

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Biweekly Price and Policy Update Week of 12 February 2023

**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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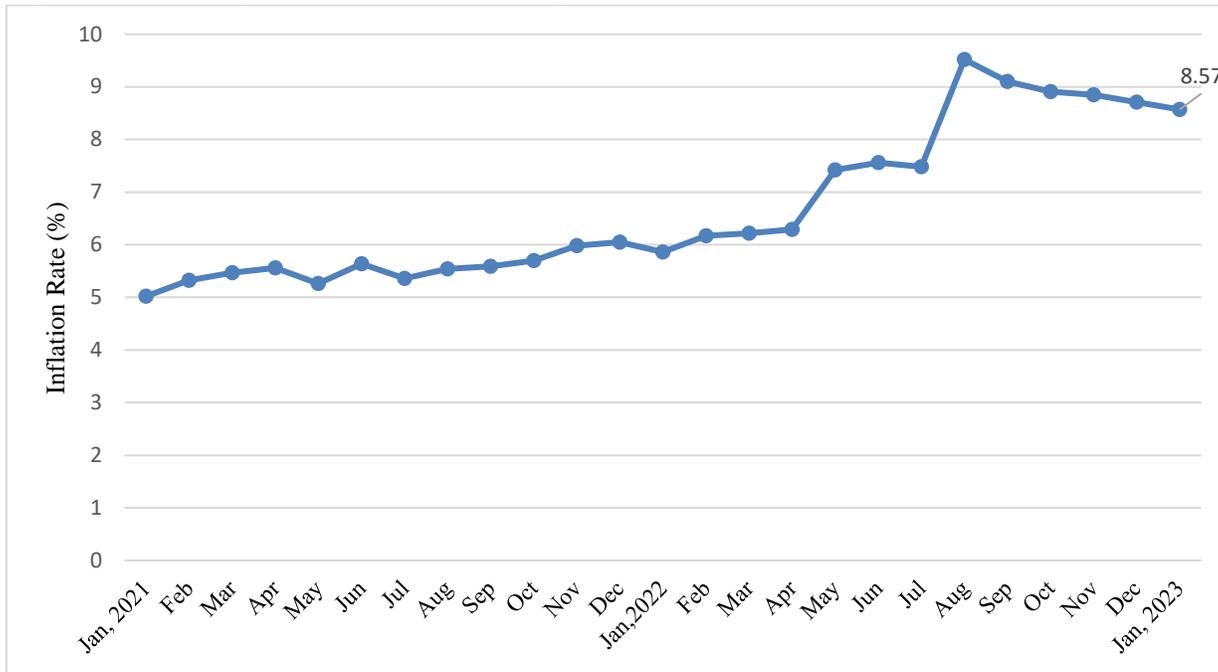
**Report Highlights:**

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

### Inflation Falls Slightly in January, but Remains High

The monthly inflation rate in January 2023 fell to 8.6 percent, its lowest level since August 2022 (Figure 1). The food inflation rate stood at 7.8 percent, while the non-food inflation rate was 9.8 percent.

