

Bangladesh Food Situation Report

Overview

Considering final reports of BBS for *aus*, *aman* and estimates from relevant sources on *boro*, it is expected that the total foodgrain production for 2002/03 would be higher than that of last year. However, there may be a shortfall of about 2.1% to 5.6% from the production target. Despite poor government procurement of *aman* and wheat total government procurement for 2002/03 was 0.95 million metric ton(mmt), which was about 26.3% higher than the original budgetary target (0.75 mmt). The government food distribution stand at 1.42 mmt for 2002/03 against the original target of 1.33 mmt. The market price of foodgrain was reasonably stable due to some steps taken by the government (Fig-2). Private sector foodgrain import in 2002/03 was 2.97 mmt, which was more than double compared to that of (1.29 mmt) last year.

Production Outlook

The production target of foodgrain for 2002/03 was 28.08mmt. As per final estimate of Bangladesh Bureau of Statistics (BBS), actual production of *aus* and *aman* in the year 2002/03 were 1.85 and 11.11 mmt respectively. The provisional estimate of wheat production received from BBS was 1.51mmt. Actual production of *boro* is yet to be finalised by BBS. In respect of *Boro* production, Department of Agriculture Extension (DAE) indicated that it would be above 13 mmt. Bangladesh Space Research and Remote Sensing Organization gave an estimate (from the result of satellite imagery) that *boro* acreage was 3.98 million hectares and that the production would be 12.46 mmt. From Rapid Rural Appraisal (RRA) by FPMU (see box-1) it was revealed that the production of *boro* might stand at 12.53 mmt. BBS, however, has had a preliminary estimate of around 11.9 mmt. From the above observations it appears that the total production of foodgrain in the year 2002/03 would be in the range of 26.5 mmt to 27.5 mmt which is 2.3% to 6.2% higher than last year's actual production.

Figure 1

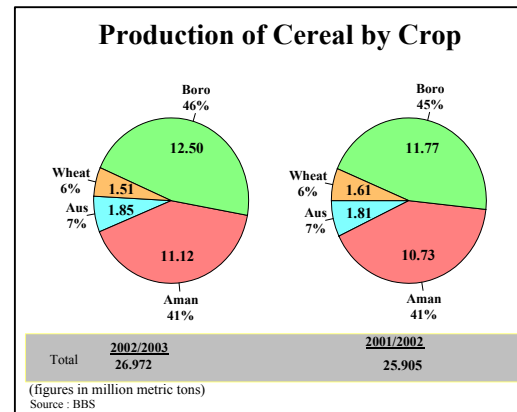
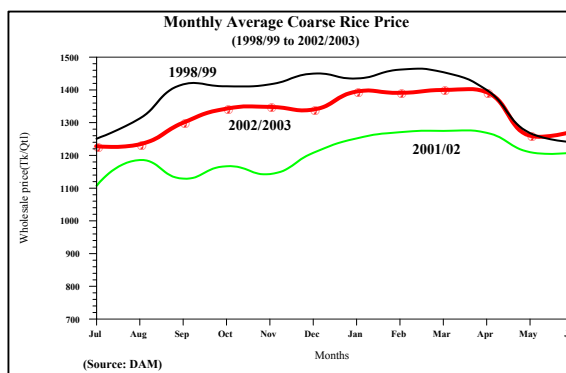


Figure 2



Government Action

The internal procurement of foodgrain in 2002/03 was 0.95 mmt as against the target of 0.75 mmt. This has helped in building a comfortable level of PFDS stock. The foodgrain distribution under PFDS in 2002/03 was 1.42 mmt, 7% higher than the initial target of 1.33 mmt. This increase in distribution was primarily due to enhanced distribution in OMS which was adopted to stabilise the market price during November and December/02. In addition to that Government has reduced tariff and L.C margin for private import. As a result 2.97 mmt of foodgrain were imported by the private sector, contributing in the stability of price of foodgrains.

Dhaka , Bangladesh , August 2003

Food Aid and Commercial Imports

In FY 2002/03, against the budgeted quantity of 400 thousand mt, the actual arrival of food aid were about 242 thousand mt, 47.5% of last year's food aid arrival (509 thousand mt). Government did not import foodgrain from its own resources during 2002/03 although there was a provision of 0.2 mmt in the budget.

The private sector played a vital role in augmenting national foodgrain supply during 2002/03. A total of 2.97 mmt of foodgrains (1.55 mmt of rice and 1.42 mmt of wheat) were imported by the private sector during 2002/03. But in 2001/02 private sector foodgrain imports were only 1.29 mmt (rice 0.12 mmt and wheat 1.17 mmt).

