

**Required Report:** Required - Public Distribution

**Date:** April 09, 2024

**Report Number:** BG2024-0002

## **Report Name:** Grain and Feed Annual

**Country:** Bangladesh

**Post:** Dhaka

**Report Category:** Grain and Feed

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### **Report Highlights:**

Bangladesh continues to increase rice production, for marketing year (MY) 2024/25, Post forecasts rice production at 37.7 million metric tons (MT). With high international prices and increased production, Post forecasts limited opportunities for Bangladesh to import rice in MY 2024/25. As the feed industry rebounds, Post forecasts higher local production of corn to meet the demand. Post forecasts MY 2024/25 wheat imports slightly higher than MY 2023/24 based on increased demand.

## **Executive Summary**

Bangladesh continues to increase domestic rice production to meet local consumption demands. As rice prices increased in MY 2023/24, the Government of Bangladesh (GoB) lowered the rice tariff rate on February 8, 2024, but importers are not importing rice as the costs would exceed the domestic price. Bangladesh's rice imports have been hampered by high international prices, India's export ban on non-basmati rice, and Bangladesh's economic challenges.

Bangladesh's economy is currently facing high inflation, the depreciation of the local currency (the taka), and a depletion of foreign currency (forex) reserves. Despite ongoing economic challenges, Bangladesh will continue to import larger amounts of wheat to meet domestic demand. Since India stopped exporting wheat in 2022, Bangladesh has relied on Russia, Ukraine, Canada, and Australia for wheat imports. Post forecasts imports at over 6 million metric tons in MY 2024/25.

Corn is the major ingredient for animal feed in Bangladesh. With higher local production, imports reduced significantly in MY 2023/24. Post anticipates that the lower import rate will continue for MY 2024/25, as India, a major corn exporter to Bangladesh, has a short supply of corn available for export. Animal feed production is rebounding after declining since 2021, as Bangladesh's livestock and aquaculture sector is modernizing and using more complex feed. Recently, many commercial poultry farms have expanded their businesses, and some large feed producers have started contract poultry farms.

## RICE, MILLED

### Production

Bangladesh has three distinct rice-growing seasons: *boro*, *aus*, and *aman*. The *boro* season rice cultivation starts in December and January, with harvests taking place in April and May. *Aus* season rice cultivation begins in April and May and is harvested in August and September, while the *aman* season rice cultivation begins in August and September, with harvests concluding in November and December.

For marketing year (MY) 2024/25, Post forecasts total rice harvested area at 11.9 million hectares and production at 37.7 million metric tons (MT), up 1.3 percent and 1.9 percent, respectively, from Post's MY 2023/24 estimates. Post assumes favorable weather conditions, adequate seed and fertilizer supply, and continued support from the Ministry of Agriculture's (MOA) Department of Agricultural Extension (DAE).

For MY 2023/24, Post increased total rice harvested area to 11.75 million hectares and production to 37 million MT, based on DAE's final crop production data. Following DAE's latest crop production report and Post's field observations, Post revised acreage and production numbers for the last *aman* season harvest.

**Table 1: *Boro*, *Aus*, and *Aman* Rice Area and Production**

Rice by Season	MY 2022/23		MY 2023/24		MY 2024/25 (Forecast)	
	Area 1,000 HA	Production 1,000 MT	Area 1,000 HA	Production 1,000 MT	Area 1,000 HA	Production 1,000 MT
<i>Boro (Winter)</i>	4,800	19,700	4,850	20,000	4,900	20,500
<i>Aus (Pre-Monsoon)</i>	900	2,050	1,050	2,400	1,100	2,500
<i>Aman (Monsoon)</i>	5,900	14,600	5,850	14,600	5,900	14,700
Total Rice	11,600	36,350	11,750	37,000	11,900	37,700

Source: Post calculations, based on DAE data

### *Boro* Season Rice

*Boro* season rice is the first crop of the rice marketing year in Bangladesh. It is also known as winter season rice. For MY 2024/25, *boro* rice transplanted in December 2023-January 2024 will be harvested in April-May 2024. *Boro* season rice cultivation heavily relies on irrigation and constitutes over 50 percent of Bangladesh's total annual rice production (Table 1). There are many high yielding and hybrid varieties available to cultivate during the *boro* season. The most common varieties are BRRI Dhan28, BRRI Dhan29, BRRI Dhan47, and BRRI Dhan50. Post contacts and farmers reported that they are cultivating some of the newly released varieties such as BRRI Dhan84, BRRI Dhan92, and Bangabandhu Dhan100 during this *boro* season. DAE emphasizes expanded use of new rice varieties due their better yield and high tolerant to stress and diseases. Farmers also apply sufficient fertilizers that leads to higher yield of *boro* season rice. Farmers reported that there is no shortage of fertilizers in the market during this *boro* rice season. The acreage and production of *boro* rice increases slightly each year (Figure 1).

As of March 2024, farmers are anticipating a good harvest of on-field *boro* rice. No natural disasters, such as droughts, heatwaves, cyclones, or pest outbreaks, have been reported yet.

For MY 2024/25, Post forecasts *boro* rice harvested area at 4.9 million hectares and production at 20.5 million MT, up slightly from Post's MY 2023/24 estimate, based on DAE's crop production report.

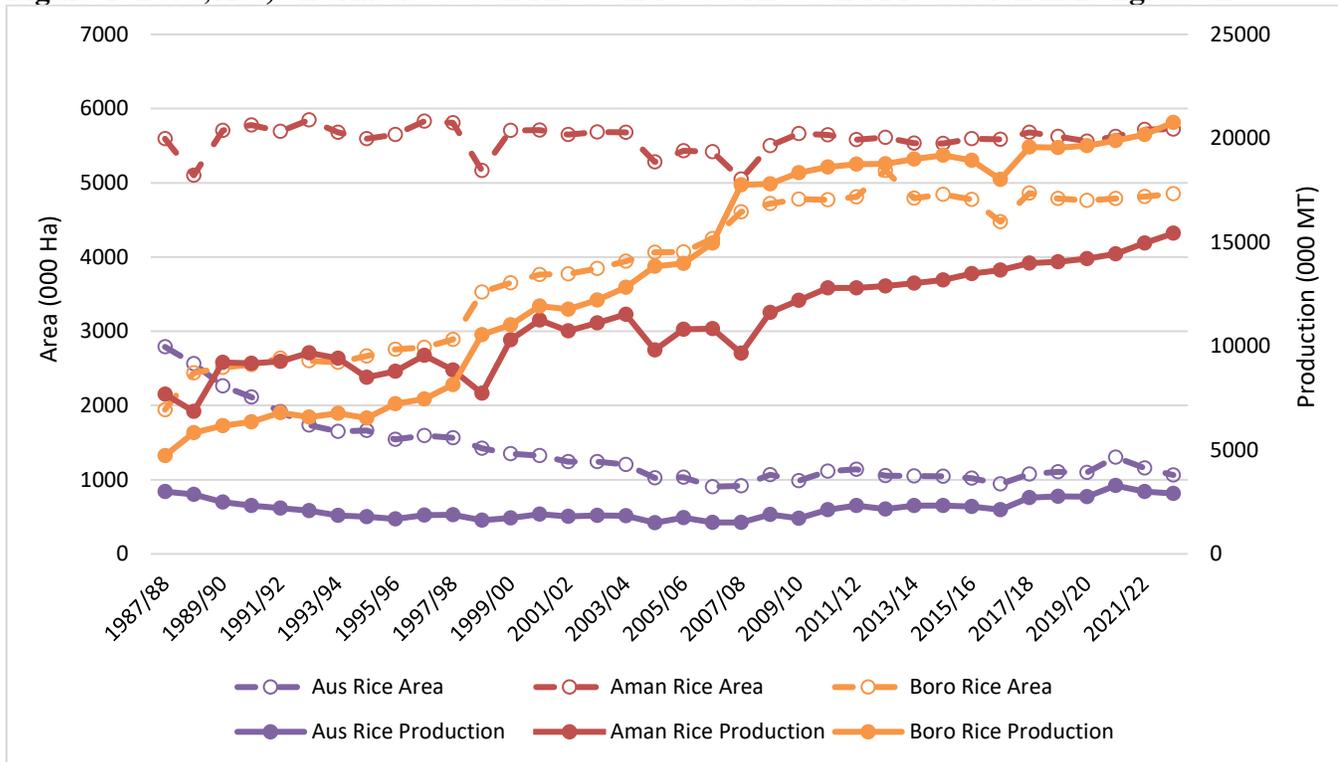
#### *Aus Season Rice*

Post's forecast for MY 2024/25 *aus* season rice harvested area is 1.1 million hectares with production at 2.5 million MT. *Aus* season rice is also known as pre-monsoon rice and is cultivated in limited locations. Mymensingh, Jamalpur, Kishorgonj, Tangail, Rajbari, Gopalganj, Chuadanga, Madaripur, Shariatpur, Cumilla, Chadpur, Manikgonj, and Munshigonj Districts produce most of the *aus* rice. In terms of acreage, *aus* rice was the largest rice crop during the 1970s and 1980s. Farmers cultivated numerous indigenous varieties at that time. However, with the development of irrigation and introduction of high yielding varieties, *aman* and *boro* season production expanded while *aus* cultivation decreased. Currently, it contributes less than 10 percent of the total rice production. The available *aus* rice varieties typically exhibit lower yields compared to varieties suitable for other seasons. Not all farmers are interested in cultivating *aus* season rice due to the risk of flooding as harvest happens at the start of the monsoon season. Delayed monsoons and uneven rainfall have also led to the decrease in *aus* production.

