Fortnightly Foodgrain Outlook

Issue No. 345 — *11 November 2021*

HIGHLIGHTS

- **The domestic retail price of rice remained unchanged whereas the wholesale price slightly increased over the last fortnight (As on 4 November 2021).**
- **The domestic retail price of *atta* remained unchanged whereas the wholesale price decreased over the last fortnight (As on 4 November 2021).**
- **Export prices of rice in Thailand and India decreased whereas in Pakistan, rice prices remained unchanged over the last fortnight.**
- **Export prices of U.S (SRW), U.S (HRW), 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

In the fortnight ending November 4, the retail price of rice *(Swarna-Indian variety*) in the Dhaka city markets remained unchanged at Tk 46.0/Kg whereas the wholesale price increased by 0.6% up to Tk 41.7/Kg.

ATTA PRICE

Up to this fortnight, the retail price of *atta* in the Dhaka city markets remained unchanged at Tk 34.0/Kg whereas the wholesale price decreased by 1.3% down to Tk 30.1/Kg.

INTERNATIONAL RICE PRICE

In the fortnight ending November 5, Thai and Indian 5% parboiled rice prices decreased by 2.9%, and 0.6% down to USD 373/MT and USD 350/MT respectively whereas Pakistan 5% parboiled rice price remained unchanged at USD 373/MT.

INTERNATIONAL WHEAT PRICE

In the fortnight ending November 5, U.S (SRW), U.S (HRW), Russian, and Ukrainian wheat prices increased by 8.0%, 6.3%, 3.8%, and 4.4% up to USD 325/MT, USD 370/MT, USD 330/MT, and USD 331/MT respectively.

GLOBAL RICE AND WHEAT PRODUCTION

In the year 2021/22, global rice production projected in October about 511 million MT, which was 0.8% higher than the previous year's projection whereas Wheat production projected about 776 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 October at 48.7 million MT, which is 0.5% lower from a year earlier. In the 2021/22, world wheat trade projected in October at 201.8 million tons, which is 2% higher than the previous year's export.

BANGLADESH RICE IMPORT

Up to 4 November during this FY 2021-22, Government imported 481.1 thousand MT of rice and the private sector imported 277.7 thousand MT of rice.

BANGLADESH WHEAT IMPORT

Up to 4 November during this FY 2021-22, public sector imported 126.6 thousand MT wheat whereas the private sector imported 947.4 thousand MT of wheat.

GOVERNMENT INTERVENTION

During this fortnight, about 106.9 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by OMS, FFP, VGD, and so on.

GOVERNMENT STOCK

As on 4 November 2021, the public food grain stock was estimated at about 1446.4 thousand MT.

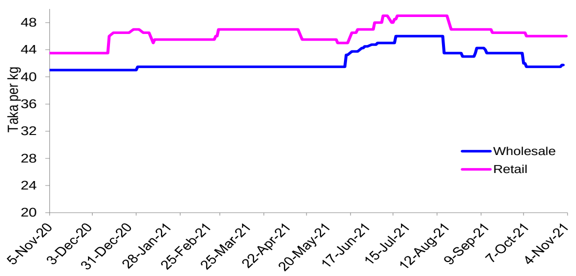
GOVERNMENT PROCUREMENT

Boro (in terms of rice) target has been fixed at 1523 thousand Mt and 1382.0 thousand MT has been procured up to 31 August 2021. As on 30 June 2021 about 103.2 thousand MT of *wheat* has been procured.

