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Report Highlights:

For marketing year (MY) 2023/24, Post forecasts rice harvested area and production at 11.9 million hectares and 37.1 million metric tons (MT), respectively. Post forecasts MY 2023/24 wheat imports at 6.0 million MT, with corn imports at 2.4 million MT. High local prices of rice, wheat, wheat flour, and corn are continuing throughout MY 2022/23. In MY 2022/23, Post estimates lower imports and consumption of wheat and corn due to high prices, decreased demand by both consumers and the feed industry, appreciation of the U.S. dollar, and delays in opening letters of credit stemming from a lack of U.S. dollars in Bangladesh.

RICE, MILLED

Table 1: Bangladesh's Production, Supply, and Distribution of Rice

Rice, Milled	2021/2022		2022/2023		2023/2024	
Market Year Begins	May 2021		May 2022		May 2023	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	11620	11620	11500	11600	0	11850
Beginning Stocks (1000 MT)	1461	1461	2101	2094	0	2036
Milled Production (1000 MT)	35850	35850	35850	36350	0	37100
Rough Production (1000 MT)	53780	53780	53780	54530	0	55656
Milling Rate (.9999) (1000 MT)	6666	6666	6666	6666	0	6666
MY Imports (1000 MT)	1300	1300	1100	1100	0	700
TY Imports (1000 MT)	950	885	600	600	0	700
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	38611	38611	39051	39544	0	39836
MY Exports (1000 MT)	10	17	10	8	0	10
TY Exports (1000 MT)	10	15	10	10	0	10
Consumption and Residual (1000 MT)	36500	36500	37300	37500	0	37800
Ending Stocks (1000 MT)	2101	2094	1741	2036	0	2026
Total Distribution (1000 MT)	38611	38611	39051	39544	0	39836
Yield (Rough) (MT/HA)	4.6282	4.6282	4.6765	4.7009	0	4.6967

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2023/2024 = January 2024 - December 2024

Production
There are three rice growing seasons in Bangladesh, *boro*, *aus*, and *aman.* Usually, *boro* season rice cultivation starts in December and January and is harvested in April and May. *Aus* season rice cultivation begins in April and May and is harvested in August and September, while *aman* season rice cultivation starts in August and September and is harvested in November and December.

For marketing year (MY) 2023/24, Post forecasts rice harvested area at 11.9 million hectares and production at 37.1 million metric tons (MT), up about 3.0 percent and 3.5 percent, respectively, compared to the MY 2022/23 USDA official estimates. Post assumes favorable weather conditions, sufficient supply of seed and fertilizers, and continued support from the Department of Agricultural Extension (DAE).

For MY 2022/23, Post increased its total rice harvested area estimate to 11.6 million hectares with production at 36.4 million MT, up slightly from the USDA official estimates. Post revised its MY 2022/23 estimates based on DAE's latest crop production data, where DAE revised up the acreage and production numbers for the last *aman* season harvest.

Table 2: *Boro, Aus,* and *Aman* Rice Area and Production

Rice by Season	MY 2021/22 (Estimate)		MY 2022/23 (Estimate)		MY 2023/24 (Forecast)	
	Area 1,000 HA	Production 1,000 MT	Area 1,000 HA	Production 1,000 MT	Area 1,000 HA	Production 1,000 MT
Boro (Winter)	4,700	19,350	4,800	19,700	4,850	20,000
Aus (Pre-Monsoon)	1,120	2,700	900	2,050	1,100	2,500
Aman (Monsoon)	5,800	13,800	5,900	14,600	5,900	14,600
Total Rice	11,620	35,850	11,600	36,350	11,850	37,100

Source: Post calculations, based on DAE data

Boro Season Rice
Boro season rice is the first crop in MY 2023/24. *Boro* rice is also known as winter season rice. It was planted in December 2022-January 2023 and will be harvested in April-May 2023. *Boro* season rice cultivation fully depends on irrigation, and it makes up more than 50 percent of Bangladesh's total annual rice production (Table 2). The acreage and production of *boro* rice increases slightly each year (Figures 1 and 2).

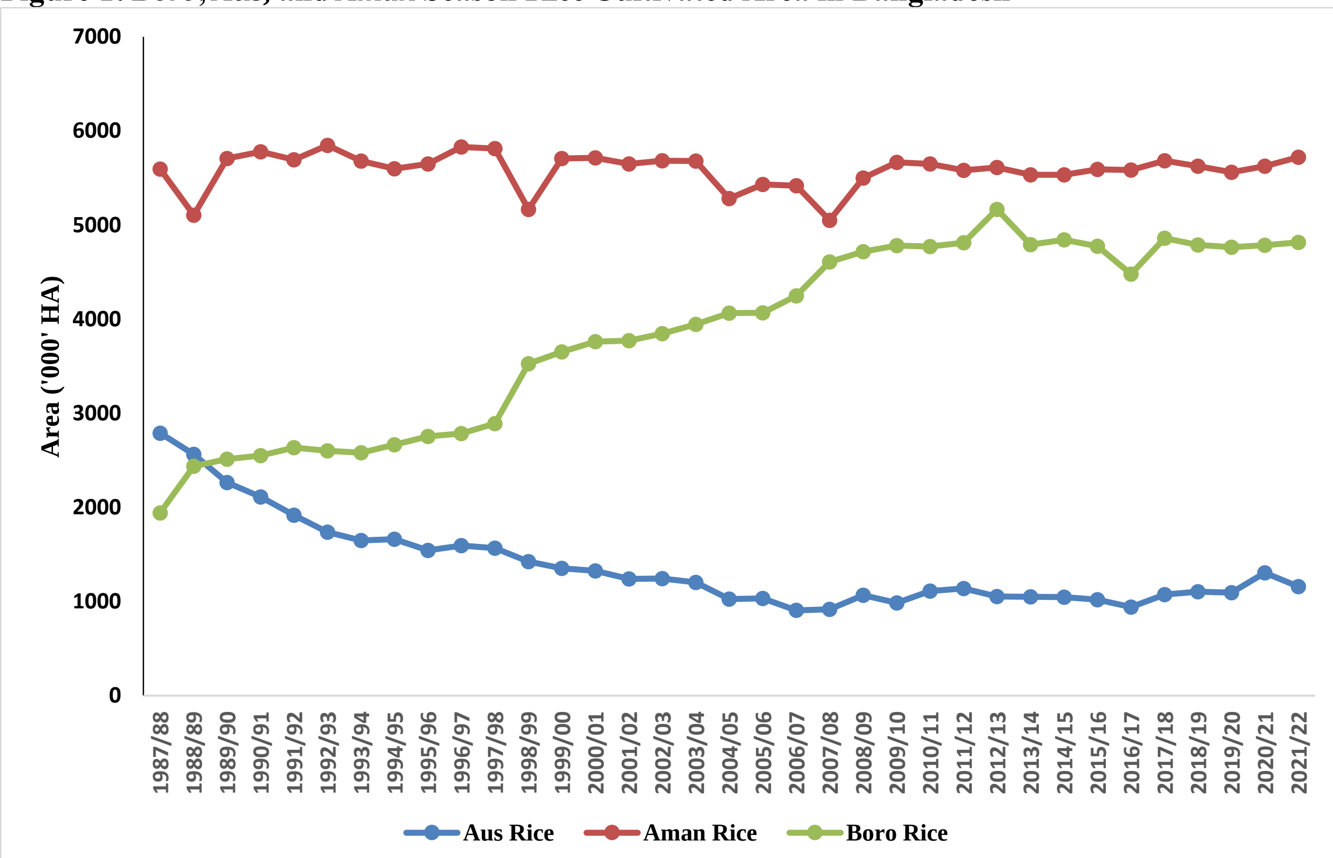
For MY 2023/24, Post forecasts *boro* rice harvested area at 4.9 million hectares and production at 20.0 million MT, up slightly from Post's MY 2022/23 estimate.

Aus Season Rice
Post's forecast for MY 2023/24 *aus* season rice harvested area is 1.1 million hectares with production at 2.5 million MT. *Aus* season rice is also known as pre-monsoon rice and is cultivated in limited locations. Not all farmers are interested in cultivating *aus* season rice because they may experience flooding at harvest time. In addition, available *aus* rice varieties have lower potential yields as compared to other season varieties.

