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Report Highlights:

Post forecasts marketing year (MY) 2022/2023 rice harvested area at 11.5 million hectares and production at 35.65 million metric tons (MT), down slightly from the USDA official numbers due to crop damage resulting from heavy floods in the northern part of the country. Local prices of rice, wheat, and corn hit record highs in July 2022. The Russian invasion of Ukraine and India's ban on wheat exports further aggravated grain market prices in Bangladesh. Post reduced its wheat and corn import forecasts to 7 million MT and 2.2 million MT, respectively, from its previous projections.

RICE, MILLED

Production

Post forecasts marketing year (MY) 2022/2023 rice harvested area at 11.5 million hectares and production at 35.65 million metric tons (MT), down 2.1 percent and 1.0 percent, respectively, from the USDA official forecasts. Heavy rainfall and flash floods in June 2022 damaged *Aus* season rice in the northern and northeastern parts of the country.

For MY 2021/2022, Post's estimate of total rice harvested area is 11.62 million hectares with production at 35.85 million MT, the same as the USDA official estimates.

Boro Season Rice

For MY 2022/2023, *Boro* season rice is the first crop. It was planted in December 2021 and harvested in April 2022. Post estimates 19.7 million MT of *Boro* season rice production from 4.8 million hectares of land in MY 2022/2023 (Table 1).

Aus Season Rice

Aus season rice cultivation occurs in March and April, with harvest from July to August. Post reduced its forecast of *Aus* season rice harvested area to 0.9 million hectare and production to 2.05 million MT, down approximately 22 percent and 25 percent, respectively, from Post's previous report (see Grain and Feed Annual 2022: Bangladesh) due to severe flooding in the north and northeastern parts of the country.

Aman Season Rice

Aman season rice is planted in July and August and harvested in November and December. It is fully rainfed and covers the highest acreage. Post forecasts MY 2022/2023 *Aman* season rice harvested area at 5.8 million hectares and production at 13.9 million MT, assuming favorable weather conditions, sufficient supply of seed and fertilizers, and continued support from the Department of Agriculture Extension (DAE).

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

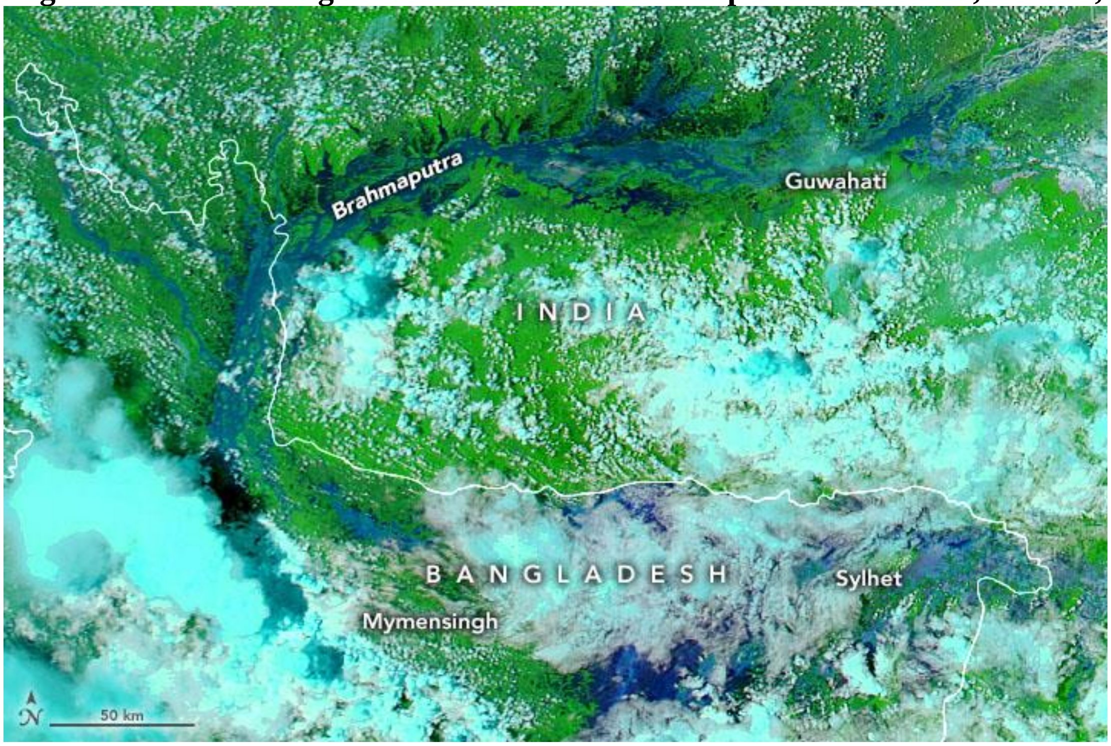
Rice by Season	MY 2020/2021 (Estimate)		MY 2021/2022 (Estimate)		MY 2022/2023 (Forecast)	
	Area 1,000 HA	Production 1,000 MT	Area 1,000 HA	Production 1,000 MT	Area 1,000 HA	Production 1,000 MT
Boro (Winter)	4,700	19,300	4,700	19,350	4,800	19,700
Aus (Pre-Monsoon)	1,200	2,700	1,120	2,700	900	2,050
Aman (Monsoon)	5,600	12,600	5,800	13,800	5,800	13,900
Total Rice	11,500	34,600	11,620	35,850	11,500	35,650

