Fortnightly Foodgrain Outlook

Issue No. 380 ***16 March 2023***

HIGHLIGHTS

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

ATTA PRICE

In this fortnight ending March 9, both the retail and wholesale price of *atta* in the Dhaka city markets remained unchanged at TK. 59.0/KG *and* Tk 54.0/Kg respectively.

INTERNATIONAL RICE PRICE

In the fortnight ending March 10, Pakistan and India and Thai 5% parboiled rice prices decreased by 3.0%, 1.3% and 0.9% down to USD 490/MT, USD 384/MT and USD 448/MT.

INTERNATIONAL WHEAT PRICE

In the fortnight ending March 10, U.S (SRW), U.S (HRW) and Russian wheat prices decreased by 11.8%, 8.2% and 2.3% up to USD 292/MT, USD 358/MT and USD 293/MT respectively whereas Ukraine wheat price increased by 3.6% down to USD 290/MT.

GLOBAL RICE AND WHEAT PRODUCTION

Global rice production in February 2022/23 projected about 509 million MT, which was 0.8% lower than the previous year's projection whereas Global wheat production in February 2022/23 projected about 789 million MT, which was 1.2% higher than the previous year's forecast.

GLOBAL RICE AND WHEAT TRADE PROSPECT

Global rice export for 2022/23 projected in February at 55.0 million MT, which is 2.0% lower than the forecast of a year earlier. In the 2022/23, world wheat trade projected in February at about 212.4 million tons, which is 3% higher than the previous year's export.

BANGLADESH RICE IMPORT

Up to 9 March during this FY 2022-23, Government imported 604.0 thousand MT of rice and the private sector imported 416.0 thousand MT of rice.

BANGLADESH WHEAT IMPORT

Up to 9 March during this FY 2022-23, public sector imported 581.0 thousand MT of wheat and the private sector imported 1415.0 thousand MT of wheat.

GOVERNMENT INTERVENTION

During this fortnight, about 149.4 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by OMS and followed by VGD, FFP.

GOVERNMENT STOCK

As on 9 March 2023, the public food grain stock was estimated at about 1911.6 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 9 March 2023, 433.0 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)

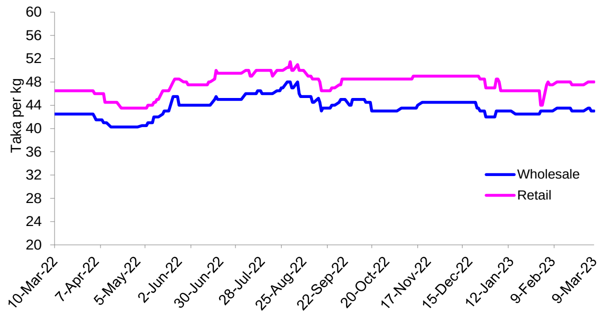
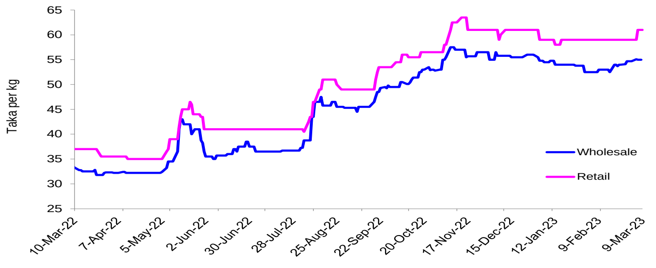


Figure 2: Change in prices of *Atta* (Dhaka)



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	48.00	0.0	1.1	2.7
wholesale	43.00	0.0	0.0	1.4
ATTA				
retail	61.00	0.0	3.4	70.1
wholesale	55.00	0.0	4.8	74.2

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. 47.5/KG and TK. 43.0/KG respectively. Over the last month, the retail price of rice increased by 1.1% and wholesale price of rice in the Dhaka city markets remained unchanged. The point-to-point retail and wholesale prices 2.7% and 1.4% higher than that of the corresponding period of the last year.

ATTA

Up to this fortnight, both the retail and wholesale price of *atta* in the Dhaka city markets remained unchanged at TK. 59.0/KG *and* Tk 54.0/Kg respectively. Over the last month, both the retail and wholesale prices of *atta* in the Dhaka city markets increased by 3.4% and 4.8%. The point-to-point retail and wholesale prices were 70.1% and 74.2% 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

