

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Bangladesh**

### **Grain and Feed Annual**

**2015**

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**Report Highlights:**

MY 2015/16 (May-April) rice production is projected at 34.8 million metric tons (MMT) on higher yields. MY 2015/16 (July-June) wheat production is estimated at 1.3 MMT. MY 2015/16 wheat imports are estimated at 3.8 million tons on expectations of low international wheat prices and strong domestic demand.

## Executive Summary:

Assuming a normal monsoon, MY 2015/16 (May-April) rice production is projected at 34.8 million metric tons (MMT) on higher yields and acreage. MY 2015/16 (July-June) wheat production is estimated at 1.3 MMT. MY 2014/15 rice and wheat production estimates are unchanged at 34.5 and 1.3 MMT, respectively. MY 2015/16 wheat imports are estimated at 3.8 million tons on expectations of low international wheat prices and strong domestic demand. Post raised MY 2014/15 wheat imports to 3.5 MMT on strong import pace. MY 2014/15 rice imports were raised to 1.1 MMT on strong import pace.

## Commodities:

Rice, Milled

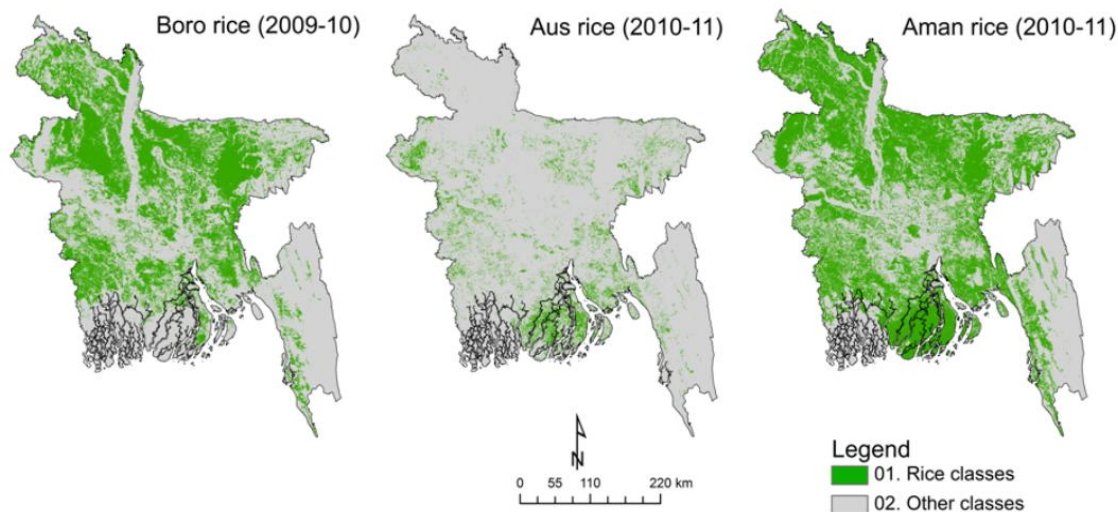
## Production:

Assuming a normal monsoon, MY 2015/16 (May-April) rice production is projected at 34.8 million metric tons (MMT). According to media reports, Bangladeshi officials noted that preliminary official data shows an increase in *Boro* rice acreage and production. The MY 2014/15 rice production estimate is unchanged; *Aman* acreage is down slightly due to floods in northern Bangladesh.

**Table 1. Bangladesh: *Boro*, *Aus*, and *Aman* Rice Area and Production Estimates**

Crop	2013/14 (Estimate)		2014/15 (Estimate)		2015/16 (Forecast)	
	Area 1,000 HA	Production 1,000 MT	Area 1,000 HA	Production 1,000 MT	Area 1,000 HA	Production 1,000 MT
<i>Boro</i>	4,700	18,780	4,680	18,600	4,700	18,800
<i>Aus</i>	1,170	2,410	1,220	2,600	1,220	2,600
<i>Aman</i>	5,880	13,200	5,890	13,300	5,900	13,400
Total Rice	11,750	34,390	11,790	34,500	11,810	34,800

**Figure 1. Bangladesh: *Boro*, *Aus*, and *Aman* Rice Cultivation**



Source: [http://irri.org/index.php?option=com\\_k2&view=item&id=11680:rice-cropping-patterns-in-bangladesh&Itemid=100242&lang=en](http://irri.org/index.php?option=com_k2&view=item&id=11680:rice-cropping-patterns-in-bangladesh&Itemid=100242&lang=en)

Around 80 percent of the country's total cultivated land area is used for rice production. Rice is grown all over Bangladesh except in the hilly south-eastern region. For more specific information on *Boro*, *Aus*, and *Aman* rice cultivation, please see GAIN Report [BG3004](#).

