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**

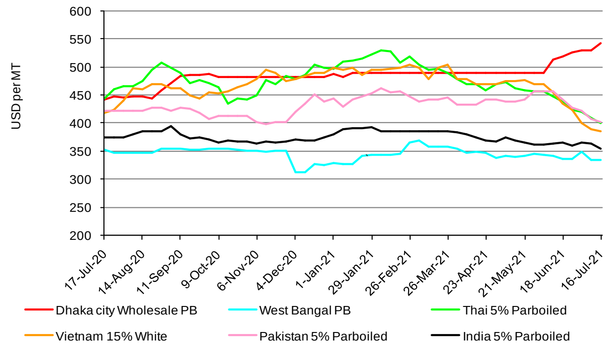
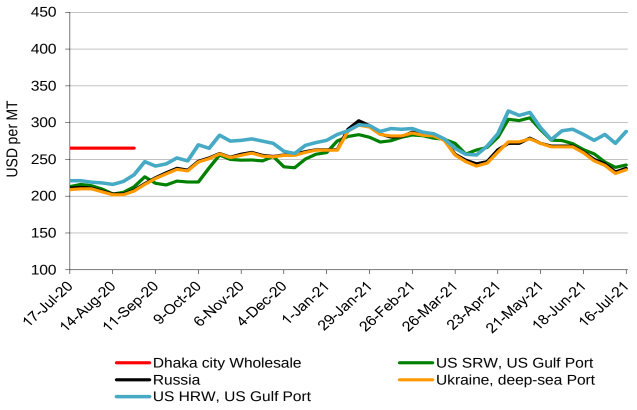



**Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets**




*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 July 16, Thai, Indian, and Pakistan 5% parboiled rice as well as Vietnam 15% white rice prices decreased by 4.8%, 2.7%, 4.7%, and 3.8% down to USD 400/MT, USD 355/MT, USD 403/MT, and USD 385/MT respectively. Over the same period, West Bengal parboiled rice price decreased by 4.0% down to USD 335/MT whereas the Dhaka city wholesale price of rice increased by 2.3% up to USD 542/MT respectively.

**WHEAT**
In the fortnight ending July 16, U.S (SRW), Russian, and Ukrainian wheat prices decreased by 1.6%, 2.5%,and 2.5% down to USD 242/MT, USD 238/MT, and USD 236/MT respectively whereas U.S (HRW) wheat price increased by 1.4% up to USD 288MT.

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 | SEP (U21) | DEC (Z21) | MAR (H22) | MAY (K22) |
|---|---|---|---|---|
| 9-Jul | 226 | 229 | 232 | 234 |
| 16-Jul | 254 | 257 | 259 | 260 |
| change | 12.6% | 12.2% | 11.5% | 10.9% |

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

| change | SEP (U21) | DEC (Z21) | MAR (H22) | MAY (K22) |
|---|---|---|---|---|
| 9-Jul | 218 | 222 | 226 | 228 |
| 16-Jul | 239 | 243 | 246 | 247 |
| change | 9.7% | 9.4% | 8.8% | 8.1% |

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

All wheat futures prices were mixed this fortnight. While the prices were down during the last week, all futures prices were up this week. The prices were high sharply as dry weather continued to stress crops in the plains states. The CBOT SRW wheat futures prices this week gained $28/MT from last week's prices to end at $254/MT. Similarly, KCBT hard red winter (HRW) futures gained $11/MT from last week's prices to close at $239/MT (Wheat Associates, July 2021) (Table-2 & 3).

## 3. Global production and stock

**Table4: Rice world production and stock (million MT)**

| RICE | 2019/20 | 2020/21 | 2021/22 forecast | change 2021/22 over 2020/21 |
|---|---|---|---|---|
| Production | 498 | 505 | 506 | 0.2% |
| Ending stocks | 178 | 175 | 167 | -4.5% |

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

**RICE**

In the 2021/22, global rice production projected at a record in July about 506 million MT, which was 0.2% higher than the previous year's projection. Egypt accounts for the bulk of this month's downward revision in global rice production, with production projections also lowered for the EU and the United States. Ending stocks in July 2021/22 projected about 167 million MT, which was 4.5% lower than the previous year (USDA, July 2021).

**WHEAT**

Global wheat production in July 2021/22 projected about 792 million MT, which was 2.1% higher than the previous year's projection. Global wheat production is lowered (but still record large) with smaller crops in the United States Kazakhstan, Canada, and Russia. Ending stocks in July 2021/22 projected about 292 million MT, which was 0.5% higher than the previous year (USDA, July 2021).