Source: Post calculation, based on DAE data

Flood Hits Northern Bangladesh

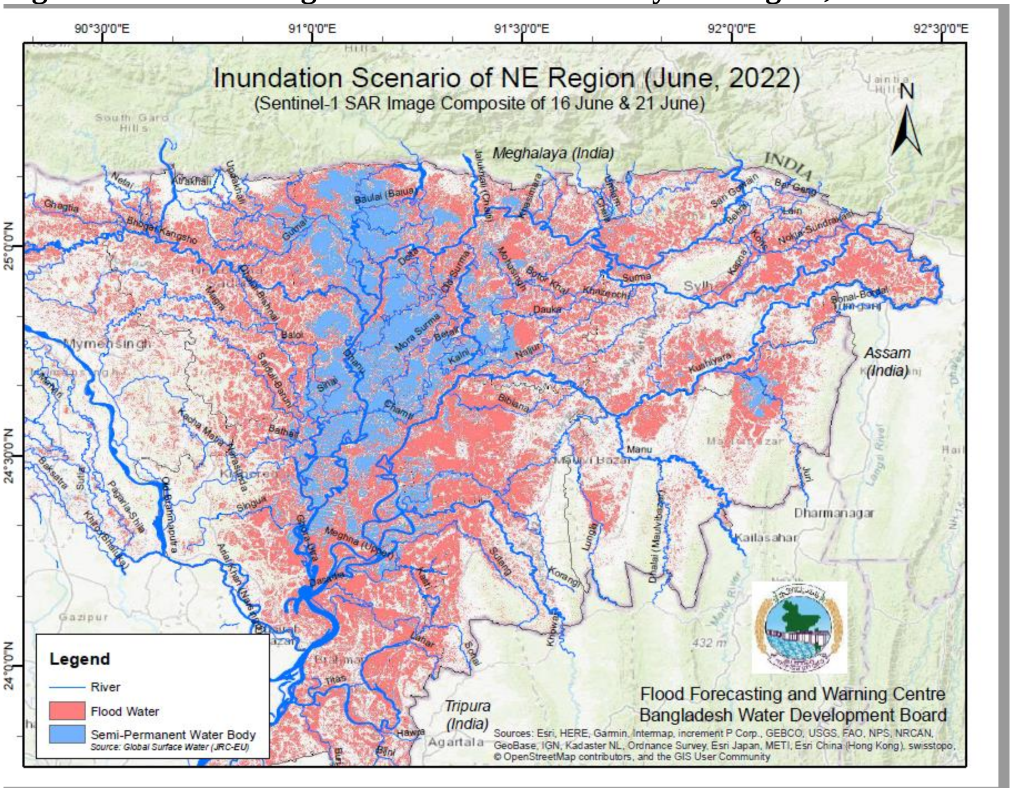
Heavy rainfall in the northern and northeastern regions of Bangladesh and the adjacent Indian states of Assam and Meghalaya caused severe flooding in Sylhet and Sunamganj districts in mid-June 2022 (Figures 1 and 2). According to Bangladesh's Flood Forecasting and Warning Centre, around 90 percent of Sunamganj and 80 percent of Sylhet district were submerged, and the floods directly affected over 4 million people across both districts. The flooding also affected adjacent districts in the Bhramaputra river basin including Kurigram, Gaibandha, Jamalpur, and Tangail. Local media reported that the floods damaged over 56,000 hectares of *Aus* season.

Figure 1: Satellite Image of Flood Water in Brammaputra River Basin, June 22, 2022



Source: NASA Earth Observatory

Figure 2: Satelite Image of Inundated Area in Sylhet Region, June 2022



Source: Bangladesh Water Development Board

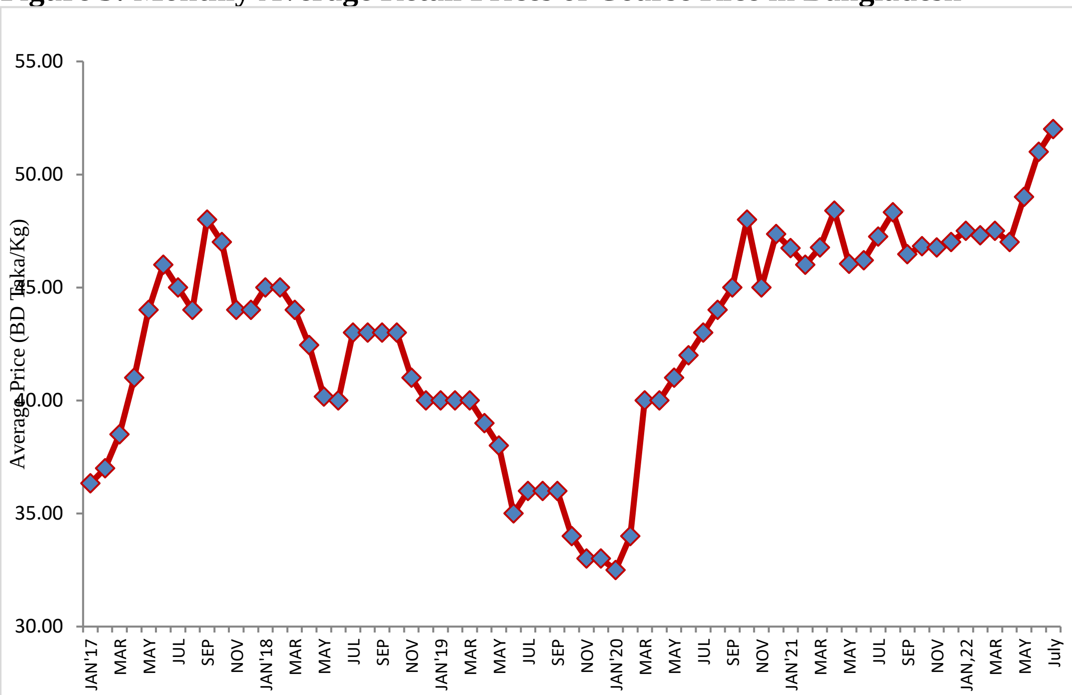
Prices

Rice Prices Hit Record High

In July 2022, the average retail price of low quality (coarse) rice was BDT 52 ($0.56) per kilogram, approximately 13 percent higher than the same period last year (Figure 3). The retail price of coarse rice has been trending upward since September 2021 and reached a record high in July 2022, despite a good *Aman* rice harvest in November-December 2021 and a good *Boro* rice harvest in April-May 2022.