### Trade:

MY 2015/16 rice imports are estimated at 600,000 tons on expectations of competitive pricing from regional suppliers, such as India. The MY 2014/15 import forecast is raised to 1.1 MMT on strong import pace. According to the media, Bangladeshi officials allegedly are contemplating raising tariffs to stem the inflow of less expensive Indian rice imports; however, no action has been taken at this time. A few months ago, media articles noted that the Bangladeshi government agreed to export rice to Sri Lanka. According to Sri Lankan customs data, 25,000 tons of Bangladeshi rice was delivered in January 2015.

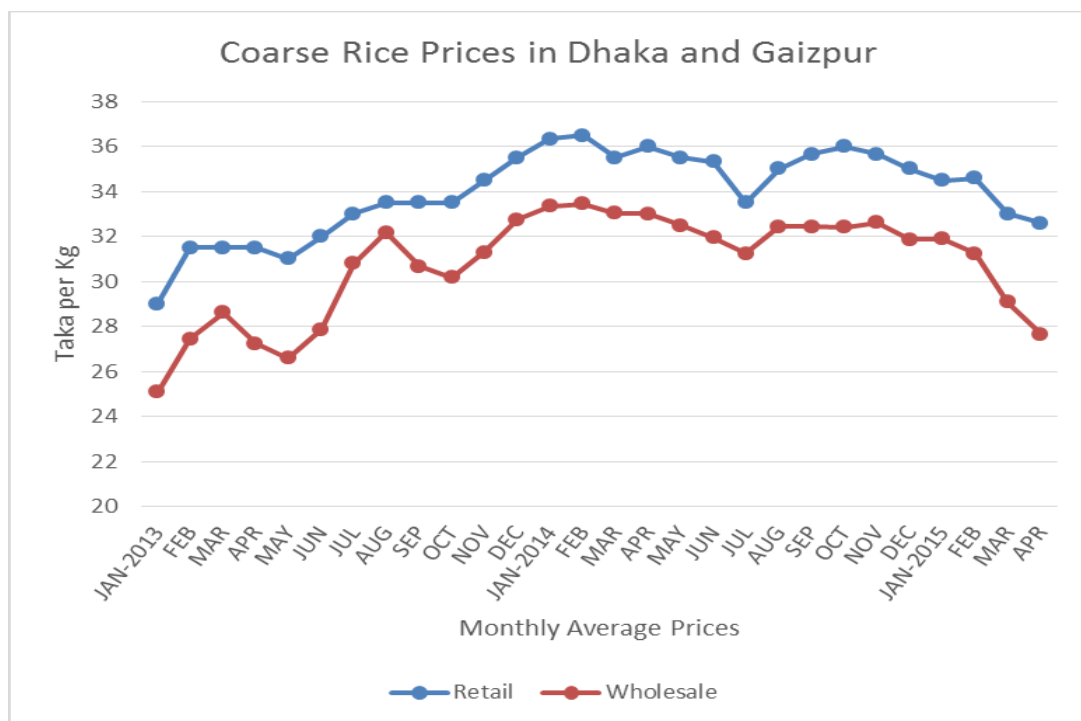
### Stocks:

According to the Ministry of Food (MOF), as of April 23, 2015 public stocks are estimated at 842,000 MT, approximately 95,000 MT more than what was available in April 2014.

### Prices

Local media noted that from May 1, 2015 to August 31, 2015, the GOB is planning to procure one million and 100,000 tons of *Boro* paddy and milled rice. Wholesale prices have fallen precipitously since January 2015. News outlets stated that because *hartals* and blockades disrupted transportation to major city markets, this caused prices offered by middlemen at the farmgate level to fall.