**Figure 1: Monthly Inflation Rate in Bangladesh**



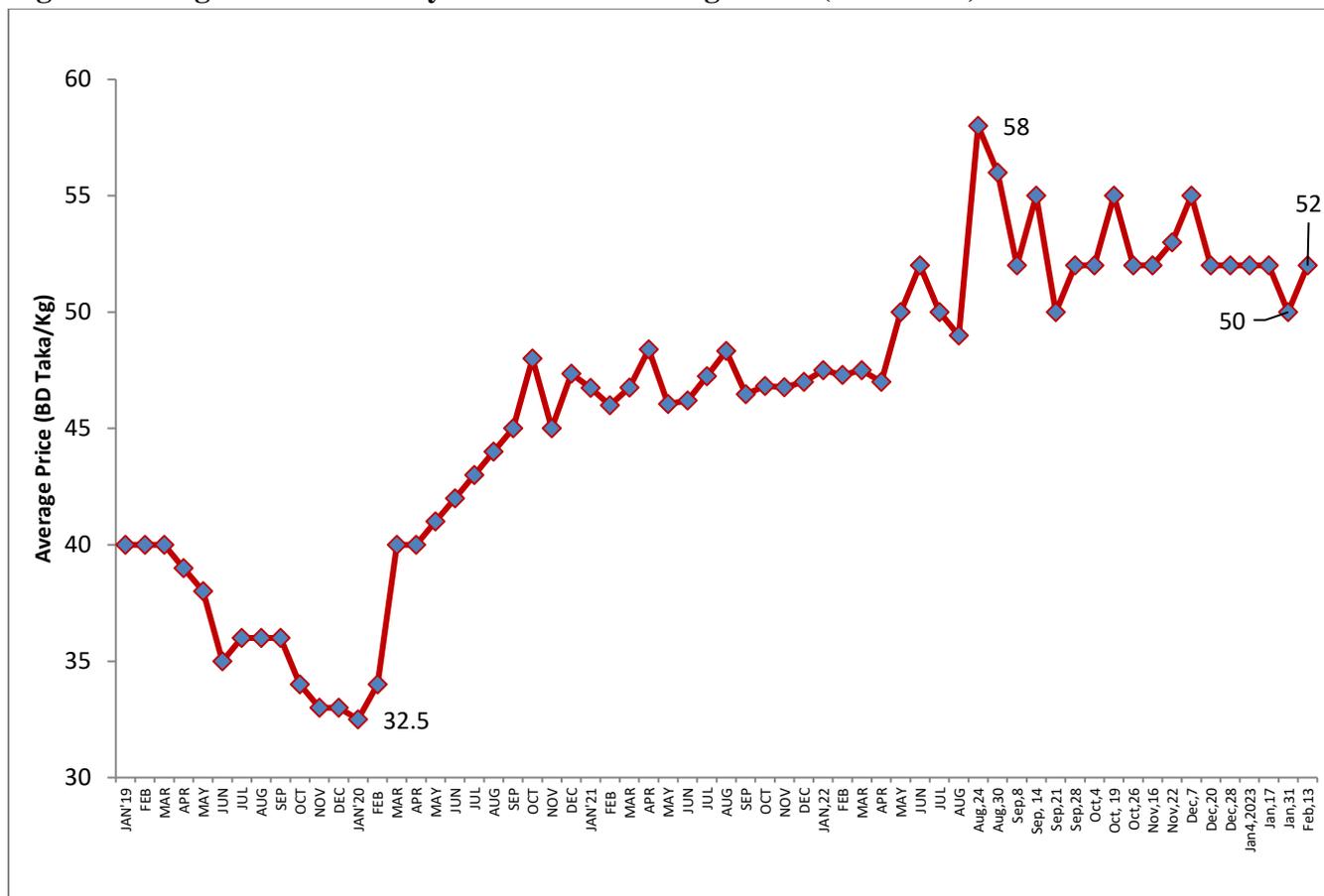
Source: Bangladesh Bank and Bangladesh Bureau of Statistics

### Rice Price Volatility Continues

This week, the coarse rice price increased to BDT 52 (\$0.50) per kilogram, up about 4 percent over the previous week (Figure 2).

The price of medium quality rice also increased 4 percent from the previous week to BDT 60 (\$0.57) per kilogram. The price of high-quality rice remained unchanged at BDT 75 (\$0.71) per kilogram.

