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Voluntary - Public

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# Bangladesh

Post: New Delhi

# **Grain and Feed Update - July**

# **Report Categories:**

Grain and Feed

**Approved By:** 

David Leishman

**Prepared By:** 

Sayed Sarwer Hussain

# **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).

MY 2010/11 forecasts of rice and wheat imports remain unchanged at 400,000 tons and 3 million tons respectively which include 300,000 tons rice and 700,000 tons wheat imports planned by the government. The GOB is working with governments of India and Vietnam for importing 100,000 tons and 50,000 tons of rice respectively through government channels.

Table 1: Commodity, Rice, Milled, PSD

Rice, Milled Bangladesh	2	008/2009		2009/2010 Market Year Begin: Jul 2009			2010/2011 Market Year Begin: Jul 2010			
		et Year Be	gin:							
		Jul 2008	1							
	USDA Offici al	Old Post	New Post	USDA Offici al	Old Post	New Post	USDA Offici al	Old Post	New Post	
Area Harvested	11,10 0	11,10 0	11,10 0	11,60 0	11,60 0	11,60 0	11,70 0	11,70 0	11,80 0	(1000 HA)
Beginning Stocks	546	546	546	1,148	1,148	1,148	438	398	638	(1000 MT)
Milled Production	31,00 0	31,00 0	31,00 0	30,50 0	30,50 0	31,00 0	32,30 0	32,30 0	32,30 0	(1000 MT)
Rough Production	46,50 5	46,50 5	46,50 5	45,75 5	45,75 5	46,50 5	48,45 5	48,45 5	48,45 5	(1000 MT)
Milling Rate (.9999)	6,666	6,666	6,666	6,666	6,666	6,666	6,666	6,666	6,666	(1000 MT)
MY Imports	602	602	602	90	150	90	400	400	600	(1000 MT)
TY Imports	150	146	146	250	250	500	400	400	400	(1000 MT)
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)
Total Supply	32,14 8	32,14 8	32,14 8	31,73 8	31,79 8	32,23 8	33,13 8	33,09 8	33,53 8	(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)
Consumption and Residual	31,00 0	31,00 0	31,00 0	31,30 0	31,40 0	31,60 0	32,50 0	32,50 0	32,70 0	(1000 MT)
Ending Stocks	1,148	1,148	1,148	438	398	638	638	598	838	(1000 MT)
Total Distribution	32,14 8	32,14 8	32,14	31,73 8	31,79 8	32,23	33,13 8	33,09 8	33,53	(1000 MT)
Yield (Rough)	4.	4.	4.189 6	4.	4.	4.009 1	4.	4.	4.106 4	(MT/H A)
TS=TD			0			0			0	

Table 2: Commodity, Wheat, PSD

Wheat Bangladesh	2008/2009			2009/2010			2010/2011			
	Market Year Begin: Jul 2008			Market Year Begin: Jul 2009			Market Year Begin: Jul 2010			
	USDA Offici al	Old Post	New Post	USDA Offici al		New Post	USDA Offici al	Old Post	New Post	
Area Harvested	400	400	400	400	400	400	400	400	400	(1000 HA)

										(1000
Beginning Stocks	382	326	382	813	385	441	1,613	435	891	MT)
					1,00			1,00	1,00	(1000
Production	849	849	849	1,000	0	850	1,000	0	0	MT)
		2,41			2,60	3,30		2,50	3,00	(1000
MY Imports	2,882	0	2,410	3,500	0	0	3,200	0	0	MT)
L		2,41			2,60	3,30		2,50	3,00	(1000
TY Imports	2,882	0	2,410	3,500	0	0	3,200	0	0	MT)
TV Inch from U.C.	100	100	100		F0			100		(1000
TY Imp. from U.S.	102	102	102	0	50	0	0	100	0	MT)
Total Supply	4,113	3,58 5	3,641	E 212	3,98 5	4,59 1	E 012	3,93 5	4,89 1	(1000 MT)
тосаг Зирргу	4,113	3	3,041	5,313	3		5,813	3		(1000
MY Exports	0	0	0	0	0	0	0	0	0	(1000 MT)
ITT Exports	0	0	U	-	0	- 0	U	-	U	(1000
TY Exports	0	0	0	0	0	0	0	0	0	MT)
										(1000
Feed and Residual	0	0	0	0	0	0	0	0	0	MT)
		3,20			3,55	3,70		3,60	3,80	(1000
FSI Consumption	3,300	0	3,200	3,700	0	0	4,000	0	0	MT)
		3,20			3,55	3,70		3,60	3,80	(1000
Total Consumption	3,300	0	3,200	3,700	0	0	4,000	0	0	MT)
									1,09	(1000
Ending Stocks	813	385	441	1,613	435	891	1,813	335	1	MT)
L	1	3,58		L	3,98	4,59		3,93	4,89	(1000
Total Distribution	4,113	5	3,641	5,313	5	1	5,813	5	1	MT)
L	1 _		2.122	1 _		2.12				(MT/H
Yield	2.	2.	5	2.	2.	5	2.	2.	2.5	A)
TS=TD			0			0			0	