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Report Highlights:

Post's marketing year (MY) 2022/2023 rice harvested area and production forecast is 11.75 million hectares and 36.32 million metric tons (MT), respectively. Local prices of rice, wheat, and corn hit record highs in March 2022 and the Russian invasion of Ukraine has increased volatility. Post forecasts MY 2022/2023 wheat at 7.5 million MT and corn imports at 2.3 million MT.

RICE, MILLED

Production

Post forecasts marketing year (MY) 2022/2023 rice harvested area at 11.75 million hectares and production at 36.32 million metric tons (MT), up 1.1 percent and 1.3 percent, respectively, compared to the MY 2021/2022 USDA official estimates. Post assumes favorable weather conditions, sufficient supply of seed and fertilizers, and continued support from the Department of Agriculture (DAE) to reach the expected rice production.

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.

There are three rice cultivating seasons in Bangladesh, *Boro*, *Aus,* and *Aman. Boro* season rice cultivation starts in December and January and is harvested in April and May. *Aus* season rice cultivation starts in April and May and is harvested in August and September, while *Aman* season rice cultivation starts in August and September and is harvested in November and December.

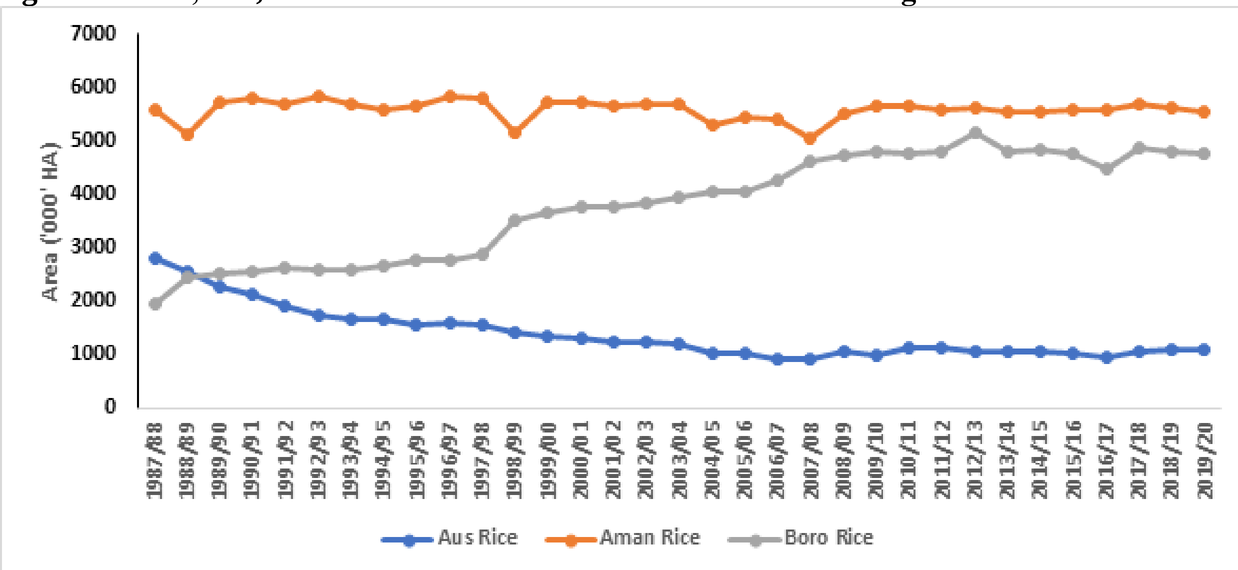
Boro Season Rice

Boro season rice is the first crop in MY 2022/2023. *Boro* rice was planted in December 2021-January 2022 and will be harvested in April-May 2022. *Boro* season rice cultivation fully depends on irrigation, and it contributes more than 50 percent to total annual rice production (Figures 1 and 2). For MY 2022/2023, Post forecasts *Boro* rice harvested area at 4.8 million hectares and production at 19.7 million MT based on DAE's latest crop production report. Post estimates MY 2021/2022 *Boro* rice harvested area at 4.7 million hectare and production at 19.35 million MT (Table 1).

Aus Season Rice

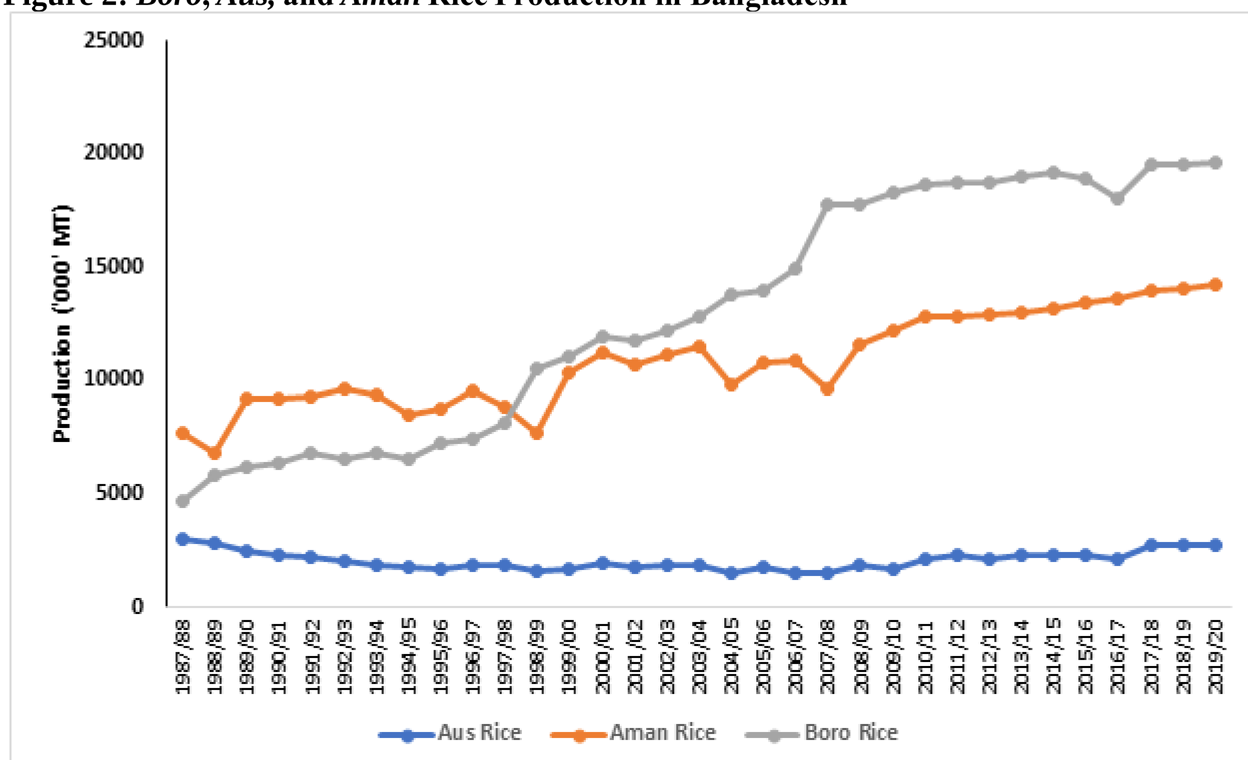
Post's forecast for MY 2022/2023 *Aus* season rice harvested area is 1.15 million hectares with production at 2.72 million MT. Not all farmers cultivate *Aus* seasons rice in all regions because many districts experience flooding at harvest time. In addition, available *Aus* rice varieties have lower potential yields as compared to other seasons' rice varieties.