#### *Aman Season Rice*

*Aman* season rice acreage is the highest of the three seasons. It is also known as post-monsoon rice and historically was fully rainfed. Adequate and timely rains are important for good production. However, for the past several years, farmers have been using partial irrigation at the onset of the season due to the delayed arrival of the monsoon. Though *aman* season rice acreage has remained stable over many years, production is trending upward (Figure 1) due to the introduction and expansion of new high yielding varieties. Post forecasts MY 2024/25 *aman* season rice harvested area and production at 5.9 million hectares and 14.7 million MT, respectively.

**Figure 1: Boro, Aus, and Aman Season Rice Cultivated Area and Production in Bangladesh**



Source: Bangladesh Bureau of Statistics (BBS)

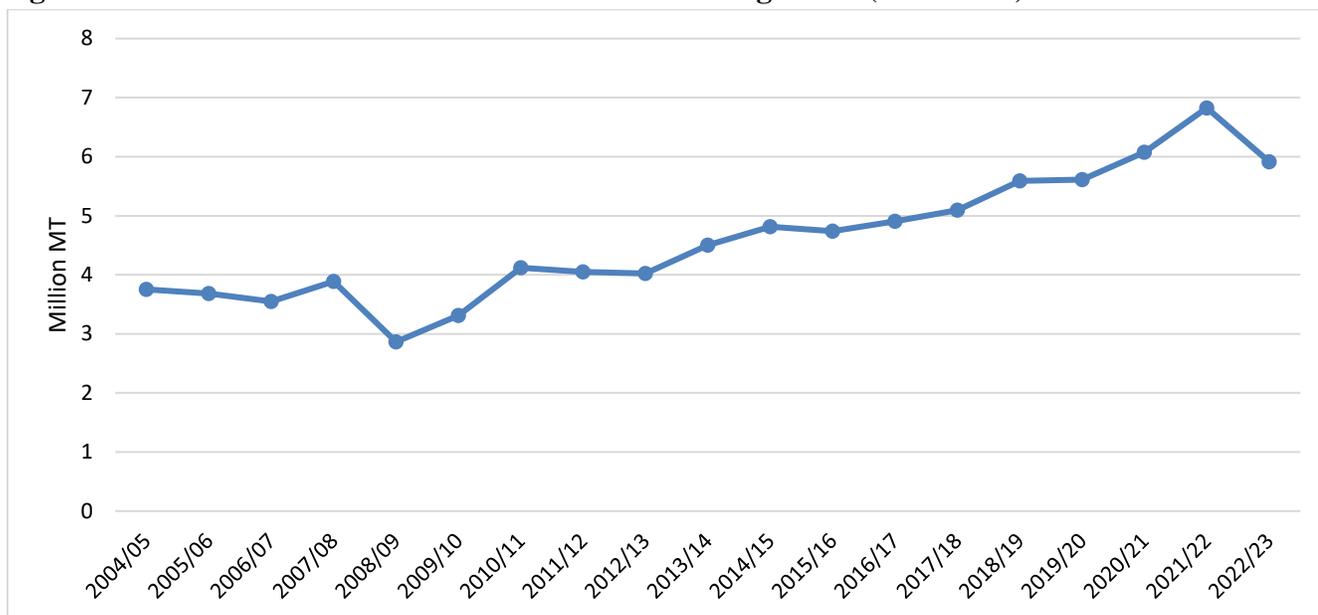
Bangladeshi farmers cultivate both inbred and hybrid rice varieties. To date, the Bangladesh Rice Research Institute (BRRI) has officially released 108 inbred varieties and eight hybrid varieties; however, only a few of these have been widely adopted by farmers. The most popular inbred varieties are BRRI Dhan28 and BRRI Dhan29, which are 30 years old and prone to pest and diseases. However, DAE is actively working at the field level to encourage farmers to adopt newly released rice varieties that are more resilient to pests and diseases and offer better yields. DAE is also working to popularize short-duration rice varieties during the *boro* season in the *haor* (wetland) areas of Mymensingh and Sylhet divisions. During the harvest of *boro* season rice, there is always a risk of flash floods in *haor* areas. Sometimes heavy rainfall occurs in the Indian hill areas along the Bangladesh border, causing flash floods downstream in Bangladesh, damaging entire rice crops. Introducing varieties with a shorter maturation period, around 10-15 days shorter, can significantly mitigate losses of *boro* rice in the *haor* areas. Some short-duration rice varieties are BRRI Dhan84, BRRI Dhan86, BRRI Dhan86, BRRI Dhan101, and BRRI Hybrid Dhan5. Additionally, many private seed companies offer their own hybrid rice varieties, which are also popular among farmers and provide higher yields compared to BRRI's inbred varieties.

Irrigation and fertilizer are two major inputs in rice production. In Bangladesh, both fertilizer application (Figure 2) and irrigated land have increased over the years, resulting in higher rice yields. According to BBS, total irrigated land in Bangladesh was 5.7 million hectares in Bangladesh fiscal year (July-June) (FY) 2022-23. Post observed no shortage of chemical fertilizers during the ongoing season. However, the cost of chemical fertilizers has increased by BDT 5 per kilogram from last year. Currently, the retail price for urea is BDT 27 per kilogram, muriate of potash (MOP) is BDT 21 per kilogram, di-ammonium phosphate (DAP) is BDT 20 per kilogram, and triple superphosphate (TSP) fertilizer is BDT 27 per

kilogram. The Government of Bangladesh (GoB) subsidizes the agricultural sector, the total subsidy allocation for FY 2023-24 is \$1.7 billion, with the majority allocated to fertilizer subsidies.

Irrigation costs have also risen due to the increased cost of diesel last year. Farmers need to use more irrigation than before due to delayed rains at the start of the *aman* season and excessive heat in the *boro* season. Overall, the cost of rice production has increased significantly over the last few years.

**Figure 2: Annual Chemical Fertilizer Utilization in Bangladesh (2004-2023)**



Source: Bangladesh Economic Review, 2023

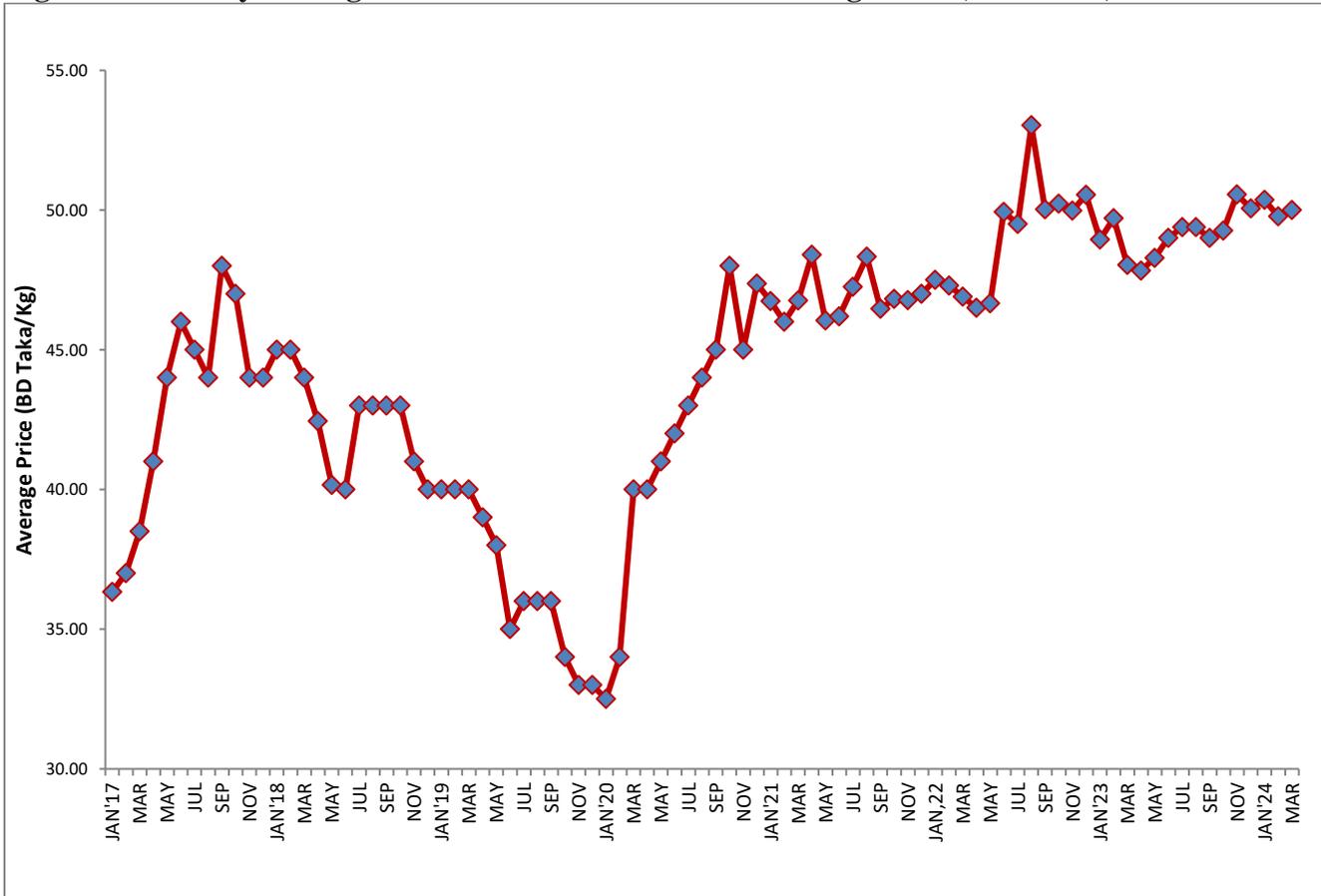
## Prices

### *Rice Prices Remain High*

According to the Trading Corporation of Bangladesh (TCB), the average retail price of coarse rice in the third week of March 2024 was BDT 50 (\$0.44) per kilogram, slightly higher than the previous month. Since October 2023, the coarse rice price (Figure 3) has risen slightly every month, primarily on high inflation and higher cost of milling and transportation. Even with the good *aman* season harvest, the prices remain high. Rice millers and traders mentioned that the high price of paddy leads to high prices for rice. To alleviate rice prices in the domestic market, the GoB reduced the rice import tariff from 62.5 percent to 15.25 percent and permitted the private sector to engage in rice imports. However, due to the high international price of rice and the depreciation of the local currency, private importers have shown little interest in importing rice.

