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Report Highlights:

Despite economic challenges and high feed prices, demand for feed is expected to grow in Bangladesh as large commercial poultry farms expand their operations and some major feed producers have initiated contract poultry farming. For marketing year (MY) 2024/25, Post forecasts higher imports of soybeans and soybean meal, considering the growth in the poultry, cattle, and aquaculture sectors. In MY 2023/24, Post estimates higher domestic consumption of palm oil but lower consumption of soybean oil. Mustard/rapeseed oil consumption is projected to increase due to higher domestic production.

Executive Summary

Bangladesh's economy is currently facing several challenges including high inflation, the depreciation of the local currency, the taka, and a depletion of the foreign currency (forex) reserves. High prices of daily necessities including meat, fish, milk, eggs, vegetables, and processed foods, are affecting the purchasing power of the population. With the depleting forex reserves the Government of Bangladesh (GOB) has tried to restrict imports to protect the reserve levels. Importers are struggling to open Letters of Credit (LCs) to import feed and other products due to the shortage of U.S. dollars. Following Bangladesh's National Elections held on January 7, 2024, the GOB has only announced limited monetary policy reforms aimed at improving the economic outlook. This includes potentially implementing a crawling peg system to allow the exchange rate to adjust within a limited window.

Despite the ongoing economic challenges and high prices of feed, Post sees prospects in the country's livestock and fisheries sector. Recently, many commercial poultry farms have expanded their businesses, while some large feed producers have started contract poultry farms. According to Bangladesh's feed industry, in 2022, the total livestock feed production was 6.6 million MT. Feed production is projected to hit 10 million metric tons (MT) by 2030.

According to the Department of Livestock Services (DLS), in 2020, Bangladesh's per capita consumption was 104 eggs per year, 175.6 grams per day of milk, and 126.2 grams per day of meat. The GOB aims to raise these figures to 165 eggs per year, 270 grams a day of milk, and 150 grams per day of meat by 2030. Consequently, feed production is expected to increase to 10 million MT by 2030 to meet these targets.

OILSEEDS SITUATION AND OUTLOOK

Bangladesh produces a variety of oilseed crops including mustard, peanuts, sunflowers, soybeans, and sesame. The largest oilseed produced in Bangladesh is rapeseed, however, these rapeseed varieties are commonly known and consumed as “mustard seed.” In Bangladesh, almost all the oilseed crops are cultivated in the rabi season with planting starting in December-January and harvest in February-March. The Department of Agricultural Extension (DAE) under the Ministry of Agriculture reported that in Bangladesh fiscal year (FY) 2023-24 (July-June), the total oilseed cultivation area was 1.34 million hectares, with a total oilseed production estimate at 1.83 million metric tons (MT), up 31 percent and 29 percent, respectively, over FY 2022-23 (Table 1). The increase in oilseed acreage and production is mostly due to increased mustard cultivation.

Table 1: Area Cultivation and Production of Oilseeds in *Rabi* Season, from 2021-22 to 2023-24

Crops	FY 2021-22		FY 2022-23		FY 2023-24	
	Area Cultivated (000 Hectare)	Production (000 MT)	Area Cultivated (000 Hectare)	Production (000 MT)	Area Cultivated (000 Hectare)	Production (000 MT)
Peanut	97	172	66	125	78	145
Rapeseed/Mustard	610	822	810	1,050	1,097	1,425
Soybean	79	140	80	145	88	150
Sunflower	15	26	10	20	15	30
Others	60	90	61	76	64	80
Total	861	1,250	1,027	1,416	1,342	1,830

Source: Post’s calculation based on DAE’s data

Among the oilseeds produced in Bangladesh, only mustard and sunflower are crushed for edible oil production. Domestically produced oilseeds meet about 15 to 20 percent of the country’s edible oil requirements. The remainder is imported as crude oil or as oilseeds.

Soybeans

Production

Post forecasts marketing year (MY) 2024/25 soybean planted area at 90 thousand hectares and production at 155 thousand MT, an increase of 2 percent and 3 percent, respectively, compared to the MY 2023/24 Post estimate. Post assumes favorable weather conditions during the growing season in MY 2024/25.

Bangladesh produces about five to seven percent of its annual soybean demand. Soybeans are grown in very limited areas mostly in the southern belt, including Noakhali and Lakshmipur districts in Chattagram Division, and Pirojpur, Patuakhali, Borguna, and Bhola districts in Barishal Division. Domestically produced soybeans are used predominantly in the feed industry. Due to the poor quality of the beans and lower oil content, they are not used in oil production. The typical yield of soybean

varieties in Bangladesh stands at 1.7 MT/hectare, notably lower than the global average of 2.8 MT/hectare.

In recent years, soybeans have been gaining popularity as a cash crop, particularly among farming households in the south. The cost of soybean production is lower than other crops as farmers do not use irrigation for their soybean crops. Usually, farmers sow soybeans after harvesting *Aman* season rice and the remaining soil moisture from rice cultivation helps to germinate the soybeans. It takes 110-115 days to harvest the beans. However, the unavailability of high yielding varieties and lack of quality seeds continue to hamper the expansion of soybean cultivation. Since 1990, more than 10 high yielding varieties of soybeans have been released in Bangladesh, but approximately 70 percent of soybean farmers are still cultivating the “*shohag*” variety, which was officially released in 1991 and has a yield of 1.6-1.8 MT per hectare.

The Bangladesh Agricultural Research Institute (BARI) developed the BARI soybean-5 and BARI soybean-6 varieties, which are planted by about 30 percent of soybean farmers; however, limited seed supply constrains cultivation. The Bangladesh Institute of Nuclear Agriculture (BINA) and Bangladesh Agricultural University also released several high yielding soybean varieties, but planting is limited.

Farmers planted the MY 2023/24 soybean crop in January and February 2024 and will start harvesting in April and May of 2024. Based on the DAE’s crop production data and Post’s observations, Post estimates MY 2023/24 soybean harvested area at 88 thousand hectares and production at 150 thousand MT, up 7 percent and 3 percent over MY 2022/23.

Consumption

Post forecasts MY 2024/25 whole soybean crushing at 2.15 million MT, up 10 percent compared to Post’s MY 2023/24 estimate, on increased demand and higher soybean imports.

Two privately held business conglomerates, City Group and Meghna Group dominate the soybean crushing sector in Bangladesh. Other soybean crushers are TK Group, Jamuna Group, Globe Edible Oil Company, and KBC Group. The total daily soybean crushing capacity in Bangladesh is 18,000 MT. However, currently the sector only utilizes half of the total capacity, based on the supply of raw materials and demand for soybean meal from the feed industry.

Post contacts noted that major soybean crushers in Bangladesh have started increasing their crushing volume after a sharp drop in MY 2022/23. In MY 2023/24, Post estimates total whole soybean crushing at 1.95 million MT.

Crushers slowed their crushing in 2022 due to low supply of beans following high international prices. Bangladesh’s post-COVID economy has been further impacted by the Russian invasion of Ukraine. Bangladesh is facing a major challenge with low foreign exchange reserves that are limiting imports including soybeans. During the sluggish economic conditions in 2022 and in early 2023, the country's animal feed industry experienced a downturn. This industry heavily depends on soybean co-products leading Post to lower the MY 2022/23 crush down to 1.65 million MT, notably lower compared to the previous years. Due to very high prices of feed, many small poultry farmers shut down their farms in 2022.

However, recently commercial poultry farms have expanded their business. Some large private feed companies have started contract farming for poultry production. The use of formulated feed has also increased in aquaculture production. Starting in the third quarter of 2023 the feed industry boosted their production on increasing demand for poultry and aqua feed. Industry contacts note, that despite the economic challenges, soybean crushing will increase further in MY 2024/25 as feed production continues to grow.

