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Report Highlights:

For marketing year (MY) 2023/24, Post's soybean import forecast is 2.4 million MT, on Bangladesh rebounding from its current economic slowdown, while local soybean production remains flat. In MY 2022/23, all types of oilseed and crude oil imports declined due to Bangladesh's economic slowdown. The shortage of foreign exchange reserves and the appreciation of the U.S. dollar also hindered imports.

General Information

Oilseeds

The most common oilseeds grown in Bangladesh are mustard/rapeseed, sunflower, peanut, sesame, and soybeans. Among the cultivated oilseeds in Bangladesh, only rapeseed/mustard goes to edible oil production. Oilseeds are cultivated in the *rabi* season; planting starts in December-January, with harvest in February-March. The Department of Agricultural Extension (DAE) under the Ministry of Agriculture reported that in Bangladesh fiscal year (FY) 2022-23 (July-June) the total oilseed cultivation area was 1,027 thousand hectares, with a total oilseed production forecast at 1,416 thousand metric tons (MT), up about 20 percent and 13 percent, respectively, over FY 2020-21 (Table 1). The increase in oilseed acreage and production is mostly due to increased mustard cultivation.

Table 1: Area Cultivation and Production of Oilseeds in *Rabi* Season, 2021-22 and 2022-23

Crops	FY 2021-22		FY 2022-23	
	Area Cultivated (000 Hectare)	Production (000 MT)	Area Cultivated (000 Hectare)	Production (000 MT)
Peanut	97	172	66	125
Rapeseed/Mustard	610	822	810	1050
Soybean	79	140	80	145
Sunflower	15	26	10	20
Others	60	90	61	76
Total	**861**	**1250**	**1027**	**1416**

Source: Post's calculation based on DAE's data

Locally produced oilseeds meet only 10 percent of the country's edible oil requirements. The remainder is imported as crude oil or as oilseeds. The Government of Bangladesh (GoB) has no tariffs for soybeans in order to support the local crushing industry and ensure a supply of oil and soybean meal at lower prices. Crude and refined edible oils are subject to tariffs (Table 2). However, to reduce the domestic price of edible oil, the GoB waived the value added tax on soybean and palm oil imports until April 30, 2023. Please see the soybean and palm oil policy section for more information.

There are no quotas on oilseeds and related product imports. For biosafety rules and guidelines for importing genetically engineered products, please see the Bangladesh Agricultural Biotechnology Annual Report 2022.

Table 2: Bangladesh's Tariff Structure for Oilseeds, Soybean Meal, and Oil, FY 2022-23

HS Code	Items	CD	SD	VAT	AIT	RD	AT	TTI
1201.90.10	Soya beans, whether or not broken other than Seed, Wrapped/canned up to 2.5 Kg	0	0	15	5	0	5	25
1201.90.90	Soya beans, whether or not broken other than Seed, EXCL. Wrapped/canned up to 2.5 Kg	0	0	0	0	0	0	0
1208.10.00	Soya Bean Flours and Meals	0	0	0	5	5	5	15.25
1208.90.00	Other Flours and Meal of Oil Seeds or Oleaginous Fruits, Nes.	10	0	15	5	0	5	37
1507.10.00	Crude Oil, Whether or Not Degummed	0	0	15	0	0	5	20
1507.90.10	Refined Soya-Bean Oil	0	0	15	0	0	5	20
1507.90.90	Other Soya-Bean Oil	5	0	15	0	0	5	26
2304.00.00	Oil-Cake and Other Solid Residues, Of Soya-Bean Oil	0	0	0	5	5	5	15.25
1511.90.11	Rbd Palm Stearin	10	0	15	5	0	5	37
1511.90.19	Solidified or Hardened By Mechanical Treatment (Excl. Rbd Palm Stearin)	25	0	15	5	3	5	58.6
1511.90.90	Palm Oil (Exclude) & Its Fractions. Nes. Incld. Refined Palm Oil	0	0	15	0	0	5	20
1511.10.10	Crude palm oil imported by VAT registered edible oil refinery industries	10	0	15	0	0	5	32
1511.10.90	Crude palm oil imported by other than VAT registered edible oil refinery industries	10	0	15	0	0	5	32

Source: National Board of Revenue (NBR)

CD = Custom Duty; SD = Supplementary Duty; VAT = Value Added Tax; AIT = Advance Income Tax; ATV = Advance Trade Tax; RD = Regulatory Duty; TTI = Total Tax Incident

Soybean

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

Oilseed, Soybean	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jul 2021		Jul 2022		Jul 2023	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	82	82	82	80	0	81
Area Harvested (1000 HA)	79	79	80	80	0	81
Beginning Stocks (1000 MT)	198	198	400	400	0	132
Production (1000 MT)	140	140	145	142	0	145
MY Imports (1000 MT)	2497	2497	2700	1600	0	2400
MY Imp. from U.S. (1000 MT)						
MY Imp. from EU (1000 MT)						
Total Supply (1000 MT)	2835	2835	3245	2142	0	2677
MY Exports (1000 MT)	0	0	0	0	0	0
MY Exp. to EU (1000 MT)						
Crush (1000 MT)	2425	2425	2800	2000	0	2500
Food Use Dom. Cons. (1000 MT)	5	5	5	5	0	5
Feed Waste Dom. Cons. (1000 MT)	5	5	200	5	0	5
Total Dom. Cons. (1000 MT)	2435	2435	3005	2010	0	2510
Ending Stocks (1000 MT)	400	400	240	132	0	167
Total Distribution (1000 MT)	2835	2835	3245	2142	0	2677
Yield (MT/HA)	1.7722	1.7722	1.8125	1.775	0	1.7901
(1000 HA), (1000 MT), (MT/HA)						

Production

Soybeans are grown in very limited areas of Bangladesh. The country produces about 5 percent of its annual soybean demand, mostly in the southern belt, including Noakhali, Lakshmipur, and Bhola districts. Domestically produced soybeans are used predominantly in the feed industry. The average yield of soybean varieties in Bangladesh is about 1.8 MT/hectare, much lower than the world average of 2.8 MT/hectare.

