Fortnightly Foodgrain Outlook

Issue No. 350 ***20 January 2022***

HIGHLIGHTS

- **The domestic retail and wholesale prices of rice increased over the last fortnight (As on 13 January 2022).**
- **The domestic retail and wholesale prices of *atta increased* over the last fortnight (As on 13 January 2022).**
- **Export prices of rice in India, Thailand, and Pakistan increased over the last fortnight (As 14 January 2022).**
- **Export prices of U.S. (SRW), U.S (HRW), and Russian wheat prices decreased whereas Ukrainian wheat price remained unchanged over the last fortnight (As on 14 January 2022). ,**
- **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 January 13, the retail and wholesale prices of rice *(Swarna-Indian variety*) in the Dhaka city markets increased by 1.1% and 2.4% up to Tk 46.5/Kg and Tk 43.0/Kg respectively.

ATTA PRICE
Up to this fortnight, the retail and wholesale prices of *atta* in the Dhaka city markets increased by 1.4% and 1.6% up to Tk 35.0/Kg and Tk 32.0/Kg respectively.

INTERNATIONAL RICE PRICE
In the fortnight ending January 14, prices of 5% parboiled rice in Thailand, India, and Pakistan increased by 1.0%, 1.9%, and 4.1% up to USD 388/MT, USD 374/MT, and USD 383/MT respectively.

INTERNATIONAL WHEAT PRICE
In the fortnight ending January 14, U.S (SRW), U.S (HRW), and Russian wheat prices decreased by 1.2% , 1.3%, and 0.3% down to USD 322/MT, USD 374/MT, and USD 333/MT respectively whereas Ukrainian wheat price remained unchanged at USD 332/MT.

GLOBAL RICE AND WHEAT PRODUCTION
In the year 2021/22, global rice production projected in December about 511 million MT, which was 0.7% higher than the previous year's projection whereas Wheat production projected about 778 million MT, which was 0.3% higher than the previous year's projection.

GLOBAL RICE AND WHEAT TRADE PROSPECT
Global rice export for 2021/22 projected in December at 48.8 million MT, which is 2.0% lower from a year earlier. In the 2021/22, world wheat trade projected in December at 206.8 million tons, which is 4% higher than the previous year's export.

BANGLADESH RICE IMPORT
Up to 13 January during this FY 2021-22, Government imported 593.3 thousand MT of rice and the private sector imported 282.3 thousand MT of rice.

BANGLADESH WHEAT IMPORT
Up to 13 January during this FY 2021-22, public sector imported 389.6 thousand MT wheat whereas the private sector imported 1648.8 thousand MT of wheat.

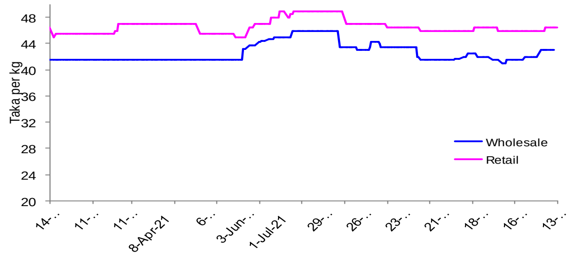
GOVERNMENT INTERVENTION
During this fortnight, about 45.5 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by OMS, EP, FFW, and so on.

GOVERNMENT STOCK
As on 13 January 2022, the public food grain stock was estimated at about 1848.0 thousand MT.

GOVERNMENT PROCUREMENT
Government has decided to procure 700 thousand MT of parboiled *Aman* rice (in terms of rice) during the ongoing *Aman* season. *Aman* procurement started from 7 November 2021 and will continue up to 28 February 2021. About 463.3 thousand MT of *Aman* rice (in terms of rice) has been procured up to 13 January 2022.

