Fortnightly Foodgrain Outlook

Issue No. 378 ***16 February 2023***

HIGHLIGHTS

- **The domestic both the retail and wholesale prices of rice increased over the last fortnight (As on 9 February 2023).**
- **The domestic retail price of rice remained unchanged whereas wholesale price of *atta* decreased over the last fortnight (As on 9 February 2023).**
- **Export prices of rice in Pakistan and India decreased whereas Thai increased over the last fortnight.**
- **Export prices of US SRW and Russia wheat decreased whereas US HRW and Ukrainian price 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 February 9, both the retail and wholesale prices of rice (*Swarna-Indian variety*) in the Dhaka city markets increased by 2.2% and 1.2% up to TK. 47.5/KG and TK. 43.0/KG respectively.

ATTA PRICE

In this fortnight ending February 9, the retail price of *atta* remained unchanged at TK. 59.0/KG and wholesale price of *atta* in the Dhaka city markets decreased by 2.4% down to Tk 52.8/Kg.

INTERNATIONAL RICE PRICE

In the fortnight ending February 9, Pakistan parboiled rice price decreased by 2.1% down to USD 471/MT whereas Thai 5% parboiled rice price increased by 3.5% up to USD 496/MT and Indian 5% parboiled rice price decreased by 1.3% down to USD 380/MT.

INTERNATIONAL WHEAT PRICE

In the fortnight ending February 9, U.S (SRW) and Russian wheat prices decreased by 0.6% and 0.7%, down to USD 325/MT and USD 305/MT respectively whereas U.S (HRW) and Ukraine wheat price increased by 1.3% and 1.7% up to USD 385/MT and USD 305/MT.

GLOBAL RICE AND WHEAT PRODUCTION

Global wheat production in January 2022/23 projected about 781 million MT, which was 0.2% higher than the previous year's forecast whereas Global rice production in January 2022/23 projected about 509 million MT, which was 2.3% lower than the previous year's projection.

GLOBAL RICE AND WHEAT TRADE PROSPECT

Global rice export for 2022/23 projected in January at 54.4 million MT, which is 3.6% lower than the forecast of a year earlier. In the 2022/23, world wheat trade projected in January at about 209.6 million tons, which is 2% higher than the previous year's export.

BANGLADESH RICE IMPORT

Up to 26 January during this FY 2022-23 Government imported 431.0 thousand MT of rice and the private sector imported 409.0 thousand MT of rice.

BANGLADESH WHEAT IMPORT

Up to 26 January during this FY 2022-23, public sector imported 483.0 thousand MT of wheat and the private sector imported 1033.0 thousand MT of wheat.

GOVERNMENT INTERVENTION

During this fortnight, about 80.5 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by OMS and followed by EP, FFW.

GOVERNMENT STOCK

As on 26 January 2023, the public food grain stock was estimated at about 1927.0 thousand MT.

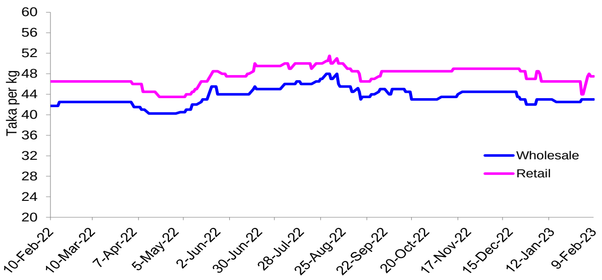
GOVERNMENT PROCUREMENT

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 26 January 2022, 275.0 thousand MT of rice has been procured.

http://www.mofood.gov.bd

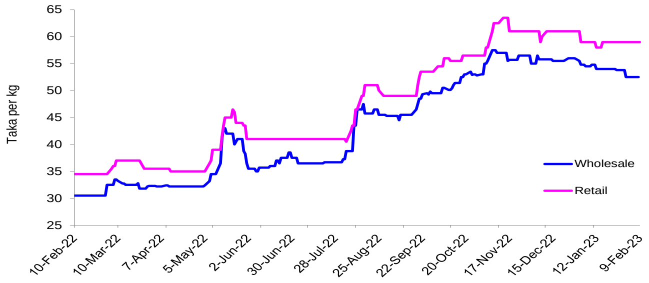
1. Domestic price: coarse rice and *atta*

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	47.50	▲ 2.2	▲ 2.2	► 0.1
wholesale	43.00	▲ 1.2	► 0.0	► 1.4
ATTA				
retail	59.00	► 0.0	► 0.0	▲ 70.8
wholesale	52.50	▼ -2.4	▼ -4.2	▲ 74.1

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 increased by 2.2% and 1.2% up to TK. 47.5/KG and TK. 43.0/KG respectively. Over the last month, the retail price of rice increased whereas wholesale price of rice in the Dhaka city markets remained unchanged. The point-to-point retail and wholesale prices 0.1% and 1.4% higher than that of the corresponding period of the last year.

