Fortnightly Foodgrain Outlook

Issue No. 351 ***3 February 2022***

HIGHLIGHTS

- **The domestic retail and wholesale prices of rice remained unchanged over the last fortnight (As on 27 January 2022).**
- **The domestic retail price of *atta* remained unchanged whereas the wholesale price decreased over the last fortnight (As on 27 January 2022).**
- **Export prices of rice in Thailand and Pakistan increased whereas in India export price remained unchanged over the last fortnight.**
- **Export prices of U.S. (SRW) and U.S (HRW) wheat increased whereas Russian and Ukrainian wheat prices decreased 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 January 27, the retail and wholesale prices of rice *(Swarna-Indian variety*) in the Dhaka city markets remained unchanged at Tk 46.5/Kg and Tk 43.0/Kg respectively.

ATTA PRICE

Up to this fortnight, the retail price of *atta* in the Dhaka city markets remained unchanged at Tk 35.0/Kg whereas the wholesale price decreased by 4.7% down to Tk 30.5/Kg.

INTERNATIONAL RICE PRICE

In the fortnight ending January 28, prices of 5% parboiled rice in Thailand and Pakistan increased by 3.4% and 1.0% up to USD 401/MT and USD 387/MT respectively whereas India 5% parboiled rice price remained unchanged at USD 374/MT.

INTERNATIONAL WHEAT PRICE

In the fortnight ending January 28, U.S (SRW) and U.S (HRW) wheat prices increased by 6.6% and 7.0% up to USD 343/MT and USD 400/MT respectively whereas Russian and Ukrainian wheat prices decreased by 0.9% and 0.9% down to USD 330/MT and USD 329/MT respectively.

GLOBAL RICE AND WHEAT PRODUCTION

In the year 2021/22, global rice production projected in January about 510 million MT, which was 0.5% higher than the previous year's projection whereas Wheat production projected about 778 million MT, which was 0.2% higher than the previous year's projection.

GLOBAL RICE AND WHEAT TRADE PROSPECT

Global rice export for 2021/22 projected in January at 49.46 million MT, which is 2.2% lower from a year earlier. In the 2021/22, world wheat trade projected in January at 206.7 million tons, which is 4% higher than the previous year's export.

BANGLADESH RICE IMPORT

Up to 27 January during this FY 2021-22, Government imported 612.5 thousand MT of rice and the private sector imported 286.2 thousand MT of rice.

BANGLADESH WHEAT IMPORT

Up to 27 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 100.1 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by OMS, VGF, EP, and so on.

GOVERNMENT STOCK

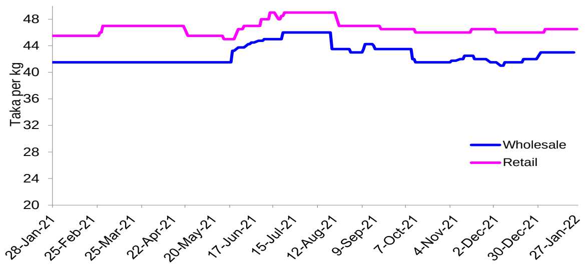
As on 13 January 2022, the public food grain stock was estimated at about 1848.0 thousand MT.

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 572.47 thousand MT of *Aman* rice (in terms of rice) has been procured up to 27 January 2022.

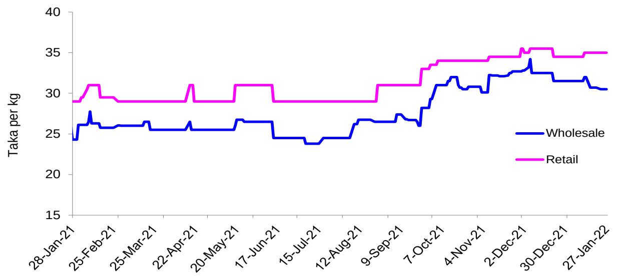
1. Domestic price: coarse rice and *atta*

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	► 0.0	▲ 1.1	► 2.1
wholesale	43.00	► 0.0	▲ 2.4	► 3.6
ATTA				
retail	35.00	► 0.0	▲ 1.4	▲ 20.7
wholesale	30.50	▼ -4.7	▼ -3.2	▲ 18.6

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 remained unchanged at 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 2.4% respectively. The point-to-point retail and wholesale prices were 2.1% and 3.6% 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 remained unchanged at Tk 35.0/Kg whereas the wholesale price decreased by 4.7% down to Tk 30.5/Kg. Over the last month, the retail price of *atta* in the Dhaka city markets increased by 1.4% but the wholesale price decreased by 3.2% respectively. The point-to-point retail and wholesale prices were 20.7% and 18.6% 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