Post anticipates that rice prices will not decrease from the current level in MY 2024/25. This is due to the high cost of paddy production, attributed to the increased costs of seeds, fertilizers, irrigation, labor, and other factors. Farmers note that the cost of production increased due to the increase in fertilizer cost, irrigation cost, and labor cost. Compared to previous year, the daily labor wage rate was 30 to 40 percent higher during the *boro* planting this year.

**Figure 3: Monthly Average Retail Price of Coarse Rice in Bangladesh (2017-2024)**

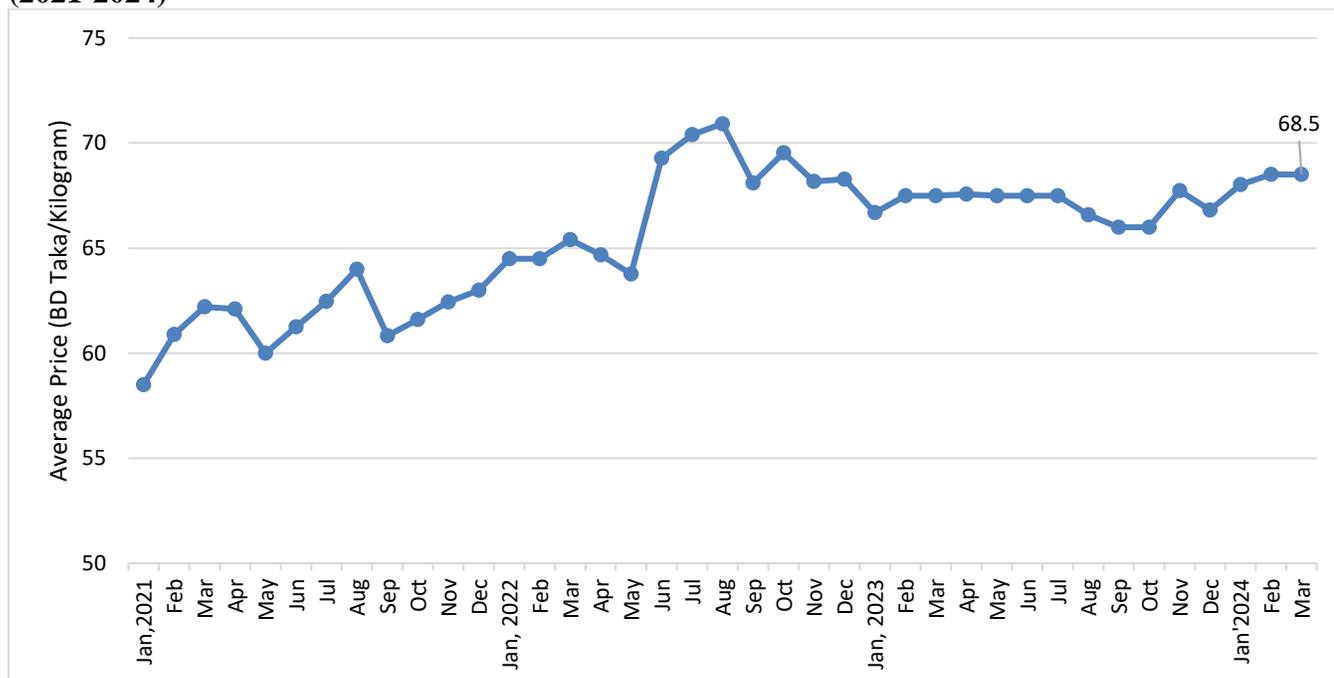


Source: Trading Corporation of Bangladesh (TCB)

Note: Exchange Rate USD \$1.00 = BDT 113

The average retail price of high-quality non-aromatic (fine) rice also remained high throughout MY 2023/24. In March 2024, it was, on average, BDT 68.5 (\$0.61) per kilogram, up 1.5 percent from March 2023 (Figure 4).

**Figure 4: Monthly Average Retail Price of Fine Quality (Non-Aromatic) Rice in Bangladesh (2021-2024)**



Source: TCB

Note: Exchange Rate USD \$1.00 = BDT 113

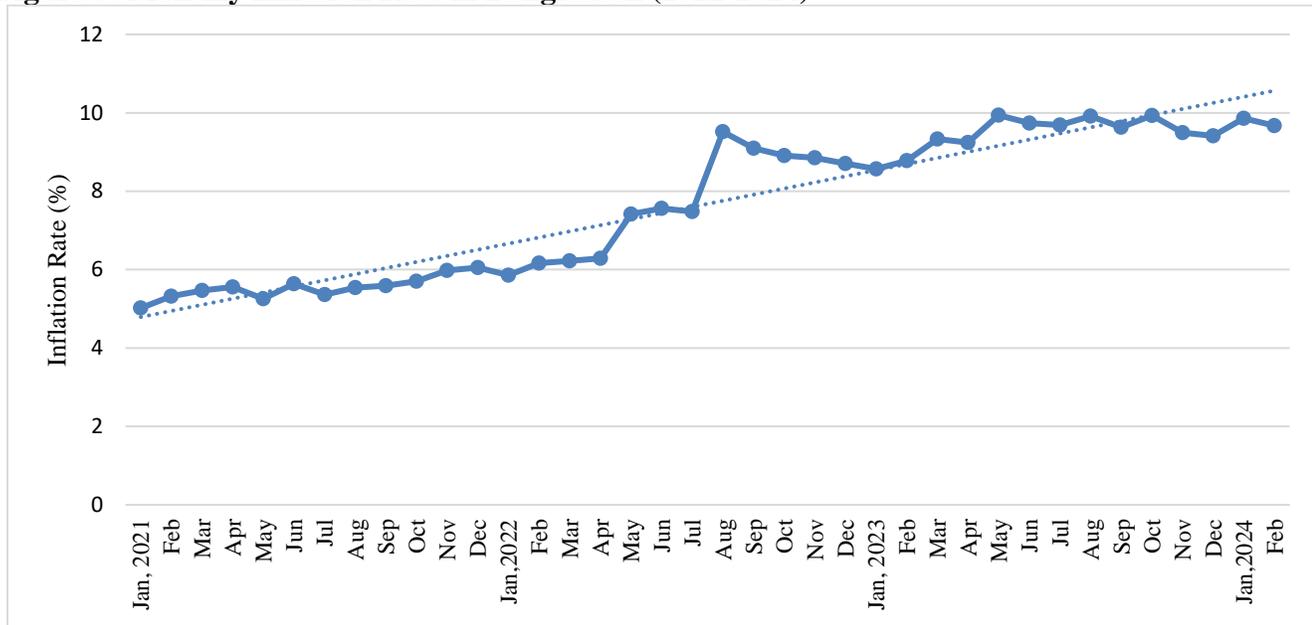
### *Inflation Remains High*

Since August 2022, Bangladesh has been experiencing very high inflation, which has affected the purchasing power of consumers. In February 2024, the monthly inflation rate slightly decreased to 9.67 percent, compared to 9.86 percent in January 2024 (Figure 5). According to data from the BBS, the food inflation rate stood at 9.44 percent in February 2024, while non-food inflation was 9.33 percent.

Alongside high inflation, Bangladesh’s economy is facing challenges with the depreciation of the local currency, the taka, and a depletion of the foreign currency (forex) reserves. With the depleting forex reserves the GoB has tried to restrict imports to protect the reserve levels. Importers are struggling to open Letters of Credit (LCs) to import some staple goods and feed ingredients due to the shortage of U.S. dollars. Price volatility of food stuffs and other commodities is affecting the food security of poor and middle-income consumers in both urban and rural areas.

Following Bangladesh’s National Elections held on January 7, 2024, the GoB has only announced limited monetary policy reforms aimed at improving the economic outlook. This includes potentially implementing a crawling peg system to allow the exchange rate to adjust within a limited window.

**Figure 5: Monthly Inflation Rate in Bangladesh (2021-2024)**



Source: Bangladesh Bank; BBS

## Trade

### *Rice Imports Decline to Nearly Zero*

For MY 2024/25, Post forecasts rice imports at 50 thousand MT, assuming a good harvest of *boro* season rice in April-May 2024 and *aus* and *aman* rice in the following seasons. Post envisions minimal opportunity for private importers to import coarse rice in MY 2024/25 unless India permits exports of non-basmati rice and removes the export tariff for non-basmati parboiled rice. Currently the domestic rice price in India is very high, therefore, even if India allows rice exports, the price may not be attractive for Bangladesh to import. If the prices of rice from Thailand, Vietnam, and other sources remain elevated, and the Taka continues to depreciate against the Dollar, private importers will not be interested to import rice, as their total import costs would surpass the domestic price of rice. Bangladesh may only import coarse rice in MY 2024/25 if there is poor harvest and local prices escalate significantly.

To reduce the domestic rice prices and secure ample stocks, sometimes the GoB purchases rice under government-to-government (G2G) agreements.

For MY 2023/24, Post revised rice imports down to 10 thousand MT, based on Trade Data Monitor (TDM), LLC data. These imports consist of mostly basmati rice. The GoB reduced the rice import tariff on February 8, 2024, but importers have yet to import any rice because of high global prices. The reduced import tariff (15.25 percent) on rice will remain valid until May 15, 2024. The regular tariff rate for rice is 62.5 percent.