Aman Season Rice

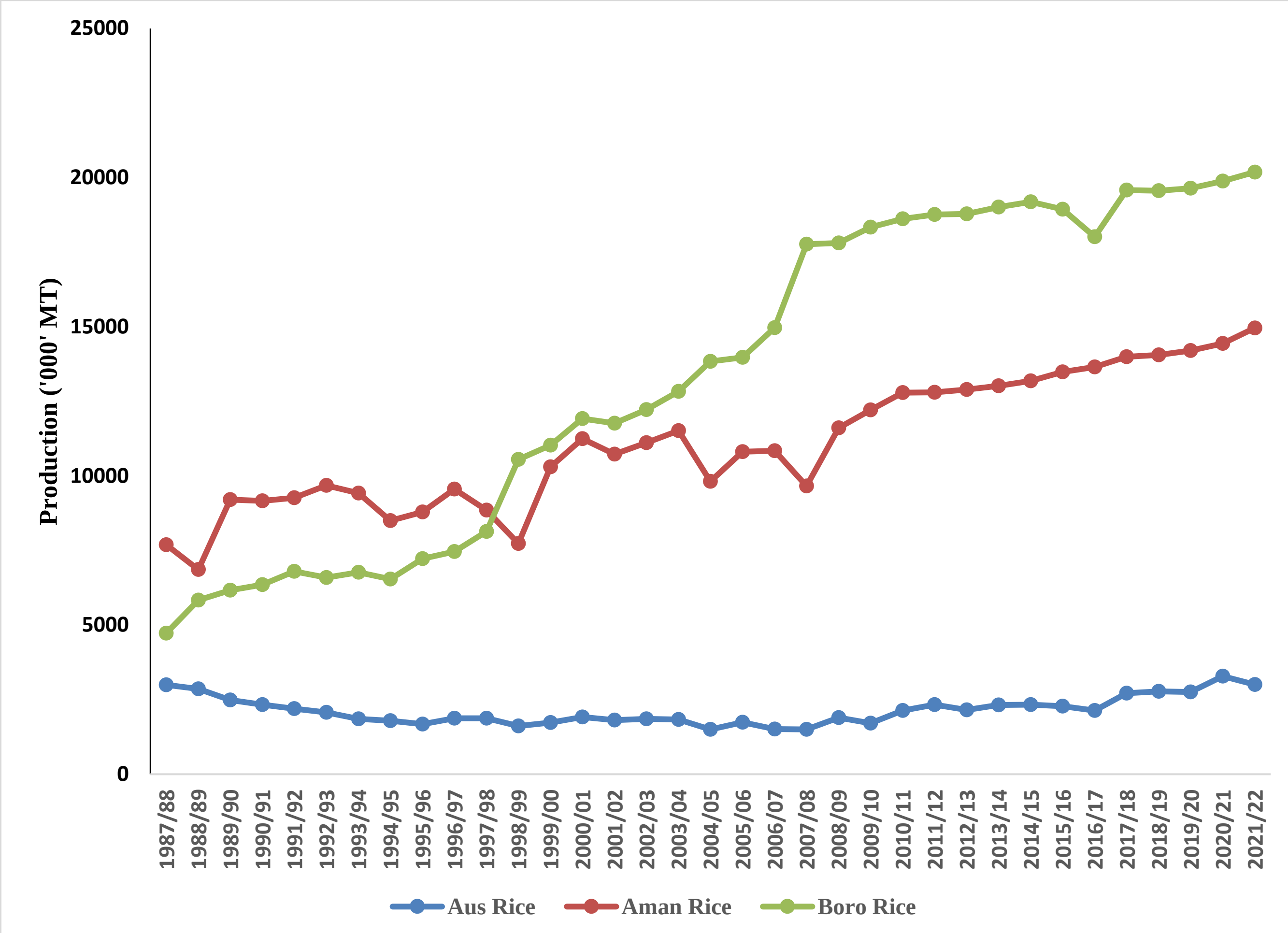
Aman season rice acreage is the highest of the three seasons. It is also known as post-monsoon rice and is fully rainfed; therefore, adequate and timely rains are important for good production. Though *aman* season rice acreage has remained stable over many years, production is trending upward. Post forecasts MY 2023/24 *aman* season rice harvested area and production at 5.9 million hectares and 14.6 million MT, respectively, assuming favorable weather. In MY 2022/23 Post revised its estimate of *aman* rice production to 14.6 million MT, up 3.5 percent from Post's previous projection (see the previous Grain and Feed Update Report published in January 2023).

Figure 1: *Boro*, *Aus*, and *Aman* Season Rice Cultivated Area in Bangladesh



Source: Bangladesh Bureau of Statistics (BBS)

Figure 2: *Boro*, *Aus,* and *Aman* Rice Production in Bangladesh



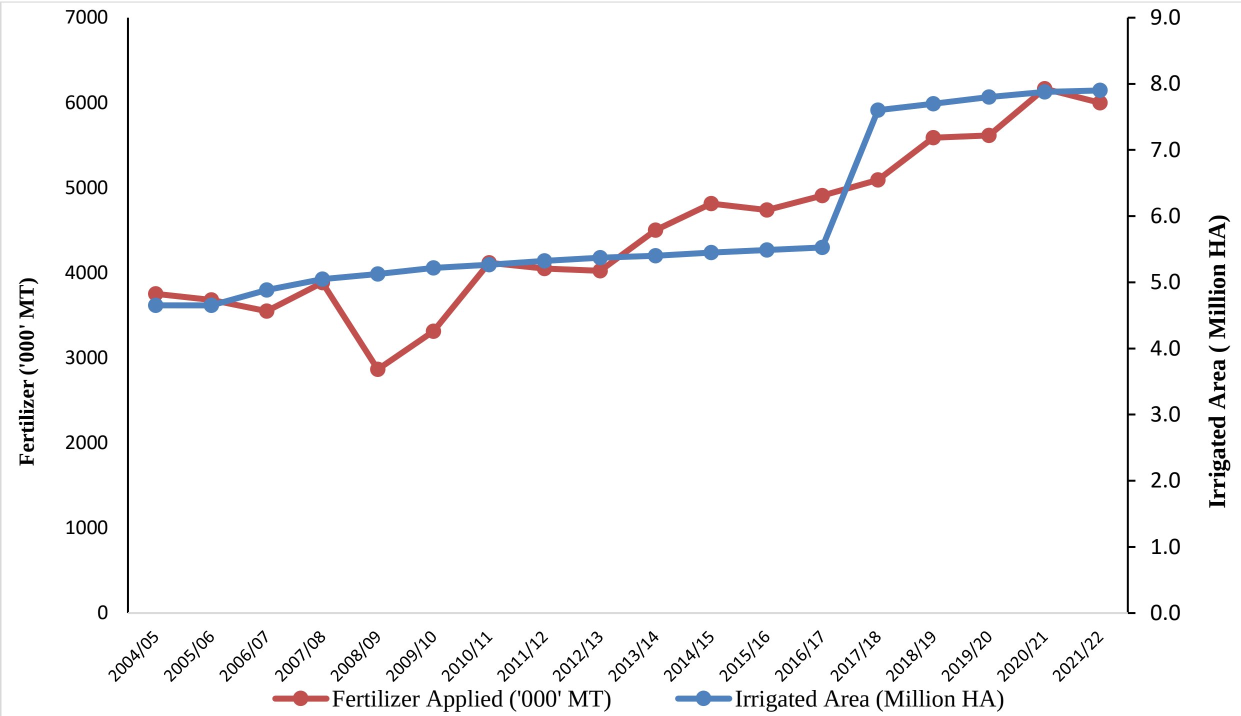
Source: BBS

Bangladeshi farmers cultivate both pure and hybrid rice varieties. To date, the Bangladesh Rice Research Institute (BRRI) has developed and released 103 pure varieties and eight hybrid varieties; however, farmers have widely adopted few of these. Moreover, many private seed companies have their own hybrid rice varieties which are also popular among farmers and provide higher yields than BRRI's pure varieties.

As of March 2023, farmers are expecting a good harvest. They have not reported any natural disasters, such as drought, heat waves, cyclones, or pests affecting the *boro* crop.

Irrigation and fertilizer are two major rice production inputs, and production is highly dependent on adequate and timely fertilizer application. Fertilizer application and irrigated land in Bangladesh have increased, which gas contributed to increasing rice yields (Figure 3). To learn more about the demand and uses of chemical fertilizer in Bangladesh and the effects of the Russian invasion of Ukraine, please read the Bangladesh Fertilizer Report.

