Fortnightly Foodgrain Outlook

Issue No. 326 ***18 February 2021***

HIGHLIGHTS

- **The domestic wholesale and retail prices of rice remained unchanged over the last fortnight (As on 11 February 2021).**
- **The domestic wholesale and retail prices of *atta* increased over the last fortnight (As on 11 February 2021).**
- **Export prices of rice in Thailand, Pakistan, and Vietnam increased whereas rice price in India decreased over the last fortnight.**
- **Export prices of, U.S (SRW), U.S (HRW) wheat, Russian, and Ukrainian wheat prices decreased over the last fortnight.**
- **Global rice and wheat production projected increased than a year ago.**
- **Global rice export projected increased than a year ago whereas global wheat export projected decreased than a year ago.**

SUMMARY

RICE PRICE
During this fortnight, the wholesale and the retail prices of rice *(Swarna-Indian variety*) in the Dhaka city markets remained unchanged at Tk 45.5/Kg and Tk 41.5/Kg respectively.

ATTA PRICE
Up to this fortnight, the wholesale and retail price of *atta* in the Dhaka city markets increased by 6.9% and 8.2% up to Tk 31.0/Kg and Tk 26.3/Kg respectively.

INTERNATIONAL RICE PRICE
In the fortnight ending February 12, Thai and Pakistan 5% parboiled rice prices and Vietnam 15% white rice price increased by 0.8%, 0.4%, and 0.2% up to USD 528/MT, USD 455/MT, and USD 497/MT respectively whereas Indian 5% parboiled rice price decreased by 2.3% down to USD 385/MT.

INTERNATIONAL WHEAT PRICE
In the fortnight ending February 12, U.S (SRW), U.S (HRW), Russian, and Ukrainian wheat prices decreased by 1.7%, 1.4%, 5.2% and 4.1% up to USD 275/MT, USD 292/MT, USD 281/MT, and USD 282/MT respectively.

GLOBAL RICE AND WHEAT PRODUCTION
In the year 2020/21, global rice production projected in February about 504 million MT, which was 1.4% higher than the previous year's projection whereas Wheat production projected about 773 million MT, which was 1.2% higher than the previous year's projection.

GLOBAL RICE AND WHEAT TRADE PROSPECT
Global rice export for 2020/21 projected in February at 46.12 million MT, which is 2.7% higher from a year earlier. In the 2020/21, world wheat trade projected in February at 193.14 million tons, which is 1% down to the previous year's export.

BANGLADESH RICE IMPORT
Up to 11 February during this FY 2020-21, Government imported 48.0 thousand MT of rice while 110 MT of rice was imported by the private sector.

BANGLADESH WHEAT IMPORT
Up to 11 February during this FY 2020-21, about 215.8 thousand MT of wheat was imported by the public sector while about 2995.1 thousand MT wheat was imported by the private sector.

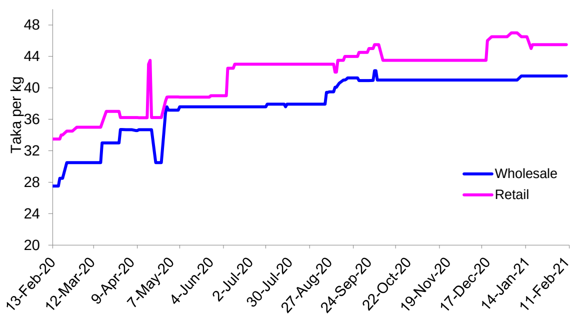
GOVERNMENT INTERVENTION
During this fortnight, about 64.9 thousand MT food grains were distributed through the PFDS. The distribution was majorly dominated by VGD, OMS, EP, Ctg. Hill, and so on.

GOVERNMENT STOCK
As on 11 February 2021, the public food grain stock was estimated at 723.2 thousand MT.

