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Report Highlights:

For the marketing year (MY) 2024/25, Post lowers rice harvested area and production to 11.4 million hectares and 36.6 million metric tons (MT), respectively, due to an estimated loss of around 300,000 hectares of aman season rice from two consecutive floods in August and October 2024. Post forecasts an increase in rice imports for MY 2024/25 as the Government of Bangladesh has lowered the import tariffs following the floods.

RICE, MILLED

Production

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 marketing year (MY) 2024/25, Post lowers its rice harvested area and production forecast to 11.4 million hectares and 36.6 million metric tons (MT), respectively, due to reduced acreage of *aman* season rice caused by flooding. In the third week of August 2024, a devastating flood struck the southeastern part of the country, damaging around 200,000 hectares of *aman* rice fields. From August 18-21, 2024, several districts in Chattogram, Barishal, and Sylhet divisions experienced heavy rainfall, leading to widespread flooding in Feni, Noakhali, Cumilla, Lakshmipur, Moulvibazar, Habiganj, and Brahmanbaria districts, as well as landslides in Cox's Bazar district. Another flash flood occurred during the first week of October 2024 in Sherpur and Mymensingh districts, inundating around 100,000 hectares of *aman* rice fields. Hence, for MY 2024/25 Post forecasts the *aman* harvested area and production at 5.6 million hectares and 14 million MT, 4.3 percent and 4.1 percent lower, respectively, compared to the previous year (Table 1).

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	5,600	14,000
Total Rice	11,600	36,350	11,750	37,000	11,400	36,600

Source: Post calculations, based on DAE data

As of the second week of December 2024, the *aman* season rice harvest has been completed in the northern, northwestern, and central parts of the country, while the southern regions are expected to complete their harvest by the end of December 2024. Farmers in the northern districts of Bangladesh reported a good harvest of *aman* season rice despite the higher cost of production.

Farmers noted that due to the increased costs of fertilizer, labor, and irrigation, they are earning little to no profit from rice cultivation, with profits only coming from selling rice straw. Rice straw is widely used as feed for dairy cows by small holder farmers.

As of mid-December 2024, farmers who have completed the *aman* rice harvest have begun planting rabi season crops, including vegetables, corn, and potatoes. Many farmers are also preparing their land for *boro* rice cultivation. The rabi and *boro* rice seasons together produce more than half of the country's total food supply, and as a result, this period also sees higher consumption of fertilizers including urea, triple super phosphate (TSP), muriate of potash (MoP), and diammonium phosphate (DAP), along with other agro-inputs. Some farmers told Post that they are unable to purchase the quantity of fertilizer they are seeking at one time. Farmers tend to overuse fertilizer in Bangladesh and this rabi season there is increased demand for fertilizer as more farmers are planting potatoes due to the high local prices. Post is not anticipating a fertilizer shortage as contacts note that farmers should be able to purchase fertilizer throughout the planting season.

Prices

Rice Prices at the Highest in the Last 12 Years

The average price of coarse rice in November 2024 hit a 12-year high. According to the Trading Corporation of Bangladesh (TCB), the average retail price of coarse rice in November 2024 was BDT 53.3 (\$0.45) per kilogram, up 5.2 percent compared to November 2023 (Figure 1). The average retail price of high-quality non-aromatic (fine) rice reached BDT 74.1 (\$0.62), up 9.4 percent from November 2023 (Figure 2).