Figure 3: Fertilizer Application and Irrigated Area in Bangladesh



Source: BBS

Prices

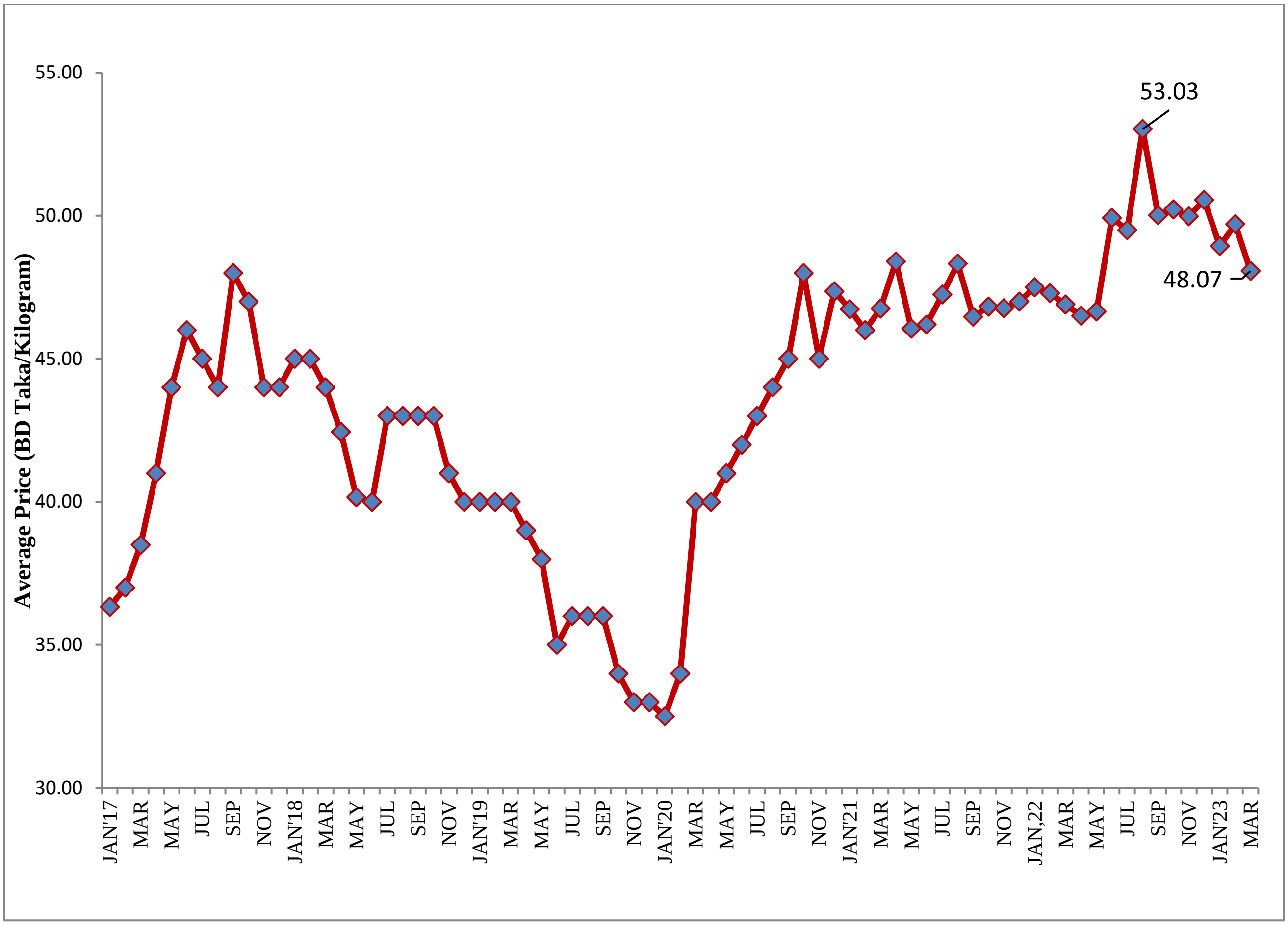
Rice Prices Fall, but Remain High

Since the beginning of MY 2022/23, rice prices have been trending upward, reaching their peak in August 2022. In the 1st quarter of 2023, rice prices fell gradually on higher supply as farmers brought *aman* season rice to market. In March 2023, the average retail price for low quality (coarse) rice was BDT 48.07 ($0.45) per kilogram, up 3.0 percent from the same period last year (Figure 4).

High costs of production, transportation, and processing resulted in higher rice prices throughout the MY. High inflation and appreciation of the U.S. dollar against the Bangladeshi taka also affected the prices in the local market.

The average retail price of high-quality non-aromatic (fine) rice also remained high throughout MY 2022/23. In March 2023, it was, on average, BDT 65.7 ($0.76) per kilogram, up over 3.0 percent over March 2022 (Figure 5).

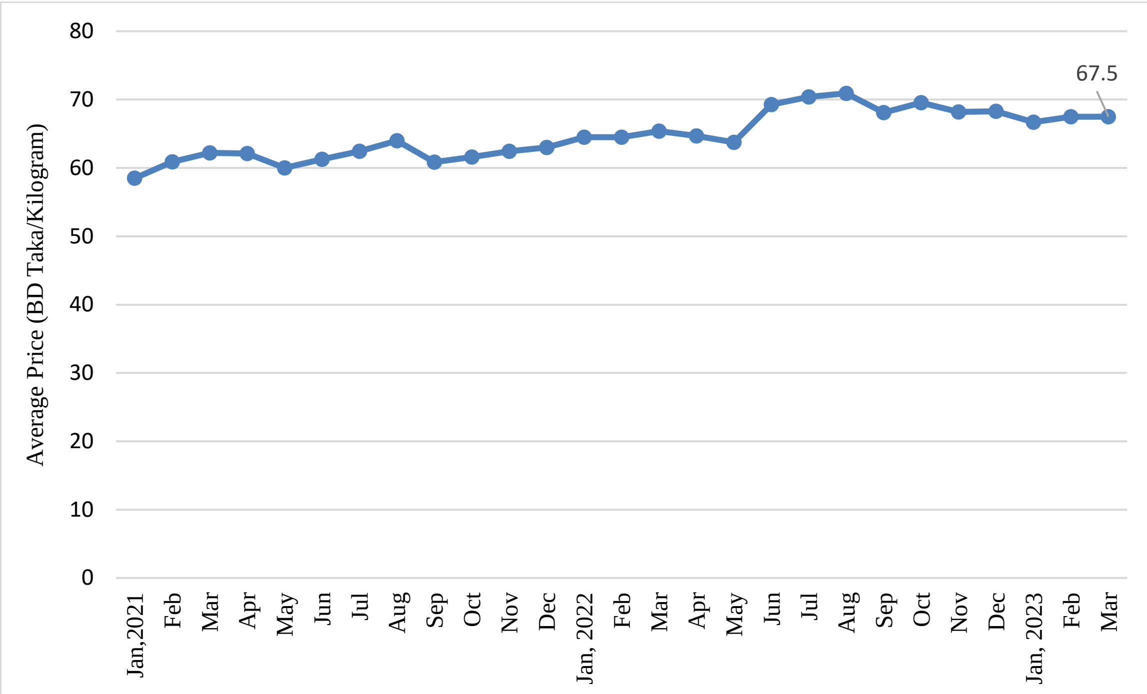
Figure 4: Monthly Average Retail Price of Coarse Rice in Bangladesh (2017-2023)



Source: Trading Corporation of Bangladesh (TCB)

Note: Exchange Rate USD $1.00 = BDT 107.0

Figure 5: Monthly Average Retail Price of Fine Quality (Non-Aromatic) Rice in Bangladesh (2021-2023)



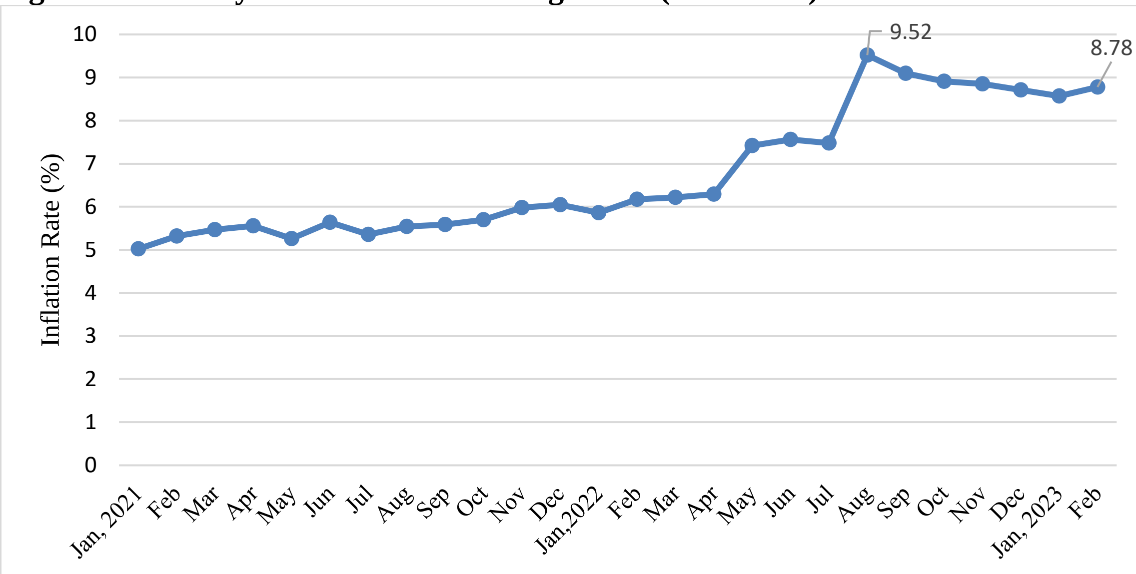
Source: TCB

Note: Exchange Rate USD $1.00 = BDT 107.0

Inflation Remains High

A very high inflation rate prevailed throughout MY 2022/23. In August 2022, the overall inflation rate reached 9.5 percent, its highest point in more than a decade. It then steadily decreased, dropping to 8.6 percent in January 2023. In February 2023, it rose again to 8.8 percent, up more than 40 percent over same period last year (Figure 6). Post contacts noted that the inflation rate may increase further in March and April 2023 due to Ramadan.

