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GAIN Report

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Bangladesh

Grain and Feed Update

Rice and Wheat January Situation and Outlook

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Report Highlights:

MY 2014/15 (May-April) rice and wheat production estimates are unchanged at 34.5 and 1.3 million metric tons (MMT). Post raised MY 2014/15 rice imports to 700,000 metric tons (MT) on strong import pace.

Post:
Dhaka

Commodities:
Rice, Milled

Wheat

Executive Summary:

MY 2014/15 (May-April) rice and wheat production estimates are unchanged at 34.5 and 1.3 million metric tons (MMT). Post raised MY 2014/15 rice imports to 700,000 metric tons (MT) on strong import pace.

Author Defined:

RICE

Production

MY 2014/15 (May-April) and MY 2013/14 rice production estimates are unchanged. Due to the current strikes (*hartals*), media sources have opined that fertilizer, fuel, and other input costs have increased due to disrupted supply chains. At this time, it is unclear if the *hartals* will affect *Boro* rice production, although sufficient water will need to be available since the crop is mostly irrigated.

Trade

The MY 2014/15 import forecast is raised to 700,000 MT based on strong import pace. MY 2013/14 rice imports are unchanged at 751,000 MT. Although media articles noted that a Bangladeshi rice shipment has been exported to Sri Lanka, it is unclear if an agreement to export rice has been finalized. According to Sri Lankan customs data, to date no imports have arrived at port.

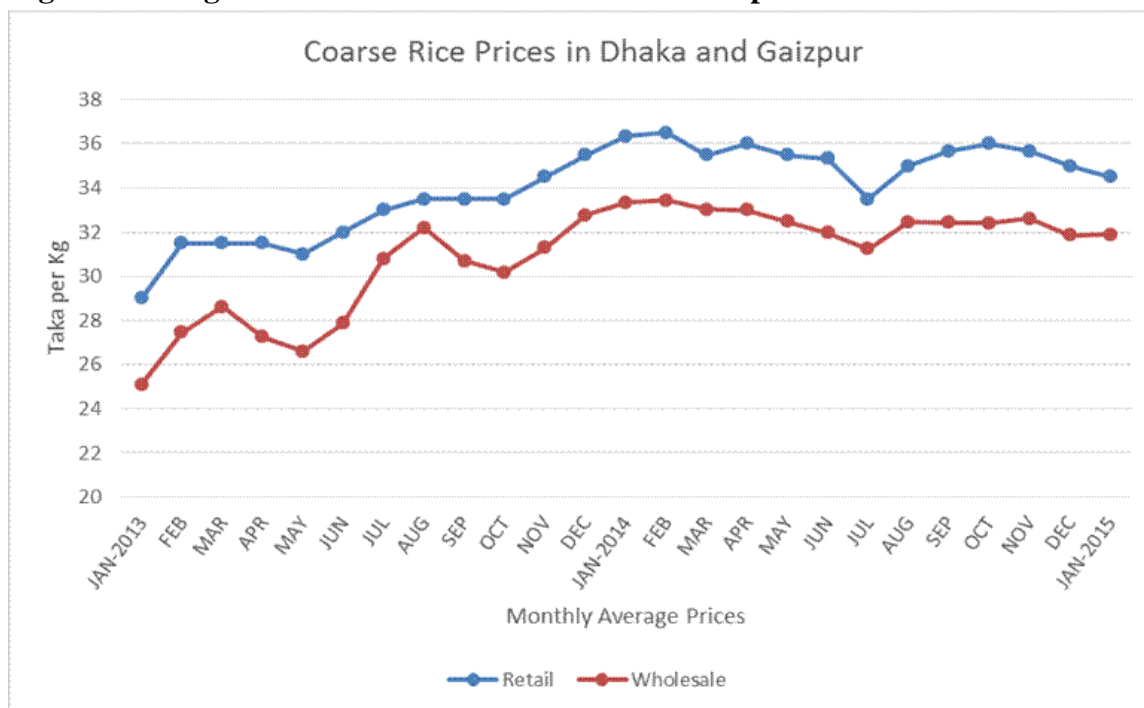
Stocks

According to the Ministry of Food (MOF), in January 2015 public stocks are 1.17 MMT, approximately 460,000 MT more than what was available in January 2014.

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. Prices appear to have eased through January, but it is unclear if the *hartals* will affect future prices.