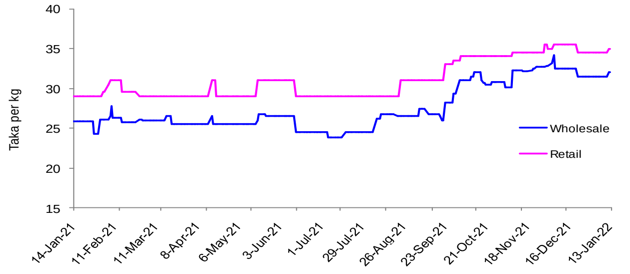
1. Domestic price: coarse rice and *atta*

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	46.50	1.1	1.1	-0.9
wholesale	43.00	2.4	3.6	3.9
ATTA				
retail	35.00	1.4	-1.4	19.3
wholesale	32.00	1.6	-1.5	22.5

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 1.1% and 2.4% up to Tk 46.5/Kg and Tk 43.0/Kg respectively. Over the last month, the retail and wholesale prices of rice in the Dhaka city markets increased by 1.1% and 3.6% respectively. The point-to-point retail price was 0.9% lower and the wholesale price was 3.9% 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 increased by 1.4% and 1.6% up to Tk 35.0/Kg and Tk 32.0/Kg respectively. Over the last month, the retail and wholesale prices of *atta* in the Dhaka city markets decreased by 1.4% and 1.5% respectively. The point-to-point retail and wholesale prices were 19.3% 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

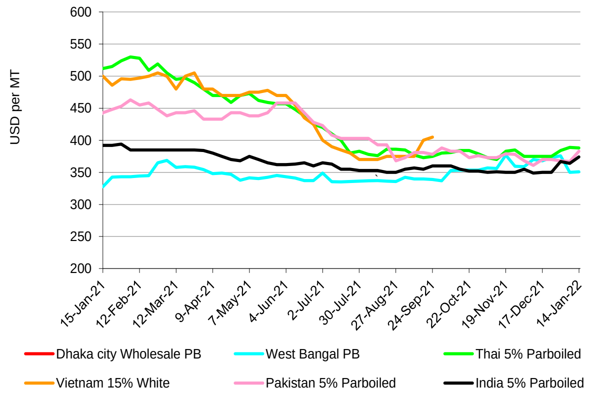
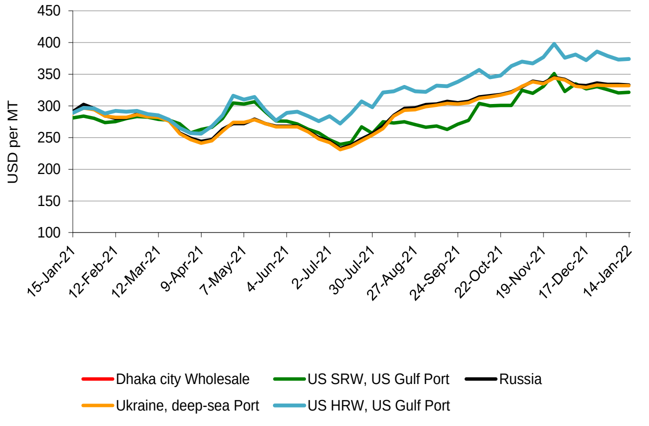


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 January 14, prices of 5% parboiled rice in Thailand, India, and Pakistan increased by 1.0%, 1.9%, and 4.1% up to USD 388/MT, USD 374/MT, and USD 383/MT respectively. Over the same period, West Bengal parboiled rice price decreased by 6.6% down to USD 351/MT. However, the Dhaka city wholesale price of rice increased by 2.1% up to USD 500/MT.