Food Use Consumption

Human consumption of soybean products, aside from oil, is minimal in Bangladesh. Only a small portion of total soybean production is utilized in food preparation. Typically, farmers use soybeans to make various food items such as soy milk, soya halua (a dessert), soy curd, soya piazu (a fried snack comprising flour, onions, and spices), and soy flour. Post forecasts MY 2024/25 food use consumption at 5 thousand MT.

Feed, Seed, Waste Consumption

For MY 2024/25, Post's forecast of feed, seed, and waste consumption is 5 thousand MT. Post also estimates the MY 2023/24 feed, seed, and waste consumption at 5 thousand MT. Farmers prefer to keep their own seed for the next season. In a planting season, around 3 thousand MT soybean seeds are used by the farmers.

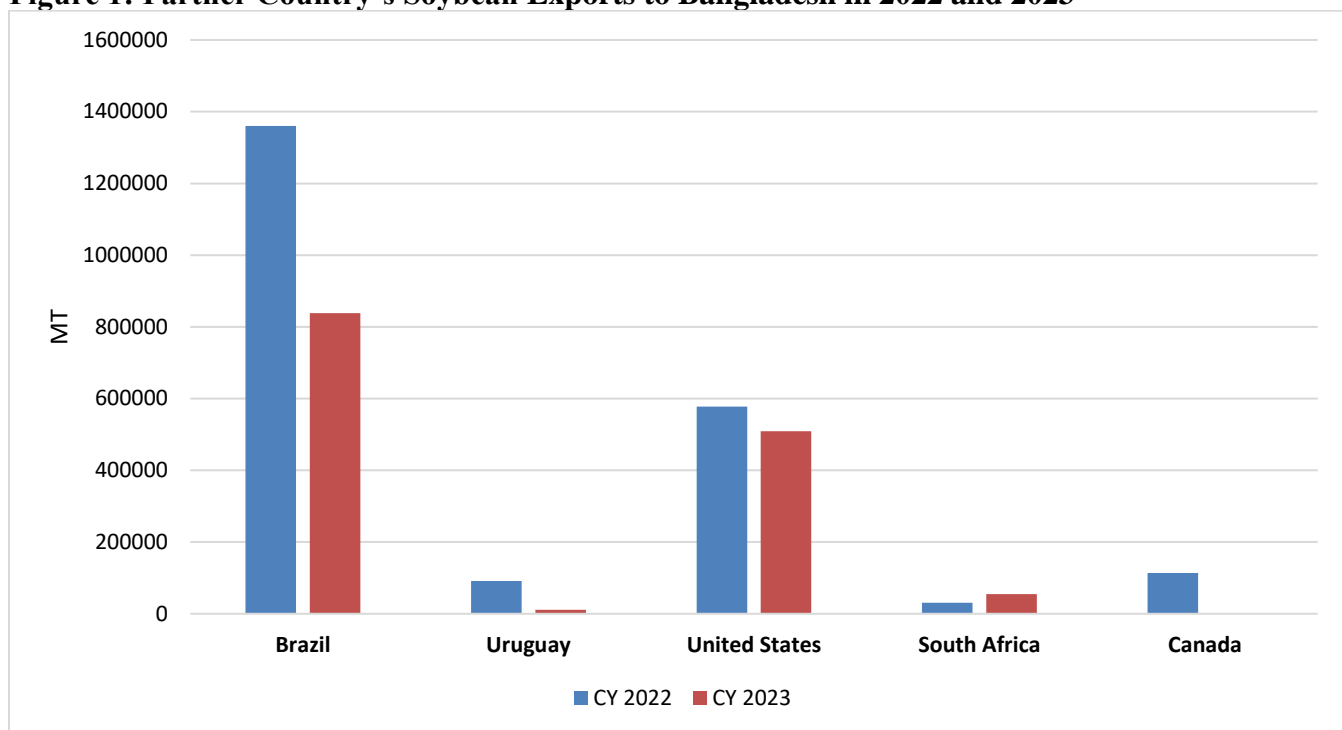
Trade

For MY 2024/25, Post forecasts total soybean imports at 2 million MT, considering the rising demand for poultry, aqua, and dairy feed in the coming years. Soybean meal makes up around 30 percent of feed ingredients in Bangladesh. There is also always high demand of soybean oil for human consumption. Post estimates soybean imports for MY 2023/24 at 1.8 million MT.

For MY 2022/23, Post revised total soybean imports to 1.19 million MT, based on final import data from Bangladesh's National Board of Revenue (NBR). Imports dropped much lower than previous years as Bangladesh began facing a severe dollar shortage that disrupted imports in the middle of 2022. Depreciation of the taka against the U.S. dollar also increased import costs. The GoB limited all non-essential imports and reduced the supply of dollars to commercial banks to preserve the forex reserves. Therefore, soybean imports fell significantly in MY 2022/23.

Based on the final NBR data, Post revised MY 2022/2023 U.S. exports to Bangladesh to 512 thousand MT. Per NBR data, soybean imports from all major sources decreased in Calander year (CY) 2023 compared to CY 2022 (Figure 1).

Figure 1: Partner Country's Soybean Exports to Bangladesh in 2022 and 2023



Source: NBR

The GoB has no tariffs for soybeans to support the local crushing industry and ensure a supply of oil and soybean meal at lower prices. Crude and refined edible oils are subject to tariffs along with the soybean meal (Table 2). Per the GoB's Statutory Regulatory Order (SRO) 128-2020, most of the co-products of oilseeds and corn, that are used as ingredients of feed industry, can be imported without tariff. To reduce the domestic price of edible oil, the GoB can reduce the value added tax (VAT) on refined and unrefined soybean and palm oil.

Table 2: Bangladesh's Tariff Structure for Oilseeds, Soybean Meal, and Oil, FY 2023-24

HS Code	Items	CD	SD	VAT	AIT	RD	AT	TTI
1201.90.10	Soya beans, whether or not broken other than Seed, Wrapped/canned up to 2.5 Kg	0	0	15	5	0	5	25
1201.90.90	Soya beans, whether or not broken other than Seed, EXCL. Wrapped/canned up to 2.5 Kg	0	0	0	0	0	0	0
1208.10.00	Soya Bean Flours and Meals	0	0	0	5	5	5	15.25
1208.90.00	Other Flours and Meal of Oil Seeds or Oleaginous Fruits, Nes.	10	0	15	5	0	5	37
1507.10.00	Crude Oil, Whether or Not Degummed	0	0	15	0	0	5	20

1507.90.10	Refined Soya-Bean Oil	0	0	15	0	0	5	20
1507.90.90	Other Soya-Bean Oil	5	0	15	0	0	5	26
2304.00.00	Oil-Cake and Other Solid Residues, Of Soya-Bean Oil	0	0	0	5	5	5	15.25
1511.90.11	Rbd Palm Stearin	10	0	15	5	0	5	37
1511.90.19	Solidified or Hardened By Mechanical Treatment (Excl. Rbd Palm Stearin)	25	0	15	5	3	5	58.6
1511.90.90	Palm Oil (Exclude) & Its Fractions. Nes. Incl. Refined Palm Oil	0	0	15	0	0	5	20
1511.10.10	Crude palm oil imported by VAT registered edible oil refinery industries	10	0	15	0	0	5	32
1511.10.90	Crude palm oil imported by other than VAT registered edible oil refinery industries	10	0	15	0	0	5	32

Source: NBR

CD = Custom Duty; SD = Supplementary Duty; VAT = Value Added Tax; AIT = Advance Income Tax; ATV = Advance Trade Tax; RD = Regulatory Duty; TTI = Total Tax Incident

There are no quotas on oilseeds and related product imports. For biosafety rules and guidelines for importing genetically engineered products, please see the [Bangladesh Agricultural Biotechnology Annual Report 2023](#).

