

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## **Bangladesh**

### **Grain and Feed Update**

#### **Rice and Wheat October Situation and Outlook**

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**Report Highlights:**

MY 2014/15 (May-April) rice production is forecast slightly down to 34.5 million metric tons on lower *Aman* production due to floods. Post raised MY 2013/14 rice imports to 751,000 metric tons on competitive Indian prices and customs data. MY 2013/14 (July-June) wheat imports are estimated at 3.329 million tons on strong import pace, likely due to competitive international prices and strong Bangladeshi demand.

**Post:**  
Dhaka

**Commodities:**  
Rice, Milled  
Wheat

### **Executive Summary:**

MY 2014/15 (May-April) rice production is forecast slightly down to 34.5 million metric tons (MMT) on lower *Aman* production. Post raised MY 2013/14 rice imports to 751,000 metric tons (MT) on competitive Indian prices and customs data. MY 2013/14 (July-June) wheat imports are estimated at 3.329 MMT on strong import pace, likely due to competitive international prices and strong Bangladeshi demand. According to the FY 2014-15 budget, the government of Bangladesh (GOB) plans to procure 150,000 and 900,000 MT of wheat, and 1.4 MMT and 200,000 MT of rice from the domestic and international market.

### **Author Defined:**

### **RICE**

#### **Production**

MY 2014/15 (May-April) rice production is forecast slightly down to 34.5 million metric tons (MMT) on lower *Aman* production (planted in July/August and harvested in November/December) due to floods in northern Bangladesh. Some farmers around Bogra and Dinajpur also reported disease issues such as rice blast and drought. The MY 2013/14 rice production estimate is unchanged.

#### **Trade**

The MY 2014/15 import forecast is unchanged at 500,000 MT based on strong import pace. Post raised MY 2013/14 rice imports to 751,000 MT on competitive Indian prices and customs data. According to the media and official contacts, the GOB has agreed to export 50,000 MT of non-aromatic rice to Sri Lanka; however, it is unclear if the trade deal has been officially finalized. Other media articles noted that a future Sri Lankan delegation will visit Bangladesh to conclude contract details.

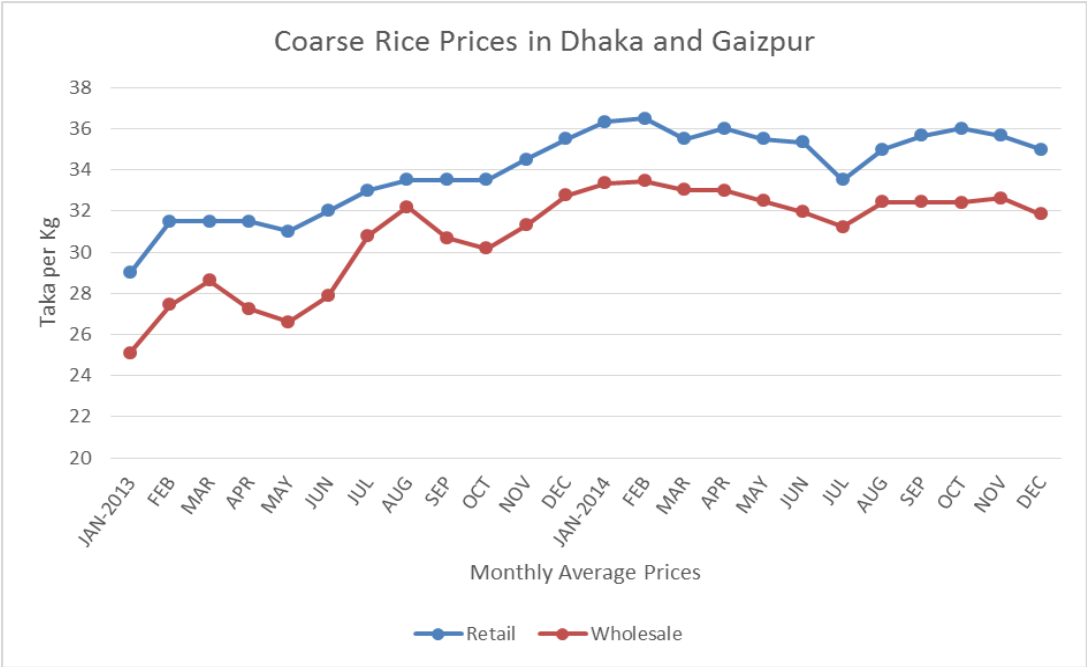
#### **Stocks**

According to the Ministry of Food (MOF), in December 2014 public stocks are 1.16 MMT, approximately 480,000 MT more than what was available in December 2013.

#### **Prices**

According to the media, the GOB will procure *Aman* rice from November 15, 2014 to February 28, 2015, and is expected to purchase approximately 300,000 MT of rice. Post contacts and the local press noted that the GOB will pay BDT 32 (\$.40) per kilogram for husked rice, and BDT 20 (\$.25) for unhusked rice. From October to December 2014, prices have started to ease due to *Aman* harvest.

**Figure 1. Bangladesh: Rice Prices in Dhaka and Gaizpur**



Source: Department of Agricultural Marketing

**Policy**

The FY 2014-15 budget allocated BDT 49.6 billion (\$628 million) for grain procurement, which is 21 percent higher than last year. Moreover, the budget noted it would raise the Government of Bangladesh’s (GOB) public food grain storage capacity to 2.2 million tons by 2015, although no specific allocations were included.

According to the budget, the GOB plans to procure 1.4 million and 200,000 MT of rice from the domestic and international market, which is unchanged from last year’s procurement estimates.

