

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 2/1/2018

GAIN Report Number: BG7011

Bangladesh

Grain and Feed Update

January 2018

Approved By:

Mark A. Myers,
Agricultural Attaché

Prepared By:

Tanvir Hossain,
Agricultural Specialist

Report Highlights:

MY 2017/18 (May-April) rice production is forecast down slightly to 32.65 million metric tons on lower *Aman* variety production caused by unexpected rain during the grain maturing stage. Post raised MY 2017/18 rice imports to 3.4 million metric tons based on increased demand until the next harvest. MY 2017/18 (July-June) wheat imports are forecast at 6.5 million tons, due to competitive international prices and strong demand. For MY 2017/18, Post's corn import forecast is raised by 0.1 MMT due to increased demand in the feed industry.

RICE

Production:

MY 2017/18 (May-April) rice production estimate is reduced slightly to 32.65 million metric tons (MMT) on lower *Aman* production (planted in July/August and harvested in November/December) due to three days of unusually heavy rains from December 10-12, 2017.

Due to an atmospheric depression in the Bay of Bengal during December, more than 508 mm (20 inches) of rain in downpours caused damage to the *Aman* rice crop. Some farmers reported that they had yield loss due to 75 percent lodging during the grain maturing stage caused by heavy rains combined with high speed winds.

Boro rice for MY 2018/19 transplanting generally begins from mid-December to mid-January. Sources reported that *Boro* rice planting has completed, and harvesting will start in April. For more information on rice growing seasons (*Boro, Aman, and Aus*), please see GAIN report [BG3004](#) or [BG5003](#).

Table 1. Bangladesh: *Boro, Aus, and Aman* Rice, Wheat and Corn Area and Production

Crop	MY 2015/16		MY 2016/17		MY 2017/18	
	(Estimate)		(Estimate)		(Forecast)	
	Area	Production	Area	Production	Area	Production
	1,000 HA	1,000 MT	1,000 HA	1,000 MT	1,000 HA	1,000 MT
<i>Boro</i>	4,700	18,700	4,750	18,890	4,472	17,800
<i>Aus</i>	1,220	2,600	1,098	2,338	1,100	2,350
<i>Aman</i>	5,845	13,200	5,900	13,350	5,700	12,500
Total Rice	11,765	34,500	11,748	34,578	11,272	32,650
Wheat	420	1,290	405	1,250	390	1,290
Corn	378	2,605	405	2,817	440	3,200

Trade:

The MY 2017/18 import forecast is raised to 3.4 MMT based on strong import demand. Post raised TY 2016/17 rice imports to 2.47 MMT on higher demand and increased imports from India according to customs data.

Rice imports in TY 2017 reached 2.467 MMT, higher than the previous four (TY 2013-16) years total. From May 2017 through January 29, 2018 of MY 2017/18, the country imported 2.772 MMT consisting of public (0.689 MMT) and private (2.083 MMT) imports.

The Ministry of Food planned to import 1.5 MMT of rice in FY 2017-18 (July-June) to boost public stocks, and has imported less than half that amount (689.16 Thousand MT) from July 2017 to January 29, 2018. Following the current pace of rice imports for public stocks, it will be a challenge for the government to realize its intended target. The G2G agreement of importing rice (0.15 MMT) from Thailand has been terminated due to on-time supply failures, and the authorities have not yet decided

how to fill the gap. On January 24, 2017, the Cabinet Committee on Public Purchase approved an open tender to import 0.1 MMT of rice from India through Rashid Automatic Rice Mill, Bangladesh.

On the other hand, private sector rice imports have continued rapidly due to higher prices in the local market, and in order to lessen the panic of possible lower production in the next *Boro* season due to flood risk. The private importers are aggressively taking the maximum benefit of a two percent tariff rate. Rice imports (2.040 MMT) by private importers from July 2017 to January 29, 2018 was 1,433 percent higher than last FY 2016-17 (July-June). A record high amount of rice imports did not contribute significantly to retail rice price reductions in the local market. According to Bangladesh Bank estimates, importing rice from India costs BDT 37.89 (\$0.46), but retail prices in the local market are 19 percent higher than actual cost.

Stocks:

According to the Ministry of Food (MOF), on January 30, 2018, public stocks are 824,490 MT, which is 29 percent higher than rice stocks at the same time last year.

