

**Voluntary Report** – Voluntary - Public Distribution

**Date:** April 21, 2023

**Report Number:** BG2023-0010

**Report Name:** Biweekly Price and Policy Update Week of 9 April 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:**

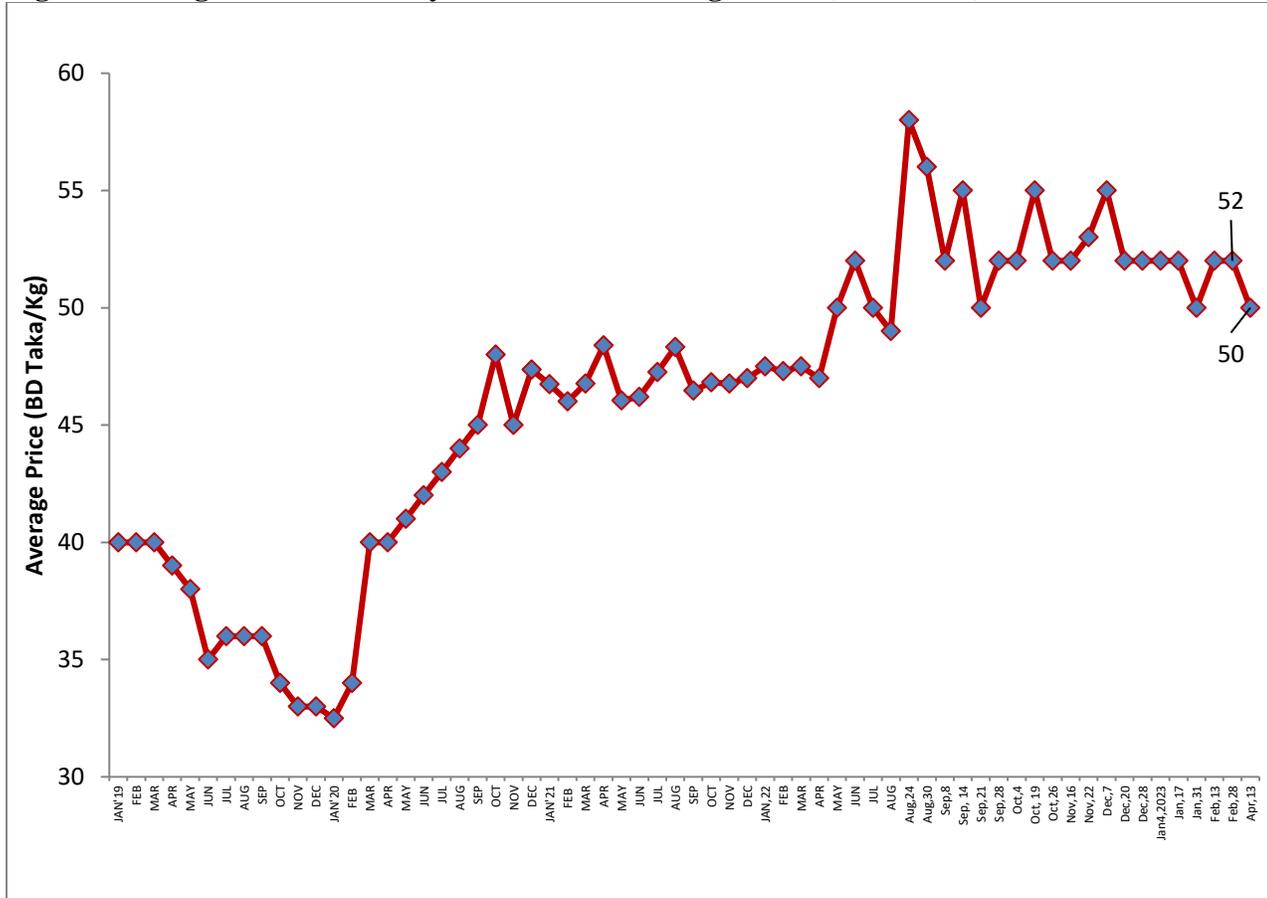
This is a biweekly report outlining the prices of agricultural commodities in Bangladesh, as well as major trade and policy updates.