**Figure 2: Bangladesh – Monthly Coarse Rice Average Price (2019-2023)**



Source: Trading Corporation of Bangladesh (TCB)

Note: Exchange Rate USD \$1.00 = BDT 105.0

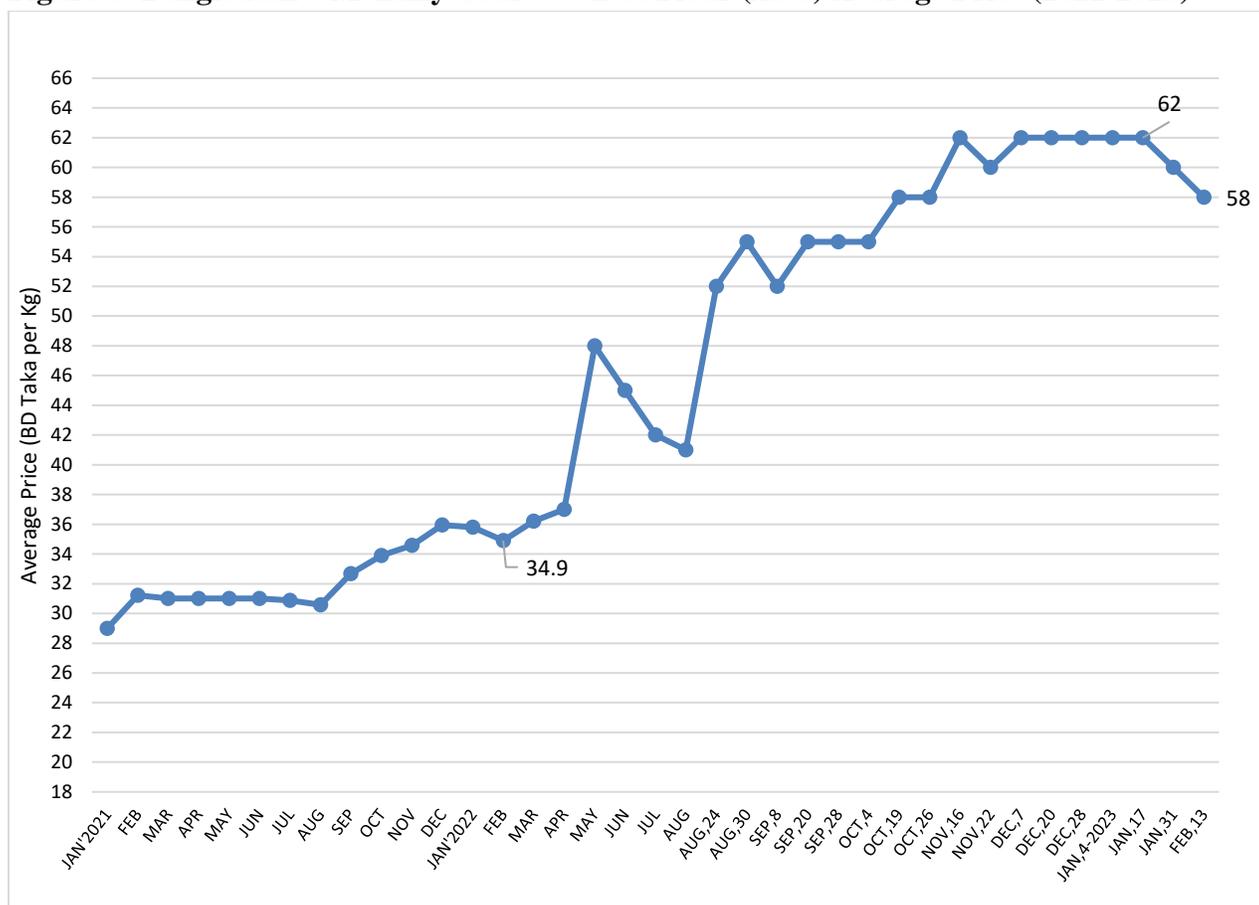
### Wheat Flour (*Aata* and *Maida*) Prices Continue to Drop

Falling prices for all types of wheat flour continued this week, though prices remain high. According to the TCB, the price of unpacked coarse wheat flour (*aata*) decreased 3 percent from the previous week to BDT 58 (\$0.55) per kilogram (Figure 3). The price of packed *atta* also dropped to BDT 68 (\$0.65) per kilogram, down about 9 percent from the last week.

