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# GAIN Report

Global Agricultural Information Network

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**Date:** 10/14/2016

**GAIN Report Number:** BG6009

## Bangladesh

### Grain and Feed Update

**October 2016**

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**Report Highlights:**

For marketing year (MY) 2016/17 (May to April), Post's rice production estimate remains flat at 34.5 million tons due to flooding that affected *Aus* rice production in northern, northeastern and central parts of Bangladesh. Estimated production is lowered only marginally, however, since *Aus* rice constitutes just 6.78% of total rice production. For MY 2016/17, Post's wheat import forecast is raised to 4.7 million MT because new bakery products are expected to drive higher consumption. Based on customs data, Post's MY 2015/16 wheat import estimate is revised to 4.49 million MT.

**Post:**

Dhaka

**Commodities:**

Rice, Milled

Wheat

**Author Defined:****Rice and Wheat Production**

For MY 2016/17, Post's estimate for total rice area and production is lowered to 11.68 million hectares (HA) and 34.5 million tons due to *Aus* rice production lost to flooding. *Aus* rice planted area is estimated to be lower at 1.1 million HA and production is lowered to 2.34 MMT. The impact on total rice area and production, however, is minimal since *Aus* rice constitutes only 9.4% of total area and 6.78% of total rice production.

Post contacts note that flooding during monsoon season affected not only the *Aus* rice harvest, but also *Aman* rice seedbed, vegetables, jute, sugarcane, maize, groundnut, banana, betel leaf, and other minor crops and fruits. Several districts in the northern, northeastern and central areas were partially affected by flooding from mid-July to mid-August, 2016. The Ministry of Agriculture reported 0.75 million HA of submerged cropland and damaged standing cropland of 1.6 million HA. Farmers managed to recover the *Aman* rice crop through replanting late in the season, but *Aus* rice affected by flooding was destroyed.

Government of Bangladesh is supporting farmers by spending BDT 421 million (\$5.32 million) in an agriculture rehabilitation and incentive program for the *Kharif-2* (autumn) and *Robi* (winter) season. To make up for crop losses and to boost production, the government distributed rice seed, rice seedlings, and fertilizer to 0.75 million lower-income farmers. Both broadcast and transplanted *Aman* planting are complete and harvesting will start in November. Official sources and other contacts believe that continued good weather will result in a good *Aman* rice harvest. For more information on rice growing seasons (*Boro*, *Aman*, and *Aus*), please see GAIN Report [BG3004](#) or [BG5003](#).

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

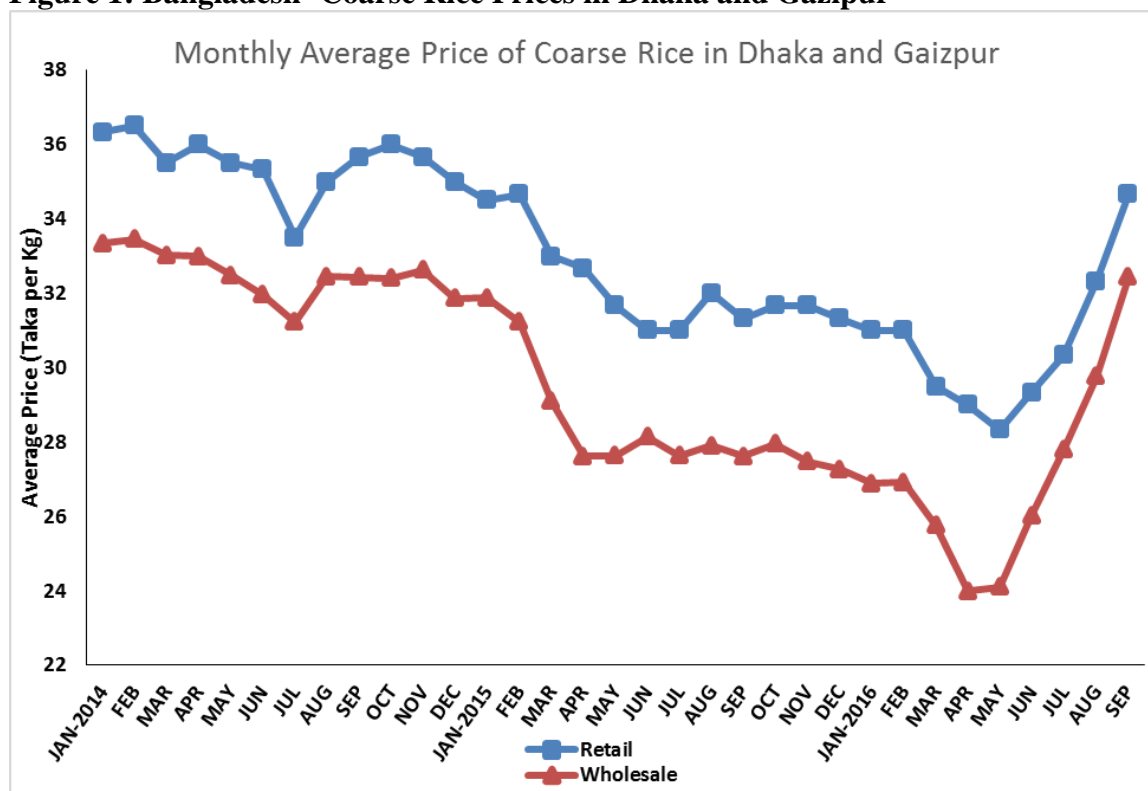
Crop	2014/15 (Estimate)		2015/16 (Estimate)		2016/17 (Forecast)	
	Area 1,000 HA	Production 1,000 MT	Area 1,000 HA	Production 1,000 MT	Area 1,000 HA	Production 1,000 MT
<i>Boro</i>	4,680	18,600	4,700	18,700	4,680	18,800
<i>Aus</i>	1,220	2,600	1,220	2,600	1,098	2,338
<i>Aman</i>	5,890	13,300	5,845	13,200	5,900	13,350
Total Rice	11,790	34,500	11,765	34,500	11,678	34,488