### Rice Price Drops Slightly

This week, the coarse rice price dropped to BDT 50 (\$0.47) per kilogram (Figure 1), down 4 percent from the previous month. Some parts of the country have started the *boro* season rice harvest, while the remaining regions will begin to harvest in May 2023.

The price of medium quality rice also dropped to BDT 56 (\$0.52) per kilogram, down 3 percent from last month. Prices of high-quality rice remained at BDT 75 (\$0.70) per kilogram.

**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

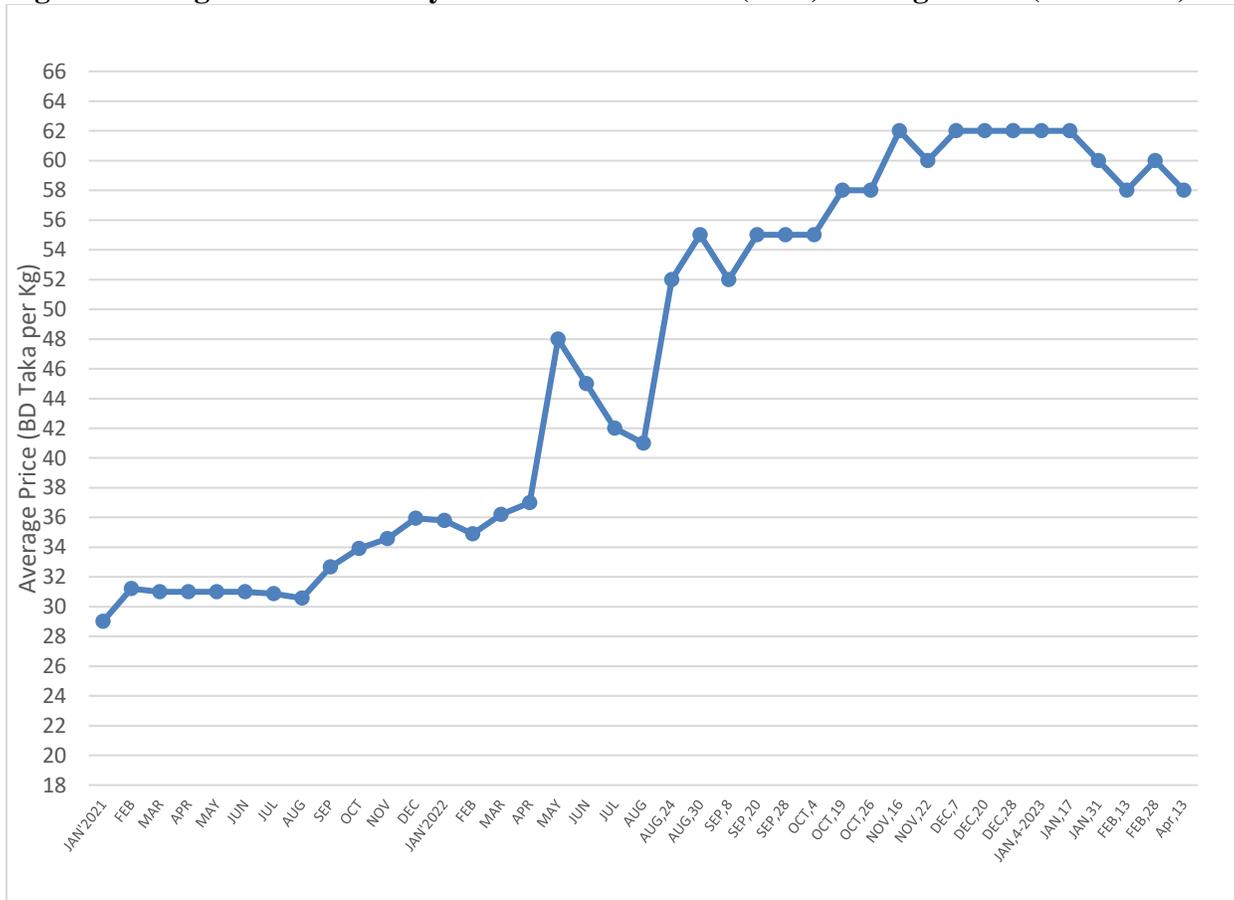
### Wheat Flour (*Aata* and *Maida*) Prices Decrease Slightly but Remain High

This week, the price of coarse wheat flour (*aata*) decreased to BDT 58 (\$0.54), down 3 percent from the previous month (Figure 2). According to the TCB, the price of packed *aata* also dropped to BDT 65 (\$0.61) per kilogram, down 4 percent from last month.

