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Report Highlights:

On August 5, 2024, former Bangladesh Prime Minister Sheikh Hasina resigned after 15 years in power, following weeks of violent protests. A new Interim Government (IG) was formed on August 8, 2024. The political situation is still evolving. For marketing year (MY) 2024/25 Post reduced rice harvested area and production by 3 percent from the previous forecast due to flooding in Chattogram, Barishal, and Sylhet division. Post forecasts MY 2024/25 wheat imports at 6.6 million MT.

RICE, MILLED

Production

For marketing year (MY) 2024/25, Post forecasts rice harvested area and production at 11.5 million hectares and 36.8 million metric tons (MT), respectively. This forecast of harvested area and production is 3.4 percent and 2.4 percent lower than Post's previous forecast, on lower acreage of *aus* and *aman* season rice due to flooding.

Bangladeshi farmers cultivate rice in three different seasons: *boro*, *aus*, and *aman*. The *boro* season cultivation starts in December and January, with harvest taking place in April and May. *Aus* cultivation begins in April and May and is harvested in August and September, while the *aman* cultivation begins in August and September, with harvests concluding in November and December. However, due to the changing climatic pattern, delayed monsoons, and uneven distribution of rain, the rice growing seasons are now delayed in different parts of the country.

For MY 2024/25, *boro* season rice was the first crop, it was transplanted in December 2023-January 2024 and harvested in April-May 2024. In MY 2024/25, the yield and production of *boro* season was very good with no natural disasters, such as droughts, heatwaves, cyclones, or pest outbreaks. According to crop production reports from the Department of Agriculture Extension (DAE) of Bangladesh's Ministry of Agriculture, total *boro* rice cultivated area was 4.9 million hectares with total production of 20.5 million MT (Table 1).

For MY 2024/25, Post has reduced the forecast for the harvested area and production of *aus* rice to 900,000 hectares and 2.1 million MT, respectively, which is 18.2 percent and 16 percent lower than Post's previous estimate. This reduction is due to flash floods that occurred during June and early July. Heavy rains and water flowing from upstream regions in the northern part of Bangladesh caused flooding that damaged *aus* rice fields in many areas of Sylhet and Mymensingh divisions.

Farmers are also showing a lack of interest in *aus* rice cultivation as many farmers reported planting mustard followed by *boro* rice (cropping pattern: mustard-*boro* rice-*aman* rice), leaving insufficient time for *aus* season rice. Instead, they prefer cultivating *aman* season rice. Post contacts note that the lack of good varieties of *aus* season rice is another reason for the decline in cultivation. Post also observed that with less farmers growing *aus* rice, pest and insect infestations are higher. While the DAE provides various incentives to farmers, including seeds and fertilizers, to encourage *aus* rice cultivation, adoption remains very low.

Flooding Damages Aman Rice

Post also reduced the forecast for *aman* season rice harvested area and production to 5.7 million hectares and 14.2 million MT, 3.4 percent lower from the previous projection, due to severe flooding in several districts of Chattogram, Sylhet, and Barishal during the third week of August 2024. From August 18-21, 2024, several districts in Chattogram, Barishal, and Sylhet divisions received heavy rain, leading to flooding in Feni, Noakhali, Cumilla, Lakshmipur, Moulvibazar, Habiganj, and Brahmanbaria districts, as well as landslides in Cox's Bazar district. Since August 20, 2024, heavy flows of water from the Indian highlands through the Muhuri, Kahua, Silonia, and Gumti rivers have caused devastating floods in Feni, Cumilla, and other adjacent eastern districts. Post's rapid assessment of crop damage is an estimated loss of 200,000 hectares of *aman* rice.

Usually, *aman* season rice can be transplanted until September 15. If the floodwaters recede and farmers receive enough seeds to prepare the seedbeds by August 31, 10-15 percent of the *aman* rice fields can be replanted by September 15. Post contacts from the Bangladesh Rice Research Institute (BRRI) mentioned that they will advise farmers in flood-affected areas to cultivate BRRI Dhan33, BRRI Dhan57, BRRI Dhan66, BRRI Dhan71, BRRI Dhan75, BINA Dhan7, and BINA Dhan17 using the direct seeding method by August 31, depending on seed availability.

As of the second week of August 2024, most districts in Rangpur, Rajshahi, and Dhaka have completed *aman* rice transplantation. This year, they received better rainfall compared to the past three years during seedbed preparation and transplantation. However, some farmers in these districts had to use partial irrigation.

In other southern districts of Khulna and Barishal Divisions, *aman* rice transplantation is also underway. Farmers in these southern districts typically start cultivating *aman* rice about a month later due to weather and climatic conditions, such as waiting for seasonal floodwaters to recede. These districts usually begin *aman* transplantation in August and continue until mid-September.

Table 1: Boro, Aus, and Aman Rice Area and Production

Rice by Season	MY 2022/23		MY 2023/24		MY 2024/25 (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>	4,800	19,700	4,850	20,000	4,900	20,500
<i>Aus (Pre-Monsoon)</i>	900	2,050	1,050	2,400	900	2,100
<i>Aman (Monsoon)</i>	5,900	14,600	5,850	14,600	5,700	14,200
Total Rice	11,600	36,350	11,750	37,000	11,500	36,800

Source: Post calculations, based on DAE data

Impact of Political Turmoil on Rice Production

From the beginning of July 2024, students across Bangladesh started a protest movement to reform the quota system for government jobs. By mid-July, the protests turned violent after the police and ruling party supporters attacked the student protesters across the country. The violence intensified as many people were killed and arrested in the subsequent government crackdown. The situation escalated further when the government cut off internet access and imposed a nationwide curfew. At the end of July 2024, the protesters demanded the resignation of the Prime Minister. On August 5, 2024, Prime Minister Sheikh Hasina resigned and on August 8, 2024, the President of Bangladesh dissolved Parliament and formed an Interim Government with Nobel Laureate Muhammad Yunus as the Chief Advisor.

