Fortnightly Foodgrain Outlook

Issue No. 373 *8 December 2022*

HIGHLIGHTS

- **The domestic retail and wholesale prices of rice remained unchanged over the last fortnight (As on 1 December 2022).**
- **The domestic retail price of *atta* remained unchanged and wholesale price of *atta* increased over the last fortnight (As on 1 December 2022).**
- **Export prices of rice in Thailand and Pakistan increased and India decreased over the last fortnight.**
- **Export prices of US SRW, US HRW wheat decreased and Russia, Ukrainian wheat prices increased 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 December 1, both the retail and wholesale prices of rice (*Swarna-Indian variety*) in the Dhaka city markets remained unchanged at TK. 49.0/Kg and TK. 44.5/Kg respectively.

ATTA PRICE

In this fortnight ending December 1, the retail price of *atta* in the Dhaka city markets remained unchanged at Tk 61.0/Kg and wholesale price of *atta* increased by 1.8% up to TK. 56.5/Kg respectively.

INTERNATIONAL RICE PRICE

In the fortnight ending December 2, Thai and Pakistan 5% parboiled rice prices increased by 2.4% and 0.9% up to USD 434/MT and USD 444/MT respectively whereas Indian 5% parboiled rice price decreased by 0.3% down to USD 375/MT.

INTERNATIONAL WHEAT PRICE

In the fortnight ending December 2, U.S (SRW) and U.S (HRW) wheat prices decreased by 6.1% and 4.7% down to USD 341/MT and USD 455/MT respectively whereas Russian and Ukrainian wheat prices increased by 0.6% and 1.6% up to USD 320/MT and USD 315/MT respectively.

GLOBAL RICE AND WHEAT PRODUCTION

Global rice production in November 2022/23 projected about 504 million MT, which was 2.2% lower than the previous year's projection whereas Global wheat production in November 2022/23 projected about 783 million MT, which was 0.4% higher than the previous year's forecast.

GLOBAL RICE AND WHEAT TRADE PROSPECT

Global rice export for 2022/23 projected in November at 52.9 million MT, which is 3.7% lower than the forecast of a year earlier. In the 2022/23, World wheat trade projected in November at about 206.6 million tons, which is 1% higher than the previous year's export.

BANGLADESH RICE IMPORT

Up to 1 December during this FY 2022-23, Government imported 255.8 thousand MT of rice and the private sector imported 263.9 thousand MT of rice.

BANGLADESH WHEAT IMPORT

Up to 1 December of the current this FY 2022-23, public sector imported 286.1 thousand MT of wheat and the private sector imported 412.0 thousand MT of wheat.

GOVERNMENT INTERVENTION

During this fortnight, about 91.2 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by FFP and followed by OMS, VGD.

GOVERNMENT STOCK

As on 1 December 2022, the public food grain stock was estimated at about 1594.9 thousand MT.

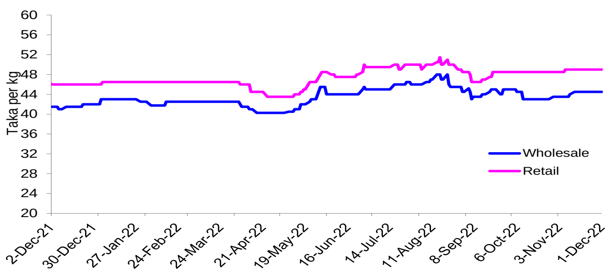
GOVERNMENT PROCUREMENT

Aman rice procurement target has been fixed at 0.3 mmt of paddy at 28 Tk/kg and 0.5 mmt of parboiled rice at 42 tk/kg from domestic market. Aman procurement started from 17/11/2022. As on 1 December 3.2 thousand MT of rice has been procured.

