

# Fortnightly Foodgrain Outlook

Issue No. 357

28 April 2022

## HIGHLIGHTS

- The domestic retail and wholesale prices of rice decreased over the last fortnight (As on 21 April 2022).
- The domestic retail price of *atta* decreased whereas the wholesale price remained unchanged over the last fortnight (As on 21 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 and wheat export projected higher than a year ago.

## SUMMARY

### RICE PRICE

In the fortnight ending April 21, the retail and wholesale prices of rice (*Swarna-Indian variety*) in the Dhaka city markets decreased by 3.3% and 3.0% down to Tk 44.5/Kg and Tk 40.25/Kg respectively.

### ATTA PRICE

Up to this fortnight, the retail price of *atta* in the Dhaka city markets decreased by 1.4% down to Tk 35.0/Kg whereas the wholesale price remained unchanged at Tk 32.2/Kg.

### 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 April 22, U.S (SRW), and U.S (HRW) wheat prices increased by 4.8% and 6.7% up to USD 440/MT and USD 513/MT respectively.

### GLOBAL RICE AND WHEAT PRODUCTION

In the year 2021/22, global rice production projected in April about 513 million MT, which was 0.8% 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 April at 52.5 million MT, which is 1.8% higher from a year earlier. In the 2021/22, world wheat trade projected in April at 201.7 million tons, which is 2% higher than the previous year's export.

### BANGLADESH RICE IMPORT

Up to 21 April during this FY 2021-22, Government imported 677.0 thousand MT of rice and the private sector imported 305.7 thousand MT of rice.

### BANGLADESH WHEAT IMPORT

Up to 21 April during this FY 2021-22, public sector imported 441.6 thousand MT wheat whereas the private sector imported 2925.6 thousand MT of wheat.

### GOVERNMENT INTERVENTION

During this fortnight, about 198.3 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by FPC, OMS, VGD, and so on.

### GOVERNMENT STOCK

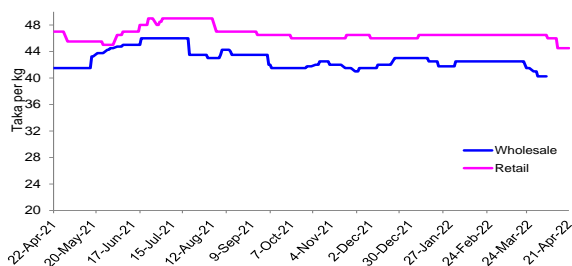
As on 21 April 2022, the public food grain stock was estimated at about 1225.9 thousand MT.

### GOVERNMENT PROCUREMENT

Government has decided to procure 1570 thousand MT of *Boro* rice (in terms of rice) during the ongoing *Boro* season. *Boro* procurement started from 28 April 2022 and will continue up to 31 August 2022.

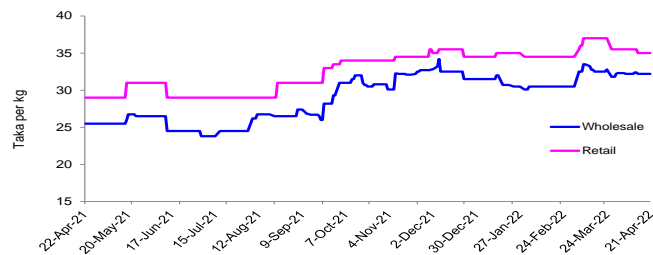
# 1. Domestic price: coarse rice and atta

**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
<b>RICE</b>				
retail	44.50	▼	-3.3	-4.3
wholesale	40.25	▼	-3.0	-5.3
<b>ATTA</b>				
retail	35.00	▼	-1.4	-5.4
wholesale	32.20	▶	0.0	-0.9

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

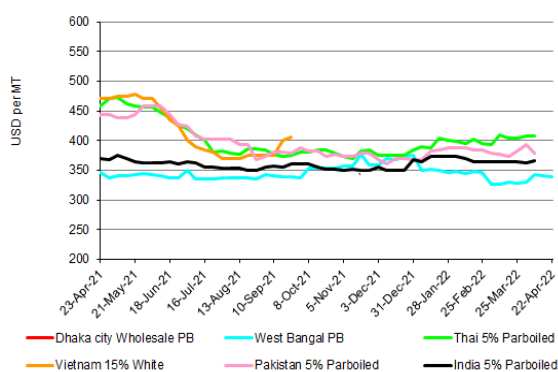
During this fortnight, the retail and wholesale prices of rice (Swarna-Indian variety) in the Dhaka city markets decreased by 3.3% and 3.0% down to Tk 44.5/Kg and Tk 40.25/Kg respectively. Over the last month, the retail and wholesale prices of rice in the Dhaka city markets also decreased by 4.3% and 5.3% respectively. The point-to-point retail and wholesale prices were 4.4% and 1.9% lower 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 35.0/Kg whereas the wholesale price remained unchanged at Tk 32.2/Kg. Over the last month, both the retail and wholesale prices of atta in the Dhaka city markets decreased by 5.4% and 0.9% respectively. The point-to-point retail and wholesale prices were 18.8% and 25.9% higher respectively comparing to the corresponding period of the last year.

