

Voluntary Report – Voluntary - Public Distribution

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Country: Bangladesh

Post: Dhaka

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

Prepared By: Tanvir Ahmed

Approved By: Megan Francic

Report Highlights:

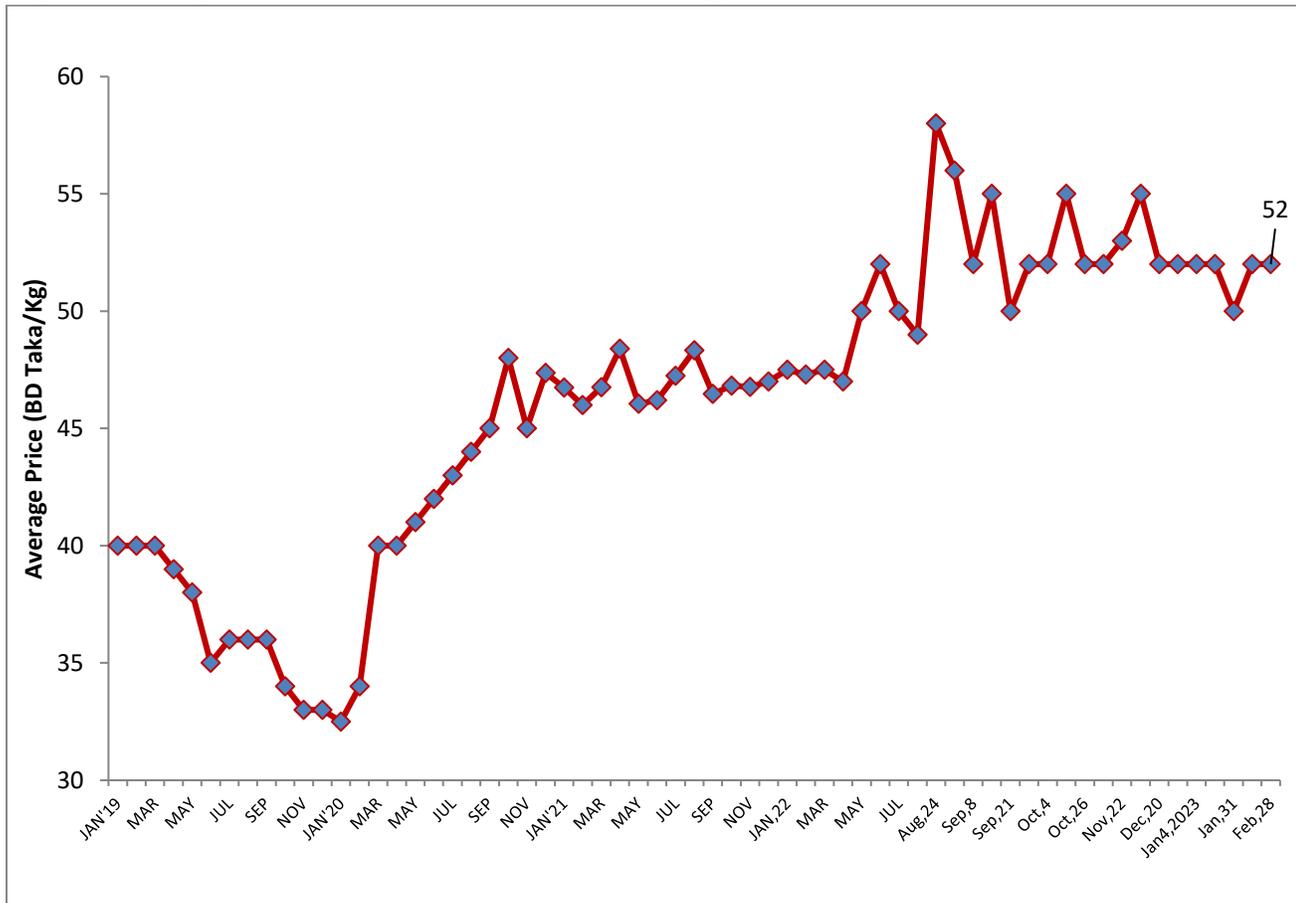
This is a biweekly report outlining the prices of agricultural commodities in Bangladesh, as well as major trade and policy updates.

