

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary - Public

Date: 8/4/2010

GAIN Report Number: BG1007

Bangladesh

Post: New Delhi

Grain and Feed Update - July

Report Categories:

Grain and Feed

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Report Highlights:

Post estimates for rice imports in MY 2009/10 (July-June) are revised lower to 90,000 tons and wheat imports higher to 3.3 million tons. With the normal progress of the 2010 monsoon Post estimate for MY 2010/11 rice production remains unchanged at 32 million tons.

General Information:

Author Defined:

Production

Post estimates for rice production in MY 2009/10 have been revised higher to 31 million tons, due to the better than anticipated production of Boro rice (third rice crop of the year, harvested in April/May). Wheat production estimates for MY 2009/10 wheat production have been revised lower to 850,000 tons, due to lower yields resulting from adverse weather.

The 2010 monsoon has been normal with most of the rice growing areas receiving adequate rains supporting timely planting and crop growth. Consequently, Post continues to estimate MY 2010/11 rice production at 32.3 million tons. However, unpredictable factors like floods and cyclones in the coming months could affect this forecast.

Price and Government procurement

Rice prices continue to rule firm notwithstanding adequate domestic supplies from MY 2009/10 production. Rice prices are expected unlikely to ease soon. The average retail price of coarse rice in July, 2010 was Taka 32 (\$0.46) per kilogram, nearly 48 percent higher than the price a year ago. In the cases of medium and fine rice, the July 2010 prices are 36 percent and 21 percent over last year respectively. The retail price of wheat flour in July 2010 is Taka 24 (\$0.34) per kilogram, about 13 percent higher than last year.

To build up food grain reserves for public distribution in MY2010/11, the Government of Bangladesh (GOB) set a target to procure around 1.2 million tons of rice at Taka 25 per kg and 150,000 tons of paddy (unhasked rice) at Taka 17 per kg from the last Boro rice harvests (April/may). Since the market price of rice is higher than the government procurement price, the GOB could only contract with local millers for 500,000 tons even after announcing an additional Taka 3 incentive per kilogram. With the poor outlook of local rice procurement, the GOB is exploring sourcing rice from the international market.

Imports

Based on the latest information from market sources, the Post estimate for MY 2009/10 rice imports has been lowered to 90,000 tons (50,000 tons by the public sector and 40,000 tons in private sector imports) due to the relatively stronger international prices vis-à-vis domestic market prices. However, wheat imports are estimated higher at 3.3 million tons (500,000 tons by the public sector and 2.8 million tons in private sector imports).

Beginning Stocks	382	326	382	813	385	441	1,613	435	891	(1000 MT)
Production	849	849	849	1,000	1,000	850	1,000	1,000	1,000	(1000 MT)
MY Imports	2,882	2,410	2,410	3,500	2,600	3,300	3,200	2,500	3,000	(1000 MT)
TY Imports	2,882	2,410	2,410	3,500	2,600	3,300	3,200	2,500	3,000	(1000 MT)
TY Imp. from U.S.	102	102	102	0	50	0	0	100	0	(1000 MT)
Total Supply	4,113	3,585	3,641	5,313	3,985	4,591	5,813	3,935	4,891	(1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
TY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
Feed and Residual	0	0	0	0	0	0	0	0	0	(1000 MT)
FSI Consumption	3,300	3,200	3,200	3,700	3,550	3,700	4,000	3,600	3,800	(1000 MT)
Total Consumption	3,300	3,200	3,200	3,700	3,550	3,700	4,000	3,600	3,800	(1000 MT)
Ending Stocks	813	385	441	1,613	435	891	1,813	335	1,091	(1000 MT)
Total Distribution	4,113	3,585	3,641	5,313	3,985	4,591	5,813	3,935	4,891	(1000 MT)
Yield	2.	2.	2.1225	2.	2.	2.125	2.	2.	2.5	(MT/HA)
TS=TD			0			0			0	