Bangladesh

Grain and Feed Update

Rice and Wheat October Situation and Outlook

Approved By:
Jonn Slette

Prepared By:
Joshua Emmanuel Lagos

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 ($0.40) per kilogram for husked rice, and BDT 20 ($0.25) 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**

![Graph showing 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**
## 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**

![Chart showing Atta (loose white) Prices in Dhaka](image)

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)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Market Year Begin: Jul 2012</td>
<td></td>
<td>Market Year Begin: May 2013</td>
<td></td>
<td>Market Year Begin: May 2014</td>
<td></td>
</tr>
<tr>
<td>Area Harvested</td>
<td>410</td>
<td>410</td>
<td>410</td>
<td>410</td>
<td>415</td>
<td>415</td>
</tr>
<tr>
<td>Beginning Stocks</td>
<td>1,096</td>
<td>1,096</td>
<td>1,075</td>
<td>1,075</td>
<td>1,253</td>
<td>1,384</td>
</tr>
<tr>
<td>Production</td>
<td>1,260</td>
<td>1,260</td>
<td>1,260</td>
<td>1,280</td>
<td>1,300</td>
<td>1,300</td>
</tr>
<tr>
<td>MY Imports</td>
<td>2,719</td>
<td>2,719</td>
<td>3,318</td>
<td>3,329</td>
<td>3,600</td>
<td>3,300</td>
</tr>
<tr>
<td>TY Imports</td>
<td>2,719</td>
<td>2,719</td>
<td>3,318</td>
<td>3,329</td>
<td>3,600</td>
<td>3,300</td>
</tr>
<tr>
<td>TY Imp. from U.S.</td>
<td>52</td>
<td>52</td>
<td>86</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Supply</td>
<td>5,075</td>
<td>5,075</td>
<td>5,653</td>
<td>5,684</td>
<td>6,153</td>
<td>5,984</td>
</tr>
<tr>
<td>MY Exports</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TY Exports</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Feed and Residual</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FSI Consumption</td>
<td>4,000</td>
<td>4,000</td>
<td>4,400</td>
<td>4,300</td>
<td>4,900</td>
<td>4,700</td>
</tr>
<tr>
<td>Total Consumption</td>
<td>4,000</td>
<td>4,000</td>
<td>4,400</td>
<td>4,300</td>
<td>4,900</td>
<td>4,700</td>
</tr>
<tr>
<td>Ending Stocks</td>
<td>1,075</td>
<td>1,075</td>
<td>1,253</td>
<td>1,384</td>
<td>1,253</td>
<td>1,284</td>
</tr>
<tr>
<td>Total Distribution</td>
<td>5,075</td>
<td>5,075</td>
<td>5,653</td>
<td>5,684</td>
<td>6,153</td>
<td>5,984</td>
</tr>
<tr>
<td>Yield</td>
<td>3.0732</td>
<td>3.122</td>
<td>3.1325</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>