Table 1: Imports of Foodgrain

(000' MTs)

Category of Imports	2001/02	2002/03												Total
		Actual												
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Rice														
Govt. Com.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Food Aid	8	0	0	1	1	0	0		0	2		0	0	4
Private	118	36	97	63	94	97	56	50	122	281	283	227	147	1553
Wheat														
Govt. Com.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Food Aid	500	0	0	75	25	0	32	49	0	0	0	43	15	238
Private	1171	106	157	123	129	73	111	145	138	100	115	117	102	1414
Total	1797	141	253	263	248	170	198	244	260	383	397	387	263	3209

International Prices

The average price of Thai parboiled rice (5% broken) in FY 2002/03 was US\$ 194 (FOB Bangkok) per metric ton, 2% lower than the average price in FY 2001/02 (US \$198 per metric ton). In 2002/03 intra-year price variation was minimal (ranging from US\$194 per metric ton in July'02 to US\$ 200 per metric ton in Jun'03). The average price of Thai non-parboiled rice (15% broken) in FY 2002/03 was US\$ 186 (FOB Bangkok) per metric ton, 6% higher than the average price in FY 2001/02 (US \$176 per metric ton) (Fig - 3).

The international wheat price (HRW #2) in 2001/02 was almost stable at around US \$125(FOB,US Gulf) per metric ton. But due to the bad harvest in Canada and USA, the major exporter of the world, the wheat price rose sharply since July/02. The price stood at US \$194 per metric ton in October/02. However it started to fall again from November/02. The price further came down to US\$ 137 per metric ton in june/03. (Fig- 4).

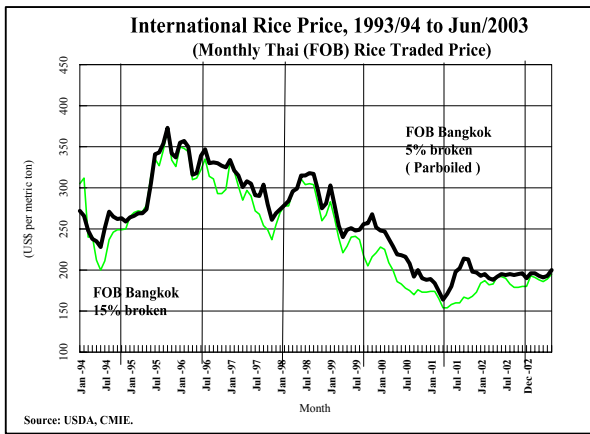


Figure -3

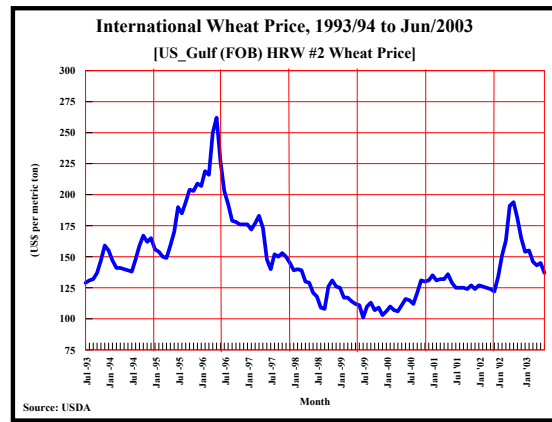


Figure-4

Domestic Prices

The average wholesale price of HYV paddy in the intensive production areas for the year 2002/03 was Tk. 742 per quintal, which was much higher than the average price of last year. In the beginning of the year 2002/03 there was a rising trend in the weekly price and it continued with slight fluctuation up to the end of November/02, then there was a fall after *aman* harvest. In the 2nd week of February/03 the price started to rise again and reached the highest level of the year at Tk.882 per quintal, in the 2nd week of March/03. The price again started to fall and reached at the lowest level of the year at the 2nd week of May/03 having ample supply from *boro* harvest and remained almost stable for the rest of 2002/03.