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



Source: Bangladesh Bureau of Statistics

Figure 2: ***Boro*, *Aus,* and *Aman* Rice Production in Bangladesh**



Source: Bangladesh Bureau of Statistics

Aman Season Rice

Aman season rice acreage is the highest of the three seasons. Being fully rainfed, on time and adequate rains are important for production. Post forecasts MY 2022/2023 *Aman* season rice harvested area and production at 5.8 million hectares and 13.9 million MT, respectively.

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

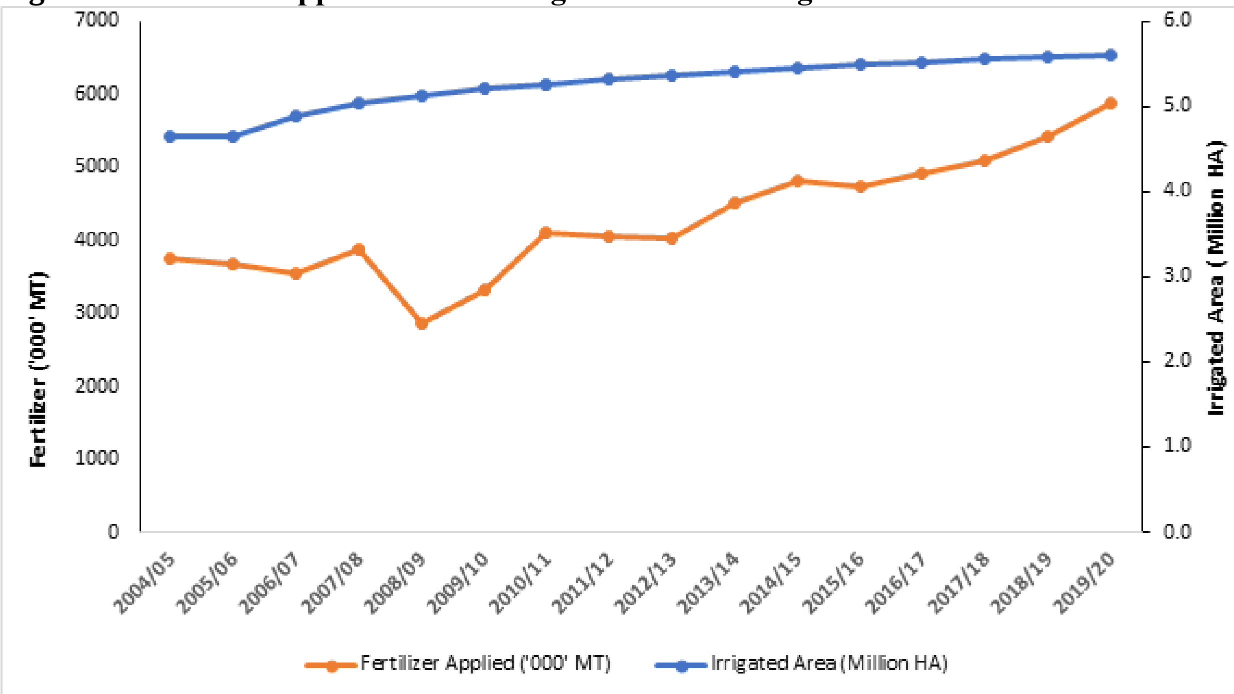
Rice by Season	MY 2020/2021 (Estimate)		MY 2021/2022 (Estimate)		MY 2022/2023 (Forecast)	
	Area 1,000 HA	Production 1,000 MT	Area 1,000 HA	Production 1,000 MT	Area 1,000 HA	Production 1,000 MT
Boro (Winter)	4,700	19,300	4,700	19,350	4,800	19,700
Aus (Pre-Monsoon)	1,200	2,700	1,120	2,700	1,150	2,720
Aman (Monsoon)	5,600	12,600	5,800	13,800	5,800	13,900
Total Rice	11,500	34,600	11,620	35,850	11,750	36,320

Source: Post calculations, based on DAE data

Bangladeshi farmers cultivate both pure and hybrid rice varieties. To date, the Bangladesh Rice Research Institute has developed and released 99 pure varieties and seven hybrid varieties; however, farmers have only widely adopted few of these. As of March 2022, farmers have reported no natural disasters, such as drought, heat wave, cyclone, pest, and pests to the *Boro* crop and are expecting a good harvest.