GOVERNMENT PROCUREMENT
Aman rice procurement target has been fixed at 0.79 mmt in terms of rice. Up to 11 February 2021, 63.6 Thousand MT of *Aman* rice (in terms of rice) has been procured.

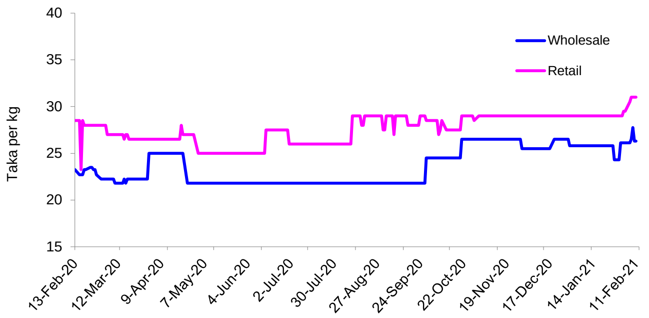
1. Domestic price: coarse rice and *atta*

Figure1: 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).

Table1: Rice and *Atta* price changes (Dhaka city)

		change in %		
		over last fortnight	over last month	over last year
RICE				
retail	45.50	► 0.0	▼ -2.2	▲ 38.9
wholesale	41.50	► 0.0	► 0.0	▲ 52.6
ATTA				
retail	31.00	▲ 6.9	▲ 6.9	▲ 5.4
wholesale	26.30	▲ 8.2	▲ 1.9	▲ 14.0

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 wholesale and the retail prices of rice *(Swarna-Indian variety*) in the Dhaka city markets remained unchanged at Tk 45.5/Kg and Tk 41.5/Kg respectively. However, the retail price of rice in the Dhaka city markets decreased by 2.2% while the wholesale price remained unchanged over the last month. The point-to-point retail and wholesale prices were 38.9% and 52.6% higher respectively than that of the corresponding period of the last year.

ATTA
Up to this fortnight, the wholesale and retail price of *atta* in the Dhaka city markets increased by 6.9% and 8.2% up to Tk 31.0/Kg and Tk 26.3/Kg respectively. However, over the last month, the wholesale and retail prices of *atta* in the Dhaka city markets also increased by 6.9% and 1.9% respectively. The point-to-point wholesale and retail prices were 5.4% and 14.0% lower 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

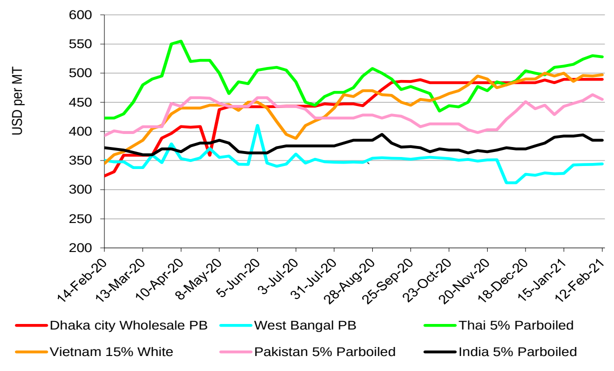
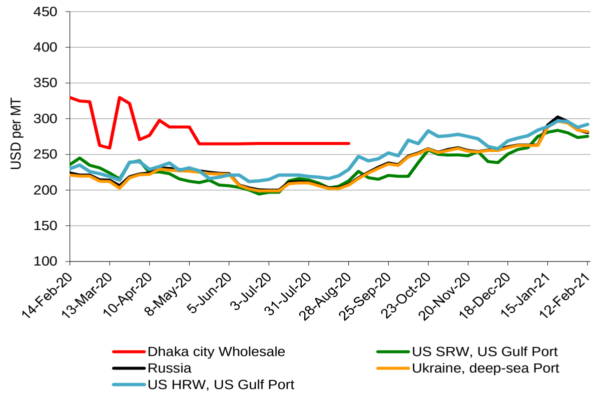


Figure 4: Wheat wholesale price in Dhaka and FOB Prices in relevant international markets



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 12, Thai and Pakistan 5% parboiled rice prices and Vietnam 15% white rice price increased by 0.8%, 0.4%, and 0.2% up to USD 528/MT, USD 455/MT, and USD 497/MT respectively whereas Indian 5% parboiled rice price decreased by 2.3% down to USD 385/MT. However, West Bengal parboiled rice price also slightly increased by 0.3% up to USD 344/MT while the Dhaka city wholesale price of rice remained unchanged at USD 489/MT respectively over the same period.