Food Planning and Monitoring Unit (FPMU), Ministry of Food
http://www.mofood.gov.bd

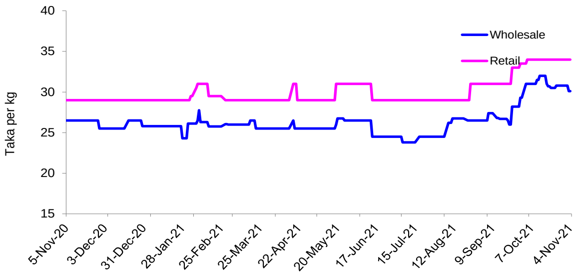
1. Domestic price: coarse rice and *atta*

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	46.00	►	0.0	▼	-1.1	▲	5.7	
wholesale	41.75	►	0.6	▼	-4.0	►	1.3	
ATTA								
retail	34.00	►	0.0	►	0.0	▲	17.4	
wholesale	30.10	▼	-1.3	▼	-2.9	▲	15.6	

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 remained unchanged at Tk 46.0/Kg whereas the wholesale price increased by 0.6% up to Tk 41.7/Kg. Over the last month, the retail and wholesale prices of rice in the Dhaka city markets decreased by 1.1% and 4.0% respectively. The point-to-point retail and wholesale prices were 5.7% and 1.3% 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 34.0/Kg whereas the wholesale price decreased by 1.3% down to Tk 30.1/Kg. Over the last month, the retail price of *atta* in the Dhaka city markets remained unchanged while the wholesale price decreased by 2.9%. The point-to-point retail and wholesale prices were 17.4% and 15.6% 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

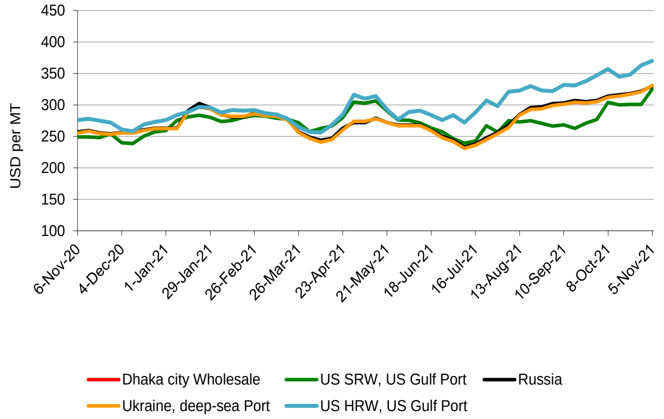
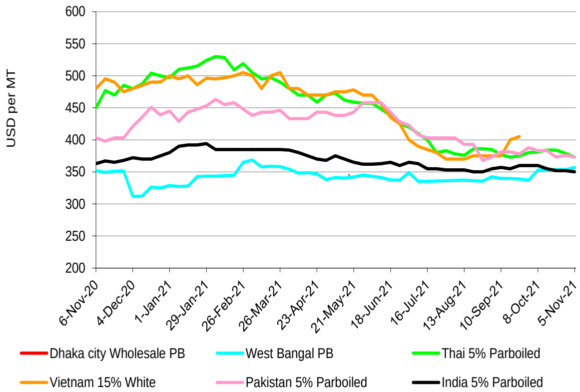


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 November 5, Thai and Indian 5% parboiled rice prices decreased by 2.9%, and 0.6% down to USD 373/MT and USD 350/MT respectively whereas Pakistan 5% parboiled rice price remained unchanged at USD 373/MT. Over the same period, West Bengal parboiled rice price and the Dhaka city wholesale price of rice increased by 1.0% and 0.1% up to USD 357/MT and USD 485/MT respectively.

WHEAT
In the fortnight ending November 5, U.S (SRW), U.S (HRW), Russian, and Ukrainian wheat prices increased by 8.0%, 6.3%, 3.8%, and 4.4% up to USD 325/MT, USD 370/MT, USD 330/MT, and USD 331/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)
29-Oct	284	288	290	285	285
5-Nov	282	287	288	284	284
change	-0.8%	-0.7%	-0.5%	-0.3%	-0.3%

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

change	DEC (Z21)	MAR (H22)	MAY (K22)	JUL (N22)	SEP (U22)
29-Oct	289	290	290	285	284
5-Nov	286	288	288	284	283
change	-0.9%	-0.8%	-0.6%	-0.2%	-0.3%

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

All Wheat futures had a roller-coaster fortnight with some contracts hitting multi-year highs before revising course later in the current week. CBOT SRW wheat futures prices this week lost $2/MT from last week's prices to end at $284/MT. Similarly, KCBT hard red winter (HRW) futures were down $3/MT from last week's prices to close at $289/MT (Wheat Associates, November 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	511	0.8%
Ending stocks	182	185	184	-0.9%

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

RICE
Global rice production in October 2021/22 projected at a record 511 million MT, which was 0.8% higher than the previous year's projection. Production forecasts were raised for India, Madagascar, the United States, and Venezuela. Ending stocks in October 2021/22 projected about 184 million MT, which was 0.9% lower than the previous year (USDA, October 2021).

