Fortnightly Foodgrain Outlook

Issue No. 342 ***30 September 2021***

HIGHLIGHTS

- **The domestic retail and wholesale prices of rice decreased over the last fortnight (As on 23 September 2021).**
- **The domestic retail price of *atta* remained unchanged whereas the wholesale price increased over the last fortnight (As on 23 September 2021).**
- **Export prices of rice in Thailand and Pakistan decreased whereas in India rice prices increased 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 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 1.1% and 1.7% down to Tk 46.5/Kg and Tk 43.5/Kg respectively.

ATTA PRICE
Up to this fortnight, the retail price of *atta* in the Dhaka city markets remained unchanged at Tk 31.0/Kg whereas the wholesale price increased by 2.9% up to Tk 28.2/Kg.

INTERNATIONAL RICE PRICE
In the fortnight ending September 24, Thai and Pakistan 5% parboiled rice prices decreased by 0.5% and 0.8% down to USD 375/MT and USD 378/MT respectively whereas Indian 5% parboiled rice price increased by 0.8% up to USD 360/MT.

INTERNATIONAL WHEAT PRICE
In the fortnight ending September 24, U.S (SRW), U.S (HRW), Russian, and Ukrainian wheat prices increased by 1.0%, 1.8%, 0.7%, and 0.7% up to USD 271/MT, USD 338/MT, USD 305/MT, and USD 303/MT respectively.

GLOBAL RICE AND WHEAT PRODUCTION
In the year 2021/22, global rice production projected in September about 508 million MT, which was 0.3% higher than the previous year's projection whereas Wheat production projected about 780 million MT, which was 0.6% higher than the previous year's projection.

GLOBAL RICE AND WHEAT TRADE PROSPECT
Global rice export for 2021/22 projected in September at 48.01 million MT, which is 0.4% lower from a year earlier. In the 2021/22, world wheat trade projected in September at 200.9 million tons, which is 2% higher than the previous year's export.

BANGLADESH RICE IMPORT
Up to 23 September during this FY 2021-22, Government imported 339.7 thousand MT of rice and the private sector imported 107.3 thousand MT of rice.

BANGLADESH WHEAT IMPORT
Up to 23 September during this FY 2021-22, public sector did not import any wheat whereas the private sector imported 398.1 thousand MT of wheat.

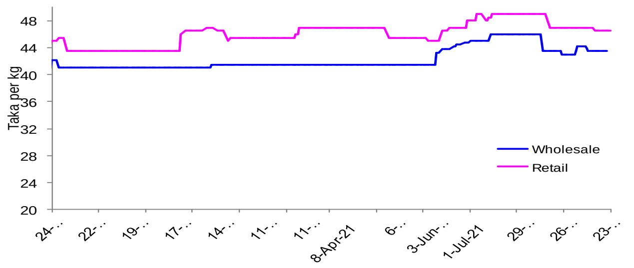
GOVERNMENT INTERVENTION
During this fortnight, about 188.6 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by FPC, OMS, VGD, and so on.

GOVERNMENT STOCK
As on 9 September 2021, the public food grain stock was estimated at about 1797.2 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 23 September 2021. As on 29 July 2021 about 103.2 thousand MT of *wheat* has been procured.

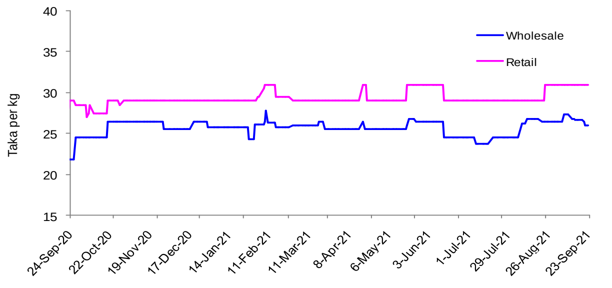
1. Domestic price: coarse rice and *atta*

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).

