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Report Name: Grain and Feed Update

Country: Bangladesh

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Report Highlights:

For rice marketing year (MY) 2019/20 (May-April), Post's production estimate is raised to 35.8 million metric tons (MMT), a 2.27 percent increase over 2018/19 production, due to increased Aus rice production and a forecasted strong Aman rice production year. Favorable weather conditions during the 2019/20 Aus and Aman seasons are the primary reason for the increase. For wheat MY 2019/20 (July-June), Post's production area and production output estimates are increased by 340 thousand hectares (HA) and 1.2 MMT, respectively. Farmers are planning to expand cultivation area in the upcoming season because Bangladesh's wheat blast concerns, which resulted in official Government announcements last year, have decreased this year. In corn MY 2019/20 (May-April), domestic production estimates are revised up to 4.7 MMT based on official data updates from the Ministry of Agriculture.

Commodities: Rice, Milled, Wheat, and Corn

RICE

Production:

For rice marketing year (MY) 2019/20 (May-April), Post's estimates for Bangladesh's rice production area and output have been marginally increased to 11.8 million hectares (HA) and 35.8 million metric tons (MMT), respectively. The increase is due to a reportedly strong year for *Aus* rice (April-August) production and a forecasted good season for *Aman* rice (July-December).

Harvested *Aus* rice area is revised up to 1.1 million HA and production up to 2.45 MMT, based on official data from the Government of Bangladesh (GOB).

Harvest of *Aman* rice will start in November. The planted *Aman* rice area is revised at 5.8 million HA and production forecast is raised to 14 MMT as official sources and other contacts believe that continued favorable weather will result in an above average *Aman* rice harvest. For more information on rice growing seasons (*Boro*, *Aus* and *Aman*), please see Table 6 and GAIN Report [BG3004](#) or [BG5003](#).

Table 1. Bangladesh: *Boro*, *Aus*, and *Aman* Rice Production Area and Production Output Estimates

Rice by Planting Season	2017/18 (Estimate)		2018/19 (Estimate)		2019/20 (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
<i>Boro (Winter)</i>	4,472	17,800	4,752	18,909	4,850	19,400
<i>Aus (Pre-Monsoon)</i>	1,100	2,350	1,145	2,500	1,100	2,450
<i>Aman (Monsoon)</i>	5,700	12,500	5,873	13,500	5,880	14,000 (F)
Total Rice	11,272	32,650	11,770	34,909	11,830	35,850

Note: Boro season rice harvested in March-April, 2019 and marketed in May 2019, so Boro season rice is included as the first harvested rice in the Market Year (MY) 2019-20 (May-April). On the other hand, Boro rice harvested and marketed in calendar year 2019 is considered as the last rice harvest of Fiscal Year (FY) 2018-19 (July-June) in Bangladesh. Forecasted – F.

Market Prices:

For October 2019, the retail prices for low quality (coarse) rice was BDT 34 (\$0.4) per kilogram, which was 21 percent lower than prices at the same time last year (See figure 1). Ample supply as a result of a good harvest during the *Boro* and *Aus* rice seasons are the key factors pushing prices down. The high quality (fine) rice price in October 2019 was BDT 51 (\$0.6).

Import:

The MY 2019/20 rice import forecast is lowered to 50,000 MT, which is 50 percent lower than MY 2018/19 imports. The forecasted decrease in imports is the result of the increased import tariff to on rice, from 28 percent to 55 percent.

Stocks:

According to the Ministry of Food, on October 16, 2019, government rice stocks were 1.33 MMT, compared to 1.1 MMT at the same time last year.

Post's rice stock forecast for MY 2019/20 is 12.83 percent higher than MY 2018/19 because higher MY2019/20 *Aman* rice production is expected in response to favorable weather conditions. [**Note:** No official data is available on private stocks, which include stocks held by farmers, millers, and traders. End note.]

Bangladesh's Ministry of Food recently completed a procurement program in which the Government procured 0.3 MMT of un-milled *Boro* rice, 0.9 MMT of parboiled rice, and 0.15 of milled rice. The procurement program for *Aman* rice is yet to be announced. [**Note:** Last year's procurement program, in which 0.79 MMT of *Aman* rice was purchased, took place from December 1, 2018 to March 7, 2019. End note]

Rice Policy:

Bangladesh's Ministry of Agriculture encouraged rice exporters to participate in the international market by announcing a 20 percent export incentive. However, as a result of high milling costs in Bangladesh as well as uncompetitive prices in relation to regional competitors, Post believes that *Jasmine* rice will continue to be the only exportable rice variety from Bangladesh. Export of other rice varieties will be very limited.

