

# Fortnightly Foodgrain Outlook

Issue No. 370

27 October 2022

## HIGHLIGHTS

- The domestic retail price of rice remained unchanged whereas wholesale price decreased over the last fortnight (As on 20 October 2022).
- The domestic retail and wholesale prices of *atta* increased over the last fortnight (As on 20 October 2022).
- Export price of rice in Thailand decreased whereas India and Pakistan prices of rice increased over the last fortnight.
- Export prices of US SRW, US HRW, Russia and Ukrainian wheat decreased over the last fortnight.
- Global rice production projected decreased whereas wheat production projected increased than a year ago.
- Global rice export decreased and wheat export projected higher than a year ago.

## SUMMARY

### RICE PRICE

In the fortnight ending October 20, the retail price of rice (*Swarna-Indian variety*) in the Dhaka city markets remained unchanged at TK.48.5/Kg whereas wholesale price of rice decreased by 2.3% down to TK.43.0/Kg.

### ATTA PRICE

In this fortnight ending October 20, both the retail and wholesale prices of *atta* in the Dhaka city markets increased by 0.9% and 5.0% up to Tk 56.5/Kg and TK.53.0/Kg respectively.

### INTERNATIONAL RICE PRICE

In the fortnight ending October 21, Thai 5% parboiled rice price decreased by 3.1% down to USD 407/MT whereas Indian and Pakistan 5% parboiled rice prices increased by 0.3% and 0.5% up to USD 371/MT and USD 410/MT respectively.

### INTERNATIONAL WHEAT PRICE

In the fortnight ending October 21, U.S (SRW) and U.S (HRW) wheat prices decreased by 2.8% and 0.2% down to USD 386/MT and USD 438/MT respectively as well as Russian and Ukrainian wheat prices decreased by 3.6% and 3.1% down to USD 323/MT and USD 410/MT respectively.

### GLOBAL RICE AND WHEAT PRODUCTION

Global rice production in October 2022/23 projected about 505 million MT, which was 2.0% lower than the previous year's projection whereas Global wheat production in October 2022/23 projected about 782 million MT, which was 0.2% higher than the previous year's forecast.

### GLOBAL RICE AND WHEAT TRADE PROSPECT

Global rice export for 2022/23 projected in October at 53.4 million MT, which is 2.3% lower than the forecast of a year earlier. In the 2022/23, world wheat trade projected in October at about 207.7 million tons, which is 1% higher than the previous year's export.

### BANGLADESH RICE IMPORT

Up to 20 October during this FY 2022-23, Government imported 23.6 thousand MT of rice and the private sector imported 161.3 thousand MT of rice.

### BANGLADESH WHEAT IMPORT

Up to 20 October of the current FY 2022-23, public sector imported 104.0 thousand MT of wheat and the private sector imported 357.0 thousand MT of wheat.

### GOVERNMENT INTERVENTION

During this fortnight, about 46.1 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by FFP and followed by OMS and EP.

### GOVERNMENT STOCK

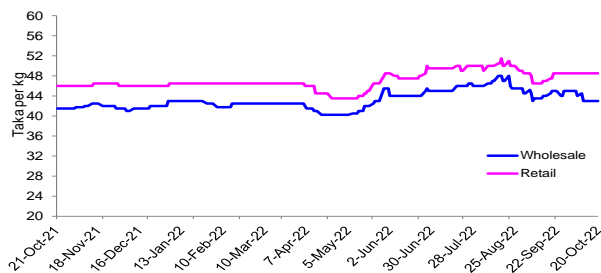
As on 20 October 2022, the public food grain stock was estimated at about 1636.6 thousand MT.

### GOVERNMENT PROCUREMENT

Government has decided to procure 1772 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 August 31, 1351.48 MT of *Boro* rice had been procured.

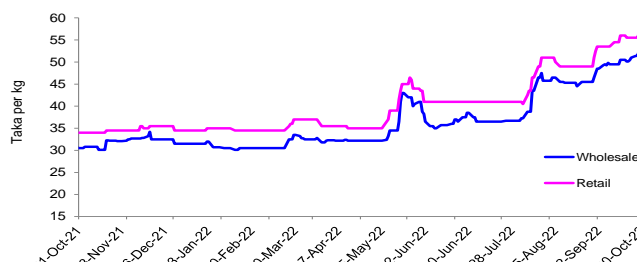
## 1. Domestic price: coarse rice and atta

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
<b>RICE</b>				
retail	48.50	0.0	0.0	5.4
wholesale	43.00	-2.3	-4.4	3.7
<b>ATTA</b>				
retail	56.50	0.9	7.6	64.3
wholesale	53.00	5.0	11.6	63.7