WHEAT
Global wheat production in October 2021/22 projected about 776 million MT, which was 0.1% 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 October 2021/22 projected about 277 million MT, which was 3.9% lower than the previous year (USDA, October 2021).

Table 5: Wheat world production and stock (millionMT)

Wheat	2019/20	2020/21	2021/22 forecast	change 2021/22 over 2020/21
Production	762	775	776	0.1%
Ending stocks	295	288	277	-3.9%

Source: **USDA (Grain: World Markets and Trade October 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	6.20	▲ 1%	6.40	▲ 3%
USA	2.86	2.95	▲ 3%	2.88	▼ -3%
Pakistan	3.93	3.90	▼ -1%	4.00	▲ 3%
India	14.56	20.00	▲ 37%	17.50	▼ -13%
Others	11.99	10.36	▼ -14%	11.47	△ 11%
World total	**45.22**	**49.01**	△ **8%**	**48.75**	▼ **-0.5%**

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	29.73	▼ -25%	35.50	▲ 19%
Canada	23.48	27.70	▲ 18%	15.50	▼ -44%
Australia	10.12	19.72	▲ 95%	24.50	▲ 24%
Ukraine	21.02	16.85	▼ -20%	23.50	▲ 39%
Russia	34.49	38.50	▲ 12%	35.00	▽ -9%
Others	39.62	38.82	▼ -2%	43.31	△ 12%
World total	**194.88**	**198.02**	▲ **2%**	**201.81**	▲ **2%**

Source: USDA (Grain: World Markets and Trade, October 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 October at 48.7 million MT, which is 0.5% lower than the projection of a year earlier (USDA, October 2021).
- Global rice trade in the calendar year 2022 is projected up from the previous forecast but below the year-earlier record. Much of the anticipated year-to-year global trade Downfall is the outcome of weaker imports of Indian rice by Bangladesh and Vietnam. U.S. exports are also forecast to drop due to tighter supplies and resulting in higher prices. These declines in exports in 2022 are expected to be partially offset by onward exports from Australia, Brazil, Burma, Cambodia, China, EU, Pakistan, Paraguay, Thailand, Uruguay, and Vietnam, with Thailand's exports projected to increase the most. On the global import side, Bangladesh's imports are forecast to drop due to a strong crop recovery.

WHEAT

- In the 2021/22, world wheat trade projected in October at about 201.8 million tons, which is 2% higher than the previous year's export (USDA, October 2021).
- Global wheat trade remains robust as wheat continues to be traded despite production concerns and higher export prices. July-June trade year (TY) exports increased with stronger exports for Australia, the EU, and India. Ample supplies, at attractive prices, allows Australia to export to additional markets and become the third-largest exporter (USDA, October 2021).

In 2021/22, imports are revised up because of a large revision for Iran. This increase in Iranian is partially offset by decreases to Algeria, the EU, and the United States. Iran received a surge of imports from Russia in 2020/21 and is expected to be continue large imports in 2021/22 due to smaller domestic production (USDA, October 2021).

