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Bangladesh

Grain and Feed

June Update

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Report Highlights:

The flood-powered rush in food grain imports has ceased with record spring rice and wheat harvests. Prices have stabilized and the Government of Bangladesh has put a 300,000 ton US wheat donation on hold. Foodgrain imports in 1999/00 are projected to be less than half of this year's level.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1], BG

Record Boro Recoups Earlier Losses:

The 1998/99 boro rice crop (spring harvest) is estimated at the record 9.5 million metric tons, 17 percent above the 1997/98 record. Following last summer's severe floods which reduced aman (winter harvest) production by 13 percent, farmers brought as much acreage as possible under boro. The GOB ensured adequate fertilizer, and growing conditions were good except that above normal irrigation was needed to offset an almost total lack of winter rains. On the other hand, the hot, sunny weather resulted in fewer insect problems. Below are revised rice production estimates. Previous estimates are within the parenthesis.

Crop/Year	1997/98	1998/99	1999/00
Thousand Tons			
Aus	1,875	1,617	1,850
Aman	8,850	7,737 (8,000)	9,300
Boro	8,137	9,500 (8,250)	8,500 (8,300)
Total	18,862	18,854 (17,867)	19,650 (19,450)

Rice Imports Set New Record:

Rice imports are expected to reach a record 2.55 million tons for the 1998/99 marketing year (Jul/Jun). About 2.39 million tons were received during the first nine months (Jul '98 - Mar '99), with an additional 160,000 tons expected in the final quarter. Rice imports in CY98 have been revised to a record 2.48 million tons. However, the huge boro rice, followed by the record wheat harvest, have absorbed much of the price pressure in the grain market, causing a recent sharp decline in both government and private rice imports.

Government and Trade Stocks Decline:

With price pressure declining, both the government and importers have begun to draw down stocks in order to reduce costs and risk (in the case of private importers) in the coming months.

Wheat Imports Revised Downward:

Post's estimate of current year wheat imports has been reduced to 2.47 million tons (from 2.75) as donations (including 300,000 tons under section 416) are being delayed at the GOB's request until the first quarter of the next fiscal year (1999/00). This year's arrivals were comprised of 1.29 million tons commercial and 1.18 million tons donation/concessional. However, we are raising the 1999/00 wheat import forecast to 1.6 million tons, (700,000 tons commercial and 900,000 donation/concessional) to accommodate the spillover of food aid.

Total wheat stocks are forecast to decline to 325,000 tons (from our earlier forecast of 540,000) by the end of June 1999 in response to declining imports and stable consumer prices.

Commodity, Rice Milled, PSD

PSD Table							
Country:	Bangladesh						
Commodity:	Rice, Milled						
		1997		1998		1999	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		07/1997		07/1998		07/1999	(MONTH/YEAR)
Area Harvested	10263	10263	9974	9974	10470	10470	(1000 Hectares)
Beginning Stocks	395	395	400	400	700	600	(1000 MT)
Milled Production	18862	18862	17867	18854	19450	19650	(1000 MT)
Rough Production	28296	28296	26803	28284	29178	29478	(1000 MT)
Milling Rate(.9999)	6666	6666	6666	6666	6666	6666	(1000 MT)
TOTAL Imports	1084	1084	2425	2555	700	700	(1000 MT)
Jan-Dec Imports	49	49	2487	2484	1200	1200	(1000 MT)
Jan-Dec Import U.S.	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	20341	20341	20692	21809	20850	20950	(1000 MT)
TOTAL Exports	0	0	0	0	0	0	(1000 MT)
Jan-Dec Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	19941	19941	19992	21209	20050	20250	(1000 MT)
Ending Stocks	400	400	700	600	800	700	(1000 MT)
TOTAL DISTRIBUTION	20341	20341	20692	21809	20850	20950	(1000 MT)

Commodity, Wheat, PSD

PSD Table							
Country:	Bangladesh						
Commodity:	Wheat						
		1997		1998		1999	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		07/1997		07/1998		07/1999	(MONTH/YEAR)
Area Harvested	708	708	805	805	845	845	(1000 Hectares)
Beginning Stocks	480	480	325	325	540	325	(1000 MT)
Production	1454	1454	1803	1803	1900	1900	(1000 MT)
TOTAL Mkt. Yr. Imports	848	848	2750	2465	1330	1600	(1000 MT)
Jul-Jun Imports	848	848	2750	2465	1330	1600	(1000 MT)
Jul-Jun Import U.S.	120	120	1050	744	400	700	(1000 MT)
TOTAL SUPPLY	2782	2782	4878	4593	3770	3825	(1000 MT)
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0	(1000 MT)
Jul-Jun Exports	0	0	0	0	0	0	(1000 MT)
Feed Dom. Consumption	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	2457	2457	4338	4268	3170	3325	(1000 MT)
Ending Stocks	325	325	540	325	600	500	(1000 MT)
TOTAL DISTRIBUTION	2782	2782	4878	4593	3770	3825	(1000 MT)