

**Voluntary Report** – Voluntary - Public Distribution

**Date:** January 19, 2023

**Report Number:** BG2023-0002

**Report Name:** Biweekly Price and Policy Update\_Week of January 15- 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:**

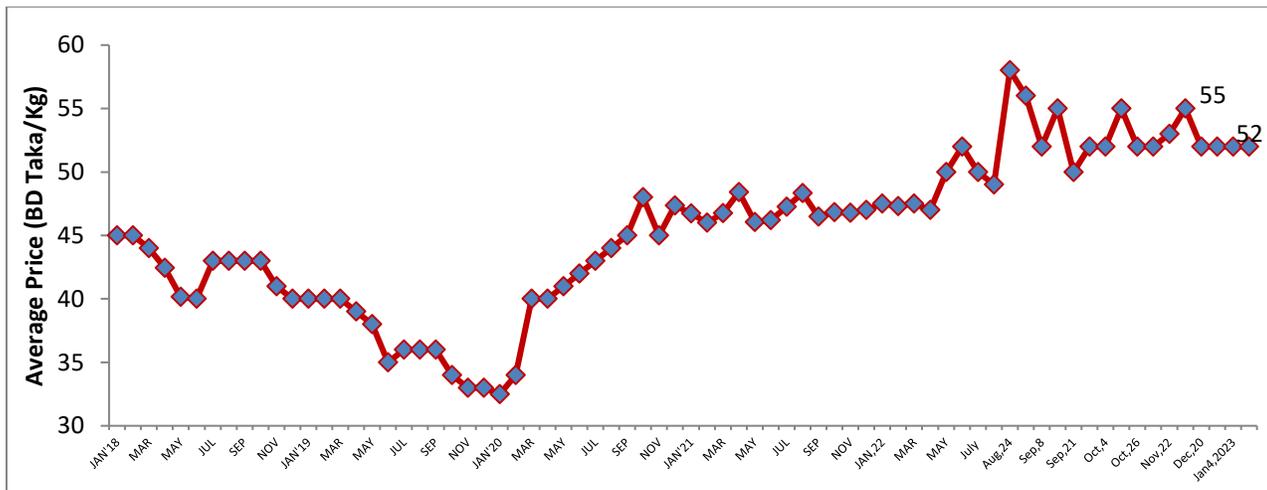
This is a biweekly report outlining the prices of agricultural commodities in Bangladesh, as well as major trade and policy updates.

## Rice Prices Remain High, but Steady

Since the second week of December 2022, the price of coarse rice remained unchanged at BDT 52 (\$0.50) per kilogram (Figure 1). Currently, prices of all types of rice remain steady, although they are about 4-5 percent higher as compared to the same period last year. Usually, rice prices decline at harvest time; however, high production costs are leading to both higher paddy and rice prices this year.

This week, the price of medium and high-quality rice remained at BDT 60 (\$0.57) and BDT 75 (\$0.71) per kilogram, respectively, unchanged from the previous week.

**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

## Boro Rice Plantation Begins

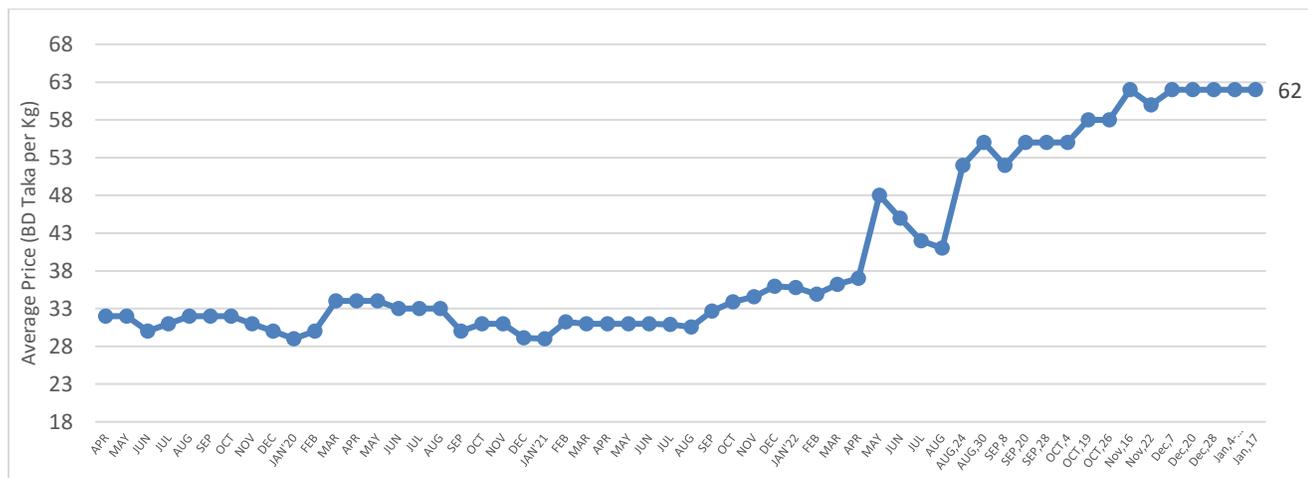
The *Boro* season rice plantation has started throughout the country beginning in January 2023 and is expected to be harvested between April and May. Amid high input costs, the Bangladesh Department of Agriculture Extension (DAE) has set a target to cultivate around 4.97 million hectares in order to produce about 2.15 million metric tons (MMT) of rice.

## 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 slightly to BDT 72 (\$0.69) per kilogram, about 3 percent higher than last week.

