Fortnightly Foodgrain Outlook

Issue No. 358 ***12 May 2022***

HIGHLIGHTS

- **The domestic retail price of rice decreased whereas the wholesale price remained unchanged over the last fortnight (As on 5 May 2022).**
- **The domestic retail and wholesale prices of *atta* remained unchanged over the last fortnight (As on 5 May 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 whereas Russian Export Prices of wheat increased 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 May 5, the retail price of rice *(Swarna-Indian variety*) in the Dhaka city markets decreased by 2.2% down to Tk 40.25/Kg and the wholesale price remained unchanged at Tk 43.5/Kg

ATTA PRICE
Up to this fortnight, both the retail and wholesale prices of *atta* in the Dhaka city markets remained unchanged at Tk 35.0/Kg and Tk 32.2/Kg respectively.

INTERNATIONAL RICE PRICE
In the fortnight ending April 21, 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 May 6, U.S (SRW), and U.S (HRW) wheat prices decreased by 8.6% and 6.5% down to USD 402/MT and USD 471/MT respectively whereas Russian wheat price increased by 4.0% up to USD 390/MT.

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 May at 201.7 million tons, which is 2% higher than the previous year's export.

BANGLADESH RICE IMPORT
Up to 5 May during this FY 2021-22, Government imported 677.0 thousand MT of rice and the private sector imported 305.7 thousand MT rice.

BANGLADESH WHEAT IMPORT
Up to 5 May during this FY 2021-22, Public sector imported 441.6 thousand MT of wheat whereas the private sector imported 2966.2 thousand MT of wheat.

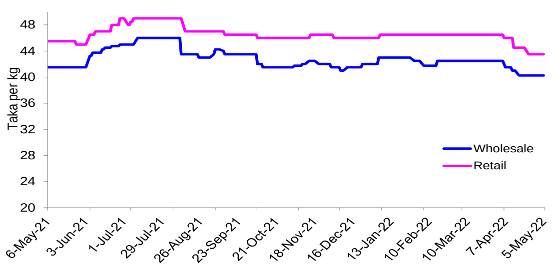
GOVERNMENT INTERVENTION
During this fortnight, about 186.7 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by OMS, VGF, VGD and so on.

GOVERNMENT STOCK
As on 5 May 2022, the public food grain stock was estimated at about 1038.4 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. As on May 5, 41 MT of *Boro* rice has been procured.

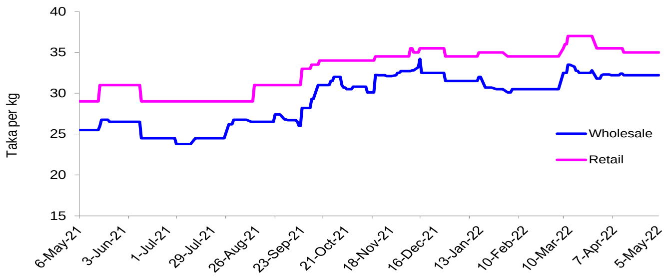
1. Domestic price: coarse rice and *atta*

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	43.50	▼	-2.2	▼	-6.5	▼	-6.3
wholesale	40.25	►	0.0	▼	-5.3	►	-3.0
ATTA							
retail	35.00	►	0.0	▼	-1.4	▲	20.7
wholesale	32.20	►	0.0	►	0.0	▲	26.3

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 decreased by 2.2% down to Tk 40.25/Kg and the wholesale price remained unchanged at Tk 43.5/Kg. Over the last month, the retail and wholesale prices of rice in the Dhaka city markets also decreased by 6.5% and 5.3% respectively. The point-to-point retail and wholesale prices were 7.4% and 3.0% lower respectively than that of the corresponding period of the last year.

ATTA
Up to this fortnight, both the retail and wholesale prices of *atta* in the Dhaka city markets remained unchanged at Tk 35.0/Kg and Tk 32.2/Kg respectively. Over the last month, the retail price of *atta* in the Dhaka city markets decreased by 1.4% and the wholesale price remained unchanged. The point-to-point retail and wholesale prices were 20.7% and 26.3% 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

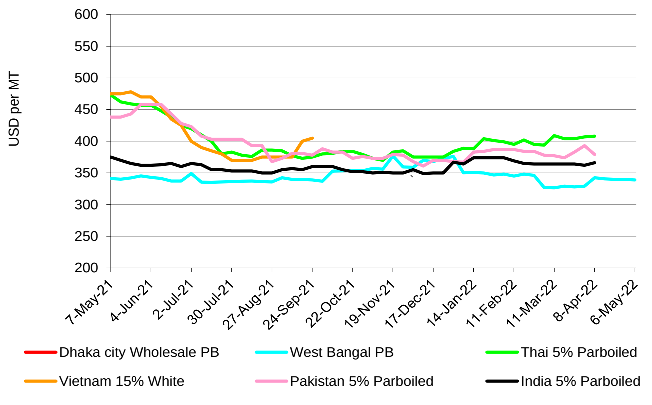
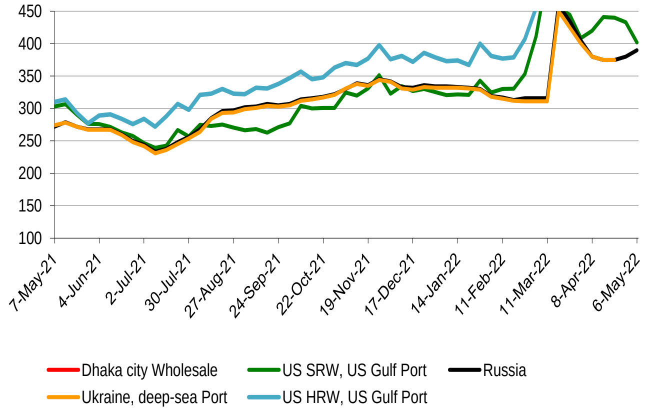


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 21, 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 6 May 2022, West Bengal parboiled rice price decreased by 0.3% down to USD 339/MT whereas the Dhaka city wholesale price of rice decreased by 0.9% down to USD 460/MT.

