

**Voluntary Report** – Voluntary - Public Distribution

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**Report Number:** BG2023-0022

**Report Name:** Periodic Price Update and Food Security Status-Week of  
October 22 2023

**Country:** Bangladesh

**Post:** Dhaka

**Report Category:** Grain and Feed, Oilseeds and Products, Climate Change/Global Warming/Food  
Security

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**Report Highlights:**

This is a periodic report outlining the prices of agricultural commodities in Bangladesh, as well as major trade and policy updates.

## Background

Agricultural and food commodity prices first began increasing in September 2021, due to the COVID-19 pandemic. In the fourth week of October 2023, prices were still high, exacerbated by the Russian invasion of Ukraine that resulted in supply disruptions, the appreciation of the U.S. dollar, and high inflation. Price volatility is affecting the food security of poor and middle-income consumers in both urban and rural areas.

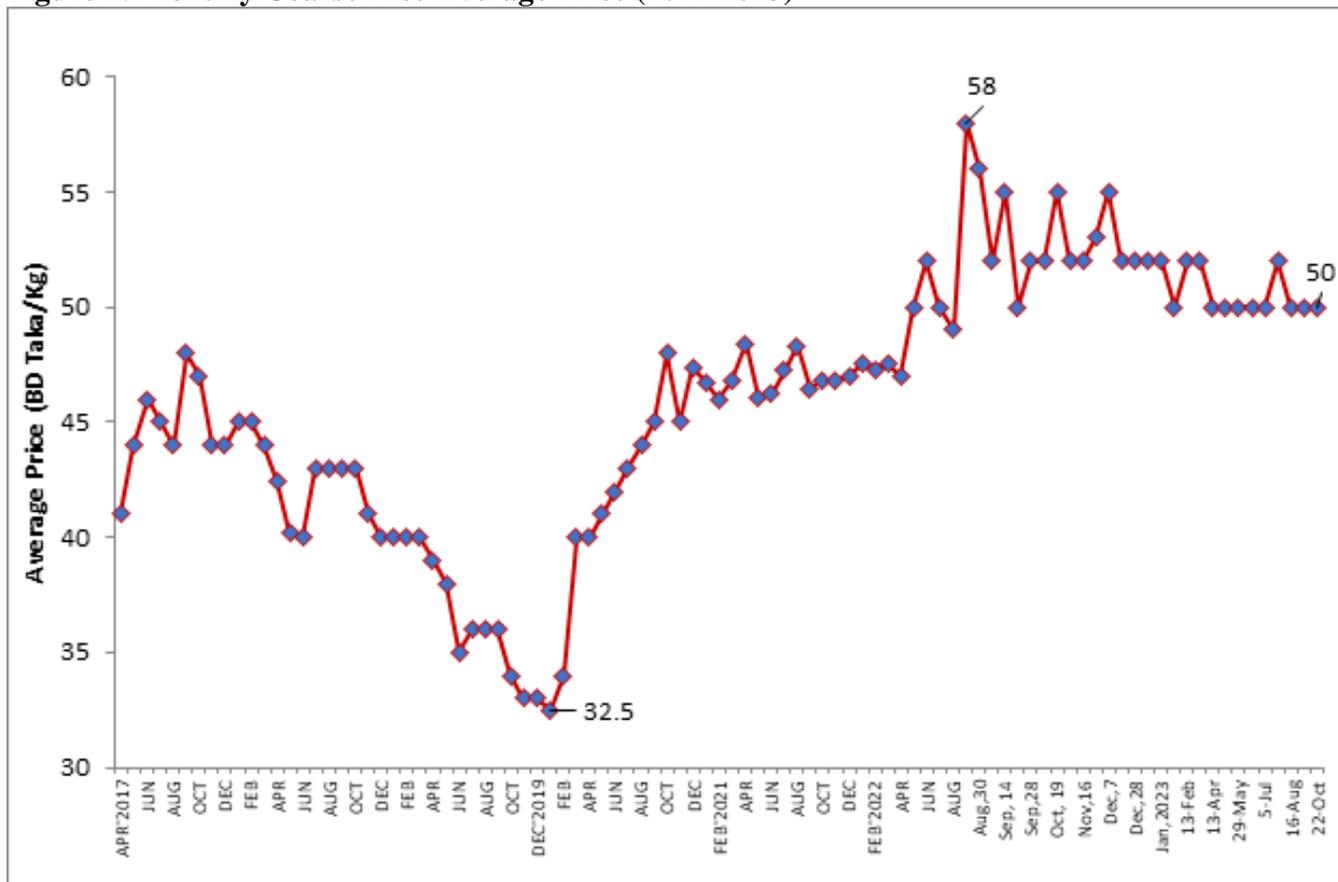
In addition, Bangladesh is now facing a foreign currency crisis, and according to contacts, many importers are facing challenges in opening letters of credit, including for commodity imports. This has led to the short supply of some staple goods in the market.