Post’s MY 2016/17 (July to June) wheat production forecast is unchanged. Wheat (planted mid-November and harvested in March) is a competing crop with *Boro* rice, maize and potato. Farmers prefer to produce maize and potato in some locations to take advantage of the availability of water and cool temperatures in the winter season.

### Rice and Wheat Market Prices

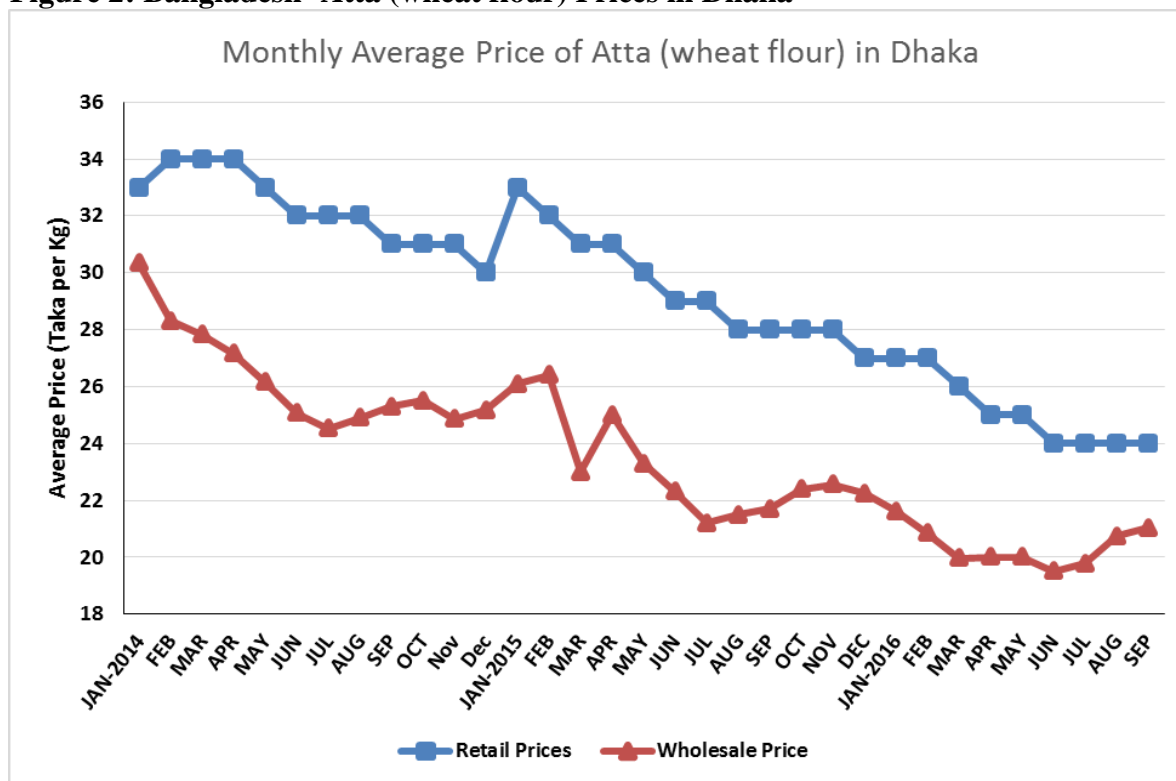
For September 2016, the wholesale and retail prices for coarse rice in Dhaka and Gazipur were BDT 32.44 (\$0.41), and BDT 34.67 (\$0.44) per kilogram, respectively. These prices were 17.45 percent and 10.66 percent higher than prices at the same time last year (Figure 1). For the same month, the wholesale and retail prices of wheat flour (also called *atta*) were estimated at BDT 21 (\$0.27) and BDT 24 (\$0.3) per kilogram (Figure 2). Wheat flour is approximately BDT 13.66 less expensive per kilo than rice at the retail level, which for some consumers is enough to influence buying decisions. Rice prices have soared in the last few months due to local market supply contraction in response to rice procurement by the government at price BDT 32 (\$0.44) per kilogram.