WHEAT

In the fortnight ending January 14, U.S (SRW), U.S (HRW), and Russian wheat prices decreased by 1.2% , 1.3%, and 0.3% down to USD 322/MT, USD 374/MT, and USD 333/MT respectively whereas Ukrainian wheat price remained unchanged at USD 332/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	MAR (H22)	MAY (K22)	JUL (N22)	SEP (U22)	DEC (Z22)
7-Jan	279	279	278	279	281
14-Jan	272	274	271	272	274
change	-2.3%	-2.1%	-2.6%	-2.5%	-2.5%

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

change	MAR (H22)	MAY (K22)	JUL (N22)	SEP (U22)	DEC (Z22)
7-Jan	285	285	285	286	289
14-Jan	274	275	276	278	281
change	-3.8%	-3.6%	-3.1%	-2.9%	-2.8%

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

All Wheat futures prices were down this week. CBOT SRW wheat futures price this week lost $5/MT from last week's prices to end at $272/MT. Similarly, KCBT hard red winter (HRW) futures lost $11/MT from last week's prices to close at $274/MT (Wheat Associates, January 2022) (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	499	507	511	0.7%
Ending stocks	182	187	187	-0.1%

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

RICE

Global rice production in December 2021/22 projected about511 million MT, which was 0.7% higher than the previous year's projection. Global production is down 0.9 million tons from the previous forecast but 3.6 million tons larger than a year earlier. Ending stocks in December 2021/22 projected about187 million MT, which was 0.5% higher than the previous year (USDA, December 2021).

WHEAT

Global wheat production in December 2021/22 projected about778 million MT, which was 0.1% lower than the previous year's projection. Global production is up this month with higher estimates for Australia, Canada, and Russia only partly offset by a downward revision for Iran. Ending stocks in December 2021/22 projected about 278 million MT, which was 4.8% lower than the previous year (USDA, December 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	776	778	0.3%
Ending stocks	296	290	278	-4.0%

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

4. Global trade

Table6: 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	5.70	0%	6.50	14%
Vietnam	6.17	6.20	1%	6.40	3%
USA	2.86	2.95	3%	2.85	-3%
Pakistan	3.93	3.90	-1%	4.00	3%
India	14.58	20.20	39%	18.00	-11%
Others	11.99	10.84	-10%	11.05	2%
World total	**45.23**	**49.79**	**10%**	**48.80**	**-2.0%**

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%	23.50	-12%
European Union	39.79	29.74	-25%	37.00	24%
Canada	23.48	27.70	18%	15.50	-44%
Australia	10.12	19.72	95%	26.00	32%
Ukraine	21.02	16.85	-20%	24.20	44%
Russia	34.49	38.50	12%	36.00	-6%
Others	39.62	38.81	-2%	44.66	15%
World total	**194.90**	**198.03**	**2%**	**206.86**	**4%**

Source: USDA (Grain: World Markets and Trade, December2021)*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 December at 48.8million MT, which is 2.0% lower than the projection of a year earlier (USDA, December 2021).
- Much of the expected year-to-year decline in global trade is the result of weaker imports of Indian rice by Bangladesh and Vietnam. India's 2022 exports are projected to drop 2.2 million tons from the 2021 record to 18.0 million, still the second-highest on record. Cambodia, China, and the U.S.'s exports are also projected to decline. The U.S. exports are forecast to drop because of tighter supplies and resulting in higher prices. These declines in exports in 2022 are expected to be partially offset by increased exports from Australia, Brazil, Burma, Pakistan, Paraguay, Thailand, Uruguay, and Vietnam, with Thailand's exports projected to increase the most.

WHEAT

- In the 2021/22, world wheat trade projected in November at about 206.8 million tons, which is 4% higher than the previous year's export (USDA, December2021).
- 2021/22 global wheat production is projected to be a record with trade year (TY) exports at 206.9 million MT and TY imports at 203.0 million MT. Australia and the EU export projections are revised up due to larger domestic production. Strong first-quarter shipments result in higher exports for India and Ukraine. The largest change to TY imports is for Iran, which continues to receive shipments from Russia, despite Russia's wheat export tax continuing to rise (USDA, December 2021).

As Indonesia, starts to ease COVID-related restrictions, its food use and imports of wheat are expected to increase as food away from home resumes. China has had a slow pace on wheat shipments and reduced purchases from France resulting in a decrease in imports.(USDA, December 2021).