http://www.mofood.gov.bd

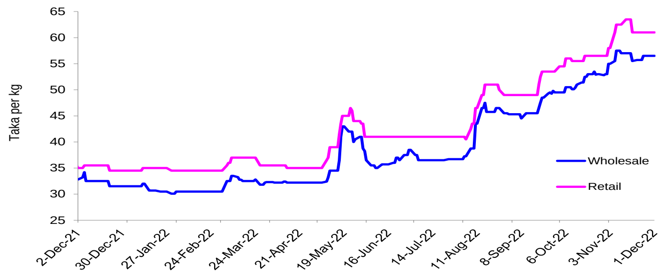
1. Domestic price: coarse rice and *atta*

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	49.00	0.0	1.0	5.4
wholesale	44.50	0.0	2.3	6.1
ATTA				
retail	61.00	0.0	8.0	75.8
wholesale	56.50	1.8	6.6	72.5

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, both the retail and wholesale prices of rice (*Swarna-Indian variety*) in the Dhaka city markets remained unchanged at TK. 49.0/Kg and TK. 44.5/Kg respectively. Over the last month, both the retail and wholesale prices of rice in the Dhaka city markets increased by 1.0% and 2.3% respectively. The point-to-point retail and wholesale prices were 5.4% and 6.1% higher 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 remained unchanged at Tk 61.0/Kg and wholesale price of *atta* increased by 1.8% up to TK. 56.5/Kg respectively. Over the last month, both the retail and wholesale prices of *atta* in the Dhaka city markets increased by 8.0% and 6.6% respectively. The point-to-point retail and wholesale prices were 75.8% and 72.5% 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

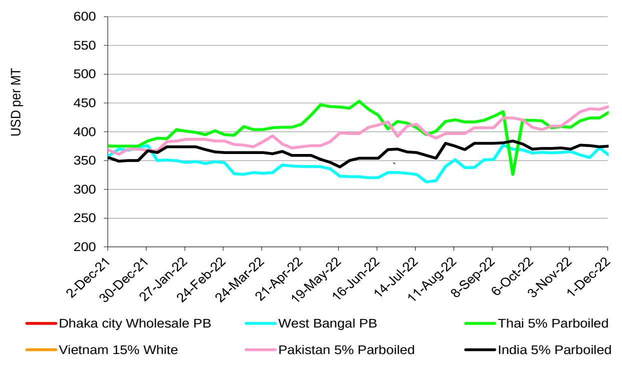
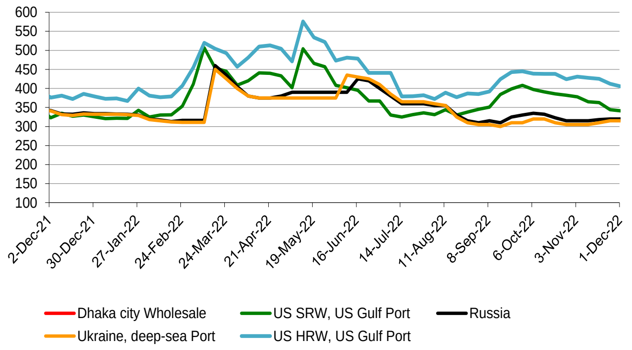


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 December 1, Thai and Pakistan 5% parboiled rice prices increased by 2.4% and 0.9% up to USD 434/MT and USD 444/MT respectively whereas Indian 5% parboiled rice price decreased by 0.3% down to USD 375/MT. Over the same period, the West Bengal parboiled rice and Dhaka city wholesale prices of rice increased by 1.2% and 2.1% up to USD 359/MT and USD 425/MT respectively.

WHEAT
In the fortnight ending December 1, U.S (SRW) and U.S (HRW) wheat prices decreased by 6.1% and 4.7% down to USD 341/MT and USD 455/MT respectively whereas Russian and Ukrainian wheat prices increased by 0.6% and 1.6% up to USD 320/MT and USD 315/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)
18-Nov	295	302	306	307	309
2-Dec	271	280	284	287	290
change	-8.2%	-7.4%	-7.0%	-6.6%	-6.2%

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

change	DEC (Z22)	MAR (H23)	MAY (K23)	JUL (N23)	SEP (U23)
18-Nov	343	339	337	335	335
2-Dec	324	320	318	316	316
change	-5.6%	-5.7%	-5.8%	-5.7%	-5.5%