Based on TDM, Post’s MY 2022/23 rice imports are 1.2 million MT.

### *Aromatic Rice Exports*

Usually, the GoB only allows for aromatic rice exports. However, on October 17, 2023, the GoB imposed a ban on rice exports, which now includes both aromatic and non-aromatic rice. As per TDM data, Bangladesh since 2017, annually exports an average of 10 thousand MT of aromatic rice.

Bangladesh generally exports aromatic rice to countries and regions with Bengali ethnic communities, including the United States, the European Union, and the Middle East.

Post forecasts MY 2024/25 rice exports at 10 thousand MT, if the GoB will lift the rice export ban and provide permits to export aromatic rice. As the export volume is very small, it has limited impact on food security and there is strong demand for aromatic rice in the expat Bengali ethnic communities. For MY 2023/24, Post's rice export estimate is 10 thousand MT, based on TDM data.

### **Consumption**

Post forecasts MY 2024/25 rice consumption at 38 million MT, up 0.8 percent over Post's MY 2023/24 estimate, due to a growing population and a rising trend of non-human consumption of rice. For MY 2023/24, Post estimates total rice consumption at 37.7 million MT.

### *Food and Seed Use*

Rice is the staple food in Bangladesh and Bangladesh claims to have achieved rice self-sufficiency in terms of per capita consumption at the national level. According to BBS, per capita daily rice consumption decreased from 0.46 kg in 2000 to 0.33 kg in 2022. Most Bangladeshi consumers prefer parboiled rice for their daily meals, although individuals from certain regions favor non-parboiled rice.

A significant quantity of paddy is reserved as seed by farmers who cultivate inbred varieties. Official data on the amount of rice used as seed is unavailable. Post estimates this to be around 500 thousand MT.

### *Feed and Industrial Use*

In recent years feed and industrial use of rice has increased significantly, mainly in animal feed and starch production. The poultry, cattle, and aqua feed industry is increasingly using broken rice and de-oiled rice bran (DORB) as a filler in various feed formulas on lower prices compared to other imported feed ingredients. Some by-products of rice milling including bran and rice polish are used in commercial feed production.

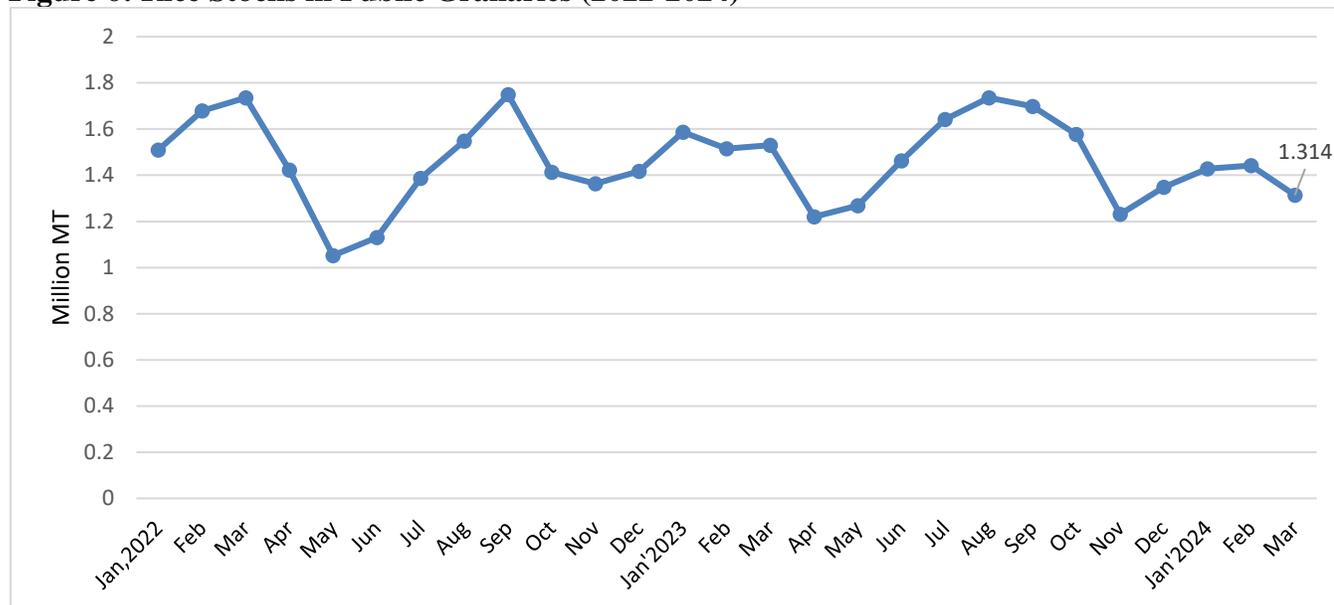
A recent study on non-human consumption of rice in Bangladesh, conducted by the Food Planning and Monitoring Unit (FPMU) of Bangladesh's Ministry of Food revealed that around 3.5 million MT of rice is used for household level animal feed annually. This includes feeding rice and paddy to poultry birds and cooked rice to the cattle and fish.

### **Stocks**

Rice stocks in public granaries vary based on the GoB's rice procurement programs. Usually, the GoB buys rice and paddy to enrich its stocks after the *aman* and *boro* season harvests. The GoB collects the rice from pre-contracted rice mills throughout the country and purchases the paddy directly from farmers. During the last *aman* season harvest, the GoB set the procurement price at BDT 44, BDT 43, and BDT 30 per kilogram for parboiled rice, non-parboiled rice, and paddy, respectively. Post contacts

noted that the market price of rice and paddy were higher than the GoB’s set price. According to the Ministry of Food data, the target *aman* rice procurement through contracted rice millers was largely met. Paddy procurement on the other hand, was not even close to the target, because farmers were able to sell their paddy to the market for higher prices than GoB was offering. Per the Food Ministry, as of March 10, 2024, the GoB procured around 643 thousand *aman* rice while they were able to get only 24 thousand MT of *aman* paddy. The GoB also purchases rice from the international market through open tenders and G2G agreements. Public rice stocks reached their highest level in February 2024 since the *aman* season rice harvest and started declining again in March 2024 (Figure 6).

**Figure 6: Rice Stocks in Public Granaries (2022-2024)**



Source: Director General of Food, Ministry of Food

According to the Ministry of Food, on March 10, 2024, total government-held rice stocks were 1.31 million MT, down 14.1 percent from the same period in 2023. The GoB also stocks paddy in public granaries. On March 10, 2024, public paddy stocks were only 13 thousand MT.

Rice millers and traders also maintain some stocks, but there is no data. Post’s forecast for MY 2024/25 ending stocks is 1.07 million MT. Post estimates MY 2023/24 ending stocks at 1.33 million MT.

### Government Distribution

In Bangladesh, public food distribution programs are facilitated through social safety net initiatives. The largest subsidy-based food distribution programs are Open Market Sale (OMS) and Fair Price (Food Friendly). Additionally, relief-based programs like Food for Work, Vulnerable Group Feeding, and Vulnerable Group Development are commonly implemented in both rural and urban areas. According to the Ministry of Food, as of March 7, 2024, in FY 2023-24, the GOB distributed 1.61 million MT of rice under the various food distribution programs, down 21 percent compared to the same period last year.

## WHEAT

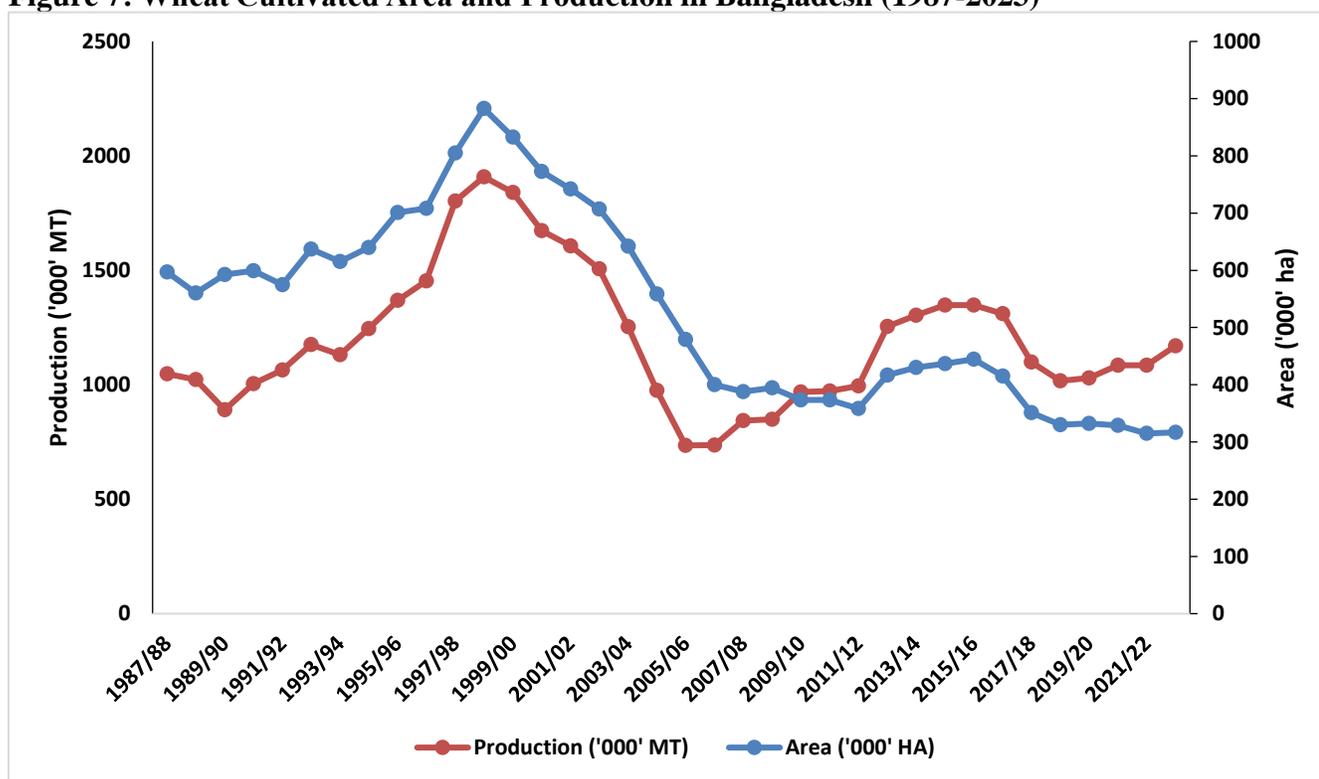
### Production

In Bangladesh, wheat is the second most significant staple food after rice. Local production accounts for 15 percent of the total demand. Wheat planting takes place during the *robi* season between November and December, with harvesting typically occurring in March and April. Bangladesh primarily produces soft wheat. Soft wheat is suitable for making products like chapati (roti), biscuits, and cakes due to their lower protein content and lower gluten compared to hard wheat varieties, which are typically used for making strong gluten-based products like pasta and some types of bread.