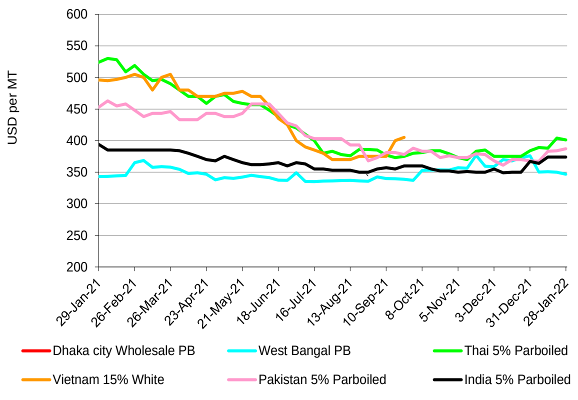
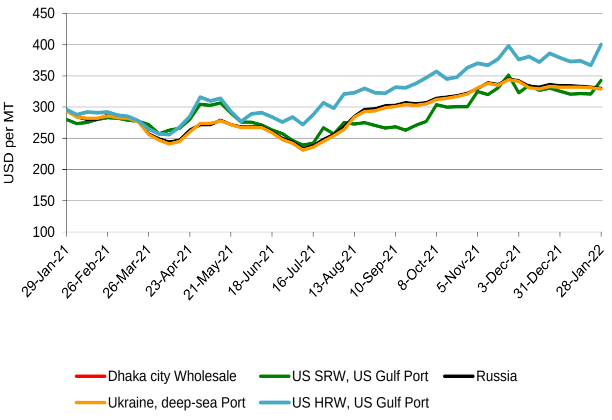


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 January 28, prices of 5% parboiled rice in Thailand and Pakistan increased by 3.4% and 1.0% up to USD 401/MT and USD 387/MT respectively whereas India 5% parboiled rice price remained unchanged at USD 374/MT. Over the same period, West Bengal parboiled rice price decreased by 1.2% down to USD 347/MT. However, the Dhaka city wholesale price of rice remained unchanged at USD 500/MT.

WHEAT
In the fortnight ending January 28, U.S (SRW) and U.S (HRW) wheat prices increased by 6.6% and 7.0% up to USD 343/MT and USD 400/MT respectively whereas Russian and Ukrainian wheat prices decreased by 0.9% and 0.9% down to USD 330/MT and USD 329/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	MAR (H22)	MAY (K22)	JUL (N22)	SEP (U22)	DEC (Z22)
21-Jan	287	288	284	285	287
28-Jan	289	291	287	287	289
change	0.8%	0.8%	1.0%	0.8%	0.9%

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

change	MAR (H22)	MAY (K22)	JUL (N22)	SEP (U22)	DEC (Z22)
21-Jan	291	293	293	295	297
28-Jan	295	296	296	297	300
change	1.1%	1.1%	0.8%	0.8%	0.8%

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

All Wheat futures prices were up this week. CBOT SRW wheat futures price this week gained $2/MT from last week's prices to end at $289/MT. Similarly, KCBT hard red winter (HRW) futures also gained $4/MT from last week's prices to close at $295/MT (Wheat Associates, January 2022) (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	499	507	510	0.5%
Ending stocks	182	186	186	-0.2%

Source: **USDA (Grain: World Markets and Trade, January 2022)**

RICE

Global rice production in January 2021/22 projected about 510 million MT, which was 0.5% higher than the previous year's forecast. Although the projected global production is at a record, it is down from the previous forecast but larger than a year earlier. The downward revisions were made mostly on the smaller crops in Mali, Sri Lanka, and the United States. Ending stocks in January 2021/22 projected about 186 million MT, which was 0.2% lower than the previous year (USDA, January 2022).

WHEAT

Global wheat production in January 2021/22 projected about 778 million MT, which was 0.2% higher than the previous year's forecast. Global production is higher this month predominantly on a larger projection for Argentina and the European Union (EU). Ending stocks in January 2021/22 projected about 280 million MT, which was 3.1% lower than the previous year (USDA, January 2022).

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	0.2%
Ending stocks	296	289	280	-3.1%

Source: **USDA (Grain: World Markets and Trade January 2022)**

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	5.90	3%	6.50	10%
Vietnam	6.17	6.25	1%	6.50	4%
USA	2.86	2.93	2%	2.85	-3%
Pakistan	3.93	3.90	-1%	4.00	3%
India	14.58	20.50	41%	18.75	-9%
Others	11.99	11.08	-8%	10.86	-2%
World total	**45.23**	**50.56**	**12%**	**49.46**	**-2.2%**

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%	23.00	-14%
European Union	39.79	29.74	-25%	37.50	26%
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	39.10	13%	35.00	-10%
Others	39.62	38.77	-2%	45.50	17%
World total	**194.90**	**198.58**	**2%**	**206.70**	**4%**

Source: USDA (Grain: World Markets and Trade, January 2022) *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 January at 49.46 million MT, which is 2.2% lower than the projection of a year earlier (USDA, January 2021).
- Global rice trade in the calendar year 2022 is projected up overall from the previous forecast but down from the year-earlier record. Much of the expected year-to-year decline in global trade is the result of weaker imports of Indian rice by Bangladesh and Vietnam. Exports are also projected to drop for Cambodia, China, and the U.S.A.
- Bangladesh's imports are forecast to fall almost 2.1 million tons to 0.6 million because of a larger crop and rising supplies. Imports are also projected to decline for Vietnam, Australia, Brazil, China, Guinea, the Philippines, Senegal, South Africa, and Venezuela.