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 future price this week lost $24/MT from last week's price to end at $271/MT. Similarly, KCBT hard red winter (HRW) future also lost $19/MT from last week's price to close at $324/MT (Wheat Associates, December 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	504	-2.2%
Ending stocks	188	183	169	-7.7%

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

RICE

Global rice production in November 2022/23 projected about 504 million MT, which was 2.2% lower than the previous year's projection. Global rice production is forecast down due to smaller crops for Pakistan, Nigeria, and Sri Lanka. Ending stocks in November 2022/23 projected about 169 million MT, which was 7.7% lower than the previous year (USDA, November 2022).

WHEAT

Global wheat production in November 2022/23 projected about 783 million MT, which was 0.4% higher than the previous year's forecast. Global production is forecast higher this month due to higher expected harvests in Kazakhstan. Ending stocks in November 2022/23 projected about 268 million MT, which was 3.1% lower than the previous year (USDA, November 2022).

Table 5: Wheat world production and stock (millionMT)

Wheat	2020/21	2021/22	2022/23 forecast	change 2022/23 over 2021/22
Production	775	779	783	0.4%
Ending stocks	291	276	268	-3.1%

Source: **USDA (Grain: World Markets and Trade November 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	7.00	12%	7.20	3%
USA	2.92	2.45	-16%	2.30	-6%
Pakistan	3.93	4.80	22%	4.00	-17%
India	21.24	21.00	-1%	19.50	-7%
Others	11.42	12.18	7%	11.79	-3%
World total	**51.84**	**55.03**	**6%**	**52.99**	**-3.7%**

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	25.96	32%	27.00	4%
Ukraine	16.85	18.84	12%	11.00	-42%
Russia	39.10	33.00	-16%	42.00	27%
Others	39.61	58.92	49%	44.06	-25%
World total	**199.31**	**205.08**	**3%**	**206.56**	**1%**

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 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 2022/23 projected in November at 52.9 million MT, which is 3.7% lower than the forecast of a year earlier (USDA, November 2022).
- The global rice production forecast lowered a year earlier and the first year-to-year decline since 2015/16. Global production is the smallest since 2019/20. The month-to-month reduction is due to smaller production forecasts for El Salvador, Cambodia, Nigeria, Pakistan, Sri Lanka, the United States, and Vietnam.

WHEAT

- In the 2022/23, world wheat trade projected in November at about 206.6 million tons, which is 1% higher than the previous year's export (USDA, November 2022).
- Global wheat production is projected up due to Australia continues to have optimal growing conditions and ample rainfall and Kazakhstan shows that improved precipitation and weather conditions led to higher yields.
- Trade year exports are lowered because of reductions for Argentina and India only partially offset by higher projected exports for Australia and Kazakhstan. Production in Argentina is reduced further this month limiting exportable supplies. India's export ban is starting to be reflected in the trade data resulting in a decrease of export. (USDA, November 2022).

Larger domestic production for Australia and Kazakhstan resulted in export increase. Trade year imports are reduced driven by reductions for Bangladesh, Indonesia, Turkey, and Brazil. Bangladesh imports are revised down due to consumption is projected to decline due to strong global prices coupled with limited availability from its major supplier, India. (USDA, November 2022).

5. Import

Figure 5: Rice imports (in '000 MT)

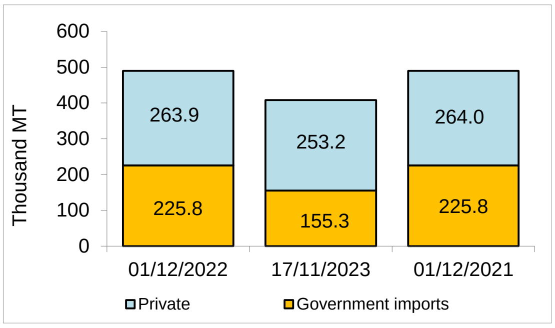
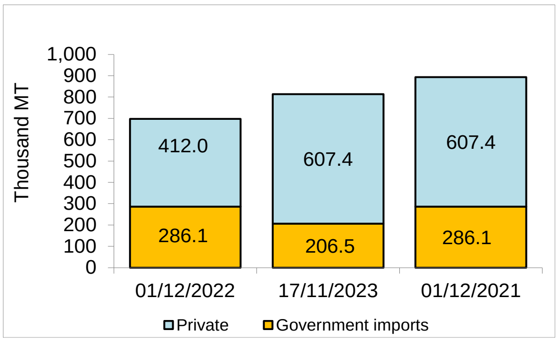