Low yields have historically reduced cultivation. While in recent years soybeans have been gaining popularity as a cash crop, particularly among farming households in the south, overall, the unavailability of high yielding varieties and lack of quality seed continues to hamper the expansion of soybean cultivation. Since 1990, more than 10 high yielding varieties of soybean have been released in Bangladesh, but approximately 70 percent of soybean farmers are still cultivating the "*shohag*" variety, which was officially released in 1991 and has a yield of approximately 1.6-1.8 MT per hectare.

The Bangladesh Agricultural Research Institute (BARI) developed the BARI soybean-5 and BARI soybean-6 varieties, which are planted by the majority of the remaining 30 percent of soybean farmers; however, limited seed supply constrains cultivation. The Bangladesh Institute of Nuclear Agriculture (BINA) and Bangladesh Agricultural University also released several high yielding soybean varieties, but planting is limited.

Farmers in the south planted the MY 2022/23 soybean crop in January and February 2023 and are expecting to harvest in April and May of 2023. For marketing year (MY) 2023/24, Post forecasts soybean harvested area at 81 thousand hectares and production at 145 thousand MT, slightly up from the MY 2022/23 USDA official estimates.

For MY 2022/23, Post estimates soybean harvested area at 80 thousand hectares and production at 142 thousand MT, based on DAE's latest crop production data.

Consumption

Soybean Crush Falls

Post forecasts MY 2023/24 whole soybean crushing at 2.5 million MT, down 11 percent from the MY 2022/23 USDA official estimate due to lower imports and reduced demand.

In MY 2022/23, Post estimates total whole soybean crushing at 2 million MT, down 28 percent from the USDA official estimate, due to lower soybean imports and reduced demand for soybean meal in the feed industry. Contacts noted that major soybean crushers in Bangladesh slowed their crushing from October to December 2022 due to low supply. Soybean imports also dropped to zero during that period on high international prices and country's foreign exchange crisis.

Food Use Consumption

Human consumption of soybean products, aside from oil, is minimal in Bangladesh. A very limited amount of whole soybeans goes into food use. Post forecasts MY 2023/24 food use consumption at 5 thousand MT.

Feed, Seed, Waste Consumption
For MY 2023/24, Post's forecast of feed, seed, and waste consumption is 5 thousand MT. Post also estimates the MY 2022/23 feed, seed, and waste consumption at 5 thousand MT.

Trade
Soybean Imports Drop
For MY 2023/24, Post forecasts total soybean imports at 2.4 million MT. This forecast assumes the country will start recovering from the current economic slowdown in the 4th quarter of this calendar year.

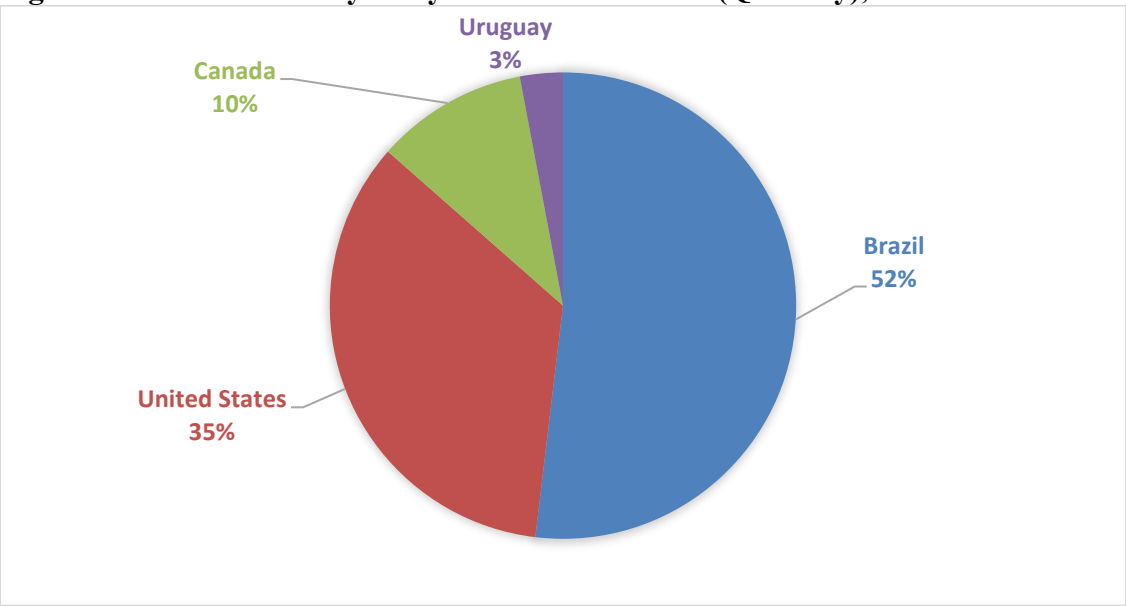
Post estimates soybean imports for MY 2022/23 at 1.6 million MT, down 41 percent from the USDA official estimate, on higher prices and the foreign exchange crisis. Since the middle of 2022, Bangladesh has been facing a severe dollar shortage that disrupted imports. Appreciation of the U.S. dollar against Bangladeshi taka also increased import costs. The GoB stopped all non-essential imports and reduced the supply of dollars to commercial banks. Therefore, soybean imports fell significantly in MY 2022/23.