The retail price of high-quality non-aromatic (fine) rice has also reached a record high in recent months. In July 2022, the average retail price of fine quality rice was BDT 75.0 ($0.82) per kilogram, up around 14 percent over same period last year.

Figure 3: Monthly Average Retail Prices of Coarse Rice in Bangladesh

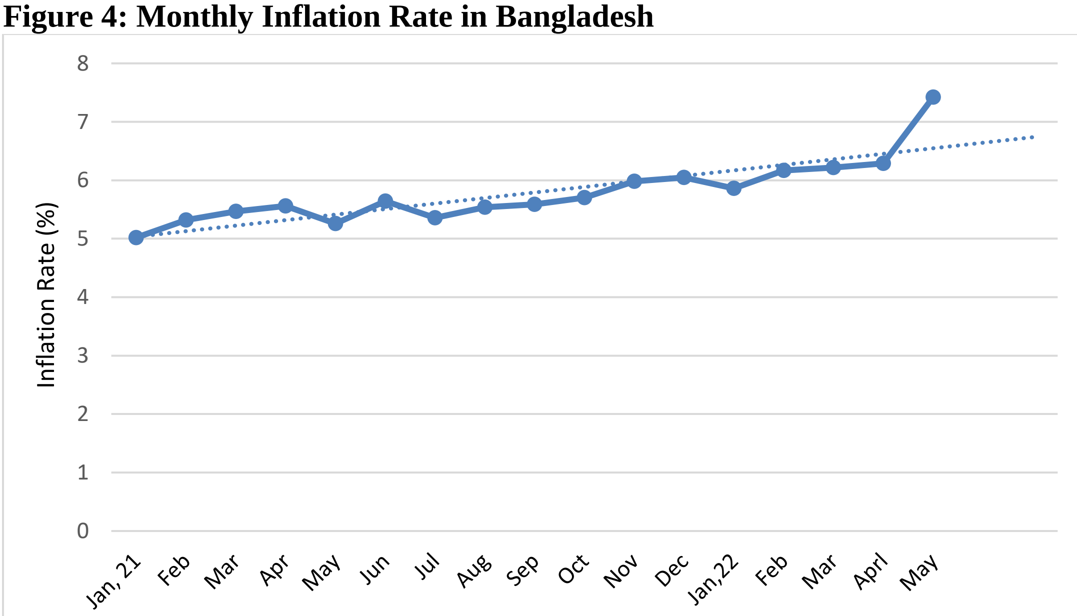


Note: Exchange Rate, US$ 1 = BDT 92

Source: Department of Agricultural Marketing (DAM), Ministry of Agriculture, and Trading Corporation of Bangladesh (TCB)

The recent economic turmoil driven by higher fuel costs and record high inflation is contributing to rising rice prices. In May 2022, Bangladesh experienced its highest inflation rate in the past five years. According to Bangladesh Bank, inflation hit 7.4 percent, up more than 40 percent over the same period last year (Figure 4).

Figure 4: Monthly Inflation Rate in Bangladesh



Source: Bangladesh Bank

Trade

For MY 2022/2023, Post forecasts rice imports at 600 thousand MT, up 50 percent over the USDA official forecast. Post also revised its MY 2021/2022 rice imports estimate to 1.3 million MT, equal to the USDA official estimate. For trade year (TY) 2022/2023, Post's forecasts rice imports at 600 thousand MT, up 50 percent over the USDA official number. Post also estimates TY 2021/2022 rice imports at 600 thousand MT, up 100 percent over the USDA official estimate.