Post contacts from the DAE and farmers reported that the political turmoil had no significant impact on *aman* rice cultivation. According to the latest crop production report from the DAE, approximately 60 percent of *aman* rice transplantation was completed as of August 10, 2024.

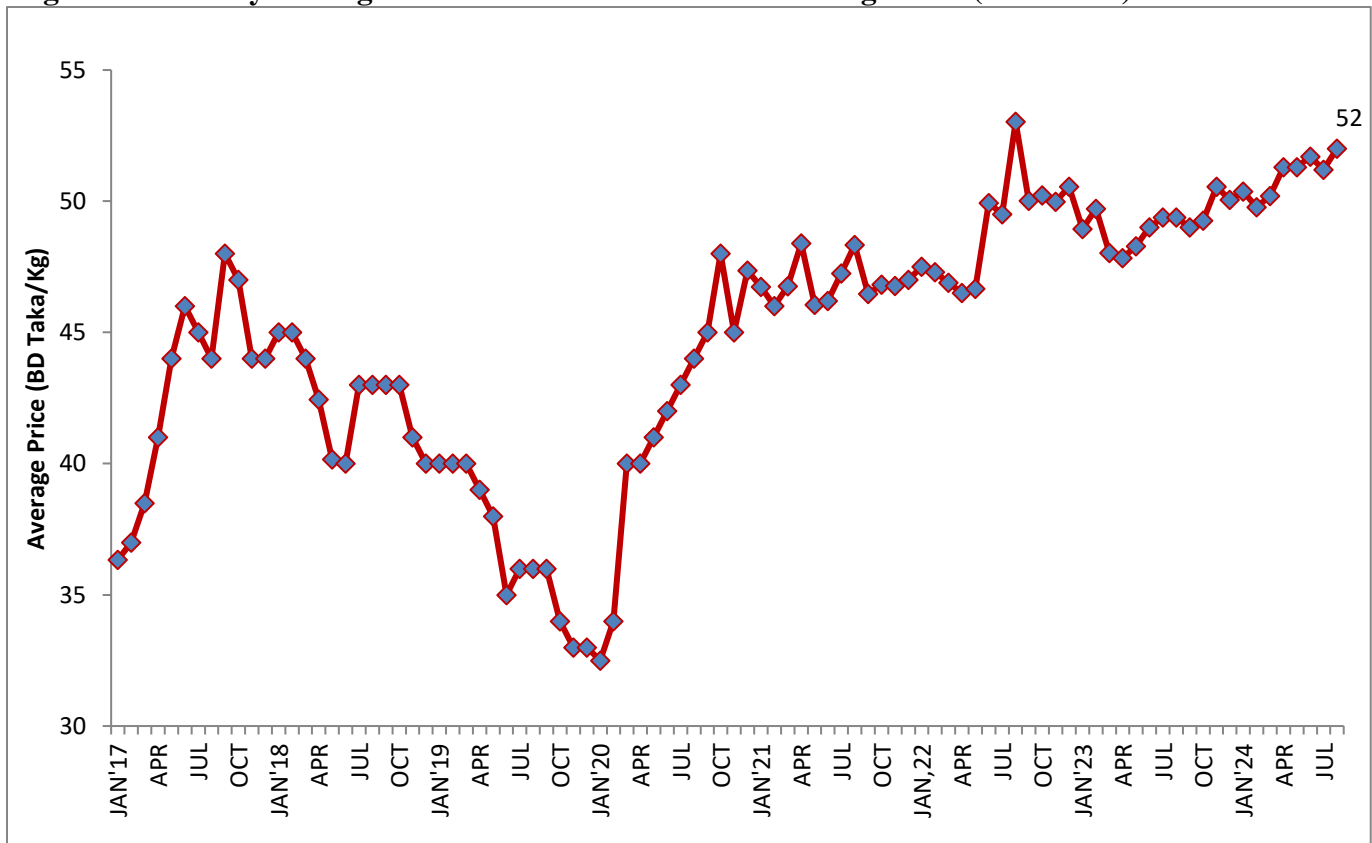
Prices

Rice Prices Rising

All types of rice prices have risen since the beginning of July 2024. According to the Trading Corporation of Bangladesh (TCB), the average retail price of coarse rice in the second week of August 2024 was BDT 52 (\$0.44) per kilogram, up 4 percent over the previous month (Figure 1). The average retail price of high-quality non-aromatic (fine) rice reached BDT 71 (\$0.61), up 2 percent over the previous month (Figure 2).

Post contacts note that the nationwide student protests and various political events disrupted the rice supply chain, leading to increased transportation costs and consequently, higher rice prices. They also anticipate that all types of rice prices will continue to rise over the next few months until the *aman* rice harvest begins in October 2024. Additionally, with the restriction on Indian non-basmati white rice exports, and high international prices, it is unlikely that Bangladesh will import rice from the international market, as the import costs would be higher than the domestic prices.