The price of packed fine quality wheat flour (*maida*) dropped to BDT 75 (\$0.70) per kilogram, down 4 percent from the previous month. The price of unpacked *maida* dropped to BDT 62 (\$0.58) per kilogram, down 6 percent.

Farmers started harvesting wheat in March 2023; however, local harvest does not impact supply as Bangladesh only produces about 10 percent of its annual requirement. 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)**



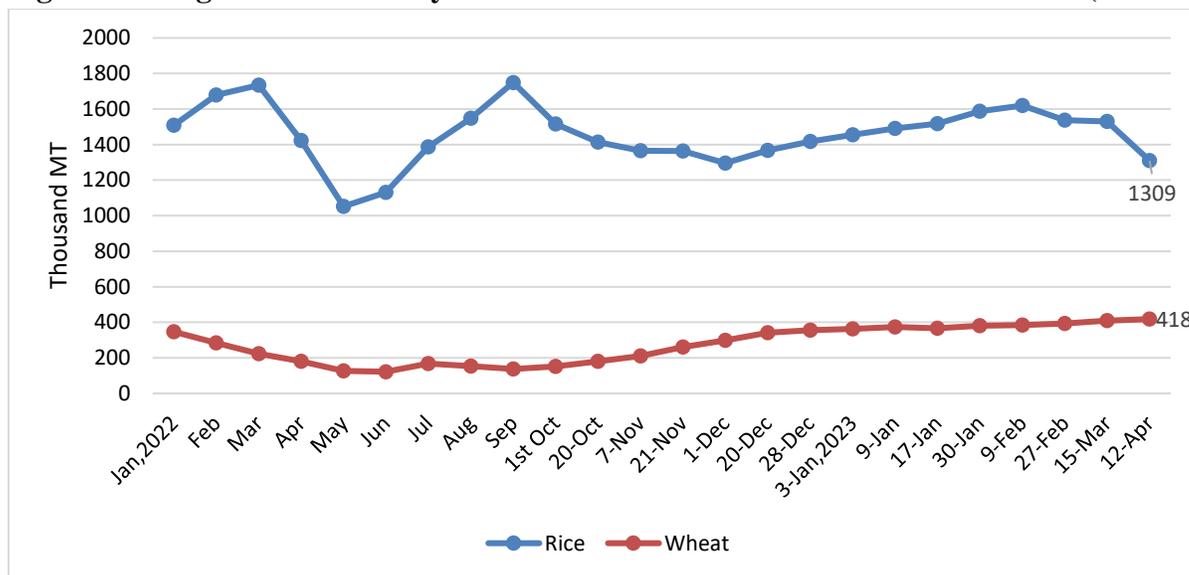
Source: TCB

**Wheat Stocks Rise; Rice Stocks Fall**

As of April 12, 2023, wheat stocks in public granaries rose to 418,000 metric ton (MT), up slightly from the previous month (Figure 3).

Rice stocks in public granaries decreased to 1.3 million MT, down 13 percent from the previous month as the Government of Bangladesh (GoB) continued its food distribution programs for the poor, such as Open Market Sale (OMS) and the Food Friendly Program (FFP). According to contacts, the GoB ended its *aman* rice procurement program on October 28, 2023 and has no plan to procure rice from international markets until June 2023. Therefore, rice stocks in public granaries are declining.

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



Source: Ministry of Food

### Fertilizer Price Hike

This week, the GoB increased the retail prices of urea, DAP, TSP, and MOP fertilizers by BDT 5 per kilogram (Table 4). All types of chemical fertilizers are highly subsidized in Bangladesh. The GoB fixes the retail prices of major chemical fertilizers annually and distributes them to the farmers through local fertilizers dealers throughout the country.

