Fortnightly Foodgrain Outlook

Issue No. 340 ***2 September 2021***

HIGHLIGHTS

- **The domestic retail and wholesale prices of rice decreased over the last fortnight (As on 26 August 2021).**
- **The domestic wholesale price of *atta* decreased whereas the retail price increased over the last fortnight (As on 26 August 2021).**
- **Export prices of rice in Thailand and Vietnam increased whereas in India and Pakistan rice prices decreased over the last fortnight**
- **Export prices of U.S (SRW) wheat decreased whereas Russian and Ukrainian wheat prices increased over the last fortnight. However, U.S (HRW) wheat price remained unchanged.**
- **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 decreased by 4.1% and 1.1% down to Tk 47.0/Kg and Tk 43.0/Kg respectively.

ATTA PRICE
Up to this fortnight, the retail price of *atta* in the Dhaka city markets increased by 6.9% down to Tk 31.0/Kg whereas the wholesale price decreased by 0.9% down to Tk 26.5/Kg.

INTERNATIONAL RICE PRICE
In the fortnight ending August 27, Thai 5% parboiled rice and Vietnam 15% white rice prices increased by 2.7%, and 1.4% up to USD 386/MT and USD 375/MT respectively whereas Indian and Pakistan 5% parboiled rice prices decreased by 0.8% and 6.4% down to USD 350/MT and USD 368/MT respectively.

INTERNATIONAL WHEAT PRICE
In the fortnight ending August 27, U.S (SRW) wheat price decreased by 0.9% down to USD 271/MT whereas Russian, and Ukrainian wheat prices increased by 4.2% and 3.5% up to USD 297/MT and USD 294MT respectively. However, U.S (HRW) wheat price remained unchanged at USD 323/MT.

GLOBAL RICE AND WHEAT PRODUCTION
In the year 2021/22, global rice production projected in August about 507 million MT, which was 0.5% higher than the previous year's projection whereas Wheat production projected about 777 million MT, which was 0.1% higher than the previous year's projection.

GLOBAL RICE AND WHEAT TRADE PROSPECT
Global rice export for 2021/22 projected in August at 47.6 million MT, which is 1.4% lower from a year earlier. In the 2021/22, world wheat trade projected in August at 199.8 million tons, which is 1% higher than the previous year's export.

BANGLADESH RICE IMPORT
Up to 26 August during this FY 2021-22, Government imported 246.5 thousand MT of rice and the private sector did not import any rice.

BANGLADESH WHEAT IMPORT
Up to 26 August during this FY 2021-22, public sector did not import any wheat whereas the private sector imported 278.1 thousand MT wheat.

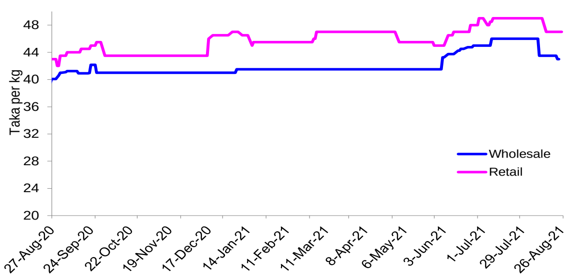
GOVERNMENT INTERVENTION
During this fortnight, about 93.2 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by OMS, VGD, EP, and so on.

GOVERNMENT STOCK
As on 26 August 2021, the public food grain stock was estimated at about 1751.0 thousand MT.

GOVERNMENT PROCUREMENT
Boro (in terms of rice) target has been fixed at 1523 thousand Mt and 1292.1 thousand MT has been procured up to 26 August 2021. As on 29 July 2021 about 103.2 thousand MT of *wheat* has been procured.

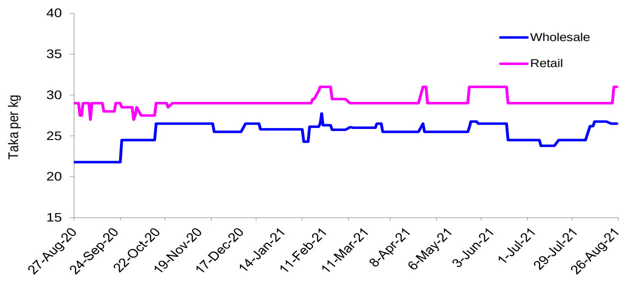
1. Domestic price: coarse rice and *atta*

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).