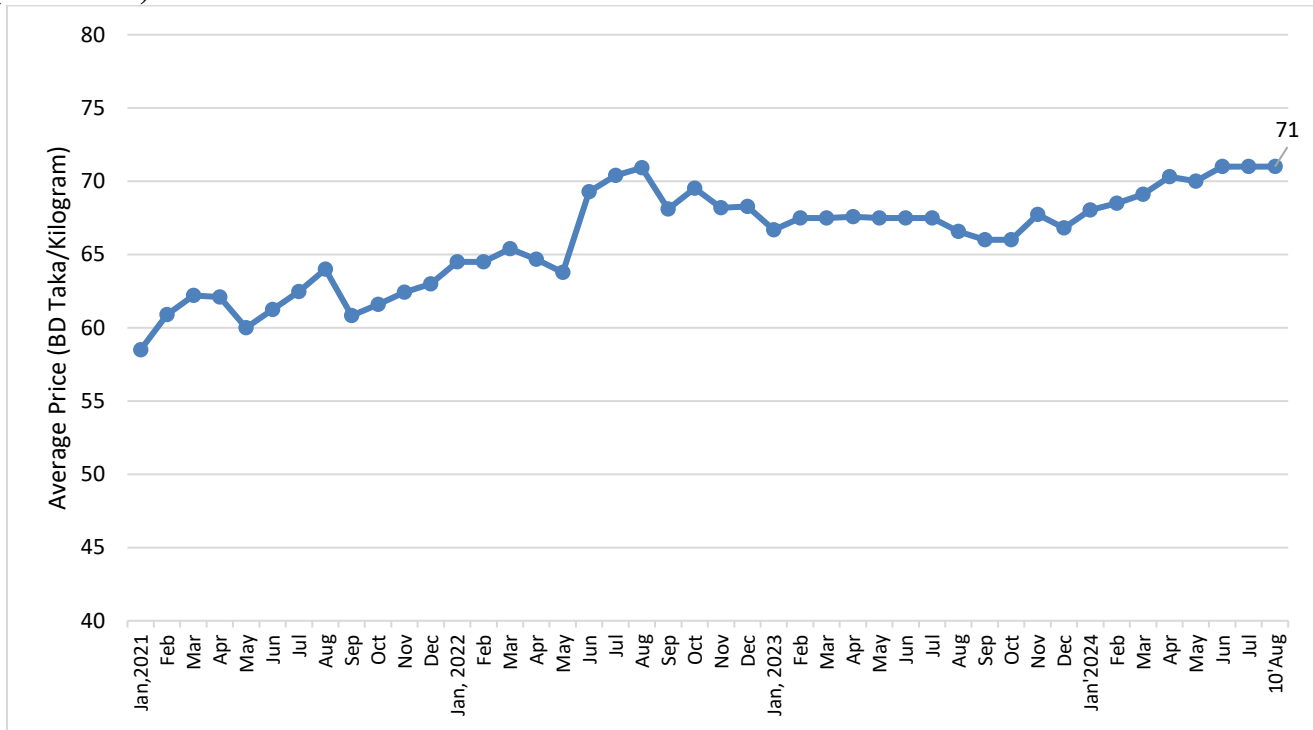
Figure 1: Monthly Average Retail Price of Coarse Rice in Bangladesh (2017-2024)



Source: Trading Corporation of Bangladesh (TCB)

Note: Exchange Rate USD \$1.00 = BDT 117

Figure 2: Monthly Average Retail Price of Fine Quality (Non-Aromatic) Rice in Bangladesh (2021-2024)



Source: TCB

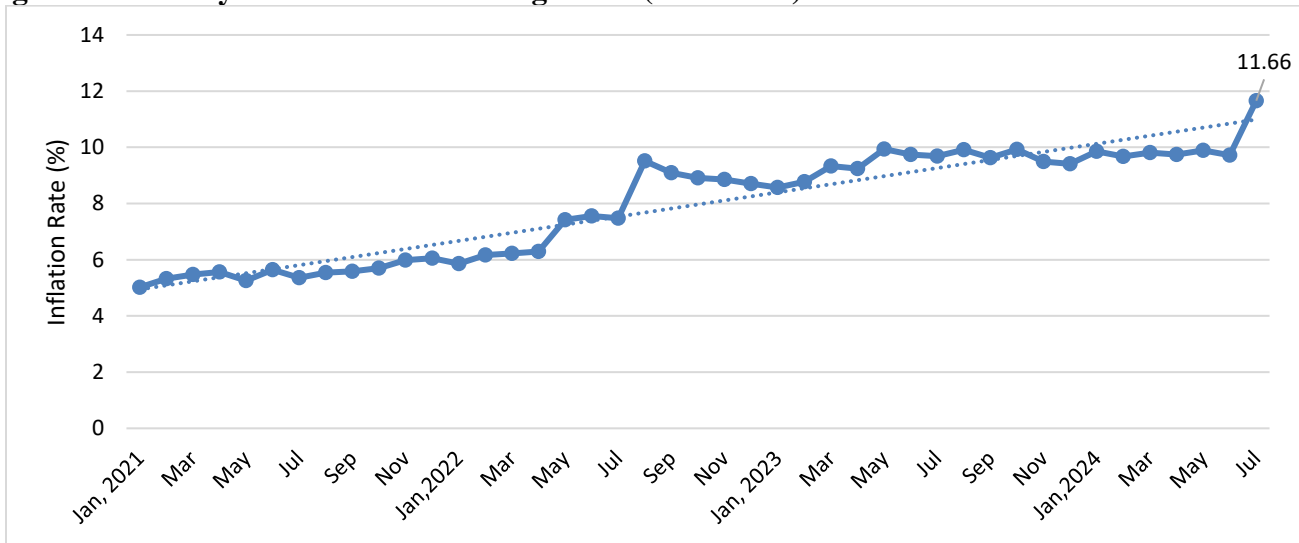
Note: Exchange Rate USD \$1.00 = BDT 117

Inflation Reaches Record High

Since August 2022, Bangladesh has been experiencing very high inflation, which has affected the purchasing power of consumers. Alongside high inflation, Bangladesh’s economy is facing challenges with the depreciation of the local currency, the taka, and a depletion of the foreign currency (forex) reserves. Price volatility of food stuffs and other commodities is affecting the food security of poor and middle-income consumers in both urban and rural areas.