Stocks

Only few of private companies in Bangladesh import and crush soybeans. There are no government-held soybean stocks. For MY 2024/25, Post forecasts ending stocks at 99 thousand MT. Post estimates MY 2023/24 soybean stocks at 104 thousand MT, down 31 percent from the USDA official number, on higher crushing.

Rapeseed

Production

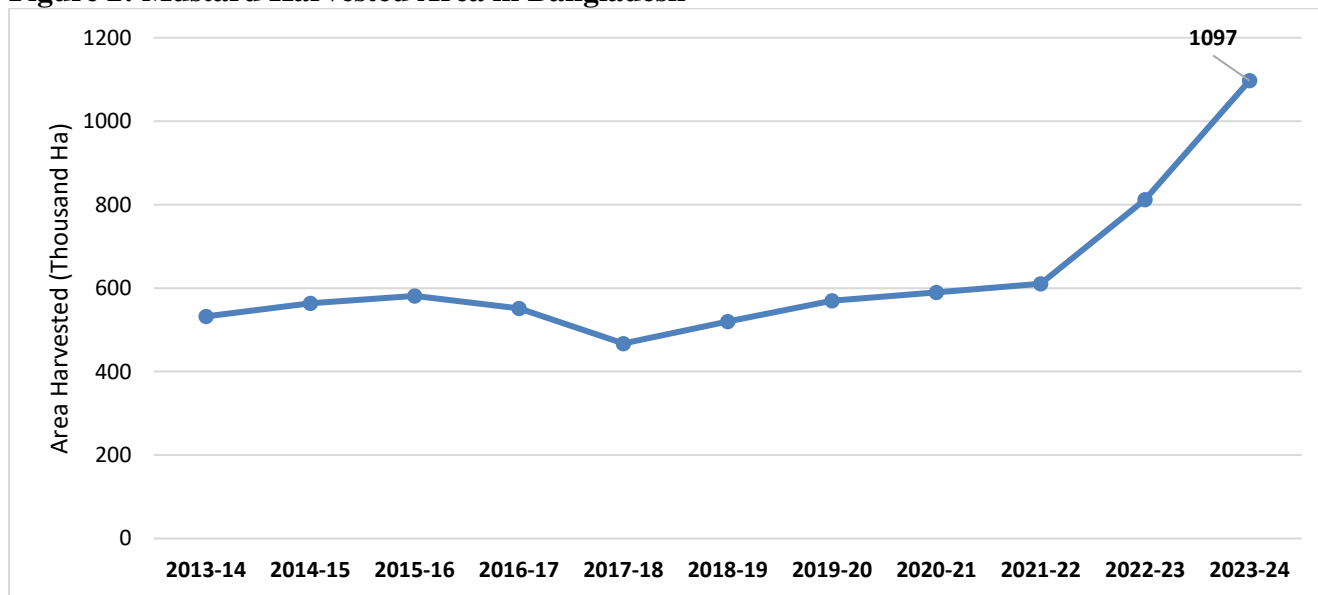
Bangladeshi farmers cultivate both rapeseed (*brassica campestris* & *Brassica napus*) and mustard (*brassica juncea*) but refer to both interchangeably as “mustard.” Agricultural research institutes in Bangladesh including BARI, BINA, and universities have released more than 20 “mustard” varieties. Among them, the most common rapeseed varieties are Tori-7, Sonil Sharisha (SS-75), Kallaynia (TS-72), Sampad, Agrani, BARI Sharisha-6, BARI Sharisha-7, BARI Sharisha-8, BINA Sharisha-3, BINA Sharisha-4, SAU Sharisha-1, and SAU Sharisha-2. The most popular mustard varieties are Rai-5, Daulat, Sambal, BARI Sharisha-10, BARI Sharisha-12, and BARI Sharisha-16. All those varieties are marketed and consumed as “mustard” in Bangladesh. Bangladesh also imports rapeseed and blends it with mustard during crushing to produce “mustard oil” for sale to the local market. Therefore, this report combines the production, marketing, and consumption data of both rapeseed and mustard.

Rapeseed/mustard requires cool temperature to grow, thus it is cultivated in the rabi season. The best growth of rapeseed/mustard occurs at 12-25 degrees Celsius. In Bangladesh, sowing starts in the middle of October, but in some parts of the country sowing is delayed for the late harvest of previous crop (T. Aman rice). The winter is very short in Bangladesh and temperatures start rising in February. So, the harvest should be completed by mid-February to have optimum yields. The average yield of mustard/rapeseed in Bangladesh is about 1.3 MT per hectare.

For MY 2024/25, Post forecasts the rapeseed/mustard harvested area at 1.15 million hectares and production at 1.48 million MT. Post’s forecast for MY 2024/25 harvested area and production is 44 percent higher than the MY 2023/24 USDA estimate. To reduce the import dependency of edible oil the Ministry of Agriculture (MOA) emphasized increasing its oilseed production in 2022. MOA created a three-year action plan with the goal to produce 40 percent of Bangladesh’s edible oil demand by 2025. To achieve the goal, the DAE is working to increase mustard productivity, bring new lands under cultivation in coastal and haor areas, and adjust the cropping pattern by adding mustard in between T. Aman and T. Boro season rice (Figure 2). DAE is supporting farmers with agricultural inputs and technical knowledge to boost mustard production.

Based on DAE’s crop production data, Post has increased its estimate of MY 2023/24 rapeseed/mustard harvested area to 1.1 million hectares and production to 1.43 million MT, up 37 percent and 38 percent, respectively over USDA official estimates.

Figure 2: Mustard Harvested Area in Bangladesh



Source: DAE

Trade

Bangladesh usually imports rapeseed to blend with mustard seed during the crushing process to produce oil, that is then marketed as mustard oil. However, due to the rise in domestic production, import volumes have been decreasing since MY 2022/23. Bangladesh’s economic challenges and focus on reducing imports to bolster foreign currency reserves have further affected rapeseed imports. For MY

2024/25, Post forecasts rapeseed imports at 300 thousand MT, the same as Post's estimate for MY 2023/24.

Post estimates MY 2023/24 rapeseed imports at 300 thousand MT. In MY 2023/24, Bangladesh anticipates record-high mustard production, which will further bolster the local supply. Based on TDM data, Post revised down its MY 2022/23 rapeseed import numbers to 274 thousand MT.

Australia is the Preferred Supplier in MY 2022/23

According to TDM, in MY 2022/23, Bangladeshi importers preferred Australia for rapeseed on lower price and better logistics. Bangladesh imported 200 thousand MT of rapeseed from Australia, while Canada supplied 53 thousand MT. In MY 2022/23, Ukraine also shipped 20 thousand MT rapeseed.

Consumption

For MY 2024/25, Post forecasts rapeseed/mustard crushing at 1.6 million MT, which includes domestically produced rapeseed/mustard and imported rapeseed. This forecast assumes a good harvest of mustard next season. Post increases its MY 2023/24 crushing estimate to 1.55 million MT, up 25 percent from the USDA official estimate based on DAE's latest crop production report and Post's observation of increased mustard production.

Food Use Consumption

For MY 2024/25, Post forecasts food use of mustard seed at 25 thousand MT. Traditionally, mustard seed is used in making special types of curry in Bangladesh. Mustard paste/sauce known as "kashundi" is also popular in Bangladesh. Some private food processing companies are producing *kashundi* at a commercial scale.

