

Voluntary Report – Voluntary - Public Distribution

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Report Name: Weekly Price and Policy Update_Week of 18 December 2022

Country: Bangladesh

Post: Dhaka

Report Category: Agricultural Situation, Climate Change/Global Warming/Food Security, Grain and Feed, Oilseeds and Products, Sugar

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Report Highlights:

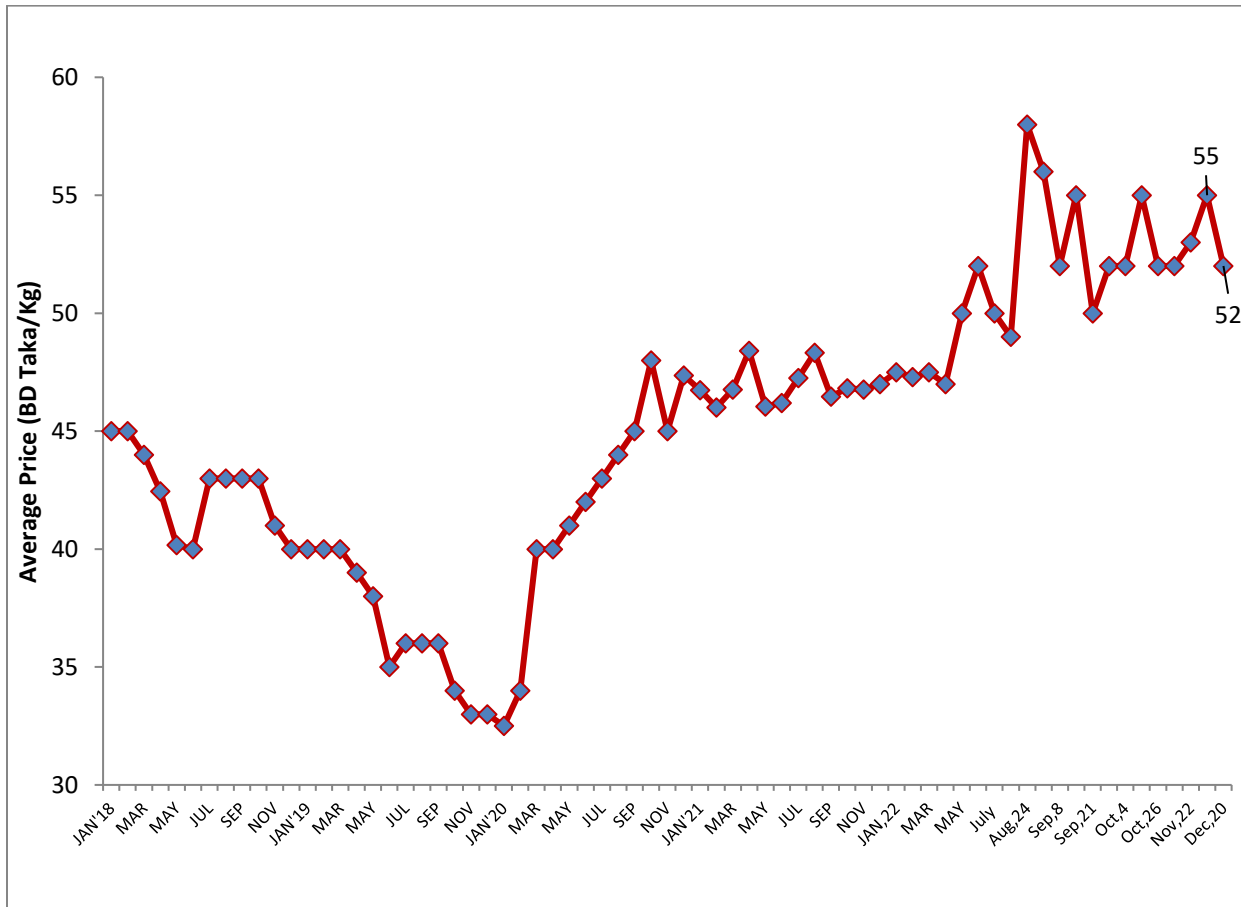
This is a weekly report outlining the prices of agricultural commodities in Bangladesh, as well as major trade and policy updates.