WHEAT

- In the 2021/22, world wheat trade projected in January at about 206.8 million tons, which is 4% higher than the previous year's export (USDA, January 2022).
- 2021/22 global trade is slightly lower month-to-month with a decrease to trade year (TY) exports with offsetting revisions. Argentine exports are revised up due to higher production while exports in Russia are projected to decrease. EU exports are forecasted up that was offset with a reduction to United States exports. (USDA, January 2022).

Global imports are adjusted down, as the pace is slower than expected. Imports are reduced for Pakistan, Mongolia, the United States, and South Africa resulting in downward revisions. These were partly offset with a raise for Kazakhstan as they are importing more from Russia and an increase for Algeria, as their tenders remain robust despite high prices (USDA, January 2022).

5. Import

Figure 5: Rice imports (in '000 MT)

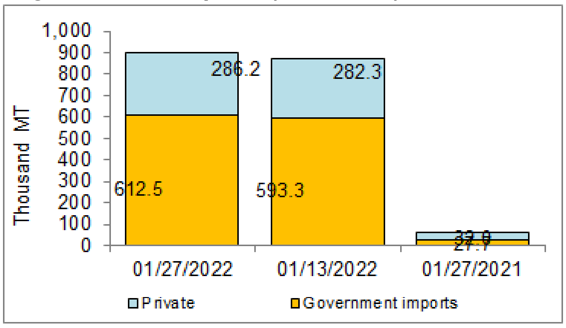
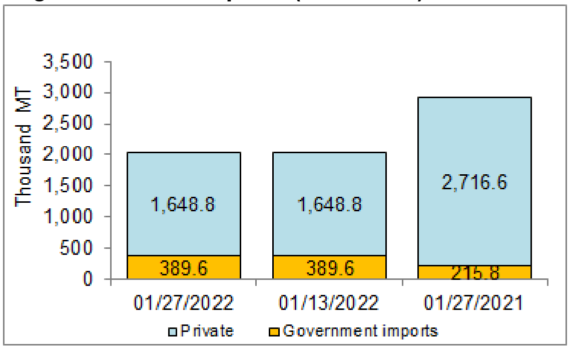


Figure 6: Wheat imports (in '000 MT)



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

RICE

Up to 27 January during this FY 2021-22, Government imported 612.5 thousand MT of rice and the private sector imported 286.2 thousand MT rice. Over the same period of last year, the government imported 27.6 thousand MT and the private sector imported 31.9 thousand MT of 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 27 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 2716.6 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.

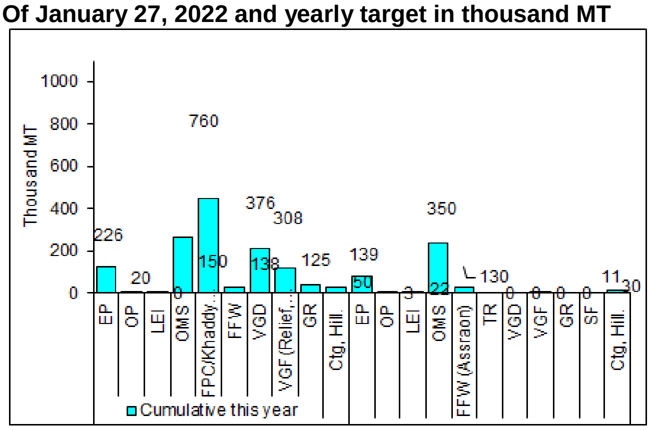
Table 8: LC situation, as of 15 January/22 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
01-15 January/22	0	409	33	234
Cumulative month, January/22	0	409	33	234
Cumulative year (starting 1st July/21)	810	4014	949	3476

Source: Bangladesh Bank

6. Government intervention

Figure7: Rice and wheat distributed through PFDS as Of January 27, 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 100.1 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by OMS (47.4 Thousand MT), VGF (19.7 Thousand MT), EP (14.2 Thousand MT), and so on. As on 27 January FY 2021-22, about 1656.1 thousand MT food grains were distributed which is about 58.4% 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 27 January 2021, about 572.473 thousand Mt of rice (in terms of rice) has been procured.

Source: MISM, DG Food.