The price of packed fine quality wheat flour (*maida*) dropped to BDT 78 (\$0.74), down about 3 percent from the previous week. The prices of unpacked *maida* remained unchanged from the previous week at BDT 70 (\$0.67) per kilogram.

Since the Russian invasion of Ukraine in February 2022, prices of all types of wheat flour have been rising due to supply chain disruptions and higher international wheat prices. India’s wheat export ban on May 13, 2022 and the appreciation of the U.S. dollar against the Bangladeshi taka aggravated the situation further, as most wheat is imported. At present, the prices of all types of wheat flour are 37-63 percent higher as compared to the same period last year.

**Figure 3: Bangladesh – Monthly Coarse Wheat Flour (Aata) Average Price (2021-2023)**



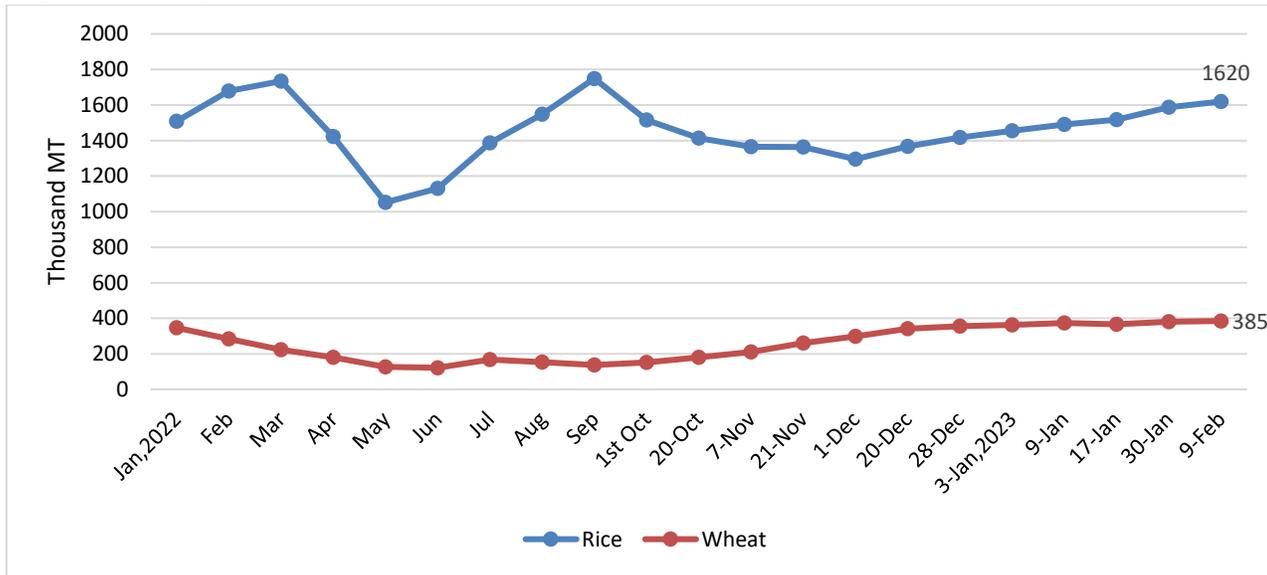
Source: TCB

### Wheat and Rice Stocks Keep Rising

As of February 9, 2023, wheat stocks in public granaries stood at 385,000 MT, up slightly from the previous week (Figure 4).

Rice stocks in public granaries have been rising since November 2022 and reached 1.62 million MT on February 9, 2023, up about 2 percent from January 30, 2023. The Government of Bangladesh (GoB) started its *aman* season rice procurement program for public granaries on November 10, 2022, which led to the increase. In addition, the GoB has imported rice from neighboring countries under government-to-government agreements.

