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Bangladesh

Grain and Feed Update

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Report Highlights:
Post's MY 2012/13 rice production forecast for Bangladesh has been revised marginally lower to 33.8 million tons on lower planting of *Aman* rice (planted in July/August). Based on official estimates, the MY2010/11 and MY 2011/12 wheat imports have been revised to 3.75 million ton and 1.77 million tons, respectively.

Post:
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Production

Post has revised Bangladesh MY 2012/13 (May/April) rice production marginally lower to 33.8 million tons on lower planted area of the *Aman* crop. *Aman* rice *(*planted in July/August and harvested in November/December), currently in the filling stage, faced a moderate to severe shortage of monsoon rainfall and was also affected by flash floods, especially in the north and south western region at the time of planting. Consequently, area under *Aman* rice is estimated to be about 100,000 hectares less than the previous year and production is forecast lower at 12.6 million tons. In MY 2012/13, the first *Boro* rice crop (planted in December/January and harvested in May/June) is estimated at 18.8 million tons. Production of the second *Aus* rice crop (planted in March/April and harvested in July/August) is currently estimated at 2.4 million tons. Based on latest estimates of the Ministry of Agriculture, MY 2011/12 rice production is revised marginally lower to 33.7 million tons.

Table 1. Bangladesh: Rice Area and production by season

	2010/11 (Estimate)		2011/12 (Estimate)		2012/13 (Forecast)	
Crop	Area (tha)	Production (tmt)	Area (tha)	Production (tmt)	Area (tha)	Production (tmt)
Boro	4800	17300	4750	18600	4750	18800
Aus	1100	1800	1120	2300	1150	2400
Aman	5800	12600	5850	12800	5750	12600
Total Rice	11700	31700	11720	33700	11650	33800

The winter *Boro* rice crop is almost entirely irrigated, with ground water accounting for 80 percent of irrigation. Excessive use of ground water for irrigation is causing rapid depletion of ground water, which is limiting the scope for further expansion of *Boro* acreage. The government has been promoting cultivation of rainfed *Aus* rice through such incentives as subsidized inputs (seed and fertilizer). Planting of *Aman* rice also requires supplementary irrigation in case of late or poor monsoon rains.

Stock

Domestic procurement of *Boro* rice in MY 2012/13 at 1st week of October reached 900,000 tons, which is almost one hundred percent of the targeted quantity. There was no government procurement of wheat or *Aus* rice; however, depending on the production and price situation, the government may announce a procurement plan for *Aman*.

The government-held food grain stock as on October 4, 2012, is estimated at 1.59 million tons, which includes 1.28 million tons of rice and 313,000 tons of wheat. Though there is no official information available on private-sector stocks, industry sources indicate that current rice stocks in the hands of millers, traders and large farmers could be 7 million tons. The current grain stocks (government and private) are sufficient to cover the requirement before *Aman* rice is harvested.

Price

The retail price of coarse rice in the domestic market has been stable since last December at taka 29 ($0.36) per kilogram, 6.5 percent lower than the price a year ago. Prices are likely to remain steady through the marketing season due to sufficient domestic stocks (government and private trade) and supply of cheaper Indian rice. On the other hand, the retail price of coarse wheat flour maintained a modestly rising trend over the last year, currently selling at taka 33 ($0.41) per kilogram, more than 20 percent higher than a year ago. International wheat prices will largely determine the wheat flour price in the remainder of MY 2012/13.

Imports

Given sufficient domestic supplies, only 1,950 tons of rice has been imported in first five months of the current MY 2012/13, mostly (90 percent) by the private sector. However, market sources report subsequent higher imports of low-quality cheap rice from India. Consequently, post continues to estimate MY 2012/13 rice imports at 250,000 tons, mostly by the private sector.

MY 2012/13 (July-June) wheat imports through the second week of October are estimated at 496,000 tons, 62 percent by the private sector. Post continues to estimate MY 2012/13 wheat imports at 3 million tons, comprising of 600,000 tons by the government and 2.4 million tons by the private sector. Official wheat imports in MY 2010/11 and MY 2011/12 are estimated at 3.75 million tons and 1.77 million tons respectively.

Table 2. Bangladesh: Commodity, Rice, Milled, PSD

Rice, Milled Bangladesh	2010/2011 Market Year Begin: May 2010		2011/2012 Market Year Begin: May 2011		2012/2013 Market Year Begin: May 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	11,700	11,700	11,750	11,720	11,800	11,650	(1000 HA)
Beginning Stocks	770	770	1,378	1,378	1,441	1,341	(1000 MT)
Milled Production	31,700	31,700	34,000	33,700	34,100	33,800	(1000 MT)
Rough Production	47,555	47,555	51,005	50,555	51,155	50,705	(1000 MT)
Milling Rate (.9999)	6,666	6,666	6,666	6,666	6,666	6,666	(1000 MT)
MY Imports	1,308	1,308	563	563	250	250	(1000 MT)
TY Imports	1,483	1,486	240	240	250	250	(1000 MT)
TY Imp. from U.S.	2	2	0	0	0	0	(1000 MT)
Total Supply	33,778	33,778	35,941	35,641	35,791	35,391	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
TY Exports	0	0	0	0	0	0	(1000 MT)
Consumption and Residual	32,400	32,400	34,500	34,300	34,800	34,500	(1000 MT)
Ending Stocks	1,378	1,378	1,441	1,341	991	891	(1000 MT)
Total Distribution	33,778	33,778	35,941	35,641	35,791	35,391	(1000 MT)
Yield (Rough)	4.	4.0645	4.	4.3136	4.	4.3524	(MT/HA)
TS=TD		0		0		0	

Table 3. Bangladesh: Commodity, Wheat, PSD

Wheat Bangladesh	2010/2011 Market Year Begin: Jul 2010		2011/2012 Market Year Begin: Jul 2011		2012/2013 Market Year Begin: Jul 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	374	374	400	400	420	420	(1000 HA)
Beginning Stocks	1,261	1,261	2,084	1,885	1,134	652	(1000 MT)
Production	972	972	1,150	1,000	1,200	1,100	(1000 MT)
MY Imports	3,951	3,752	2,000	1,76	3,000	3,00	(1000

				7		0	MT)
TY Imports	3,951	3,752	2,000	1,767	3,000	3,000	(1000 MT)
TY Imp. from U.S.	134	134	152	152	0	0	(1000 MT)
Total Supply	6,184	5,985	5,234	4,652	5,334	4,752	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
TY Exports	0	0	0	0	0	0	(1000 MT)
Feed and Residual	0	0	0	0	0	0	(1000 MT)
FSI Consumption	4,100	4,100	4,100	4,000	4,200	4,200	(1000 MT)
Total Consumption	4,100	4,100	4,100	4,000	4,200	4,200	(1000 MT)
Ending Stocks	2,084	1,885	1,134	652	1,134	552	(1000 MT)
Total Distribution	6,184	5,985	5,234	4,652	5,334	4,752	(1000 MT)
Yield	3.	2.5989	3.	2.5	3.	2.619	(MT/HA)
TS=TD		0		0		0	