Feed, Seed, and Waste Consumption

Post forecasts MY 2024/25 feed, seed, and waste consumption of mustard/rapeseed at 80 thousand MT. Usually, mustard seed does not go into feed production due to its high price. However, a good portion of the mustard is used as planting seed for the following season. Rapeseed/mustard harvest, threshing and drying are done manually in most of the areas in Bangladesh. Thus, post-harvest loss of rapeseed/mustard is high. For MY 2023/24, Post's mustard feed, seed, and waste consumption estimate is also 80 thousand MT.

Stocks

Post forecasts MY 2024/25 rapeseed/mustard stocks at 203 thousand MT, on increased production. There are no public warehouses to stock rapeseed/mustard. The mustard crushing mills maintain their own stocks with a couple of months supply. Many farmers also stock for their own household production with a few months' supply in their home. Post estimates MY 2023/24 rapeseed/mustard stocks at 128 thousand MT, 146 percent higher than USDA official estimate, due to increased production.

MEALS SITUATION AND OUTLOOK

The common oilseed meals produced and utilized in Bangladesh are soybean meal and rapeseed/mustard meal. The feed industry uses them as major protein source in their feed formulation. Alongside local production, Bangladesh also imports soybean meal and rapeseed/mustard meal from various countries. With the increasing demand for formulated feed in the poultry, cattle, and fisheries sectors, the demand for oilseed meals is also on the rise.

Soybean Meal

Production

For MY 2024/25, Post forecasts soybean meal production at 1.68 million MT, considering higher volume of soybean crushing over MY 2023/24.

Currently, the two largest crushing facilities have a capacity of 13,000 MT a day, with total Bangladesh crushing capacity at 18,000 MT a day. Two other industrial giants, Basundhara and Delta Group, are making investments in soybean crushing facilities.

Smaller feed producers will jointly import soybean meal to obtain price benefits over the locally produced soybean meal. Bangladesh's feed industry also uses fish meal, corn gluten meal (CGM) and distillers dried grains with solubles (DDGS) in feed preparation as alternatives of soybean meal. The supply of CGM and DDGS affects the demand of soybean meal.

For MY 2023/24, Post's soybean meal production estimate is 1.53 million MT, up 17 percent from MY 2022/23, on higher soybean imports. Post revised MY 2022/23 soybean meal production to 1.3 million MT.

Feed Consumption

Post forecasts MY 2024/25 soybean meal consumption in the feed industry at 2.65 million MT, assuming a reversion to a normal price and supply situation. Post's MY 2023/24 soybean meal feed consumption estimate is 2.5 million MT based on increased demand in feed production.

Feed Prices Remain High

The feed industry in Bangladesh has maintained growth for more than a decade. In 2020, the total production of poultry, cattle, and aqua feed reached a record 7.2 MT. However, in 2021 and 2022 the total feed production went down to 6.6 MT. This reduction was caused by lower poultry feed production. Cattle and aqua feed still maintained growth in 2022. Industry contacts note that the high cost of production led to higher feed prices, which affected the demand for feed. Bangladesh's feed industry relies on imports for most of their feed ingredients. In 2022, the devaluation of the local currency against the U.S. Dollar made imports more costly in conjunction with high international prices.

The Feed Industry Association Bangladesh (FIAB) and Bangladesh Poultry Industries Central Council (BPICC) contacts have highlighted that the elevated prices of key feed ingredients contribute to the overall increase in feed prices. Feed industry contacts continue to face challenges in opening Letters of Credit to import corn and soybean meal. Additionally, locally crushed soybean meal prices have reached

a record high since August 2023. Collectively, these factors contribute to the high cost of feed production.

Post contacts note that from October to November 2023, all types of feed prices increased by about BDT 6,000 (\$52) per MT. In the second week of December 2023, the average price of poultry feed reached BDT 66,000 (\$584) per MT, up 20 percent compared to the same period in last year. Similarly, the average price of aqua feed in December 2023 reached to BDT 85,000 (\$752) per MT, 25 percent higher than last year.

The high prices of poultry, aqua, and cattle feed that have affected farmers will continue into 2024. However, the growing poultry, aqua, and dairy sectors require more formulated feed, and the commercial farms are expanding their operations to meet the egg, meat, fish, and milk demand.

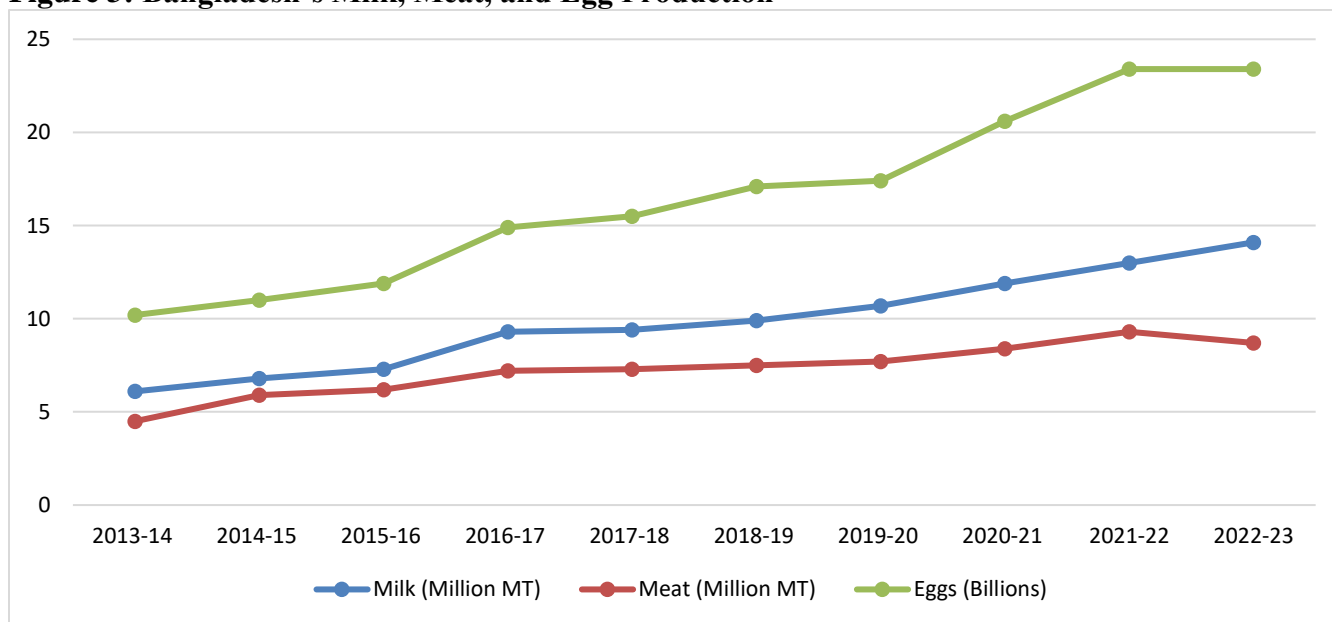
According to FIAB and Bangladesh Poultry BPICC, 140 feed companies in Bangladesh collectively produce 6.5 million metric tons of commercial feed. Of this total, about 70 percent consists of poultry feed, while the remaining portion is comprised of aqua and cattle feed. Poultry feed primarily relies on corn as a major raw material, while aqua and cattle feed use soybean meal along with corn. The other commonly used feed ingredients are fish meal, DDGS, extruded full fat soybeans, broken rice, rice polish, rapeseed/mustard meal, CGM, limestone coarse, and de-oiled rice barn.

There are around 200 small, unregistered feed mills throughout the country, who also have the capacity to produce collectively around 200 thousand of MT of feed annually, mostly poultry feed. Industry contacts also note that those cottage feed mills use their own feed ratios of corn, soybean meal, rapeseed, and readily available feed additives.

Status of the Livestock and Poultry Sector

According to DLS data, the production of milk, meat, and eggs continues to grow (Figure 3).

