

Fortnightly Foodgrain Outlook

Issue No. 352

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HIGHLIGHTS

- The domestic retail price of rice remained unchanged whereas the wholesale price decreased over the last fortnight (As on 10 February 2022).
- The domestic retail price of *atta* decreased whereas the wholesale price remained unchanged over the last fortnight (As on 10 February 2022).
- Export prices of rice in Thailand and India decreased whereas in Pakistan export price remained unchanged over the last fortnight.
- Export prices of U.S. (SRW) and U.S (HRW), 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 February 10, the retail price of rice (*Swarna-Indian variety*) in the Dhaka city markets remained unchanged at Tk 46.5/Kg whereas the wholesale price decreased by 2.9% down to Tk 41.7/Kg.

ATTA PRICE

Up to this fortnight, the retail price of *atta* in the Dhaka city markets decreased by 1.4% down to Tk 34.5/Kg whereas the wholesale price remained unchanged at Tk 30.5/Kg.

INTERNATIONAL RICE PRICE

In the fortnight ending February 11, prices of 5% parboiled rice in Thailand and India decreased by 1.5% and 1.3% down to USD 395/MT and USD 369/MT respectively whereas Pakistan 5% parboiled rice price remained unchanged at USD 387/MT.

INTERNATIONAL WHEAT PRICE

In the fortnight ending February 11, U.S (SRW), U.S (HRW), Russian, and Ukrainian wheat prices decreased by 3.7%, 5.8%, 3.9%, and 4.3% down to USD 330/MT, USD 377/MT, USD 317/MT, and USD 315/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 206.7million tons, which is 4% higher than the previous year's export.

BANGLADESH RICE IMPORT

Up to 10 February during this FY 2021-22, Government imported 643.9 thousand MT of rice and the private sector imported 295.8 thousand MT of rice.

BANGLADESH WHEAT IMPORT

Up to 10 February during this FY 2021-22, public sector imported 389.6 thousand MT wheat whereas the private sector imported 2116.9 thousand MT of wheat.

GOVERNMENT INTERVENTION

During this fortnight, about 97.7 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by OMS, FFW, EP, and so on.

GOVERNMENT STOCK

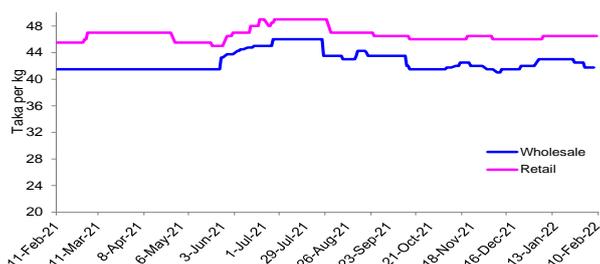
As on 10 February 2022, the public food grain stock was estimated at about 1872.8 thousand MT.

GOVERNMENT PROCUREMENT

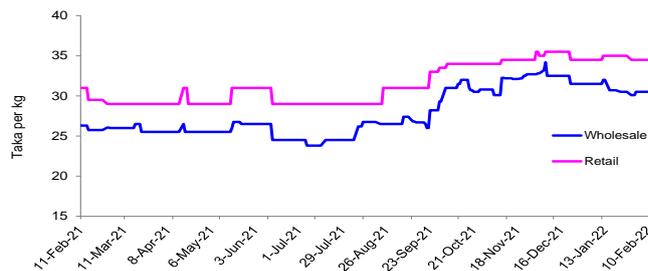
Government has decided to procure 700 thousand MT of parboiled *Aman* rice (in terms of rice) during the ongoing *Aman* season. *Aman* procurement started from 7 November 2021 and will continue up to 28 February 2021. About 657.34 thousand MT of *Aman* rice (in terms of rice) has been procured up to 10 February 2022.

1. Domestic price: coarse rice and atta

Figure1: Change in prices of Coarse Rice (Dhaka) Figure 2: Change in prices of Atta (Dhaka)



Source: Department of Agricultural Marketing (DAM), MIS&M (DG Food).