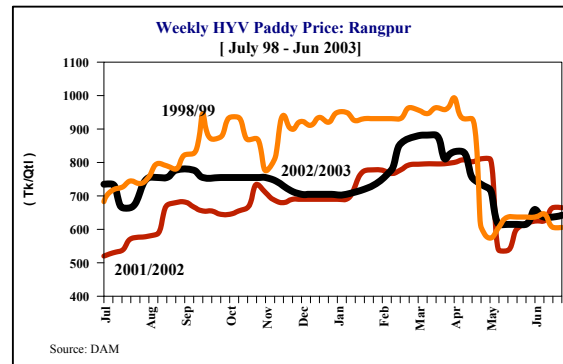


Figure -5

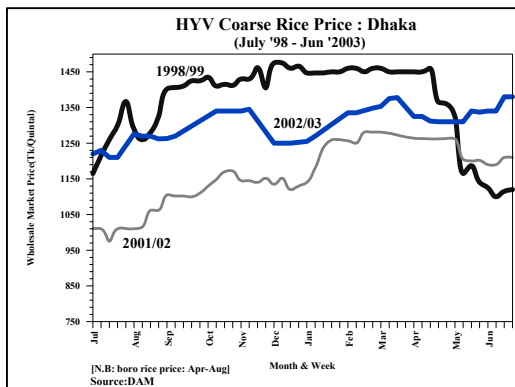


Figure-6

The average wholesale price of coarse rice in Dhaka for the year 2002/03 was Tk. 1304 per quintal, which was higher than the corresponding price of the previous year (Tk. 1165 per quintal). In first week of July/02 the weekly price of coarse rice was Tk.1220 per quintal about 21% higher than the price of the same period of the previous year. The price increased continuously upto the last week of November/02 (Tk. 1360 per quintal), then it started to fall with the supply of rice through OMS programme by the government. The price situation of rice in the open markets, specially in Dhaka, remained reasonably stable for the rest of the fiscal year having supply through the private sector import.

The average wheat price in Dhaka for the FY 2002/03 was Tk. 888 per quintal, which was remarkably lower than corresponding prices of the previous year i.e, Tk. 959. In the beginning of the year 2002/03 the weekly average price of wheat in Dhaka was Tk. 925 per quintal, which was about 5% lower than that of previous year. The declining trend of price continued upto April/03 and then remained almost stable from the 3rd week of April/03 upto the end of the FY 2002/03. (Fig-7).

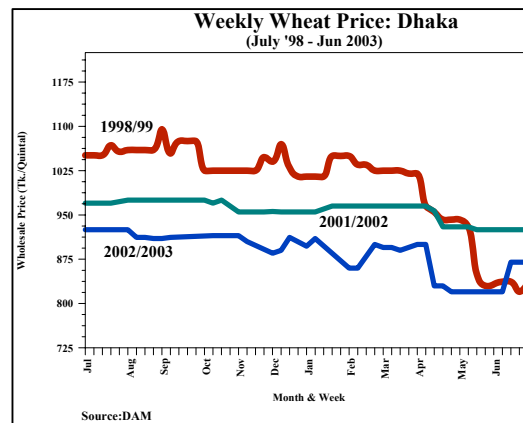


Figure-7

Figure 8

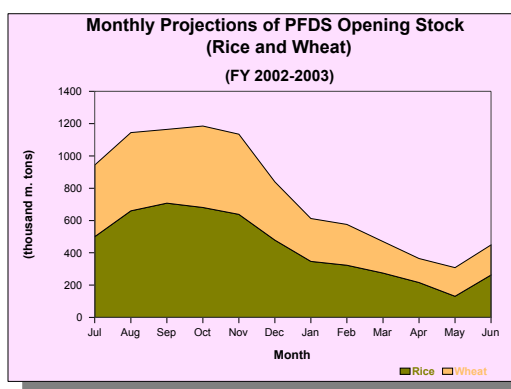
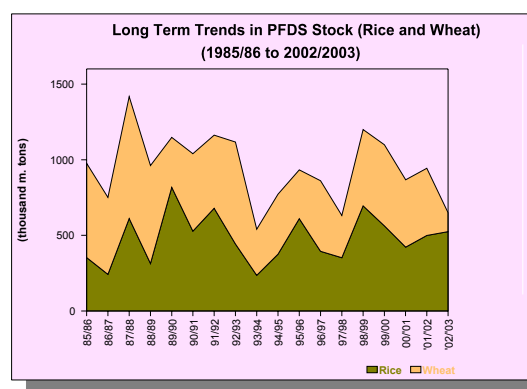


Figure 9



Public Food Operations

Table 2: Monthly Public Foodgrain Operation, 2002-2003

(July 2002 –Jun 2003)