Production of rice also highly depends on adequate and timely fertilizer application. Overall fertilizer application has been increasing in Bangladesh (Figure 3). Bangladesh traditionally imports phosphate fertilizer (P_2O_5 equivalent) and potassic fertilizers (K_2O equivalent) from different sources, including Belarus, Russia, Canada, Tunisia, and Morocco. Due to the Russian invasion of Ukraine, contacts note that imports of potassic fertilizers from Russia required for the upcoming *Aman* rice cultivation will be in short supply, causing higher prices, which would affect *Aman* season rice production to some extent. Fertilizer distribution in Bangladesh is fully controlled by the government and highly subsidized. While there is no official data, industry notes that approximately 30 percent of potassic fertilizers come from Russia, with the majority coming from Canada.

Figure 3: Fertilizer Application and Irrigated Area in Bangladesh



Source: Bangladesh Bureau of Statistics

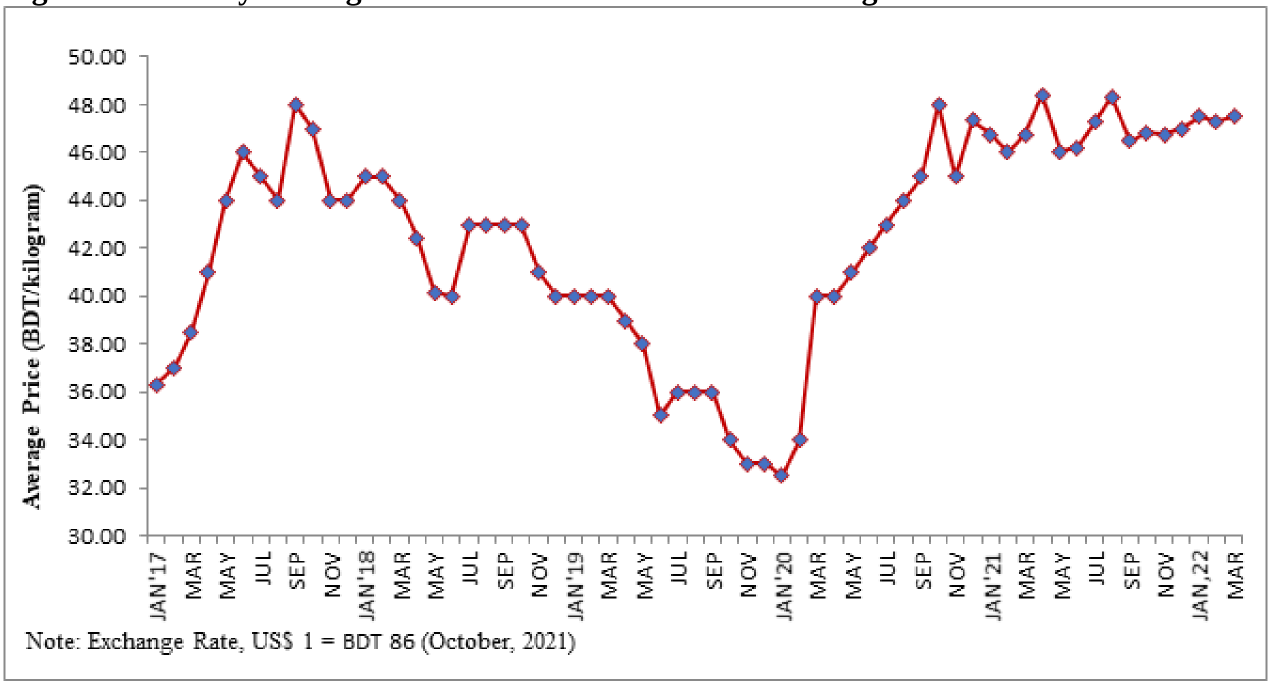
Prices

Rice Prices Remain High

Since the start of the COVID-19 pandemic, rice prices have been trending upward. In March 2022, the average retail price for low quality (coarse) rice was BDT 47.5 ($0.55) per kilogram, which was 1.6 percent higher than the same period last year (Figure 4). In MY 2021/2022, the retail price of coarse rice has been trending up since September, despite a good harvest of *Aman* season rice in November-December 2021. A 23 percent increase in the domestic fuel price in November 2021 further aggravated the market price of rice, with high inflation also contributing. For more about the inflation rate, see the GAIN report: Grain and Feed Update, January 2022. Local media has also reported that large corporations have entered the rice business, which also drove the prices up due to stockpiling.

The retail price of high-quality non-aromatic (fine) rice has also surged in recent months. In March 2022, it was, on average, BDT 65.7 ($0.76) per kilogram, up 5.6 percent over March 2021. Contacts predict the price will remain high until the *Boro* rice harvest in April and May 2022.

Figure 4: Monthly Average Retail Prices of Coarse Rice in Bangladesh



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

Trade

For MY 2022/2023, Post forecasts rice imports at 700 thousand MT, with the expectation of a *Boro* bumper harvest in April and May 2022.

Post estimates MY 2021/2022 rice imports at 1.35 million MT, 10 percent lower than the USDA official estimate. Post estimated imports down on a good harvest of last *Aman* season rice in November and December 2021. In addition, the Government of Bangladesh (GoB) has stated it is discouraging rice imports and has imposed a high total tax incidence (62.5 percent) since November 2021 to protect the interests of local rice farmers. In August 2021, the GoB reduced the total tax incidence to 25 percent which made it profitable for the private sector to import rice. The total tax incidence was reverted to 62.5 percent from November 2021. Since then, rice imports fell significantly. According to the Ministry of Food's Daily Food Situation Report (Bangla), Bangladesh has imported 244 thousand MT rice from November 1, 2021 to March 15, 2022, with most imports by the GoB.

India is the Preferred Exporter

According to Trade Data Monitor, LLC (TDM), India is the leading source for imported rice. Since the beginning of MY 2020/2021, Bangladesh has imported more than 99 percent of its rice from India. Indian offers are comparatively much cheaper for both commodity price and freight.

Aromatic Rice Exports

Bangladesh exports aromatic rice to the U.S., European, and Middle Eastern markets, particularly to Bengali ethnic communities. Post forecasts MY 2022/2023 rice exports at 8 thousand MT, 20 percent lower than the MY 2021/2022 USDA official estimate. Post estimates MY 2021/2022 rice exports at 10 thousand MT, the same as the USDA official estimate. Post believes aromatic rice exports will fall due to the end of export subsidies (for more, see GAIN report: Grain and Feed Update, January 2022).