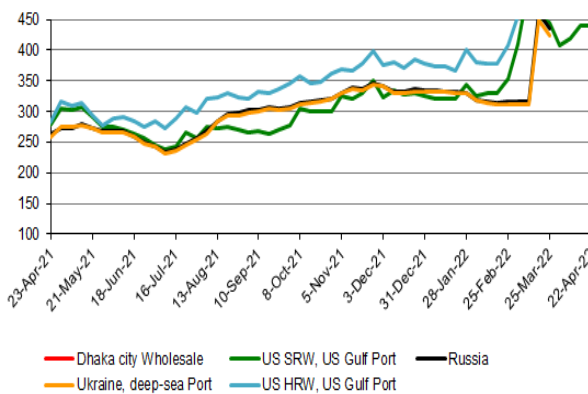
# 2. International price

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



Source: For average weekly FOB prices: USDA, FAO, Jackson Sons & Co. (London) Ltd and Agrimarket Weekly. 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 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. As on 22 April 2022, West Bengal parboiled rice price increased by 4.4% up to USD 340/MT whereas the Dhaka city wholesale price of rice decreased by 5.2% down to USD 464/MT.

## WHEAT

In the fortnight ending April 22, U.S (SRW), and U.S (HRW) wheat prices increased by 4.8% and 6.7% up to USD 440/MT and USD 513/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)
14-Apr	403	406	405	402	399
22-Apr	391	395	394	393	393
change	-2.8%	-2.6%	-2.5%	-2.2%	-1.6%

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

change	MAY (K22)	JUL (N22)	SEP (U22)	DEC (Z22)	MAR (H23)
14-Apr	424	425	424	422	420
22-Apr	420	422	422	421	419
change	-1.0%	-0.7%	-0.6%	-0.5%	-0.2%

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 \$12/MT from last week's prices to end at \$391/MT. Similarly, KCBT hard red winter (HRW) futures also lost \$4/MT from last week's prices to close at \$420/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	509	513	0.8%
Ending stocks	182	187	189	1.0%

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

#### RICE

Global rice production in April 2021/22 projected about 513 million MT, which was 0.8% higher than the previous year's projection. Global production predicted down from the previous production but larger than a year earlier. Downward revisions were made for Brazil, Columbia the EU and Indonesia. Ending stocks in April 2021/22 projected about 189 million MT, which was 1.0% higher than the previous year (USDA, April 2022).

#### WHEAT

Global wheat production in April 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 larger crops in Argentina and Pakistan, slightly offset by reductions in the EU. Ending stocks in April 2021/22 projected about 278 million MT, which was 4.2% lower than the previous year (USDA, April 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	291	278	-4.2%

Source: USDA (Grain: World Markets and Trade April 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%	6.80	▲ 12%
Vietnam	6.17	6.27	▲ 2%	6.50	▲ 4%
USA	2.86	2.92	▲ 2%	2.78	▼ -5%
Pakistan	3.93	3.93	▶ 0%	4.35	▲ 11%
India	14.58	21.19	▲ 45%	21.00	▼ -1%
Others	12.07	11.26	▼ -7%	11.11	▼ -1%
<b>World total</b>	<b>45.31</b>	<b>51.62</b>	<b>▲ 14%</b>	<b>52.54</b>	<b>▼ 1.8%</b>

**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%	21.50	▼ -19%
European Union	39.79	29.74	▼ -25%	34.00	▲ 14%
Canada	22.99	27.72	▲ 21%	15.50	▼ -44%
Australia	10.12	19.72	▲ 95%	27.00	▲ 37%
Ukraine	21.02	16.85	▼ -20%	19.00	▲ 13%
Russia	34.49	39.10	▲ 13%	33.00	▼ -16%
Others	39.62	38.91	▼ -2%	51.74	▲ 33%
<b>World total</b>	<b>194.41</b>	<b>198.74</b>	<b>▲ 2%</b>	<b>201.74</b>	<b>▲ 2%</b>

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 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 April at 52.5 million MT, which is 1.8% higher than the forecast of a year earlier (USDA, April 2021).
- Global rice trade in the calendar year 2022 is projected at a record up of more than 1.1 million tons from the previous forecast and is almost 2 percent larger than a year earlier. Thailand and Pakistan account for the largest share of the expected increase in global rice exports in 2022. In contrast, Cambodia, China, India, and the United States are expected to export less rice in 2022.