**Table 1. Bangladesh: Commodity, Rice, Milled, PSD**

(Area in Thousand Hectares and Quantity in Thousand Metric Tons)

Rice, Milled Bangladesh	2012/2013		2013/2014		2014/2015	
	Market Year Begin: May 2012		Market Year Begin: May 2013		Market Year Begin: May 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	11,650	11,650	11,770	11,770	11,800	11,800
Beginning Stocks	1,341	1,341	696	696	864	937
Milled Production	33,820	33,820	34,390	34,390	34,600	34,500
Rough Production	50,735	50,735	51,590	51,590	51,905	51,755
Milling Rate (.9999)	6,666	6,666	6,666	6,666	6,666	6,666
MY Imports	35	35	678	751	500	500
TY Imports	114	300	700	850	500	450
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	35,196	35,196	35,764	35,837	35,964	35,937
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Consumption and Residual	34,500	34,500	34,900	34,900	35,200	35,200
Ending Stocks	696	696	864	937	764	737
Total Distribution	35,196	35,196	35,764	35,837	35,964	35,937
Yield (Rough)	4.	4.3549	4.	4.3832	4.	4.386

## WHEAT

### Production

The MY 2013/14 and 2014/15 production estimates are unchanged.

### Imports

MY 2013/14 (July-June) wheat imports are estimated at 3.329 MMT on strong import pace, likely due to competitive international prices and strong Bangladeshi demand. For MY 2014/15, Post estimate is unchanged at 3.3 MMT on strong import pace. 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 is unclear. Other media reports note that the GOB may also explore importing wheat from Russia.

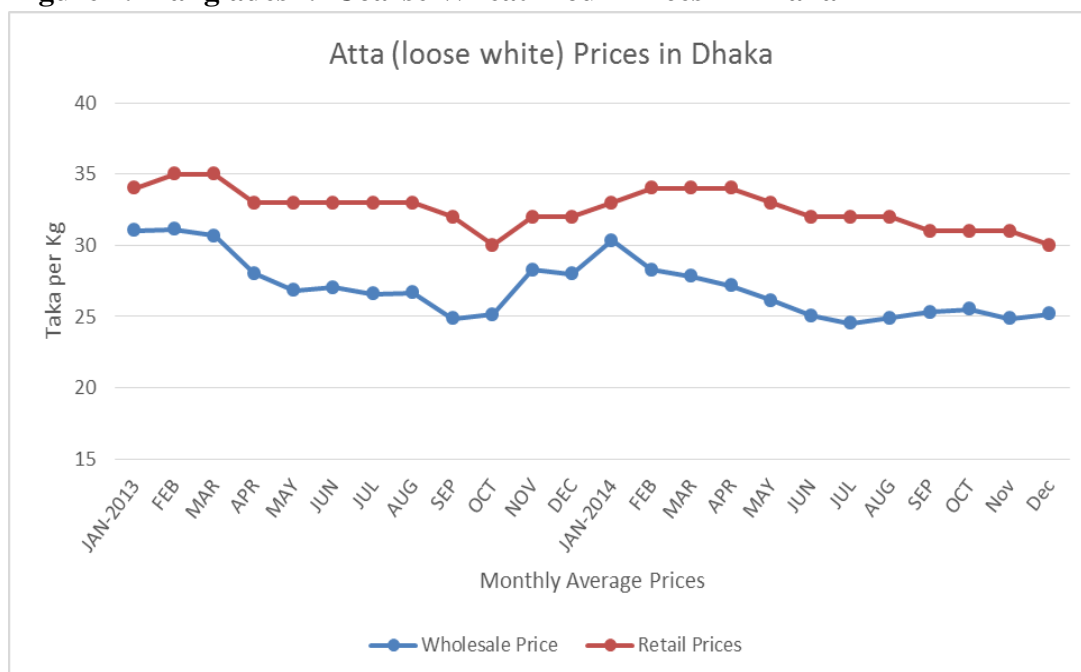
### Stocks (done)

According to the MOF, as of the last week of December 2014, public stocks are estimated at 123,000 MT, 57 percent less than last year.

## Prices

Average December wholesale and retail prices of coarse wheat flour in Dhaka were BDT 25 (\$0.31) and BDT 30 (\$0.40) per kilogram, which is 10.7 percent and 6.25 percent lower than last year (Figure-2). For MY 2014/15, strong global production and high global exportable supplies have kept international prices low. Because Bangladesh is a net wheat importer, international prices influence its domestic markets and overall demand.

**Figure 2. Bangladesh: Coarse Wheat Flour Prices in Dhaka**



Source: Department of Agricultural Marketing

## Policy

According to the FY 2014-15 budget, the GOB plans to procure 150,000 and 900,000 MT of wheat from the domestic and international market, which is unchanged from last year's procurement estimates.

**Table 2. Bangladesh: Commodity, Wheat, PSD**

(Area in Thousand Hectares and Quantity in Thousand Metric Tons)

Wheat Bangladesh	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Jul 2012		Market Year Begin: May 2013		Market Year Begin: May 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	410	410	410	410	415	415
Beginning Stocks	1,096	1,096	1,075	1,075	1,253	1,384
Production	1,260	1,260	1,260	1,280	1,300	1,300
MY Imports	2,719	2,719	3,318	3,329	3,600	3,300
TY Imports	2,719	2,719	3,318	3,329	3,600	3,300
TY Imp. from U.S.	52	52	86	0	0	0
Total Supply	5,075	5,075	5,653	5,684	6,153	5,984
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	4,000	4,000	4,400	4,300	4,900	4,700
Total Consumption	4,000	4,000	4,400	4,300	4,900	4,700
Ending Stocks	1,075	1,075	1,253	1,384	1,253	1,284
Total Distribution	5,075	5,075	5,653	5,684	6,153	5,984
Yield	3.	3.0732	3.	3.122	3.	3.1325