For MY 2022/2023, Post estimates U.S. exports to Bangladesh to fall to 650 thousand MT due to the overall drop in soybean imports. Based on Trade Data Monitor, LLC (TDM), Post also revised the MY 2021/22 U.S. export estimate down to 858 thousand MT.

According to TDM, the United States captured 35 percent market share in MY 2021/22. The other major suppliers of soybeans in MY 2021/22 were Brazil (52 percent), Canada (10 percent), and Uruguay (3 percent) (Figure 1).

Post contacts shared that U.S. soybeans have less moisture, which helps increase shelf life. Crushers also noted others positive attributes of U.S. soybeans, including the color.

Figure 1: Partner Country's Soybean Market Share (Quantity), MY 2021/22



Source: TDM

Stocks

A small number of private companies in Bangladesh import and crush soybeans. There are no government-held soybean stocks. For MY 2023/24, Post forecasts ending stocks at 167 thousand MT. Post estimates MY 2022/23 soybean stocks at 132 thousand MT, down about 45 percent from the USDA official number, on lower imports.

Soybean Meal

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

Meal, Soybean	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jul 2021		Jul 2022		Jul 2023	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2425	2425	2800	2000	0	2500
Extr. Rate, 999.9999 (PERCENT)	0.7835	0.7835	0.7886	0.785	0	0.788
Beginning Stocks (1000 MT)	630	630	501	472	0	137
Production (1000 MT)	1900	1900	2208	1570	0	1970
MY Imports (1000 MT)	691	412	400	250	0	400
MY Imp. from U.S. (1000 MT)						
MY Imp. from EU (1000 MT)						
Total Supply (1000 MT)	3221	2942	3109	2292	0	2507
MY Exports (1000 MT)	116	116	0	50	0	75
MY Exp. to EU (1000 MT)						
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	4	4	0	5	0	5
Feed Waste Dom. Cons. (1000 MT)	2600	2350	2825	2100	0	2300
Total Dom. Cons. (1000 MT)	2604	2354	2825	2105	0	2305
Ending Stocks (1000 MT)	501	472	284	137	0	127
Total Distribution (1000 MT)	3221	2942	3109	2292	0	2507
(1000 MT), (PERCENT)						

Production

Soybean meal is one of the key ingredients used in the Bangladesh feed industry. The annual domestic production of soybean meal is about 2 million MT, and soybean meal is also imported. Two privately held business conglomerates, City Group and Meghna Group, dominate the soybean meal production sector in Bangladesh. Other soybean crushers are TK Group, Jamuna Group, Globe Edible Oil Company, and KBC Group.

According to contacts, the total daily soybean crushing capacity in Bangladesh is around 20,000 MT. However, the sector only utilizes approximately half of the total capacity, based on the supply of raw materials and demand for soybean meal by the feed industry.

In MY 2023/24, Post forecasts soybean meal production at 1.97 million MT, down 11 percent from the MY 2022/23 USDA official estimate on reduced demand due to the current economic slowdown.

For MY 2022/23, Post's soybean meal production estimate is 1.57 million MT, down 29 percent from the USDA official estimate, due to declining demand in the poultry and cattle feed industries. Major domestic soybean crushers have curbed production due to high prices and reduced imports. In addition, soybean meal exports from Bangladesh to its neighbors dropped significantly this MY, which led to lower production.

Feed Consumption

Feed Consumption Falls

Post forecasts MY 2023/24 soybean meal consumption in the feed industry at 2.3 million MT, assuming a reversion to a normal price and supply situation.

Post's MY 2022/23 soybean meal feed consumption estimate is 2.1 million MT, down 26 percent from the USDA official estimate, due to the drop in feed production. Since the Russian invasion of Ukraine, the price of soybeans, and feed ingredients in general, increased in the international market. High inflation and the appreciation of U.S. dollar also contributed to the high prices of feed raw materials in Bangladesh. Contacts noted that the production of broiler chickens has also declined in recent months due to the shutdown of many poultry farms hit by the recent feed price hike.

Post revised its MY 2021/22 soybean meal consumption estimate to 2.4 million MT, down 10 percent from USDA official estimate. As noted above, soybean meal demand fell with the reduction in poultry and livestock feed production.

Industrial Consumption and Food Use

There is no industrial use of soybean meal, though some soy flour is consumed as food.

Trade

Imports and Exports Decline

Apart from producing soybean meal, Bangladesh also imports. Preferred origins include Brazil, Argentina, the United States, and India. For MY 2023/24, Post forecasts soybean meal imports to reach 400 thousand MT as feed demand begins to increase again.

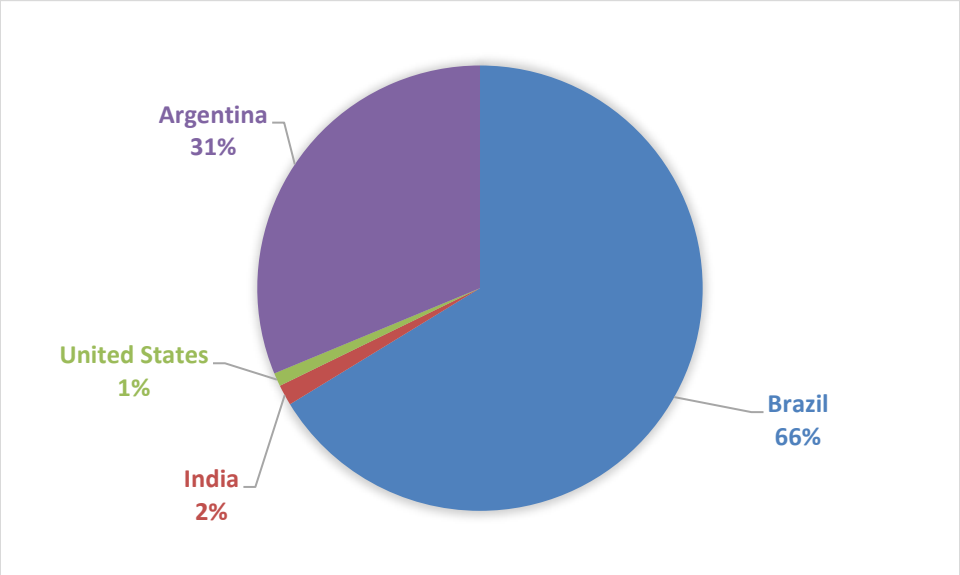
Post estimates MY 2022/23 soybean meal imports at 250 thousand MT, 38 percent lower than the USDA official estimate. As noted above, Post reduced its import estimate on lower feed production. According to the TDM, in first six months of MY 2022/23, Bangladesh imported around 120 thousand MT of soybean meal.