### Figure 2. Bangladesh: Rice Prices in Dhaka and Gaizpur



Source: Department of Agricultural Marketing

### Policy:

Government of Bangladesh policy on rice is articulated in the [National Food Policy](#) of 2006 and the [National Food Policy Plan of Action \(2008-2015\)](#). Historically Bangladesh has emphasized self-sufficiency in rice, often at the expense of self-sufficiency in other non-cereal food products, such as pulses. As Bangladesh shifts to a more market-oriented policy framework, government feeding programs are targeting those most in need and policy is encouraging production of other commodities, demand for which is growing faster than for rice. Nevertheless, rice accounts for over 90 percent of cereal production in Bangladesh.

Rice imports have no quota and are duty free. For fiscal year (FY) 2014/15 (July to June), Bangladesh extended the export ban on non-fragrant rice (although exceptions were allegedly made for a shipment to Sri Lanka- see Trade Section). The GOB may allow aromatic/fragrant rice exports with permission from the Ministry of Commerce.

### Marketing:

Bangladesh typically purchases lower-quality (25% or more broken) parboiled rice. A small niche market exists for high quality (e.g. basmati) rice imports. Historically, U.S. rice exports have not been price competitive.

### Production, Supply and Demand Data Statistics:

**Table 2. Bangladesh: Commodity, Rice, Milled, PSD**  
(Area in Thousand Hectares and Quantity in Thousand Metric Tons)

<i>Rice, Milled</i>	2013/2014		2014/2015		2015/2016	
<i>Market Begin Year</i>	May 2013		May 2014		May 2015	
<i>Bangladesh</i>	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	11,770	11,750	11,800	11,790	0	11,810
Beginning Stocks	696	696	937	937	0	1,212
Milled Production	34,390	34,390	34,600	34,500	0	34,800
Rough Production	51,590	51,590	51,905	51,755	0	52,205
Milling Rate (.9999)	6,666	6,666	6,666	6,666	0	6,666
MY Imports	751	751	600	1,100	0	600
TY Imports	700	1,260	600	600	0	850
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	35,837	35,837	36,137	36,537	0	36,612
MY Exports	0	0	0	25	0	0
TY Exports	0	0	0	25	0	0
Consumption and Residual	34,900	34,900	35,300	35,300	0	35,600
Ending Stocks	937	937	837	1,212	0	1,012
Total Distribution	35,837	35,837	36,137	36,537	0	36,612
Yield (Rough)	4.3832	4.3906	4.3987	4.3897	0.0000	4.4204

### Commodities:

Wheat

### Production:

Assuming normal weather conditions, MY 2015/16 and MY 2014/15 wheat production levels (planted in November/December and harvested in March/April) are both estimated at 1.30 million tons. MY 2013/14 data was revised slightly on official government data.

### Imports

For MY 2015/16, wheat imports are forecast at 3.8 MMT, up on expectations of competitive international prices and stronger demand from a growing, more affluent population. For MY 2014/15, Post's import estimate is raised to 3.5 MMT on strong import pace, particularly from Brazil. According to media reports, the GOB plans to import 250,000 MT of wheat from Ukraine through a government-to-government contract, although details on whether the agreement has been finalized are still unclear. Ukrainian customs data note that since September 2014, Ukrainian exports to Bangladesh have totaled

approximately 530,000 MT. Bangladesh sources wheat from India, Russia, Ukraine, Canada, Australia, and the United States.