Post forecasts MY 2024/25 wheat harvested area and production at 310 thousand hectares and 1.1 million MT, the same as Post's MY 2023/24 estimate, based on the DAE's crop production data. The lack of improved varieties has led to a gradual decline in both wheat acreage and production over time (Figure 7). Wheat blast disease, which reduces yields significantly, is one reason for stagnant production. Farmers are getting higher profits cultivating fruits and vegetables during the *robi* season compared to wheat. However, in the MY 2022/23, wheat production experienced a slight increase attributed to reduced blast disease infestation.

Climate change and changing weather patterns are negatively affecting wheat production. Bangladesh is experiencing shorter winter seasons and relatively higher temperatures during the winter. According to the Bangladesh Wheat and Maize Research Institute (BWMRI), the optimum temperature range for Bangladeshi wheat varieties is between 12-25 degree Celsius. After mid-February and into March, daytime temperatures rise to 30 degrees Celsius in many parts of the country, which affects the late-sown wheat at their reproductive stage particularly during grain development. Rising temperatures also spread pests and diseases that affect wheat crops, further reducing yields. Heat stress during flowering and grain filling stages can also decrease grain quality and yield.

**Figure 7: Wheat Cultivated Area and Production in Bangladesh (1987-2023)**



Source: BBS

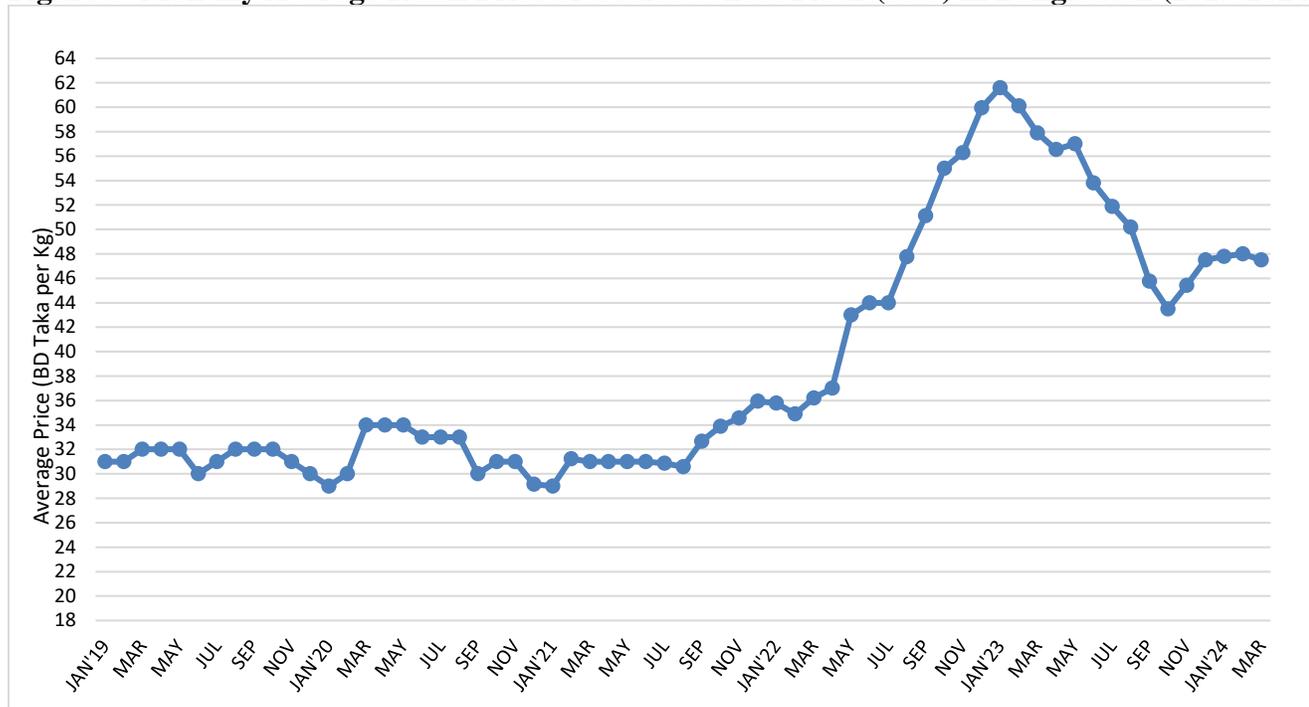
## Prices

### *Wheat Flour Prices Decline in MY 2023/24 Compared to MY 2022/23*

Market prices of all types of wheat flour decreased in MY 2023/24 compared to MY 2022/23. The average retail price of unpacked coarse wheat flour (also called *aata*) in March 2024 was BDT 47.5 (\$0.42) per kilogram, 17.3 percent lower from same period last year (Figure 8). The average retail price of fine quality unpacked wheat flour (also called *maida*) in March 2024 reached BDT 62.5 (\$0.55) per kilogram, 3.9 percent lower than the same period last year. The average retail price of packed *aata* and *maida* in March reached BDT 57.5 (\$0.51) and BDT 72.5 (\$0.64) per kilogram, respectively, down 13 percent and 5 percent from same period last year.

Bangladesh relies on wheat imports from the international market. However, due to the high international price, supply chain disruptions, and depreciation of the local currency against the U.S. dollar, the costs of importing wheat escalated in MY 2022/23, resulting in higher prices for all types of wheat flour in the local market. Since January 2023, prices decreased gradually until October 2023, on lower international prices and better supply chain logistics. From November 2023, the price of wheat flour has risen slightly with higher costs of milling, local transportation, and inflation.

**Figure 8: Monthly Average Retail Price of Coarse Wheat Flour (*aata*) in Bangladesh (2019-2024)**



Source: TCB

Note: Exchange Rate USD \$1.00 = BDT 113

In MY 2023/24, the average retail and wholesale prices of wheat has come down significantly from the previous MY, on increased supply due to higher import volumes and declining international prices. According to the Department of Agricultural Marketing (DAM) data, in February 2024, retail and wholesale prices of wheat were BDT 43.58 (\$0.38) and BDT 40.48 (\$0.36) per kilogram, respectively, 23.3 percent and 25.2 percent lower from the same period last year (Figure 9).

**Figure 9: Monthly Average Retail and Wholesale Prices of Wheat in Bangladesh (2021-2024)**



Source: DAM

## Trade

### *Wheat Imports Revived*

For MY 2024/25 Post forecasts wheat imports at 6.2 million MT, 3 percent higher than Post’s MY 2023/24 estimates, assuming a rebound of imports on higher domestic demand and stable international prices and supply. For MY 2023/24, Post maintains its wheat import forecast at 6 million MT, 17.2 percent higher than MY 2022/23 imports. According to Post contacts, in the first eight months of MY 2023/24 Bangladesh imported 3.8 million MT of wheat. The industry contact expects wheat imports to increase further if the international price and supply situation remain unchanged.

As India banned wheat exports in May 2022, Bangladeshi importers have sought alternative sources for wheat with Russian wheat becoming a preferred source for millers. Ukraine, Canada, Australia, and Brazil are also exporting to Bangladesh.

Following a break in MY 2022/23, the United States has re-entered the market in MY 2023/24 exporting 93 thousand MT of U.S. wheat. Bangladesh’s wheat importers are very price sensitive. While there is demand for U.S. hard red wheat, particularly for producing high-quality flour (*maida*), Canadian wheat consistently emerges as a formidable competitor. Many wheat millers have a longstanding preference for Canadian wheat, believing it to be superior to U.S. wheat (largely a perception issue). Canadian wheat is often slightly cheaper than U.S. wheat and there is a lack of comprehensive knowledge about the quality and attributes of U.S. wheat among Bangladeshi importers.