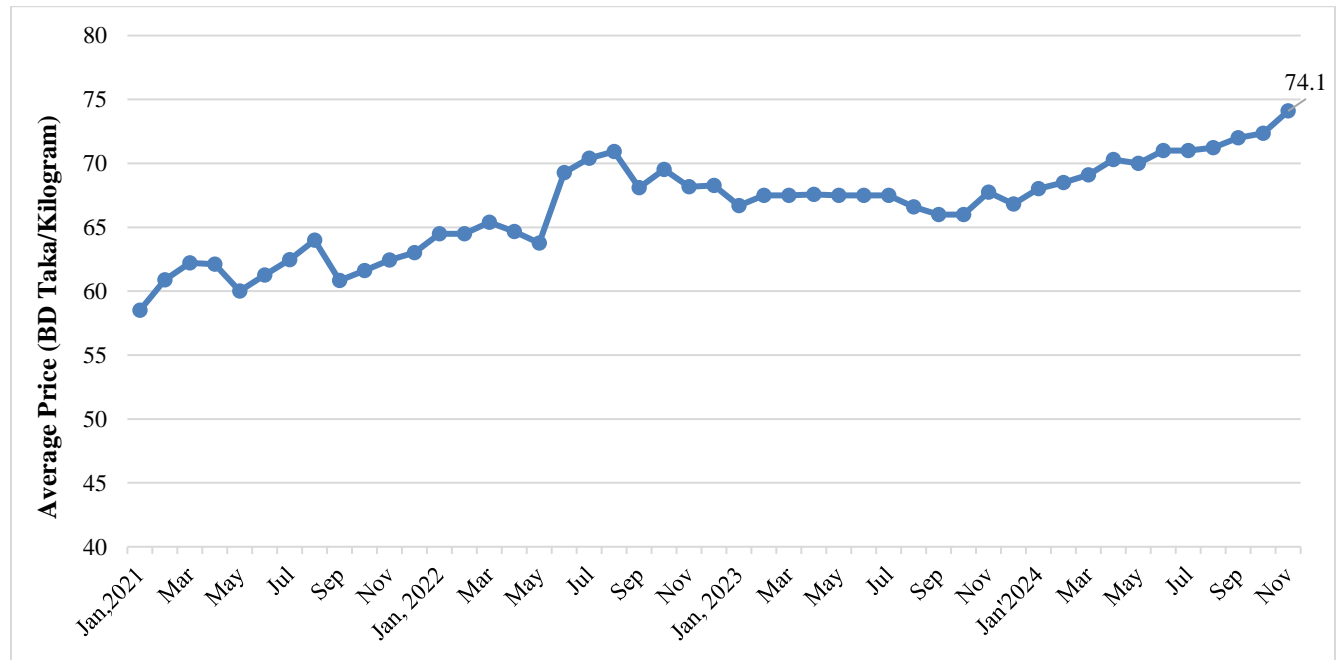
Various factors, including higher cost of rice production, processing, transportation, and an inefficient supply chain, are contributing to the rising price of rice. Like many other agricultural commodities in Bangladesh, the rice supply chain involves multiple market actors, which ultimately leads to higher costs for consumers. A rice mill from northern Bangladesh reported that in November 2024, farmers were receiving a paddy price of BDT 34 per kilogram. After processing the mill sold coarse rice at BDT 46 (\$0.39) per kilogram, but after passing through various market intermediaries, the price reached BDT 53-55 (\$0.46) per kilogram at the retail level. When the newly harvested *aman* rice enters the market at the end of December, prices may decrease slightly by BDT 1-2 per kilogram.

Figure 1: Monthly Average Retail Price of Coarse Rice in Bangladesh (2019-2024)



Source: Trading Corporation of Bangladesh (TCB)
Note: Exchange Rate USD \$1.00 = BDT 119

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 119

Trade

For MY 2024/25, Post forecasts an increase in rice imports to 350,000 MT, 250,000 MT higher from Post's previous forecast due to the reduced import tariff and the Government of Bangladesh's (GOB) plan to procure rice from the international market. Post forecasts 250,000 MT of rice will be imported by the GoB and 100,000 MT by private importers.

Due to the high domestic rice prices, the depletion of stocks in public granaries, and potential losses of *aman* rice due to flooding, the GoB reduced the rice import tariff from 62.5 percent to 2 percent on October 31, 2024. The following week, Bangladesh's Ministry of Food (MoF) issued a call for applications from the private sector for rice import permits (IPs). The MoF granted IPs for 400,000 MT of rice to 92 private importers, with imports required to be completed by January 15, 2025. However, importers have made few purchases despite the lower international prices, as the cost of import and other associated expenses would still exceed the domestic price of rice. In November 2024, imports only reached 32,580 MT according to data from Post contacts.