For MY 2021/2022, Post also revised the import estimate of soybean meal down to 412 thousand MT, 40 percent lower than the USDA official estimate, on lower demand by the feed industry.

Usually, Bangladesh exports soybean meal to neighboring countries. In MY 2023/24, Post forecasts soybean meal exports at 75 thousand MT. For MY 2022/23, Post estimates soybean meal exports at 50 thousand MT, 60 percent lower than Post's previous projection (see the Oilseed and Product Annual Report 2022), on reduced production.

Brazil is the Preferred Exporter
In MY 2021/22, Bangladesh imported soybean meal primarily from Brazil and Argentina (Figure 2).

Figure 2: Partner Country's Market Share of Soybean Meal (Quantity), MY 2021/22



Source: TDM

Feed Demand in Bangladesh
The Bangladeshi poultry and livestock sectors saw steady growth from 2009 to 2019. Accordingly, the feed industry also flourished. Currently, more than 200 feed companies produce around 6.5 million MT of feed annually, which meets approximately 98 percent of local demand. However, due to the shock of the COVID-19 pandemic in 2020, many small and medium sized poultry and dairy farms shut down. In 2021, the poultry and livestock sectors began to grow again, but the subsequent market disruptions from the Russian invasion of Ukraine negatively affected Bangladesh's feed industry in MY 2022/23. In addition, recently feed manufacturers have been facing difficulties in opening letters of credit to import raw materials. Post contacts noted that the prices of raw materials used in the poultry, aqua, and dairy feed industries have increased by 30 to 40 percent in the global market, pushing up local feed prices by

approximately 100 percent in the last few years. As a result of high feed prices, around 20 percent of small dairy and poultry farms have closed. Commercial feed sales are also dropping due to high prices.

According to feed industry contacts, soybean meal accounts for 25 percent of poultry feed preparation ingredients. Other raw materials include corn, rice husk, fish meal, mustard oil cake, vitamins, and minerals. Most of them are imported. Please refer to Table 9 in Post's 2021 Report for more information on poultry feed formulations.

Status of Livestock and Poultry Sector
According to Bangladesh Department of Livestock (DLS) data, the production of milk, meat, and eggs continues to grow (Table 5).

Table 5: Bangladesh's Milk, Meat, and Egg Production

Year	Milk	Meat	Eggs
	Million MT	Million MT	Billion Number
2012-13	5.1	3.6	7.6
2013-14	6.1	4.5	10.2
2014-15	6.8	5.9	11.0
2015-16	7.3	6.2	11.9
2016-17	9.3	7.2	14.9
2017-18	9.4	7.3	15.5
2018-19	9.9	7.5	17.1
2019-20	10.7	7.7	17.4
2020-21	11.9	8.4	20.6
2021-22	13.0	9.3	23.4

Source: DLS, 2022

According to DLS, in FY 2021-22, the total number of poultry heads was approximately 2.7 percent higher than the previous year. The number of dairy cattle, sheep, and goats also increased (Table 6).

Table 6: Livestock and Poultry Population in Bangladesh

FY	Cattle	Buffalo	Sheep	Goat	Chicken	Duck	Total Poultry
	Million	Million	Million	Million	Million	Million	Million
2012-13	23.3	1.5	3.1	25.3	249.0	47.3	296.3
2013-14	23.5	1.5	3.2	25.4	255.3	48.9	304.2
2014-15	23.7	1.5	3.3	25.6	261.8	50.5	312.3
2015-16	23.8	1.5	3.3	25.8	268.4	52.2	320.6
2016-17	23.9	1.5	3.4	25.9	275.2	54.0	329.2
2017-18	24.1	1.5	3.5	26.1	282.2	55.6	338.0
2018-19	24.2	1.5	3.5	26.3	289.3	57.8	347.1
2019-20	24.4	1.5	3.6	26.4	296.6	59.7	356.3
2020-21	24.5	1.5	3.7	26.6	304.1	61.7	365.9
2021-22	24.7	1.5	3.8	26.8	311.8	63.8	375.6

Source: DLS, 2022

Status Fisheries Production

More than 5 million households across Bangladesh depend on aquaculture production for their livelihoods, and fish is a traditional source of food for many people. The fisheries sector has been growing steadily and heavily depends on feed high in soybean meal (Table 7).