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Table1: Rice and Atta price changes (Dhaka city)

		change in %		
		over last fortnight	over last month	over last year
RICE				
retail	46.50	0.0	0.0	2.2
wholesale	41.75	-2.9	-2.9	1.5
ATTA				
retail	34.50	-1.4	0.0	15.6
wholesale	30.50	0.0	-3.2	17.0

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

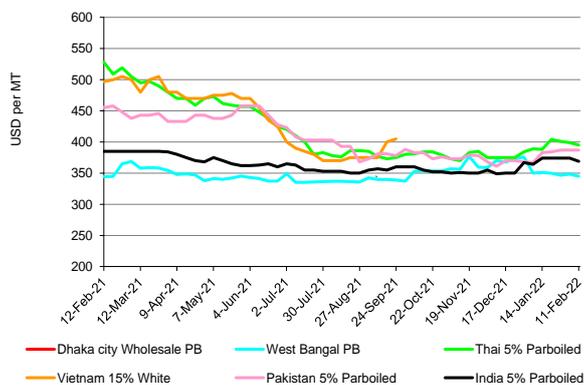
During this fortnight, the retail price of rice (*Swarna-Indian variety*) in the Dhaka city markets remained unchanged a tTk 46.5/Kg whereas the wholesale price decreased by 2.9% down to Tk 41.7/Kg. Over the last month, the retail price of rice in the Dhaka city markets remained unchanged and the wholesale price decreased by 2.9%. The point-to-point retail and wholesale prices were 2.2% and 1.5% 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 decreased by 1.4% down to Tk 34.5/Kg whereas the wholesale price remained unchanged at Tk30.5/Kg. Over the last month, the retail price of *atta* in the Dhaka city markets decreased by 1.4% but the wholesale price remained unchanged. The point-to-point retail and wholesale prices were 15.6% and 17.0% higher respectively comparing to the corresponding period of the last year.

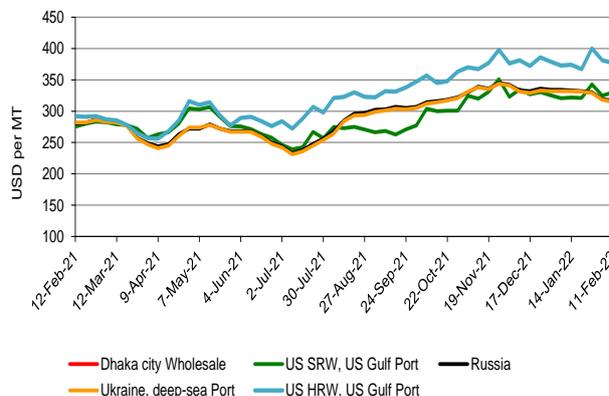
2. International price

Figure 3: Rice wholesale price in Dhaka and Kolkata And FOB Prices in relevant international markets



Source: For average weekly FOB prices: USDA, FAO, Jackson Sons & Co. (London) Ltd and AgrimarketWeekly. For average wholesale prices: Department of Agriculture Marketing, Govt. of Bangladesh and Department of Consumer Affairs, Government of India

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



RICE

In the fortnight ending February 11, prices of 5% parboiled rice in Thailand and India decreased by 1.5% and 1.3% down to USD 395/MT and USD 369/MT respectively whereas Pakistan 5% parboiled rice price remained unchanged at USD 387/MT. Over the same period, West Bengal parboiled rice price and the Dhaka city wholesale price of rice decreased by 0.5% and 2.9% down to USD 345/MT and USD 485/MT respectively.

WHEAT

In the fortnight ending February 11, U.S (SRW), U.S (HRW), Russian, and Ukrainian wheat prices decreased by 3.7%, 5.8%, 3.9%, and 4.3% down to USD 330/MT, USD 377/MT, USD 317/MT, and USD 315/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)
3-Feb	280	283	280	280	282
10-Feb	293	295	293	293	294
change	4.5%	4.4%	4.8%	4.6%	4.4%

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

change	MAR (H22)	MAY (K22)	JUL (N22)	SEP (U22)	DEC (Z22)
3-Feb	289	290	291	292	295
10-Feb	303	304	304	305	308
change	4.9%	4.7%	4.7%	4.6%	4.5%

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 \$13/MT from last week's prices to end at \$289/MT. Similarly, KCBT hard red winter (HRW) futures also gained \$14/MT from last week's prices to close at \$295/MT (Wheat Associates, February 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 (million MT)

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 less than 5% 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.

