Fortnightly Foodgrain Outlook

Issue No. 353 ***3 March 2022***

HIGHLIGHTS

- **The domestic retail price of rice remained unchanged whereas the wholesale price increased over the last fortnight (As on 24 February 2022).**
- **The domestic retail and wholesale prices of *atta* remained unchanged over the last fortnight (As on 24 February 2022).**
- **Export prices of rice in India and Pakistan decreased whereas in Thailand 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 February 24, the retail price of rice *(Swarna-Indian variety*) in the Dhaka city markets remained unchanged at Tk 46.5/Kg whereas the wholesale price increased by 1.8% up to Tk 42.5/Kg.

ATTA PRICE
Up to this fortnight, the retail and wholesale prices of *atta* in the Dhaka city markets remained unchanged at Tk 34.5/Kg and Tk 30.5/Kg respectively.

INTERNATIONAL RICE PRICE
In the fortnight ending February 25, prices of 5% parboiled rice in India and Pakistan decreased by 1.4% and 0.8% down to USD 364/MT and USD 384/MT respectively whereas Thai 5% parboiled rice price remained unchanged at USD 395/MT.

INTERNATIONAL WHEAT PRICE
In the fortnight ending February 25, U.S (SRW) and U.S (HRW) wheat prices increased by 7.0% and 8.0% up to USD 353/MT and USD 407/MT respectively whereas Russian and Ukrainian wheat prices decreased by 0.3% and 1.3% down to USD 316/MT and USD 311/MT respectively.

GLOBAL RICE AND WHEAT PRODUCTION
In the year 2021/22, global rice production projected in February about 510 million MT, which was 0.6% 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 February at 50.95 million MT, which is 1.4% lower from a year earlier. In the 2021/22, world wheat trade projected in February at 208.4 million tons, which is 5% higher than the previous year's export.

BANGLADESH RICE IMPORT
Up to 24 February during this FY 2021-22, Government imported 646.8 thousand MT of rice and the private sector imported 305.7 thousand MT of rice.

BANGLADESH WHEAT IMPORT
Up to 24 February during this FY 2021-22, public sector imported 393.1 thousand MT wheat whereas the private sector imported 2288.6 thousand MT of wheat.

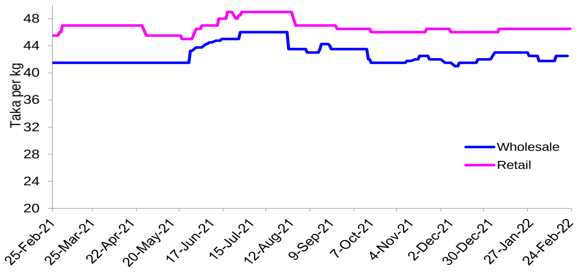
GOVERNMENT INTERVENTION
During this fortnight, about 100.5 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by OMS, EP, VGD, and so on.

GOVERNMENT STOCK
As on 24 February 2022, the public food grain stock was estimated at about 1851.7 thousand MT.

GOVERNMENT PROCUREMENT
Government has decided to procure 918 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 732.4 thousand MT of *Aman* rice (in terms of rice) has been procured up to 24 February 2022.

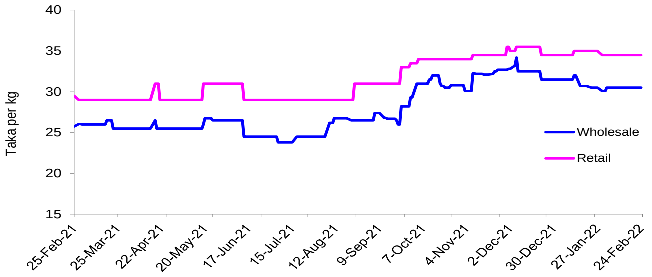
1. Domestic price: coarse rice and *atta*

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	0.0	2.2
wholesale	42.50	1.8	-1.2	1.9
ATTA				
retail	34.50	0.0	-1.4	15.2
wholesale	30.50	0.0	0.0	17.7

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 46.5/Kg whereas the wholesale price increased by 1.8% up to Tk 42.5/Kg. Over the last month, the retail price of rice in the Dhaka city markets remained unchanged and the wholesale price decreased by 1.2%.The point-to-point retail and wholesale prices were 2.2% and 1.9% 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 remained unchanged at Tk 34.5/Kg and Tk 30.5/Kg respectively. 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 15.2% and 17.7% 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