**Figure 4: Bangladesh – Monthly Stocks of Rice and Wheat in Public Granaries (2022-23)**



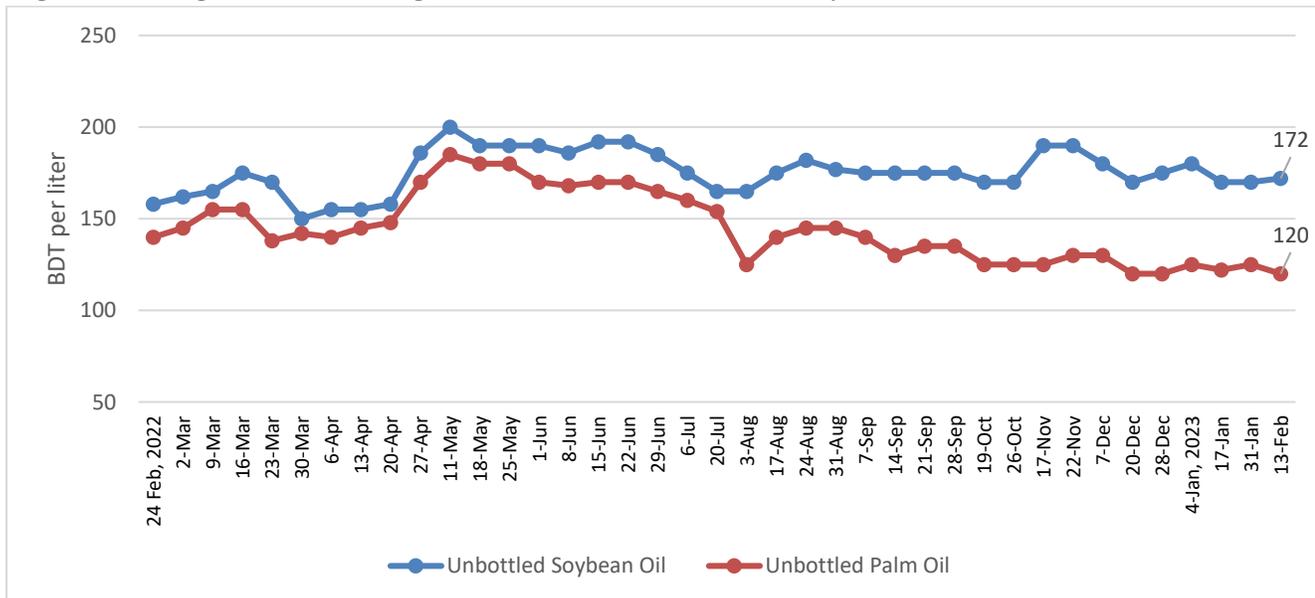
Source: Ministry of Food

**Edible Oil Prices Remain Steady**

This week, the price of unbottled soybean oil increased slightly to BDT 172 (\$1.64) per liter, up about 1 percent from the previous week. The price of unbottled palm oil dropped about 4 percent to BDT 120 (\$1.14) per liter (Figure 5).

Bottled soybean oil and palm oil prices remained at BDT 187 (\$1.78) and BDT 140 (\$1.33) per liter, respectively, equal to the previous week.

**Figure 5: Bangladesh – Average Retail Price of Unbottled Soybean Oil and Palm Oil (2022-23)**



Source: TCB

### **Prices of Other Commodities**

- Average retail price of sugar remained at BDT 120 (\$1.14) per kilogram, the same as the previous week.
- Average retail price of lentils dropped to BDT 135 (\$1.28) per kilogram, down about 4 percent from the previous week.
- Average beef price increased to BDT 720 (\$6.86) per kilogram, up about 18 percent from the same period last year.
- Average price of eggs increased to BDT 140 (\$1.33) per dozen, up about 4 percent from the previous week.

### **Further Background**

Agricultural and food commodity prices first began rising in September 2021 due to the COVID-19 pandemic. In February 2023, prices were 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.