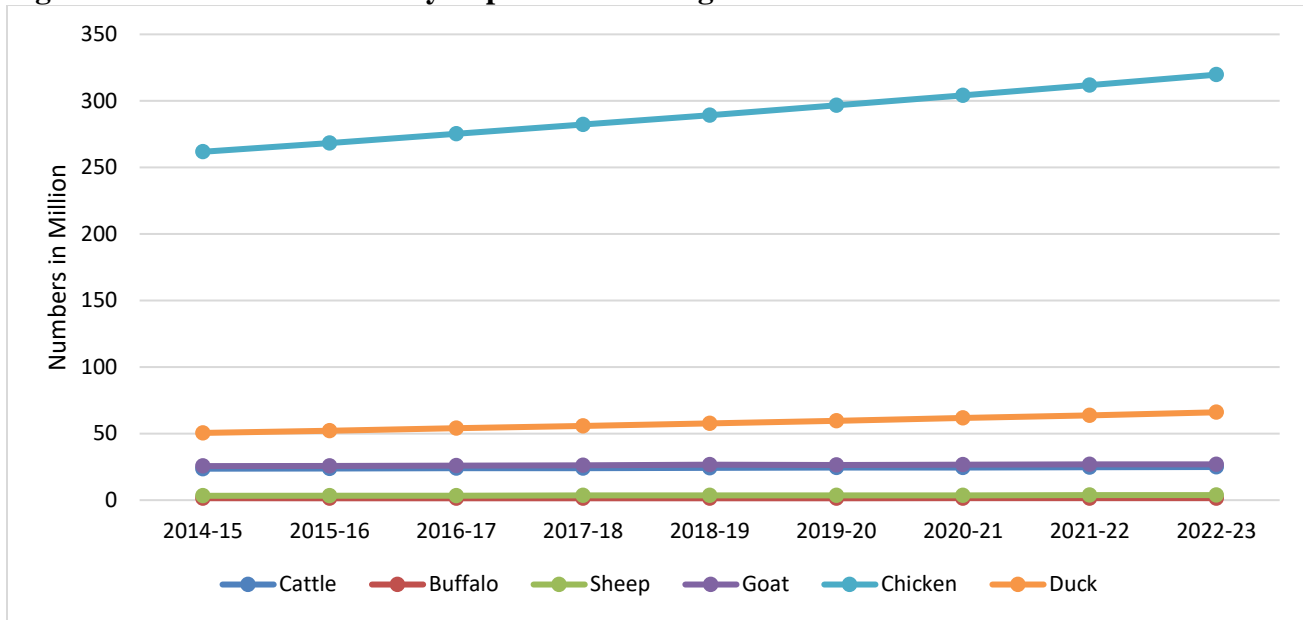
Figure 3: Bangladesh’s Milk, Meat, and Egg Production



Source: Livestock Economy, DLS, 2023

As per DLS data, in FY 2022-23, the total poultry flock was 2.7 percent higher than the previous year. Additionally, there was an increase in the number of dairy cows, sheep, and goats (Figure 4).

Figure 4: Livestock and Poultry Population in Bangladesh

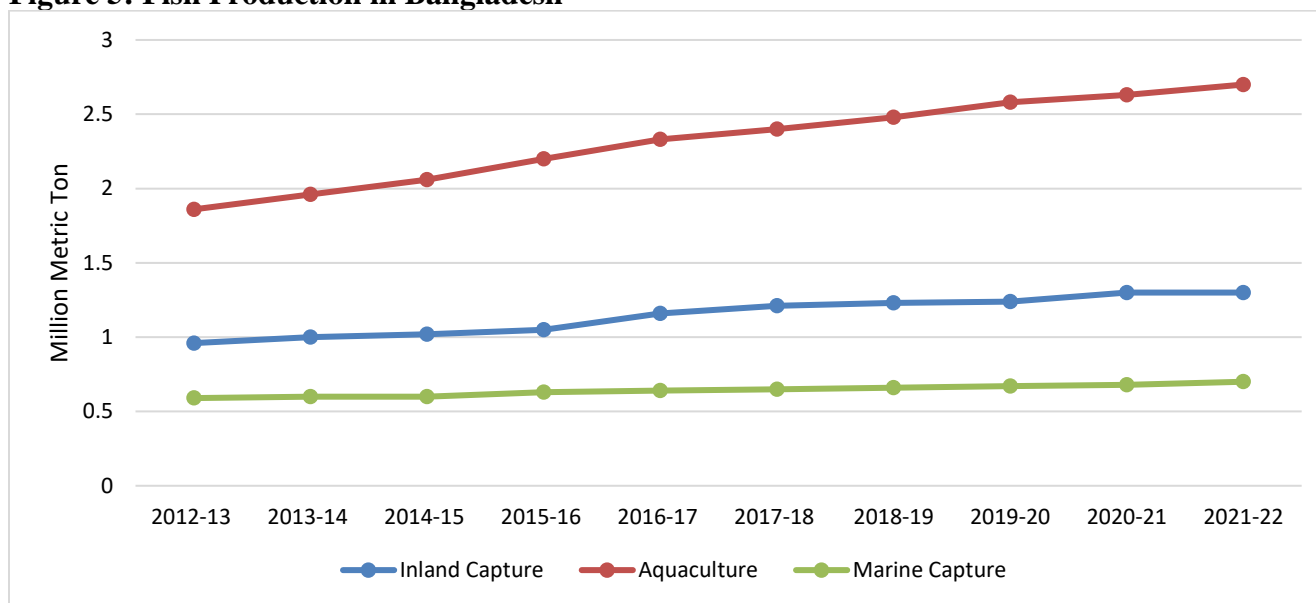


Source: Livestock Economy, DLS, 2023

Fisheries Production

Over five million households throughout Bangladesh rely on aquaculture for their livelihoods, with fish serving as a traditional staple food for many. The fisheries industry has been experiencing steady growth and starting to use feed containing high levels of soybean meal and DDGS (Figure 5). According to feed industry data, in 2022, total aqua feed production was 1.36 million MT, a 13 percent growth from the previous year. Bangladesh is the fifth largest cultivator of farmed fish in the world with ample room to grow in aqua feed production.

Figure 5: Fish Production in Bangladesh



Source: Yearbook of Fisheries Statistics of Bangladesh 2022

Industrial Consumption and Food Use

There is no industrial use of soybean meal, though some soy flour is consumed as food.