The GoB has issued four international tenders for importing rice through the government procurement system, each for 50,000 MT. The GoB may initiate additional tenders if necessary. If domestic prices continue to rise, the GoB may also allow further rice imports by private importers in February or March 2025. Post contacts noted that the first shipment of 50,000 MT of rice under the government procurement system is expected to arrive by December 31, 2024.

Consumption

For MY 2024/25, Post reduces its forecast for rice consumption to 37.6 million MT, 100,000 MT lower than Post's previous forecast. As the domestic price of rice remains high, with lower production and challenges with imports, rice consumption is expected to decrease, while wheat consumption is likely to increase, as coarse wheat flour (*aata*) remains a cheaper alternative to rice.

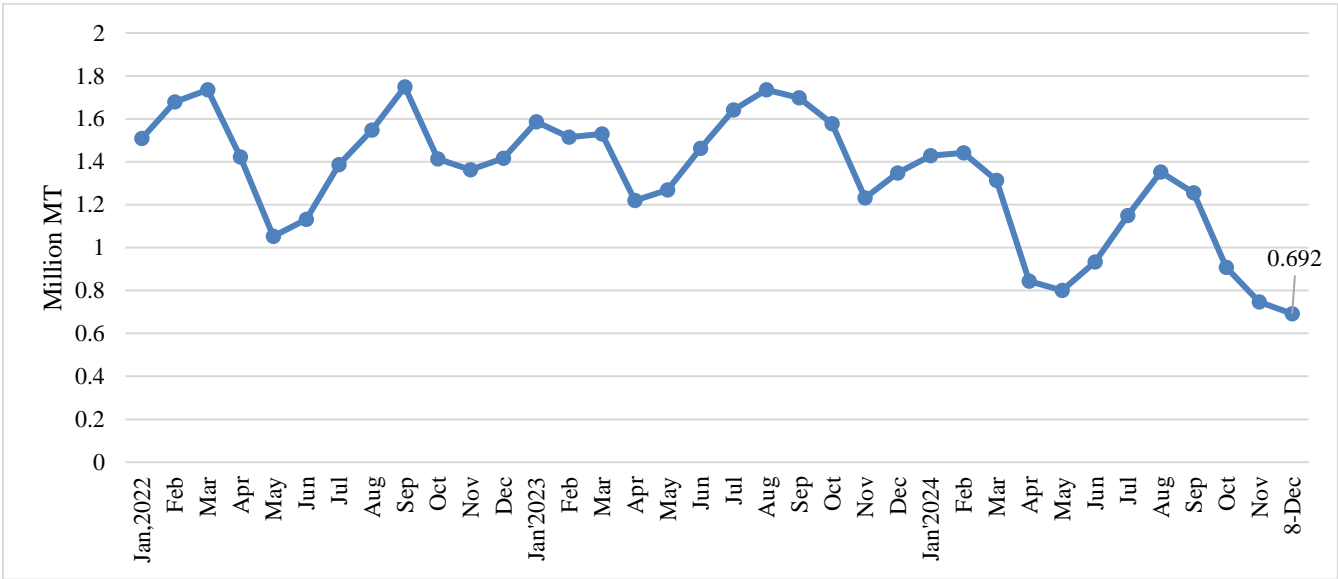
Government Procurement and Stocks

Rice stocks in public granaries vary based on the GoB's rice procurement programs. Usually, the GoB buys rice and paddy to enrich its stocks after the *aman* and *boro* season harvests. The GoB collects rice from pre-contracted rice mills across the country and purchases the paddy directly from farmers. On November 6, 2024, the GoB set a plan to procure 330,000 MT of *aman* season paddy, 550,000 MT of parboiled rice, and 100,000 MT of non-parboiled rice from November 17, 2024, to February 28, 2025. The GoB set the procurement price at BDT 33, BDT 46, and BDT 47 per kilogram for paddy, non-parboiled rice, and parboiled rice, respectively. The GoB increased the paddy and rice procurement price by BDT 3 per kilogram compared to the previous year.

