

Voluntary Report – Voluntary - Public Distribution

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Report Name: Weekly Price and Policy Update_Week of 25 December 2022

Country: Bangladesh

Post: Dhaka

Report Category: Agricultural Situation, Climate Change/Global Warming/Food Security, Grain and Feed, Oilseeds and Products, Sugar

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Report Highlights:

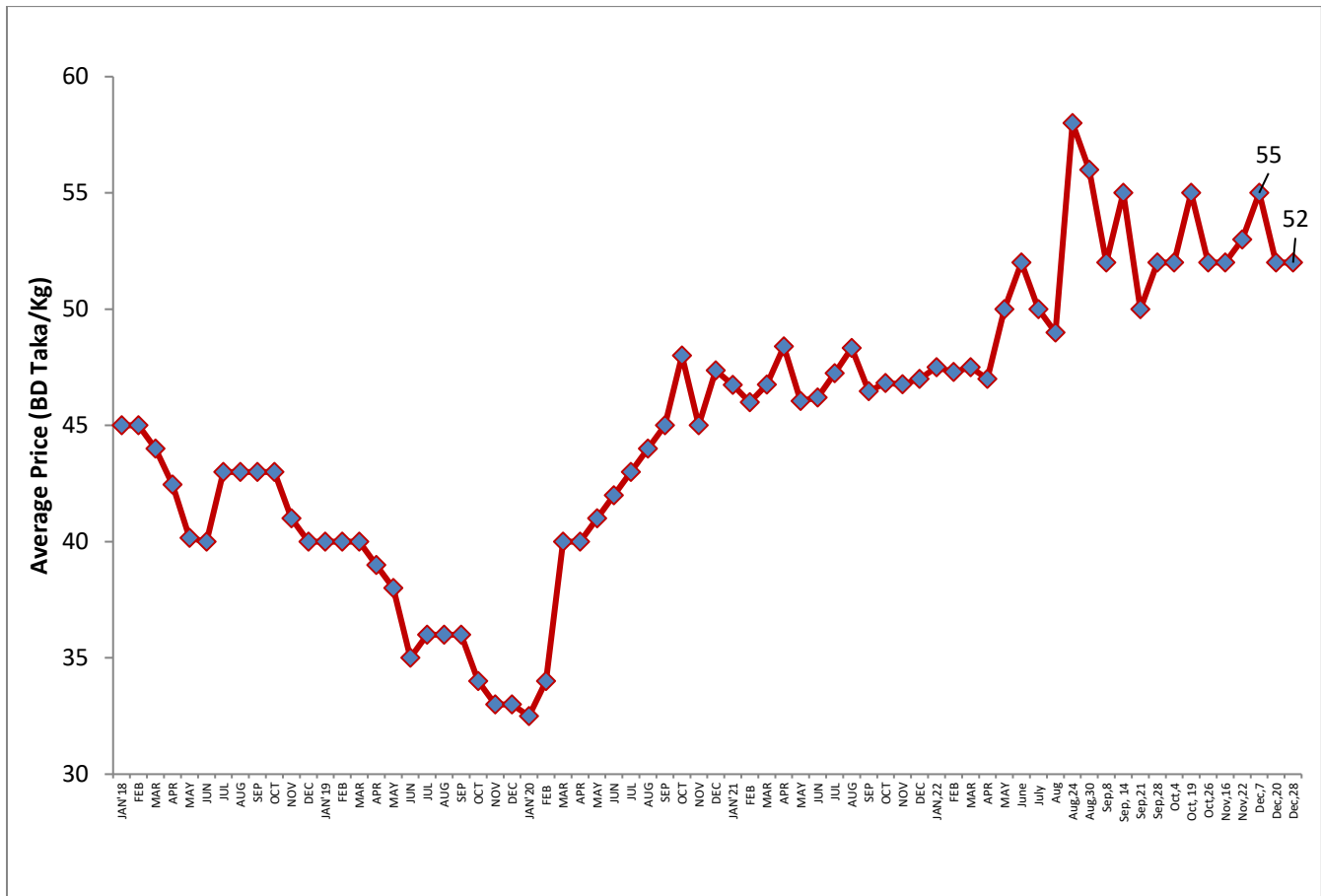
This is a weekly report outlining the prices of agricultural commodities in Bangladesh, as well as major trade and policy updates.