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

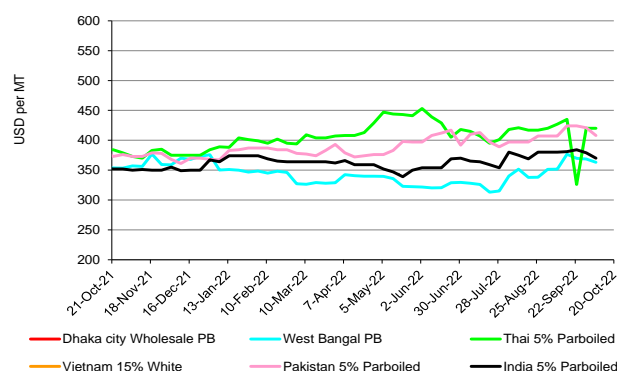
During this fortnight, the retail price of rice (*Swarna-Indian variety*) in the Dhaka city markets remained unchanged at TK.48.5/Kg whereas wholesale price of rice decreased by 2.3% down to TK.43.0/Kg. Over the last month, the retail price of rice in the Dhaka city markets remained unchanged whereas wholesale price of rice decreased by 4.4%. The point-to-point retail and wholesale prices were 5.4% and 3.7% higher 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 increased by 0.9% and 5.0% up to Tk 56.5/Kg and TK.53.0/Kg respectively. Over the last month, both the retail and wholesale prices of *atta* in the Dhaka city markets increased by 7.6% and 11.6% respectively. The point-to-point retail and wholesale prices were 64.3% and 63.7% higher respectively comparing to the corresponding period of the last year.

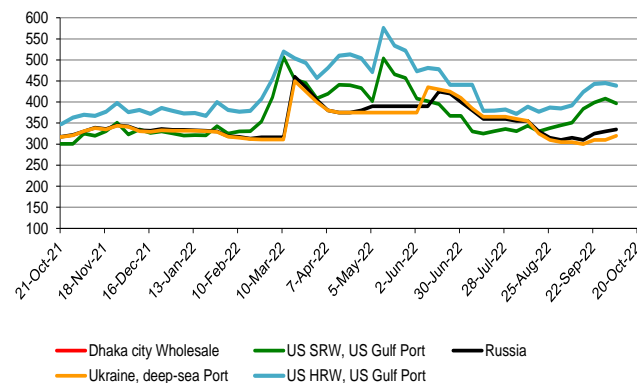
## 2. International price

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



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 October 21, Thai 5% parboiled rice price decreased by 3.1% down to USD 407/MT whereas Indian and Pakistan 5% parboiled rice prices increased by 0.3% and 0.5% up to USD 371/MT and USD 410/MT respectively. Over the same period, the West Bengal parboiled rice price remained unchanged whereas the Dhaka city wholesale price of rice decreased by 5.6% down to USD 411/MT.

### WHEAT

In the fortnight ending October 21, U.S (SRW) and U.S (HRW) wheat prices decreased by 2.8% and 0.2% down to USD 386/MT and USD 438/MT respectively as well as Russian and Ukrainian wheat prices decreased by 3.6% and 3.1% down to USD 323/MT and USD 410/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	DEC (Z22)	MAR (H23)	MAY (K23)	JUL (N23)	SEP (U23)
14-Oct	316	322	325	324	324
21-Oct	313	319	323	323	324
change	-1.0%	-0.9%	-0.7%	-0.3%	0.0%

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

change	DEC (Z22)	MAR (H23)	MAY (K23)	JUL (N23)	SEP (U23)
14-Oct	350	349	349	345	344
21-Oct	348	348	347	345	345
change	-0.4%	-0.4%	-0.5%	0.0%	0.4%

Source: U.S. Wheat Associates Weekly Price Report, Conversion rates: 1USD/bu = 36.743 USD/MT

All Wheat futures ended the week up. CBOT soft red winter (SRW) wheat futures price this week lost \$3/MT from last week's prices to end at \$313/MT. Similarly, KCBT hard red winter (HRW) futures also lost \$2/MT from last week's price to close at \$348/MT (Wheat Associates, October 2022) (Table-2 & 3).

### 3. Global production and stock

**Table 4: Rice world production and stock (million MT)**

RICE	2020/21	2021/22	2022/23 forecast	change 2022/23 over 2021/22
Production	509	515	505	-2.0%
Ending stocks	188	184	171	-7.1%

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

**RICE**

Global rice production in October 2022/23 projected about 505 million MT, which was 2.0% lower than the previous year's projection. Global rice production is forecast down due to smaller crops for India and Pakistan. Ending stocks in October 2022/23 projected about 171 million MT, which was 7.1% lower than the previous year (USDA, October 2022).

**WHEAT**

Global wheat production in October 2022/23 projected about 782 million MT, which was 0.2% higher than the previous year's forecast. Global production is forecast lower this month but still at a record because lower crop estimates for the United States and Argentina more than offset an increase for the European Union. Ending stocks in October 2022/23 projected about 268 million MT, which was 3.1% lower than the previous year (USDA, October 2022).