## Rice Price Remains Steady

Since April 2023, the prices of all types of rice have remained stable. During the week of October 22, the price of coarse rice remained at BDT 50 (\$0.45) per kilogram, the same as the previous month (Figure 1).

The price of medium-quality rice also remained at BDT 55 (\$0.50) per kilogram. However, the price of high-quality rice decreased to BDT 72 (\$0.65) per kilogram, down four percent from April 2023.

**Figure 1: Monthly Coarse Rice Average Price (2017-2023)**



Source: Trading Corporation of Bangladesh (TCB)

Note: Exchange Rate USD \$1.00 = BDT 110.00

As of October 22, 2023, in Bangladesh's fiscal year 2023-24 (July-June), the Government of Bangladesh (GoB) has not granted any permits for the importation of rice. Nevertheless, in the national budget, the GoB has allocated funds for importing 500 thousand metric ton (MT) of rice for public stocks. Usually, the GoB issues rice import permits to private importers when there is a hike in domestic prices.

### **Bangladesh Bans Rice Exports**

The GoB normally does not allow rice exports, except for aromatic rice. Bangladesh annually exports around 10 thousand MT of aromatic rice. Previously, a total of 45 companies were granted permission to export aromatic rice. However, on October 17, 2023, the GoB imposed a ban on all rice exports, which now includes both aromatic and non-aromatic rice.

### **Current Status of Aman Rice Fields**

Despite a delayed monsoon at the onset of *aman* rice cultivation, the current condition of *aman* rice in the fields is favorable. A few farmers have already initiated their *aman* rice harvest, while others will begin their harvest in the first week of November 2023. Post contacts note that farmers are anticipating a successful harvest this season. However, the high input costs are lowering their profits.

### **Current Status of Chemical Fertilizer**

Chemical fertilizers such as urea, MoP, TSP, and DAP play a vital role in agricultural production. According to the Post's observations, there is no shortage of chemical fertilizers in the current *aman* season. Farmers are obtaining an adequate supply of fertilizers from nearby fertilizer dealers and sub-dealers to meet their requirements. However, they have noted that they are purchasing fertilizers at prices higher than the GoB's set rates.