Rice Prices Remain High, but Steady

This week, the coarse rice price remained unchanged from last week at BDT 52 (\$0.50) per kilogram (Figure 1). As mentioned in [last week's report](#), the current price of all types of rice is about 7 percent higher than the same period last year. Usually, rice prices decline at harvest time; however, high production costs are leading to high paddy prices and high rice prices this year.

This week, the price of medium quality rice increased slightly to BDT 60 (\$0.57) per kilogram, up about 3 percent from the previous week, while the price of fine quality rice remained steady at BDT 75 (\$0.71) per kilogram.

Figure 1: Bangladesh – Monthly Coarse Rice Average Price (2018-2022)



Source: Trading Corporation of Bangladesh (TCB)

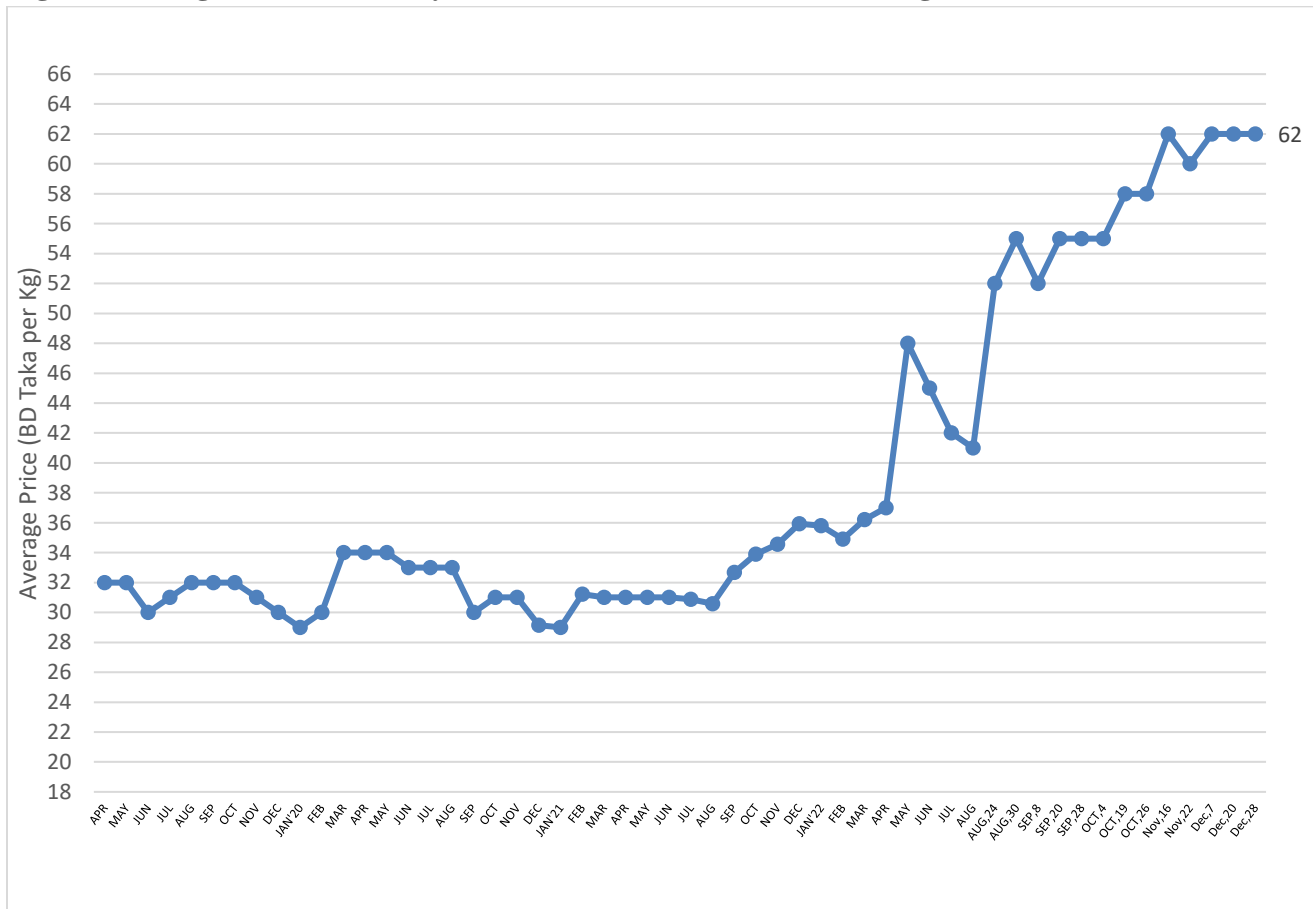
Note: Exchange Rate USD \$1.00 = BDT 105.0