Table 2: Bangladesh: Stock at public granaries (Thousand MT)

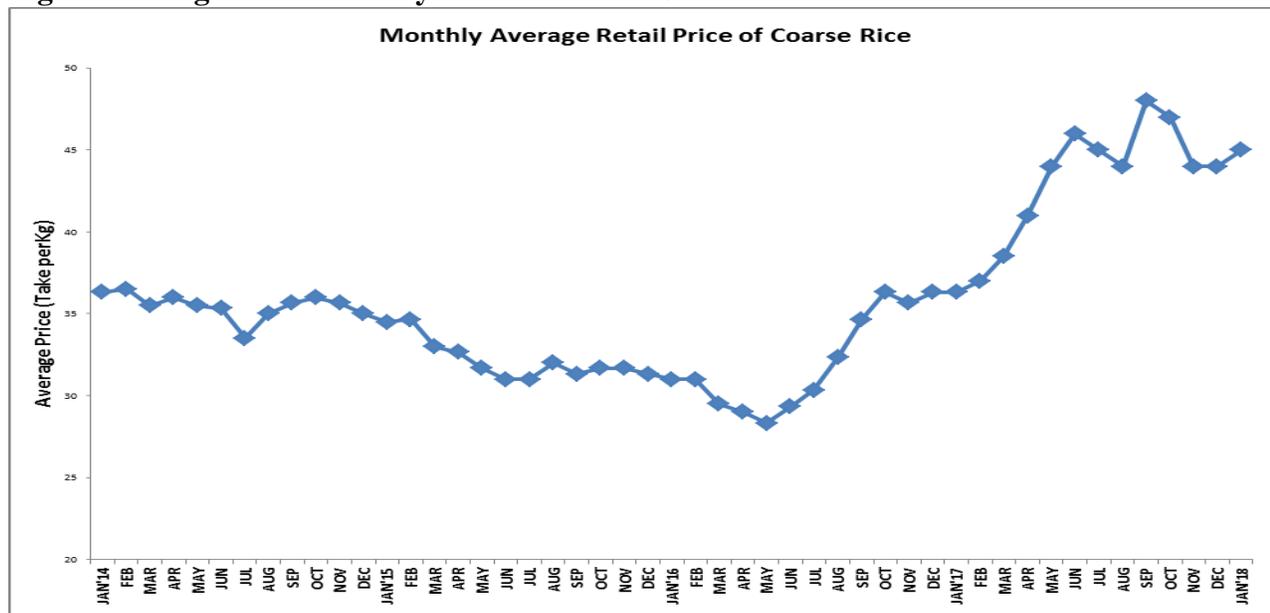
Jan 30, 2018			Jan 30, 2017		
Rice	Wheat	Total	Rice	Wheat	Total
824.49	353.97	1178.46	638.66	243.71	878.37

Source: MIS&M, Director General of Food, Ministry of Food

Prices:

For January 2018, the average retail price for coarse rice was BDT 45 (\$0.55) per kilogram, which was 24 percent higher than last year (Figure 1).

Figure 1. Bangladesh: Monthly Retail Prices of Coarse Rice



Source: Department of Agricultural Marketing, and Trading Corporation of Bangladesh

Policy:

The GOB has begun procurement of *Aman* rice from December 3, 2017 until February 28, 2018, and is expected to purchase approximately 0.6 MMT of rice, double the initial plan. GOB is paying BDT 39 (\$0.47) per kilogram for procurement of husked rice. Through January 29, 2018, the GOB reached its procurement target of 0.3 MMT, with 0.381 MMT total. Sources reported that there is a possibility to increase the procurement amount to 0.6 MMT.

WHEAT

Production:

In MY 2017/18, Post's area and production estimates are down to 390,000 ha and 1.21 MMT respectively, due to increased *Boro* cultivation area in order to recover production losses from last season. As rice (unhusked) price is higher than wheat, farmers are more interested to cultivate rice instead of wheat to gain higher margins. Wheat harvest will start in April 2018.

Imports:

MY 2017/18 (July-June) wheat import estimate is unchanged at 6.5 MMT due to competitive international prices and strong demand. For MY 2016/17, Post estimates increased imports to 5.7 MMT on strong import pace and customs data.

Stocks:

According to the Ministry of Food, as of January 30, 2018, public stocks are estimated at 0.353 MMT, 45 percent higher than last year.

Market Price:

Average retail price of wheat flour was BDT 32 (\$0.39) per kilogram, which was 28 percent higher than last year (Figure-2). For MY 2017/18, strong global production and high global exportable supplies have kept international prices low. Because Bangladesh is a net wheat importer, international prices influence its domestic markets and overall demand.

CORN

Production:

In MY 2017/18, Post's corn area and production estimate is unchanged. Corn harvest will start in March 2018.