Figure 6: Wheat imports (in '000 MT)



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

RICE

Up to 1 December during this FY 2022-23, Government imported 255.8 thousand MT of rice and the private sector imported 263.9 thousand MT of rice. Over the same period of last year, the government imported 225.8 thousand MT of rice and the private sector imported 264.0 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 1 December during this FY 2022-23, public sector imported 286.1 thousand MT of wheat and the private sector imported 412.0 thousand MT of wheat. Over the same period of last year, public sector imported 286.1 thousand MT of wheat whereas private sector imported 607.4 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

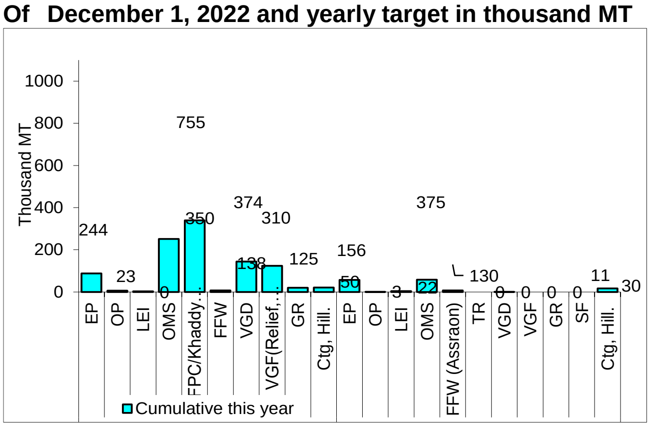
Table 8: LC situation, as of 1 December/22 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
1-12 November/22	24	90	54	175
Cumulative month, November/22	24	90	54	175
Cumulative year (starting 1st July/22)	960	1745	348	984

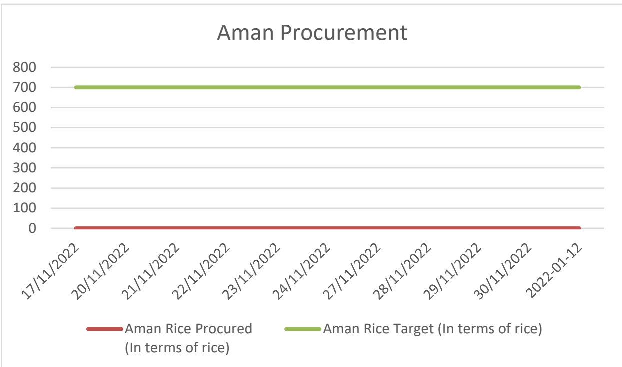
Source: Bangladesh Bank

6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as Of December 1, 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 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 91.2 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by FFP (53.9 Thousand MT), OMS (17.2 Thousand MT) and VGD (11.2 Thousand MT). As on 1 December FY 2022-23, about 1145.7 thousand MT food grains were distributed which is about 37.0% 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 1 December 2022, the public food grain stock was estimated at about 1594.9 thousand MT; 1298.8 thousand MT for rice and 298.3 thousand MT for wheat (MISM, DG Food).

DOMESTIC FOOD GRAIN PROCUREMENT

- Government 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.

- Aman rice procurement target has been fixed at 0.3 mmt of paddy at 28 Tk/kg and 0.5 mmt of parboiled rice at 42 tk/kg from domestic market. Aman procurement started from 17/11/2022. As on 1 December 3.2 thousand MT of rice has been procured.