Table1: Rice and *Atta* price changes (Dhaka city)

		change in %					
		over last fortnight		over last month		over last year	
RICE							
retail	46.50	▼	-1.1	▼	-1.1	▲	5.2
wholesale	43.50	▼	-1.7	►	0.0	▲	6.0
ATTA							
retail	31.00	►	0.0	▲	6.9	▲	9.2
wholesale	28.20	▲	2.9	▲	6.4	▲	22.5

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 and wholesale prices of rice (*Swarna-Indian variety*) in the Dhaka city markets decreased by 1.1% and 1.7% down to Tk 46.5/Kg and Tk 43.5/Kg respectively. Over the last month, the retail price of rice in the Dhaka city markets decreased by 1.1% whereas the wholesale price remained unchanged. The point-to-point retail and wholesale prices were 5.2% and 6.0% 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 31.0/Kg whereas the wholesale price increased by 2.9% up to Tk 28.2/Kg. Over the last month, the retail and wholesale prices of *atta* in the Dhaka city markets increased by 6.9% and 6.4% respectively. The point-to-point retail and wholesale prices were 9.2% and 22.5% 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

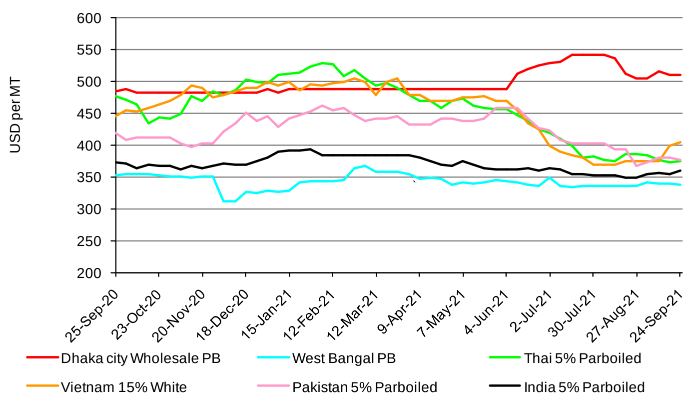
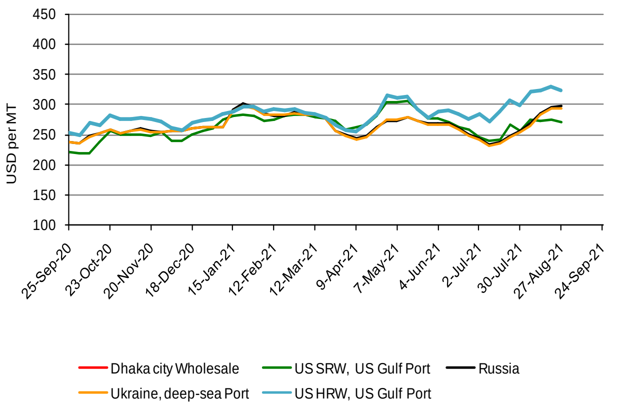


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 September 24, Thai and Pakistan 5% parboiled rice prices decreased by 0.5% and 0.8% down to USD 375/MT and USD 378/MT respectively whereas Indian 5% parboiled rice price increased by 0.8% up to USD 360/MT. Over the same period, West Bengal parboiled rice price and the Dhaka city wholesale price of rice decreased by 0.3% and 1.3% down to USD 339/MT and USD 510/MT respectively.

WHEAT
In the fortnight ending September 24, U.S (SRW), U.S (HRW), Russian, and Ukrainian wheat prices increased by 1.0%, 1.8%, 0.7%, and 0.7% up to USD 271/MT, USD 338/MT, USD 305/MT, and USD 303/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	DEC (Z21)	MAR (H22)	MAY (K22)	JUL (N22)	SEP (U22)
17-Sep	260	264	266	259	259
24-Sep	266	270	271	263	263
change	2.1%	2.1%	2.1%	1.7%	1.5%