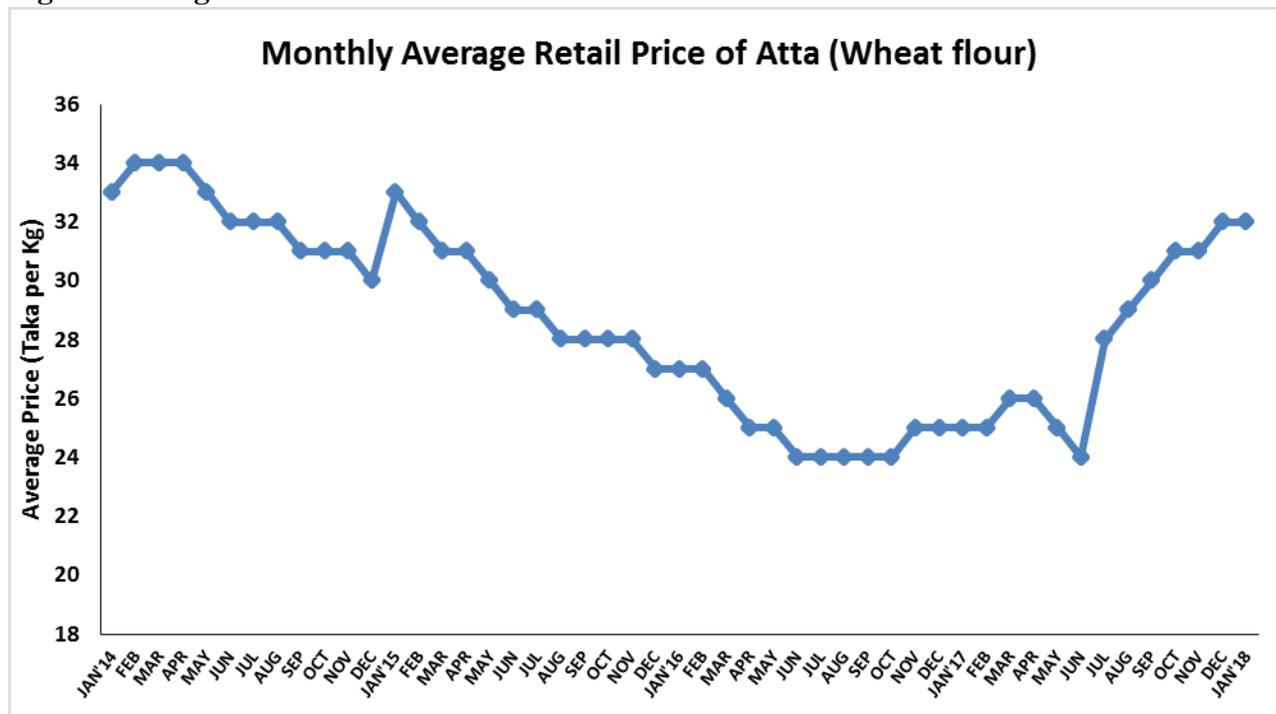
Market Prices:

The wholesale price of corn remained steady during the last year. In January 2018, the wholesale price of corn was BDT 21.5 (\$0.26) per kilogram, which was 29 percent higher than the price a year earlier (Figure-3).

Imports:

The MY 2017/18 (July-June) corn import estimate is increased by 0.1 MMT on continued demand from an expanding feed industry.