According to data from the Bangladesh Bureau of Statistics (BBS), Bangladesh’s inflation in July 2024 reached a 12-year high at 11.66 percent due to increase in both food and non-food inflation. The BBS data showed that food inflation increased to 14.1 percent in July 2024 from 10.42 percent the previous month, while the non-food inflation rate also increased to 9.68 percent in July from 9.15 percent in June 2024 (Figure 3).

Figure 3: Monthly Inflation Rate in Bangladesh (2021-2024)



Source: Bangladesh Bank; BBS

Trade

For MY 2024/25, Post forecasts rice imports at 100 thousand MT, the same as the USDA official forecast. As of July 31, 2024, in the first three months of MY 2024/25, neither the Government nor the private sector have imported rice. Per the Food Ministry of Bangladesh, currently there is no permission to import rice into Bangladesh. Usually, when the domestic price of rice rises, the Government of Bangladesh (GoB) reduces the rice import tariff and allows the private sector to import rice. However, as of August 25, the GoB has not implemented any tariff reductions. Currently, the total tax incidence (TTI) for rice imports is 62.5 percent with a customs duty of 25 percent, advance income tax of 5 percent, regulatory duty of 25 percent, and advance trade tax of 5 percent. To stabilize domestic prices and secure public stocks, sometimes the GoB purchases rice under government-to-government (G2G) agreements. However, as the current political situation is still evolving and the Interim Government is newly formed, there are no decisions on G2G agreements, as of August 25, 2024.

For MY 2023/24, Post increased rice imports to 25,000 MT, up from the previous estimate of 10,000 MT. According to a Post contact, in April 2024, 15,000 MT of rice was imported for food assistance activities in Bangladesh.

Consumption

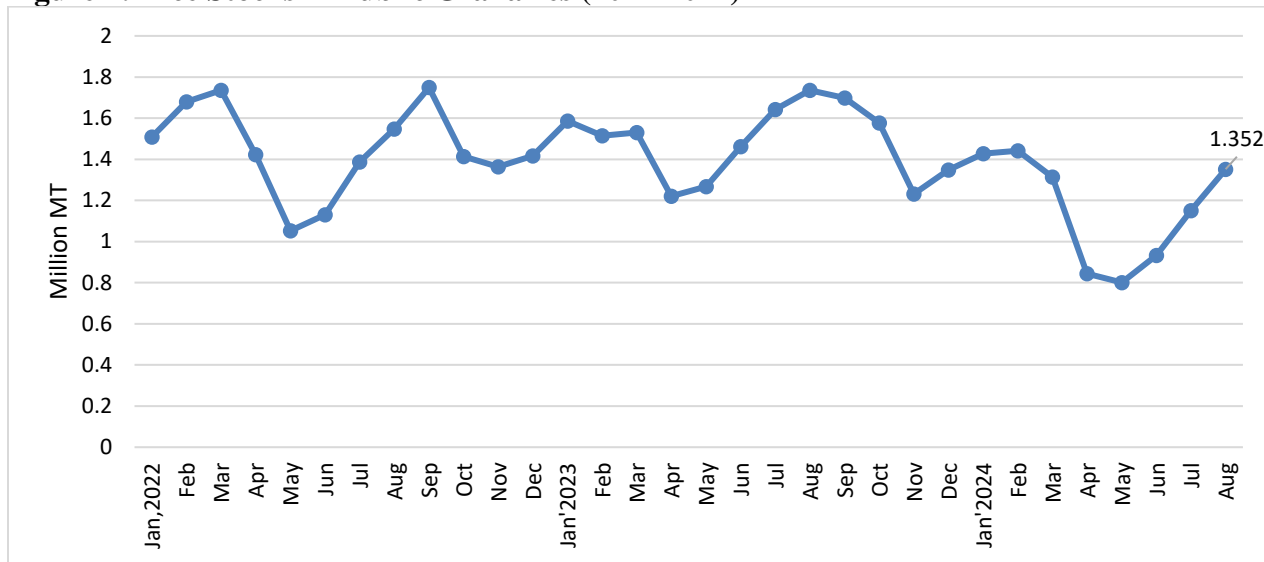
For MY 2024/25, Post reduced the forecast of rice consumption to 37.7 million MT, which is 300,000 MT lower than Post’s previous forecast, due to lower production and higher prices. Considering the reduced production and challenges with rice imports, Post forecasts that the domestic price of rice will continue to rise. As a result, rice consumption is expected to decrease, while wheat consumption is likely to increase, as coarse wheat flour (*aata*) remains a cheaper alternative to rice. Previously the GoB has distributed rice through various assistance programs including the Open Market Sale (OMS), Food for Work, and Food Facility Program. However, with the recent change in Government, it is unknown at this time at what scale the new Government will distribute rice.