Table 7: Fish Production and Growth in Bangladesh

Fiscal Year	Capture (MMT)	Culture (MMT)	Marine (MMT)	Total Fish (MMT)	Growth (%)
2010-11	1.0	1.5	0.6	3.1	5.5
2011-12	0.9	1.7	0.6	3.3	6.9
2012-13	0.9	1.9	0.6	3.4	4.3
2013-14	1.0	1.7	0.6	3.7	4.4
2014-15	1.0	2.1	0.6	3.7	3.4
2015-16	1.0	2.2	0.6	3.9	5.4
2016-17	1.2	2.3	0.6	4.1	6.4
2017-18	1.2	2.4	0.7	4.3	3.2
2018-19	1.2	2.5	0.7	4.4	2.6
2019-20	1.3	2.6	0.7	4.5	2.8

Source: Yearbook of Fisheries Statistics of Bangladesh 2020

Soybean Oil and Palm Oil

Table 8: Bangladesh's Production, Supply, and Distribution of Soybean Oil

Oil, Soybean	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jul 2021		Jul 2022		Jul 2023	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	2425	2425	2800	2000	0	2500
Extr. Rate, 999.9999 (PERCENT)	0.1889	0.1889	0.1886	0.188	0	0.188
Beginning Stocks (1000 MT)	50	50	33	53	0	44
Production (1000 MT)	458	458	528	376	0	470
MY Imports (1000 MT)	640	640	600	600	0	800
MY Imp. from U.S. (1000 MT)						
MY Imp. from EU (1000 MT)						
Total Supply (1000 MT)	1148	1148	1161	1029	0	1314
MY Exports (1000 MT)	15	15	0	0	0	10
MY Exp. to EU (1000 MT)						
Industrial Dom. Cons. (1000 MT)	100	80	100	85	0	100
Food Use Dom. Cons. (1000 MT)	1000	1000	1000	900	0	1100
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1100	1080	1100	985	0	1200
Ending Stocks (1000 MT)	33	53	61	44	0	104
Total Distribution (1000 MT)	1148	1148	1161	1029	0	1314
(1000 MT), (PERCENT)						

Table 9: Bangladesh's Production, Supply, and Distribution of Palm Oil

Oil, Palm	2021/2022		2022/2023		2023/2024	
Market Year Begins	Jul 2021		Jul 2022		Jul 2023	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	0	0	0	0	0	0
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	190	190	38	41	0	121
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	1339	1339	1600	1700	0	1500
MY Imp. from U.S. (1000 MT)						
MY Imp. from EU (1000 MT)						
Total Supply (1000 MT)	1529	1529	1638	1741	0	1621
MY Exports (1000 MT)	8	8	5	5	0	5
MY Exp. to EU (1000 MT)						
Industrial Dom. Cons. (1000 MT)	50	100	50	115	0	130
Food Use Dom. Cons. (1000 MT)	1433	1380	1500	1500	0	1400
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1483	1480	1550	1615	0	1530
Ending Stocks (1000 MT)	38	41	83	121	0	86
Total Distribution (1000 MT)	1529	1529	1638	1741	0	1621
Yield (MT/HA)	0	0	0	0	0	0
(1000 HA), (1000 TREES), (1000 MT), (MT/HA)						

Production

As noted above, there are two major soy crushers that produce oil in Bangladesh with a combined capacity of about 10 thousand MT per day.

For MY 2023/24, Post forecasts soybean oil production at 470 thousand MT, assuming the increased importation of soybeans. In MY 2022/23, Post estimates soybean oil production at 376 thousand MT, down 29 percent from the USDA official estimate, on lower soybean imports.

Bangladesh does not produce palm oil.

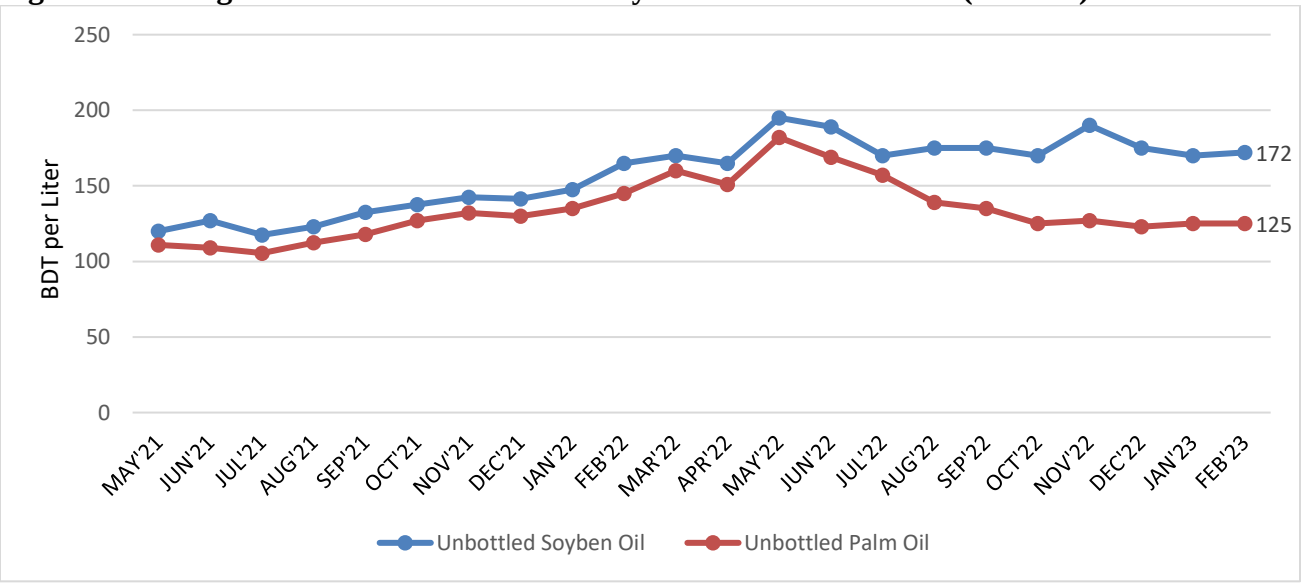
Prices

Edible Oil Price Volatility Continues

Soybean oil and palm oil are the major edible oils in Bangladesh. Combined, they capture about 90 percent of the market. In July 2021, the prices of all types of edible oil started rising, with the February 2022 Russian invasion of Ukraine aggravating the situation. In May 2022, the prices unbottled soybean oil and palm oil hit record highs. The high international price of soybeans and crude oil, higher freight charges, disruption of international supply chains, and appreciation of the U.S. dollar against the Bangladeshi taka have all significantly affected edible oil prices in the domestic market.