Figure 6: Monthly Inflation Rate in Bangladesh (2021-2023)



Source: Bangladesh Bank; BBS

Trade

Rice Imports Continue

For MY 2023/24, Post forecasts rice imports at 700 thousand MT, assuming a good harvest of *boro* season rice in April-May 2023 and *aus* season rice in August-September 2023.

Despite a very good *aman* season rice harvest in November-December 2022, Bangladesh continued to import rice throughout MY 2022/23. Post estimates MY 2022/23 rice imports at 1.1 million MT, the same as the USDA official estimate. To reduce the price of rice in the domestic market and secure ample stocks, in MY 2022/23, the Government of Bangladesh (GoB) purchased over 500 thousand MT of rice from India, Vietnam, and Myanmar under government-to-government (G2G) agreements. Moreover, to encourage the private sector to import, the GoB offered reduced tariff rates to private importers from June 2022 to March 2023. To learn more about the rice import tariff structure and recent tariff rates, please read the previous Grain and Feed Update Report published in January 2023.

India is the Preferred Exporter

According to Trade Data Monitor, LLC (TDM), India is the leading source for imported rice. Since the beginning of MY 2021/22, Bangladesh has imported more than 99 percent of its rice from India. Indian offers are comparatively much cheaper for both commodity prices and freight.

Aromatic Rice Exports

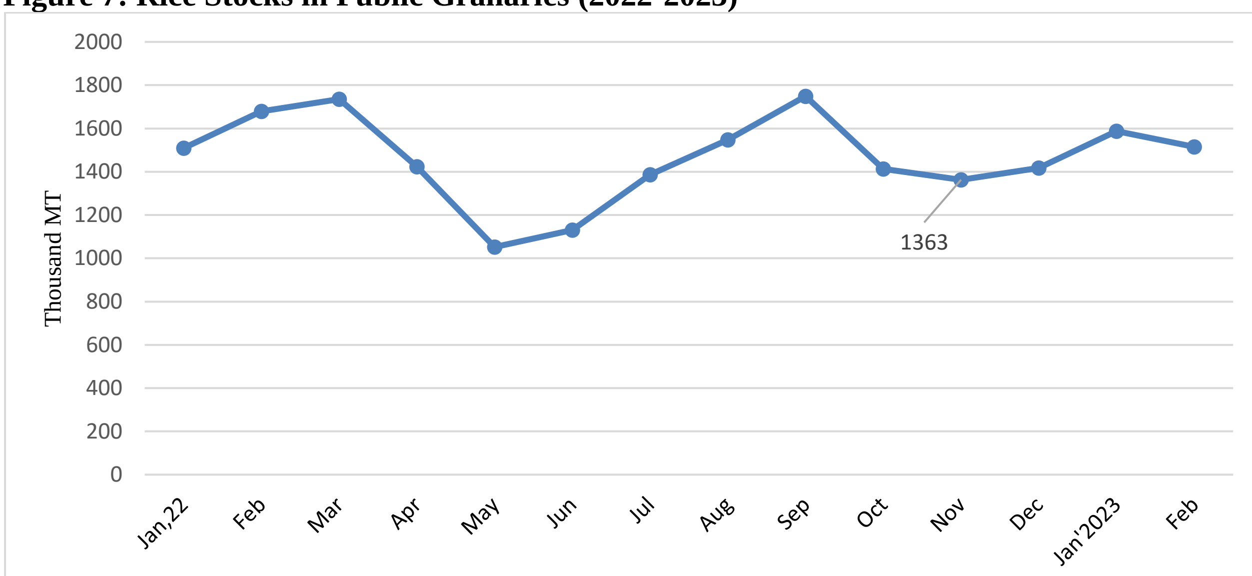
The GoB only allows the export of aromatic rice. Bangladesh generally exports aromatic rice to countries and regions with Bengali ethnic communities, including the United States, European Union, and the Middle East. Post forecasts MY 2023/24 rice exports at 10 thousand MT. For MY 2022/23, Post's rice export estimate is 8 thousand MT, 20 percent lower than the USDA official estimate. Based on TDM data, Post also revised its MY 2021/22 rice export estimate to 17 thousand MT, up 70 percent over the USDA official number.

Consumption
Post forecasts MY 2023/24 rice consumption at 37.8 million MT, up 1.3 percent over the MY 2022/23 USDA official estimate on higher demand for rice as wheat flour has become more expensive. Post also expects that the GoB will continue its food assistance programs for poor households negatively affected by the recent food price hike. Population growth will also increase rice consumption.

For MY 2022/23, Post estimates total rice consumption at 37.5 million MT, slightly higher than the USDA official estimate. Due to the recent high price of wheat flour in the domestic market, many consumers have decreased wheat consumption, substituting rice. In addition, the feed industry also uses broken rice as a filler in various feed formulas. Due to the recent high price of feed ingredients, including soybean meal and corn, the feed industry is using more broken rice to supplement other ingredients.

Stocks
Rice stocks in public granaries vary based on the GoB's rice procurement programs. Usually, the GoB buys rice to enrich its stocks after the *aman* and *boro* season harvests. The GoB also purchases rice from the international market through open tenders and G2G agreements. Public rice stocks reached their highest level in January 2023, after the *aman* season rice harvest, and started declining the following month (Figure 7).

Figure 7: Rice Stocks in Public Granaries (2022-2023)



Source: Director General of Food, Ministry of Food

According to the Ministry of Food, on March 1, 2023, total government-held rice stocks were 1.5 million MT, down 13 percent from the same time in 2022. The GoB also stocks paddy in public granaries. On March 1, 2023, public paddy stocks were only 4 thousand MT, compared to 45 thousand MT in 2022 (Table 3).

Rice millers and traders also maintain some stocks, but there is no data. Post's forecast for MY 2023/24 ending stocks is 2,026 thousand MT. Post also estimates MY 2022/23 ending stocks at 2,036 thousand MT, up 17 percent over the USDA official estimate.

Table 3: Rice Stocks in Public Granaries

March 1, 2023			March 1, 2022		
Rice (000 MT)	**Paddy (000 MT)**	**Total (000 MT)**	**Rice (000 MT)**	**Paddy (000 MT)**	**Total (000 MT)**
1515	4	1519	1735	45	1780

Source: Director General of Food, Ministry of Food

Government Procurement

In MY 2022/23, the GoB first targeted to procure 1.4 million MT of *boro* rice and 650 thousand MT *boro* paddy from local sources from April 28 to August 31, 2022; it met about 85 percent of its target. After the harvest of *aman* season rice, the GoB targeted to procure 500 thousand MT of *aman* rice and 300 thousand MT of *aman* paddy from the local market from November 17, 2022 to February 28, 2023. As of February 28, 2023, the GoB procured approximately 80 percent of the targeted *aman* rice. However, the GoB could not purchase any *aman* paddy from local sources during this period. For this *aman* season rice procurement program, the GoB set the price of parboiled rice at BDT 42 ($0.39) per kilogram and paddy at BDT 28 ($0.26) per kilogram. Contacts noted that in the local market, rice and paddy prices were higher than the GoB's offer, which caused the GoB to fall short of its target. According to Ministry of Food data, from July 1, 2022 to March 1, 2023 the GoB procured around 583 thousand MT of rice from neighboring countries as well.

Government Distribution

Public food distribution programs operate in Bangladesh through social safety net programs. Open Market Sale (OMS) and Fair Price (Food Friendly) are the largest subsidy-based food distribution programs, while Food for Work, Vulnerable Group Feeding, and Vulnerable Group Development are common relief-based programs. According to the Ministry of Food, as of February 23, 2023, in GoB fiscal year (FY) 2022-23 (July-June), the government distributed about 1.4 million MT of rice under the various food distribution programs, down about 10 percent compared to the same period last year.

The ongoing OMS program is selling rice and wheat flour at BDT 30 ($0.28) and BDT 24 ($0.22) per kilogram, respectively. In Dhaka, the OMS program utilizes trucks that sell subsidized commodities in low-income neighborhoods; there are no income requirements for households, though households who purchase OMS commodities anecdotally self-select. In rural areas, households receive an OMS card they can use in shops. From March 1, 2023, the GoB's Food Friendly Program will provide about 5 million households with 30 kilograms of rice each at the rate of BDT 15 ($0.14) per kilogram. This program will continue indefinitely.