Figure 2. Bangladesh: Wheat Flour Retail Price



Source: Department of Agricultural Marketing

Figure 3. Bangladesh: Average Corn Wholesale Price

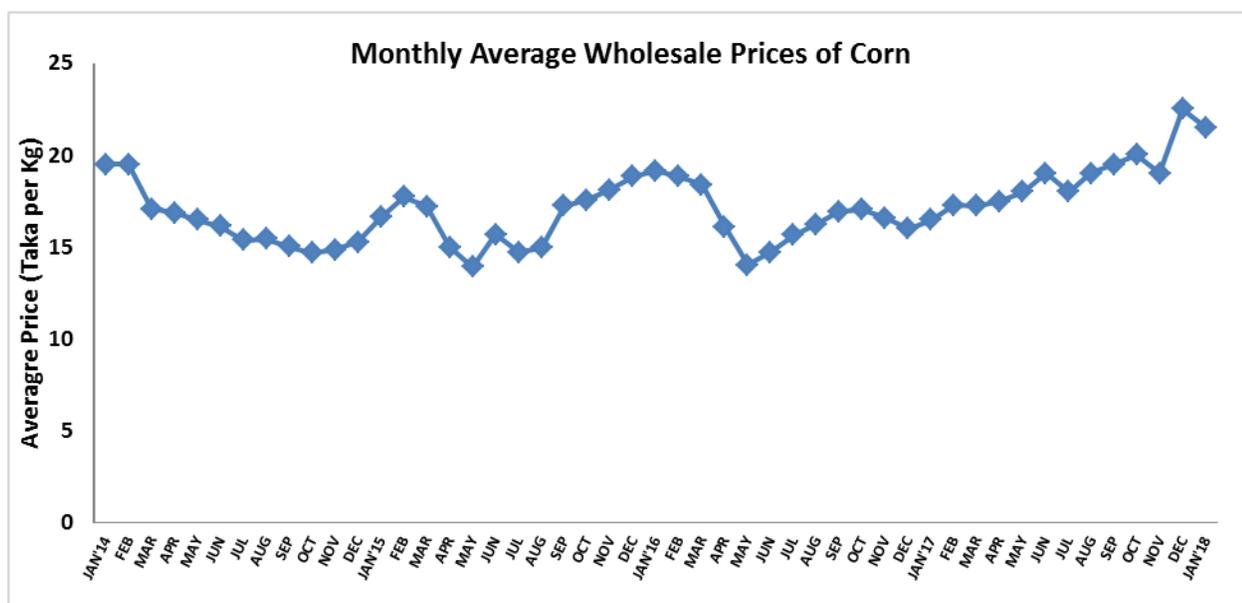


Table 3. Bangladesh: Commodity, Rice, Milled, PSD

(Area in Thousand Hectares, Quantity in Thousand Metric Tons)

<i>Rice, Milled</i>	2015/2016		2016/2017		2017/2018	
<i>Market Begin Year</i>	May 2015		May 2016		May 2017	
<i>Bangladesh</i>	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	11,765	11,765	11,748	11,748	11,300	11,272
Beginning Stocks	1,592	1,592	1,205	1,205	853	908
Milled Production	34,500	34,500	34,578	34,578	33,000	32,650
Rough Production	51,755	51,755	51,872	51,872	49,505	48,980
Milling Rate (.9999)	6,666	6,666	6,666	6,666	6,666	6,666
MY Imports	217	217	70	129	2,500	3,400
TY Imports	35	35	2,200	2,467	1,600	1,200
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	36,309	36,309	35,853	35,912	36,353	36,958
MY Exports	4	4	0	4	0	4
TY Exports	4	4	0	4	0	4
Consumption and Residual	35,100	35,100	35,000	35,000	35,200	34,900
Ending Stocks	1,205	1,205	853	908	1,153	2,054
Total Distribution	36,309	36,309	35,853	35,912	36,353	36,958
Yield (Rough)	4.40	4.40	4.42	4.42	4.38	4.35

Table 4. Bangladesh: Commodity, Wheat, PSD

(Area in Thousand Hectares, Quantity in Thousand Metric Tons)

<i>Wheat</i>	2015/2016		2016/2017		2017/2018	
<i>Market Begin Year</i>	Jul 2015		Jul 2016		Jul 2017	
<i>Bangladesh</i>	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	420	420	405	405	420	390
Beginning Stocks	1,667	1,667	2,077	2,077	1,883	2,017
Production	1,290	1,290	1,250	1,250	1,300	1,210
MY Imports	4,720	4,720	5,556	5,690	6,200	6,500
TY Imports	4,720	4,720	5,556	5,690	6,200	6,500
TY Imp. from U.S.	87	87	257	257	0	260
Total Supply	7,677	7,677	8,883	9,017	9,383	9,727
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and	0	0	0	0	0	0

<i>Wheat</i>	2015/2016		2016/2017		2017/2018	
<i>Market Begin Year</i>	Jul 2015		Jul 2016		Jul 2017	
<i>Bangladesh</i>	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Residual						
FSI Consumption	5,600	5,600	7,000	7,000	7,600	7,500
Total Consumption	5,600	5,600	7,000	7,000	7,600	7,500
Ending Stocks	2,077	2,077	1,883	2,017	1,783	2,227
Total Distribution	7,677	7,677	8,883	9,017	9,383	9,727
Yield	3.07	3.07	3.09	3.09	3.10	3.10

Table 5. Bangladesh: Commodity, Corn, PSD

(Area in Thousand Hectares, Quantity in Thousand Metric Tons)

Corn	2015/2016		2016/2017		2017/2018	
Market Begin Year	May 2015		May 2016		May 2017	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	378	378	405	405	440	440
Beginning Stocks	40	40	21	21	81	81
Production	2,605	2,605	2,817	2,817	3,100	3,300
MY Imports	776	776	843	843	1,000	1,000
TY Imports	1,042	1,042	1,176	1,176	1,100	1,100
TY Imp. from U.S.	122	122	187	187	0	250
Total Supply	3,421	3,421	3,681	3,681	4,181	4,381
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	3,100	3,100	3,300	3,300	3,800	3,700
FSI Consumption	300	300	300	300	300	300
Total Consumption	3,400	3,400	3,600	3,600	4,100	4,000
Ending Stocks	21	21	81	81	81	381
Total Distribution	3,421	3,421	3,681	3,681	4,181	4,381
Yield	6.8915	6.89	6.96	6.96	7.05	7.50