WHEAT**Production:**

Post's MY 2019/20 (July to June) wheat area and production forecasts are revised up to 340,000 HA and 1.2 MMT, respectively. Post had discussions with Bangladeshi wheat farmers and learned that farmers are expecting to receive higher returns this year because wheat blast, an issue farmers faced over the last 4 years, is not as great of a concern to the government as well as to the farmers. Of the reported cases of wheat blast, there has been a gradual decrease in quantity, number of locations and size of infected area. GOB is no longer discouraging wheat cultivation, which is something GOB has done in previous years. A new wheat blast resistant wheat variety "BARI Gom 33" will likely be widely used by farmers this year. Wheat (planted mid-November and harvested in March) is a competing crop with *Boro* rice, maize and potato. On an annual basis, farmers decide which crop to produce during the winter season based on price, seed availability, and to a lesser extent, weather projections.

Market Prices:

For the same month, the retail price of wheat flour (also called *atta*) was estimated at BDT 32 (\$0.38) per kilogram, which is 3.23 percent higher than the same month last year (Figure 2).

Import:

For MY 2019/20, Post's wheat import forecast is lowered to 6.1 MMT, which is 4.63 percent higher than MY 2018/19 imports. The forecasted decrease in imports is based on an assumed increase in domestic production and stable demand.

Post's MY 2018/19, wheat import estimate is revised to 5.8 MMT using customs data.

Stock:

Government wheat stocks were 370,290 MT, up from 261,210 MT at the same time last year.

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

16 October 2019			16 October 2018		
Rice (000 MT)	Wheat (000 MT)	Total (000 MT)	Rice (000 MT)	Wheat (000 MT)	Total (000 MT)
1333.04	372.29	1705.33	1190.32	261.21	1451.53

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

CORN

Production:

Post's MY 2019/20 (May-April) corn production estimate is revised up substantially to 4.7 MMT due to the cultivation of high yield corn varieties and favorable weather. The winter planting season, which will be recorded in the next marketing year, MY 2020/21, started in September and will continue through November. According to Post's discussions with local industry, farmers are increasing corn cultivation to meet the growing demand for corn from Bangladesh's feed industry.

Market Prices:

As of October 2019, wholesale price of corn is BDT 17 (\$0.2) per kilogram, which is 17 percent lower than for the same time last year. (Figure 3)

Import:

For MY 2019/20, Post's corn import forecast estimate is unchanged at 1.5 MMT.

Policy:

The Bangladesh Ministry of Agriculture believes the country will soon be able to export a larger volume of corn. In MY 2019/20 the country exported 0.25 MMT of corn to India and Nepal. The Ministry of Agriculture targeted 10 MMT corn production by the year 2023, in hopes of creating greater export opportunities.

Additional Comments:

The Ministry of Agriculture is determined to combat Fall Armyworm (FAW) through a government organized Task Force including 14 national and international funding, research and development organizations. The country has taken extensive steps to combat against FAW and the task force is focused on researching, monitoring, and managing the infestation. To reduce the production loss risk from FAW, the government is gradually assessing possibilities of using GE corn varieties.

The plant quarantine division of the Ministry of Agriculture started issuing import permits for agricultural commodities (wheat, corn, and soybeans) with newly added phytosanitary conditions, as outlined in 2018 Quarantine Rules. The condition to include non-transgenic confirmation in phytosanitary certificate of agricultural commodities is considered as a non-tariff trade barrier although there is no clause on GE commodities in the 2018 Quarantine Rules.