**Table 5: Wheat world production and stock (millionMT)**

| Wheat | 2019/20 | 2020/21 | 2021/22 forecast | change 2021/22 over 2020/21 |
|---|---|---|---|---|
| Production | 763 | 776 | 792 | 2.1% |
| Ending stocks | 299 | 290 | 292 | 0.5% |

***Source:* USDA, (Grain: World Markets and Trade July 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 | 2.86 | 2.93 | 2% | 2.85 | -3% |
| Pakistan | 3.93 | 4.20 | 7% | 4.30 | 2% |
| India | 14.56 | 18.00 | 24% | 15.50 | -14% |
| Others | 11.99 | 10.70 | -11% | 11.56 | 8% |
| **World total** | **45.22** | **47.92** | **6%** | **47.01** | **-1.9%** |

**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 | 26.39 | 26.50 | 0% | 24.50 | -8% |
| European Union | 39.77 | 30.75 | -23% | 34.00 | 11% |
| Canada | 23.48 | 28.00 | 19% | 23.00 | -18% |
| Australia | 10.12 | 19.50 | 93% | 22.00 | 13% |
| Ukraine | 21.01 | 16.75 | -20% | 21.00 | 25% |
| Russia | 34.49 | 38.50 | 12% | 40.00 | 4% |
| Others | 39.61 | 37.58 | -5% | 40.98 | 9% |
| **World total** | **194.86** | **197.58** | **1%** | **205.48** | **4%** |

*Source:*USDA (Grain: World Markets and Trade, July 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 less than 5% change. For rice, 2019/20 is calendar year 2020, 2020/21 is calendar year 2021, 2020/21 is calendar year 2022 and so on.*

**RICE**

- Global rice export for 2021/22 projected in July at 47 million MT, which is 1.9% lower than the projection of a year earlier (USDA, July 2021).
- Global rice trade in the calendar year 2022 is projected up from the previous forecast but below the year-earlier revised forecast. Much of the year-to-year global trade decline is the result of much weaker imports of Indian rice by Bangladesh. On an annual basis, in 2022, exports are projected to increase from Australia, Brazil, Burma, Cambodia, EU, Pakistan, Paraguay, Thailand, and Uruguay. In contrast, exports in 2022 are projected to decline for India and the United States.
- For imports, Angola, Colombia, Cote d'Ivoire, Egypt, Ethiopia, EU, Iran, Iraq, North Korea, Kenya, Madagascar, Mozambique, Nepal, Nigeria, Qatar, Senegal, and the United States account for most of the expected increase in 2022.

**WHEAT**

- In the 2021/22, world wheat trade projected in July at about 205.48 million tons, which is 4% higher than the previous year's export (USDA, July 2021).
- Global trade in 2021/22 is boosted on the trade year (July-June). Exports for Australia and the EU are boosted as both have larger supplies and are positioned to take a greater share of global trade based on reduced trade for key competitors. Exports are also boosted for Ukraine, the United Kingdom, and Pakistan. Conversely, exports are reduced for Canada and Kazakhstan (USDA, July 2021).

The largest import revision for 2021/22 by far is Pakistan. Imports in Pakistan are expected to surge with the Government's recent decision to boost strategic reserves. Nigeria's imports are also boosted. Imports are reduced for the United Kingdom with larger domestic production while imports for the United States are raised. (USDA, July 2021).

## 5. Import

**Figure5: Rice imports (in '000 MT)**

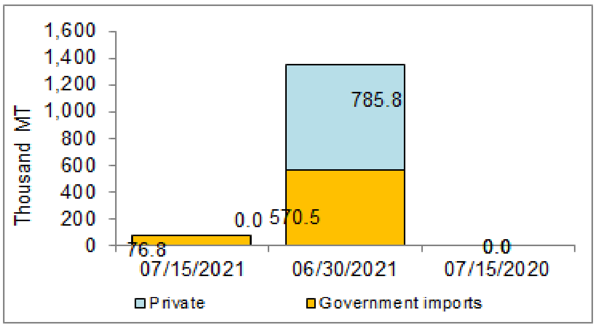
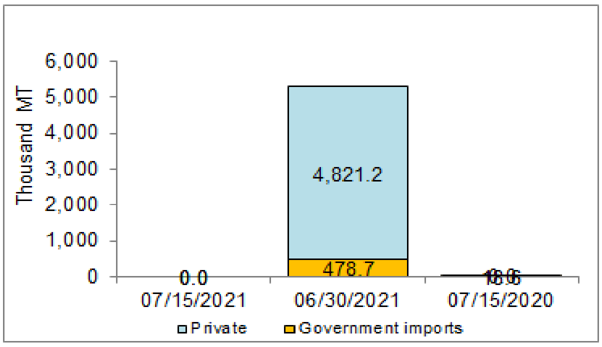



**Figure 6: Wheat imports (in '000 MT)**




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

**RICE**

- Up to 15 July during this FY 2021-22, Government imported 76.8 thousand MT of rice and the private sector did not import any rice. Up to 30 June 2021, the government imported about 570.5 thousand MT of rice and about 785.8 thousand MT of rice was imported by the private sector. Over the same period of last year, the government and the private sector did not import any rice.