According to the Ministry of Food, as of December 8, 2024, total government-held rice stocks were 692,000 MT, 48.7 percent lower than December 2023 (Figure 3). The GoB also stocks paddy in public granaries, as of December 8, 2024, public paddy stocks were only 1,387 MT.

Rice millers and traders also maintain some stocks, but there is no data. Post forecasts MY 2024/25 ending stocks at 1.2 million MT, 150,000 MT higher than Post’s previous forecast, on higher imports and deceased consumption.

Figure 3: Rice Stocks in Public Granaries (2022-2024)



Source: Director General of Food, Ministry of Food

WHEAT

Production

For MY 2024/25, Post maintains its forecast for 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 Ministry of Agriculture's Department of Agricultural Extension's (DAE) crop production data. Wheat acreage and production has been stagnant for several years due to a lack of improved seed varieties, disease and pest infestations during cultivation, and competition with other profitable crops during the same season.

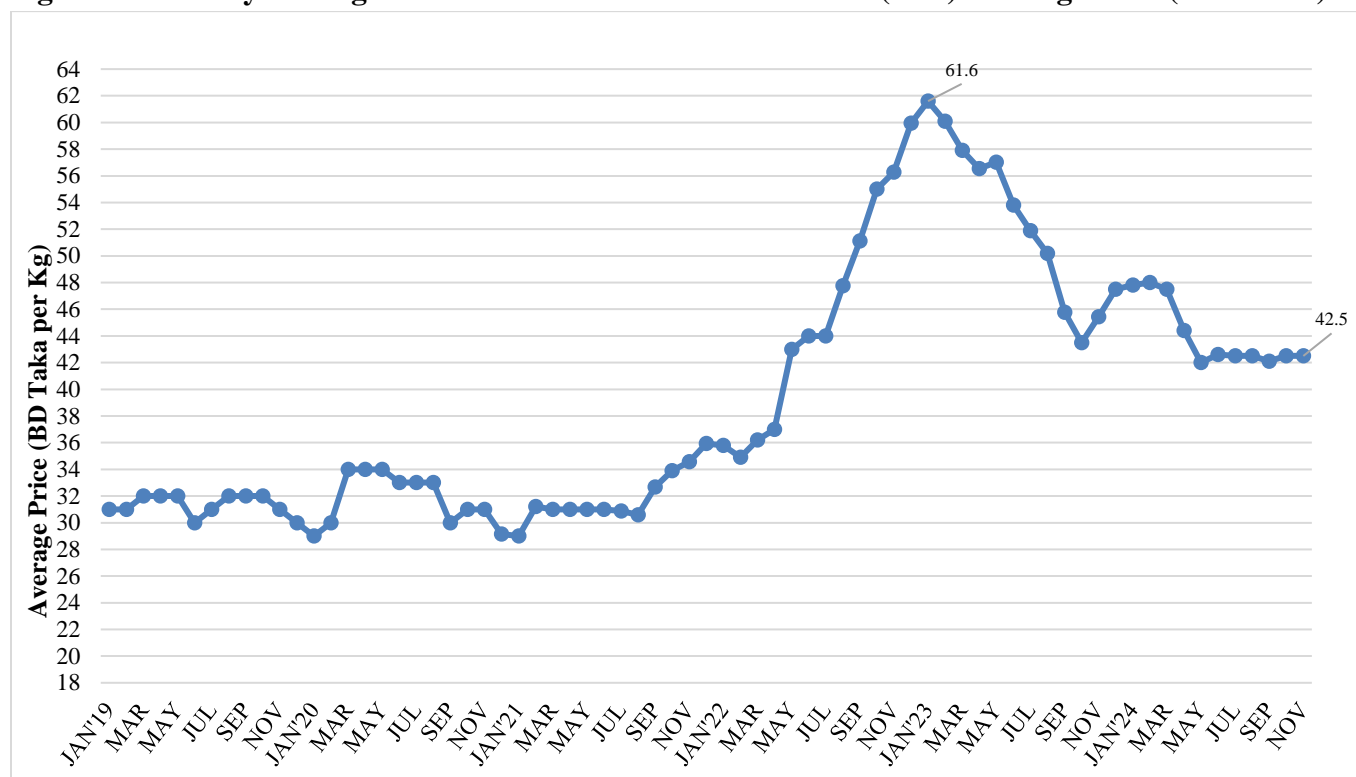
In Bangladesh, wheat is the second most significant staple food after rice. Local production accounts for 15 percent of the total demand. For the MY 2024/25, wheat planting in Bangladesh began in early December 2024, with harvesting expected to take place in March and April 2025. The northern districts of Bangladesh are more suitable for wheat production, as the winter temperatures there are cooler than in the southern part of the country. Bangladesh primarily produces soft wheat, which is ideal for making products like chapati (roti), biscuits, and cakes.