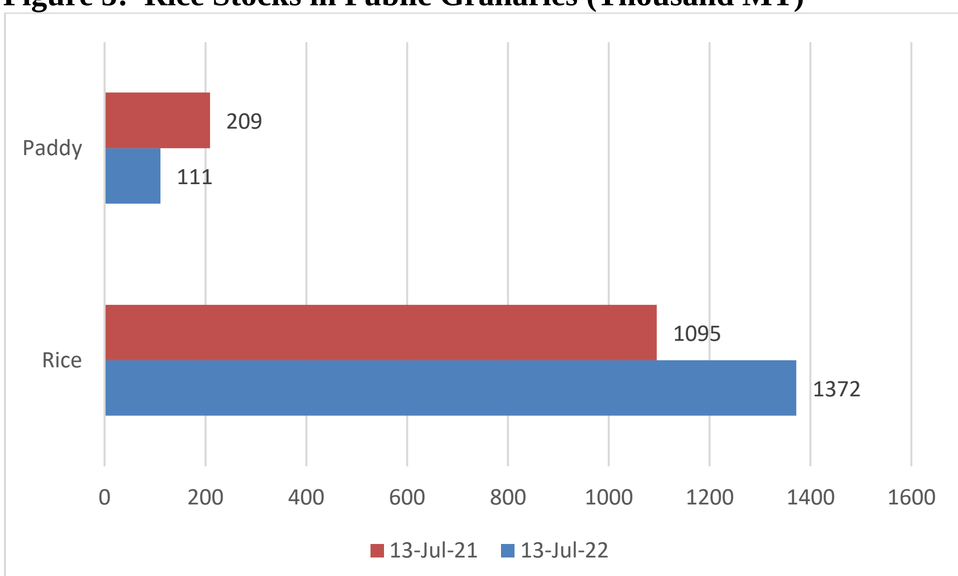
Rice Imports Resume

On June 23, 2022, the Government of Bangladesh (GoB) reduced the rice import tariff from 62.5 percent to 25 percent to encourage the private sector to import. The reduced tariff rate will remain in effect until October 31, 2022. The National Board of Revenue issued the tariff cut order following the recommendation from the Ministry of Food in order to lower rice prices in the domestic market. Following the reduction, as of July 14, 2022, the GoB issued import permits for approximately 910 thousand MT of rice to 329 private importers. However, contacts note the private sector may not import the entire amount due to the appreciation of the U.S. dollar. As of July 14, 2022, the official exchange rate is BDT 94 to the dollar, up about 13 percent from last year.

Stocks

According to the Ministry of Food, on July 13, 2022, total government-held rice stocks were 1.37 million MT, compared to 1.09 MT at the same time in 2021 (Figure 5). The GoB successfully completed its *Aman* rice procurement in February 2022 which contributed to the higher stocks in public granaries. However, the GoB failed to achieve its *Aman* paddy procurement target. See the "Government Procurement and Distribution" section below for more information. As of July 13, 2022, paddy stocks in public granaries were 111 thousand MT, down approximately 47 percent from the same period last year.

Figure 5: Rice Stocks in Public Granaries (Thousand MT)



Source: Directorate General of Food, Ministry of Food

Government Procurement and Distribution
The Ministry of Food completed the procurement of *Aman* season rice on February 28, 2022 through its annual procurement program. The GoB set a target to collect 300 thousand MT of *Aman* paddy and 720 thousand MT of *Aman* rice from November 7, 2021, to February 28, 2022. The GoB achieved the *Aman* rice procurement target; however, it only procured 84 thousand MT of *Aman* paddy within the timeline.

The GoB also targeted the procurement of 650 thousand MT of *Boro* season paddy and 1.35 million MT of *Boro* rice from the local market from April 28 to August 31, 2022. As of July 13, 2022, the government procured a total of 147 thousand MT of *Boro* paddy and 655 thousand MT *Boro* rice. Sources note that the GoB will likely not achieve its *Boro* season paddy and rice procurement target by August 31, 2022.

According to the Ministry of Food, in Bangladesh fiscal year FY 2021/22 (July-June), the GoB distributed a total of 2.4 million MT of rice through its various food distribution programs including Open Market Sale (OMS), Fair Price (Food Friendly), Food for Work, Vulnerable Group Feeding, and Vulnerable Group Development. In FY 2020/21, the GoB distributed about 1.8 million MT of rice under the same programs.

Policy
Government Bans Export of Aromatic Rice
From July 1, 2022, the GoB imposed a ban on the export of aromatic rice to control its price in the local market. Following the export ban order, the Ministry of Commerce cancelled the export permissions it gave earlier to 41 private companies. According to the Bangladesh Export Policy, Bangladeshi exporters can export 25 types of aromatic rice, subject to special approval from the Ministry of Commerce. On average, Bangladesh exports 10 thousand MT of aromatic rice annually.

Open Market Sales Continue
For Bangladesh FY 2022/23, the GoB continued the OMS program for poor and disadvantaged groups in Dhaka and other district towns. The Ministry of Food issued a circular (Bangla) on July 6, 2022, outlining the allocation of rice under this program. According to the circular, each district will get 1 MT of rice per day under the program until further notice.

Table 2: Bangladesh's Production, Supply, and Distribution of Rice

Rice, Milled	2020/2021		2021/2022		2022/2023	
Market Year Begins	May 2020		May 2021		May 2022	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	11500	11500	11620	11620	11750	11500
Beginning Stocks (1000 MT)	1571	1571	1461	1461	2101	2101
Milled Production (1000 MT)	34600	34600	35850	35850	36000	35650
Rough Production (1000 MT)	51905	51905	53780	53780	54005	53480
Milling Rate (.9999) (1000 MT)	6666	6666	6666	6666	6666	6666
MY Imports (1000 MT)	1400	1400	1300	1300	400	600
TY Imports (1000 MT)	2650	2650	300	600	400	600
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	37571	37571	38611	38611	38501	38351
MY Exports (1000 MT)	10	10	10	10	10	10
TY Exports (1000 MT)	10	10	10	10	10	10
Consumption and Residual (1000 MT)	36100	36100	36500	36500	36800	36800
Ending Stocks (1000 MT)	1461	1461	2101	2101	1691	1541
Total Distribution (1000 MT)	37571	37571	38611	38611	38501	38351
Yield (Rough) (MT/HA)	4.5135	4.5135	4.6282	4.6282	4.5962	4.6504

(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 Rice, Milled begins in January for all countries. TY 2022/2023 = January 2023 - December 2023

WHEAT

Production

For MY 2022/2023, Post forecasts wheat harvested area at 310 thousand hectares and production at 1.10 million MT. Wheat planting in Bangladesh occurs in November and December, with harvesting in March and April. Reduced duration of the winter season and lack of promising varieties affect wheat yields and therefore, area and production are gradually decreasing. Post estimates MY 2021/2022 wheat harvested area at 320 thousand hectares, with production at 11.3 million MT, the same as the USDA official estimates.