Rice Prices Decline Slightly

This week, the coarse rice price dropped 5 percent from the previous week to BDT 52 (\$0.50) per kilogram (Figure 1). However, current prices of all types of rice are about 7 percent higher than the same period last year. Farmers began the *aman* season rice harvest in mid-November 2022 and Post contacts noted that as of December 20, the harvest in northern and central parts of the country was almost complete. In the south, around 50 percent of the *aman* rice has been harvested. Usually, rice prices decline at harvest time; however, high production costs are leading to high paddy prices and high rice prices this year.

This week, the price of medium quality rice also dropped slightly to BDT 58 (\$0.55) per kilogram, down about 3 percent from the previous week. The price of fine quality rice remained steady at BDT 75 (\$0.71) per kilogram.

Figure 1: Bangladesh – Monthly Coarse Rice Average Price (2017-2022)



Source: Trading Corporation of Bangladesh (TCB)

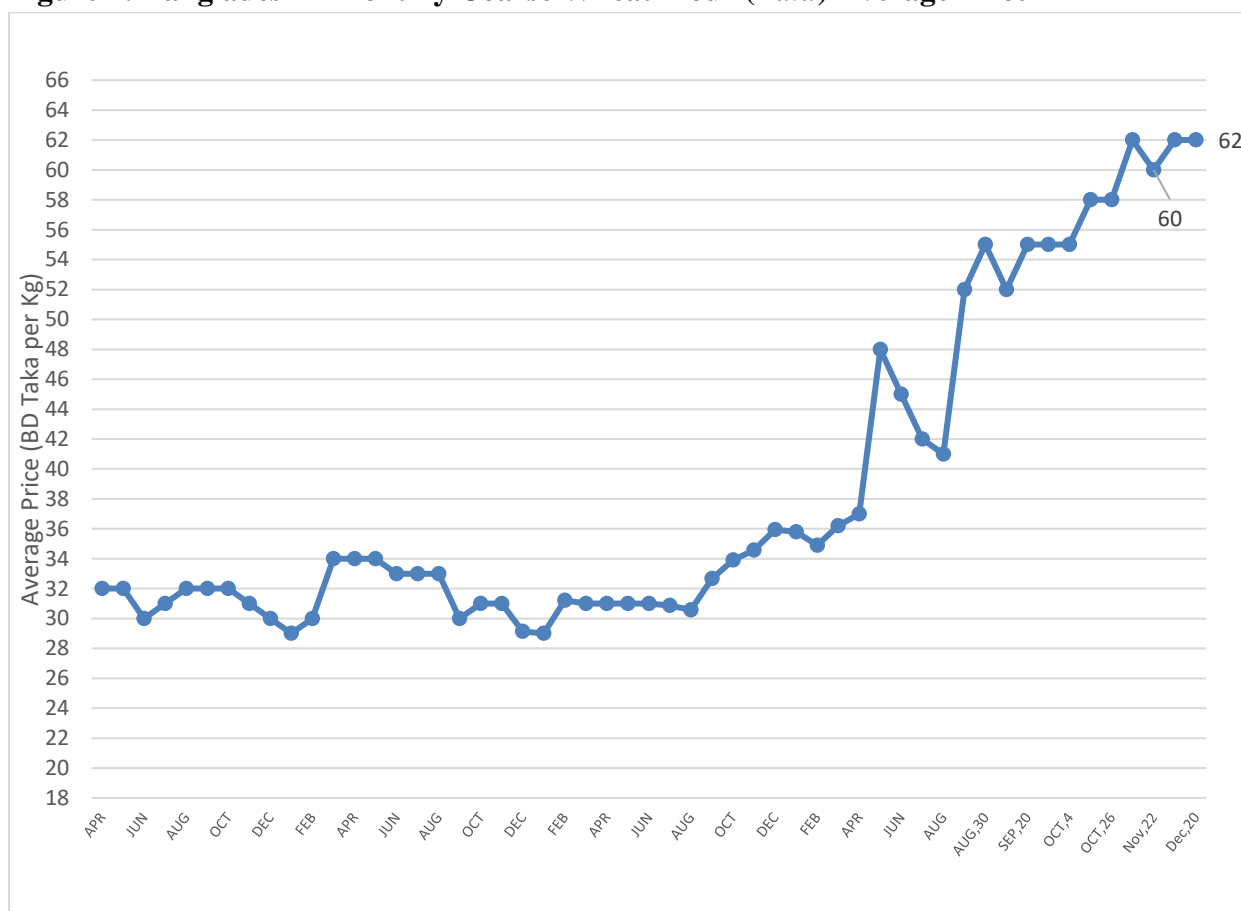
Note: Exchange Rate USD \$1.00 = BDT 105.0