To regulate the edible oil market, the GoB sets a maximum retail price for bottled soybean and palm oil after discussing with oil traders and refiners. The prices of unbottled soybean and palm oil are not regulated by the GoB. In February 2022, the average retail prices of unbottled soybean oil and palm oil were BDT 172 ($1.60) and BDT 125 ($1.17) per liter, respectively (Figure 3). The GoB set the price of bottled soybean and palm oil at BDT 187 ($1.74) and BDT 140 ($1.30) per liter, respectively.

Figure 3: Average Retail Price of unbottled Soybean Oil and Palm Oil (2021-23)



Source: TCB, 1 USD = 107 BDT

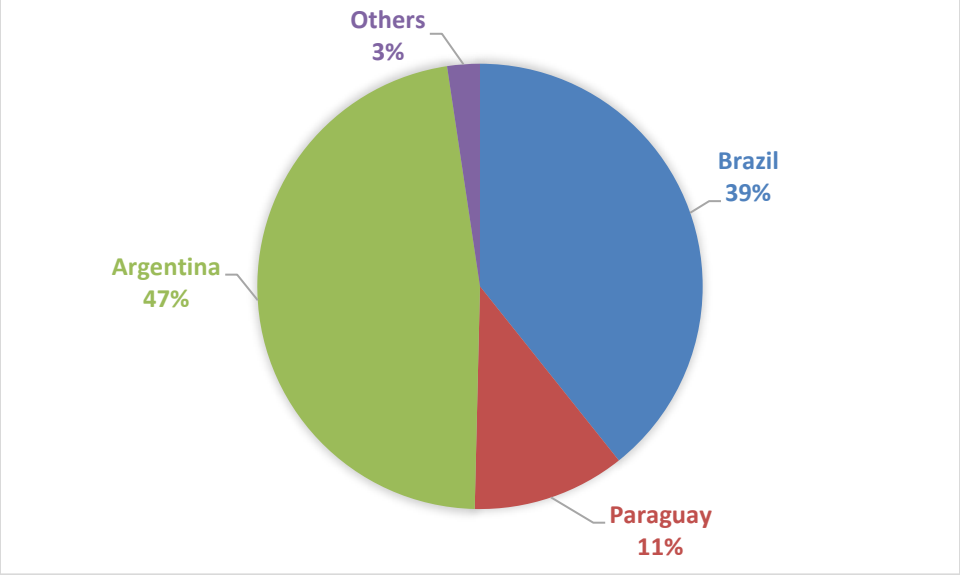
Trade

Soybean Oil Imports Drop

For MY 2023/24, Post forecasts soybean oil imports at 800 thousand MT. Post lowered its MY 2022/23 soybean oil import estimate to 600 thousand MT, the same as the USDA official estimate, but down 20 percent from its previous projection (see the Oilseed and Product Annual Report 2022). Consumers have shifted consumption from soybean oil to palm on price.

Bangladesh imports the vast majority of its crude soybean oil from Latin America (Figure 4). In MY 2021/22, Bangladesh imported 47 percent of crude soybean oil from Argentina, followed by Brazil (39 percent), and Paraguay (11 percent). Bangladesh exports limited quantities of soybean oil to India.

Figure 4: Partner Country's Market Share of Soybean Oil (Quantity), MY 2021/22



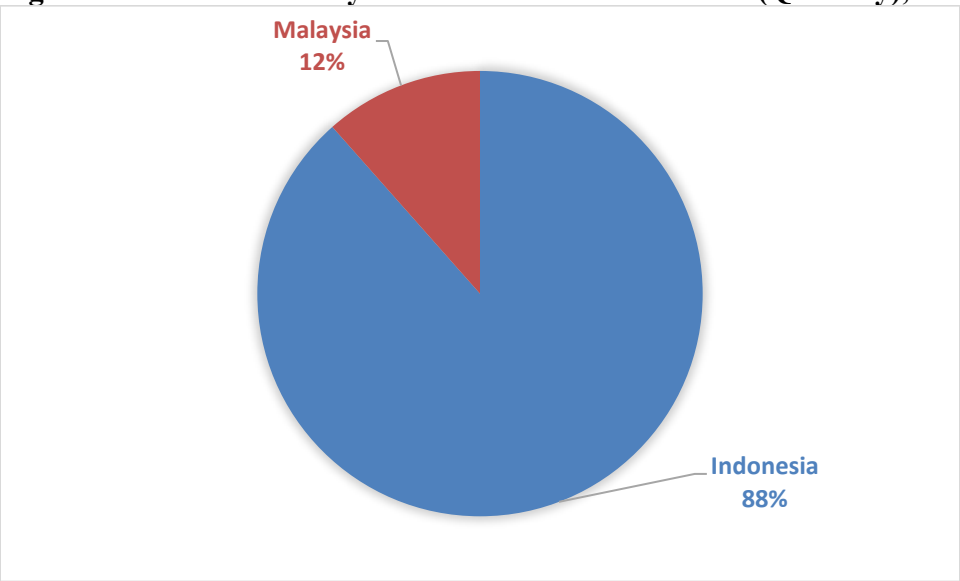
Source: TDM

Palm Oil Imports Rise

Post's MY 2023/24 palm oil import forecast is 1.50 million MT, assuming no major changes to supply and demand. In MY 2022/23, Post estimates palm oil imports at 1.7 million MT, up 6 percent over the USDA official estimate. Post observed higher demand and consumption of palm oil during the first two quarters of MY 2022/23 as soybean oil prices rose. As usual, Indonesia and Malaysia are the major suppliers of palm oil to Bangladesh (Figure 5).