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

		change in %					
		over last fortnight		over last month		over last year	
RICE							
retail	47.00	▼	-4.1	▼	-4.1	▲	9.3
wholesale	43.00	▼	-1.1	▼	-6.5	▲	13.6
ATTA							
retail	31.00	▲	6.9	▲	6.9	►	2.8
wholesale	26.50	►	-0.9	▲	8.2	▲	22.1

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 decreased by 4.1% and 1.1% down to Tk 47.0/Kg and Tk 43.0/Kg respectively. Similarly, over the last month, the retail and wholesale prices of rice in the Dhaka city markets decreased by 4.1% and 6.5% respectively. The point-to-point retail and wholesale prices were 9.3% and 13.6% 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 increased by 6.9% down to Tk 31.0/Kg whereas the wholesale price decreased by 0.9% down to Tk 26.5/Kg. Over the last month, the retail and wholesale prices of *atta* in the Dhaka city markets increased by 6.9% and 8.2% respectively. The point-to-point retail and wholesale prices were 2.8% and 22.1% 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

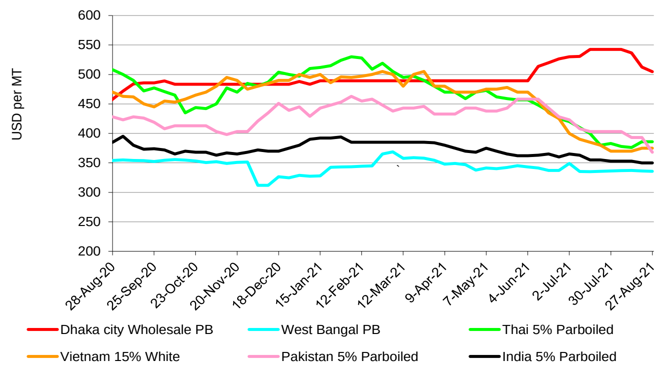
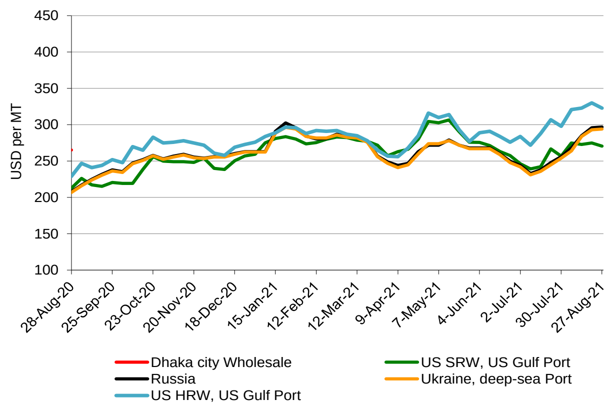


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 August 27, Thai 5% parboiled rice and Vietnam 15% white rice prices increased by 2.7%, and 1.4% up to USD 386/MT and USD 375/MT respectively whereas Indian and Pakistan 5% parboiled rice prices decreased by 0.8% and 6.4% down to USD 350/MT and USD 368/MT respectively. Over the same period, West Bengal parboiled rice price and the Dhaka city wholesale price of rice decreased by 0.4% and 5.9% down to USD 336/MT and USD 505/MT respectively.

WHEAT

In the fortnight ending August 27, U.S (SRW) wheat price decreased by 0.9% down to USD 271/MT whereas Russian, and Ukrainian wheat prices increased by 4.2% and 3.5% up to USD 297/MT and USD 294MT respectively. However, U.S (HRW) wheat prices remained unchanged at USD 323/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	SEP (U21)	DEC (Z21)	MAR (H22)	MAY (K22)	JUL (N22)
20-Aug	262	268	272	274	263
27-Aug	264	269	274	275	264
change	0.6%	0.6%	0.5%	0.5%	0.6%

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

change	SEP (U21)	DEC (Z21)	MAR (H22)	MAY (K22)	JUL (N22)
20-Aug	258	263	266	268	259
27-Aug	262	266	269	270	262
change	1.5%	1.2%	1.1%	0.9%	1.1%

