Fortnightly Foodgrain Outlook

Issue No. 356 *14 April 2022*

HIGHLIGHTS

- **The domestic retail and wholesale prices of rice decreased over the last fortnight (As on 7 April 2022).**
- **The domestic retail price of *atta* decreased over the last fortnight (As on 7 April 2022).**
- **Export prices of rice in Thailand and India increased whereas in Pakistan, export price decreased over the last fortnight.**
- **Export prices of U.S. (SRW) and U.S (HRW) wheat 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 April 7, the retail and wholesale prices of rice *(Swarna-Indian variety*) in the Dhaka city markets decreased by 1.1% and 2.4% down to Tk 46.0/Kg and Tk 41.5/Kg respectively.

ATTA PRICE

Up to this fortnight, the retail and wholesale prices of *atta* in the Dhaka city markets decreased by 4.1% and 1.8% down to Tk 35.5/Kg and Tk 32.2/Kg respectively.

INTERNATIONAL RICE PRICE

In the fortnight ending April 8, Thai and Indian 5% parboiled rice price increased by 1.0% and 0.5% up to USD 408/MT and USD 366/MT respectively whereas Pakistan 5% parboiled rice price decreased by 1.0% down to USD 379/MT.

INTERNATIONAL WHEAT PRICE

In the fortnight ending March 25, U.S (SRW),and U.S (HRW) wheat prices decreased by 5.6% and 2.4% down to USD 420/MT and USD 481/MT respectively.

GLOBAL RICE AND WHEAT PRODUCTION

In the year 2021/22, global rice production projected in March about 514 million MT, which was 0.9% higher than the previous year's projection whereas Wheat production projected about 779 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 March at 51.4 million MT, which is 0.5% lower from a year earlier. In the 2021/22, world wheat trade projected in March at 204.8 million tons, which is 3% higher than the previous year's export.

BANGLADESH RICE IMPORT

Up to 7 April during this FY 2021-22, Government imported 652.7 thousand MT of rice and the private sector imported 305.7 thousand MT of rice.

BANGLADESH WHEAT IMPORT

Up to 7 April during this FY 2021-22, public sector imported 441.6 thousand MT wheat whereas the private sector imported 2843.4 thousand MT of wheat.

GOVERNMENT INTERVENTION

During this fortnight, about 129.0 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by FPC, OMS, VGD, and so on.

GOVERNMENT STOCK

As on 24 March 2022, the public food grain stock was estimated at about 1554.8 thousand MT.

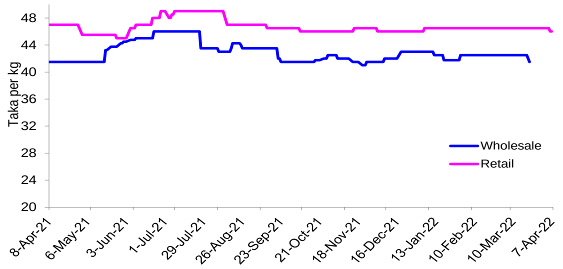
GOVERNMENT PROCUREMENT

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 768.14 thousand MT of *Aman* rice (in terms of rice) has been procured up to 24 March 2022.

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

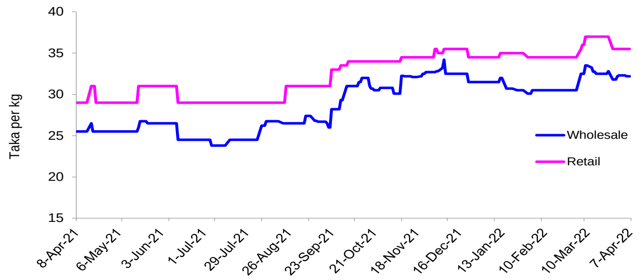
1. Domestic price: coarse rice and *atta*

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	▼ -1.1	▼ -1.1	► -1.3
wholesale	41.50	▼ -2.4	▼ -2.4	► 2.0
ATTA				
retail	35.50	▼ -4.1	▼ -1.4	▲ 22.4
wholesale	32.20	▼ -1.8	► -0.9	▲ 25.9

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 decreased by 1.1% and 2.4% down to Tk 46.0/Kg and Tk 41.5/Kg respectively. Over the last month, the retail and wholesale prices of rice in the Dhaka city markets also decreased by 1.1% and 2.4% respectively. The point-to-point retail price was 1.3% lower whereas the wholesale price was 2.0% 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 decreased by 4.1% and 1.8% down to Tk 35.5/Kg and Tk 32.2/Kg respectively. Over the last month, both the retail and wholesale prices of *atta* in the Dhaka city markets decreased by 1.4% and 0.9% respectively. The point-to-point retail and wholesale prices were 22.4% and 25.9% 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