Stocks

Rice stocks in public granaries vary based on the GoB’s internal rice procurement programs. Usually, the GoB buys rice and paddy to enrich its stocks after the *aman* and *boro* season harvests. The GoB collects the rice from pre-contracted rice mills across the country and purchases the paddy directly from farmers. The GoB wants to procure 1.53 million MT of *boro* rice during the boro procurement season that started on May 7, 2024, and will continue to August 31, 2024. Per the Food Ministry, as of August 13, 2024, the GoB procured 1.1 million MT *boro* rice and 255,486 MT of *boro* paddy. According to the Ministry of Food, on August 13, 2024, total government-held rice stocks were 1.35 million MT, down 22.1 percent from the same period in 2023 (Figure 4). The GoB also stocks paddy in public granaries. On August 13, 2024, public paddy stocks were 142,000 MT.

Rice millers and traders also maintain some stocks, but there is no data. Post’s forecast for MY 2024/25 ending stocks is 1.02 MT, 46.9 percent lower than the USDA official forecast on lower domestic production.

Figure 4: Rice Stocks in Public Granaries (2022-2024)



Source: Director General of Food, Ministry of Food

WHEAT

Production

For MY 2024/25, Post forecasts wheat harvested area and production at 310,000 hectares and 1.1 million MT, the same as Post’s MY 2023/24 estimate, based on the DAE’s crop production data.

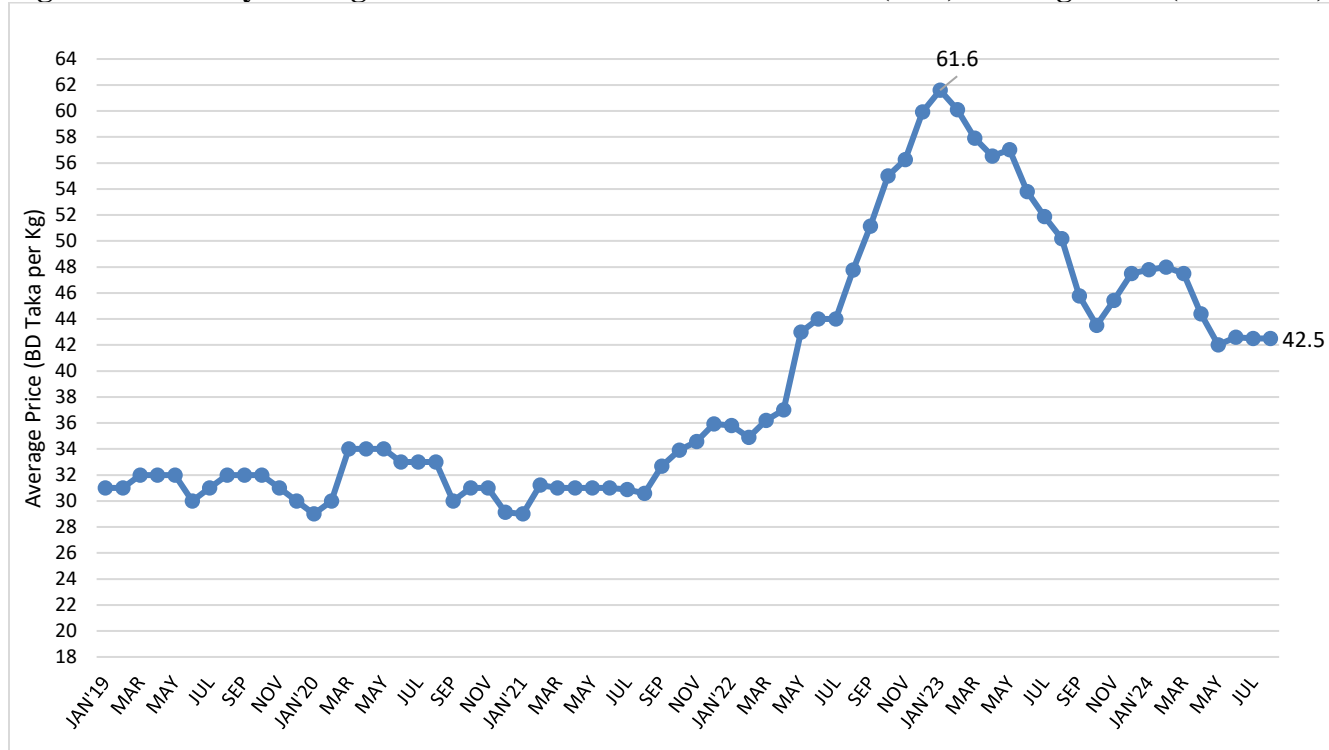
In Bangladesh, wheat is the second most significant staple food after rice. Local production accounts for 15 percent of the total demand. For MY 2024/25, wheat planting will take place during the *robi* season between November and December of 2024. It will be harvested in March and April 2025. Bangladesh primarily produces soft wheat. Soft wheat is suitable for making products like chapati (roti), biscuits, and cakes due to its lower protein content and lower gluten compared to hard wheat varieties, which are typically used for making strong gluten-based products like pasta and some types of bread.

Prices

Wheat Flour Price Stabilizes

As of August 2024, market prices of all types of wheat flour have been stable since June 2024 (Figure 5). The average retail price of unpacked coarse wheat flour (also called *aata*) in August 2024 was BDT 42.5 (\$0.36) per kilogram, 15.3 percent lower than the same period last year (Figure 5). The average retail price of fine quality unpacked wheat flour (also called *maida*) in August 2024 reached BDT 57.5 (\$0.49) per kilogram, the same as the same period last year. The average retail price of packed *aata* and *maida* in August 2024 reached BDT 52.5 (\$0.45) and BDT 67.5 (\$0.58) per kilogram, respectively, down 8.7 percent and 1 percent from the same period last year.