**Table 4: Price Hike of Chemical Fertilizers in April 2023**

Fertilizer	Previous Government Rate in BDT/Kg	Current Government Rate in BDT/Kg (April 2023)
Urea	22 (\$0.21)	27 (\$0.25)
TSP	22 (\$0.21)	27 (\$0.25)
DAP	16 (\$0.15)	21 (\$0.20)
MOP	15 (\$0.14)	20 (\$0.19)

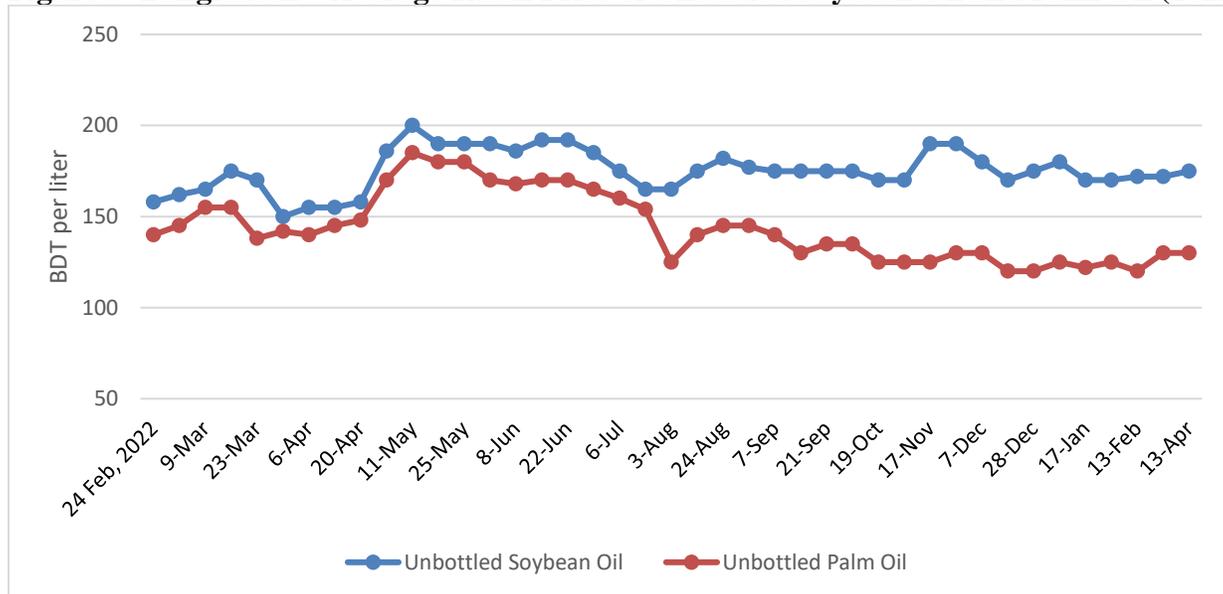
Source: Local News Reports

### Soybean Oil Price Rises, Palm Oil Price Remains Steady

This week, the price of unbottled soybean oil reached BDT 175 (\$1.63) per liter, up 2 percent from the previous month on high demand during Ramadan. The price of unbottled palm oil remained at BDT 130 (\$1.21) per liter, the same as the previous month (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 month.

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



Source: TCB

### Prices of Other Commodities

- This week, the price of live broiler chicken dropped to BDT 200 (\$1.87) per kilogram, down about 30 percent from last month. Usually, the live broiler chicken price is between BDT 150 and BDT 200 per kilogram, but at the beginning of Ramadan it rose to BDT 300 per kilogram, a record high.
- Average retail price of sugar remained at BDT 120 (\$1.14) per kilogram, the same as the previous month.
- Average retail price of lentils remained at BDT 135 (\$1.28) per kilogram, the same as the previous month.
- Average beef price also remained at BDT 750 (\$7.15) per kilogram, the same as the previous month.
- Average price of eggs remained BDT 135 (\$1.28) per dozen, the same as the previous month.

### Further Background

Agricultural and food commodity prices first began rising in September 2021 due to the COVID-19 pandemic. In March and April 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. The high consumer demand during the holy month of Ramadan also contributing to the high prices. 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.