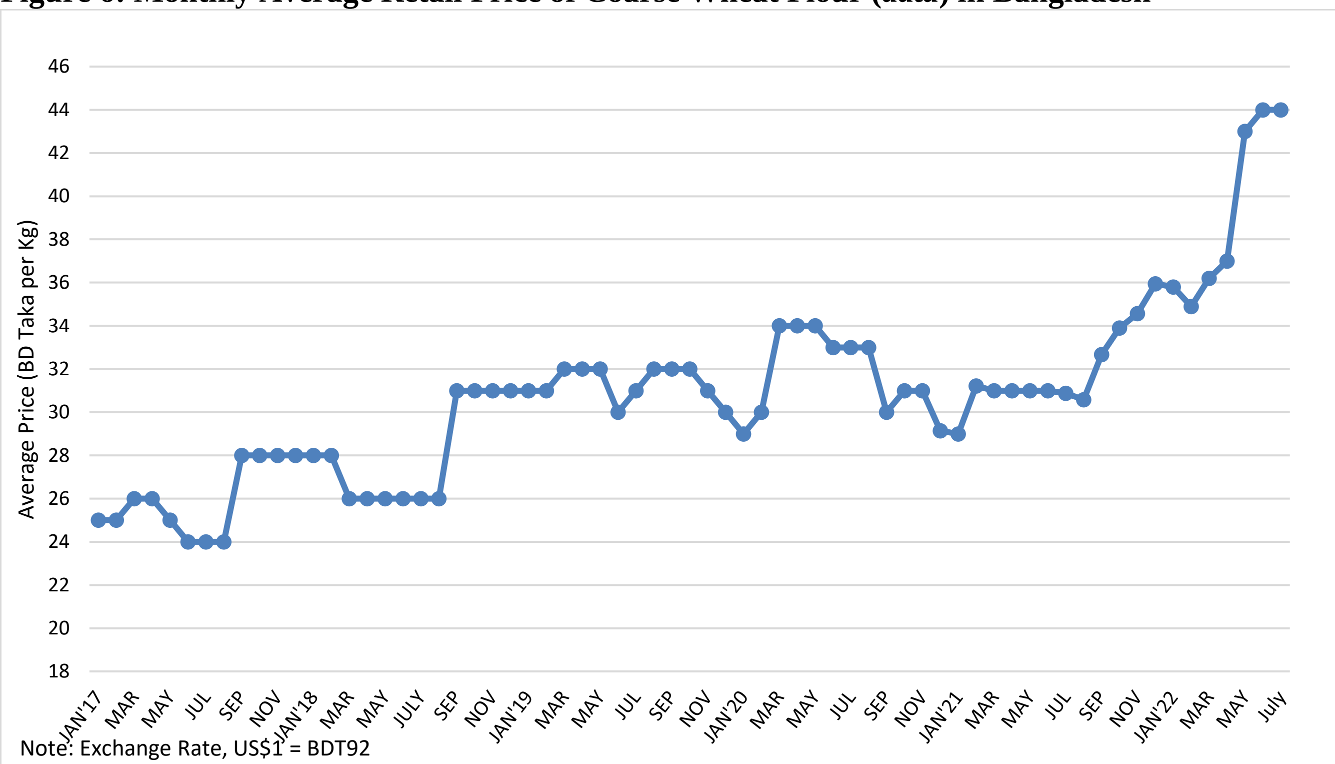
Prices

Wheat Flour Prices Hit Record High

The higher international price of wheat, supply chain disruptions, the Russia-Ukraine war, and India's wheat export ban jointly contributed to record high wheat and wheat flour prices in Bangladesh. Depreciation of the Bangladesh taka against the U.S. dollar is also increasing the price of wheat flour, as most wheat is imported.

In July 2022, the average retail price of unpacked coarse wheat flour (also called *aata*) was BDT 44 ($0.48) per kilogram, up approximately 40 percent from July of last year. Wheat and wheat flour prices rose sharply due to Russia's invasion of Ukraine in February 2022, and India's May 13, 2022 wheat export ban, which was implemented without prior notice, further aggravated them (Figure 6). In May 2022, the average retail price of unpacked coarse wheat flour hit BDT 48 ($0.52) per kilogram, a record high.

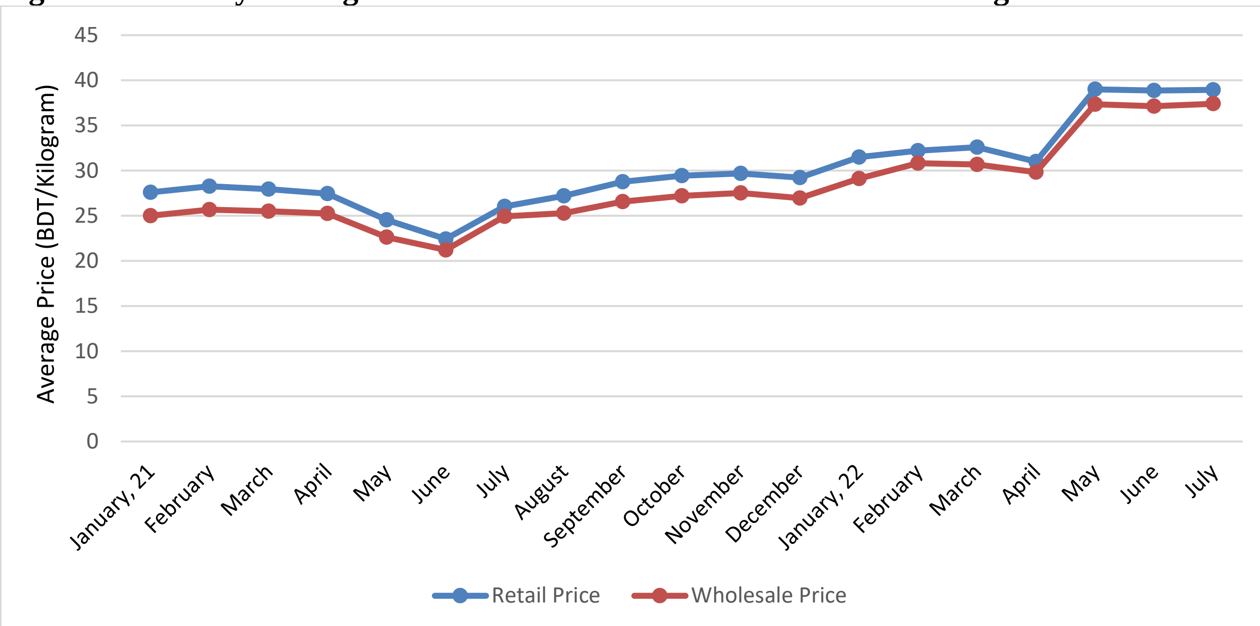
Figure 6: Monthly Average Retail Price of Coarse Wheat Flour (*aata*) in Bangladesh