Figure 5: Monthly Average Retail Price of Coarse Wheat Flour (*aata*) in Bangladesh (2019-2024)



Source: TCB

Note: Exchange Rate USD \$1.00 = BDT 117

Trade

Wheat Imports Rise

For MY 2024/25 Post increases the import forecast for wheat to 6.6 million MT, up 6.5 percent from Post's previous forecast, on stable international prices, smooth supply, and higher domestic consumption. In Bangladesh, wheat is used as an alternative to rice to some extent. Therefore, Post believes that the demand for wheat flour will continue to rise as rice prices remain high.

For MY 2023/24, Post revised its wheat import estimate to 6.8 million MT, based on the final trade data from Bangladesh's Ministry of Food and the Ministry of Agriculture, up 32.8 percent from MY 2022/23. Post contacts mentioned that lower international prices and stable supply contributed to the higher import volume. According to Bangladesh's Food Ministry data, the private sector imported around 6 million MT of wheat, while the rest was imported by the GoB in MY 2023/24.

As India banned wheat exports in May 2022, Bangladeshi importers have sought alternative sources for wheat with Russian wheat becoming a preferred source for millers. Ukraine, Canada, Australia, and Brazil are also exporting to Bangladesh.

Consumption

Food, Seed, and Industrial (FSI) Consumption

For MY 2024/25, Post increased the FSI wheat consumption forecast to 7.5 million MT, 7.1 percent higher than the Post's previous forecast, due to increasing demand for wheat flour and wheat-based products in Bangladesh. Post also increased FSI wheat consumption for MY 2023/24 to 7.3 million MT, on higher imports and rebounding demand for *aata* and *maida* at the household level, along with the higher demand for biscuits, confectionaries, pasta, noodles, and bakery items.

The biscuit, noodle, and pasta making industry is expanding for home consumption and for export purposes. In FY 2023-24 (July-June), the total export value of wheat-based products from Bangladesh was estimated at \$217.7 million. Common wheat-based products exported from Bangladesh include bread, pastry, cakes, sweet biscuits, roasted cereals, and pasta.

Feed Consumption

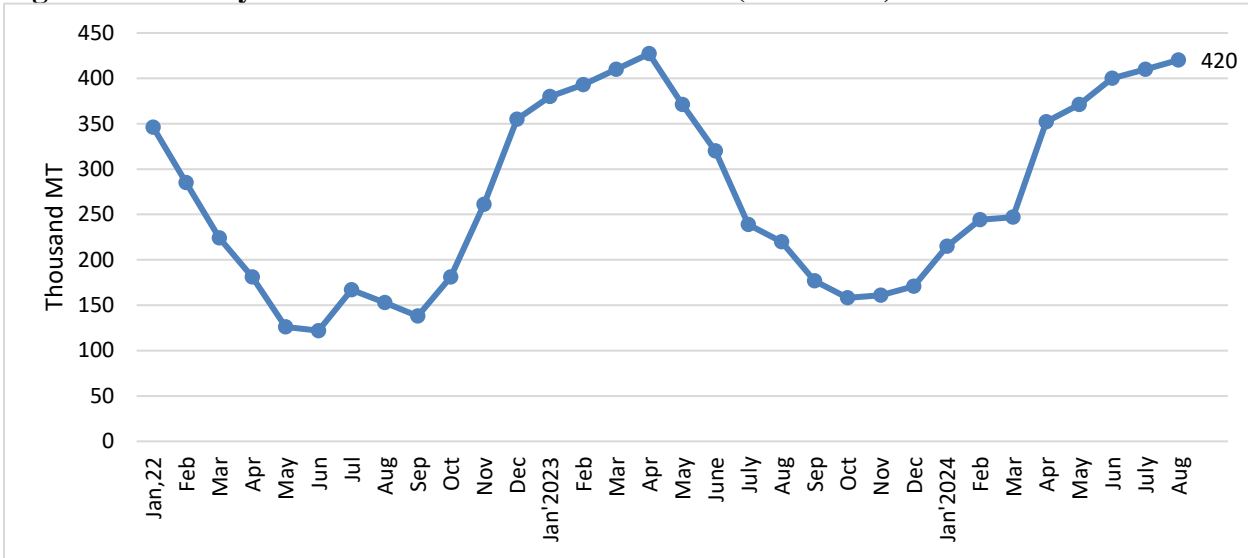
For MY 2024/25, Post forecasts feed consumption of wheat at 280,000 MT. In Bangladesh, the poultry, aquaculture, and cattle feed industry incorporate wheat as a feed ingredient to some extent. According to industry sources, certain types of animal feed contain about 5 percent wheat and wheat bran. The feed industry often alternates between using wheat bran and rice bran. Additionally, cattle farmers sometimes provide wheat bran separately as feed.

Public Procurement and Stocks

As of August 14, 2024, the Ministry of Food estimated the GoB's wheat stocks at 420,000 MT, up 90.9 percent from the same period last year (Figure 6). Usually, the GoB distributes wheat through its various food assistance programs from those granaries. Wheat millers have their own silos and granaries to stock wheat for several months.

Post forecasts MY 2024/25 total (public and private) wheat stocks at 1.1 million MT, slightly higher than Post's previous forecast on higher imports. Post estimates MY 2023/24 wheat ending stocks at 1.18 million MT, comprising public and private stocks.