High Wheat Flour (*Aata* and *Maida*) Prices Continue

This week, high prices for all types of wheat flour continued. According to the TCB, the price of unpacked coarse wheat flour (*aata*) remained at BDT 62 (\$0.60) per kilogram (Figure 2). The unpacked fine quality wheat flour (*maida*) price dropped to BDT 70 (\$0.67) per kilogram, down about 7 percent from last week.

Prices of packed *aata* and *maida* remained at BDT 75 (\$0.71) and BDT 80 (\$0.76) per kilogram, respectively.

Figure 2: Bangladesh – Monthly Coarse Wheat Flour (*Aata*) Average Price



Source: TCB

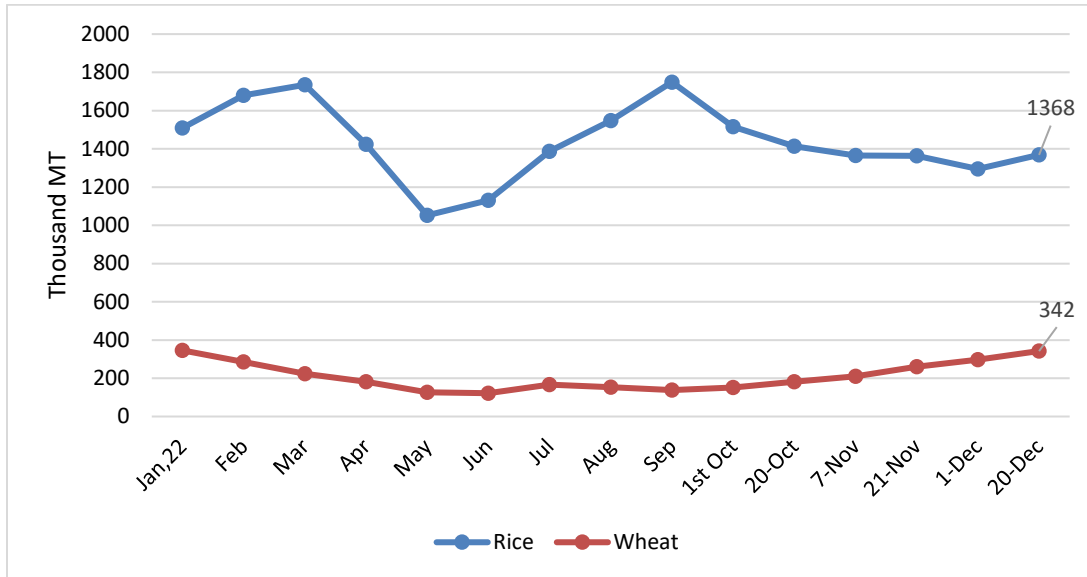
Wheat and Rice Stocks Increase Slightly

As of December 20, 2022, wheat stocks in public granaries reached 342,000 MT, up about 4 percent from the previous week (Figure 3).

Rice stocks started rising again this week. As of December 20, 2022, rice stocks in public granaries reached 1.37 million MT, up about 6 percent from last month (Figure 3). The Government of Bangladesh (GoB) started its *aman* season rice procurement program for public granaries on November

10, 2022, which led to the increase. In addition, the GoB is importing rice from neighboring countries under government-to-government agreements. According to the Food Ministry, from July 1, 2022, to December 20, 2022, the GoB imported approximately 313,000 MT of rice.