WHEAT
In the fortnight ending February 12, U.S (SRW), U.S (HRW), Russian, and Ukrainian wheat prices decreased by 1.7%, 1.4%, 5.2% and 4.1% up to USD 275/MT, USD 292/MT, USD 281/MT, and USD 282/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	MAR (H21)	MAY (K21)	JUL (N21)	SEP (U21)	DEC (Z21)
5-Feb	236	237	232	232	234
12-Feb	234	236	231	231	234
change	-0.7%	-0.7%	-0.3%	-0.3%	-0.3%

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

change	MAR (H21)	MAY (K21)	JUL (N21)	SEP (U21)	DEC (Z21)
5-Feb	230	232	232	233	235
12-Feb	227	229	230	232	234
change	-1.4%	-1.2%	-0.9%	-0.6%	-0.5%

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

CBOT soft red winter (SRW) futures fell $2/MT to end at $234/MT. Similarly, KCBT hard red winter (HRW) futures lost $3/MT to close at $227/MT. All wheat futures prices were pressured by the technical selling week-over week. (Wheat Associates, February 2021) (Table-2 & 3).

3. Global production and stock

Table4: Rice world production and stock (million MT)

RICE	2018/19	2019/20	2020/21 forecast	change 2020/21 over 2019/20
Production	497	497	504	1.4%
Ending stocks	177	178	178	-0.1%

Source: **USDA, (Grain: World Markets and Trade, February 2021)**

RICE

In the 2020/21, global rice production projected in February about 504 million MT, which was 1.4% higher than the previous year's projection. Global production forecast is higher this month primarily on larger crops in Indonesia, the Philippines, and Sri Lanka. Ending stocks in February 2020/21 projected about 178 million MT, which was 0.1% lower than the previous year (USDA, February 2021).

WHEAT

Global wheat production in February 2020/21 projected about 773 million MT, which was 1.2% higher than the previous year's projection. Global wheat production this month raised slightly by less than 1 million with a larger crop in Kazakhstan more than offsets cuts to Pakistan and Argentina. Ending stocks in February 2020/21 projected about 304 million MT, which was 1.4% higher than the previous year (USDA, February 2021).

Table 5: Wheat world production and stock (millionMT)

Wheat	2018/19	2019/20	2020/21 forecast	change 2020/21 over 2019/20
Production	731	764	773	1.2%
Ending stocks	283	300	304	1.4%

Source: **USDA, (Grain: World Markets and Trade, February 2021)**

4. Global trade

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

	2018/19	2019/20	2018/19-2019/20 change	2020/21 projected	2019/20-2020/21 change
Thailand	7.56	5.67	-14%	6.50	15%
Vietnam	6.58	6.17	0%	6.40	-5%
USA	3.14	2.87	-3%	3.05	2%
Pakistan	4.55	3.90	-3%	4.00	-2%
India	9.81	14.56	12%	15.00	9%
Others	12.00	11.64	-3%	11.17	-4%
World total	**43.64**	**44.80**	**-1%**	**46.12**	**2.7%**

Table 7: Main wheat annual exporters (million MT)