WHEAT
In the fortnight ending May 6, U.S (SRW), and U.S (HRW) wheat prices decreased by 8.6% and 6.5% down to USD 402/MT and USD 471/MT respectively whereas Russian wheat price increased by 4.0% up to USD 390/MT.

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)
29-Apr	384	388	389	389	389
6-May	403	407	408	409	409
change	5.1%	5.0%	4.9%	5.1%	5.2%

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

change	MAY (K22)	JUL (N22)	SEP (U22)	DEC (Z22)	MAR (H23)
29-Apr	402	406	407	408	407
6-May	426	430	431	433	419
change	5.9%	5.9%	5.8%	6.0%	3.0%

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 gain $19/MT from last week's prices to end at $403/MT. Similarly, KCBT hard red winter (HRW) futures also gain $24/MT from last week's prices to close at $426/MT (Wheat Associates, May 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%
World total	**45.31**	**51.62**	**14%**	**52.54**	**1.8%**

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%
World total	**194.41**	**198.74**	**2%**	**201.74**	**2%**

Source: USDA (Grain: World Markets and Trade, April 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 April at 52.54 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 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 April at about 201.74 million tons, which is 2% higher than the previous year's export (USDA, May 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, April 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, April 2022).

5. Import

Figure 5: Rice imports (in '000 MT)

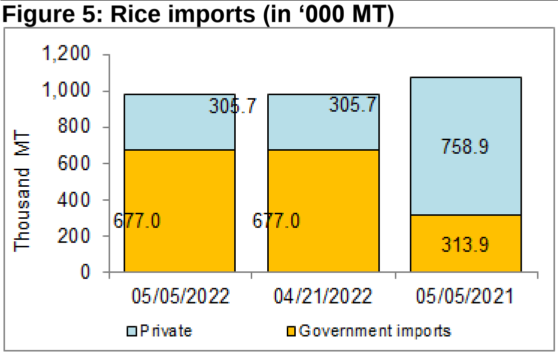
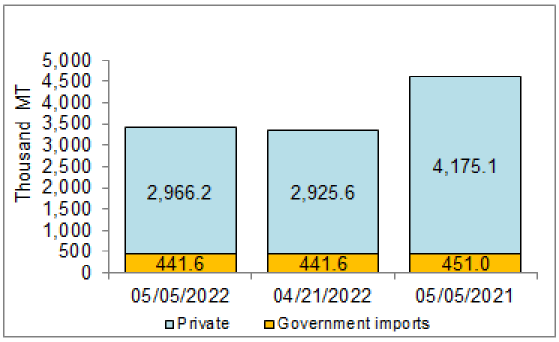


Figure 6: Wheat imports (in '000 MT)



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

RICE

Up to 05 May 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 313.9 thousand MT and the private sector imported 758.9.9 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 05 May during this FY 2021-22, public sector imported 441.6 thousand MT of wheat whereas the private sector imported 2966.2 thousand MT of wheat. Over the same period of last year, public sector imported 451.0 thousand MT of wheat while about 4175.1 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.

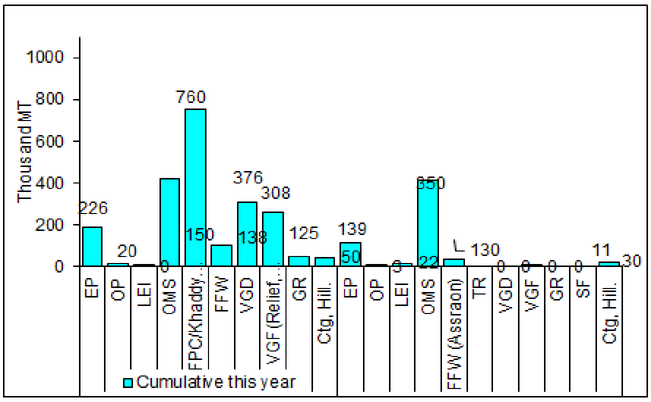
Table 8: LC situation, as of 23 April /22 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
17-23 April/22	0	193	1	119
Cumulative month, April/22	0	432	6	281
Cumulative year (starting 1st July/21)	814	6026	1048	4756

Source: Bangladesh Bank

6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as Of May 5, 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 186.7 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by VGF (95.1 Thousand MT), OMS (29.8 Thousand MT), VGD (14.3 Thousand MT), and so on. As on 5 May FY 2021-22, about 2752.2 thousand MT food grains were distributed which is about 97.1% 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 5 May 2022, the public food grain stock was estimated at about 1038.4 thousand MT; 798.3 thousand MT for rice and 240.1 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, 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 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. As on May 5, 41 MT of *Boro* rice has been procured.

Source: MISM, DG Food.