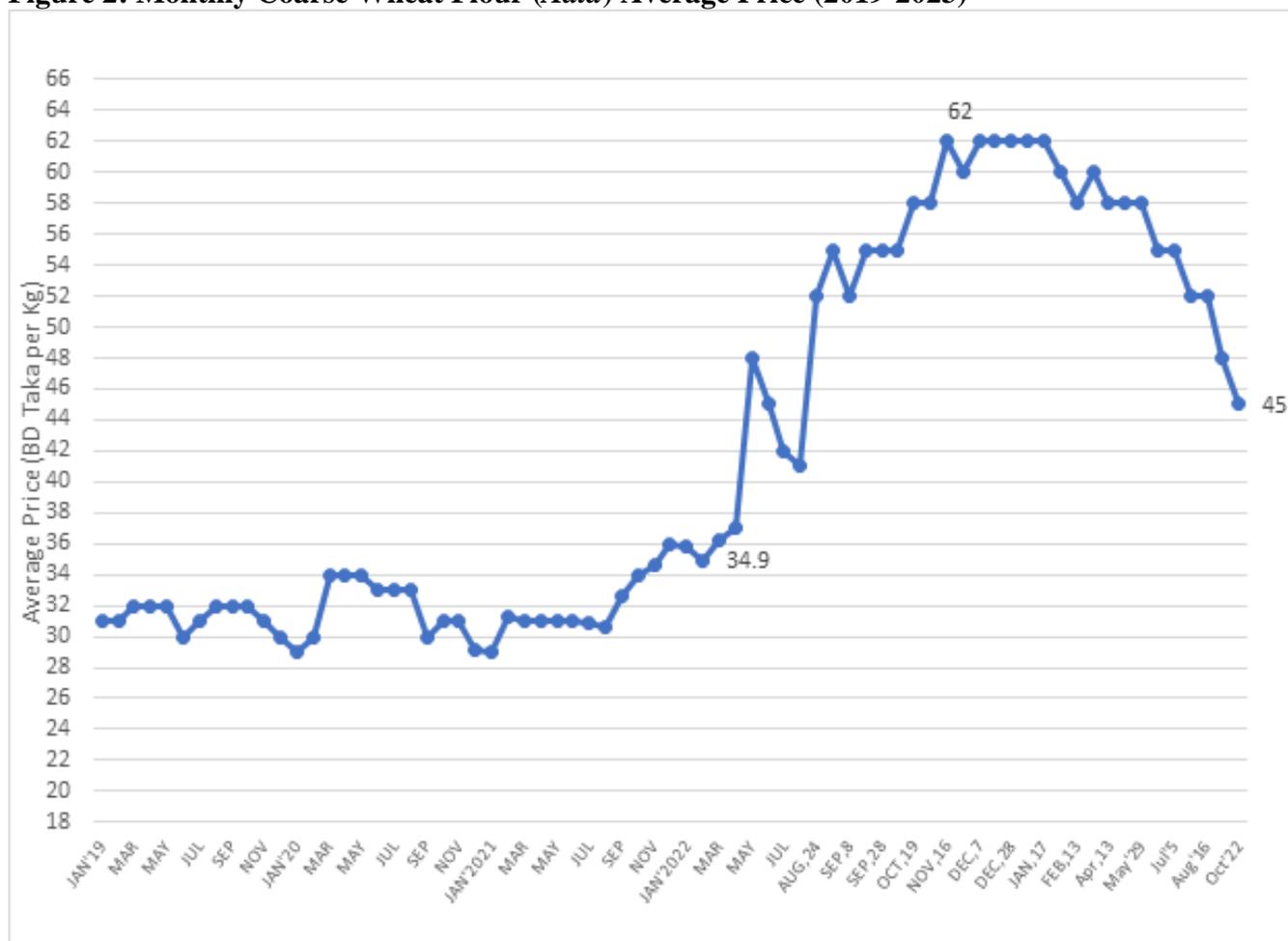
Annually, Bangladesh has a need for roughly 6 million MT of chemical fertilizers, with the majority being imported. Of this total annual fertilizer demand, approximately 70 percent is allocated to the *boro* rice season and the *robi* crop season, which spans from November to March.

### **Wheat Flour (*Aata* and *Maida*) Prices**

This week, the price of unpacked and packed coarse wheat flour (*aata*) declined to BDT 48 (\$0.44) per kilogram and BDT 60 (\$0.55) per kilogram, respectively, down about six percent and eight percent from last month (Figure 2).

However, the price of unpacked and packed fine-quality wheat flour (*maida*) remained at BDT 60 (\$0.56) per kilogram and 65 (\$0.59) per kilogram, respectively, the same as the previous month.