This week, the price of packed *aata* remained at BDT 75 (\$0.71) per kilogram while and packed *maida* dropped to BDT 80 (\$0.76) per kilogram, 6 percent lower from the previous week. Since the Russian invasion of Ukraine in February 2022, the prices of all wheat flour products keep rising due to supply chain disruptions and the higher international price of wheat. India's wheat export ban on May 13, 2022, and the appreciation of U.S. dollar against the Bangladesh taka further aggravated the situation, as Bangladesh must import most of its wheat.

**Figure 2: Bangladesh – Monthly Coarse Wheat Flour (Aata) Average Price (2019-2023)**



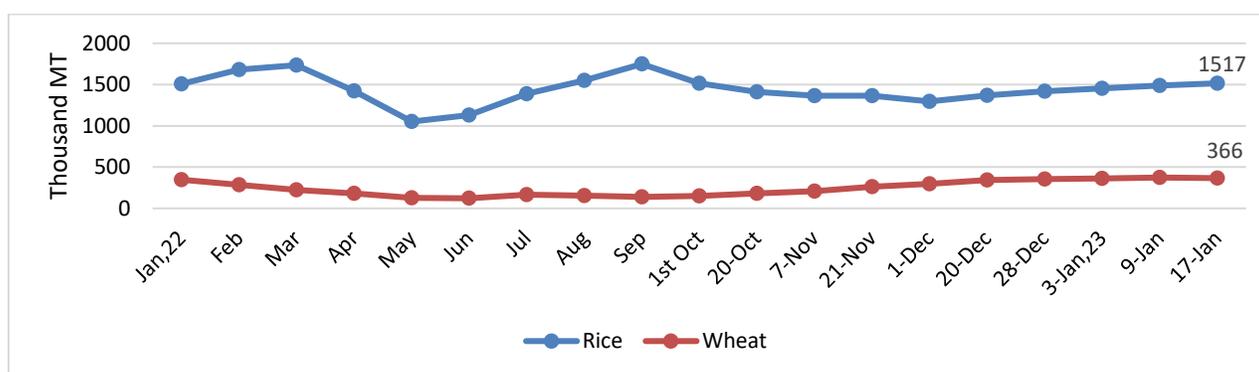
Source: TCB

### Wheat and Rice Stocks Keep Rising

As of January 17, 2023, wheat stocks in public granaries stood at 366,000 metric tons (MT), slightly reduced from the previous week (Figure 3).

Rice stocks in public granaries keep rising since November 2022 and reached 1.52 MMT on January 17, 2023, up about 2 percent from last week. 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 is importing rice from neighboring countries under government-to-government agreements. According to the Food Ministry, from July 1, 2022, to January 17, 2023, the GoB imported approximately 400,000 MT of rice.

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



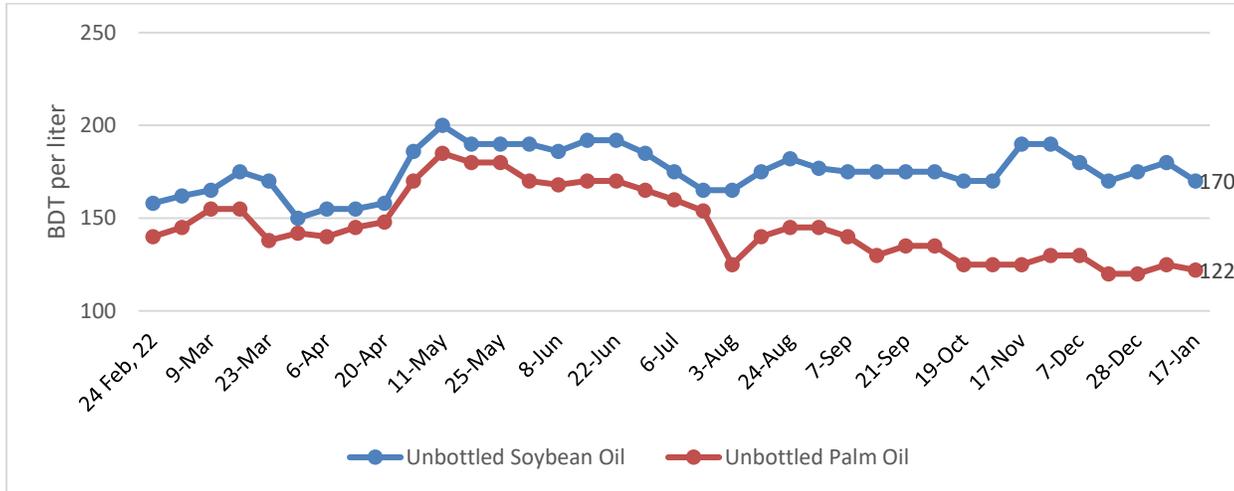
Source: Ministry of Food, Government of Bangladesh

### Edible Oil Prices Dropping Slightly

This week, the price of unbottled soybean oil reduced to BDT 170 (\$1.62) per liter, down about 6 percent from the previous week. The price of unbottled palm oil also decreased about 2 percent to BDT 122 (\$1.16) per liter (Figure 4).

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

**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 kg, unchanged from last week.
- Average retail price of lentils remained at BDT 140 (\$1.33) per kg, unchanged from last week.
- Average beef prices remained at BDT 700 (\$6.80) per kilogram but are up about 15 percent from the same period last year.
- Average price of eggs increased to BDT 123 (\$1.22) 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 January 2023, prices remain high, exacerbated by the Russian invasion of Ukraine, the appreciation of the U.S. dollar, and high inflation—all resulting in supply chain disruptions. Price volatility is affecting the food security of poor and middle-income consumers in 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 both India’s ban on wheat exports that began in 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 letters of credit, including those for commodity imports. This has led to the short supply of some staple goods in the market.

**Attachments:**

No Attachments.