**WHEAT**

- Up to 15 July during this FY 2020-21, both the public and private sector did not import any wheat. Up to 30 June 2021, the government imported about 478.7 thousand MT of wheat and about 4821.2 thousand MT of wheat was imported by the private sector. Over the same period of last year, public sector did not import any wheat while about 18.6 thousand MT wheat was imported by the private sector.

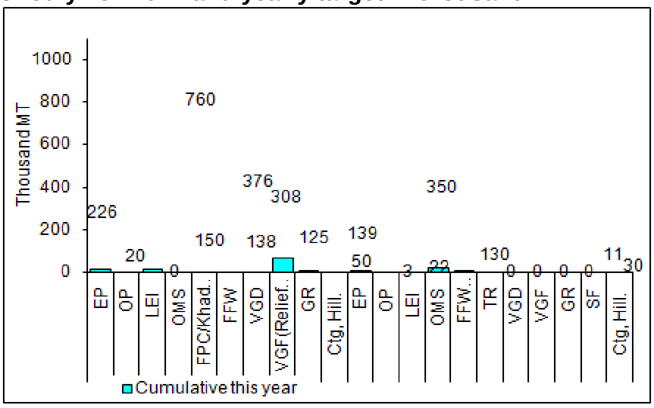
**Table 8: LC situation, as of 30 June/21 (in '000MT)**

| Period | L.C. opened | | LC settled | |
|---|---|---|---|---|
| | Rice | Wheat | Rice | Wheat |
| 27-30 June/21 | 1 | 278 | 75 | 242 |
| Cumulative month, June/21 | 51 | 400 | 162 | 585 |
| Cumulative year (starting 1st July/20) | 2187 | 6604 | 1319 | 5328 |

***Source:** Bangladesh Bank*

## 6. Government intervention

**Figure7: Rice and wheat distributed through PFDS as Of July 15th 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*

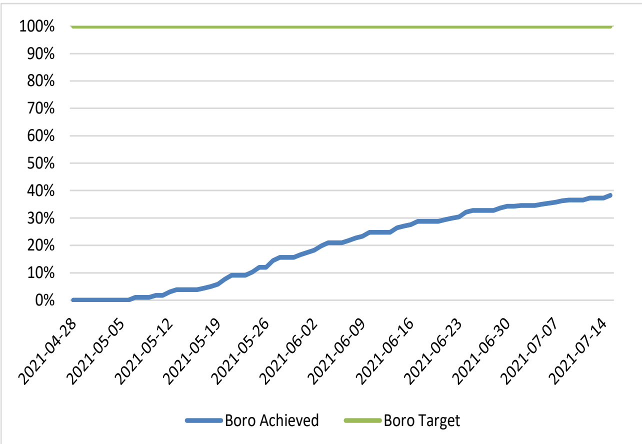
**PUBLIC FOOD DISTRIBUTION**

- The total distribution budget for 2020/21 was 3.14 million MT. The actual distribution was about 2.3 million MT. For FY 2021/22 the distribution plan through PFDS is about 2.84 million MT.
- During this fortnight, about 117.9 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by OMS (23.6 Thousand MT), EP (15.6 Thousand MT), LEI (7.9 Thousand MT), and so on. As on 15 July FY 2021-22, about 117.9 thousand MT food grains were distributed which is about 4.2% 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 15 July 2021, the public food grain stock was estimated at 1574.1 thousand MT; 1186.0 thousand MT for rice and 388.1 thousand MT for wheat (MISM, DG Food).

**Figure 8: Progress of *Boro* Procurement target**




*Source: 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 100thousand MT at 28Tk/Kg. Wheat procurement has started from 01/04/2021 and will be continued up to 30June 2021. As on 15 July 2021, about 103.2 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 Tk27/Kg for paddy. *Boro* procurement started from 28 April 2021 and will continue up to 16 August 2021. As on 15 July 2021, about 961.0 thousand MT of *Boro* rice has been procured.