Consumption

Post forecasts MY 2022/2023 rice consumption at 37.0 million MT, up 0.8 percent over the MY 2021/2022 USDA official estimate based on an expectation of continued government food assistance programs for the poor impacted by the recent food price hike. Population growth will also lead to higher rice consumption in the coming years.

For MY 2021/2022, Post estimates total rice consumption at 36.7 million MT, the same as the USDA official estimate. Bangladesh's feed industry is also using broken rice as a filler in various feed formulas. Due to the recent high price of feed ingredients including soybean meal and corn, the feed industry will use rice as a supplement to other ingredients.

Public Procurement and Stocks

Successful Rice Procurement Program

In MY 2021/2022, the Ministry of Food completed its annual procurement of *Boro* rice on August 31, 2021. The GoB procured 362 thousand MT of *Boro* paddy and 1,060 thousand MT of parboiled *Boro* rice. Following the successful *Boro* rice procurement program, the GoB targeted to secure approximately 720 thousand MT of *Aman* rice and 300 thousand MT of *Aman* paddy from November 7, 2021 to February 28, 2022. The Ministry of Food reported that it was able to procure 712 thousand MT of *Aman* rice and 85 thousand MT of *Aman* paddy. Meeting its rice procurement target in two consecutive seasons has led to record high public stocks.

According to the Ministry of Food, on March 21, 2022, total government-held rice stocks were 1,494 thousand MT, compared to 469 thousand MT at the same time in 2021. The GoB also stocks paddy in public granaries. On March 21, 2022, public stocks of paddy were 20 thousand MT (Table 2).

Post forecasts MY 2022/2023 ending stocks at 1,961 thousand MT, 6.7 percent lower than the MY 2021/2022 USDA official estimate. Post estimates MY 2021/2022 ending stocks at 1,949 thousand MT, 7.9 percent lower than USDA official estimate due to lower-than expected *Aus* season rice production, continuing government distribution programs, and reduced imports.

Table 2: Rice Stocks in Public Granaries

March 21, 2022			March 21, 2021		
Rice (000 MT)	Paddy (000 MT)	Total (000 MT)	Rice (000 MT)	Paddy (000 MT)	Total (000 MT)
1494	20	1514	469	78	546

Source: Director General of Food, Ministry of Food

Government Distribution

Public food distribution programs are operating in Bangladesh through social safety net programs. Open Market Sale (OMS) and Fair Price (Food Friendly) are the largest subsidy-based food distribution programs, while Food for Work, Vulnerable Group Feeding, and Vulnerable Group Development are common relief-based programs. According to the Ministry of Food, as of March 15, 2022, in the GoB fiscal year (FY) 2021/2022 (July-June), the government distributed 1.65 million MT tons of rice to people under the food various distribution programs, up 35 percent compared to the same period last year.

Policy

Open Market Sale Continues

On January 20, 2022, the GoB activated a "special" OMS for rice and wheat to address high local prices, selling the commodities below market price until further notice. The OMS service launched at the *upazila* level through 1,760 local dealers. For rice, each dealer is entitled to sell 2 MT per day at BDT 30 ($0.34) per kilogram. Each customer can purchase a maximum of 5 kilograms of rice at a time. Initially, the GoB allotted 170 thousand MT of rice and 364 thousand MT of wheat for FY 2021/2022 but increased the allotment following the Russian invasion of Ukraine, which created more volatility in commodity markets at the end of February 2022. On March 20, 2022, the GoB increased the allotment of rice and wheat to 470 thousand MT and 464 thousand MT, respectively.

Table 3: 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	0	11750
Beginning Stocks (1000 MT)	1571	1571	1461	1459	0	1949
Milled Production (1000 MT)	34600	34600	35850	35850	0	36320
Rough Production (1000 MT)	51905	51905	53780	53780	0	54485
Milling Rate (.9999) (1000 MT)	6666	6666	6666	6666	0	6666
MY Imports (1000 MT)	1400	1400	1500	1350	0	700
TY Imports (1000 MT)	2650	2650	600	600	0	600
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	37571	37571	38811	38659	0	38969
MY Exports (1000 MT)	10	12	10	10	0	8
TY Exports (1000 MT)	10	11	10	10	0	8
Consumption and Residual (1000 MT)	36100	36100	36700	36700	0	37000
Ending Stocks (1000 MT)	1461	1459	2101	1949	0	1961
Total Distribution (1000 MT)	37571	37571	38811	38659	0	38969
Yield (Rough) (MT/HA)	4.5135	4.5135	4.6282	4.6282	0	4.637