**Figure 1: Bangladesh- Coarse Rice Prices in Dhaka and Gazipur**



Source: Ministry of Agriculture, Government of Bangladesh

**Figure 2: Bangladesh- Atta (wheat flour) Prices in Dhaka**



Source: Ministry of Agriculture, Government of Bangladesh

### Rice and Wheat Imports

The MY 2016/17 rice import forecast is unchanged at 0.15 MMT tons, which is lower than MY 2015/16 imports on the higher import tariff rate at 25%. For MY 2016/17, Post’s wheat import forecast is raised to 4.7 million MT as driven by development and expansion of new products in the bakery industry. Post’s MY 2015/16 wheat import estimate is revised to 4.482 million tons using customs data. According to the Ministry of Food, from July to September 29, 2016, rice imports totaled 2460 MT and wheat imports 1.2 million MT, which was 96% lower (rice) and 77% higher (wheat) than the same period of last year. For MY 2015/16, Post estimated rice exports were 4,361 MT, which was primarily of fragrant rice.

### Rice and Wheat Stocks

According to the Ministry of Food, on September 29, 2016 government rice stocks were 0.75 million MT, compared to 1.25 million MT at the same time last year. For the same date, government wheat stocks were 287,370 MT, down from 327,350 MT at the same time last year. Post’s rice stock forecast for MY 2016/17 is lower than MY 2015/16; lower imports are expected in response to increased tariffs. Additionally, no official data is available on private stocks, which include stocks held by farmers, millers, and traders.

## Policy

Government of Bangladesh introduced a new policy to create a social safety net called “Friendly Food Program”, which involves selling rice at BDT 10 (\$ 0.13) per kilogram. Beginning September 7 the Ministry of Food is selling rice to registered impoverished families for the months of September, October, November, March and April. The new policy is to sell 30 kg of rice per month to five million poor households, with priority given to woman-led families, and poor families having autistic children. The GOB planned to sell 0.75 million MT rice with subsidy of BDT 27 (\$0.34) per kilogram, a total value of about BDT 215 billion (\$2.7 billion).

Rice, Milled Market Begin Year	2014/2015		2015/2016		2016/2017	
	May 2014		May 2015		May 2016	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	11790	11790	11765	11790	11700	11678
Beginning Stocks	966	966	1592	1592	1205	1208
Milled Production	34500	34500	34500	34500	34515	34488
Rough Production	51755	51755	51755	51755	51778	51737
Milling Rate (.9999)	6666	6666	6666	6666	6666	6666
MY Imports	1251	1251	217	220	100	150
TY Imports	598	598	100	50	80	40
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	36717	36717	36309	36312	35820	35846
MY Exports	25	25	4	4	0	4
TY Exports	25	25	4	4	0	4
Consumption and Residual	35100	35100	35100	35100	35000	35000
Ending Stocks	1592	1592	1205	1208	820	842
Total Distribution	36717	36717	36309	36312	35820	35846

**Table 3. Bangladesh: Commodity, Wheat, PSD**

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

Wheat Market Begin Year	2014/2015		2015/2016		2016/2017	
	Jul 2014		Jul 2015		Jul 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Bangladesh						
Area Harvested	415	415	420	420	425	425
Beginning Stocks	1338	1338	1753	1751	2246	2033
Production	1300	1300	1300	1300	1335	1335
MY Imports	3915	3913	4693	4482	4700	4700
TY Imports	3915	3913	4693	4482	4700	4700
TY Imp. from U.S.	87	0	0	0	0	0
Total Supply	6553	6551	7746	7533	8281	8068
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	4800	4800	5500	5500	6200	6000
Total Consumption	4800	4800	5500	5500	6200	6000
Ending Stocks	1753	1751	2246	2033	2081	2068
Total Distribution	6553	6551	7746	7533	8281	8068