High Wheat Flour (*Aata* and *Maida*) Prices Continue

High prices for all types of wheat flour continued this week. According to the TCB, the price of unpacked coarse wheat flour (*aata*) remained at BDT 62 (\$0.60) per kilogram (Figure 2). The unpacked fine quality wheat flour (*maida*) price increased to BDT 72 (\$0.69) per kilogram, up about 3 percent from last week.

This week, the price of packed *aata* remained at BDT 75 (\$0.71) per kilogram. However, the price of packed *maida* increased to BDT 85 (\$0.81) per kilogram, up approximately 6 percent over the last week.

Figure 2: Bangladesh – Monthly Coarse Wheat Flour (*Aata*) Average Price



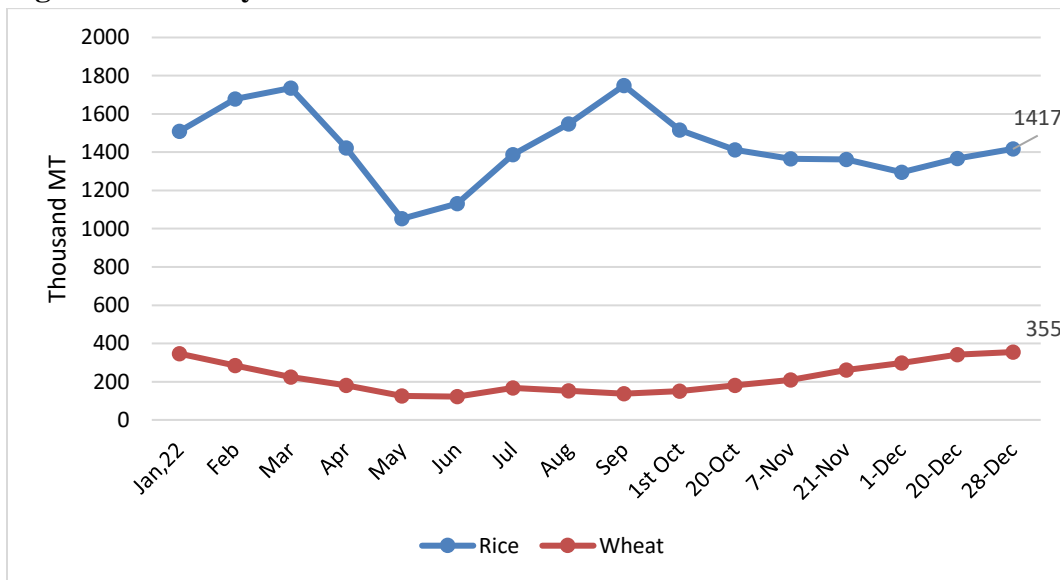
Source: TCB

Wheat and Rice Stocks Keep Rising

As of December 27, 2022, wheat stocks in public granaries reached 355,000 MT, up about 4 percent from the previous week (Figure 3).

Rice stocks also continued to rise this week. As of December 27, 2022, rice stocks in public granaries reached 1.42 million MT, up about 4 percent from last week. The GoB started its *aman* season rice procurement program for public granaries on November 10, 2022, which led to the increase. In addition, the GoB is importing rice from neighboring countries under government-to-government agreements. According to the Food Ministry, the GoB imported approximately 340,000 MT of rice from July 1 to December 27, 2022.