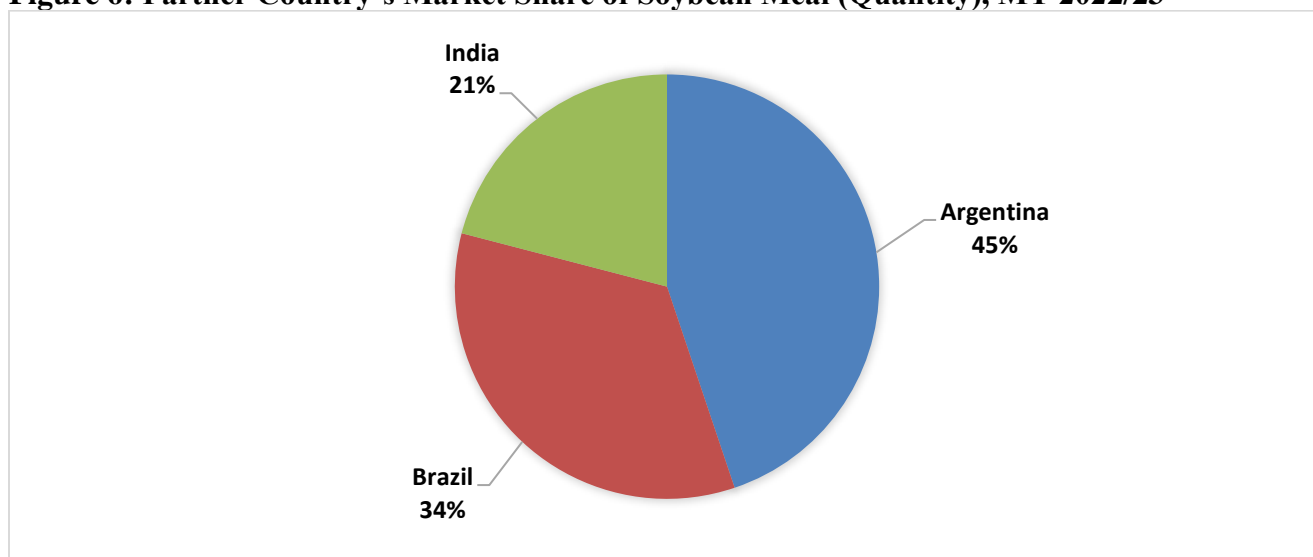
Trade

For MY 2024/25, Post forecasts soybean meal imports to reach 1 million MT, expecting growing demand in the feed industry. Preferred sources include Brazil, Argentina, the United States, and India.

Post estimates MY 2023/24 soybean meal imports at 950 thousand MT. Per NBR data, in first seven months of MY 2023/24, Bangladesh imported 550 thousand MT of soybean meal. Based on the import data from NBR, Post revised MY 2022/23 imports down to 582 thousand MT.

In MY 2022/23, Argentina exported 260 thousand MT of soybean meal to Bangladesh, followed by Brazil with 199 thousand MT, and India with 121 thousand MT (Figure 6).

Figure 6: Partner Country's Market Share of Soybean Meal (Quantity), MY 2022/23



Source: NBR

Rapeseed Meal

Production

Post forecasts MY 2024/25 rapeseed/mustard meal production at 930 thousand MT. With high domestic production of rapeseed/mustard along with some imported seed, the industry is expected to sustain increased levels of crushing.

For MY 2023/24, Post estimates rapeseed/mustard meal production at 900 thousand MT, 27 percent higher than the USDA official estimate, on higher levels of crushing.

Feed Consumption

Raw rapeseed/mustard meal has been used as cattle feed in Bangladesh for many years. Usually, livestock farmers feed rapeseed/mustard meal directly to their cattle, and sometimes they also add it to rice straw before feeding the animals. However, with the evolution of formulated feed, rapeseed/mustard meal is now extensively used in prepared poultry, cattle, and aqua feed.

For MY 2024/25, Post forecasts rapeseed/mustard meal feed consumption at 1.25 million MT, with majority being utilized by the commercial feed industry. Post estimates MY 2023/24 rapeseed/mustard feed consumption at 1.2 million MT.

Industrial Consumption

Rapeseed/mustard meal is a good source of organic fertilizer with nitrogen, phosphorus, and potassium that promote robust plant growth. With the development of urban and rooftop farming practices in Bangladesh, the demand for rapeseed/mustard meal has increased over the last decade. Some farmers also use it as soil additive for cultivating high value crops. Post forecasts MY 2024/25 industrial consumption of rapeseed/mustard meal at 20 thousand MT. For MY 2023/24, Post estimates rapeseed/mustard industrial consumption at 15 thousand MT, up 50 percent over the USDA official estimate, on higher demand for fertilizer in urban areas.

Stocks

Usually, feed millers maintain some stocks of rapeseed/mustard meal for a few months only. There are no government held stocks of rapeseed/mustard meal. Post forecasts MY 2024/25 ending stocks at 133 thousand MT. Post estimates MY 2023/24 rapeseed/mustard ending stocks at 125 thousand MT.

OILS SITUATION AND OUTLOOK

Among the oilseeds produced in Bangladesh, only mustard and sunflower are crushed for edible oil production. Domestically produced oilseeds meet about 15 to 20 percent of the country's edible oil requirements. The remainder is imported as crude oil or as oilseeds.

Soybean Oil and Palm Oil

Production

Domestically produced soybeans are not utilized in oil production; only imported soybeans are used for oil extraction. Bangladesh has two major soybean crushers that collectively have a capacity of 13 thousand MT per day for oil production. Combined they supply 40 percent of the soybean oil to the local market. The rest of the soybean oil is imported as “crude oil” by more than 80 oil refineries in the country.

For MY 2024/25, Post forecasts soybean oil production to reach 385 thousand MT, projecting a slight increase in soybean imports. For MY 2023/24, Post estimates soybean oil production to be 350 thousand MT, up about 17 percent from MY 2022/23 Post estimate, due to higher soybean imports and increased crushing.

Bangladesh does not produce any palm oil.

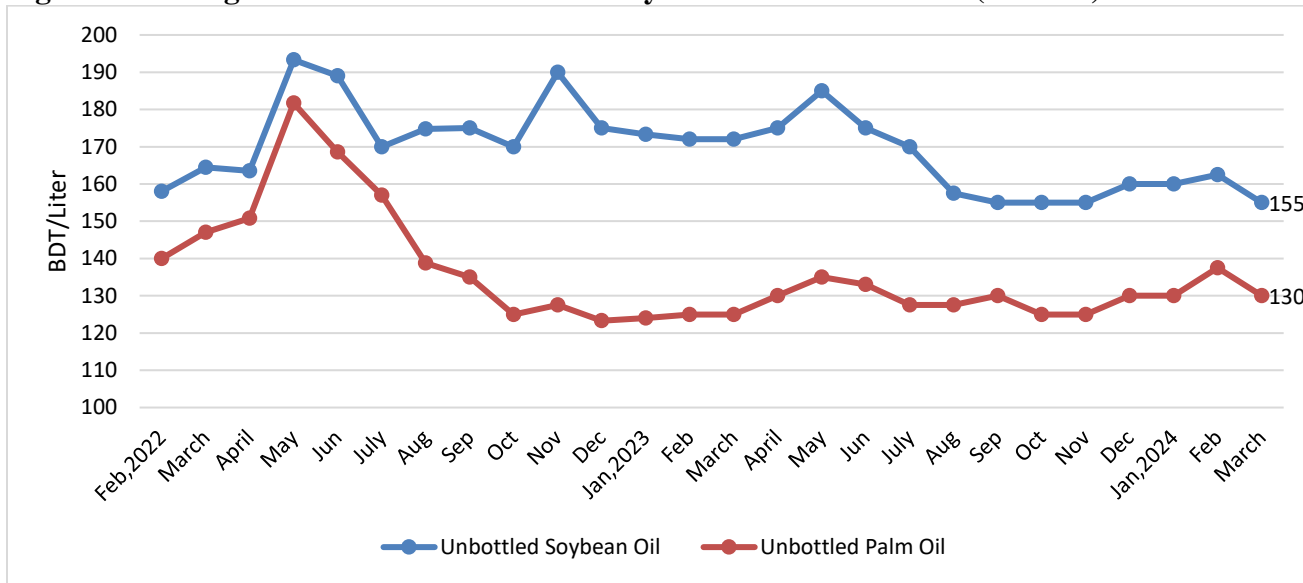
Prices

Edible Oil Price Volatility Continues

In Bangladesh, most people use soybean oil and palm oil for cooking. These two oils make up about 75 percent of all the cooking oil people buy. Starting in July 2021, the prices of all cooking oil started to rise. Then, when Russia invaded Ukraine in February 2022, the situation got worse, by May 2022, the prices of soybean oil and palm oil reached record highs. This was due to many factors, including the global increase in soybean and crude oil prices, increased shipping costs, disrupted supply chains, and depreciation of the taka to the U.S. dollar.