Figure 1. Bangladesh: Rice Prices in Dhaka and Gaizpur



Source: Department of Agricultural Marketing

Table 1. Bangladesh: Commodity, Rice, Milled, PSD
(Area in Thousand Hectares and Quantity in Thousand Metric Tons)

<i>Rice, Milled</i>	2012/2013		2013/2014		2014/2015	
<i>Market Begin Year</i>	May 2012		May 2013		May 2014	
<i>Bangladesh</i>	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	937	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	751	751	500	700
TY Imports	114	300	850	850	500	700
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	35,196	35,196	35,837	35,837	36,037	36,137
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Consumption	34,500	34,500	34,900	34,900	35,200	35,300

and Residual						
Ending Stocks	696	696	937	937	837	837
Total Distribution	35,196	35,196	35,837	35,837	36,037	36,137
Yield (Rough)	4.3549	4.3549	4.3832	4.3832	4.3987	4.3860

WHEAT

Production

The MY 2013/14 and 2014/15 production estimates are unchanged at 1.28 and 1.3 MMT. At this time, it is unclear if the *hartals* (see Rice production section) will affect the availability of inputs needed for the current crop, which is typically planted November/December and harvested in March/April.

Imports

For MY 2014/15, Post's import estimate is unchanged at 3.3 MMT. Although some media reports have noted that the GOB may also explore importing more wheat from Russia, only approximately 195,000 MT have been imported from July to September 2014. Because the Russian government announced it will be instituting export duties on wheat after February 1, 2015, it is unlikely that Bangladesh will find additional imports from the Russian market in the near term. 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 shows that since September 2014, Ukrainian exports to Bangladesh have totaled approximately 319,000 MT.

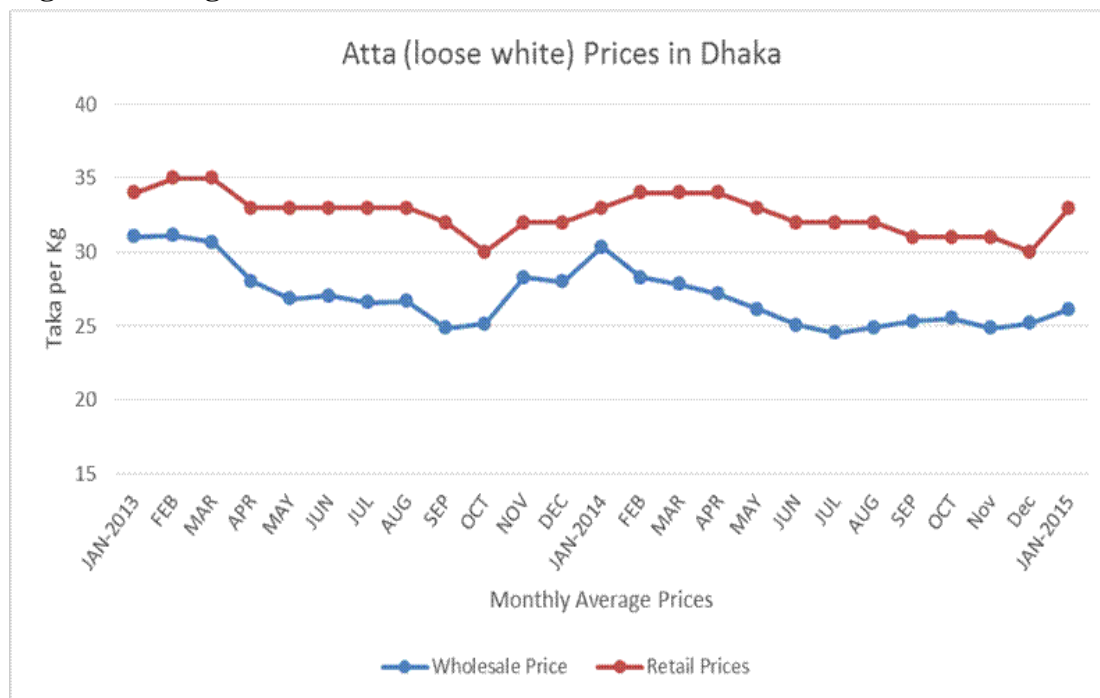
Stocks

According to the MOF, as of the last week of January 2015, public stocks are estimated at 91,000 MT, 59 percent less than last year.

Prices

Average January 2015 wholesale and retail prices of coarse wheat flour in Dhaka were BDT 26 (\$0.35) and BDT 33 (\$0.44) per kilogram (Figure-2). The January 2015 retail price spike (Fig. 2) may be indicating internal distributional/transportation constraints due to the recent *hartals*. Otherwise, for MY 2014/15, strong global production and high global exportable supplies have kept international prices low, which should help mitigate Bangladeshi wholesale prices.

Figure 2. Bangladesh: Coarse Wheat Flour Prices in Dhaka



Source: Department of Agricultural Marketing

Table 2. Bangladesh: Commodity, Wheat, PSD

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

<i>Wheat</i>	2012/2013		2013/2014		2014/2015	
<i>Market Begin Year</i>	Jul 2012		May 2013		May 2014	
<i>Bangladesh</i>	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	3.0732	3.0732	3.0732	3.1220	3.1325	3.1325