Prices

Wheat Flour Prices Fall

Following record high prices in the fall of 2023, market prices of all types of wheat flour have dropped and have been stable since June 2024 (Figure 5) due to a consistent supply of imported wheat with the stabilization of the exchange rate. The average retail price of unpacked coarse wheat flour (also called *aata*) in November 2024 was BDT 42.5 (\$0.36) per kilogram, 6.5 percent lower than the same period in the previous year (Figure 4). The average retail price of fine quality unpacked wheat flour (also called *maida*) in November 2024 was BDT 57.5 (\$0.49) per kilogram, 14.8 percent lower compared to November 2023. The average retail price of packed *aata* and *maida* in November 2024 was BDT 52.5 (\$0.45) and BDT 70 (\$0.59) per kilogram, respectively, down 8.7 percent and 3.5 percent from the same period last year.

Figure 4: Monthly Average Retail Price of Coarse Wheat Flour (*aata*) in Bangladesh (2019-2024)



Source: TCB

Note: Exchange Rate USD \$1.00 = BDT 119

Trade

Wheat Imports Rise

For MY 2024/25 Post forecasts wheat imports at 6.8 million MT, a 3 percent increase from Post's previous forecast, on stable international prices, steady supply, and higher domestic consumption. Post believes that the demand for wheat flour will continue to rise as rice prices remain high.

From July to November 2024, Bangladesh imported 2.3 million MT of wheat, with the majority being imported by the private sector and 10 percent imported by the GoB. Russia, Ukraine, and Canada remain the top exporters of wheat to Bangladesh in MY 2024/25.

Consumption

Food, Seed, and Industrial (FSI) Consumption

For MY 2024/25, Post forecasts FSI wheat consumption at 7.7 million MT, 2.7 percent higher than Post's previous forecast, due to increasing demand for wheat flour and wheat-based products in Bangladesh. The higher price of rice will also contribute to the higher demand of wheat flour.

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 \$217.7 million. Common wheat-based products exported from Bangladesh include bread, pastry, cakes, sweet biscuits, roasted cereals, and pasta.