Source: TCB

Retail and wholesale prices of wheat also jumped to record highs (Figure 7). As of July 16, 2022, the average wholesale and retail prices of wheat were BDT 37.4 ($0.41) per kilogram and BDT 38.93 ($0.42) per kilogram, respectively, up 50 percent and 49 percent from the same period last year.

Figure 7: Monthly Average Retail and Wholesale Prices of Wheat in Bangladesh



Source: DAM

Trade

For MY 2022/2023, Post forecasts wheat imports at 7 million MT, the same as the USDA official forecast. Post revised its wheat import forecast down from its previous projection (see Grain and Feed Annual: April 2022) on lower supply and higher prices of wheat in the world market.

Post's MY 2021/2022 wheat import estimate is 6.5 million MT, down approximately 13 percent from the USDA official estimates. Post revised its MY 2021/2022 wheat imports down from its previous report because, as of June 30, 2022, no wheat has come from India since the May 13, 2022 export ban. The Russian invasion of Ukraine and international supply chain disruptions are also responsible for falling wheat imports.

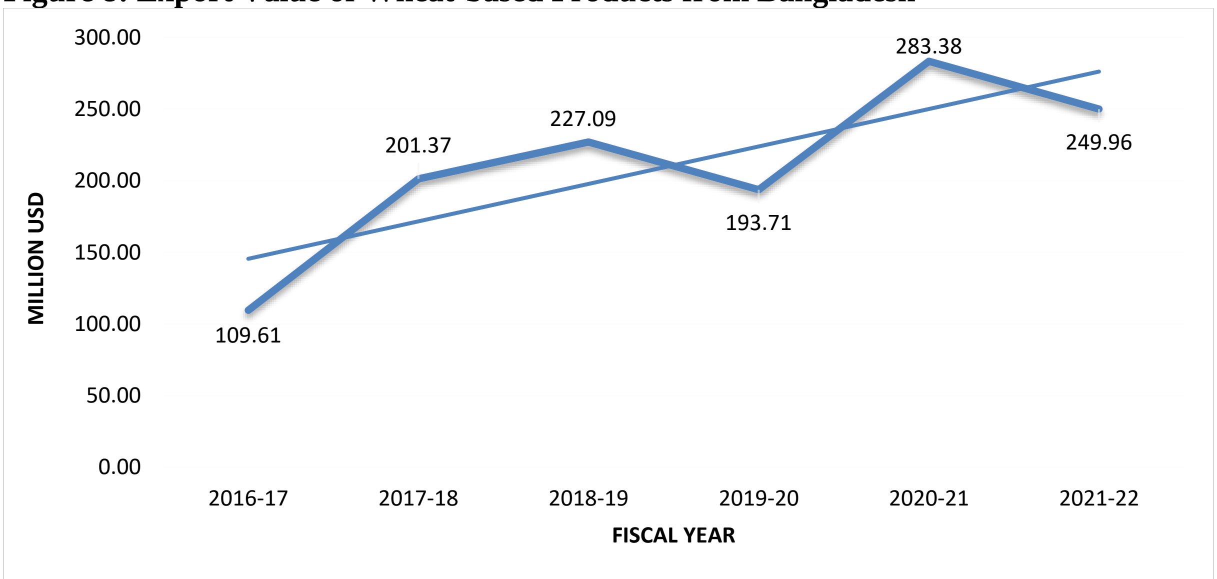
Consumption

For MY 2022/2023, Post's total wheat consumption forecast is 8.5 million MT, down 2.3 percent from the USDA official number. Post reduced its wheat consumption forecast from its previous forecast due to lower imports and high prices of wheat in the domestic market. Post's estimate of MY 2021/2022 total wheat consumption is 8.4 million MT, down approximately 1 percent from USDA official estimate.

The cattle feed industry also consumes wheat. For MY 2022/202, Post forecasts feed and residual use of wheat at 600 thousand MT, the same as the USDA official forecast. Post reduced feed and residual use by around 14 percent from its previous forecast on higher prices driving down its inclusion in cattle feed.

Wheat-based Product Exports Continue
Bangladesh exports substantial volumes of wheat-based products. According to the Export Promotion Bureau of Bangladesh (EPB), the export value of wheat-based products in Bangladesh FY 2021/22 was around $250 million, an increase of about 130 percent from FY 2016/17 (Figure 8).