5. Import

Figure 5: Rice imports (in '000 MT)

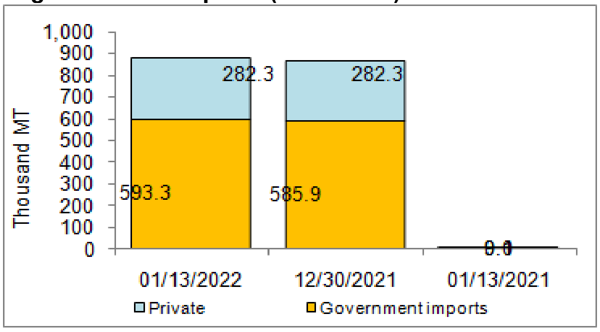
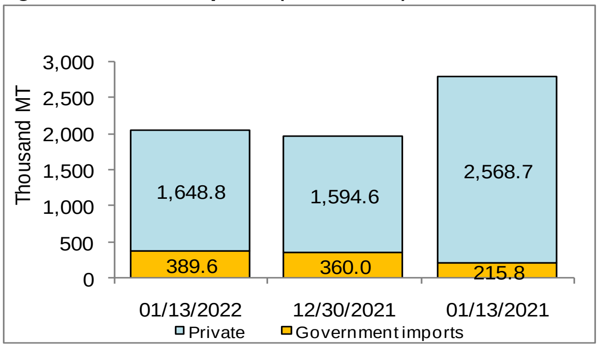


Figure 6: Wheat imports (in '000 MT)



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

RICE

Up to 13 January during this FY 2021-22, Government imported 593.3 thousand MT of rice and the private sector imported 282.3 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 13 January during this FY 2020-21, public sector imported 389.6 thousand MT of wheat whereas the private sector imported 1648.8 thousand MT of wheat. Over the same period of last year, public sector imported 215.8 thousand MT of wheat while about 2568.7 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.

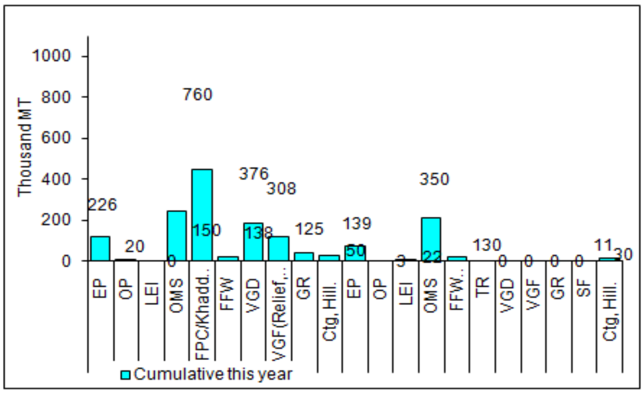
Table 8: LC situation, as of 31 December/21 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
19-31 December/21	1	378	80	223
Cumulative month, December/21	2	515	96	401
Cumulative year (starting 1st July/21)	809	3604	916	3242

Source: Bangladesh Bank

6. Government intervention

Figure7: Rice and wheat distributed through PFDS as Of January 13, 2022 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 45.5 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by OMS (19.5 Thousand MT), EP (13.0 Thousand MT), FFW (7.7 Thousand MT), and so on. As on 13 January FY 2021-22, about 1556.0 thousand MT food grains were distributed which is about 54.9% 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 13 January 2022, the public food grain stock was estimated at about 1848.0 thousand MT; 1381.8 thousand MT for rice and 466.2 thousand MT for wheat (MISM, DG Food).

DOMESTIC FOOD GRAIN PROCUREMENT

- Wheat procurement from the domestic market 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 procured 1382.0 thousand MT of rice (in terms of rice) during the *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 28April 2021 and continued up to 31 August 2021.
- Government has decided to procure 300 thousand MT of paddy at Tk 27.0/Kg and 500 thousand MT of parboiled rice at Tk 40.0/Kg during the ongoing *Aman* season. *Aman* procurement started from 7 November 2021 and will continue up to 28 February 2022. As on 13 January 2021, about 463.3 thousand Mt of rice (in terms of rice) has been procured.

Source: MISM, DG Food.