(000 MTs)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Rice													
Opening Stock	499.7	659.5	707.1	680.8	637.7	479.2	347.0	323.6	274.5	216.2	130.9	262.7	
Accumulation													
Procurement	172	65	0	0	0	0	11	7	1	0	193	367	816
Food Aid	0	0	2	1	0	0	0	0	2	0	0	0	4
Govt. Com. Imp.	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution													
Priced	11	11	11	12	108	96	12	11	11	11	12	11	316
Non-Priced	2	6	15	30	25	35	22	44	49	74	50	93	445
Stock Loss	0	0	2	1	25	1	1	1	1	0	0	0	34
Closing Stock (a)	659.5	707.1	680.8	637.7	479.2	347.0	323.6	274.5	216.2	130.9	262.7	525.6	
Wheat													
Opening Stock	444.3	485.0	456.5	503.7	497.1	359.9	264.6	252.7	195.3	149.1	176.8	186.1	
Accumulation													
Procurement	66	0	0	1	0	0	0	0	0	62	2	5	136
Food Aid	0	0	75	25	0	32	49	0	0	0	43	15	238
Govt. Com. Imp.	0	0	0	0	0	0	0	0	0	0	0	0	0
Distribution													
Priced	10	13	9	14	119	104	10	10	10	8	10	9	326
Non-Priced	14	16	17	18	18	23	51	47	36	25	26	46	336
Stock Loss	1	0	1	0	0	1	1	1	0	0	0	0	5
Closing Stock (b)	485.0	456.5	503.7	497.1	359.9	264.6	252.7	195.3	149.1	176.8	186.1	151.1	
Total Stock (a+b)	1144.5	1163.6	1184.4	1134.8	839.1	611.6	576.3	469.9	365.3	307.7	448.8	676.7	

Food Security and Nutritional Status

Factors affecting nutritional status of Children:

Child Nutrition Survey (2000) by BBS has identified some factors that influence nutritional status of children in Bangladesh. Household Food Security is one of those factors, which in turn depends, among others, on the amount of land a household possesses, annual household income and expenditure, per capita annual expenditure and expenditure on food as % of total income. The survey results show how the rates of stunting, wasting and underweight in the children vary with the dispossession of certain amount of land as well as income and expenditure by the households specifically expenditure on food.

The survey shows that 11.3% to 14% children were wasted in the families having land of less than two acres. Among those having two acres or more, 7.7% to 10.3% children were wasted. In the families possessing land of less than one acre, 50.4-51% children were stunted. Forty seven percent children of families having land of one to less than two acres were found stunted. Stunting rate dropped to almost 37.5% in the families having land of two acres and above. Similarly, 52.8% to 54.7% children were found underweight in the households having land of less than one acre and 46.2% children were underweight in the families owning one to less than two acres of land. Among the rest having two acres or more of land, 38.4 to 41.6% children were underweight (fig-10).

So, the rate of malnutrition among the children drops in the households having more land for cultivation. However the findings have some exceptions as the values of all the indicators slightly go up (fig-10) (in between zero and .99 acres of land). One of the explanations could be that households without any land fall within the criteria of various targeted safety net programmes of the government and that they usually get foodgrain under those programmes. Again household food security does not depend on owning of land alone rather on a combination of other factors. These issues may be focused in the next issues.

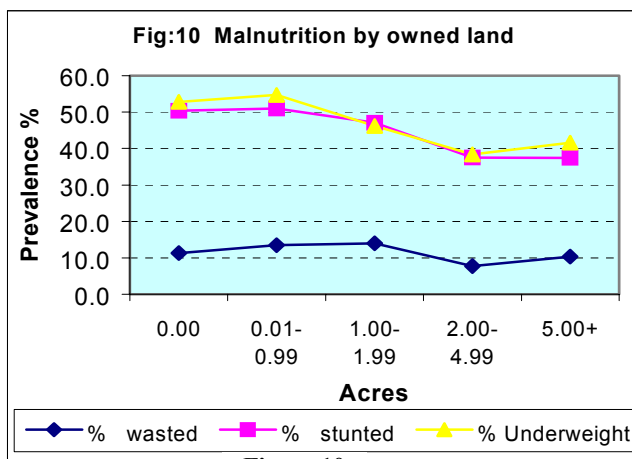


Figure 10

Box # 1

FPMU of the Ministry of Food has carried out a Rapid Rural Appraisal as part of its production monitoring effort. About 167 farmers from 23 selected districts were interviewed on FY 2003 *boro*. 22% of the farmers reported that their acreage were increased, 19% reported decrease and 59% reported the same as that of last year. On the question of yield, 51% reported increase, 17% reported decrease and 26% told the same as that of last year. The overall adjusted per hectare yield of *boro* (rice) has come up at 3.15 mt. Thus the production of *boro* stands at 12.53 mmt (if multiplied with *boro* area estimated by DAE).