5. Import

Figure 5: Rice imports (in '000 MT)

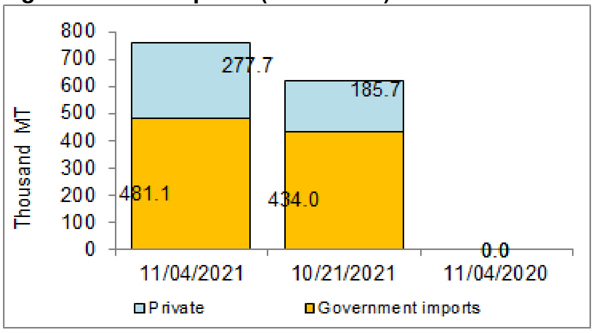
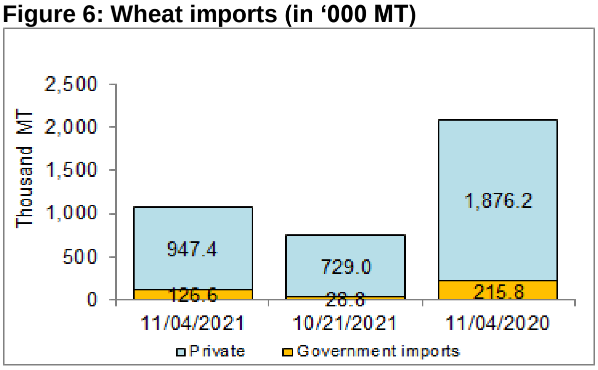


Figure 6: Wheat imports (in '000 MT)



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

RICE

Up to 4 November during this FY 2021-22, Government imported 481.1 thousand MT of rice and the private sector imported 277.7 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 4 November during this FY 2020-21, public sector imported 126.6 thousand MT of wheat whereas the private sector imported 947.4 thousand MT of wheat. Over the same period of last year, public sector imported 215.8 thousand MT of wheat while about 1876.2 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.

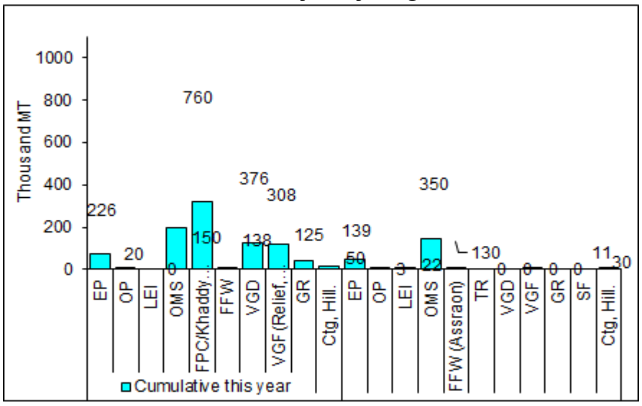
Table 8: LC situation, as of 23 October/21 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
10-23 October/21	3	300	53	202
Cumulative month,October/21	20	645	87	222
Cumulative year (starting 1st July/21)	801	2494	492	2001

Source: Bangladesh Bank

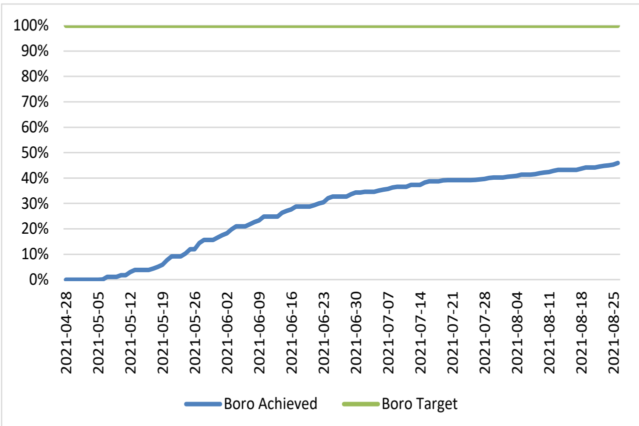
6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as Of November 4th 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 106.9 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by OMS (33.4 Thousand MT), FFP (27.6 Thousand MT), VGD (17.4 Thousand MT), and so on. As on 4 November FY 2021-22, about 1110.1 thousand MT food grains were distributed which is about 39.1% 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 4 November 2021, the public food grain stock was estimated at about 1446.4 thousand MT; 1082.5 thousand MT for rice and 363.9 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 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.