## Consumption

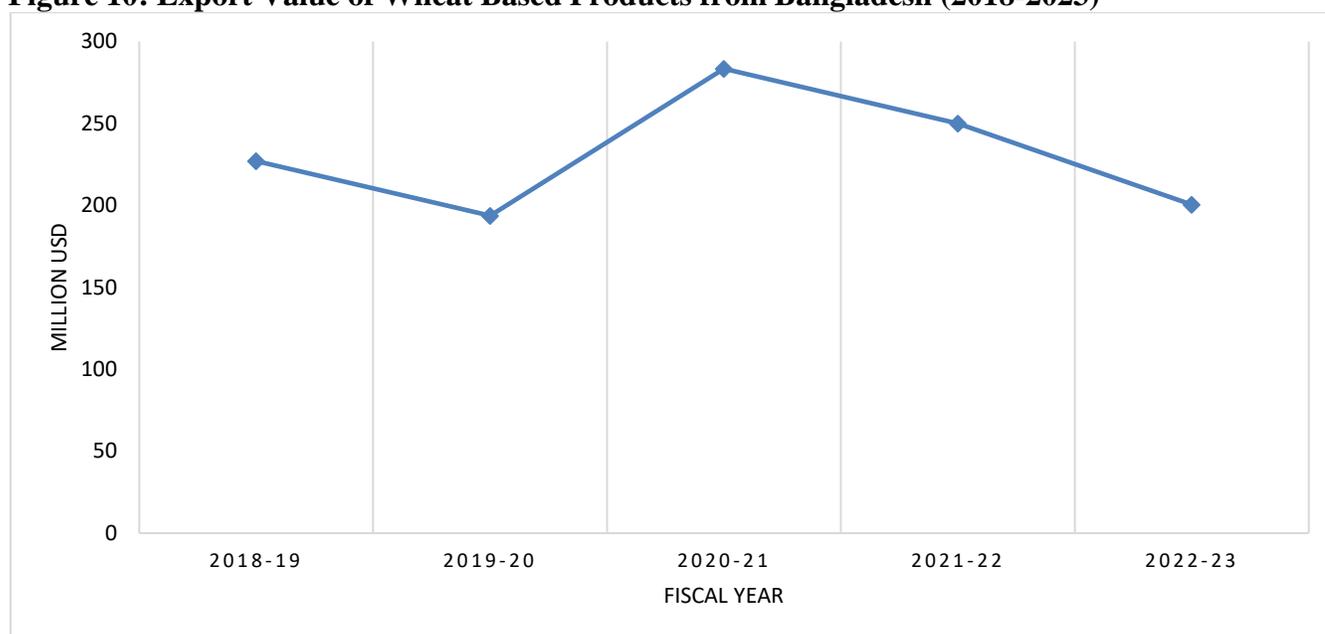
### *Food, Seed, and Industrial (FSI) Consumption*

For MY 2024/25, Post increased its FSI wheat consumption forecast to 7.0 million MT, 3 percent higher than the MY 2023/24 estimate, on higher imports and rebounding demand for *aata* and *maida* at the household level. Post maintains its FSI consumption estimate for MY 2023/24 at 6.8 million MT.

Wheat flour has diverse uses at the household level, as well as in restaurants, bakeries, and the food industry. Due to changing dietary patterns among city dwellers, there has been a reduction in rice consumption and an increase in the consumption of wheat flour-based "roti" (flatbread). Additionally, with the growing middle-class, the demand for bakery products has increased. People often dine out at hotels and restaurants where a variety of wheat flour-based foods are served.

The biscuit, noodle, and pasta making industry is also expanding, consuming significant amounts of wheat flour. In addition to domestic consumption of these wheat-based products, Bangladesh is also exporting them. In FY 2022-23 (July-June), the total export value of wheat-based products from Bangladesh was \$200 million (Figure 10). Common wheat-based products exported from Bangladesh include bread, pastry, cakes, sweet biscuits, roasted cereals, and pasta.

**Figure 10: Export Value of Wheat Based Products from Bangladesh (2018-2023)**



Source: Export Promotion Bureau, Bangladesh

### *Feed Consumption*

The poultry, aqua, and cattle feed industries in Bangladesh use wheat, to some extent, as a feed ingredient. Industry contacts note specific types of animal feed contain approximately 5 percent wheat and wheat bran. Sometimes the feed industry uses wheat bran and rice bran alternatively. Cattle farmers also feed wheat bran separately. For MY 2024/25, Post forecasts feed consumption at 280 thousand MT, on increased supply in the market.

Commercial feed companies reduced the inclusion of wheat in their feed formulations in 2022, when wheat prices reached a record high. Some small cattle farms are still using some wheat and wheat bran to create home-based feed.

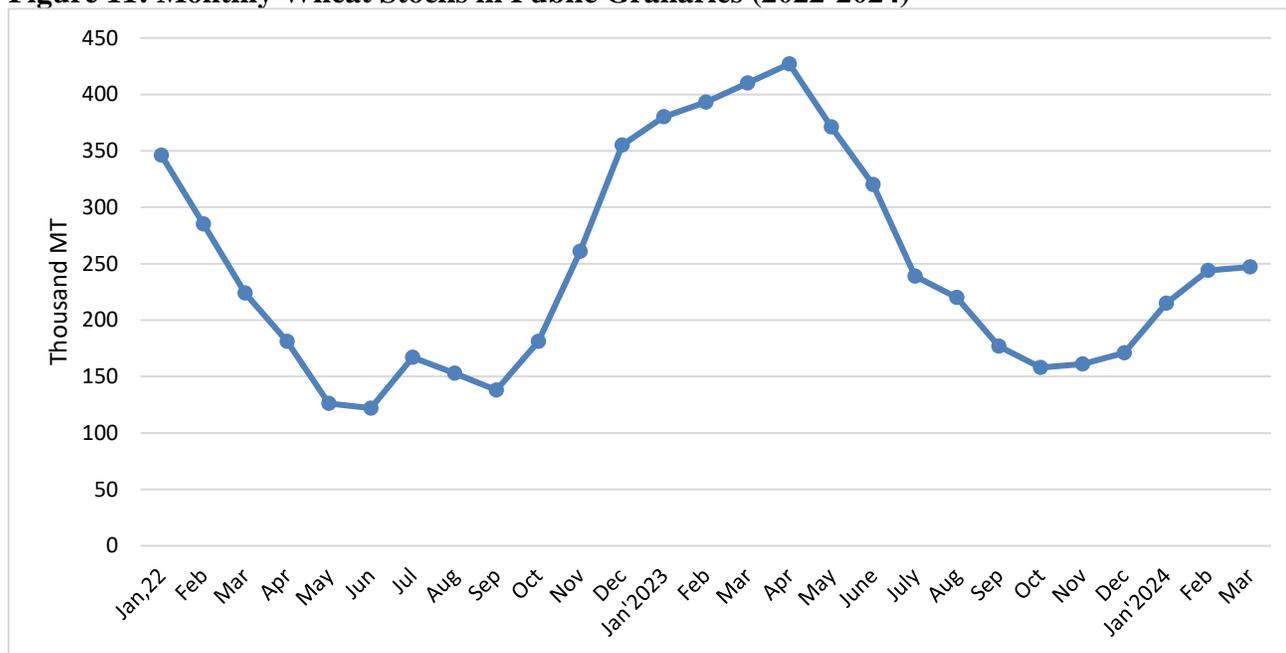
### **Public Procurement and Stocks**

As of March 2024, the Ministry of Food estimated the GoB's wheat stocks at 247 thousand MT, down 48.5 percent from the same period last year (Figure 11). In every District, the GoB has granaries to stock

rice, paddy, and wheat. Usually, the GoB distributes wheat through its various food assistant programs from those granaries. Wheat millers have their own silo and granaries to stock wheat for several months.

Post forecasts MY 2024/25 total (public and private) wheat stocks at 903 thousand MT, slightly higher from Post's MY 2023/24 estimate on higher imports.

**Figure 11: Monthly Wheat Stocks in Public Granaries (2022-2024)**



Source: Director General of Food, Ministry of Food

## CORN

### **Production**

Corn is the second largest grain crop after rice, in terms of acreage and production. High yields and strong market prices encourage planting. Farmers grow corn in both the summer and winter seasons, with approximately 85 percent of total corn produced in the winter. Winter corn is planted in November and December and harvested in March and April, while summer corn is sown in March and April and harvested in August and September. Both the production and demand for corn is increasing in Bangladesh as the demand for poultry, dairy, and aquaculture feed rises. About 90 percent of corn is used in the feed industry, while some is used to make starch and flour.

### *Seed Industry*

The seed industry in Bangladesh comprises both the public and private sectors. Bangladesh Agricultural Development Corporation (BADC), Bangladesh Agricultural Research Institute (BARI), and Bangladesh Rice Research Institute (BRRI) produce and supply seeds to farmers. Additionally, there are numerous private seed companies in the country that sell commercial seeds in the market. The GoB considers rice, wheat, jute, potato, and sugarcane, as notified crops that have special requirements for seed research and seed businesses. Corn is a non-notified crop which makes it easier for private companies to enter the corn seed market. Multinational seed companies including Advanta, Bayer, Syngenta, and Corteva sell hybrid corn seeds throughout the country either directly or through their dealers. In August 2023, Bangladesh's Ministry of Agriculture amended the "Seed Law-2020," allowing seed companies to release and register their crop varieties one year after obtaining their dealership registration, instead of the previous five years. This change makes it easier for new companies to start seed businesses in Bangladesh.

### *Yield*

Bangladeshi farmers have achieved very high yields cultivating hybrid and high-yielding corn varieties. Post contacts note that in the last four to five years private seed companies have replaced their varieties with newly developed hybrid varieties that can accommodate more plants in a hectare than before. The plant population per hectare reaches 90,000 per hectare for most of the hybrid varieties that leads to a higher yield. DAE officials from the northern districts, where most of the corn grows, mentioned that farmers now have experience with corn cultivation practices, optimal fertilizer doses, irrigation, and pest management. These factors also contribute to higher yields. Contacts from private seed companies mentioned that the corn seed market in Bangladesh is very competitive and every company is trying to bring new varieties each year with higher yield performance to lead the market. Companies import corn seed from India and Thailand and directly sell to farmers. MoA contacts mentioned that about 90 percent of corn seed used in Bangladesh is imported. MoA only allows imports of varieties which claim to have yields of more than 12 MT per hectare. For MY 2024/25, DAE forecasts average yield of winter corn at 11 MT per hectare and the summer corn yield at 8 MT per hectare. Post forecasts corn harvested area higher than DAE with a lower yield.