- On the global import side, imports are projected to increase in 2022 by Brazil, China, Colombia, Cuba, Egypt, Ethiopia, European Union, Haiti, Indonesia, Iran, Madagascar, Mali, Nepal, Nigeria, Saudi Arabia, Sri Lanka, Togo, Turkey, and the United Arab Emirates.

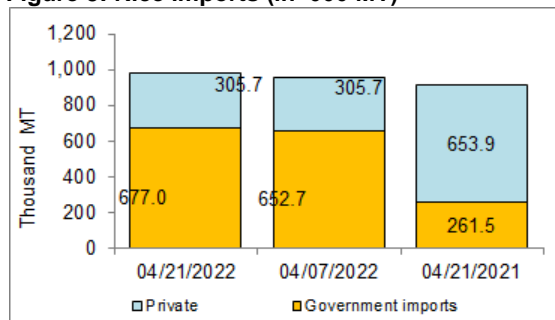
#### WHEAT

- In the 2021/22, world wheat trade projected in April at about 201.7 million tons, which is 2% higher than the previous year's export (USDA, April 2022).
- Global trade year's exports projection are revised down due to the lower exports for the EU and Kazakhstan. Ukrainian exports remain restricted out of the Black Sea. These downward revisions are partially offset by increases for Russia and Brazil (USDA, April 2022).

Global wheat prices remain uplifted due to the Russia-Ukraine conflict resulting in lower imports for 2021/22 as countries find a balance between rationing demand and tightening their stocks. Imports for both Egypt and Turkey are projected down while the revisions for the imports for Algeria and Morocco are forecast higher (USDA, April 2022).

## 5. Import

**Figure 5: Rice imports (in '000 MT)**



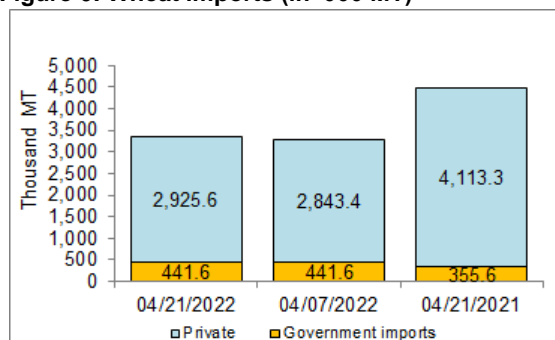
### RICE

Up to 21 April during this FY 2021-22, Government imported 677.0 thousand MT of rice and the private sector imported 305.7 thousand MT rice. Over the same period of last year, the government imported 261.5 thousand MT and the private sector imported 653.9 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 21 April during this FY 2021-22, public sector imported 441.6 thousand MT of wheat whereas the private sector imported 2925.6 thousand MT of wheat. Over the same period of last year, public sector imported 355.6 thousand MT of wheat while about 4113.3 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 16 April/22 (in '000MT)**

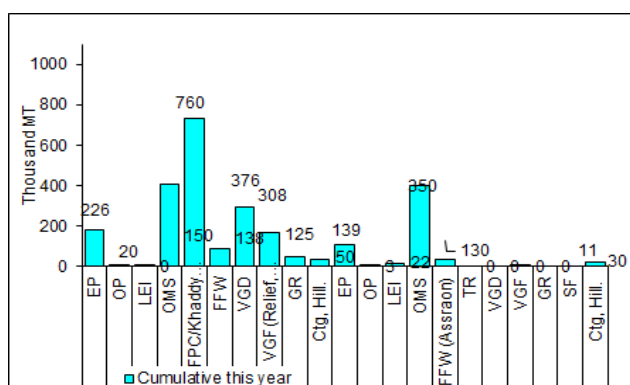
Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
1-16 April/22	0	239	5	163
Cumulative month, April/22	0	239	5	163
Cumulative year (starting 1st July/21)	814	5833	1047	4638

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 April 21, 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 198.3 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by FPC (100.3 Thousand MT), OMS (46.2 Thousand MT), VGD (15.7 Thousand MT), and so on. As on 21 April FY 2021-22, about 2565.5 thousand MT food grains were distributed which is about 90.5% 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 21 April 2022, the public food grain stock was estimated at about 1225.9 thousand MT; 963.5 thousand MT for rice and 262.4 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 650 thousand MT of paddy at Tk 27.0/Kg and 1100 thousand MT of parboiled rice at Tk 40.0/Kg, and 50 thousand MT of *Atap* rice at Tk 39.0/Kg, a total of 1570 thousand MT of rice (in terms of rice) during the ongoing *Boro* season. *Boro* procurement started from 28 April 2022 and will continue up to 31 August 2022.

Source: MISM, DG Food.