ATTA
Up to this fortnight, the retail price of *atta* remained unchanged at TK. 59.0/KG and wholesale price of *atta* in the Dhaka city markets decreased by 2.4% down to Tk 52.8/Kg. Over the last month, the retail price remained unchanged and wholesale price of *atta* in the Dhaka city markets decreased by 4.2% respectively. The point-to-point retail and wholesale prices were 70.8% and 74.1% 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

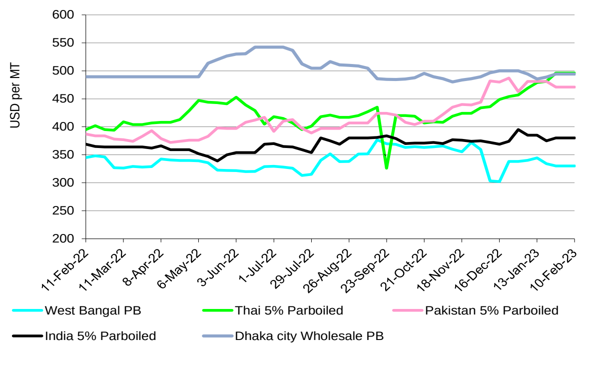
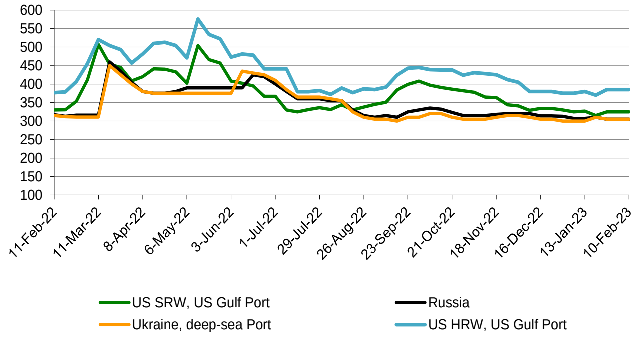


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 February 9, Pakistan parboiled rice price decreased by 2.1% down to USD 471/MT whereas Thai 5% parboiled rice price increased by 3.5% up to USD 496/MT and Indian 5% parboiled rice price decreased by 1.3% down to USD 380/MT. Over the same period, the West Bengal parboiled rice price decreased by 4.2% up to USD 330/MT and Dhaka city wholesale prices of rice decreased by 1.6% down to USD 405/MT.

WHEAT
In the fortnight ending February 9, U.S (SRW) and Russian wheat prices decreased by 0.6% and 0.7%, down to USD 325/MT and USD 305/MT respectively whereas U.S (HRW) and Ukraine wheat price increased by 1.3% and 1.7% up to USD 385/MT and USD 305/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	MAR (H23)	MAY (K23)	JUL (N23)	SEP (U23)	JAN (H23)
2-Feb	278	282	284	287	292
10-Feb	289	292	294	296	301
change	3.9%	3.6%	3.5%	3.3%	3.1%

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

change	MAR (H23)	MAY (K23)	JUL (N23)	SEP (U23)	JAN (H23)
2-Feb	321	318	315	315	317
10-Feb	334	329	324	323	324
change	4.1%	3.5%	2.9%	2.5%	2.2%

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 gained $11/MT from last week's price to end at $289/MT. Similarly, KCBT hard red winter (HRW) future also gain $13/MT from last week's price to close at $334/MT (U.S. Wheat Associates, January 2023) (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	503	-2.3%
Ending stocks	188	183	170	-7.2%

Source: **USDA (Grain: World Markets and Trade, January 2023)**

RICE
Global rice production in January 2022/23 projected about 509 million MT, which was 2.3% lower than the previous year's projection. Global rice production is down this month primarily due to a smaller crop in China. Ending stocks in January 2022/23 projected about 170 million MT, which was 7.2% lower than the previous year (USDA, January 2023).

WHEAT
Global wheat production in January 2022/23 projected about 781 million MT, which was 0.2% higher than the previous year's forecast. Global production is forecast higher this month on larger crops in Ukraine and the European Union. Ending stocks in January 2022/23 projected about 268 million MT, which was 3.0% lower than the previous year (USDA, January 2023).

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	781	0.2%
Ending stocks	290	277	268	-3.0%

Source: **USDA (Grain: World Markets and Trade January 2023)**

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	6.28	7.90	26%	8.50	8%
Vietnam	6.27	7.20	15%	7.40	3%
USA	2.92	2.16	-26%	2.15	0%
Pakistan	3.93	4.80	22%	4.00	-17%
India	21.24	21.80	3%	20.50	-6%
Others	11.42	12.57	10%	11.83	-6%
World total	**52.06**	**56.43**	**8%**	**54.38**	**-3.6%**

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	26.64	21.50	-19%	21.50	0%
European Union	29.74	31.92	7%	36.50	14%
Canada	27.72	15.01	-46%	26.00	73%
Australia	19.72	25.96	32%	28.50	10%
Ukraine	16.85	18.84	12%	13.00	-31%
Russia	39.10	33.00	-16%	43.00	30%
Others	39.60	58.90	49%	41.13	-30%
World total	**199.37**	**205.13**	**3%**	**209.63**	**2%**

Source: USDA (Grain: World Markets and Trade, January 2023) *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, 2020/21 is calendar year 2021, 2021/22 is calendar year 2022, 2022/23 is calendar year 2023 and so on.*

RICE

- Global rice export for 2022/23 projected in January at 54.4 million MT, which is 3.6% lower than the forecast of a year earlier (USDA, January 2023).
- 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 January at about 209.6 million tons, which is 2% higher than the previous year's export (USDA, January 2023).
- 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, January 2023).