**Table 5: Wheat world production and stock (million MT)**

Wheat	2020/21	2021/22	2022/23 forecast	change 2022/23 over 2021/22
Production	775	780	782	0.2%
Ending stocks	290	276	268	-3.1%

Source: USDA (Grain: World Markets and Trade October 2022)

### 4. Global trade

**Table 6: Main rice annual exporters (million MT milled)**

	2020/21	2021/22	2020/21-2021/22 change	2022/23 projected	2021/22-2022/23 change
Thailand	6.06	7.60	▲ 25%	8.20	▲ 8%
Vietnam	6.27	6.90	▲ 10%	7.20	▲ 4%
USA	2.92	2.45	▼ -16%	2.45	▲ 0%
Pakistan	3.93	5.20	▲ 32%	4.70	▼ -10%
India	21.24	20.30	▼ -4%	19.00	▼ -6%
Others	11.42	12.21	▲ 7%	11.85	▼ -3%
<b>World total</b>	<b>51.84</b>	<b>54.66</b>	<b>▲ 5%</b>	<b>53.40</b>	<b>▼ -2.3%</b>

**Table 7: Main wheat annual exporters (million MT)**

	2020/21	2021/22	2020/21-2021/22 change	2022/23 projected	2021/22-2022/23 change
USA	26.57	21.50	▼ -19%	21.50	▲ 0%
European Union	29.74	31.90	▲ 7%	35.00	▲ 10%
Canada	27.72	14.95	▼ -46%	26.00	▲ 74%
Australia	19.72	26.11	▲ 32%	26.00	▲ 0%
Ukraine	16.85	18.84	▲ 12%	11.00	▼ -42%
Russia	39.10	33.00	▼ -16%	42.00	▲ 27%
Others	39.61	58.93	▲ 49%	46.19	▼ -22%
<b>World total</b>	<b>199.31</b>	<b>205.24</b>	<b>▲ 3%</b>	<b>207.69</b>	<b>▲ 1%</b>

Source: USDA (Grain: World Markets and Trade, August 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 2022/23 projected in October at 53.4 million MT, which is 2.3% lower than the forecast of a year earlier (USDA, October 2022).
- This month global rice production forecast was lowered due to smaller production forecasts for India, Japan, Nepal, and Pakistan not fully offset by increased production forecasts for Brazil, Egypt, Thailand, Uruguay, and the United States. Reductions for India and Pakistan, the largest crop reductions this month, were caused by adverse weather this summer. Global rice trade forecast lowered due to reduction in India's export forecast.

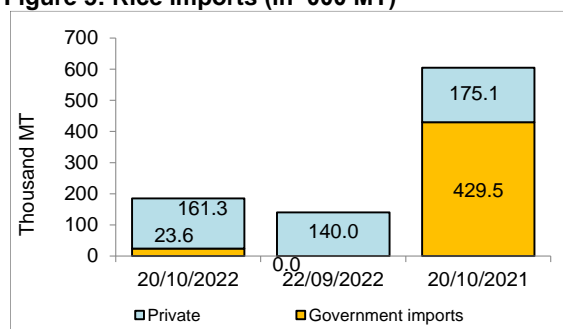
**WHEAT**

- In the 2022/23, world wheat trade projected in October at about 207.7 million tons, which is 1% higher than the previous year's export (USDA, October 2022).
- Global wheat production is revised down this month because of higher projected production for the European Union is not able to overcome lower crops for the United States and Argentina.
- Trade year exports and imports remain at a record, but imports and exports are both lowered this month. Trade year exports are revised down with cuts for the United States and Argentina offsetting an upward revision for the European Union. Lower domestic production and uncompetitive prices result in a decline for both the United States and Argentina, while higher forecasted production for the European Union allows for more exportable supplies. (USDA, October 2022).

While the rate of exports for Russia has started off slowly, the country's estimate remains unchanged and the Russia's rate also started off slow, but was able to recover with a fast rate of shipments. The floating export tax has also decreased which was lowest level since June 2021. Higher domestic production for Brazil and Azerbaijan and high prices will decrease the countries' desire to import this year. (USDA, October 2022).

## 5. Import

Figure 5: Rice imports (in '000 MT)



### RICE

Up to 20 October during this FY 2022-23, Government imported 23.6 thousand MT of rice and the private sector imported 161.3 thousand MT of rice. Over the same period of last year, the government imported 429.5 thousand MT of rice and the private sector imported 175.1 thousand MT of rice. Up to 30 June FY 2021-22, the government imported about 683.0 thousand MT of rice and about 304.4 thousand MT of rice was imported by the private sector.