To regulate the edible oil market, the GoB meets with the oil traders and refiners periodically and sets a maximum retail price (MRP) for bottled soybean and palm oil. The prices of unbottled soybean and palm oil are not regulated by the GoB. In March 2024, the average retail prices of unbottled soybean oil and palm oil were BDT 155 (\$1.37) and BDT 130 (\$1.15) per liter, respectively (Figure 7). Ahead of the Ramadan, in the first week of March 2024, the GoB set the price of bottled soybean and palm oil at BDT 163 (\$1.44) and BDT 140 (\$1.24) per liter, respectively. Since April 2023, Bangladesh has been experiencing an inflation rate of over nine percent, significantly affecting the purchasing power of consumers. The GoB trying to regulate prices of commodities including soybean oil, sugar, and palm oil.

Figure 7: Average Retail Price of Unbottled Soybean Oil and Palm Oil (2022-24)



Source: TCB, 1 USD = 113 BDT

Trade

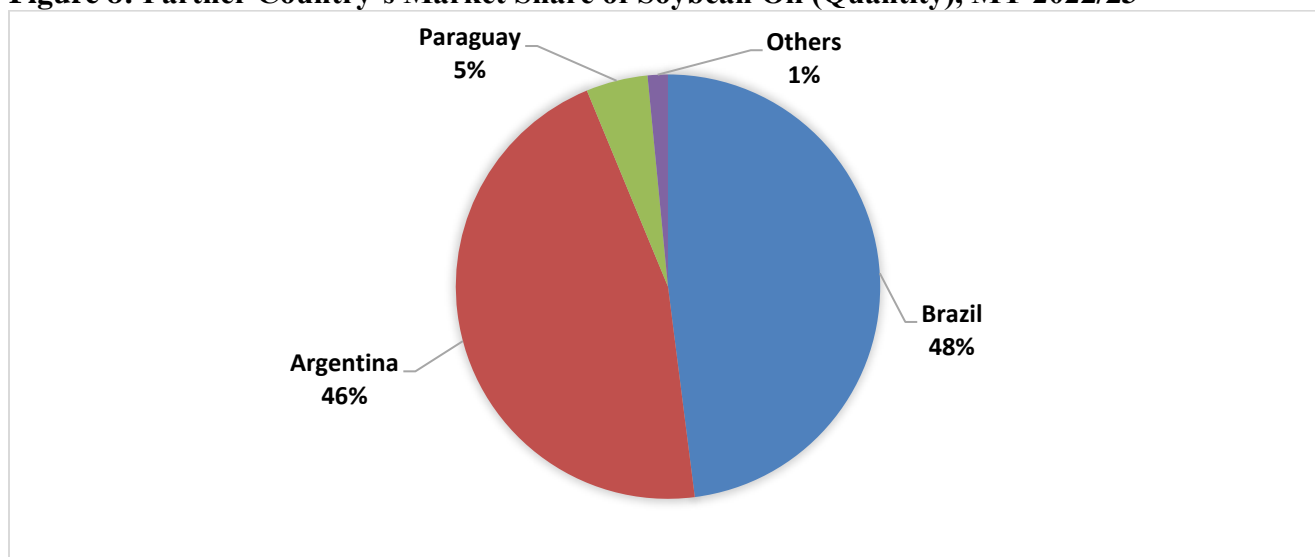
Soybean Oil Imports Drop

For MY 2024/25, Post forecasts soybean oil imports at 650 thousand MT. In Bangladesh, mustard oil has become very competitive since 2022, when the price of soybean oil reached a record high. Due to GOB initiatives, mustard cultivation has increased substantially in MY 2022/23 and MY 2023/24. This rise in mustard oil production has led to a decrease in the demand for soybean oil in the local market. With lower prices of palm oil, many consumers have switched from consuming soybean oil to palm oil.

Post lowered its MY 2023/24 soybean oil import estimate to 600 thousand MT, down 12 percent from MY 2022/23.

Bangladesh imports most of the crude soybean oil from South America (Figure 8). In MY 2022/23, Bangladesh imported 48 percent of its crude soybean oil from Brazil, followed by Argentina (46 percent), and Paraguay (5 percent).

Figure 8: Partner Country's Market Share of Soybean Oil (Quantity), MY 2022/23



Source: TDM

Palm Oil Imports Rise

Post forecasts MY 2024/25 palm oil imports at 1.75 million MT, up 3 percent from Post's MY 2023/24 estimate, assuming continuous increase in demand. In MY 2023/24, Post estimates palm oil imports at 1.7 million MT, a 6 percent increase from MY 2022/23 Post estimate. The demand for palm oil has increased along with its lower price. Post observed higher demand and consumption of palm oil during the first two quarters of MY 2023/24.

In MY 2022/23, Indonesia was the major supplier of palm oil to Bangladesh. They supplied 87 percent of total palm oil to Bangladesh while the rest was supplied by Malaysia.

Bangladesh also exports small amounts of palm oil to neighboring countries. For MY 2024/25, Post forecasts palm oil exports at 5 thousand MT. Post estimates MY 2023/24 palm oil exports at 5 thousand MT. According to TDM, Bangladesh reexported 3 thousand MT palm oil to India in MY 2022/23.

Consumption

Food Consumption Rises

The total demand for edible oil in Bangladesh is about 3 million MT. Typically, soybean oil and palm oil are substitute products in Bangladesh. In recent years, mustard oil has gained popularity as alternative to soybean oil for many consumers at the household level. Most middle and high-income consumers prefer soybean oil, while low-income consumers prefer palm oil due to its lower price. Palm oil is widely used in the food processing industry.

According to Post's calculation, per capita vegetable oil consumption in Bangladesh is around 17 kgs per annum.

For MY 2024/25, Post forecasts soybean oil and palm oil consumption at 960 thousand MT and 1.7 million MT, respectively. Post estimates MY 2023/24 soybean oil consumption at 900 thousand MT. Post's MY 2023/24 palm oil consumption estimate is 1.65 million MT. The increased demand for palm

oil at the household level and the increased mustard production has led to a decrease in the demand for soybean oil.

There is no consumption of vegetable oil in biofuel production. However, there are some industrial uses of palm oil that includes making lubricants, inks, cosmetics, and soaps. 50 thousand MT of palm oil goes to industrial use annually.

Rapeseed Oil

Production

Edible oil extracted from rapeseed and mustard seed is marketed as “mustard oil” in Bangladesh. Post forecasts MY 2024/25 rapeseed/mustard oil production at 660 thousand MT on high domestic production of rapeseed/mustard. There are several private companies who produce “mustard oil” and sell bottled mustard oil throughout the country.

For MY 2023/24, Post increased its estimate of rapeseed/mustard oil production to 640 thousand MT, up 24 percent from the USDA estimate, on higher mustard seed production.

Major market players in the rapeseed/mustard oil sector are Partex Group, Pran Foods Limited, City Group, ACI, and Orion Group. These companies use mostly imported rapeseed with some locally produced mustard seed. There are many local mustard oil crushing mills that use domestically produced mustard and rapeseed to extract oil for local sale. According to contacts, more than 50 percent of domestically produced rapeseed and mustard seed goes to these local crushing mills. Bangladesh does not import any rapeseed/mustard oil and exports limited quantities.