Feed Consumption

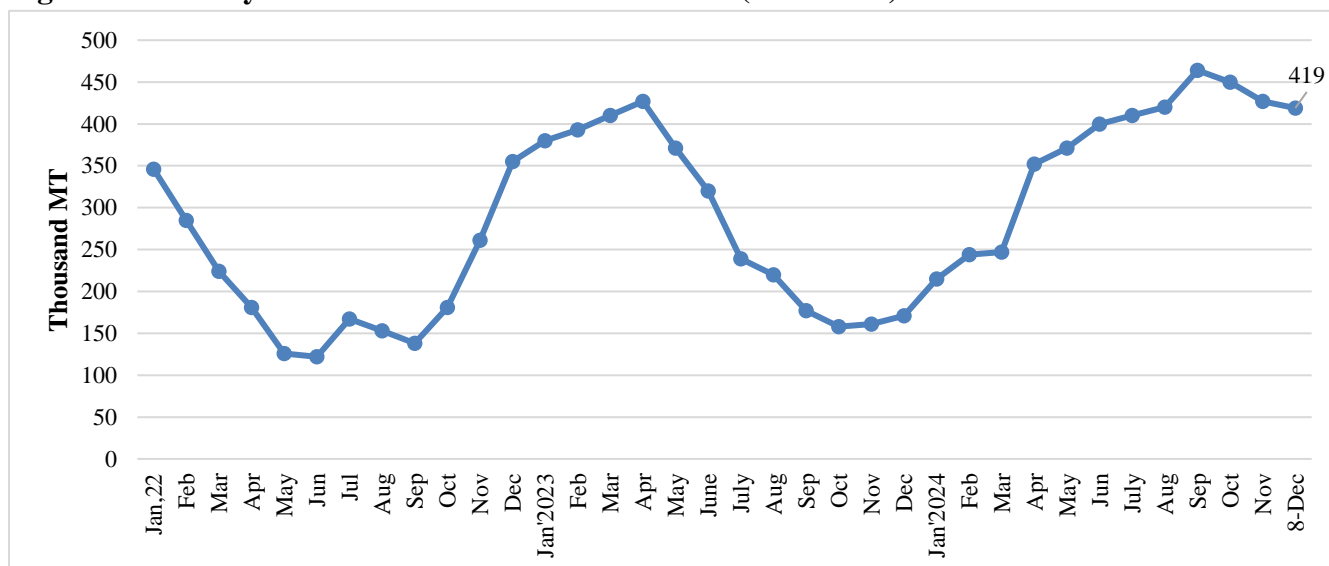
For MY 2024/25, Post forecasts feed consumption of wheat at 280,000 MT. In Bangladesh, the poultry, aquaculture, and cattle feed industry incorporate wheat as a feed ingredient to some extent. According to industry sources, certain types of animal feed contain about 5 percent wheat and wheat bran. The 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 December 8, 2024, the Ministry of Food estimated the GoB's wheat stocks at 419,000 MT (Figure 5). 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 million MT, slightly lower than MY 2023/24 estimate of ending stocks.

Figure 5: 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 based on DAE's crop production data and information from Post contacts, Post estimates corn harvested area and production at 650,000 ha and 5.7 million MT, respectively, the same as Post's previous forecast.

Farmers from most northern districts have started planting winter corn in mid-November 2024 that will be harvested in March-April 2025 and considered the first crop for MY 2025/26. Corn farmers noted that they prefer to cultivate corn over paddy and other crops due to higher yield and profitability. Despite challenges such as high seed and fertilizer prices and pest and disease issues, the acreage and production of corn have been increasing over the years. Both farmers and experts note that all farmers in Bangladesh use hybrid corn varieties, which yield over 10 MT per hectare with proper care. Some varieties can produce over 12 MT per hectare with higher plant density. Farmers note that they are making profits from corn as demand for local corn has risen in the feed industry since 2021.

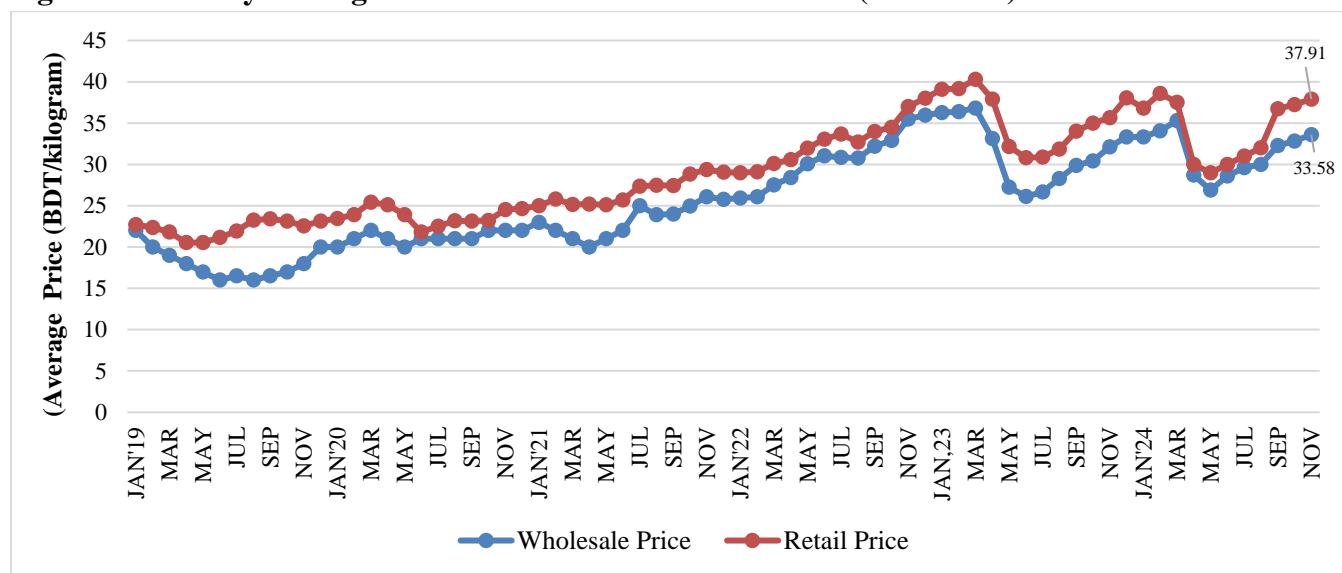
Farmers from the northern districts of Bangladesh have noted that the fall armyworm is the major pest affecting corn production. Fall armyworm impacts both summer and winter corn production, although farmers note less severe damage in the winter season when temperatures can drop below 10°C. The need to apply additional pesticides to protect against the fall armyworm increases farmers' production costs.