(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

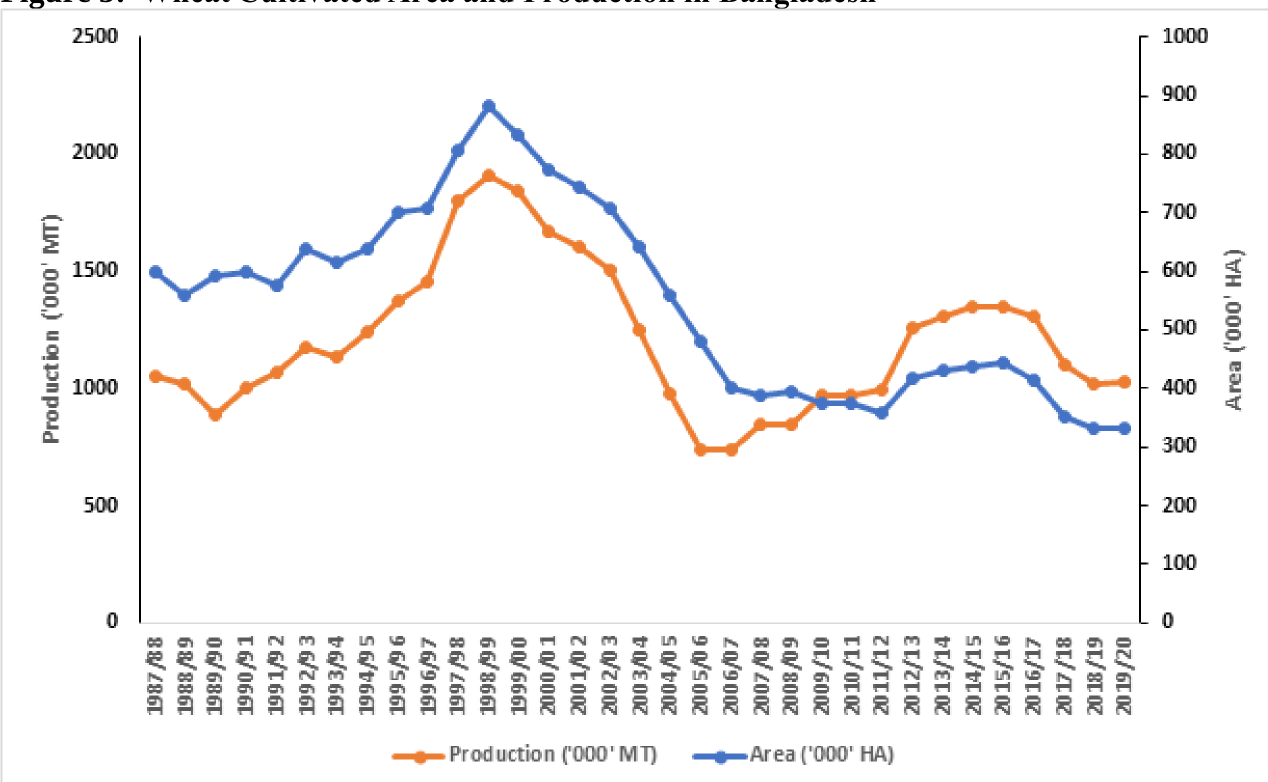
WHEAT

Production

Local production of wheat meets approximately 13 percent of total demand. In Bangladesh, wheat planting occurs in November and December, with harvesting in March and April.

Wheat area and production is gradually decreasing as farmers convert their land to cultivate alternative crops that provide higher economic returns, such as potato, vegetables, and Boro rice (Figure 5). Post forecasts MY 2022/2023 wheat harvested area at 310 thousand hectares, 3.0 percent lower than the MY 2021/2022 USDA official estimate. Post forecasts wheat production at 1.1 million MT, 2.7 percent lower than MY 2021/2022 USDA estimate. For MY 2021/2022, Post estimates wheat harvested area at 320 thousand hectares and production at 1.13 million MT, the same as the USDA official estimate.

Figure 5: Wheat Cultivated Area and Production in Bangladesh



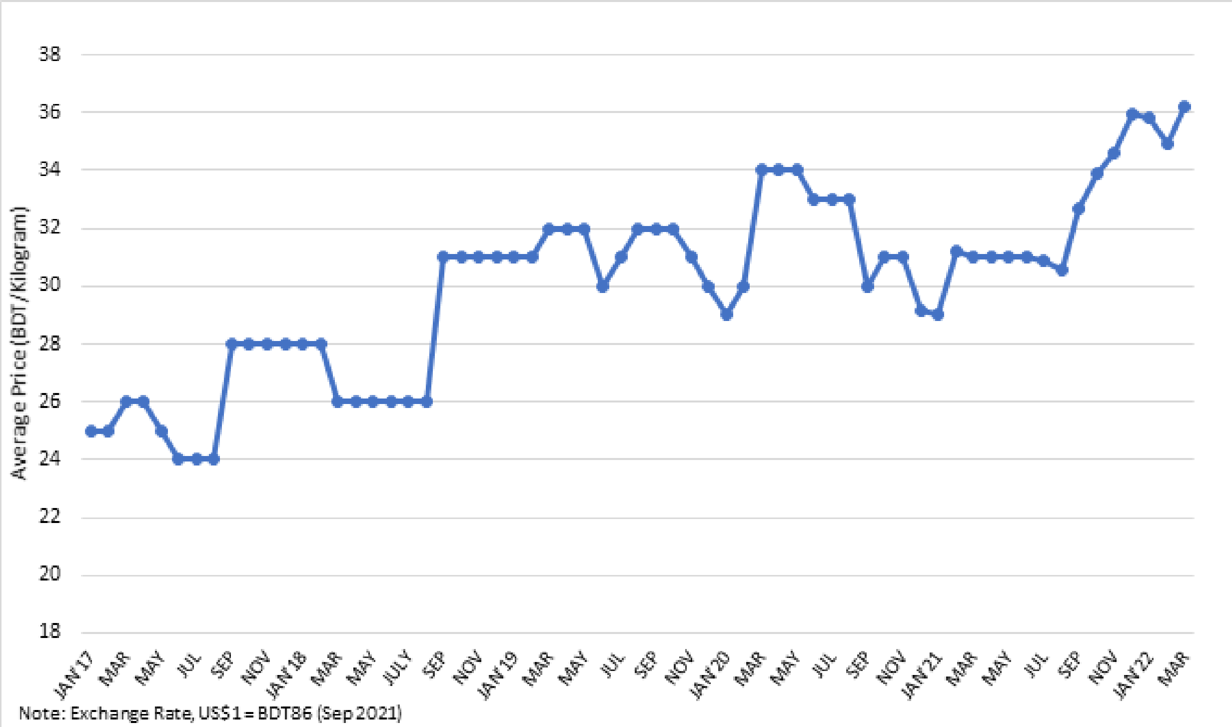
Source: Bangladesh Bureau of Statistics

Prices

Wheat Flour Prices Hit Record High

Prices of wheat flour (also called *atta*) have reached an eight-year peak. In March 2022, the average retail price of wheat flour was BDT 36.2 ($0.42) per kilogram, which was approximately 17 percent higher than the price in March of last year (Figure 6). Prices are rising due to higher international market prices, the aforementioned November 2021 fuel price hike, and the Russian invasion of Ukraine.