### WEAT

Up to 20 October during this FY 2022-23, public sector imported 104.0 thousand MT of wheat and the private sector imported 357.0 thousand MT of wheat. Over the same period of last year, public sector imported 22.6 thousand MT of wheat whereas private sector imported 611.1 thousand MT of Wheat. Up to 30 June FY 2021-22, the government imported about 546.1 thousand MT of wheat and about 3466.0 thousand MT of wheat was imported

Figure 6: Wheat imports (in '000 MT)

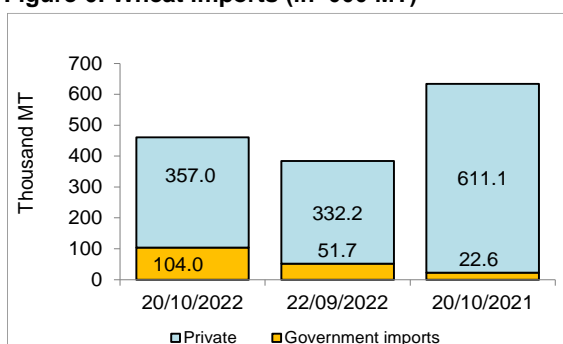


Table 8: LC situation, as of 20 October/22 (in '000MT)

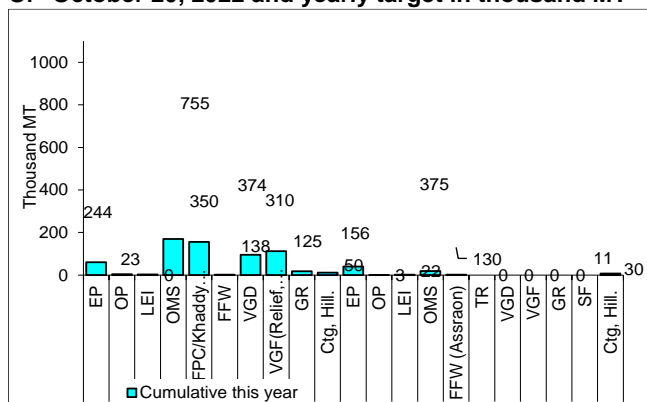
Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
1-8 October/22	2	103	13	29
Cumulative month, October/22	2	103	13	29
Cumulative year (starting 1st July/22)	884	1520	187	608

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 October 20, 2022 and yearly target in thousand MT



Source: Directorate General of Food and FPMU; O/S: 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

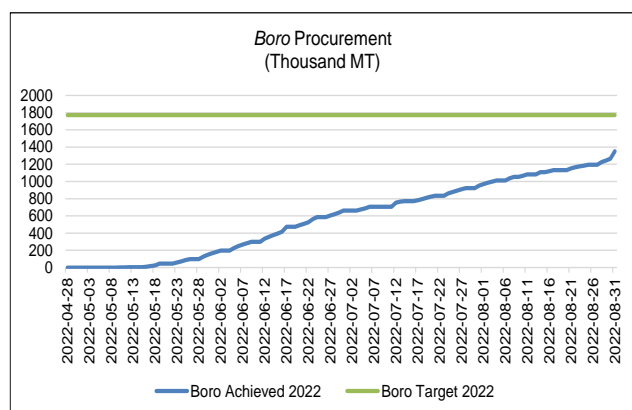
### PUBLIC FOOD DISTRIBUTION

- The total distribution budget for 2021/22 was 3.39 million MT. The actual distribution was about 2.3 million MT. For FY 2022/23 the distribution plan through PFDS is about 3.09 million MT.
- During this fortnight, about 46.1 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by FFP (17.2 Thousand MT), OMS (17.2 Thousand MT) and EP (6.5 Thousand MT). As on 20 October FY 2022-23, about 701.6 thousand MT food grains were distributed which is about 22.7% 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 20 October 2022, the public food grain stock was estimated at about 1636.6 thousand MT; 1437.7 thousand MT for rice and 181.5 thousand MT for wheat (MISM, DG Food).

Figure 8: Progress of Boro Procurement target



### DOMESTIC FOOD GRAIN PROCUREMENT

- Government has procured 768.1 thousand MT of rice (in terms of rice) during the *Aman* season (2021-22). Procurement price had been fixed at Tk 40/kg for parboiled rice, Tk 39/kg for *Atap* rice, and Tk 27/Kg for paddy. *Aman* procurement started from 7 November 2021 and continued up to 28 February 2022.
- Government has decided to procure 650 thousand MT of paddy at Tk 27.0/Kg and 1300 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 about 1772 thousand MT of rice (in terms of rice) during the *Boro* season (2022). *Boro* procurement started from 28 April 2022 and continued up to 31 August 2022. As on August 31, 1351.48 MT of *Boro* rice had been procured.

Source: MISM, DG Food.