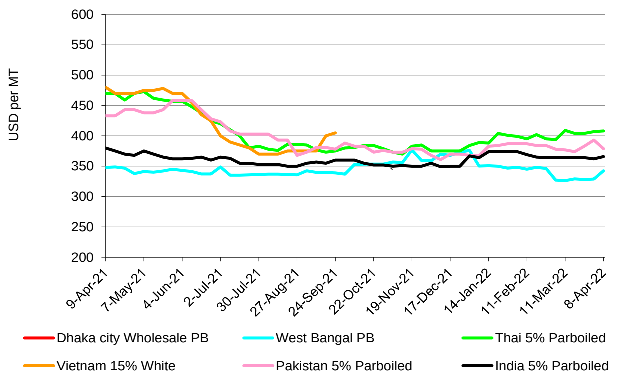
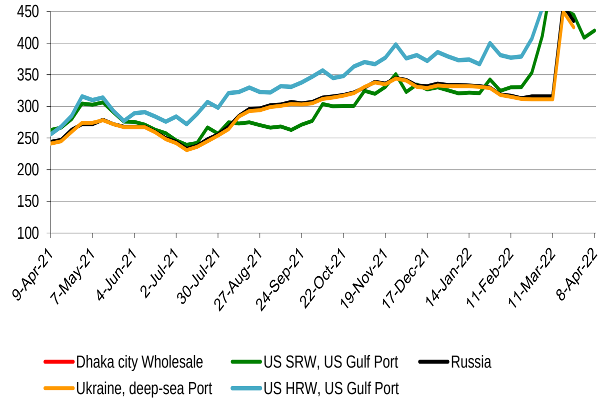


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 April 8, Thai and Indian 5% parboiled rice price increased by 1.0% and 0.5% up to USD 408/MT and USD 366/MT respectively whereas Pakistan 5% parboiled rice price decreased by 1.0% down to USD 379/MT. Over the same period, West Bengal parboiled rice price increased by 4.4% up to USD 342/MT whereas the Dhaka city wholesale price of rice decreased by 0.7% down to USD 490/MT.

WHEAT
In the fortnight ending April 8, U.S (SRW),and U.S (HRW) wheat prices decreased by 5.6% and 2.4% down to USD 420/MT and USD 481/MT respectively. Due to Russia and Ukraine conflict, no price data indicator was available.

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	MAY (K22)	JUL (N22)	SEP (U22)	DEC (Z22)	MAR (H23)
1-Apr	362	362	358	354	348
8-Apr	386	389	388	387	383
change	6.8%	7.5%	8.4%	9.1%	10.0%

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

change	MAY (K22)	JUL (N22)	SEP (U22)	DEC (Z22)	MAR (H23)
1-Apr	372	372	372	372	369
8-Apr	407	408	408	407	405
change	9.3%	9.5%	9.6%	9.6%	9.9%

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 $24/MT from last week's prices to end at $386/MT. Similarly, KCBT hard red winter (HRW) futures also gained $35/MT from last week's prices to close at $407/MT (Wheat Associates, April 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	510	514	0.9%
Ending stocks	182	188	191	1.6%

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

RICE
Global rice production in March 2021/22 projected about 514 million MT, which was 0.9% higher than the previous year's projection. Global production predicted higher due to larger crops in India and Thailand more than offset a decrease in Brazil. Ending stocks in March 2021/22 projected about 191 million MT, which was 1.6% higher than the previous year (USDA, March 2022).

WHEAT
Global wheat production in March 2021/22 projected about 779 million MT, which was 0.3% higher than the previous year's forecast. Global production is up this month primarily on a larger crop projection for Australia. Ending stocks in March 2021/22 projected about 282 million MT, which was 3.0% lower than the previous year (USDA, March 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	779	0.3%
Ending stocks	297	290	282	-3.0%

Source: **USDA (Grain: World Markets and Trade March 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%	6.60	9%
Vietnam	6.17	6.27	2%	6.50	4%
USA	2.86	2.92	2%	2.78	-5%
Pakistan	3.93	3.93	0%	4.15	6%
India	14.58	21.19	45%	20.50	-3%
Others	12.03	11.26	-6%	10.87	-3%
World total	**45.27**	**51.63**	**14%**	**51.40**	**-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%	22.00	-18%
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%	27.00	37%
Ukraine	21.02	16.85	-20%	20.00	19%
Russia	34.49	39.10	13%	32.00	-18%
Others	39.62	38.91	-2%	50.84	31%
World total	**194.41**	**198.74**	**2%**	**204.84**	**3%**

Source: USDA (Grain: World Markets and Trade, March 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 March at 51.40 million MT, which is 0.5% lower than the forecast of a year earlier (USDA, March 2021).
- Global rice trade in the calendar year 2022 is projected up overall from the previous forecast but down from the year-earlier record.
- Global trade is up this month due to a larger exports in India and Thailand as well as a higher imports in Malaysia.