Figure 3: Monthly Stocks of Rice and Wheat in Public Granaries in 2022

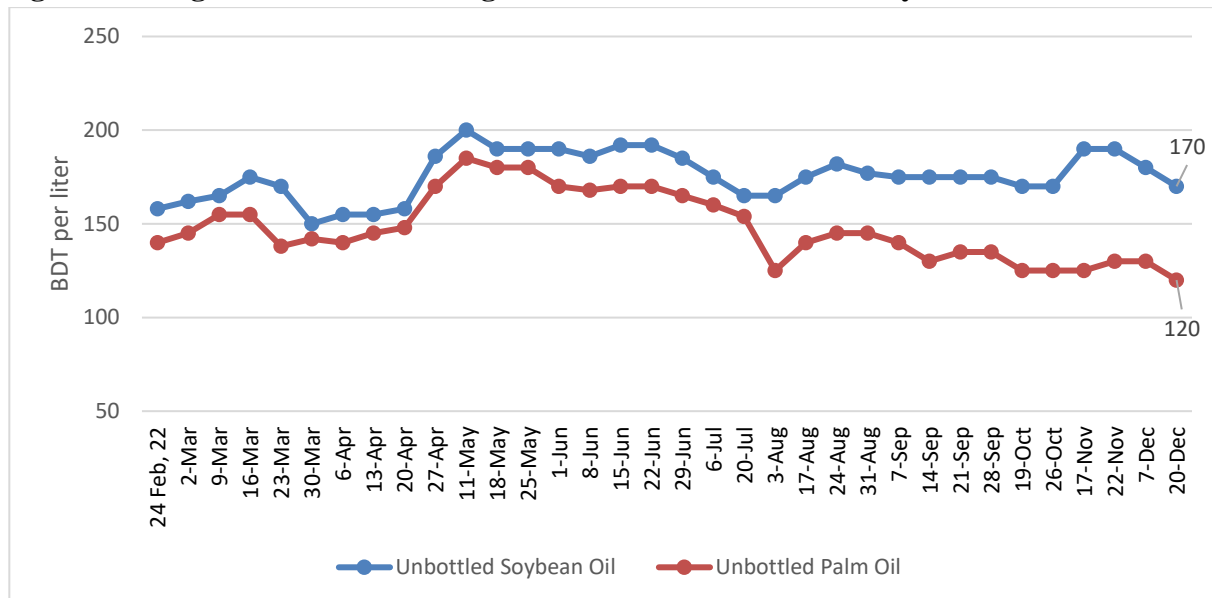


Source: Ministry of Food

Edible Oil Prices Decline

On December 18, 2022, the GoB reduced the bottled soybean oil price 2 percent to BDT 187 (\$1.78) per liter and the bottled palm oil price 3 percent to BDT 140 (\$1.33) per liter. The price of unbottled soybean oil dropped 6 percent to BDT 170 (\$1.62) per liter, while unbottled palm oil dropped 8 percent to BDT 120 (\$1.14) per liter (Figure 4).

Figure 4: Bangladesh – 2022 Average Retail Price of Unbottled Soybean Oil and Palm Oil



Source: TCB

Prices of Other Commodities

- Average retail price of sugar remained at BDT 115 (\$1.12) per kilogram, the same as last week.
- Average retail price of lentils dropped to BDT 135 (\$1.29) per kilogram, down about 4 percent from the previous week.
- Average beef prices remained at BDT 700 (\$6.80) per kilogram, but are up 15 percent from the same period last year.
- Average price of eggs remained steady at BDT 125 (\$1.19) per dozen, the same as the previous week.

Further Background

Agricultural and food commodity prices first began rising in September 2021 due to the COVID-19 pandemic. In December 2022, prices are still high, exacerbated by the Russian invasion of Ukraine, resulting supply disruptions, the appreciation of the U.S. dollar, and high inflation. Price volatility is affecting the food security of poor and middle-income consumers in both urban and rural areas.

Bangladesh depends on India for its rice and wheat imports, followed by Canada, Russia, Ukraine, and Australia. Combined, Russia and Ukraine account for approximately 25 percent of Bangladesh’s total wheat imports. Due to India’s ban on wheat exports since May 2022 and the Russian invasion of Ukraine, Bangladesh is only able to import half of its monthly required wheat from alternative sources, resulting in high domestic wheat flour prices.

In addition, Bangladesh is now facing a foreign currency crisis and according to contacts, many banks have stopped opening some letters of credit, including for commodity imports. This has led to the short supply of some staple goods in the market.

Attachments:

No Attachments.