Bangladesh also exports small amounts of palm oil to neighboring countries. For MY 2023/24, Post forecasts palm oil exports at 5 MT. Post also estimates MY 2022/23 palm oil exports at 5 MT, as same as the USDA official estimate.

Figure 5: Partner Country's Market Share of Palm Oil (Quantity), MY 2021/22



Source: TDM

Consumption

Usually, soybean oil and palm oil are substitute products in Bangladesh. Most middle and high-income consumers prefer soybean oil, while low-income consumers prefer palm oil due to its lower price. Palm oil also has industrial uses, particularly in the food processing industry. Recently, household consumption has shifted toward palm oil due to the very high price of soybean oil.

In MY 2023/24, Post forecasts soybean oil and palm oil consumption at 1.2 million MT and 1.5 million MT, respectively. Post estimates MY 2022/23 soybean oil consumption at 985 thousand MT, down 10 percent from the USDA official estimate, on high market prices. Post's MY 2022/23 palm oil consumption estimate is 1.6 million MT, up about 4 percent over the USDA official estimate due to the substitution for soybean oil.

Policy

VAT Exemption on Edible Oil Imports Continues

On January 3, 2023, the GoB extended the VAT exemption on the import of soybean and palm oil until April 30, 2023. To make edible oil more affordable to consumers, the GoB first reduced the VAT on non-refined soybean oil and refined palm oil to 5 percent from 15 percent on March 16, 2022. On October 4, 2022, due to further price hikes in the international market, the GoB zeroed out the VAT on refined edible oil at the production and supply stages to ensure price stability in the domestic market.

Rapeseed/Mustard

Table 10: Bangladesh's Production, Supply, and Distribution of Rapeseed/Mustard

Oilseed, Rapeseed	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	610	0	810	0	800
Area Harvested (1000 HA)	250	610	250	810	0	800
Beginning Stocks (1000 MT)	105	105	115	90	0	120
Production (1000 MT)	230	820	230	1050	0	1030
MY Imports (1000 MT)	440	380	500	400	0	400
MY Imp. from U.S. (1000 MT)						
MY Imp. from EU (1000 MT)						
Total Supply (1000 MT)	775	1305	845	1540	0	1550
MY Exports (1000 MT)	0	0	0	0	0	0
MY Exp. to EU (1000 MT)						
Crush (1000 MT)	660	1120	680	1300	0	1350
Food Use Dom. Cons. (1000 MT)	0	15	0	20	0	20
Feed Waste Dom. Cons. (1000 MT)	0	80	0	100	0	100
Total Dom. Cons. (1000 MT)	660	1215	680	1420	0	1470
Ending Stocks (1000 MT)	115	90	165	120	0	80
Total Distribution (1000 MT)	775	1305	845	1540	0	1550
Yield (MT/HA)	0.92	1.3443	0.92	1.2963	0	1.2875
(1000 HA), (1000 MT), (MT/HA)						

Production

Farmers cultivate both rapeseed (*brassica campestris*) and mustard (*brassica juncea*) in Bangladesh, but both are commonly known as "mustard." BARI and BINA have released more than 20 mustard varieties. Among them, two common varieties (*"tori"* and *"shet")* are rapeseed, while *"rai"* is mustard; however, all are marketed and consumed as "mustard" in Bangladesh. The country also imports rapeseed and blends it with mustard during crushing and produces "mustard oil" for sale in the local market. Therefore, this report combines the production, marketing, and consumption data of both rapeseed and mustard.

For MY 2023/24, Post forecasts the rapeseed/mustard harvested area at 800 thousand hectares and production at 1.03 million MT. Based on DAE's crop production data, Post has increased its estimate of MY 2022/23 rapeseed/mustard harvested area to 810 thousand hectares and production at 1.05 million MT, up about 220 percent and 350 percent, respectively, over the USDA official estimates. In MY 2022/23, the GoB's Ministry of Agriculture instructed DAE to increase mustard production as part of the country's plan to reduce the edible oil imports. Before this year's mustard planting season, to increase acreage, DAE distributed free seed and fertilizers and held motivational events and field demonstrations for farmers.

In MY 2021/22, Post estimates rapeseed/mustard harvested area at 610 thousand hectares and production at 820 thousand MT, up 144 percent and 256 percent, respectively, over the USDA official estimates.

Trade

Imports Fall

The GoB has limited the importation of many products due to a shortage of foreign exchange. The recent appreciation of the U.S. dollar is also discouraging imports.

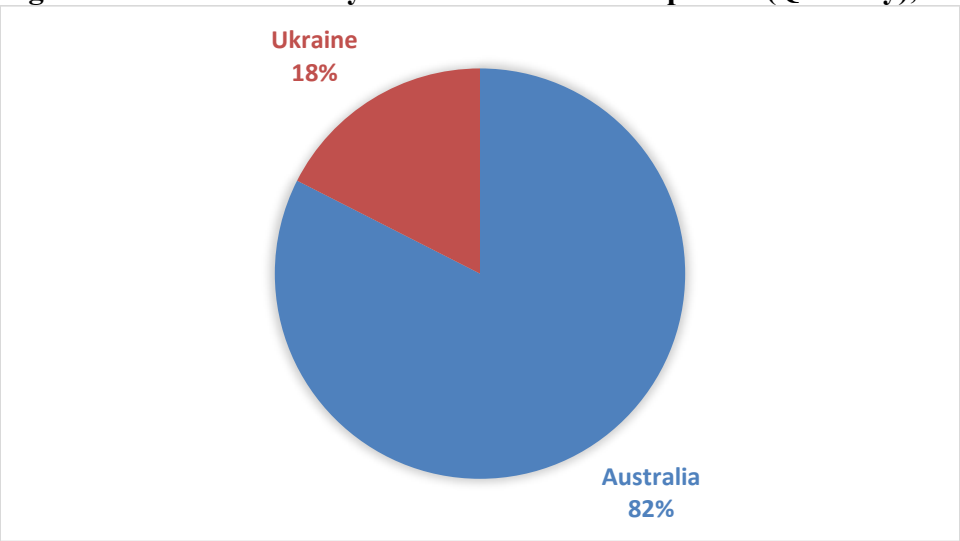
Post forecasts MY 2023/24 rapeseed imports at 400 thousand MT, down 11 percent from Post's previous projection (see the Oilseed and Product Annual Report 2022) on higher local production and the reduction of imports due to the foreign exchange shortage.