Consumption

Traditionally, many Bangladeshi consumers prefer mustard oil for cooking and food preparation purposes over soybean and palm oil due its strong flavor and aroma. A few years ago, the price of mustard oil was almost double the price of soybean oil. However, the higher production of mustard oil has brought down its price. There is no government regulation of the price of mustard oil. The retail price of unbottled mustard oil varies across different districts. Similarly, the price of bottled mustard oil fluctuates depending on the brand or local company. Currently, the price range for unpackaged mustard oil is approximately BDT 150-160 (\$1.34 - 1.42) per liter, while bottled mustard oil typically ranges from BDT 200-300 (\$1.77-2.65) per liter. With higher international prices of soybean oil and the depreciation of the taka against the U.S. Dollar, soybean oil prices have risen in local markets. Thus, mustard oil is currently very price competitive to soybean oil, boosting the consumption of mustard oil in Bangladesh.

In MY 2024/25, Post forecasts rapeseed/mustard oil consumption at 663 thousand MT, with the vast majority going to food use.

Post also increases its estimate of MY 2023/24 rapeseed/mustard oil consumption to 632 thousand MT, up 22 percent over USDA official estimate, on higher production of rapeseed/mustard seed.

Stocks

Post forecasts MY 2024/25 mustard oil stocks at 39 thousand MT, slightly lower than Post's MY 2023/24 stock estimate. Usually, local mustard oil crushers do not stock oil for more than two or three months. However, large scale oil producers maintain some stocks.

Oilseed, Soybean Market Year Begins	2022/2023		2023/2024		2024/2025	
	Jul 2022		Jul 2023		Jul 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Bangladesh						
Area Planted (1000 HA)	82	82	82	88	0	90
Area Harvested (1000 HA)	80	80	80	88	0	90
Beginning Stocks (1000 MT)	433	433	116	114	0	104
Production (1000 MT)	145	145	145	150	0	155
MY Imports (1000 MT)	1073	1196	1800	1800	0	2000
Total Supply (1000 MT)	1651	1774	2061	2064	0	2259
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	1525	1650	1900	1950	0	2150
Food Use Dom. Cons. (1000 MT)	5	5	5	5	0	5
Feed Waste Dom. Cons. (1000 MT)	5	5	5	5	0	5
Total Dom. Cons. (1000 MT)	1535	1660	1910	1960	0	2160
Ending Stocks (1000 MT)	116	114	151	104	0	99
Total Distribution (1000 MT)	1651	1774	2061	2064	0	2259
Yield (MT/HA)	1.8125	1.8125	1.8125	1.7045	0	1.7222
(1000 HA), (1000 MT), (MT/HA)						

Oilseed, Rapeseed Market Year Begins	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Bangladesh						
Area Planted (1000 HA)	0	810	0	1097	0	1150
Area Harvested (1000 HA)	810	810	800	1097	0	1150
Beginning Stocks (1000 MT)	49	49	62	53	0	128
Production (1000 MT)	1050	1050	1030	1425	0	1480
MY Imports (1000 MT)	308	274	300	300	0	300
Total Supply (1000 MT)	1407	1373	1392	1778	0	1908
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	1225	1225	1240	1550	0	1600
Food Use Dom. Cons. (1000 MT)	20	20	20	20	0	25
Feed Waste Dom. Cons. (1000 MT)	100	75	80	80	0	80
Total Dom. Cons. (1000 MT)	1345	1320	1340	1650	0	1705
Ending Stocks (1000 MT)	62	53	52	128	0	203
Total Distribution (1000 MT)	1407	1373	1392	1778	0	1908
Yield (MT/HA)	1.2963	1.2963	1.2875	1.299	0	1.287
(1000 HA), (1000 MT), (MT/HA)						

Meal, Soybean 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
Crush (1000 MT)	1525	1650	1900	1950	0	2150
Extr. Rate, 999.9999 (PERCENT)	0.7889	0.7879	0.7895	0.7821	0	0.7814
Beginning Stocks (1000 MT)	718	718	133	145	0	115
Production (1000 MT)	1203	1300	1500	1525	0	1680
MY Imports (1000 MT)	691	582	950	950	0	1000
Total Supply (1000 MT)	2612	2600	2583	2620	0	2795
MY Exports (1000 MT)	25	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	4	5	5	5	0	5
Feed Waste Dom. Cons. (1000 MT)	2450	2450	2450	2500	0	2650
Total Dom. Cons. (1000 MT)	2454	2455	2455	2505	0	2655
Ending Stocks (1000 MT)	133	145	128	115	0	140
Total Distribution (1000 MT)	2612	2600	2583	2620	0	2795
(1000 MT), (PERCENT)						

Meal, Rapeseed Market Year Begins Bangladesh	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	1225	1225	1240	1550	0	1600
Extr. Rate, 999.9999 (PERCENT)	0.5698	0.5698	0.5718	0.5806	0	0.5813
Beginning Stocks (1000 MT)	156	156	123	42	0	125
Production (1000 MT)	698	698	709	900	0	930
MY Imports (1000 MT)	381	300	400	400	0	350
Total Supply (1000 MT)	1235	1154	1232	1342	0	1405
MY Exports (1000 MT)	2	2	0	2	0	2
Industrial Dom. Cons. (1000 MT)	10	10	10	15	0	20
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	1100	1100	1110	1200	0	1250
Total Dom. Cons. (1000 MT)	1110	1110	1120	1215	0	1270
Ending Stocks (1000 MT)	123	42	112	125	0	133
Total Distribution (1000 MT)	1235	1154	1232	1342	0	1405
(1000 MT), (PERCENT)						

Oil, Soybean 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
Crush (1000 MT)	1525	1650	1900	1950	0	2150
Extr. Rate, 999.9999 (PERCENT)	0.177	0.1818	0.1753	0.1795	0	0.1791
Beginning Stocks (1000 MT)	24	24	15	20	0	60
Production (1000 MT)	270	300	333	350	0	385
MY Imports (1000 MT)	681	681	725	600	0	650
Total Supply (1000 MT)	975	1005	1073	970	0	1095
MY Exports (1000 MT)	0	0	15	10	0	10
Industrial Dom. Cons. (1000 MT)	100	85	110	80	0	80
Food Use Dom. Cons. (1000 MT)	860	900	880	820	0	880
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	960	985	990	900	0	960
Ending Stocks (1000 MT)	15	20	68	60	0	125
Total Distribution (1000 MT)	975	1005	1073	970	0	1095
(1000 MT), (PERCENT)						

Oil, Palm 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 Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	0	0	0	0	0	0
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	51	51	58	58	0	103
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	1610	1610	1700	1700	0	1750
Total Supply (1000 MT)	1661	1661	1758	1758	0	1853
MY Exports (1000 MT)	3	3	5	5	0	5
Industrial Dom. Cons. (1000 MT)	50	50	50	50	0	50
Food Use Dom. Cons. (1000 MT)	1550	1550	1500	1600	0	1650
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1600	1600	1550	1650	0	1700
Ending Stocks (1000 MT)	58	58	203	103	0	148
Total Distribution (1000 MT)	1661	1661	1758	1758	0	1803
Yield (MT/HA)	0	0	0	0	0	0
(1000 HA), (1000 TREES), (1000 MT), (MT/HA)						

Oil, Rapeseed Market Year Begins Bangladesh	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	1225	1225	1240	1550	0	1600
Extr. Rate, 999.9999 (PERCENT)	0.4204	0.4204	0.4177	0.4129	0	0.4125
Beginning Stocks (1000 MT)	36	36	45	45	0	48
Production (1000 MT)	515	515	518	640	0	660
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	551	551	563	685	0	708
MY Exports (1000 MT)	4	4	5	5	0	6
Industrial Dom. Cons. (1000 MT)	2	2	2	2	0	3
Food Use Dom. Cons. (1000 MT)	500	500	515	630	0	660
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	502	502	517	632	0	663
Ending Stocks (1000 MT)	45	45	41	48	0	39
Total Distribution (1000 MT)	551	551	563	685	0	708
(1000 MT), (PERCENT)						

Attachments:

No Attachments