Prices

Domestic Prices to Rise

Corn prices remain high. After the winter corn harvest in April 2024, the domestic price of corn temporarily dropped significantly due to increased supply, but as the supply of domestic corn continued to decrease, corn prices rose again. According to the Department of Agricultural Marketing (DAM), as of November 2024, the wholesale and retail prices of corn reached BDT 33.58 (\$0.28) and BDT 37.91 (\$0.32) per kilogram, respectively, marking an increase of 4.5 percent and 6.3 percent compared to November 2023 (Figure 6).

Figure 6: Monthly Average Retail and Wholesale Corn Prices (2019-2024)



Source: DAM

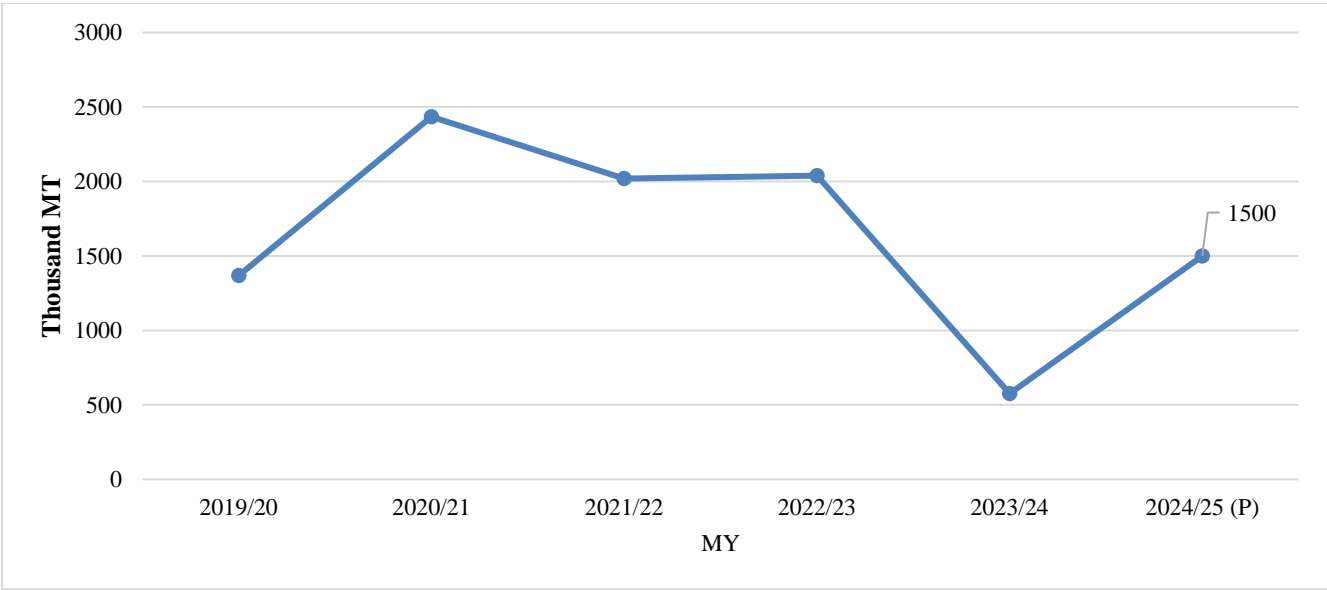
Trade

Imports Rising

For MY 2024/25, Post forecasts an increase in corn imports to 1.5 million MT, due to higher demand for corn in the feed industry. In MY 2023/24, Bangladesh imported only 576,000 MT of corn, significantly lower than in previous years (Figure 7), due to various factors, including higher international prices, challenges in opening Letters of Credit (LC), and a lower exportable surplus of corn in India. However, following the political regime change in August 2024, and the easing of LC restrictions at some local banks, the feed industry began importing corn as feed demand rebounded.

According to import data from Bangladesh's Ministry of Agriculture, in the first seven months of MY 2024/25, Bangladesh imported 1 million MT of corn, mostly from Brazil. As corn prices in the domestic market continue to rise, Bangladesh is expected to continue importing corn until the winter corn harvest begins in March 2025.

Figure 7: Total Corn Imports in Bangladesh (2019-2024)



Source: Plant Quarantine Wing, DAE, Ministry of Agriculture

Consumption

Feed and Residual Use

For MY 2024/25, Post increases the forecast for feed and residual use of corn to 6.7 million MT, an increase of 21.8 percent from MY 2023/24, driven by higher feed demand and increased corn imports.

Stocks