Rice Prices Remain High and Steady

The coarse rice price remained unchanged this week at BDT 52 (\$0.49) per kilogram (Figure 1). Currently, prices of all types of rice remain steady, but are about 3 percent higher as compared to the same period last year.

The prices of medium and high-quality rice remained at BDT 58 (\$0.54) and BDT 75 (\$0.70) per kilogram, respectively.

Figure 1: Bangladesh – Monthly Coarse Rice Average Price (2019-2023)



Source: Trading Corporation of Bangladesh (TCB)

Note: Exchange Rate USD \$1.00 = BDT 107.0

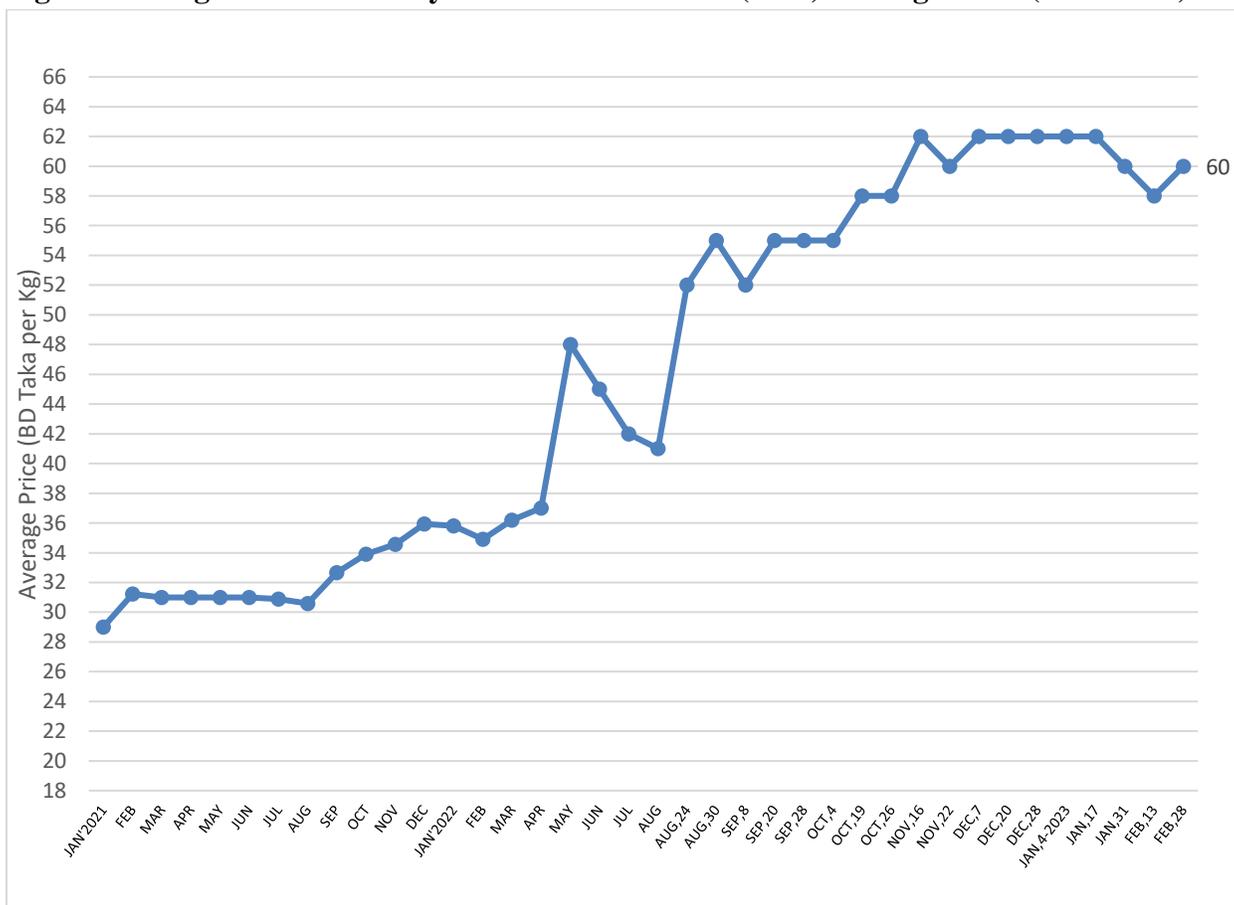
Wheat Flour (*Aata* and *Maida*) Prices Remain High

This week, the price of coarse wheat flour (*aata*) increased to BDT 60 (\$0.56), up about 3 percent over the previous week (Figure 2). According to the TCB, the price of packed *atta* remained at BDT 68 (\$0.64) per kilogram, the same as last week.