WHEAT

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

Wheat	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 Harvested (1000 HA)	320	315	310	310	0	300
Beginning Stocks (1000 MT)	2138	2138	1308	1263	0	863
Production (1000 MT)	1130	1085	1100	1100	0	1070
MY Imports (1000 MT)	6340	6340	5000	5000	0	6000
TY Imports (1000 MT)	6340	6340	5000	5000	0	6000
TY Imp. from U.S. (1000 MT)	1	1	0	0	0	0
Total Supply (1000 MT)	9608	9563	7408	7363	0	7933
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	600	600	200	200	0	250
FSI Consumption (1000 MT)	7700	7700	6500	6300	0	7000
Total Consumption (1000 MT)	8300	8300	6700	6500	0	7250
Ending Stocks (1000 MT)	1308	1263	708	863	0	683
Total Distribution (1000 MT)	9608	9563	7408	7363	0	7933
Yield (MT/HA)	3.5313	3.4444	3.5484	3.5484	0	3.5667

(1000 HA), (1000 MT), (MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2023/2024 = July 2023 - June 2024

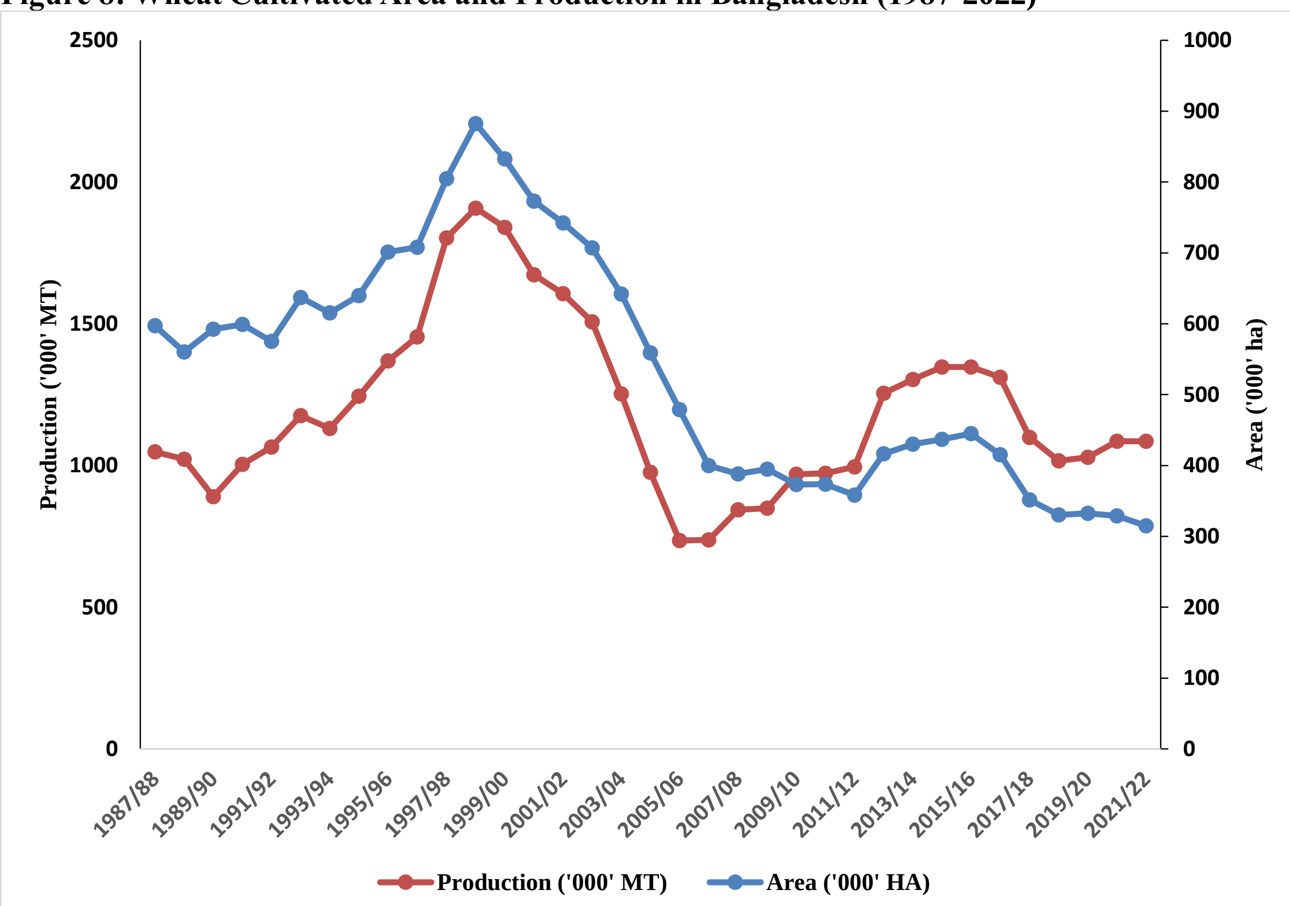
Production

Wheat is the second largest staple food after rice in Bangladesh. Local production of wheat meets approximately 15 percent of total demand. In Bangladesh, wheat planting occurs in November and December, with harvesting in March and April. Due to a lack of improved varieties, wheat acreage and production is gradually decreasing (Figure 8). In addition, farmers generally get higher returns when planting fruits and vegetables.

Post forecasts MY 2023/24 wheat harvested area and production at 300 thousand hectares and 1.1 million MT, down approximately 3.0 percent from the MY 2022/23 USDA official estimate. Since 2015, the wheat cultivation area has been decreasing 2 to 3 percent annually.

Post also estimates the MY 2022/23 wheat harvested area at 310 hectares and production at 1.1 million MT, the same as the USDA official estimates.

Figure 8: Wheat Cultivated Area and Production in Bangladesh (1987-2022)



Source: BBS

Prices

Wheat Flour Prices Hit Record High

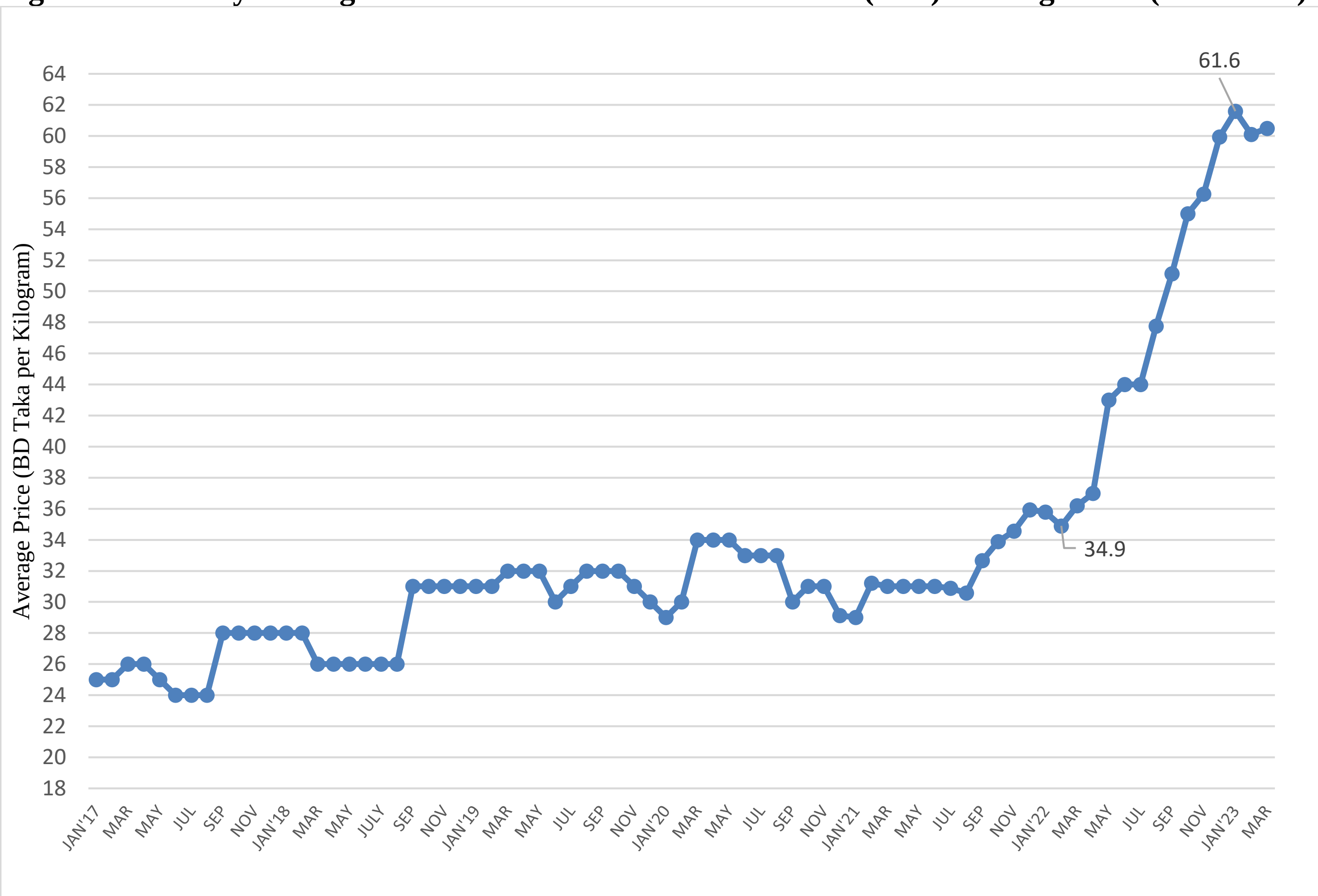
Market prices of all types of wheat and wheat flour have so far remained high throughout MY 2022/23. In January 2023, the price of unpacked coarse wheat flour (also called *aata*) reached a record high of