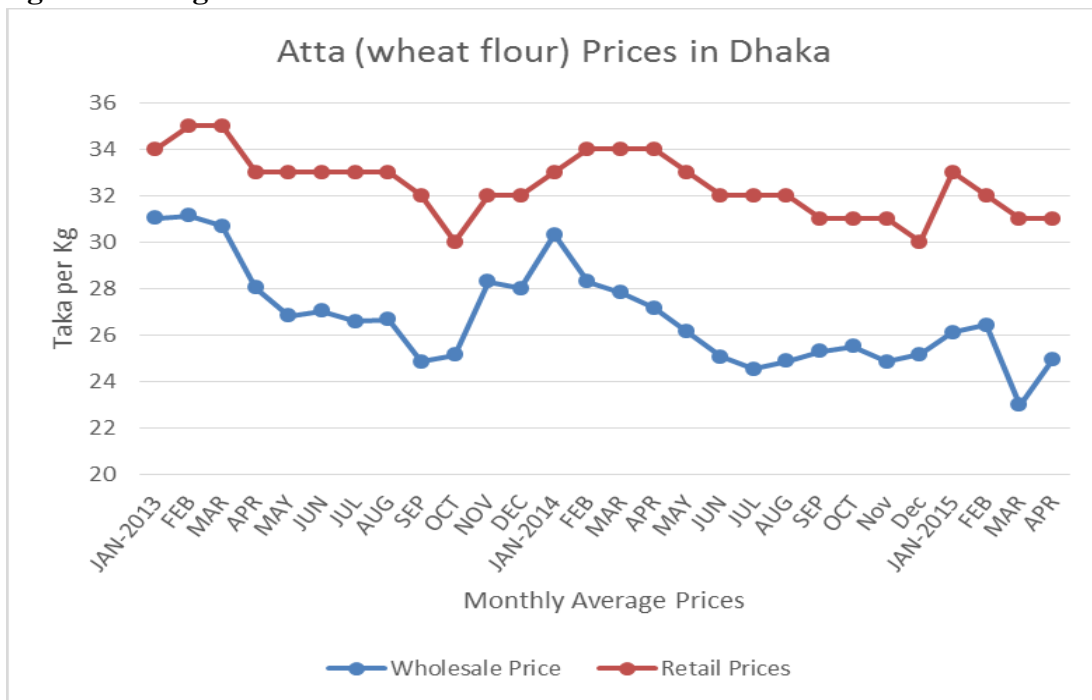
**Stocks:**

According to the MOF, as of April 23, 2015, public stocks are estimated at 213,000 MT, 25 percent less than last year.

**Prices**

Because imports constitute 70 percent of Bangladesh’s total wheat consumption, high international wheat prices can shift effective demand. Average April 2015 (to date) wholesale and retail prices of coarse wheat flour in Dhaka were BDT 24.93 (\$0.34) and BDT 31 (\$0.42) per kilogram (Figure-2). For MY 2014/15, strong global production and high global exportable supplies have kept international prices low, which should help mitigate Bangladeshi wholesale prices. At the moment, retail prices for wheat flour are less expensive than coarse rice, a main staple in the Bangladeshi diet.

**Figure 3. Bangladesh: Coarse Wheat Flour Prices in Dhaka**



Source: Department of Agricultural Marketing

**Policy:**

Wheat imports are duty- and quota free. Traders often bid high to cover various risk factors. For more information, please see GAIN Report [BG3004](#).

**Marketing:**

Because Bangladesh is a very price sensitive market, it typically buys wheat from the lowest priced offer. Although Bangladeshi importers may be willing to pay an additional \$10 to \$15 per ton CIF for premium wheat, this mark-up usually is not enough to cover freight from distant origins. As a result, premium wheat from the United States is generally uncompetitive. Likewise, longer delivery periods also create problems for some buyers.

### Production, Supply and Demand Data Statistics:

**Table 3. Bangladesh: Commodity, Wheat, PSD**  
(Area in Thousand Hectares and Quantity in Thousand Metric Tons)

<i>Wheat</i>	2013/2014		2014/2015		2015/2016	
<i>Market Begin Year</i>	Jul 2013		Jul 2014		May 2015	
<i>Bangladesh</i>	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	410	430	415	430	0	430
Beginning Stocks	1,104	1,104	1,438	1,333	0	1,333
Production	1,280	1,300	1,300	1,300	0	1,300
MY Imports	3,354	3,329	3,300	3,500	0	3,800
TY Imports	3,354	3,329	3,300	3,500	0	3,800
TY Imp. from U.S.	86	0	0	0	0	0
Total Supply	5,738	5,733	6,038	6,133	0	6,433
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	0	0	0	0	0	0
FSI Consumption	4,300	4,400	4,700	4,800	0	5,200
Total Consumption	4,300	4,400	4,700	4,800	0	5,200
Ending Stocks	1,438	1,333	1,338	1,333	0	1,233
Total Distribution	5,738	5,733	6,038	6,133	0	6,433
Yield	3.1220	3.0233	3.1325	3.0233	0.0000	3.0233