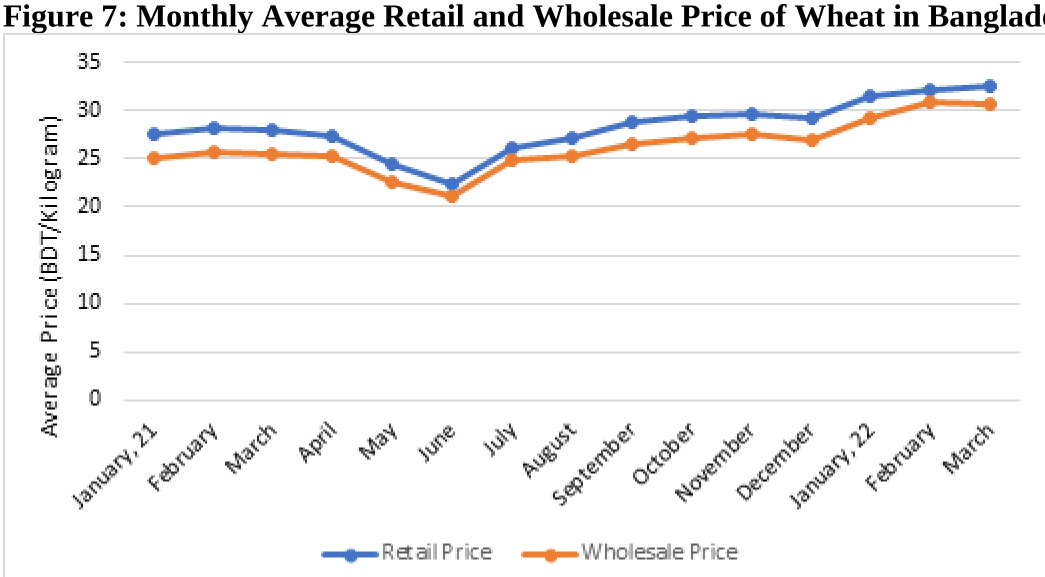
Figure 6: Monthly Average Retail Price of Coarse Wheat Flour (atta) in Bangladesh



Source: TCB

Wheat prices have also been soaring since July 2021. In March 2022, retail and wholesale prices of wheat were BDT 32.6 ($0.38) per kilogram and BDT 30.68 ($0.36) per kilogram, respectively (Figure 7). According to local industry, the prices of wheat and wheat flour are likely to increase further in coming months due to the supply disruption from the Black Sea region.

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



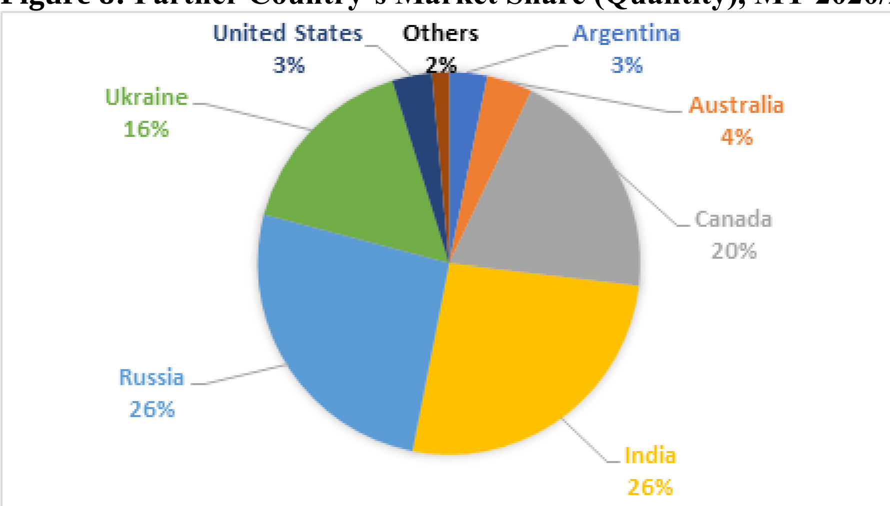
Source: DAM

Trade
For MY 2022/2023, Post forecasts wheat imports at 7.6 million MT, up 1.3 percent from the MY 2021/2022 USDA official estimate, assuming the increasing and diversified use of wheat-based products for both the domestic and export market. See the Grain and Feed: October Update for more information on Bangladesh's export of wheat-based products.

Despite higher international wheat prices, Bangladesh is continuing to import to meet substantial domestic demand. Post estimates MY 2021/2022 wheat imports at 7.4 million MT, 1.3 percent lower than the USDA official estimate.

India is the Preferred Exporter
Bangladesh started procuring wheat from India in significant volumes in 2020. Shorter shipment times, low freight cost, and geographic proximity makes India one of the preferred wheat exporters to Bangladesh. Indian wheat is transported to Bangladesh via road and rail. According to the TDM, in MY 2020/2021, India supplied 26 percent of total wheat imports, followed by Russia, Canada, and Ukraine (Figure 8).

Figure 8: Partner Country's Market Share (Quantity), MY 2020/2021

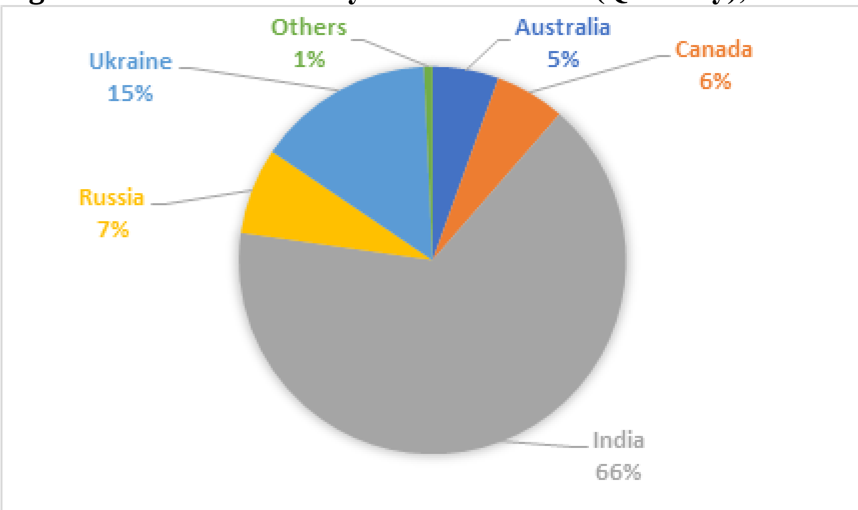


Source: TDM

In the first seven months of MY 2021/2022, India supplied approximately 2.8 million MT of wheat to Bangladesh and captured 66 percent market share, followed by Ukraine and Russia (Figure 9). As of January 2022, Russia and Ukraine, combined, supplied approximately 0.9 million MT, down 40 percent from the same period in MY 2020/2021.