BDT 61.6 ($0.58) per kilogram. In March 2023, the average retail price of unpacked *aata* fell slightly to BDT 60.5 ($0.56) per kilogram, though it was still up 67 percent from the same time last year (Figure 9). At the same time, the average retail price of fine quality unpacked wheat flour (also called *maida*) reached BDT 66 ($0.62) per kilogram.

Since the Russian invasion of Ukraine in February 2022, wheat flour prices have been rising. On May 13, 2022, India also banned wheat exports, forcing Bangladesh to import half of its monthly required wheat from alternative sources, further fueling high domestic wheat flour prices. The appreciation of the U.S. dollar against the Bangladeshi taka also put upward pressure on prices as Bangladesh is a net wheat importer.

The demand for all types of wheat flour has significantly decreased at the consumer level due to the high prices. Industry contacts mentioned that prices may drop slightly after the wheat harvest in April-May 2023; however, the overall high prices of wheat and wheat flour will continue throughout calendar year 2023.

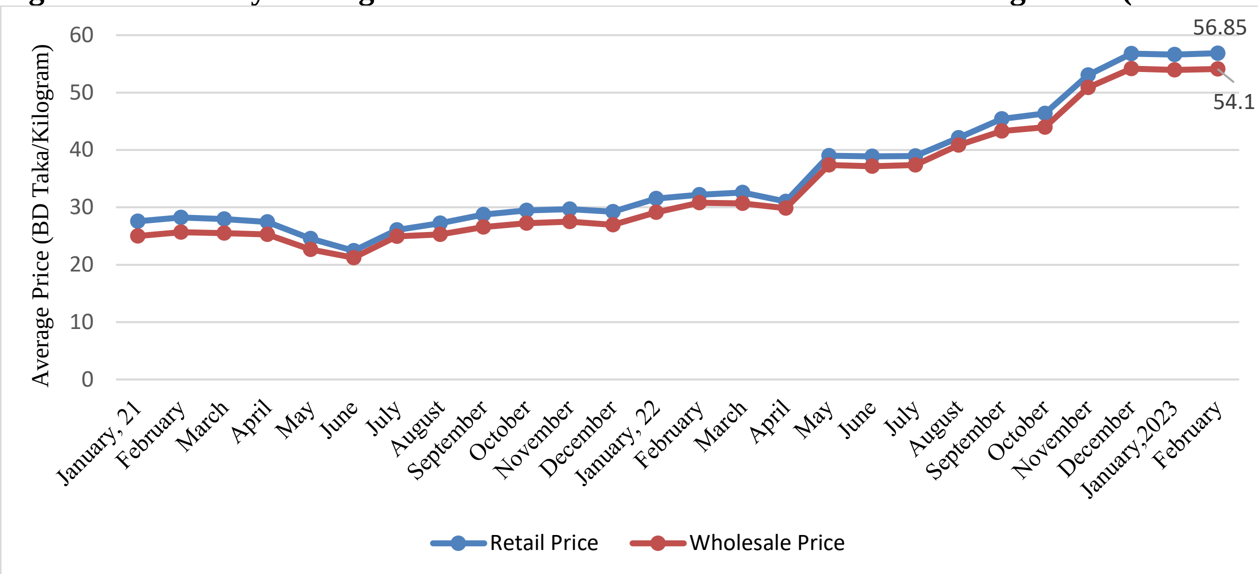
Figure 9: Monthly Average Retail Price of Coarse Wheat Flour (*aata*) in Bangladesh (2017-2023)



Source: TCB
Note: Exchange Rate USD $1.00 = BDT 107.0

Wheat prices have also been rising since April 2022 due to the supply shortage. In February 2023, retail and wholesale prices of wheat were BDT 56.85 ($0.53) and BDT 54.1 ($0.51) per kilogram, respectively, up over 80 percent from the same period last year (Figure 10).

Figure 10: Monthly Average Retail and Wholesale Prices of Wheat in Bangladesh (2021-2023)



Source: DAM

Trade

Wheat Imports Fall

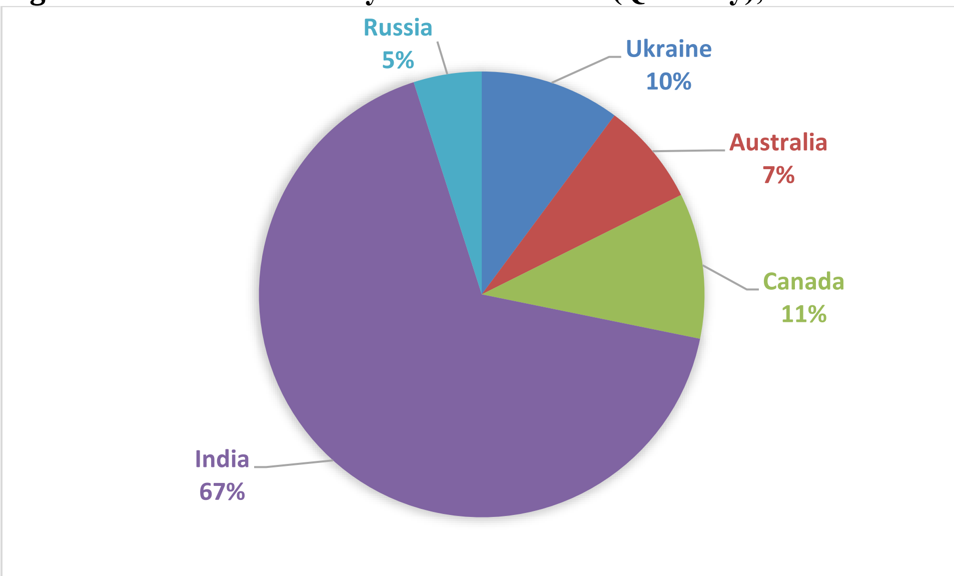
For MY 2023/24, Post forecasts wheat imports at 6.0 million MT, up 20 percent from the MY 2022/23 USDA official estimate, on increased supply from partner countries and an improved domestic economy.

In MY 2022/23, Post's wheat import estimate is 5.0 million MT, the same as the USDA official estimate. According to contacts, in first eight months of MY 2022/23, Bangladesh imported around 3 million MT of wheat, while in the remaining four months of the MY, Bangladesh could import a maximum quantity of 2 million MT. Usually, Bangladesh requires approximately 7 million MT of wheat imports annually to meet demand; however, in MY 2022/23 the Russian invasion of Ukraine and the resulting disruption of international supply chains, high global price of wheat, appreciation of the U.S. dollar, and delays in opening letters of credit stemming from a lack of U.S. dollars in Bangladesh hampered imports.

India is the Preferred Exporter in MY 2021/22

India started exporting wheat to Bangladesh in larger quantities in 2020. Shorter shipment times, low freight costs, and geographic proximity makes India one of the preferred wheat exporters to Bangladesh. Indian wheat is transported to Bangladesh via road and rail. According to TDM, in MY 2021/22, India supplied 67 percent of total wheat imports in Bangladesh, followed by Canada (11 percent), Ukraine (10 percent), Australia (7 percent), and Russia (5 percent) (Figure 11). As stated above, due India's wheat export ban, Indian exports have dropped substantially in MY 2022/23.

Figure 11: Partner Country's Market Share (Quantity), MY 2021/22



Source: TDM

Wheat Imports from the Black Sea

Directly following the Russian invasion of Ukraine in February 2022, wheat imports from the Black Sea region stopped. After the signing of Black Sea Grain Deal, the GoB approved the importation of 500 thousand MT of wheat from Russia under a G2G agreement on August 31, 2022. Subsequently, private importers began to import wheat from the Black Sea. According to TDM and Post contacts, as of February 2023 in MY 2022/23, Bangladesh has imported around 500 thousand MT from Russia and 400 thousand MT from Ukraine.