**Figure 2: Monthly Coarse Wheat Flour (Aata) Average Price (2019-2023)**



Source: TCB

Note: Exchange Rate USD \$1.00 = BDT 110.0

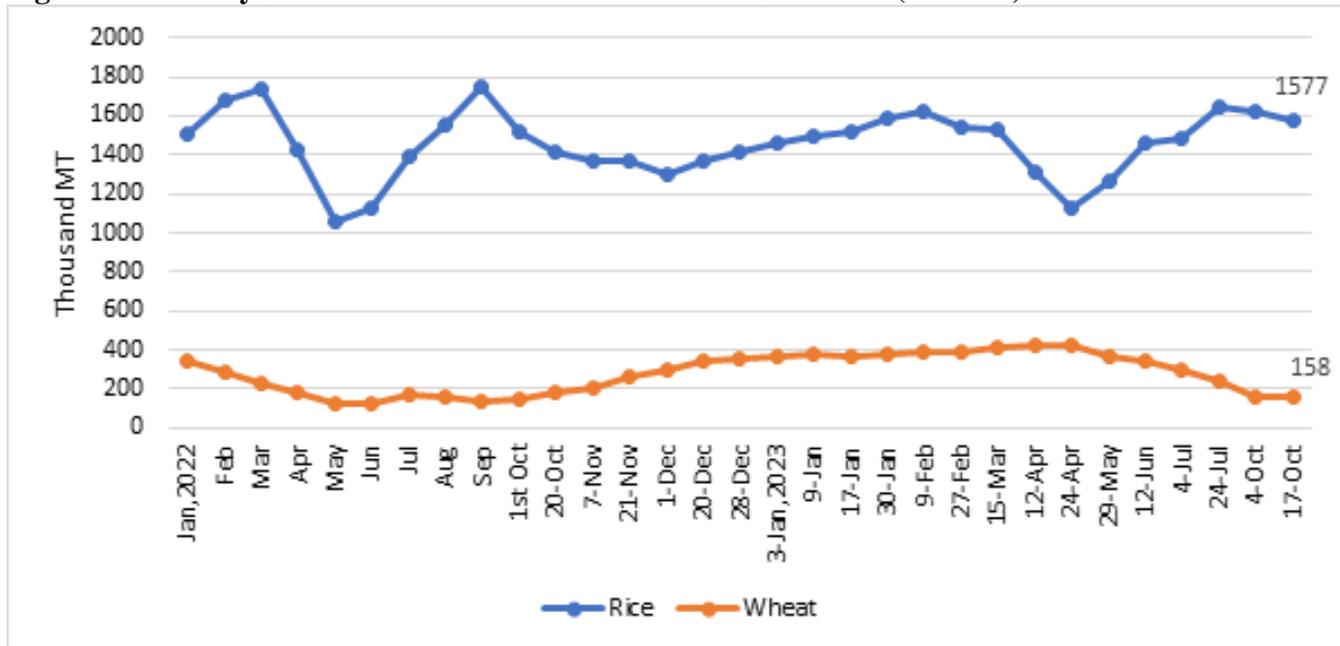
### Rice and Wheat Stocks Decline

The rice and wheat stocks in public granaries continue to decline due to the GoB’s ongoing open market sale (OMS) program, through which people below a certain income level can purchase rice and wheat flour at a lower price than the market price. As of October 17, 2023, rice stocks in public granaries decreased to 1.58 million MT and wheat stocks were 158 thousand MT (Figure 3).

The GoB will start procuring *aman* season rice as soon its harvested to maintain the public stocks. The GoB has made the decision to procure 200 thousand MT of paddy, 400 thousand MT of parboiled rice, and 100 thousand MT of non-parboiled rice this *aman* season to maintain its public stocks. Furthermore, the GoB has set the procurement prices for *aman* paddy, non-parboiled *aman* rice, and parboiled *aman* rice at BDT 30 (\$0.27), BDT 43 (\$0.39), and BDT 44 (\$0.40) per kilogram, respectively.

The GoB has also finalized arrangements for procuring 50 thousand MT of wheat from Bulgaria, an additional 50 thousand MT from Romania, and 300 thousand MT from Russia through government-to-government purchase agreements. The GoB will acquire an additional 100 thousand MT of wheat through the international tender process.