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

change	DEC (Z21)	MAR (H22)	MAY (K22)	JUL (N22)	SEP (U22)
17-Sep	262	265	267	263	265
24-Sep	264	267	269	264	265
change	0.9%	0.8%	0.8%	0.4%	0.1%

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

All Wheat futures were up this week. CBOT SRW wheat futures prices this week gained $6/MT from last week's prices to end at $266/MT. Similarly, KCBT hard red winter (HRW) futures gained $2/MT from last week's prices to close at $264/MT (Wheat Associates, September 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	506	508	0.3%
Ending stocks	182	186	182	-2.2%

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

RICE

In the 2021/22, global rice production projected at a record in September about 508 million MT, which was 0.3% higher than the previous year's projection. Production forecasts for 2021/22 were raised this month for India, Panama, Senegal, and South Korea, but lowered for Egypt and the United States. Ending stocks in September 2021/22 projected about 182 million MT, which was 2.2% lower than the previous year (USDA, September 2021).

WHEAT

Global wheat production in September 2021/22 projected about780 million MT, which was 0.6% higher than the previous year's projection. Global production is raised this month primarily on larger crops in Australia, China, and India. Ending stocks in September 2021/22 projected about283 million MT, which was 3.2% lower than the previous year (USDA, September 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	780	0.6%
Ending stocks	298	293	283	-3.2%

Source: **USDA (Grain: World Markets and Trade September 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	5.60	▼ -2%	6.50	▲ 16%
Vietnam	6.17	6.30	▲ 2%	6.40	▲ 2%
USA	2.86	2.95	▲ 3%	2.88	▼ -3%
Pakistan	3.93	4.10	▲ 4%	4.15	▲ 1%
India	14.56	18.75	▲ 29%	16.50	▼ -12%
Others	11.99	10.53	▼ -12%	11.59	△ 10%
World total	**45.22**	**48.23**	△ **7%**	**48.01**	▼ **-0.4%**

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	29.62	▼ -26%	35.00	▲ 18%
Canada	23.48	27.71	▲ 18%	17.00	▼ -39%
Australia	10.12	19.78	▲ 96%	24.00	▲ 21%
Ukraine	21.02	16.85	▼ -20%	23.50	▲ 39%
Russia	34.49	38.50	▲ 12%	35.00	▽ -9%
Others	39.62	38.52	▼ -3%	41.92	△ 9%
World total	**194.88**	**197.68**	▲ **1%**	**200.92**	▲ **2%**

Source: USDA (Grain: World Markets and Trade, September 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, 2019/20 is calendar year 2020, 2020/21 is calendar year 2021, 2021/22 is calendar year 2022 and so on.*

RICE

- Global rice export for 2021/22 projected in September at 48.01million MT, which is 0.4% lower than the projection of a year earlier (USDA, September 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 September at about 200.92 million tons, which is 2% higher than the previous year's export (USDA, September 2021).
- Global trade is forecast higher with stronger exports for Australia and India with imports raised for Bangladesh, Iran, and Kazakhstan, while exports are up for Australia and India (USDA, September 2021).

Bangladesh wheat imports have nearly tripled over the past decade amid relatively stable wheat production, a significant shift in dietary preferences toward more wheat-based foods, and a growing population. Although In barely exported any wheat over the past several years, in 2020/21, India suddenly emerged as the primary supplier to Bangladesh (USDA, September 2021).

5. Import

Figure 5: Rice imports (in '000 MT)