Bangladesh Seeks Guaranteed Supply of Wheat from India

Bangladesh is seeking a guaranteed supply of essential commodities from India. In early 2022, the GoB sent a proposal to India to get a quota facility to import wheat, rice, onion, lentils, sugar, garlic, and ginger.

Consumption

Food, Seed, and Industrial (FSI) Consumption

For MY 2023/24, Post increased its FSI wheat consumption to 7.0 million MT, assuming higher imports and rebounding demand for *aata* and *maida* at the household level. The FSI consumption forecast for MY 2023/24 is up 8 percent over MY 2022/23.

In MY 2022/23, Post's estimate of FSI wheat consumption is 6.3 million MT, down 3 percent from the USDA official estimate. The estimate is also 18 percent down from the previous MY on lower imports, high local prices, and lower household consumption of both *aata* and *maida*. Due to the high price of wheat flour, household demand has fallen significantly in the last few months as consumers shift to rice. The prices of wheat-based bakery and restaurant products have also increased.

Feed Consumption

The poultry, aqua, and cattle feed industries in Bangladesh use wheat, to some extent, as a feed ingredient. Industry contacts note specific types of animal feed contain approximately 5 percent wheat and wheat bran. Sometimes the feed industry uses wheat bran and rice bran alternatively. Cattle farmers also feed wheat bran separately. For MY 2023/24, Post forecasts feed consumption of wheat at 250 thousand MT, on increased supply in the market.

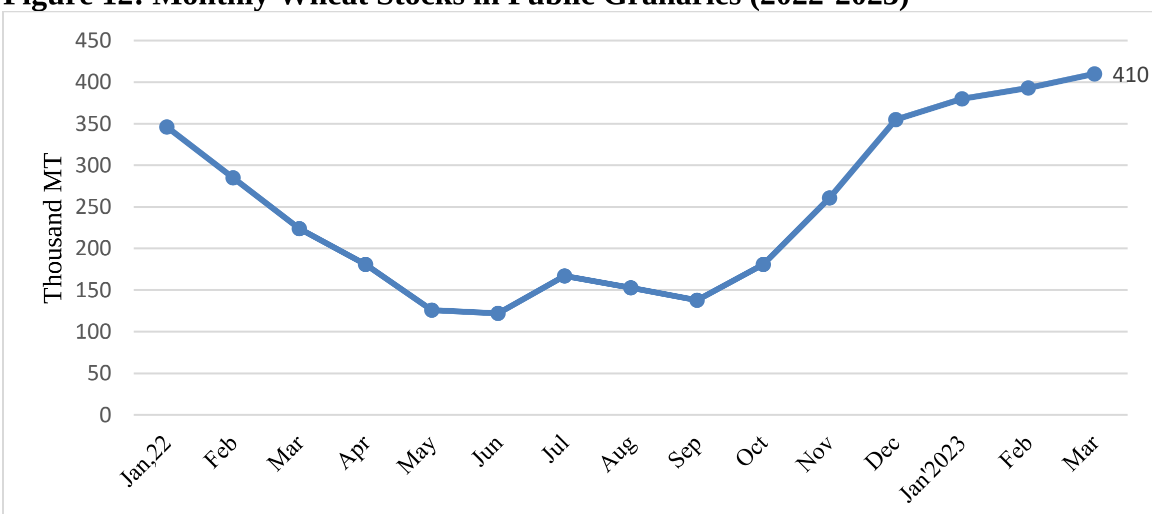
For MY 2022/23, Post lowered its estimate of feed and residual use of wheat to 200 thousand MT, down 50 percent from its previous projection (see the previous Grain and Feed Update report). The current estimate of feed and residual use is equal to the USDA official number. Due to high prices, the overall demand for poultry and cattle feed in Bangladesh has fallen significantly in MY 2022/23. Post contacts also noted that commercial feed companies significantly reduced wheat inclusion in their feed formulation, while small cattle farms are still using some wheat and wheat bran to make home-based feed.

Public Procurement and Stocks

As of March 2023, the Ministry of Food estimated the GoB's wheat stocks at 410 thousand MT, up 80 percent from the same period last year (Figure 12). As mentioned above, the GoB purchased around 500 thousand MT of wheat from Russia, augmenting stocks.

Post forecasts MY 2023/24 total (public and private) wheat stocks at 683 thousand MT.

Figure 12: Monthly Wheat Stocks in Public Granaries (2022-2023)



Source: Director General of Food, Ministry of Food

CORN

Table 5: Bangladesh's Production, Supply, and Distribution of Corn

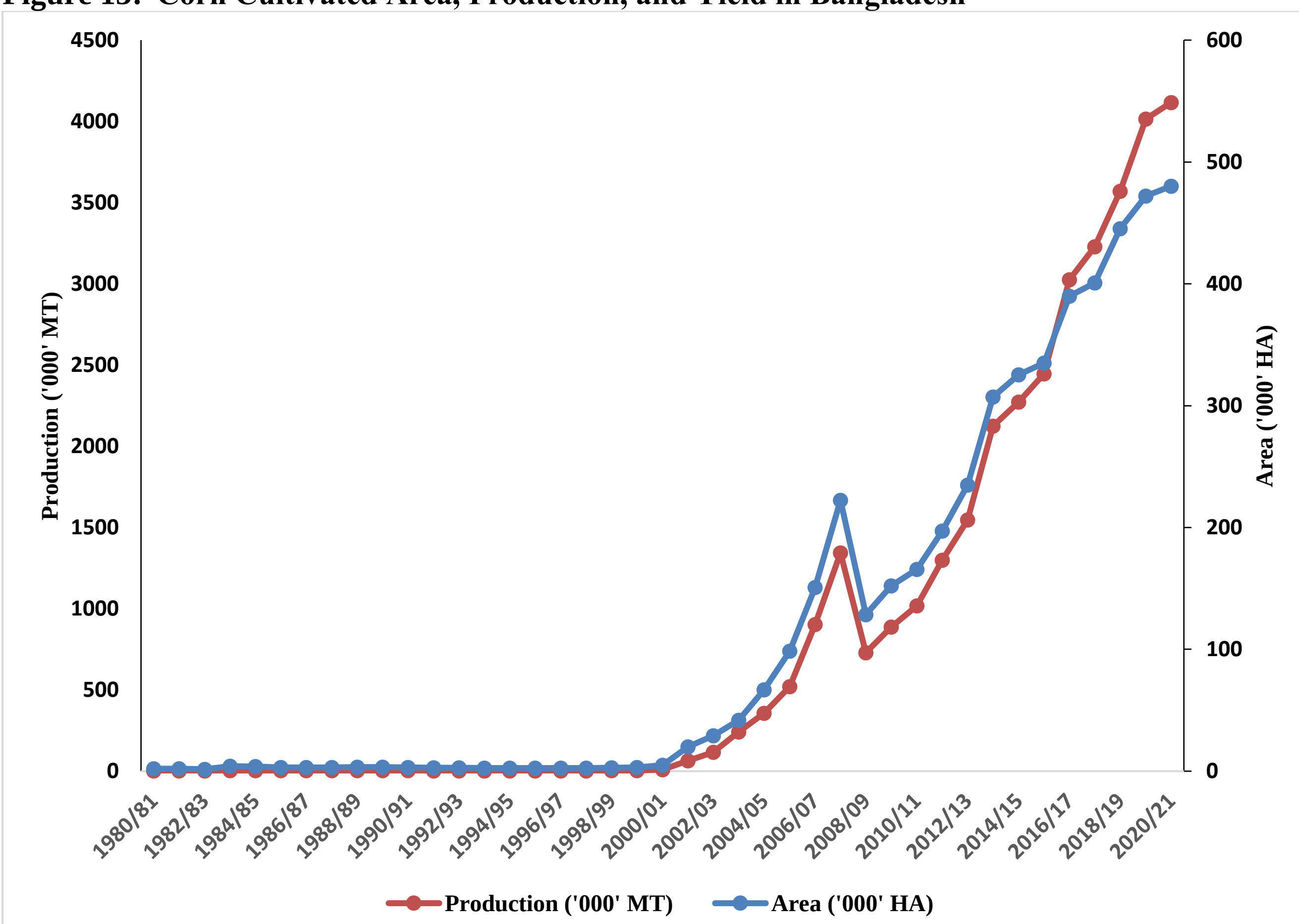
Corn	2021/2022		2022/2023		2023/2024	
Market Year Begins	May 2021		May 2022		May 2023	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	550	550	560	560	0	570
Beginning Stocks (1000 MT)	444	444	189	189	0	389
Production (1000 MT)	4700	4700	4850	4850	0	4950
MY Imports (1000 MT)	1945	1945	2200	2100	0	2400
TY Imports (1000 MT)	2456	2456	2200	2200	0	2400
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	7089	7089	7239	7139	0	7739
MY Exports (1000 MT)	0	0	0	0	0	0
TY Exports (1000 MT)	0	0	0	0	0	0
Feed and Residual (1000 MT)	6500	6500	6500	6200	0	6700
FSI Consumption (1000 MT)	400	400	550	550	0	600
Total Consumption (1000 MT)	6900	6900	7050	6750	0	7300
Ending Stocks (1000 MT)	189	189	189	389	0	439
Total Distribution (1000 MT)	7089	7089	7239	7139	0	7739
Yield (MT/HA)	8.5455	8.5455	8.6607	8.6607	0	8.6842
(1000 HA), (1000 MT), (MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Corn begins in October for all countries. TY 2023/2024 = October 2023 - September 2024						

Production
In terms of acreage and production, corn is the second largest grain crop in Bangladesh. It is considered a cash crop due to its good yield potential and high market price. Farmers grow corn in both the summer and winter seasons, with approximately 85 percent of total corn produced in the winter. Winter corn is planted in November and December and harvested in April and May, while summer corn is sown in March and April and harvested in August and September. Both the production and demand for corn is increasing in Bangladesh as the demand for poultry, dairy and fish feed rises (Figure 13). About 90 percent of corn is used in the feed industry, while some is used to make starch and flour.