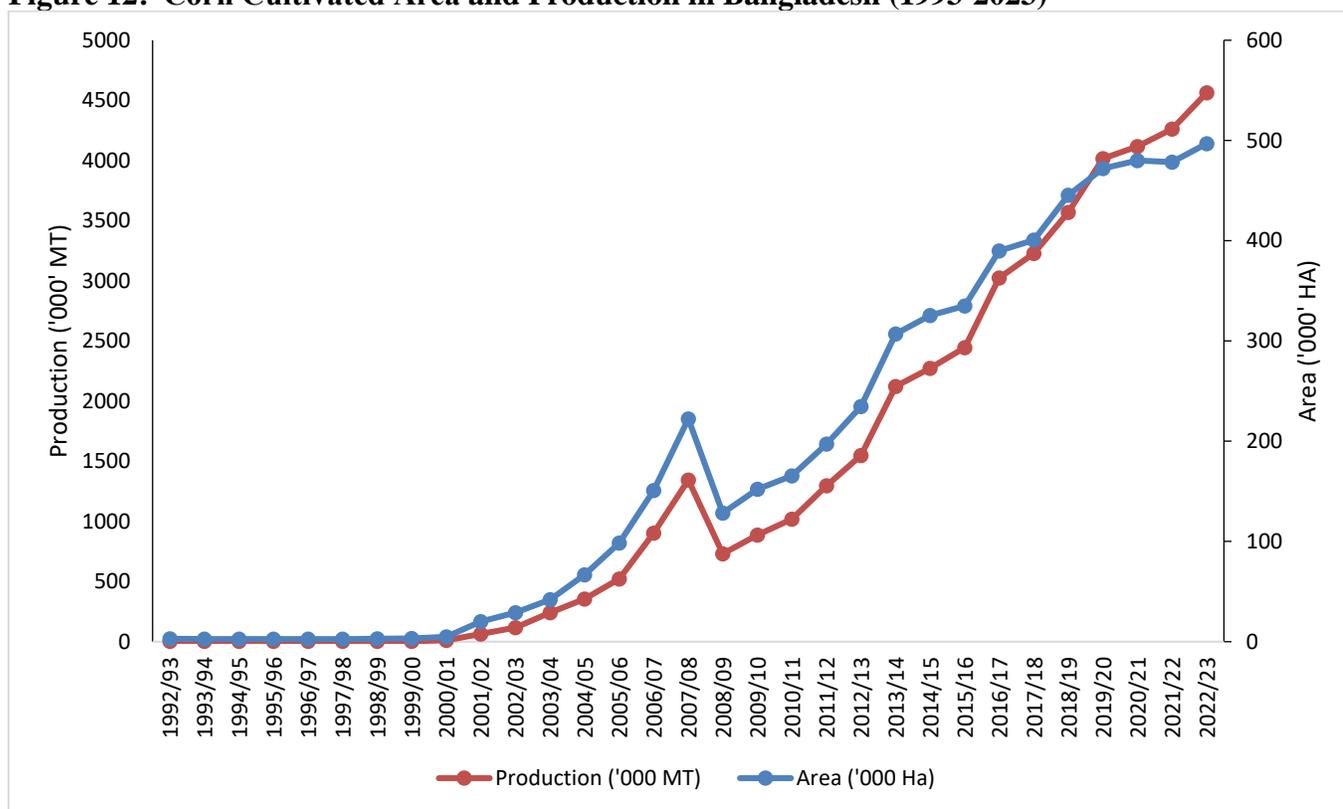
### *Area and Production*

The corn planted in November-December 2023 and harvested in March-April 2024 is the first crop of MY 2024/25. For MY 2024/25, Post forecasts corn harvested area and production at 650 thousand hectares and 5.7 million MT, respectively, assuming good weather, timely application of fertilizer, and proper irrigation.

Based on the DAE’s latest crop production report, Post’s revised the MY 2023/24 corn harvested area and production to 620 thousand hectares and 5.4 million MT, respectively, on increased acreage and better yields.

Corn cultivation has expanded in recent years due to demand from the animal feed industry and higher prices than many other crops (Figure 12). The availability of improved seeds helps increase yields. Farmers are giving more priority to corn cultivation as the return is three times higher than the cost of production. The input costs are lower in corn cultivation than the *boro* rice and vegetable cultivation during the same growing season. The major corn growing Districts are in the north and north-western part of the country including Lalmonirhat, Thakurgaon, Dinajpur, Nilphamari, Rangpur, Kurigram, Bogura, Jamalpur, Chuadanga, Natore, Kustia, Meherpur, and Jhenaidah. Corn cultivation has also expanded in some of the coastal districts and is getting popular along riverbanks and *char* (river island) lands as it offers better yields compared to other crops grown in such areas.

**Figure 12: Corn Cultivated Area and Production in Bangladesh (1993-2023)**



Source: BBS

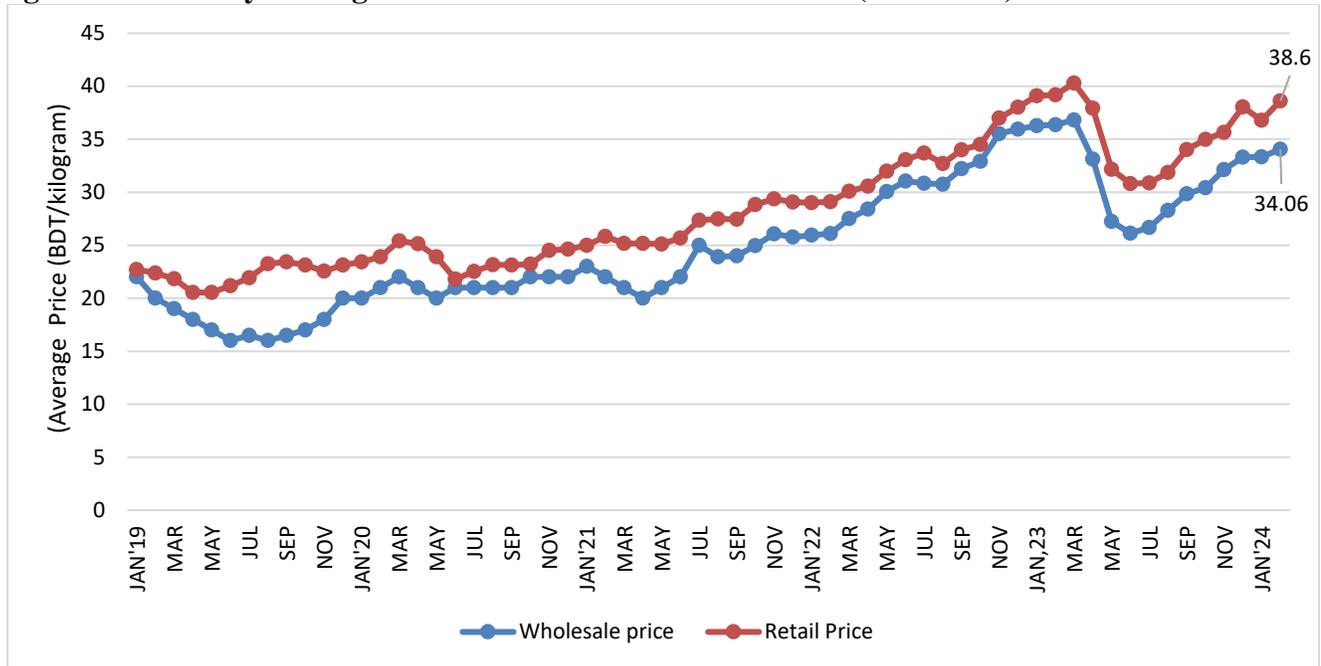
## Price

### *Prices Continue to Rise*

Domestic corn prices have continued to rise to meet the increasing demand from the feed industry, and the significant decrease in imports. In March 2023, domestic corn prices reached a record high, however, with the arrival of the new harvest in April 2023, prices declined. Since July 2023, both

wholesale and retail prices of corn have been steadily rising. In February 2024, the wholesale and retail prices of corn reached BDT 34.06 (\$0.30) and BDT 38.6 (\$0.34) per kilogram, respectively (Figure 13).