Table 3. Bangladesh: Commodity, Rice, Milled Production, Supply and Distribution (PSD)
(Area in Thousand Hectares, Quantity in Thousand Metric Tons)

<i>Rice, Milled</i>	2017/2018		2018/2019		2019/2020	
<i>Market Begin Year</i>	May 2017		May 2018		May 2019	
<i>Bangladesh</i>	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	11,272	11,272	11,770	11,770	11,830	11,830
Beginning Stocks	854	854	1,500	1,500	1,546	1,481
Milled Production	32,650	32,650	35,000	34,909	35,500	35,850
Rough Production	48,980	48,980	52,505	52,369	52,255	53,780
Milling Rate (.9999)	6,666	6,666	6,666	6,666	6,666	6,666
MY Imports	3,200	3,200	550	580	100	50
TY Imports	1,400	1,400	300	100	50	50
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	36,704	36,704	37,050	36,989	37,146	37,381
MY Exports	4	4	4	8	4	10
TY Exports	4	4	4	9	4	11
Consumption and Residual	35,200	35,200	35,500	35,500	35,700	35,700
Ending Stocks	1,500	1,500	1,546	1,481	1,442	1,671
Total Distribution	36,704	36,704	37,050	36,989	37,146	37,381
Yield (Rough)	4.35	4.35	4.46	4.45	4.50	4.55

Note: Market Year (MY) – May to April and Trade Year (TY) – January to December

Table 4. Bangladesh: Commodity, Wheat Production, Supply and Distribution (PSD)

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

<i>Wheat</i>	2017/2018		2018/2019		2019/2020	
<i>Market Begin Year</i>	July 2017		July 2018		July 2019	
<i>Bangladesh</i>	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	370	370	320	320	340	340
Beginning Stocks	1758	1758	2015	2015	658	1870
Production	1153	1153	1000	1100	1100	1200
MY Imports	6154	6154	4718	5830	6000	6100
TY Imports	6154	6154	4718	5830	6000	6100
TY Imp. from U.S.	241	241	386	386	0	0
Total Supply	9065	9065	7733	8945	7758	9170
MY Exports	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0
Feed and Residual	250	250	275	275	300	300
FSI Consumption	6800	6800	6800	6800	6900	7000
Total Consumption	7050	7050	7075	7075	7200	7300
Ending Stocks	2015	2015	658	1870	558	1870
Total Distribution	9065	9065	7733	8945	7758	9170
Yield	3.1162	3.1162	3.125	3.4375	3.2353	3.5294

Note: Market Year (MY) and Trade Year (TY) – July to June

Table 5. Bangladesh: Commodity, Corn Production, Supply and Distribution (PSD)
(Area in Thousand Hectares, Quantity in Thousand Metric Tons)

Corn	2017/2018		2018/2019		2019/2020	
Market Begin Year	May 2017		May 2018		May 2019	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	436	436	450	450	450	500
Beginning Stocks	137	137	187	187	137	137
Production	3274	3274	3500	3500	3500	4,700
MY Imports	1476	1476	1450	1450	1550	1500
TY Imports	1145	1145	1500	1350	1550	1500
TY Imp. from U.S.	55	55	0	0	0	0
Total Supply	4887	4887	5137	5137	5187	6,337
MY Exports	0	0	0	0	0	250
TY Exports	0	0	0	0	0	500
Feed and Residual	4400	4400	4700	4700	4750	5100
FSI Consumption	300	300	300	300	300	300
Total Consumption	4700	4700	5000	5000	5050	5400
Ending Stocks	187	187	137	137	137	687
Total Distribution	4887	4887	5137	5137	5187	6337
Yield	7.51	7.51	7.78	7.78	7.78	9.40