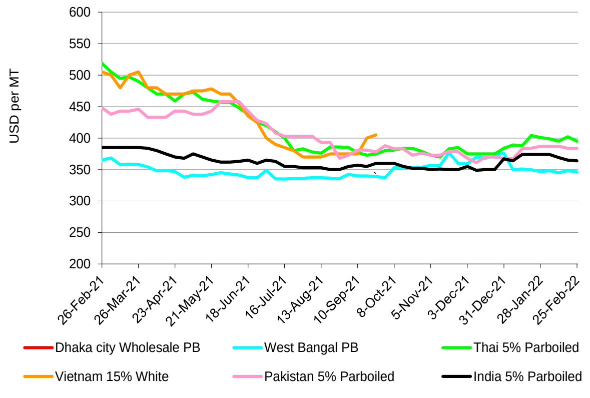
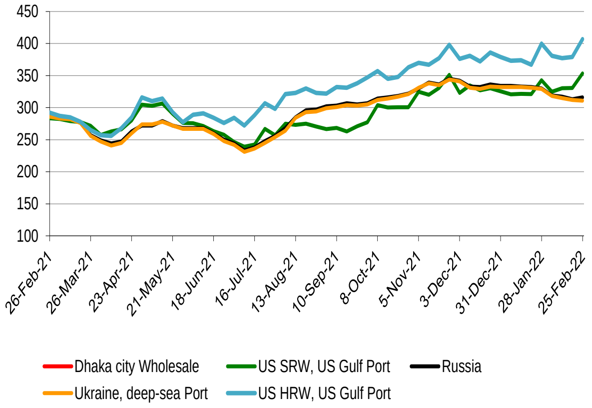


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 February 25, prices of 5% parboiled rice in India and Pakistan decreased by 1.4% and 0.8% down to USD 364/MT and USD 384/MT respectively whereas Thai 5% parboiled rice price remained unchanged at USD 395/MT. Over the same period, West Bengal parboiled rice price and the Dhaka city wholesale price of rice increased by 0.4% and 1.8% up to USD 346/MT and USD 494/MT respectively.

WHEAT

In the fortnight ending February 25, U.S (SRW) and U.S (HRW) wheat prices increased by 7.0% and 8.0% up to USD 353/MT and USD 407/MT respectively whereas Russian and Ukrainian wheat prices decreased by 0.3% and 1.3% down to USD 316/MT and USD 311/MT respectively.

Table 2: Chicago Board of Trade SRW Futures (USD/MT)

change	MAR (H22)	MAY (K22)	JUL (N22)	SEP (U22)	DEC (Z22)
18-Feb	293	295	294	294	295
25-Feb	310	316	312	308	307
change	5.8%	6.9%	6.2%	4.9%	3.9%

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

change	MAR (H22)	MAY (K22)	JUL (N22)	SEP (U22)	DEC (Z22)
18-Feb	307	309	309	309	312
25-Feb	326	327	324	323	323
change	6.2%	6.1%	4.9%	4.2%	3.3%

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 $17/MT from last week's prices to end at $310/MT. Similarly, KCBT hard red winter (HRW) futures also gained $14/MT from last week's prices to close at $19/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	0.6%
Ending stocks	182	186	186	-0.1%

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

RICE
Global rice production in February 2021/22 projected about 510 million MT, which was 0.6% higher than the previous year's projection. Upward production revisions were made for Bangladesh, Kazakhstan, Pakistan, and the Philippines, while forecasts for Brazil, Chile, Cuba, and Sri Lanka were lowered. Ending stocks in February 2021/22 projected about 186 million MT, which was 0.1% lower than the previous year (USDA, February 2022).

WHEAT
Global wheat production in February 2021/22 projected about 776 million MT, which was 0.1% higher than the previous year's forecast. Global production is downward primarily because of decreased projections for Syria and Iraq. Ending stocks in February 2021/22 projected about 278 million MT, which was 4.0% lower than the previous year (USDA, February 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	776	0.1%
Ending stocks	296	290	278	-4.0%

Source: **USDA (Grain: World Markets and Trade February 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	6.06	6%	6.50	7%
Vietnam	6.17	6.27	2%	6.50	4%
USA	2.86	2.92	2%	2.83	-3%
Pakistan	3.93	3.90	-1%	4.15	6%
India	14.58	21.21	45%	20.00	-6%
Others	11.99	11.30	-6%	10.97	-3%
World total	**45.23**	**51.66**	**14%**	**50.95**	**-1.4%**

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%	22.50	-16%
European Union	39.79	29.74	-25%	37.50	26%
Canada	22.99	27.72	21%	15.50	-44%
Australia	10.12	19.72	95%	26.00	32%
Ukraine	21.02	16.85	-20%	24.00	42%
Russia	34.49	39.10	13%	35.00	-10%
Others	39.62	38.92	-2%	47.95	23%
World total	**194.41**	**198.76**	**2%**	**208.45**	**5%**

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 February at 50.95 million MT, which is 1.4% lower than the projection of a year earlier (USDA, February 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 in China, Cambodia, and the USA are also projected to drop. These decreases are anticipated to be partially offset by the upward exports from Australia, Brazil, Pakistan, Thailand, Uruguay, and Vietnam.
- Imports in 2022 are projected to drop for Bangladesh, Vietnam, Australia, Brazil, and China while projections for the EU, Colombia, Russia, Saudi Arabia, and Angola's import are expected to increase.