Post also estimates MY 2022/23 rapeseed imports at 400 thousand MT, down 20 percent from the USDA official estimate. In MY 2022/23, Bangladesh produced a record high amount of mustard, increasing local supply. Post also revised down its MY 2021/22 rapeseed import estimate by 14 percent from the USDA estimate to 380 thousand MT.

Australia is the Preferred Exported

According to TDM, in MY 2021/22, Australia was the preferred exporter of rapeseed, capturing 82 percent of market share. Ukraine supplied the remaining 18 percent (Figure 6).

Figure 6: Partner Country's Market Share of Rapeseed (Quantity), MY 2020/2021



Source: TDM

Consumption

Seed Crush Increases

For MY 2023/24, Post forecasts rapeseed/mustard crushing at 1.4 million MT, which includes domestically produced rapeseed/mustard and imported rapeseed, assuming a good harvest of mustard next season. In MY 2022/23, Post estimates the combined crushing at 1.3 million MT, up from the USDA official estimate. Post increased its numbers based on DAE's latest crop production report and Post's observation of high mustard production.

Post also revised the MY 2021/22 rapeseed/mustard crushing estimate to 1.12 million MT, up 70 percent over the USDA official estimate.

Food Use Consumption

For MY 2023/24, Post forecasts food use of mustard seed at 20 thousand MT. Traditionally, mustard seed is used in making special types of curry in Bangladesh. Mustard paste/sauce known as "kashundi" is also popular Bangladesh. Some private food processing companies are producing *kashundi* at a commercial scale. In MY 2021/22 and MY 2022/23, Post estimates the food use of mustard seed at 15 thousand MT and 20 thousand MT, respectively.

Feed, Seed, and Waste Consumption

Post forecasts of MY 2023/24 feed, seed, and waste consumption of mustard/rapeseed at 100 thousand MT. Usually, mustard seed does not go into feed production due its high price. However, a good portion of the mustard is used as planting seed for the following season. For MY 2022/23, Post's mustard seed consumption estimate is 100 thousand MT.

Rapeseed Oil/Mustard Oil

Table 11: Bangladesh's Production, Supply, and Distribution of Rapeseed/Mustard Oil

Oil, Rapeseed	2021/2022		2022/2023		2023/2024	
Market Year Begins	Oct 2021		Oct 2022		Oct 2023	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	660	1120	680	1300	0	1350
Extr. Rate, 999.9999 (PERCENT)	0.4167	0.4152	0.4162	0.4192	0	0.4148
Beginning Stocks (1000 MT)	6	6	4	14	0	20
Production (1000 MT)	275	465	283	545	0	560
MY Imports (1000 MT)	0	0	0	0	0	0
MY Imp. from U.S. (1000 MT)						
MY Imp. from EU (1000 MT)						
Total Supply (1000 MT)	281	471	287	559	0	580
MY Exports (1000 MT)	5	5	5	6	0	7
MY Exp. to EU (1000 MT)						
Industrial Dom. Cons. (1000 MT)	2	2	2	3	0	3
Food Use Dom. Cons. (1000 MT)	270	450	276	530	0	540
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	272	452	278	533	0	543
Ending Stocks (1000 MT)	4	14	4	20	0	30
Total Distribution (1000 MT)	281	471	287	559	0	580
(1000 MT), (PERCENT)						

Production
As noted above, edible oil extracted from rapeseed and mustard seed is marketed as "mustard oil" in Bangladesh. Post forecasts MY 2023/24 rapeseed/mustard oil production at 560 thousand MT. In MY 202/23, Post's estimate of rapeseed/mustard oil production is 545 thousand MT, up 93 percent over the USDA estimate, on higher mustard seed production. Post also revised its production estimate for MY 2021/22 to 465 thousand MT, up 69 percent over the USDA official estimate.

Major market players in the rapeseed/mustard oil sector are Partex Group, Pran Foods Limited, City Group, ACI, and Orion Group. These companies use mostly imported rapeseed with some locally produced mustard seed. There are many local mustard oil crushing mills that use domestically produced mustard and rapeseed to extract oil for local sale. According to contacts, more than 50 percent of domestically produced rapeseed and mustard seed goes to these local crushing mills. Bangladesh does not import any rapeseed/mustard oil and exports limited quantities.

Consumption
In MY 2023/24, Post forecasts rapeseed/mustard oil consumption at 543 thousand MT, with the vast majority going to food use. Many Bangladeshis prefer mustard oil over soybean or palm oil in preparing traditional dishes due to its strong aroma and flavor.

Post estimates MY 2022/23 rapeseed/mustard oil consumption at 533 thousand MT, up 92 percent over USDA official estimate. Post also revised its MY 2021/22 rapeseed/mustard oil consumption estimate to 452 thousand MT, up about 66 percent over the USDA official estimate.

Stocks
Post forecasts MY 2023/24 mustard oil stocks at 30 thousand MT, slightly higher than Post's MY 2022/23 stock estimate. Usually, local mustard oil crushers do not stock oil for more than two months. However, the conglomerates who crush mustard seed and produce oil maintain some stocks.

Attachments:

No Attachments