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# 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:**

Bangladesh rice production in MY 2013/14 (May-April) is revised marginally upward to 34.4 million metric tons. The MY 2013/14 rice import forecast is lowered to 250,000 metric tons on higher domestic production. The wheat import forecast remains unchanged at 3 million metric tons.

**Post:**

Dhaka

**Commodities:**

Rice, Milled

Wheat

## Rice

### Production

Post has revised Bangladesh MY 2013/14 (May/April) rice production forecast marginally higher to 34.4 million metric tons on higher planted area of the current *Aman* rice crop (planted in July/August and harvested in November/December), benefitting from the early and long-lasting monsoon rainfall.

The monsoon helped farmers continue planting until the end of September on an estimated additional 150,000 hectares of land compared to the previous year. *Aman* rice planting is complete by mid-September in an average year. Consequently, the forecasts of area under *Aman* rice cultivation and its production are revised upward to 5.9 million hectares and 13.4 million tons. Introduction of short-duration and drought-tolerant varieties is also helping farmers bring more land under *Aman* rice cultivation.

Based on the latest official data, the Bangladesh rice production estimate in MY 2012/13 (May-April) is unchanged at 33.8 million tons, comprising 18.76 million tons of *Boro* rice (planted in December/January and harvested in May/June), 2.16 million tons of *Aus* rice (planted in March/April and harvested in June/July), and 12.9 million tons of *Aman* rice.

**Table 1. Bangladesh: Rice Area and Production Estimate, in thousand hectares and thousand metric tons**

Rice Crops	2011/12 (Estimate)		2012/13 (Estimate)		2013/14 (Forecast)	
	Area	Production	Area	Production	Area	Production
<i>Boro</i>	4,750	18,600	4,750	18,760	4,700	18,500
<i>Aus</i>	1,120	2,300	1,150	2,160	1,170	2,500
<i>Aman</i>	5,850	12,800	5,750	12,900	5,900	13,400
<b>Total Rice</b>	<b>11,720</b>	<b>33,700</b>	<b>11,650</b>	<b>33,820</b>	<b>11,770</b>	<b>34,400</b>

To mitigate the effects of climate change the Bangladesh government is trying to expand cultivation of rainfed *Aus* and *Aman* rice rather than irrigation-dependent (80-percent groundwater-based) *Boro* rice.

To that end the government has subsidized inputs for cultivation of *Aus* rice and reduced the price of urea fertilizer by 25 percent for cultivation of *Aman* rice.

### Stocks

Domestic procurement of *Boro* rice in MY 2013/14 as of the last week of September 2013 reached 700,000 metric tons, which is 78 percent short of the targeted quantity with only a week remaining before the procurement drives ends. Though there was no government procurement of *Aus* rice, depending on the production and price situation, the government may announce a procurement plan for *Aman* rice.

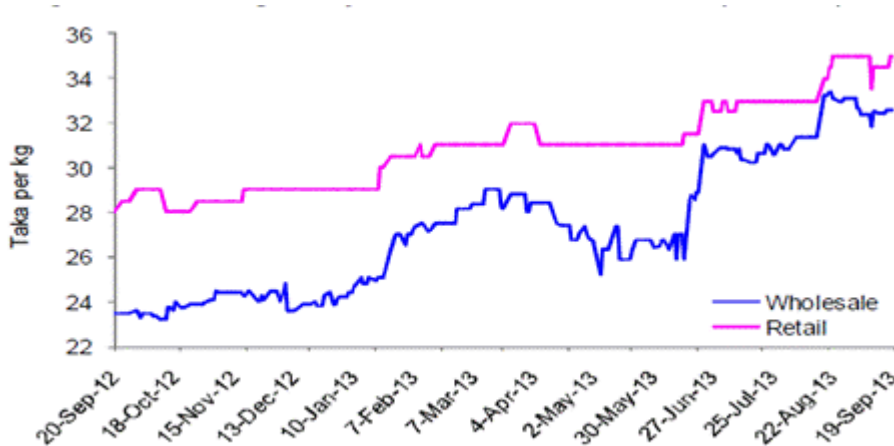
Government-held food grain stocks as of the last week of September 2013 are estimated to have shrunk to 1.15 million metric tons (880,000 tons of rice and 268,000 tons of wheat) from 1.64 million metric tons (1.25 million tons rice and 390,000 tons of wheat) a year earlier due to higher distribution under the Public Food Distribution System (PFDS) and nominal imports. Though there is no official information

available on private-sector stocks, industry sources indicate that current rice stocks in the hands of millers, traders and large farmers could be 7 million metric tons. The current stocks (government and private) are sufficient to cover the requirement of food grain in the country till the harvest of the current *Aman* rice that begins in mid-November.