The price of packed fine quality wheat flour (*maida*) also held steady at BDT 78 (\$0.73) per kilogram. However, the price of unpacked *maida* dropped to BDT 66 (\$0.62) per kilogram, down about 6 percent from the previous week.

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 36-58 percent higher as compared to the same period last year.

Figure 2: Bangladesh – Monthly Coarse Wheat Flour (Aata) Average Price (2021-2023)



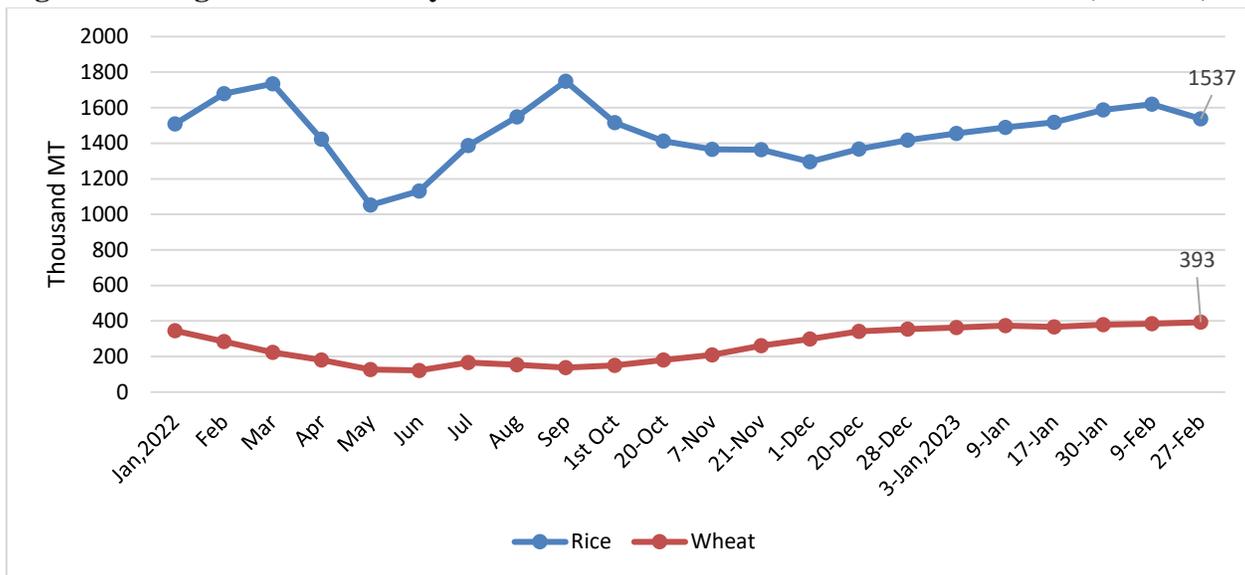
Source: TCB

Wheat Stocks Rising; Rice Stocks Falling

As of February 27, 2023, wheat stocks in public granaries rose to 393,000 metric ton (MT), up slightly from the previous week (Figure 3).

Rice stocks in public granaries started decreasing this week for the first time since November 2022. As of February 27, 2023, rice stocks stood at 1.54 million MT, down about 5 percent from February 9, 2023, as the Government of Bangladesh (GoB) expanded its food distribution programs i.e., Open Market Sale (OMS).