WHEAT

- In the 2021/22, world wheat trade projected in March at about 204.8 million tons, which is 3% higher than the previous year's export (USDA, March 2022).
- As, Russia and Ukraine accounted for 28% of global wheat exports, due to the conflict between the countries, global prices rose. Exports for the Black Sea region are anticipated to be acutely impeded, as Ukraine's ports have remained closed since the last week of February. With substantial disruptions to trade in this region, part of the global demand will be picked up by India and Australia, which have ample tradable supplies and are competitively priced. (USDA, March 2022).

With global exports down this month, major wheat importers will have to ration demand if they are unable to find alternative suppliers or are willing to pay the higher prices. As major importers, Egypt and Turkey have lowered their import revisions. An offsetting part of these revisions is an increase in imports for Belarus and Kazakhstan as they are a part of the Eurasian Economic Union (EAEU) that is excluded from the Russian wheat export quota and can receive imports by rail (USDA, March 2022).

5. Import

Figure 5: Rice imports (in '000 MT)

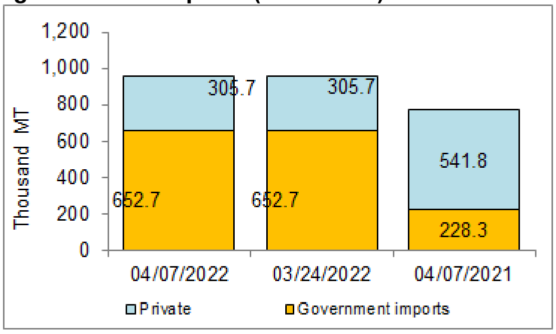
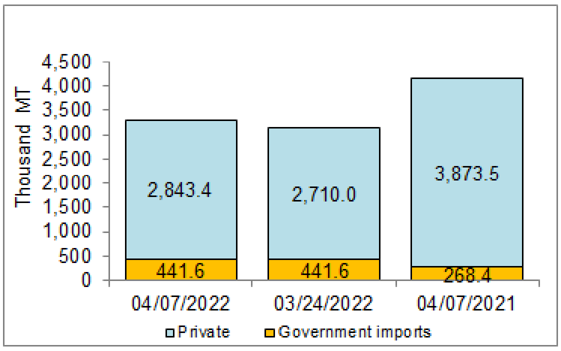


Figure 6: Wheat imports (in '000 MT)



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

RICE

Up to 7 April during this FY 2021-22, Government imported 652.7 thousand MT of rice and the private sector imported 305.7 thousand MT rice. Over the same period of last year, the government imported 228.3 thousand MT and the private sector imported 541.8 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 7 April during this FY 2021-22, public sector imported 441.6 thousand MT of wheat whereas the private sector imported 2843.4 thousand MT of wheat. Over the same period of last year, public sector imported 268.4 thousand MT of wheat while about 3873.5 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.

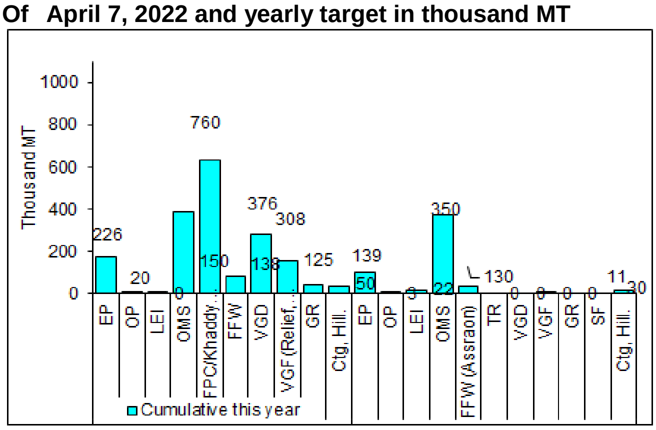
Table 8: LC situation, as of 26 March/22 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
1-26 March/22	2	613	25	467
Cumulative month, March/22	2	613	25	467
Cumulative year (starting 1st July/21)	813	5198	1036	4408

Source: Bangladesh Bank

6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as Of April 7, 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 129.0 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by OMS (47.5 Thousand MT), FPC (41.5 Thousand MT), VGD (15.0 Thousand MT), and so on. As on 7 April FY 2021-22, about 2367.2 thousand MT food grains were distributed which is about 83.5% 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 March 2022, the public food grain stock was estimated at about 1554.8 thousand MT; 1232.8 thousand MT for rice and 322.0 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 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 March 2021, about 768.14 thousand Mt of rice (in terms of rice) has been procured.

Source: MISM, DG Food.