Figure 3: Monthly Stocks of Rice and Wheat in Public Granaries in 2022



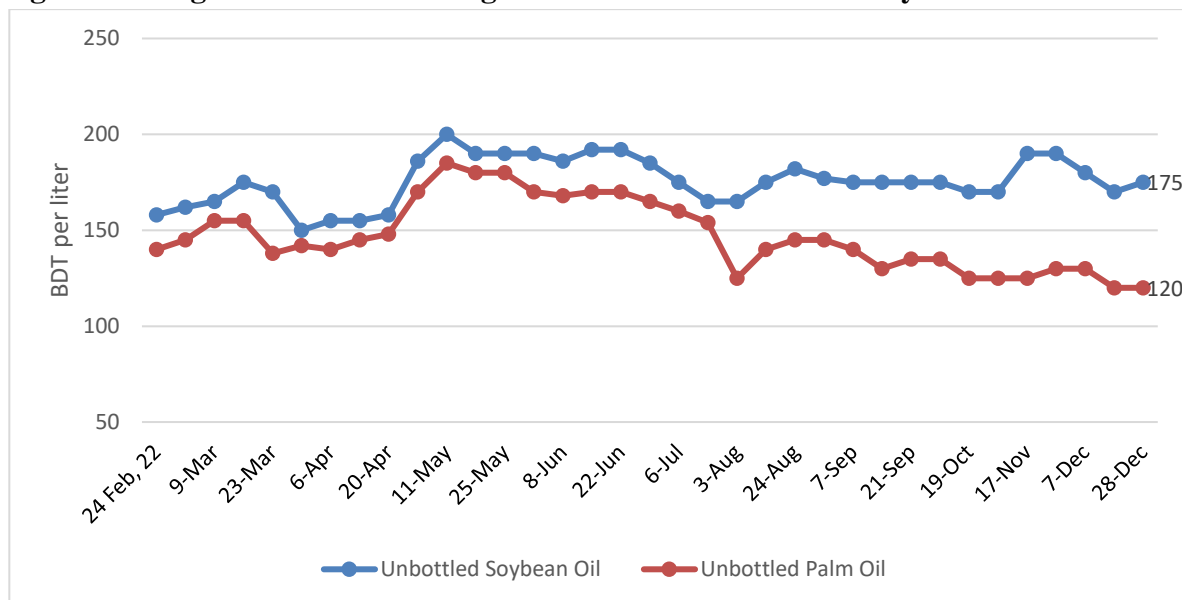
Source: Ministry of Food

Edible Oil Price Volatility Continues

This week, the price of unbottled soybean oil increased about 3 percent to BDT 175 (\$1.66) per liter, while the unbottled palm oil price remained at BDT 120 (\$1.14) per liter (Figure 4).

Bottled soybean oil and palm oil prices remained at BDT 187 (\$1.78) and BDT 140 (\$1.33) per liter, respectively, unchanged from last week.

Figure 4: Bangladesh – 2022 Average Retail Price of Unbottled Soybean Oil and Palm Oil



Source: TCB

Prices of Other Commodities

- Average retail price of sugar remained at BDT 115 (\$1.12) per kilogram, the same as last week.
- Average retail price of lentils dropped to BDT 140 (\$1.33) per kilogram, down about 4 percent from the previous week.
- Average beef prices remained at BDT 700 (\$6.80) per kilogram, but are up 15 percent from the same period last year.
- Average price of eggs remained steady at 125 (\$1.19) per dozen, the same as the previous week.

Further Background

Agricultural and food commodity prices first began rising in September 2021 due to the COVID-19 pandemic. In December 2022, prices are still high, exacerbated by the Russian invasion of Ukraine, resulting supply disruptions, the appreciation of the U.S. dollar, and high inflation. Price volatility is affecting the food security of poor and middle-income consumers in both urban and rural areas.

Bangladesh depends on India for its rice and wheat imports, followed by Canada, Russia, Ukraine, and Australia. Combined, Russia and Ukraine account for approximately 25 percent of Bangladesh's total wheat imports. Due to India's ban on wheat exports since May 2022 and the Russian invasion of Ukraine, Bangladesh is only able to import half of its monthly required wheat from alternative sources, resulting in high domestic wheat flour prices.

In addition, Bangladesh is now facing a foreign currency crisis and according to contacts, many banks have stopped opening some letters of credit, including for commodity imports. This has led to the short supply of some staple goods in the market.

Attachments:

No Attachments.