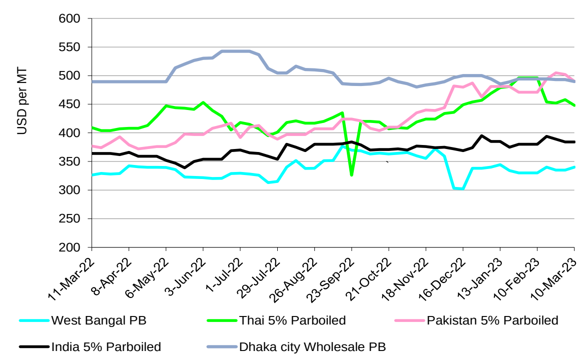
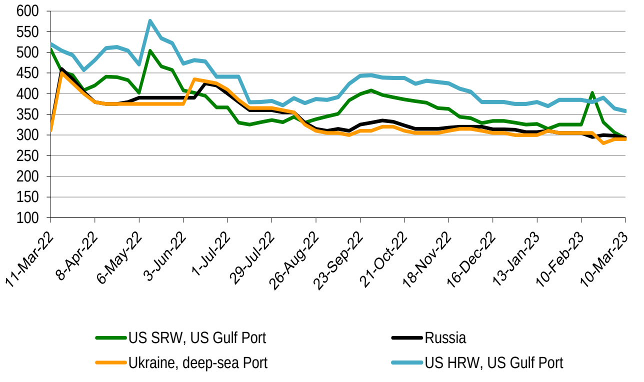


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 March 10, Pakistan and India and Thai 5% parboiled rice prices decreased by 3.0%, 1.3% and 0.9% down to USD 490/MT, USD 384/MT and USD 448/MT. Over the same period, both the West Bengal parboiled rice and Dhaka city wholesale prices of rice increased by 1.5% and 1.2% up to USD 335/MT and USD 415/MT respectively.

WHEAT

In the fortnight ending March 10, U.S (SRW), U.S (HRW) and Russian wheat prices decreased by 11.8%, 8.2% and 2.3% up to USD 292/MT, USD 358/MT and USD 293/MT respectively whereas Ukraine wheat price increased by 3.6% down to USD 290/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)
3-Mar	260	263	267	273	278
10-Mar	250	254	258	264	268
change	-4.2%	-3.7%	-3.6%	-3.5%	-3.5%

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

change	MAR (H23)	MAY (K23)	JUL (N23)	SEP (U23)	JAN (H23)
3-Mar	300	297	298	301	302
10-Mar	293	290	290	293	293
change	-2.2%	-2.4%	-2.6%	-2.8%	-2.9%

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 $10/MT from last week's price to end at $250/MT. Similarly, KCBT hard red winter (HRW) future also lost $7/MT from last week's price to close at $293/MT (U.S. Wheat Associates, March 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	514	510	-0.8%
Ending stocks	189	183	173	-5.5%

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

RICE
Global rice production in February 2022/23 projected about 509 million MT, which was 0.8% lower than the previous year's projection. Global rice production is up significantly, almost entirely due to a larger crop in India. Ending stocks in February 2022/23 projected about 173 million MT, which was 5.5% lower than the previous year (USDA, February 2023).

WHEAT
Global wheat production in February 2022/23 projected about 789 million MT, which was 1.2% higher than the previous year's forecast. Global production is forecast higher this month on larger crops in Kazakhstan, Australia, and India. Ending stocks in February 2022/23 projected about 267 million MT, which was 1.6% lower than the previous year (USDA, February 2023).

Table 5: Wheat world production and stock (millionMT)

Wheat	2020/21	2021/22	2022/23 forecast	change 2022/23 over 2021/22
Production	774	779	789	1.2%
Ending stocks	285	271	267	-1.6%

Source: **USDA (Grain: World Markets and Trade February 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	7.68	22%	8.20	7%
Vietnam	6.27	7.05	12%	6.80	-4%
USA	2.92	2.18	-25%	2.00	-8%
Pakistan	3.93	4.53	15%	3.80	-16%
India	21.24	22.12	4%	22.50	2%
Others	11.42	12.59	10%	11.74	-7%
World total	**52.06**	**56.15**	**8%**	**55.04**	**-2.0%**

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	31.93	7%	37.00	16%
Canada	27.72	14.99	-46%	25.00	67%
Australia	19.72	25.96	32%	30.00	16%
Ukraine	16.85	18.84	12%	13.50	-28%
Russia	39.10	33.00	-16%	43.50	32%
Others	39.73	59.10	49%	41.85	-29%
World total	**199.50**	**205.32**	**3%**	**212.35**	**3%**

Source: USDA (Grain: World Markets and Trade, February 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 February at 55.0 million MT, which is 2.0% lower than the forecast of a year earlier (USDA, February 2023).
- India accounts for a quarter of global rice production and is the second largest producer after China. India rice production for MY 2022/23 (October 2022 - September 2023) is estimated at 132.0 million tons.

WHEAT
- In the 2022/23, world wheat trade projected in February at about 212.4 million tons, which is 3% higher than the previous year's export (USDA, February 2023).
- Global production is forecast higher this month on larger crops in Kazakhstan, Australia, and India. Global trade is forecast up with higher exports, mainly from Kazakhstan, Australia, and Brazil, more than offsetting smaller exports for Argentina and India.
- Imports are forecast up mostly on higher demand from Kazakhstan, Saudi Arabia, and Azerbaijan. Global consumption is raised with more consumption for food, seed, and industrial use in India and more feed and residual use in Kazakhstan. (USDA, February 2023).