While the Russia-Ukraine war will affect Bangladesh's annual wheat supply, traders are already looking to India, the largest supplier, to make up the volume. Industry also stated it will look to Australia, Canada, and United States for higher quality wheat.

Figure 9: Partner Country's Market Share (Quantity), as of January in MY 2021/2022



Source: TDM

Consumption

For MY 2022/2023, Post forecasts total consumption at 8.8 million MT. Post's estimate of MY 2021/2022 total wheat consumption is 8.5 million MT, the same as the USDA official.

The reopening the economy after the COVID-19 pandemic, changing food habits, and wheat-based product exports have increased wheat consumption. The cattle feed industry also consumes wheat. For MY 2022/2023, Post forecasts feed and residual use of wheat at 700 thousand MT, up 17 percent over the MY 2021/2022 USDA estimate. Soybean meal, one of the main feed ingredients, has become costlier due to the high price of soybeans. Therefore, the feed industry will likely substitute wheat. Post estimates MY 2021/2022 feed and residual use at 600 thousand MT, the same as the USDA official estimate.

Public Procurement and Stocks

Each year after harvest, the GoB plans to procure wheat from the farmers/local markets for public granaries. In MY 2020/2021, the GoB targeted to procure 100 thousand MT wheat from April 1 to June 30, 2021. At the end of June 2021, the GoB exceeded the targeted amount, collecting 103 thousand MT. The GoB has not announced its domestic procurement plan for the MY 2021/2022 wheat harvest yet.

As of March 23, 2022, the Ministry of Food estimated the GoB's wheat stocks at 212 thousand MT, up 175 percent from the same period last year. The GoB's successful domestic wheat procurement program in 2021 and imports from international market contributed to high stocks in public granaries.

Table 4: 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	0	310
Beginning Stocks (1000 MT)	1758	1758	2138	2138	0	2168
Production (1000 MT)	1180	1180	1130	1130	0	1100
MY Imports (1000 MT)	7200	7200	7500	7400	0	7600
TY Imports (1000 MT)	7200	7200	7500	7400	0	7600
TY Imp. from U.S. (1000 MT)	235	235	0	50	0	70
Total Supply (1000 MT)	10138	10138	10768	10668	0	10868
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	0	700
FSI Consumption (1000 MT)	7500	7500	7900	7900	0	8100
Total Consumption (1000 MT)	8000	8000	8500	8500	0	8800
Ending Stocks (1000 MT)	2138	2138	2268	2168	0	2068
Total Distribution (1000 MT)	10138	10138	10768	10668	0	10868
Yield (MT/HA)	3.5224	3.5224	3.5313	3.5313	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 2022/2023 = July 2022 - June 2023

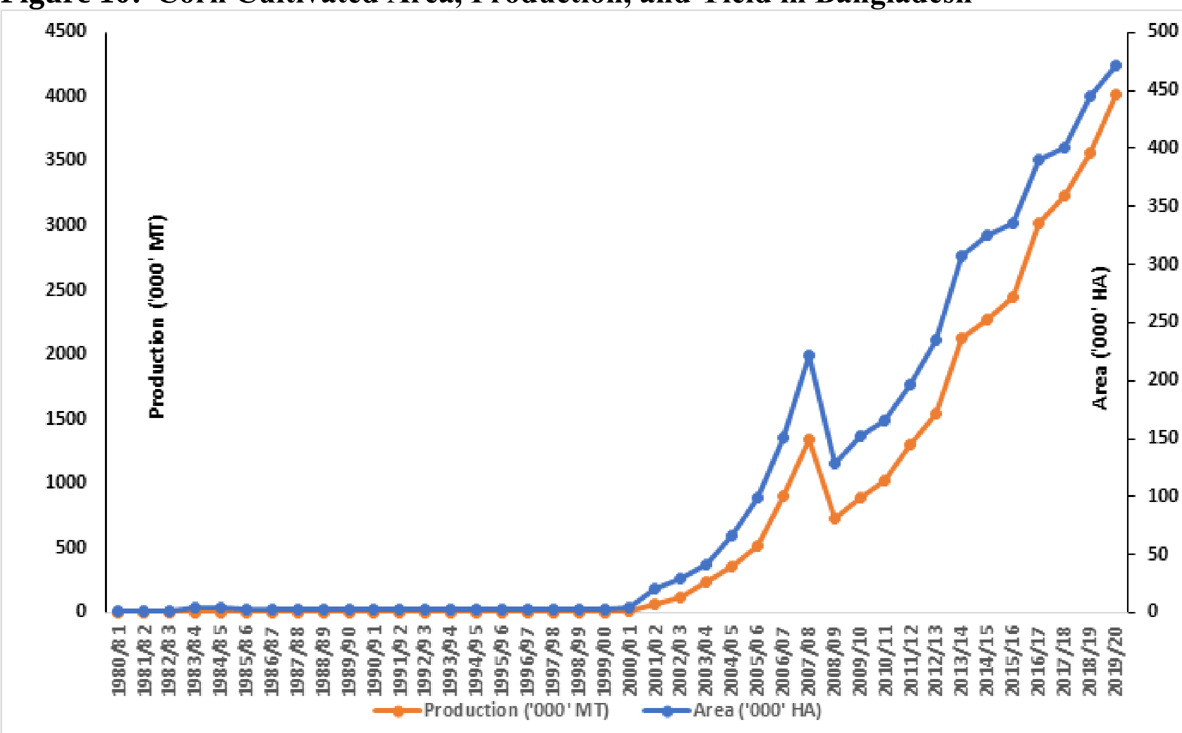
CORN

Production

In Bangladesh, corn is the second largest grain crop after rice. It is grown 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 April and May, while summer corn is sown in March and April and harvested in August and September. The demand for corn is increasing in Bangladesh as the demand for poultry, dairy and fish feed rises (Figure 10). About 90 percent of corn used in the feed industry while some is used to make starch and flour.