**Figure 3: Monthly Stocks of Rice and Wheat in Public Granaries (2022-23)**

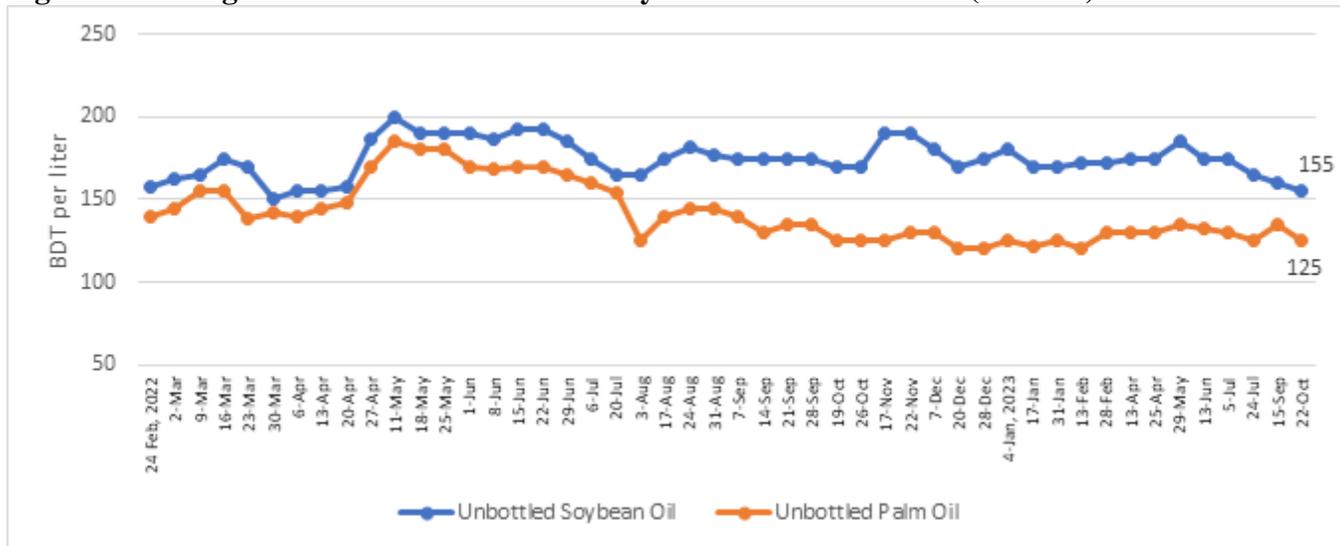


Source: Ministry of Food

**Edible Oil Prices Fall**

This week, the average price of unbottled soybean oil declined to BDT 155 (\$1.41), down about three percent from last month, due to the drop in international prices. Similarly, the price of unbottled palm oil price declined to BDT 125 (\$1.14) per liter, down approximately seven percent from the previous month (Figure 4).

**Figure 4: Average Retail Price of Unbottled Soybean Oil and Palm Oil (2022-23)**



Source: TCB

**Prices of Other Basic Commodities:**

- Local onion and imported onion prices are BDT 100 (\$0.91) per kilogram and 80 (\$0.73) per kilogram, respectively, up about 86 percent and 43 percent from the same period last year. Bangladesh primarily imports onions from India. Post forecasts that onion prices in Bangladesh will continue to rise in the coming weeks due to India's imposition of a [minimum export price \(MEP\) of \\$800](#) per MT from October 29 to December 31, 2023. This higher MEP is expected to limit Bangladeshi onion imports from India.
- The garlic price has increased to BDT 200 (\$1.82) per kilogram, up about 171 percent from the same period in previous year.
- Local and imported ginger prices have also increased to BDT 420 (\$3.82) and BDT 320 (\$2.91) per kilogram, up about 54 and 80 percent from the same period last year.
- The cumin price has increased to BDT 1120 (\$10.18) per kilogram, up approximately 116 percent from the same period last year.
- The price of live broiler chicken increased to BDT 190 (\$1.72) per kilogram, up about six percent over the same period last year.
- Average retail price of sugar increased to BDT 135 (\$1.22) per kilogram, up about 39 percent from the same month in last year.
- Average retail price of lentils remained at BDT 135 (\$1.22) per kilogram, the same as the previous year.
- Average price of eggs increased to BDT 156 (\$1.42) per dozen, up about eight percent from the same period in last year.

**Attachments:**

No Attachments.