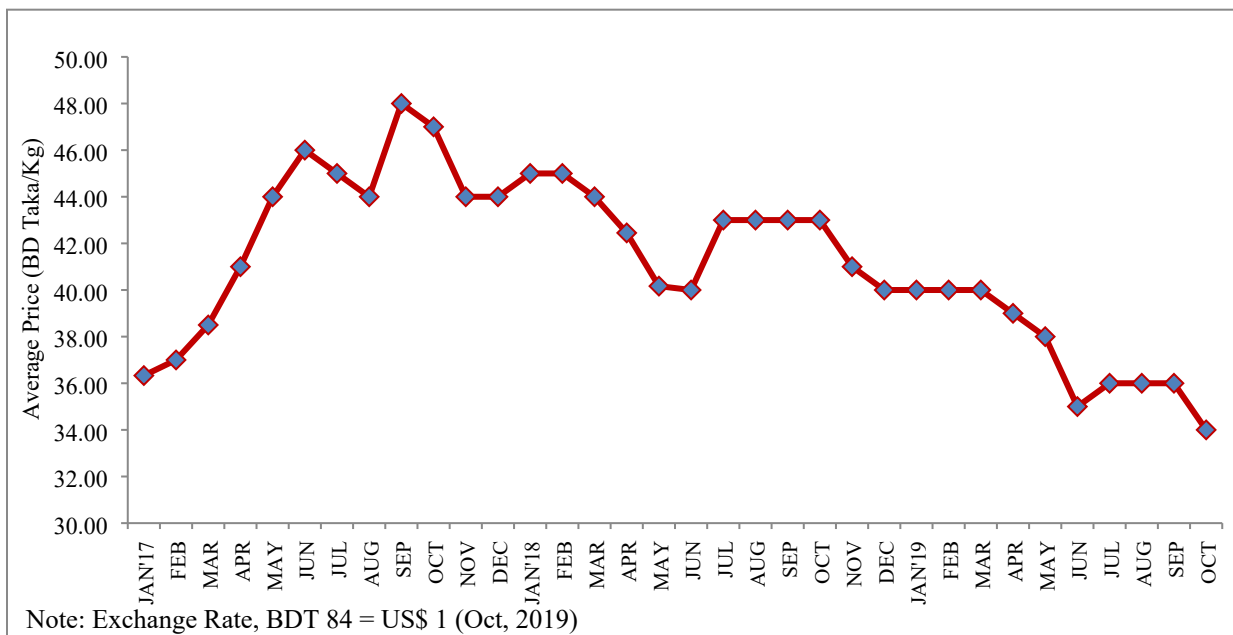
Note: Market Year (MY) – May to April and Trade Year (TY) – October to September

Table 6. Bangladesh: Boro rice competes with the alternative crops

General Crop Season	Competing Crops	Rice Based Season
<i>Robi</i> (Mid Oct – Mid Mar)	<i>Boro</i> season rice, potato, wheat, maize, sugarcane, cotton, mustard, lentils, onions, soybeans, groundnut, tobacco, and vegetables	<i>Boro Season Rice (Boro Rice)</i> Planting: Dec-Feb Harvesting: Apr-May
<i>Kharif-1</i> (Mid Mar – Mid Jul)	<i>Aus</i> season rice, jute, maize, mungbean, ginger, chili, onions, groundnuts and vegetables	<i>Aus Season Rice (Aus Rice)</i> Planting Apr-May Harvesting: Jul-Aug
<i>Kharif-2</i> (Mid Jul – Mid Oct)	<i>Aman</i> season rice, cotton, jute, black gram, and soybeans	<i>Aman Season Rice (Aman Rice)</i> Planting: Jul-Aug Harvesting: Nov-Dec

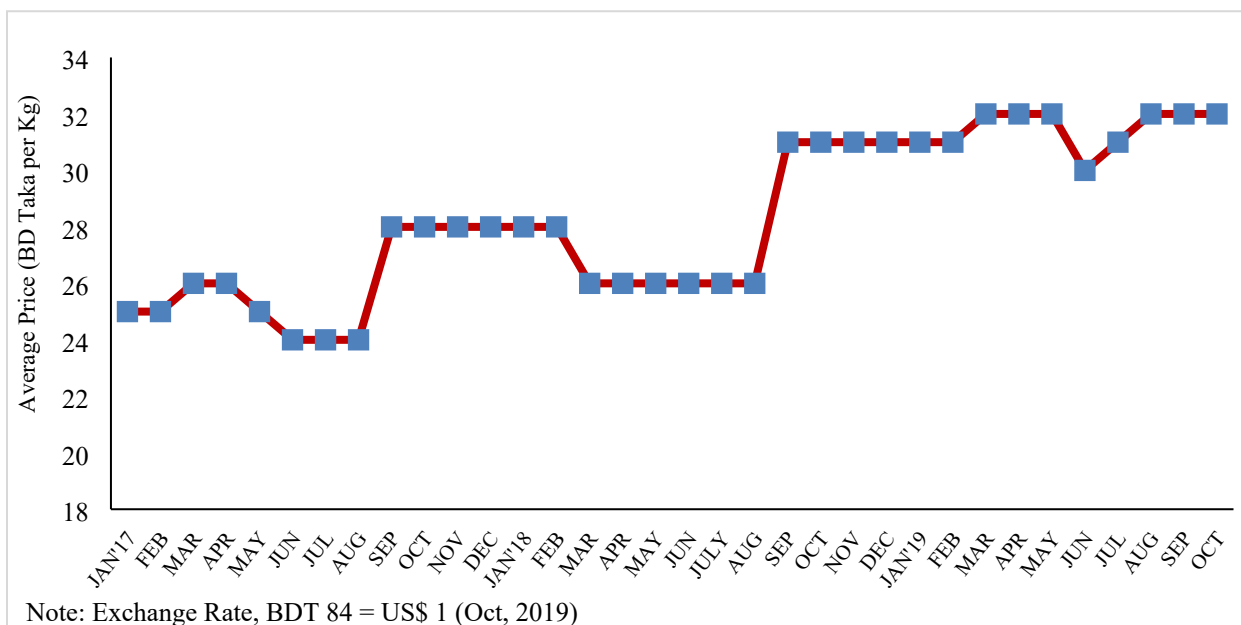
Source: Crop Calendar of Krishi (Agriculture) Diary, Ministry of Agriculture