**Figure 13: Monthly Average Retail and Wholesale Corn Prices (2019-2024)**



Source: DAM

## Trade

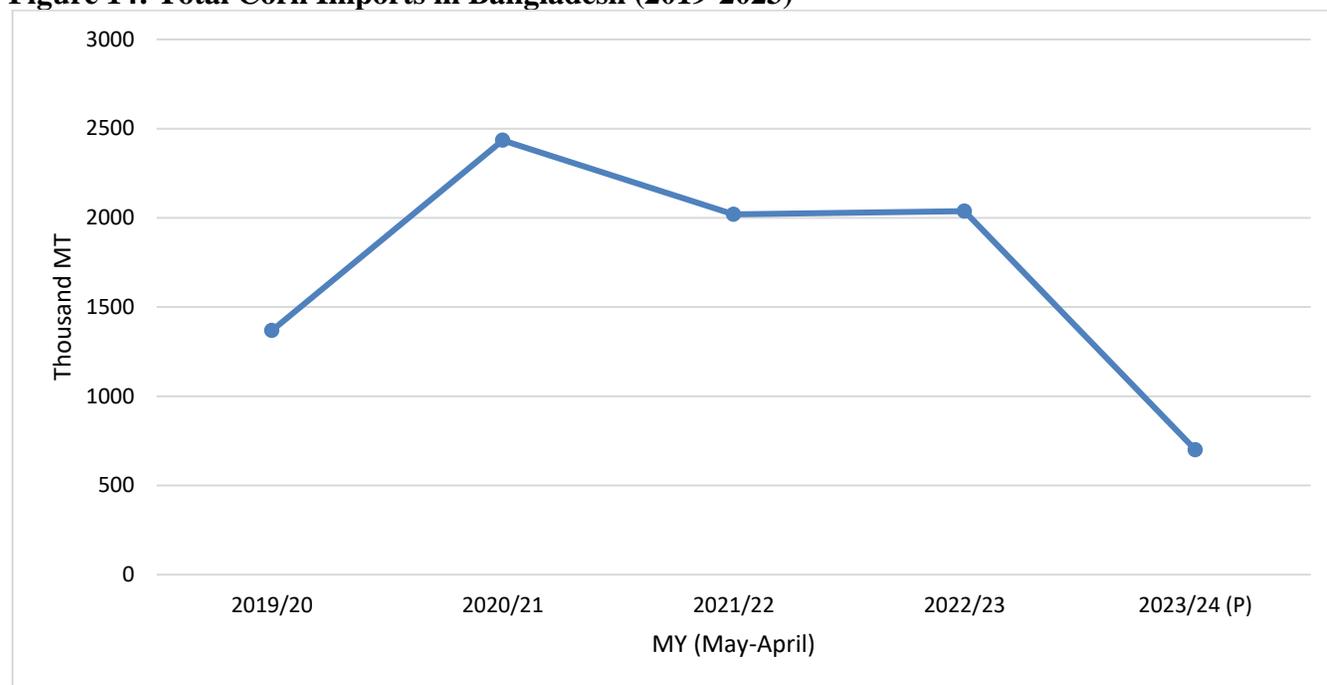
### *Short Supply in India Causes Imports to Decline Dramatically*

Bangladesh prefers Indian corn due to its price competitiveness, easy logistics, and shorter shipment durations. Typically, Indian corn is cheaper by \$15-20 per MT compared to U.S. corn in Bangladesh. Taking advantage of this price difference, India has been dominant corn exporter since 2020. In MY2023/24, there has been a significant decline in Indian corn exports worldwide due to shortage of their exportable supply. This situation has consequently impacted Bangladesh's import scenario as well.

For MY 2024/25, Post forecasts corn imports at 800 thousand MT, up 14 percent from Post's MY 2023/24 estimate, on rebounding feed demand. With higher projection for domestic corn consumption in MY 2024/25, even with the tight supply situation of Indian corn, Post still anticipates imports at 800 thousand MT in MY 2024/25, as India is expecting to export around 1 million MT to neighboring countries. Bangladesh may also source some corn from Brazil or the United States depending on global prices.

Post reduced the corn import estimate for MY 2023/24 to 700 thousand MT, on higher local production and short supply from India, the major corn exporter to Bangladesh. According to Post contacts Bangladesh has imported around 563 thousand MT corn in the first 10 months of MY 2023/24. This reduction accounts for the current economic challenges leading to lower imports with the forex reserve shortage, and decreased feed production in the first half of the marketing year. With the new harvest of domestic corn becoming available in March and April, Post forecasts that total imports for MY 2023/24 will not exceed 700 thousand metric tons.

**Figure 14: Total Corn Imports in Bangladesh (2019-2023)**



Source: TDM

## **Consumption**

### *Feed and Residual Use*

For MY 2024/25, Post's total feed and residual corn use forecast is 6 million MT, up 9.1 percent from Post's MY 2023/24 estimate, considering increased feed production.

In MY 2023/24, Post estimates feed and residual use at 5.5 million MT, due to lower production of poultry feed. According to the Feed Industry Association Bangladesh (FIAB) and Bangladesh Poultry Industries Central Council (BPICCC), 140 feed companies in Bangladesh collectively produce 6.5-7 million MT of commercial feed annually. Of this total, about 70 percent is poultry feed, while the rest is aqua and cattle feed. Poultry feed primarily relies on corn as a major raw material, while aqua and cattle feed use soybean meal along with corn. The other commonly used feed ingredients are fish meal, DDGS, extruded full fat soybeans, broken rice, rice polish, rapeseed/mustard meal, CGM, limestone coarse, and de-oiled rice barn.

There are around 200 small, unregistered feed mills throughout the country, who also have the capacity to produce collectively around 200 thousand MT of feed annually, mostly poultry feed. Industry contacts also note that those cottage feed mills use their own feed ratios of corn, soybean meal, rapeseed, and readily available feed additives.

In 2020, the total production of poultry, cattle, and aqua feed reached a record 7.2 million MT. However, in 2021 and 2022 feed production went down to 6.6 million MT, mostly due to the reduction in poultry feed production. With higher costs of poultry feed many small poultry farms were not able to make profits and shut down their farms. Post contacts note that feed production in 2023 further declined to around 6 million MT due to short supply of various feed ingredients leading feed prices to increase which affected many small poultry farms.

Despite the ongoing economic challenges and high prices of feed, Post sees prospects in the country's poultry, livestock, and fisheries sector. Recently, many commercial poultry farms have expanded their businesses, while some large feed producers have started contract poultry farms that will increase feed production.

#### *FSI Consumption*

Post's forecast for MY 2023/24 FSI consumption is 500 thousand MT, up 50 thousand MT from Post's MY 2023/24 estimate on increased production of corn starch and syrup. There is no official data for FSI consumption of corn in Bangladesh; however, Post contacts note there are six starch producing companies in Bangladesh which jointly consume about 300 thousand MT of corn annually. The textile industry is the major consumer of corn starch. Corn is also used to make corn syrup and glucose. Additionally, there is a growing trend of human consumption of corn in various regions of the country.

In MY 2023/24 Post estimates FSI consumption of corn at 450 thousand MT on continued use of corn in starch and syrup production along with the increased consumption of corn flour.

#### **Stocks**

Post forecasts MY 2024/25 ending stocks at 327 thousand MT, on lower imports and higher feed consumption. For MY 2023/24, Post adjusted its estimate of ending stocks to 327 thousand MT, on lower imports and lower feed consumption. All corn stocks are privately held as the GoB does not procure or stock corn.

Rice, Milled Market Year Begins Bangladesh	2022/2023		2023/2024		2024/2025	
	May 2022		May 2023		May 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	11600	11600	11650	11750	0	11900
Beginning Stocks (1000 MT)	2091	2091	2211	2033	0	1333
Milled Production (1000 MT)	36350	36350	36300	37000	0	37700
Rough Production (1000 MT)	54530	54530	54455	55506	0	56556
Milling Rate (.9999) (1000 MT)	6666	6666	6666	6666	0	6666
MY Imports (1000 MT)	1275	1200	500	10	0	50
TY Imports (1000 MT)	365	332	900	50	0	200
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	39716	39641	39011	39043	0	39083
MY Exports (1000 MT)	5	8	10	10	0	10
TY Exports (1000 MT)	10	8	10	10	0	10
Consumption and Residual (1000 MT)	37500	37600	37600	37700	0	38000
Ending Stocks (1000 MT)	2211	2033	1401	1333	0	1073
Total Distribution (1000 MT)	39716	39641	39011	39043	0	39083
Yield (Rough) (MT/HA)	4.7009	4.7009	4.6742	4.7239	0	4.7526
<b>(1000 HA), (1000 MT), (MT/HA)</b>						
<b>MY = Marketing Year, begins with the month listed at the top of each column</b>						
<b>TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2024/2025 = January 2025 - December 2025</b>						

Wheat Market Year Begins	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Bangladesh</b>						
<b>Area Harvested (1000 HA)</b>	310	310	310	310	0	310
<b>Beginning Stocks (1000 MT)</b>	1313	1313	833	833	0	883
<b>Production (1000 MT)</b>	1100	1100	1100	1100	0	1100
<b>MY Imports (1000 MT)</b>	5120	5120	5800	6000	0	6200
<b>TY Imports (1000 MT)</b>	5120	5120	5800	6000	0	6200
<b>TY Imp. from U.S. (1000 MT)</b>	2	2	0	100	0	150
<b>Total Supply (1000 MT)</b>	7533	7533	7733	7933	0	8183
<b>MY Exports (1000 MT)</b>	0	0	0	0	0	0
<b>TY Exports (1000 MT)</b>	0	0	0	0	0	0
<b>Feed and Residual (1000 MT)</b>	200	200	250	250	0	280
<b>FSI Consumption (1000 MT)</b>	6500	6500	6500	6800	0	7000
<b>Total Consumption (1000 MT)</b>	6700	6700	6750	7050	0	7280
<b>Ending Stocks (1000 MT)</b>	833	833	983	883	0	903
<b>Total Distribution (1000 MT)</b>	7533	7533	7733	7933	0	8183
<b>Yield (MT/HA)</b>	3.5484	3.5484	3.5484	3.5484	0	3.5484

(1000 HA), (1000 MT), (MT/HA)

MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025

Corn Market Year Begins Bangladesh	2022/2023		2023/2024		2024/2025	
	May 2022		May 2023		May 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	560	560	570	620	0	650
Beginning Stocks (1000 MT)	189	189	177	177	0	327
Production (1000 MT)	4850	4850	4950	5400	0	5700
MY Imports (1000 MT)	2038	2038	900	700	0	800
TY Imports (1000 MT)	1145	962	1200	800	0	1000
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	7077	7077	6027	6277	0	6827
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	6500	6500	5500	5500	0	6000
FSI Consumption (1000 MT)	400	400	400	450	0	500
Total Consumption (1000 MT)	6900	6900	5900	5950	0	6500
Ending Stocks (1000 MT)	177	177	127	327	0	327
Total Distribution (1000 MT)	7077	7077	6027	6277	0	6827
Yield (MT/HA)	8.6607	8.6607	8.6842	8.7097	0	8.7692
<b>(1000 HA), (1000 MT), (MT/HA)</b>						
<b>MY = Marketing Year, begins with the month listed at the top of each column</b>						
<b>TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025</b>						

**Attachments:**

No Attachments