The corn planted in November-December 2022 and harvested in March-April 2023 is the first crop of MY 2023/24. For MY 2023/24, Post forecasts corn harvested area and production at 570 thousand hectares and 5.0 million MT, respectively, assuming good weather, timely application of fertilizer, and proper irrigation.

Post's estimate of MY 2022/23 corn harvested area is 560 thousand hectares, with production at 4.9 million MT, the same as the USDA official estimates.

Figure 13: Corn Cultivated Area, Production, and Yield in Bangladesh



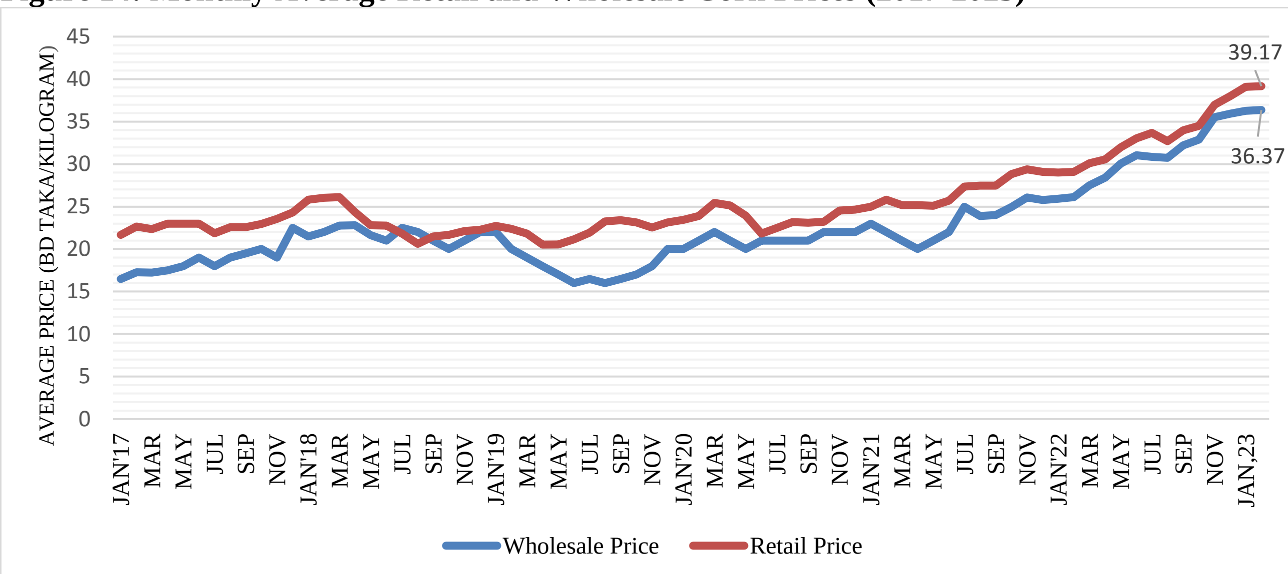
Source: BBS

Price

Prices Continue to Rise

Domestic corn prices continue to increase to meet feed industry demand, with high global prices also driving up local prices. In February 2023, the wholesale and retail prices of corn reached BDT 36.37 ($0.34) and BDT 39.17 ($0.37) per kilogram, respectively, their highest levels since 2017 (Figure 14). In February 2023, both wholesale and retail prices were up approximately 35 percent over last year.

Figure 14: Monthly Average Retail and Wholesale Corn Prices (2017-2023)



Source: DAM

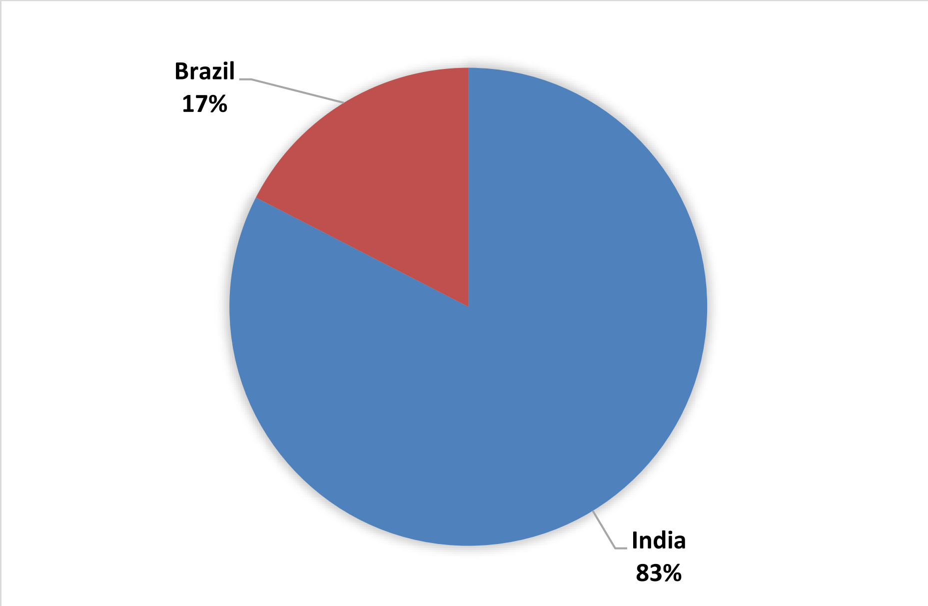
Trade

For MY 2023/24, Post forecasts corn imports at 2.4 million MT, up 9 percent from the MY 2022/23 USDA official estimate, on rebounding feed demand. Post estimates MY 2022/23 corn imports at 2.1 million MT, down about 4.5 percent from the USDA official estimate, on reduced feed industry demand.

India is the Major Exporter

Since 2020, India has become the dominant corn exporter to Bangladesh. According to TDM, in MY 2021/22, India supplied more than 83 percent of total corn imports, with the remainder from Brazil (Figure 15).

Figure 15: Partner Country's Share (Quantity) of Corn Exports to Bangladesh in MY 2021/22



Source: TDM

Consumption

Feed and Residual Use

For MY 2023/24, Post's total feed and residual corn use forecast is 6.7 million MT, on increased production of poultry and cattle feed. In MY 2022/23, Post estimates feed and residual use at 6.2 million MT, 5 percent lower than the USDA official estimate. Due to the high price of poultry and cattle feed, many small farms have shut down in this MY, resulting in lower demand.

Usually, Bangladesh requires around 7-8 million MT of corn annually, of which around 5 million MT are produced domestically; the rest is imported. However, in the current MY, the feed industry is consuming less corn due to decreased feed production.

For an overview of the Bangladesh feed industry, please see the [2023 Oilseeds and Products Annual Report].

FSI Consumption

Post's forecast for MY 2023/24 FSI consumption is 600 thousand MT, up 9 percent from the MY 2022/23 USDA official estimate on increased production of corn starch and syrup. There is no official data for the FSI consumption of corn in Bangladesh; however, Post contacts note there are about six starch producing companies in Bangladesh which jointly consume about 200 thousand MT of corn annually. The textiles industry is the major recipient of corn starch. Corn is also used to make corn syrup and glucose. Human consumption of corn is also growing in many parts of the country.

In MY 2022/23 Post estimates FSI consumption of corn at 550 thousand MT, the same as the USDA official estimate.

Stocks

Post forecasts MY 2023/24 ending stocks at 439 thousand MT. For MY 2022/23, Post estimates ending stocks at 389 thousand MT, up 106 percent over the USDA official estimate, on lower feed and residual consumption. All corn stocks are privately held as the GoB does not procure or stock corn.

Attachments:
No Attachments