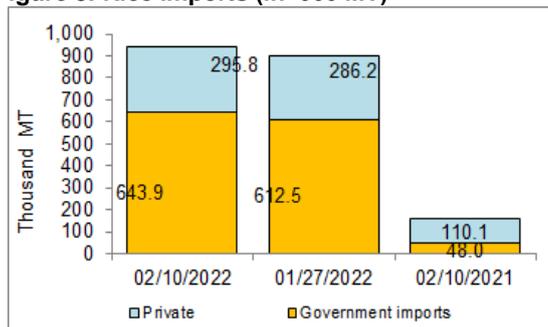
WHEAT

- 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)



RICE

Up to 10 February during this FY 2021-22, Government imported 643.9 thousand MT of rice and the private sector imported 295.8 thousand MT rice. Over the same period of last year, the government imported 48 thousand MT and the private sector imported 110.1 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 10 February during this FY 2020-21, public sector imported 389.6 thousand MT of wheat whereas the private sector imported 2116.9 thousand MT of wheat. Over the same period of last year, public sector imported 215.8 thousand MT of wheat while about 2995.1 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.

Figure 6: Wheat imports (in '000 MT)

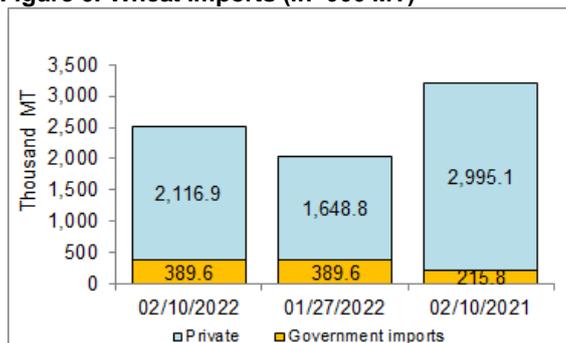


Table 8: LC situation, as of 31 January/22 (in '000MT)

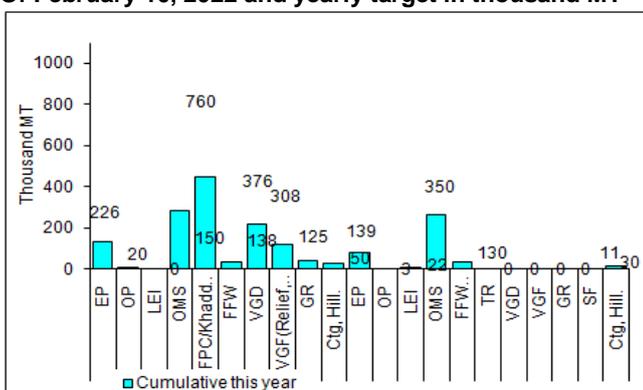
Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
16-31 January/22	0	293	29	193
Cumulative month, January/22	1	702	62	426
Cumulative year (starting 1st July/21)	810	4307	978	3669

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

Source: Bangladesh Bank

6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as Of February 10, 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 97.7 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by OMS (48.6 Thousand MT), FFW (19.3 Thousand MT), EP (14.0 Thousand MT), and so on. As on 10 February FY 2021-22, about 1753.8 thousand MT food grains were distributed which is about 61.8% 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 10 February 2022, the public food grain stock was estimated at about 1872.8 thousand MT; 1492.8 thousand MT for rice and 380.0 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, Tk39/kg for *Atap* rice, and Tk27/Kg for paddy. *Boro* procurement started from 28 April 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 10 February 2021, about 657.34 thousand Mt of rice (in terms of rice) has been procured.

Source: MISM, DG Food.