Figure 6: Monthly Wheat Stocks in Public Granaries (2022-2024)



Source: Director General of Food, Ministry of Food

CORN

Production

In Bangladesh, corn is the second largest grain crop after rice, in terms of acreage and production. 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 March and April, while summer corn is sown in April and May and harvested in August and September.

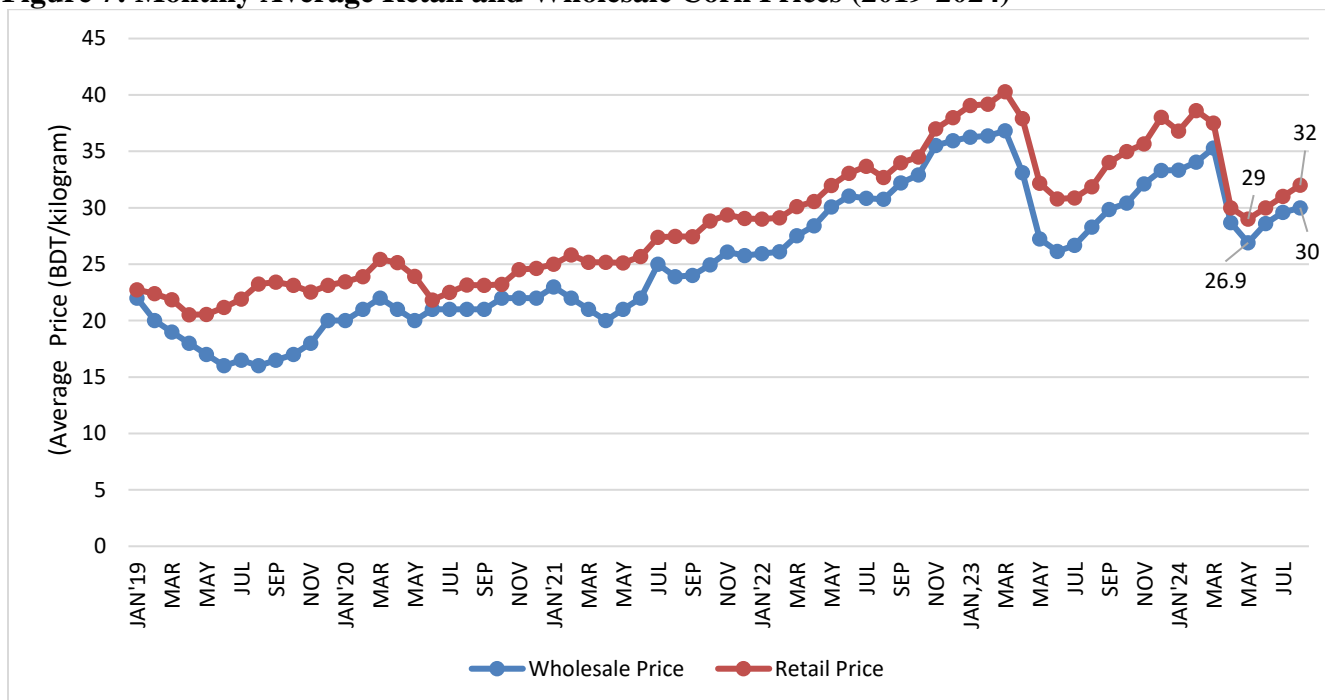
For MY 2024/25, the winter corn that was planted in November-December 2023 and harvested in March-April 2024 is the first crop. The summer corn that was planted in April-May 2024 and will be harvested in September 2024 is the second crop. Based on DAE’s crop production data and information from Post contacts, Post forecasts MY 2024/25 corn harvested area and production at 650,000 ha and 5.7 million MT, respectively, the same as Post’s previous forecast.

Prices

Domestic Prices to Rise

After harvesting winter corn in April 2024, the domestic price of corn dropped significantly from March due to increased supply. However, since June 2024, corn prices increased again. According to the Department of Agricultural Marketing (DAM), as of August 10, 2024, the wholesale and retail prices of corn reached BDT 30 (\$0.26) and BDT 32 (\$0.27) per kilogram, respectively (Figure 7).

Figure 7: Monthly Average Retail and Wholesale Corn Prices (2019-2024)