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, January 2023).

5. Import

Figure 5: Rice imports (in '000 MT)

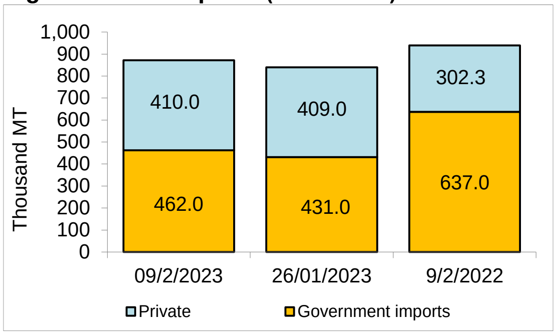
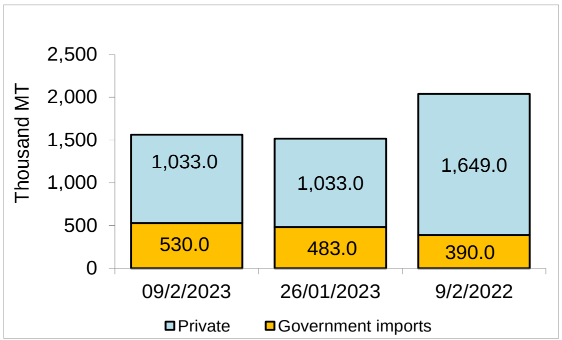


Figure 6: Wheat imports (in '000 MT)



Source: **MISM, DG Food;** ***Aid, if any, is included in Government imports***

RICE

Up to 9 February during this FY 2022-23, Government imported 462.0 thousand MT of rice and the private sector imported 410.0 thousand MT of rice. Over the same period of last year, the government imported 637.0 thousand MT of rice and the private sector imported 302.3 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.

WHEAT

Up to 9 February during this FY 2022-23, public sector imported 530.0 thousand MT of wheat and the private sector imported 1033.0 thousand MT of wheat. Over the same period of last year, public sector imported 390. thousand MT of wheat whereas private sector imported 1649.0 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 by the private sector.

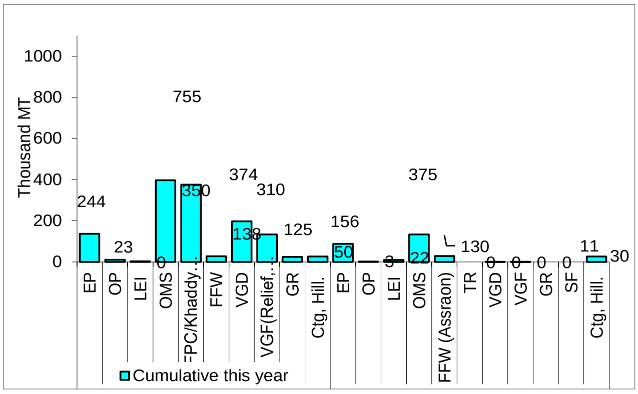
Table 8: LC situation, as on 31 December/22 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
1-31 December/22	43	214	200	394
Cumulative month, December/22	43	214	200	394
Cumulative year (starting 1st July/22)	1043	2113	659	1561

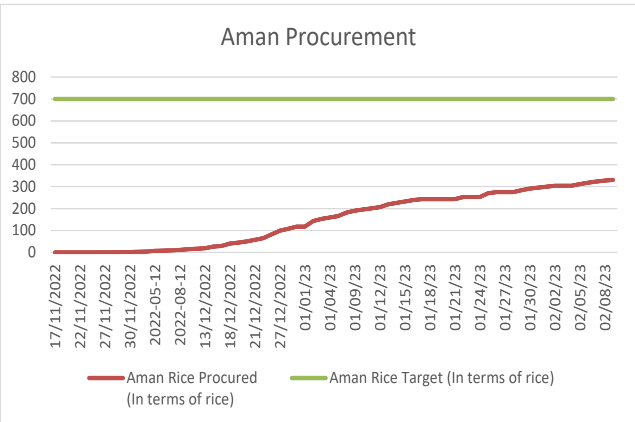
Source: Bangladesh Bank

6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as Of January 26, 2023 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 77.4 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by OMS (29.0 Thousand MT), EP (15.1 Thousand MT) and VGF (7.3 Thousand MT). As on 9 February FY 2022-23, about 1617.9 thousand MT food grains were distributed which is about 52.3% 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 24 Tk/kg for *Atta*. Each beneficiary being able to purchase up to 5 kg of foodgrains.

PUBLIC STOCKS (inclusive transit)

- As on 9 February 2023, the public food grain stock was estimated at about 2007.5 thousand MT; 1620.5 thousand MT for rice and 369.0 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 9 February 2023, 331.0 thousand MT of rice has been procured.