For MY 2022/2023, Post forecasts corn harvested area at 560 thousand hectares and production at 5.25 million MT. The country is expecting very good harvest of winter corn starting in April 2022 due to favorable weather condition. Post's estimate of MY 2021/2022 corn harvested area is 550 thousand hectares and production is 5.1 million MT.

Figure 10: Corn Cultivated Area, Production, and Yield in Bangladesh



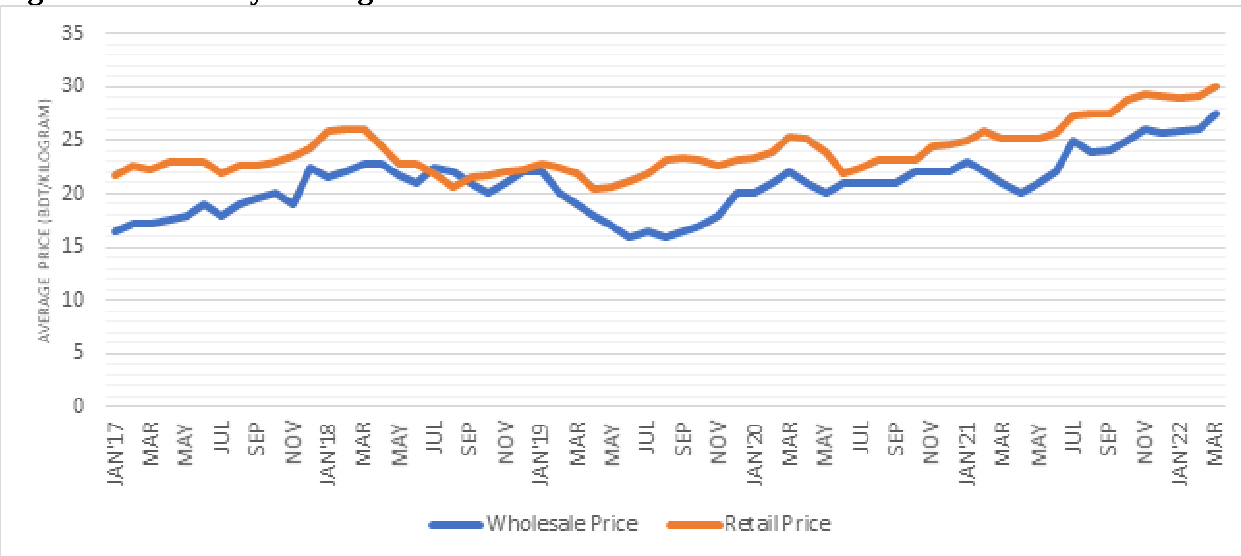
Source: Bangladesh Bureau of Statistics

Price

Prices Continue to Rise

As of March 2022, local prices reached a six-year high, with the wholesale and retail price of corn at BDT 27.5 ($0.32) per kilogram and BDT 30.1 ($0.35) per kilogram, respectively, up approximately 31 percent and 17 compared to the same time last year (Figure 11). Higher international prices and growing demand at the feed industry drove up the corn price. The Russia-Ukraine war also made prices more volatile. Post estimates a small price decrease in the coming months following the new harvest in April 2022.

Figure 11: Monthly Average Retail and Wholesale Corn Prices



Source: DAM

Trade

Post forecasts MY 2022/2023 corn imports at 2.3 million MT, up 15 percent over the MY 2021/2022 USDA official estimate, assuming demand for poultry, dairy, and aqua feed continues to rise. Post estimates MY 2021/2022 corn imports at 1.8 million MT, 10 percent lower than the USDA official estimate.

In the current marketing year, Bangladesh has reduced imports and drawn from stocks. According to TDM, as of January 2022, in MY 2021/2022, Bangladesh imported approximately 1.5 million MT of corn, 32 percent lower than the same period in MY 2020/2021. According to industry sources, the total annual demand for corn in Bangladesh is approximately 7 to 8 million MT, while domestic production is about 5 million MT.

India Emerges as a Major Exporter

Since 2020, India has emerged as major corn exporter to Bangladesh. In MY 2020/2021, India supplied 67 percent of total corn imports, with the rest from Brazil. In MY 2021/2022, the market share of Indian corn rose to 79 percent, with 21 percent imported from Brazil (Figure 12).

Figure 12: Partner Country's Share (Quantity) of Corn Export to Bangladesh

Source: TDM

Consumption

Post forecasts corn consumption for MY 2022/2023 up to 7.55 million MT on recovery in demand from the animal feed industry. Corn accounts for approximately 60 percent of poultry and cattle feed ingredients. In MY 2021/2022, Post's consumption estimate is 7.2 million MT, slightly lower than the USDA official estimate.

Stocks

The GoB does not keep official information for corn stocks and does not procure corn locally. Post forecasts MY 2022/23 corn ending stocks at 144 thousand MT. Post also estimates MY 2021/2022 ending stocks at 144 thousand MT, approximately 58 percent lower than the USDA official estimate.

Table 5: 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	575	550	0	560
Beginning Stocks (1000 MT)	210	210	444	444	0	144
Production (1000 MT)	4700	4700	5200	5100	0	5250
MY Imports (1000 MT)	2434	2434	2000	1800	0	2300
TY Imports (1000 MT)	1838	1838	2000	2000	0	2300
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	7344	7344	7644	7544	0	7694
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	6800	6700	0	7000
FSI Consumption (1000 MT)	400	400	500	500	0	550
Total Consumption (1000 MT)	6900	6900	7300	7200	0	7550
Ending Stocks (1000 MT)	444	444	344	144	0	144
Total Distribution (1000 MT)	7344	7344	7644	7344	0	7694
Yield (MT/HA)	8.7037	8.7037	9.0435	9.2727	0	9.375

(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