### Prices

Wholesale prices of rice declined during April-May with the harvests of *Boro* rice before bouncing back in June. Prices continued rising in a moderate pace, while retail prices continued to show an upward trend throughout the last one year. Mid-September wholesale and retail prices of rice in Dhaka city markets were BDT 32.60 (\$0.41) per kilogram and BDT 35.00 ( \$ 0.44) per kilogram, respectively, which were about 38 percent and 21 percent, respectively, higher than the prices a year prior (Figure 1). Prices are likely to remain firm up to the next *Aman* rice harvest.

**Figure 1: Bangladesh: Trends of Common Rice Prices in Dhaka**



Source: Ministry of Food

### Policy

The domestic procurement targets of the government for Bangladesh FY 2013/14 (July-June) are 1.45 million metric tons of rice and 150,000 metric tons of wheat as described in the FY2013/14 budget document. Though the government had announced its plan for procurement of rice and wheat from the international market in FY 2013/14 at 250,000 metric tons and 800,000 metric tons respectively, the current outlook for domestic production and stocks indicates the government is unlikely to resort to rice imports over the next few months.

### Imports

Given sufficient domestic supplies, only 2,970 tons of rice has been imported in first the four months of the current MY 2013/14 (May-April), entirely by the private sector. Considering the better prospects for *Aman* rice production, post revised the MY 2013/14 rice imports lower at 250,000 metric tons; most of it the cheap rice sourced from India by private traders.

**Table 2. Rice, Milled, Bangladesh, area in thousand hectares, weight in thousand metric tons**

	2011/2012		2012/2013		2013/2014	
	Market Year Begin: May 2011		Market Year Begin: May 2012		Market Year Begin: May 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	11,720	11,720	11,650	11,650	11,700	11,770
Beginning Stocks	1,378	1,378	1,341	1,341	726	722
Milled Production	33,700	33,700	33,800	33,820	34,200	34,400
Rough Production	50,555	50,555	50,705	50,735	51,305	51,605
Milling Rate (.9999)	6,666	6,666	6,666	6,666	6,666	6,666
MY Imports	563	563	35	35	375	250
TY Imports	53	53	300	300	430	430
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	35,641	35,641	35,176	35,196	35,301	35,372
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Consumption and Residual	34,300	34,300	34,450	34,474	34,600	34,600
Ending Stocks	1,341	1,341	726	722	701	772
Total Distribution	35,641	35,641	35,176	35,196	35,301	35,372
Yield (Rough)	4.	4.3136	4.	4.3549	4.	4.3845
TS=TD		0		0		0

## Wheat

### Production

Based on official data, MY 2012/13 wheat production estimate is revised upward to 1.26 million tons on slightly better yields.

### Stocks

Government-held wheat stocks as of the last week of September 2013 are estimated at 268,000 metric tons of wheat versus 390,000 tons of wheat a year earlier.

### Prices

The retail price of coarse wheat flour remained steady in the last year though the wholesale price has been softening since May 2013 in line with easing international prices. Mid-September wholesale and retail prices of coarse wheat flour in Dhaka markets were at BDT 24.40 (\$0.31) and BDT 31.50 (\$0.40) per kilogram, which were 16.5 percent and 4.7 percent lower than the prices a year earlier (Figure-2). International wheat prices will largely determine the wheat flour price in the remainder of MY 2013/14

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



Source: Ministry of Food

### Imports

MY 2012/13 (July-June) wheat imports through the last week of September 2013 are estimated at 610,000 tons, of which 77 percent was imported by the private sector. This is 67 percent higher than imports during the same period of the previous year. Post continues to estimate MY 2013/14 wheat imports at 3 million tons, comprising 600,000 tons by the government and 2.4 million tons by the private sector. According to Ministry of Food official data Bangladesh wheat imports in MY 2012/13 are estimated at 1.86 million tons.

**Table 3. Wheat, Bangladesh, area in thousand hectares, weight in thousand metric tons**

	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jul 2011		Market Year Begin: Jul 2012		Market Year Begin: May 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	360	360	410	410	420	420
Beginning Stocks	2,084	2,084	1,096	1,096	1,029	417
Production	996	996	1,240	1,260	1,250	1,250
MY Imports	2,016	2,016	2,693	1,861	3,000	3,000
TY Imports	2,016	2,016	2,693	1,861	3,000	3,000
TY Imp. from U.S.	152	152	52	52	0	0
Total Supply	5,096	5,096	5,029	4,217	5,279	4,667
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	4,000	3,800	4,100	4,100

Total Consumption	4,000	4,000	4,000	3,800	4,100	4,100
Ending Stocks	1,096	1,096	1,029	417	1,179	567
Total Distribution	5,096	5,096	5,029	4,217	5,279	4,667
Yield	3.	2.7667	3.	3.0732	3.	2.9762
TS=TD		0		0		0