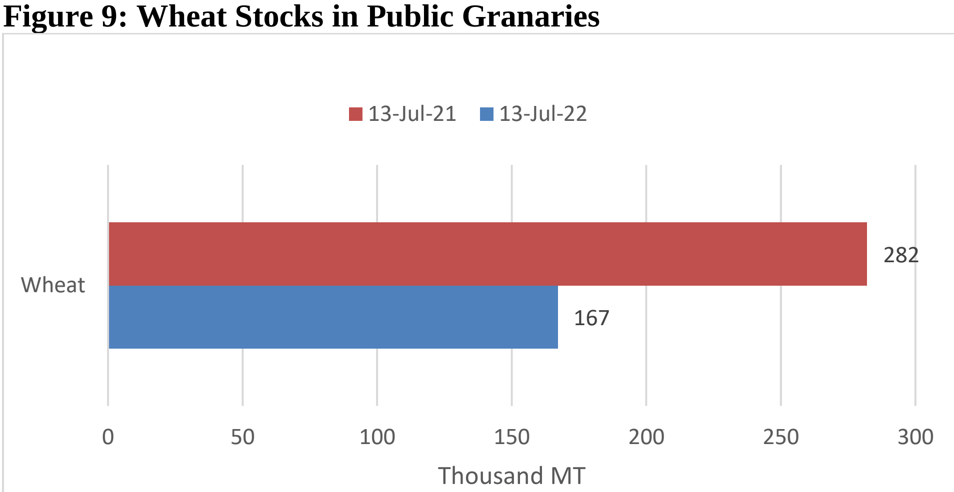
Figure 8: Export Value of Wheat-based Products from Bangladesh



Source: EPB

Public Procurement and Stocks
In MY 2021/2022, the GoB set a target to procure 130 thousand MT of wheat from famers for public granaries from April 1, 2022 to June 30, 2022. However, the wheat procurement program was largely unsuccessful; market prices were higher than the GoB's offered price, so farmers did not want to sell to the government. As of July 13, 2022, the Ministry of Food estimated the GoB's wheat stocks at 167 thousand MT, down approximately 40 percent from the same period last year (Figure 9).

Figure 9: Wheat Stocks in Public Granaries



Source: Director General of Food, Ministry of Food

Table 3: Bangladesh's Production, Supply, and Distribution of Wheat

Wheat	2020/2021		2021/2022		2022/2023	
Market Year Begins	Jul 2020		Jul 2021		Jul 2022	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	335	335	320	320	310	310
Beginning Stocks (1000 MT)	1758	1758	2138	2138	2268	1368
Production (1000 MT)	1180	1180	1130	1130	1100	1100
MY Imports (1000 MT)	7200	7200	7500	6500	7000	7000
TY Imports (1000 MT)	7200	7200	7500	6500	7000	7000
TY Imp. from U.S. (1000 MT)	235	235	0	50	0	70
Total Supply (1000 MT)	10138	10138	10768	9768	10368	9468
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)	500	500	600	600	600	600
FSI Consumption (1000 MT)	7500	7500	7900	7800	8100	7900
Total Consumption (1000 MT)	8000	8000	8500	8400	8700	8500
Ending Stocks (1000 MT)	2138	2138	2268	1368	1668	968
Total Distribution (1000 MT)	10138	10138	10768	9768	10368	9468
Yield (MT/HA)	3.5224	3.5224	3.5313	3.5313	3.5484	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 2022/2023 = July 2022 - June 2023

CORN

Production

Corn planted in November/December 2021 and harvested in March/April 2022 is the first crop of MY 2022/2023. There are some areas in the country where farmers also grow summer corn, which is planted in March/April and harvested in June/July.

Post's MY 2022/2023 corn harvested area forecast is 560 thousand hectares, the same as the USDA official forecast. For MY 2022/2023, Post forecasts corn production at 5 million MT, up about 5 percent over the USDA official forecast. According to DAE crop production data and Post observation, farmers had very good harvest of winter corn in last *Rabi* season.

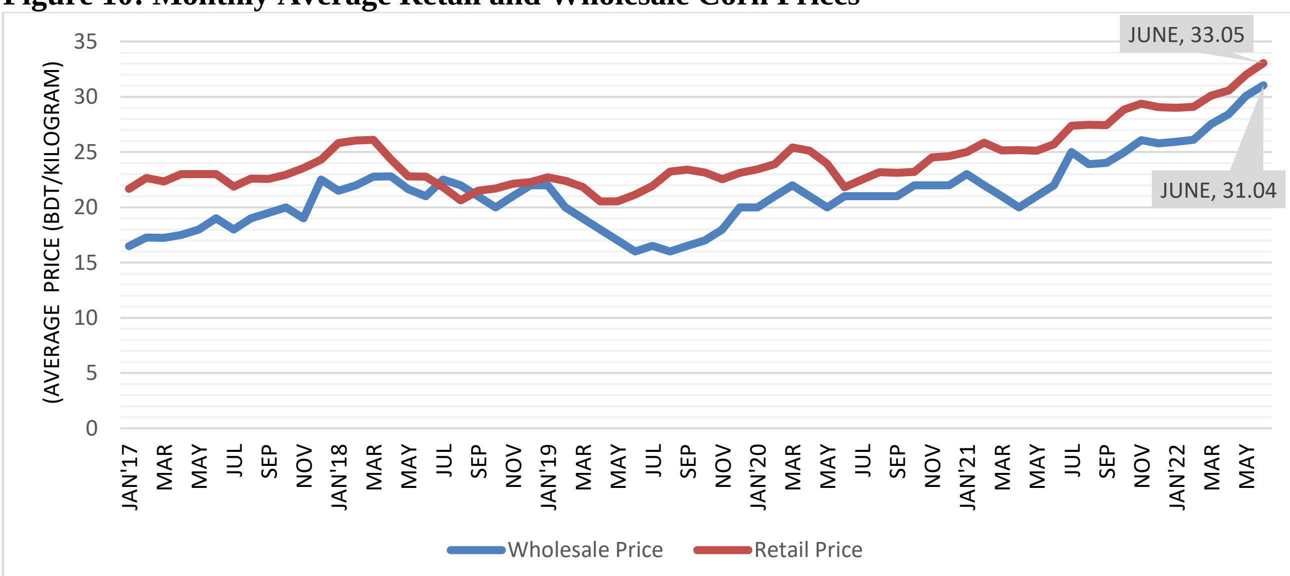
For MY 2021/2022, Post estimates corn area harvested at 550 thousand hectares and production at 4.9 million MT. Post's estimated production is about 4.3 percent higher than the USDA official estimate.