	2018/19	2019/20	2018/19-2019/20 change	2020/21 projected	2019/20-2020/21 change
USA	26.09	26.30	1%	27.00	3%
European Union	23.31	38.43	65%	27.00	-34%
Canada	24.45	23.48	-4%	26.50	6%
Australia	9.84	10.12	3%	18.00	78%
Ukraine	16.02	21.01	31%	17.50	-14%
Russia	35.86	34.49	-5%	39.00	10%
Others	39.93	37.52	-6%	38.14	1%
World total	**175.50**	**191.35**	**9%**	**193.14**	**-1%**

Source: USDA (Grain: World Markets and Trade, January 2021) *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, 2018/19 is calendar year 2019, 2019/20 is calendar year 2020, 2020/21 is calendar year 2021 and so on.*

RICE

- Global rice export for 2020/21 projected in February at 46.12 million MT, which is 2.7% higher from a year earlier (USDA, February 2021).
- Global trade is 0.5 million tons (milled basis) up this month and almost 3% larger than a year earlier. This month India, Burma, and Vietnam increased their export forecasts. These upward revisions were partly offset by reductions for Brazil, China, and Thailand, with Thailand's export forecast lowered 0.5 million tons to 6.5 million tons.
- In Bangladesh, China, and Nigeria, import revisions were increased that elevate the 2021 import revisions as the largest one in 2021. Import forecast also increased this month for Brazil, Nepal, and Venezuela.

WHEAT

- In the 2020/21, world wheat trade projected in February at 193.14 million tons, which is 1% down to the previous year's export (USDA, February 2021).
- Greater global supplies contribute to widened global wheat trade on larger exports for Kazakhstan, the European Union, and India, more than offsetting lower exports for Argentina. Export for Kazakhstan increased on strong demand from central Asia and onward exportable supplies while EU exports are grown on progressively competitive prices, especially compared to Russia, and the robust pace of recent wheat sales (USDA, February 2021).

According to the USDA Wheat Outlook February2021, China and Pakistan projected larger imports while Indonesia, Saudi Arabia, and Sudan lowered their import projection. While global projected up slightly and consumption raised significantly, global ending stocks are cut 9 million tons but remain record high. Even as global stocks are a record, exporter-held stocks have tightened, which contributed to higher prices this year.

5. Import

Figure 5: Rice imports (in '000 MT)

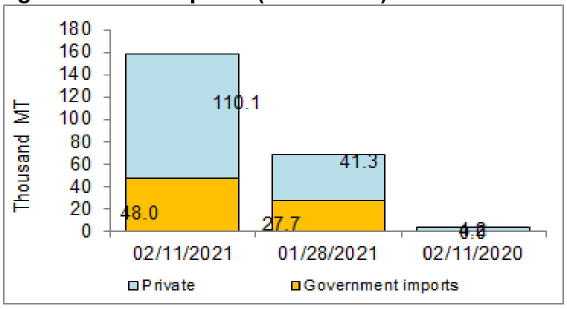
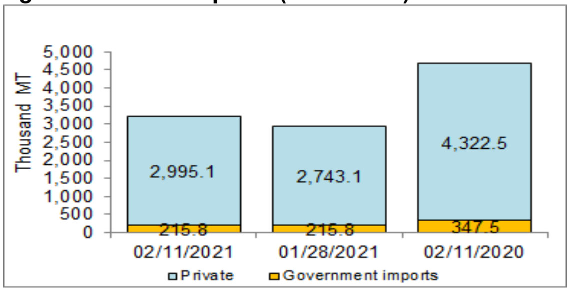


Figure 6: Wheat imports (in '000 MT)



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

RICE

- Up to 11 February during this FY 2020-21, Government imported 48.0 thousand MT of rice and the private sector imported 110.1 MT rice. Over the same period of last year, the government did not import any rice but about 4.0 thousand MT of rice was imported by the private sector.

WHEAT

- Up to 11 February during this FY 2020-21, about 215.8 thousand MT of wheat was imported by the public sector while about 2995.1 thousand MT wheat was imported by the private sector. Over the same period of last year, 347.5 thousand MT wheat was imported by the public sector while the private sector imported about 4322.5 thousand MT wheat.