Figure 3: Bangladesh – Monthly Stocks of Rice and Wheat in Public Granaries (2022-23)



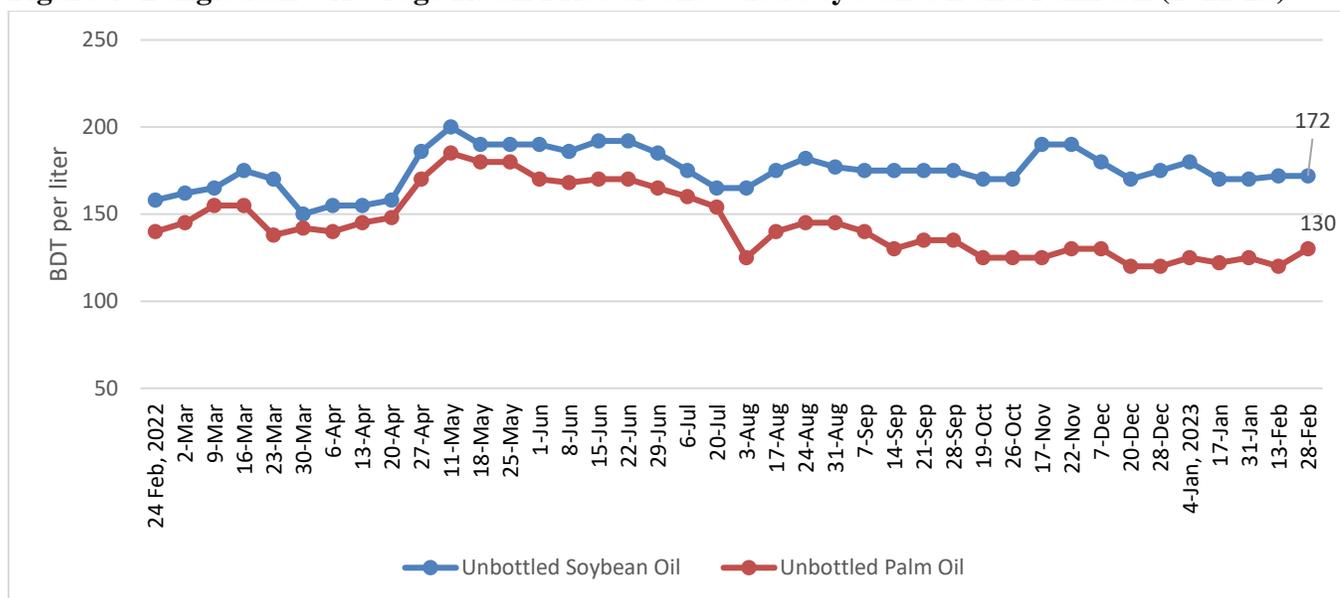
Source: Ministry of Food

Palm Oil Prices Rising; Soybean Oil Prices Remains Steady

This week, the price of unbottled soybean oil remained at BDT 172 (\$1.61) per liter, the same as the previous week. However, the price of unbottled palm oil increased about 8 percent to BDT 130 (\$1.21) per liter (Figure 4).

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

Figure 4: Bangladesh – Average Retail Price of Unbottled Soybean Oil and Palm Oil (2022-23)



Source: TCB

Subsidized Rice and Wheat Flour Distribution Begins

The GoB has started distributing various food items, including rice and wheat, through different social safety net programs. The ongoing OMS program is selling rice and wheat flour at BDT 30 (\$0.28) and BDT 24 (\$0.22) per kilogram, respectively. In Dhaka, the OMS program utilizes trucks that sell subsidized commodities in low-income neighborhoods; there are no income requirements for households, though households who purchase OMS commodities anecdotally self-select. In rural areas, households receive an OMS card they can use in shops. From March 1, 2023, the GoB’s Food Friendly Program will provide about 5 million households with 10 kilograms of rice each at the rate of BDT 15 (\$0.14) per kilogram.

Prices of Other Commodities

- Prices of broiler chickens hit a record high of BDT 230 (\$2.15) per kilogram, up about BDT 100 (\$0.94) from last month.
- Average retail price of sugar remained at BDT 120 (\$1.14) per kilogram, the same as the previous week.
- Average retail price of lentils remained at BDT 135 (\$1.28) per kilogram, the same as the previous week.
- Average beef price increased to BDT 750 (\$7.15) per kilogram, up about 5 percent from previous week.
- Average price of eggs decreased to BDT 135 (\$1.28) per dozen, down 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 and March 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.