Kazakhstan is a major supplier of both wheat grain and flour to Central Asia, capturing nearly 100-percent market share in Uzbekistan, Tajikistan, and Turkmenistan. (USDA, February 2023).

5. Import

Figure 5: Rice imports (in '000 MT)

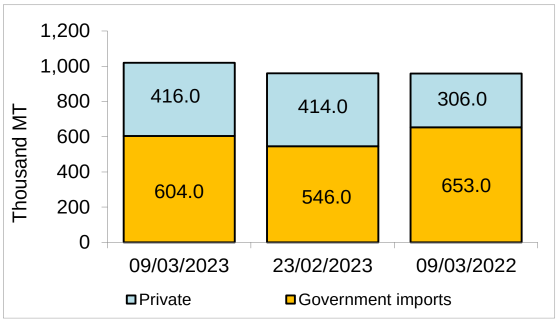
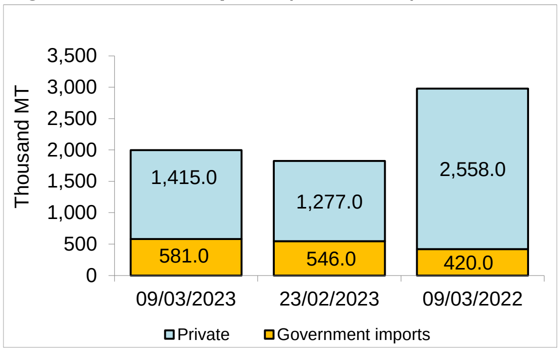


Figure 6: Wheat imports (in '000 MT)



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

RICE

Up to 9 March during this FY 2022-23, Government imported 604.0 thousand MT of rice and the private sector imported 416.0 thousand MT of rice. Over the same period of last year, the government imported 653.0 thousand MT of rice and the private sector imported 306.0 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.

WHEAT

Up to 9 March during this FY 2022-23, public sector imported 581.0 thousand MT of wheat and the private sector imported 1415.0 thousand MT of wheat. Over the same period of last year, public sector imported 420.0 thousand MT of wheat whereas private sector imported 2558.0 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.

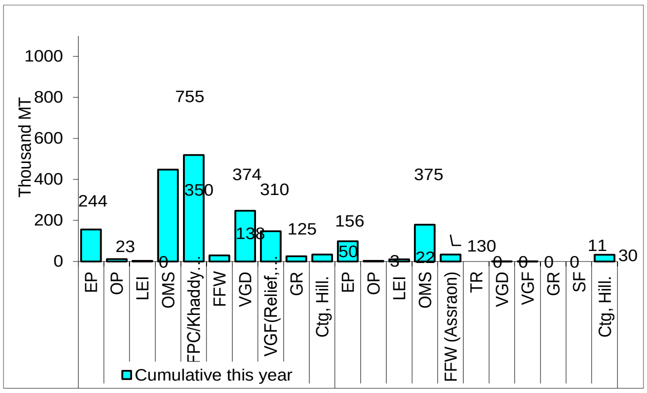
Table 8: LC situation, as on 31 January/23 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
1-31 January/23	135	262	169	291
Cumulative month, January/23	135	262	169	291
Cumulative year (starting 1st July/22)	1178	2375	828	1852

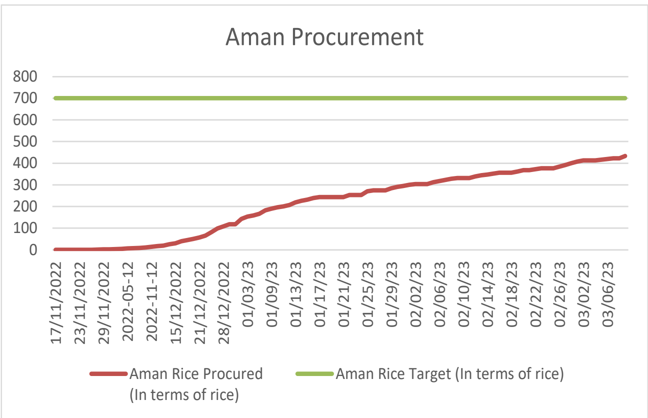
Source: Bangladesh Bank

6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as Of February 23, 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 149.4 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by OMS (54.7 Thousand MT), VGD (35.4 Thousand MT) and FFP(33.6 Thousand MT). As on 9 March FY 2022-23, about 1977.0 thousand MT food grains were distributed which is about 63.9% 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 March 2023, the public food grain stock was estimated at about 1911.6 thousand MT; 1527.4 thousand MT for rice and 381.6 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 March 2023, 433.0 thousand MT of rice has been procured.