Prices

Corn Prices Hit Record High

In June 2022, the wholesale and retail prices of corn were BDT 31.04 ($0.34) per kilogram and BDT 33.05 ($0.36) per kilogram, respectively, hitting a six-year high (Figure 10). The wholesale and retail prices of corn in June 2022 were approximately 41 percent and 29 percent higher, respectively, from the same period last year.

Figure 10: Monthly Average Retail and Wholesale Corn Prices



Source: DAM

Trade

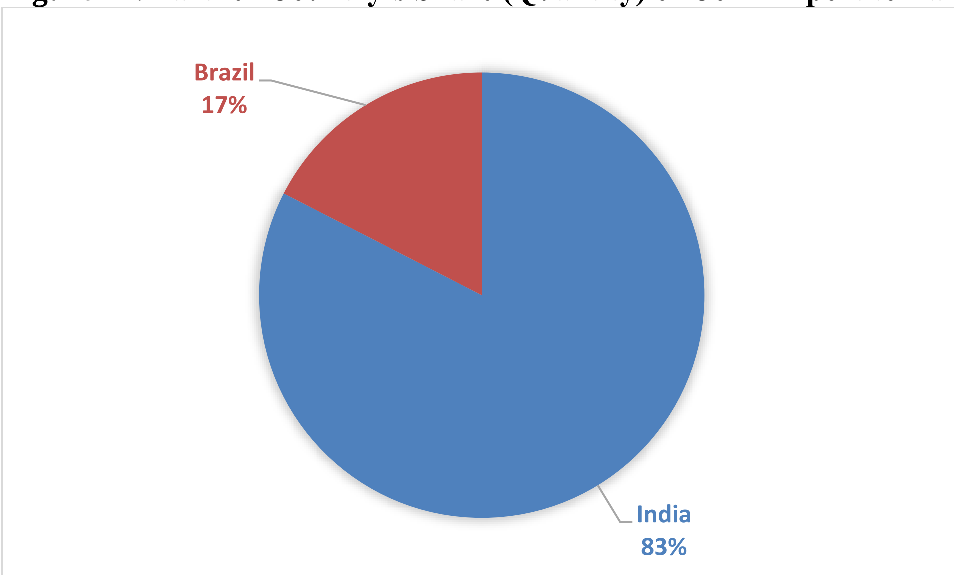
Post's MY 2022/2023 corn import forecast is 2.2 million MT, the same as the USDA official forecast. Post revised its forecast down 4.3 percent from its previous forecast (see Grain and Feed Annual: April 2022). According to industry, the average annual demand for corn in Bangladesh is 7 to 8 million MT, while domestic production meets about 65 percent of total demand.

For MY 2021/2022, Post estimates corn imports at 1.95 million MT, the same as the USDA official estimate. Post's TY 2021/2022 import estimate is 2.1 million MT.

India is the Preferred Exporter

According to the Trade Data Monitor, LLC (TDM), India is the leading source for imported corn. In MY 2021/2022, Bangladesh imported 83 percent of corn from India with the remainder from Brazil (Figure 11). Importers look to India for imports due its geographic proximity, cheaper transportation and logistics, and shorter shipment time.

Figure 11: Partner Country's Share (Quantity) of Corn Export to Bangladesh, MY 2021/2022



Source: TDM

Consumption

Consumption Continues to Grow

The cattle and poultry feed industries in Bangladesh are the major consumer of corn. According to the Feed Industries Association of Bangladesh (FIAB), corn accounts for 60 percent of feed ingredients while soybean meal and broken rice account for 30 percent and 10 percent, respectively. Due to the higher price of corn, FIAB stated its members may replace some corn with broken rice and bran. However, Post believes overall corn consumption will rise due to the expansion of the poultry and cattle industries in Bangladesh.

For MY 2022/2023, Post forecasts total corn consumption at 7.15 million MT, up 1 percent from the USDA official forecast. Post estimates MY 2021/2022 total corn consumption at 7 million MT, up approximately 1.5 percent over the USDA official estimate.

Table 4: Bangladesh's Production, Supply, and Distribution of Corn

Corn	2020/2021		2021/2022		2022/2023	
Market Year Begins	May 2020		May 2021		May 2022	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	540	540	550	550	560	560
Beginning Stocks (1000 MT)	210	210	444	444	189	289
Production (1000 MT)	4700	4700	4700	4900	4850	5000
MY Imports (1000 MT)	2434	2434	1945	1945	2200	2200
TY Imports (1000 MT)	1838	1838	2100	2100	2200	2200
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	7344	7344	7089	7289	7239	7489
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	6500	6500	6500	6600
FSI Consumption (1000 MT)	400	400	400	500	550	550
Total Consumption (1000 MT)	6900	6900	6900	7000	7050	7150
Ending Stocks (1000 MT)	444	444	189	289	189	339
Total Distribution (1000 MT)	7344	7344	7089	7289	7239	7489
Yield (MT/HA)	8.7037	8.7037	8.5455	8.9091	8.6607	8.9286

(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 Corn begins in October for all countries. TY 2022/2023 = October 2022 - September 2023

Attachments:

No Attachments