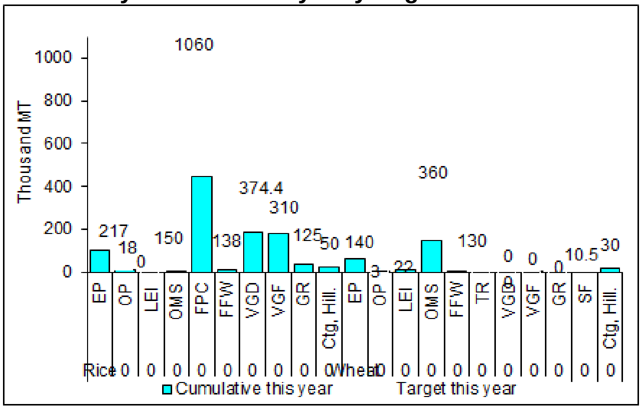
Table 8: LC situation, as of 31 January/21 (in '000MT)

Period	L.C. opened		LC settled	
	Rice	Wheat	Rice	Wheat
17-31 January/21	607	662	12	396
Cumulative month, January/21	720	827	12	459
Cumulative year (starting 1st July/20)	824	4119	15	2798

***Source:* Bangladesh Bank**

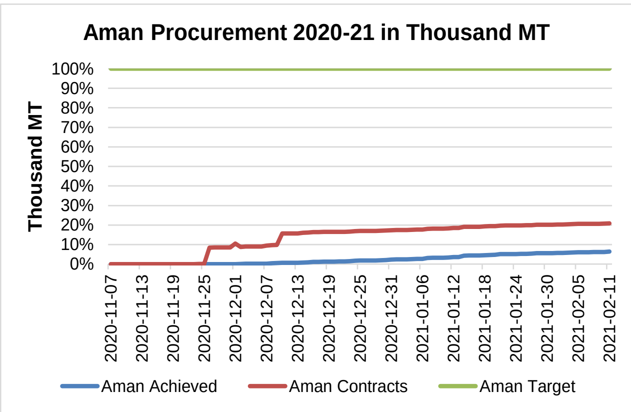
6. Government intervention

Figure 7: Rice and wheat distributed through PFDS as Of February 11th 2021 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*

Figure 8: *Aman* Procurement 2020-21



Source: MISM, DG Food.

PUBLIC FOOD DISTRIBUTION

- The total distribution budget for 2019/20 was 3.06 million MT. The actual distribution was about 2.78 million MT. For FY 2020/21 the distribution plan through PFDS is about 3.14 million MT.
- During this fortnight, about 64.9 thousand MT food grains were distributed through the PFDS. The PFDS distribution was majorly dominated by VGD (25.7 Thousand MT), OMS (18.0 Thousand MT), EP (11.0 Thousand MT), and so on. As on 11 February FY 2020-21, about 1371.2 thousand MT food grains were distributed which is about 43.7% 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 11 February 2021, the public food grain stock was estimated at 723.2 thousand MT; 474.5 thousand MT for rice and 248.7 thousand MT for wheat (MISM, DG Food).

DOMESTIC FOOD GRAIN PROCUREMENT

- 64.41 thousand MT wheat has been procured out of the target 75 Thousand MT during 15.04.2020 to 30.06.2020.
- Up to 15 September 2020, 219.87 thousand MT of *Boro* paddy, 767.01 thousand MT *Boro* rice (*Boil* and *Atap*) and total 909.93 thousand MT *Boro* (in terms of rice) has been procured (MISM, DG Food).
- *Aman* rice procurement target has been fixed at 0.79 mmt in terms of rice at 37 Tk/Kg for parboiled rice, 36 Tk/Kg for Atap rice and 26 Tk/Kg for paddy from the domestic market. *Aman* procurement will be continued up to 28 February 2021.
- Up to 11 February 2021, 63.6 Thousand MT of Aman rice (in terms of rice) has been procured.