Post forecasts MY 2024/25 ending stocks at 253,000 MT, 50,000 MT higher than Post’s MY 2023/24 estimate, due to higher imports. There are no public granaries for corn stocks, and private feed companies maintain their own stocks, which typically cover supplies for several weeks to several months.

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	11500	11400
Beginning Stocks (1000 MT)	2091	2091	2409	2409	1828	1828
Milled Production (1000 MT)	36350	36350	37000	37000	36800	36600
Rough Production (1000 MT)	54530	54530	55506	55506	55206	54905
Milling Rate (.9999) (1000 MT)	6666	6666	6666	6666	6666	6666
MY Imports (1000 MT)	1275	1275	25	25	900	350
TY Imports (1000 MT)	365	365	300	150	1200	500
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	39716	39716	39434	39434	39528	38778
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	37900	37600
Ending Stocks (1000 MT)	2409	2409	1828	1828	1618	1168
Total Distribution (1000 MT)	39716	39716	39434	39434	39528	38778
Yield (Rough) (MT/HA)	4.7009	4.7009	4.7239	4.7239	4.8005	4.8162
(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	1083
Production (1000 MT)	1100	1100	1100	1100	1100	1100
MY Imports (1000 MT)	5120	5120	6800	6800	6900	6800
TY Imports (1000 MT)	5120	5120	6800	6800	6900	6800
TY Imp. from U.S. (1000 MT)	2	2	148	148	0	0
Total Supply (1000 MT)	7533	7533	8733	8733	9083	8983
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	7400	7400	7700	7700
Total Consumption (1000 MT)	6700	6700	7650	7650	7950	7980
Ending Stocks (1000 MT)	833	833	1083	1083	1133	1003
Total Distribution (1000 MT)	7533	7533	8733	8733	9083	8983
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	154	203
Production (1000 MT)	4850	4850	4950	5400	5640	5700
MY Imports (1000 MT)	2038	2038	427	576	1600	1500
TY Imports (1000 MT)	1145	1145	862	862	1500	1500
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	7077	7077	5554	6153	7394	7403
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	5000	5500	6850	6700
FSI Consumption (1000 MT)	400	400	400	450	400	450
Total Consumption (1000 MT)	6900	6900	5400	5950	7250	7150
Ending Stocks (1000 MT)	177	177	154	203	144	253
Total Distribution (1000 MT)	7077	7077	5554	6153	7394	7403
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