Figure 1. Bangladesh: Monthly average retail prices of low quality (coarse) rice



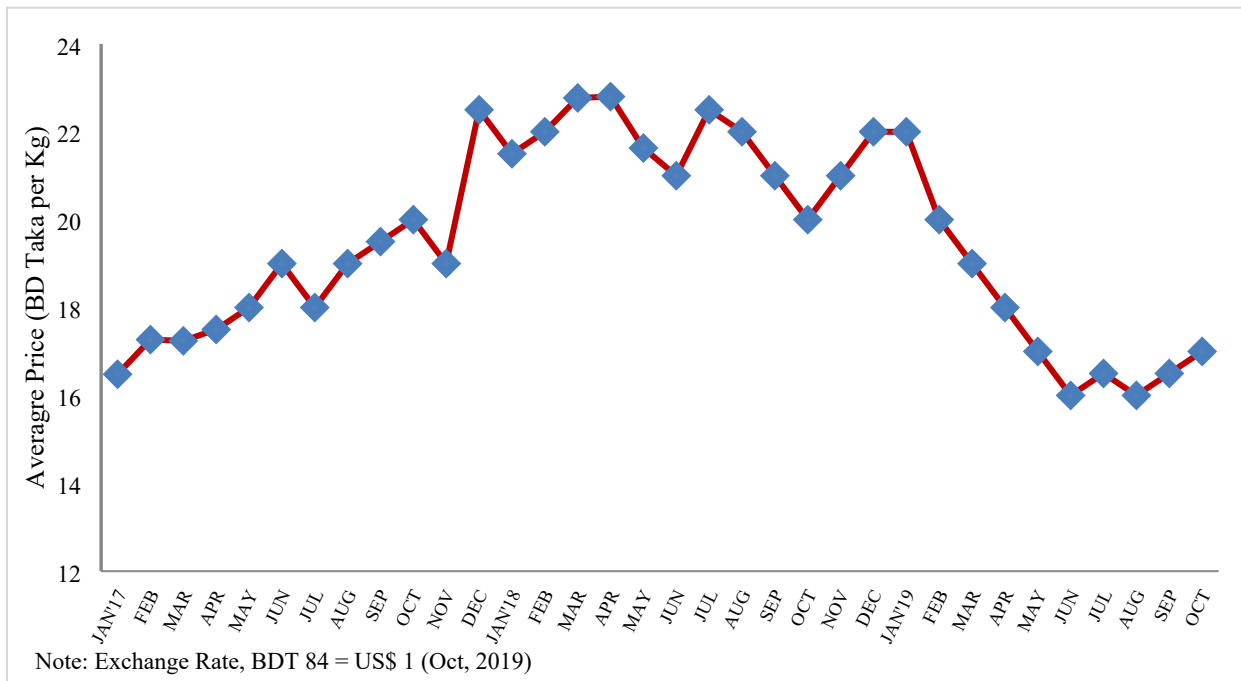
Source: Trading Corporation of Bangladesh

Figure 2. Bangladesh: Monthly average retail prices of coarse wheat flour (Atta)



Source: Trading Corporation of Bangladesh

Figure 3. Bangladesh: Monthly average wholesale prices of corn



Source: Ministry of Agriculture

Attachments:

No Attachments