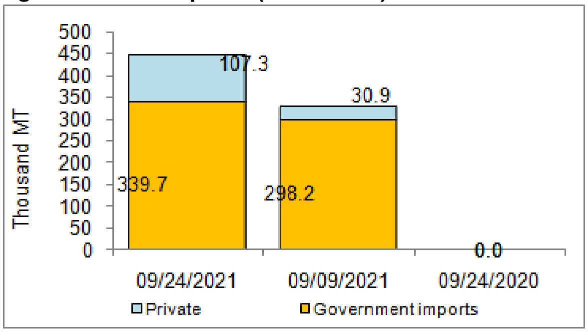
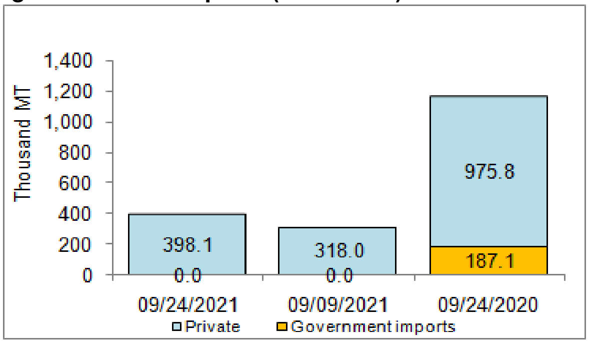


Figure 6: Wheat imports (in '000 MT)



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

RICE

Up to 23 September during this FY 2021-22, Government imported 339.7 thousand MT of rice and the private sector imported 107.3 thousand MT 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 23 September during this FY 2020-21, public sector did not import any wheat whereas the private sector imported 398.1 thousand MT of wheat. Over the same period of last year, public sector imported 187.1 thousand MT of wheat while about 975.8 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.

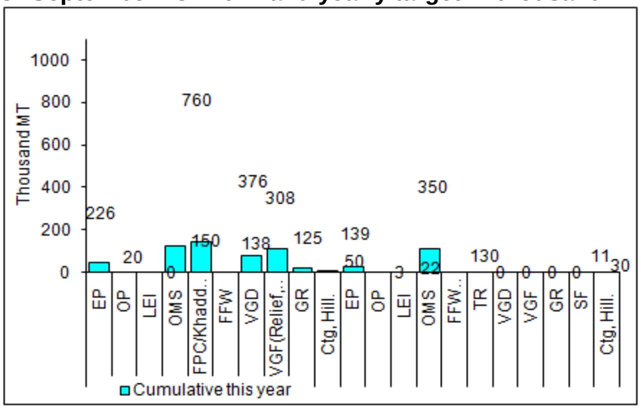
Table 8: LC situation, as of 4 September/21 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
1-4 September/21	112	15	48	584
Cumulative month, September/21	112	15	48	584
Cumulative year (starting 1st July/21)	463	1460	243	1155

Source: Bangladesh Bank

6. Government intervention

Figure7: Rice and wheat distributed through PFDS as Of September 23rd 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*

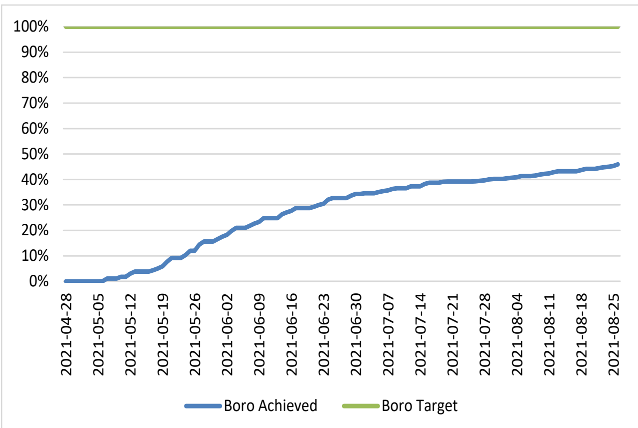
PUBLIC FOOD DISTRIBUTION

- 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 188.6 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by FPC (108.5 Thousand MT), OMS (41.4 Thousand MT), VGD (15.9 Thousand MT), and so on. As on 23 September FY 2021-22, about 695.1 thousand MT food grains were distributed which is about 24.5% 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 food grains.

PUBLIC STOCKS (inclusive transit)

- As on 9 September 2021, the public food grain stock was estimated at about 1797.2 thousand MT; 1519.5 thousand MT for rice and 277.7 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 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 continued up to 31 August 2021. As on 23 September 2021, about 1382.0 thousand MT of *Boro* rice has been procured.