WHEAT

- In the 2021/22, world wheat trade projected in February at about 208.4 million tons, which is 5% higher than the previous year's export (USDA, February 2022).
- 2021/22 global trade is higher as trade year (TY) exports increase. India continues to remain competitively priced and has the stocks to supply the global market with more wheat. Exports for Argentina and Brazil are both revised up while Ukraine and the United States partially offset these revisions as their shipments were weak this past month (USDA, February 2022).

Global trade is forecast higher this month with increased imports for Iraq, Syria, Morocco, Indonesia, Kazakhstan, and the United Kingdom. To cover short domestic supplies, Iraq, Syria, and the United Kingdom are expected to increase their imports. (USDA, February 2022).

5. Import

Figure 5: Rice imports (in '000 MT)

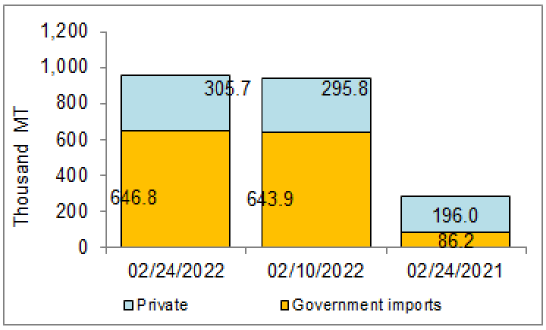
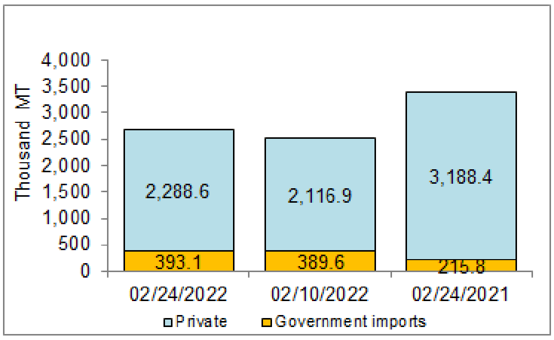


Figure 6: Wheat imports (in '000 MT)



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

RICE

Up to 24 February during this FY 2021-22, Government imported 646.8 thousand MT of rice and the private sector imported 305.7 thousand MT rice. Over the same period of last year, the government imported 86.2 thousand MT and the private sector imported 196.0 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 24 February during this FY 2020-21, public sector imported 393.1 thousand MT of wheat whereas the private sector imported 2288.6 thousand MT of wheat. Over the same period of last year, public sector imported 215.8 thousand MT of wheat while about 3188.4 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.

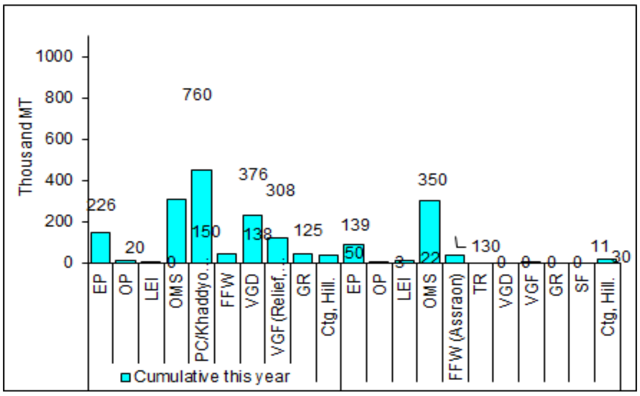
Table 8: LC situation, as of 19 February/22 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
1-19 February/22	0	129	30	184
Cumulative month, February/22	0	129	30	184
Cumulative year (starting 1st July/21)	810	4435	1008	3852

Source: Bangladesh Bank

6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as Of February 24, 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 100.5 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by OMS (55.7 Thousand MT), EP (15.2 Thousand MT), VGD (13.0 Thousand MT), and so on. As on 24 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 24 February 2022, the public food grain stock was estimated at about 1851.7 thousand MT; 1507.4 thousand MT for rice and 344.3 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 on15 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 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 720 thousand MT of parboiled rice, a total of 918 thousand MT of rice (in terms of 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 24 February 2021, about 732.4 thousand Mt of rice (in terms of rice) has been procured.

Source: MISM, DG Food.