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

All Wheat futures closed higher this week. CBOT SRW wheat futures prices this week gained $16/MT from last week's prices to end at $280/MT. Similarly, KCBT hard red winter (HRW) futures gained $14/MT from last week's prices to close at $273/MT (Wheat Associates, August 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	507	0.5%
Ending stocks	178	177	170	-3.8%

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

RICE

In the 2021/22, global rice production projected at a record in August about 507 million MT, which was 0.5% higher than the previous year's projection. Global rice production is predicted higher this month predominantly on larger crops in Bangladesh, Brazil, Indonesia, Sri Lanka, Taiwan, and Vietnam but lower for Cuba, Kazakhstan, Russia, and the United States. Ending stocks in August 2021/22 projected about 167 million MT, which was 4.5% lower than the previous year (USDA, August 2021).

WHEAT

Global wheat production in August 2021/22 projected about 777 million MT, which was 0.1% higher than the previous year's projection. Global production is lowered this month by more than 15 million tons with smaller crops in Russia, Canada, Turkey, Kazakhstan, and the United States. Ending stocks in August 2021/22 projected about 279 million MT, which was 3.4% lower than the previous year (USDA, August 2021).

Table 5: Wheat world production and stock (millionMT)

Wheat	2019/20	2020/21	2021/22 forecast	change 2021/22 over 2020/21
Production	764	776	777	0.1%
Ending stocks	298	289	279	-3.4%

Source: **USDA (Grain: World Markets and Trade August 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%	6.40	2%
USA	2.86	2.95	3%	2.88	-3%
Pakistan	3.93	4.20	7%	4.30	2%
India	14.56	18.50	27%	16.00	-14%
Others	11.99	10.57	-12%	11.58	10%
World total	**45.22**	**48.32**	**7%**	**47.66**	**-1.4%**

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	26.70	1%	24.50	-8%
European Union	39.77	30.75	-23%	35.00	14%
Canada	23.48	27.71	18%	17.50	-37%
Australia	10.12	19.78	96%	23.50	19%
Ukraine	21.01	16.75	-20%	23.50	40%
Russia	34.49	38.50	12%	35.00	-9%
Others	39.61	37.97	-4%	40.82	8%
World total	**194.86**	**198.16**	**2%**	**199.82**	**1%**

Source: USDA (Grain: World Markets and Trade, August 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, 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 August at 47.6 million MT, which is 1.4% lower than the projection of a year earlier (USDA, August 2021).
- Global rice trade in the calendar year 2022 is projected up from the previous forecast but below the year-earlier revised near-record. This decline is the result of much weaker imports of Indian rice by Bangladesh. Exports are projected to increase from Australia, Brazil, Burma, Cambodia, EU, Pakistan, Paraguay, Thailand, and Uruguay while exports are projected to decline for India and the United States.
- For imports, Angola, Colombia, Costa Rica, Cote d'Ivoire, Egypt, Ethiopia, EU, Iran, Iraq, Kenya, North Korea, 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 August at about 199.8 million tons, which is 1% higher than the previous year's export (USDA, August 2021).
- Global wheat trade is reduced this month based on a rationing of tighter available supplies. Exports are reduced for Canada, Russia based on significantly smaller available supplies. With larger supplies and shortened competition, exports for Ukraine, Australia, and the EU are boosted this month (USDA, August 2021).

In 2021/22, imports are lowered for many countries, with most changes reflecting the general environment of tighter global supplies and expectations of demand rationing on higher expected export prices. Expectations of slower demand growth due to reduced imports in 2020/21 are also reasons for reducing imports in several countries. (USDA, August 2021).

5. Import

Figure 5: Rice imports (in '000 MT)

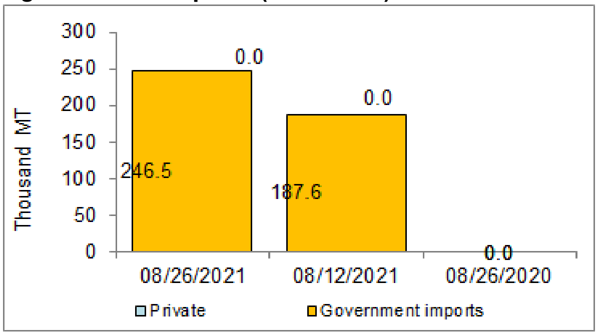
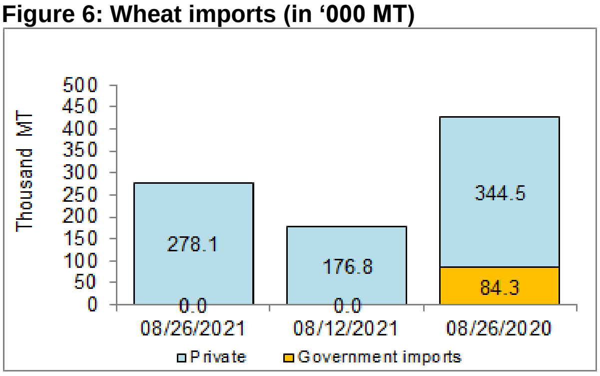


Figure 6: Wheat imports (in '000 MT)



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

RICE

Up to 26 August during this FY 2021-22, Government imported 246.5 thousand MT of rice and the private sector did not import any rice. Over the same period of last year, the government 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.

WEAT

Up to 26 August during this FY 2020-21, public sector did not import any wheat whereas the private sector imported 278.1 thousand MT wheat. Over the same period of last year, public sector imported 84.3 thousand MT of wheat while about 344.5 thousand MT wheat was imported by the private sector. 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.

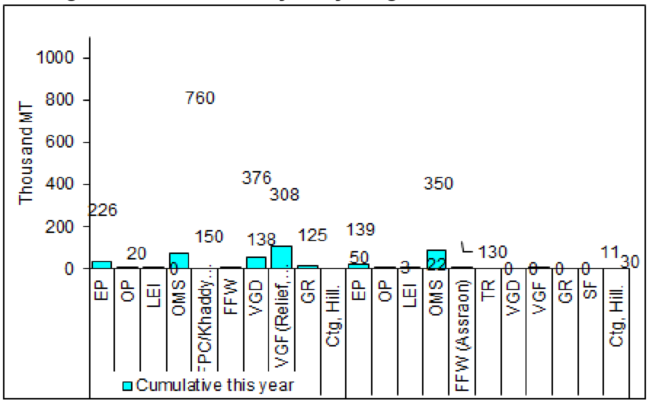
Table 8: LC situation, as of 7 August/21 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
1-7 August/21	0	350	26	88
Cumulative month, August/21	0	350	26	88
Cumulative year (starting 1st July/21)	50	704	74	672

Source: Bangladesh Bank

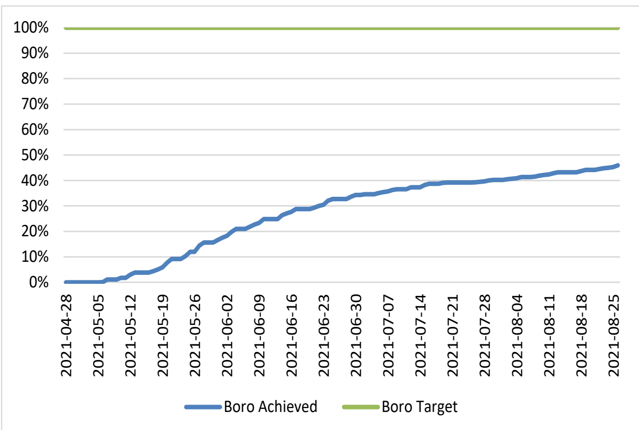
6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as Of August 26th 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 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 93.2 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by OMS (52.2 Thousand MT), VGD (22.7 Thousand MT), EP (13.3 Thousand MT), and so on. As on 26 August FY 2021-22, about 403.6 thousand MT food grains were distributed which is about 14.2% 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 26 August 2021, the public food grain stock was estimated at about 1751.0 thousand MT; 1453.0 thousand MT for rice and 298.0 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 100thousand MT at 28Tk/Kg. Wheat procurement has started from 01/04/2021 and will be continued up to 30 June 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 26 August 2021, about 1292.1 thousand MT of *Boro* rice has been procured.