Source: DAM

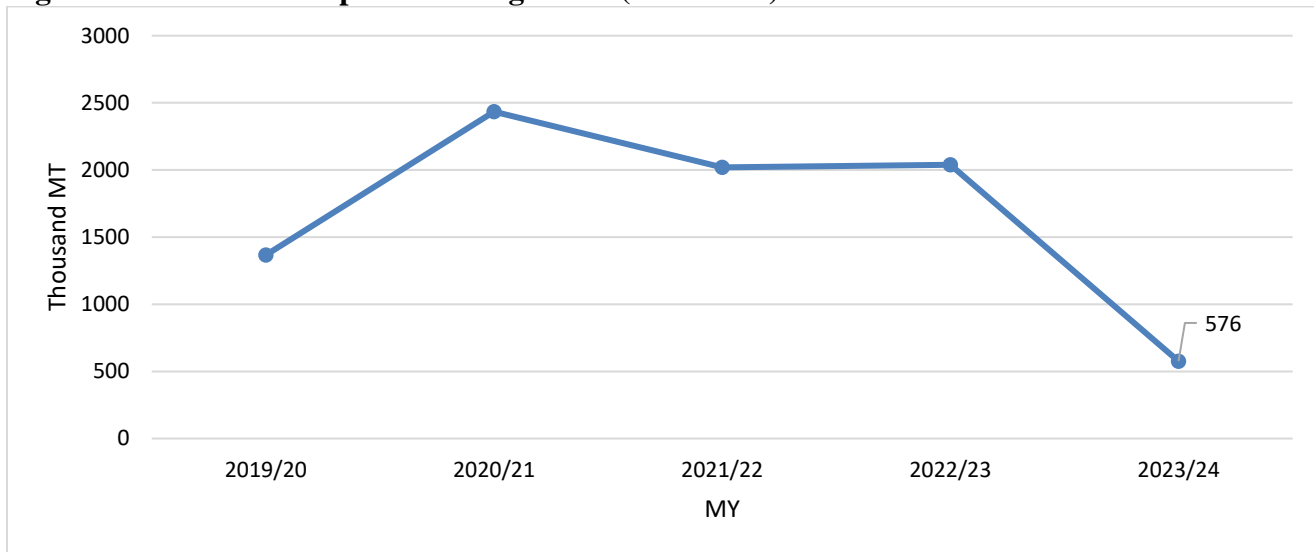
Trade

Imports Declining

For MY 2024/25, Post forecasts corn imports at 600,000 MT, the same as the USDA official forecast. Although feed demand is rebounding, the feed industry will continue to rely on domestic corn.

According to import data from Bangladesh’s Ministry of Agriculture, Bangladesh imported 576,000 MT of corn in MY 2023/24, significantly lower than in previous years (Figure 8). This decrease in imports can be attributed to higher domestic production, challenges faced by small importers in opening Letters of Credit (LC), higher international prices, and a lower exportable surplus of corn in India. Contacts from the feed industry mentioned that in MY 2024/25, they expect to import almost the same amount that they imported in the previous year, preferably from Brazil as India’s exportable surplus of corn for MY 2024/25 remains low.

Figure 8: Total Corn Imports in Bangladesh (2019-2024)



Source: Plant Quarantine Wing, DAE, Ministry of Agriculture

Stocks

Post forecasts MY 2024/25 ending stocks at 153,000 MT. There are no public granaries for corn stocks and private feed companies maintain their own stocks for several weeks to several months’ supply.

Rice, Milled Market Year Begins Bangladesh	2022/2023		2023/2024		2024/2025	
	May 2022		May 2023		May 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	11600	11600	11750	11750	11900	11500
Beginning Stocks (1000 MT)	2091	2091	2409	2409	1828	1828
Milled Production (1000 MT)	36350	36350	37000	37000	38000	36800
Rough Production (1000 MT)	54530	54530	55506	55506	57006	55206
Milling Rate (.9999) (1000 MT)	6666	6666	6666	6666	6666	6666
MY Imports (1000 MT)	1275	1275	25	25	100	100
TY Imports (1000 MT)	365	383	100	100	500	500
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	39716	39716	39434	39434	39928	38728
MY Exports (1000 MT)	7	7	6	6	10	10
TY Exports (1000 MT)	9	9	10	10	10	10
Consumption and Residual (1000 MT)	37300	37300	37600	37600	38000	37700
Ending Stocks (1000 MT)	2409	2409	1828	1828	1918	1018
Total Distribution (1000 MT)	39716	39716	39434	39434	39928	38728
Yield (Rough) (MT/HA)	4.7009	4.7009	4.7239	4.7239	4.7904	4.8005
(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 2024/2025 = January 2025 - December 2025						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Wheat Market Year Begins Bangladesh	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	310	310	310	310	310	310
Beginning Stocks (1000 MT)	1313	1313	833	833	1083	1183
Production (1000 MT)	1100	1100	1100	1100	1100	1100
MY Imports (1000 MT)	5120	5120	6500	6800	6500	6600
TY Imports (1000 MT)	5120	5120	6500	6800	6500	6600
TY Imp. from U.S. (1000 MT)	2	2	0	148	0	150
Total Supply (1000 MT)	7533	7533	8433	8733	8683	8883
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)	200	200	250	250	250	280
FSI Consumption (1000 MT)	6500	6500	7100	7300	7400	7500
Total Consumption (1000 MT)	6700	6700	7350	7550	7650	7780
Ending Stocks (1000 MT)	833	833	1083	1183	1033	1103
Total Distribution (1000 MT)	7533	7533	8433	8733	8683	8883
Yield (MT/HA)	3.5484	3.5484	3.5484	3.5484	3.5484	3.5484
(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 2024/2025 = July 2024 - June 2025						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Corn Market Year Begins Bangladesh	2022/2023		2023/2024		2024/2025	
	May 2022		May 2023		May 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	560	560	570	620	650	650
Beginning Stocks (1000 MT)	189	189	177	177	115	203
Production (1000 MT)	4850	4850	4950	5400	5640	5700
MY Imports (1000 MT)	2038	2038	405	576	600	600
TY Imports (1000 MT)	1145	962	300	400	800	800
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	7077	7077	5532	6153	6355	6503
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	5017	5500	5800	5900
FSI Consumption (1000 MT)	400	400	400	450	400	450
Total Consumption (1000 MT)	6900	6900	5417	5950	6200	6350
Ending Stocks (1000 MT)	177	177	115	203	155	153
Total Distribution (1000 MT)	7077	7077	5532	6153	6355	6503
Yield (MT/HA)	8.6607	8.6607	8.6842	8.7097	8.6769	8.7692
(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 2024/2025 = October 2024 - September 2025						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments