

Voluntary Report – Voluntary - Public Distribution

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Country: Bangladesh

Post: Dhaka

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

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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.

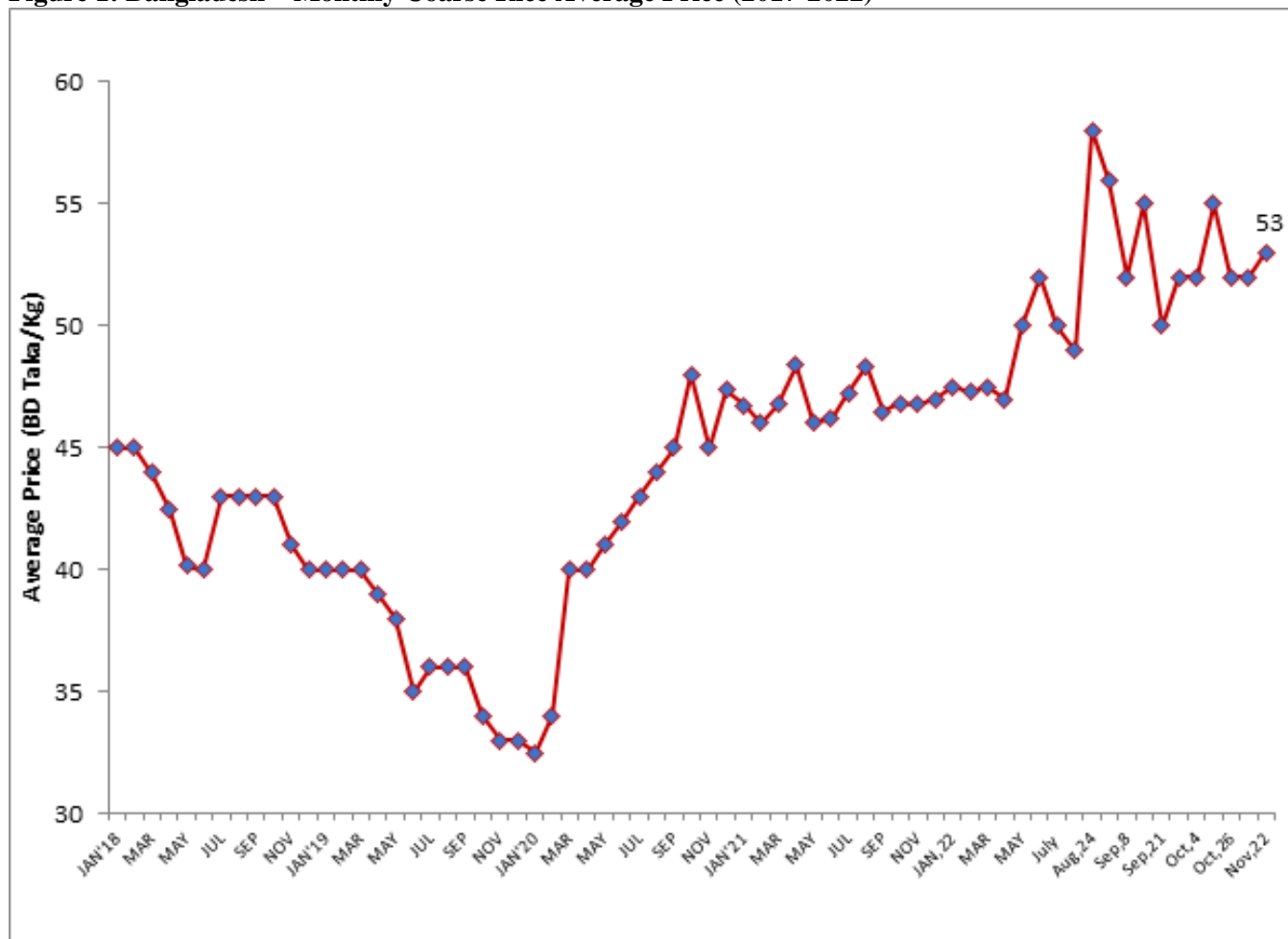
Rice Prices Up Again

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

This week, coarse rice prices rose further amid the ongoing *Aman* season rice harvest. Farmers in the northern and central parts of the country began harvesting *Aman* rice in the second week of November, while farmers in the southern region will start harvesting their rice in early December 2022, as they delayed planting due to lack of rain. Usually, rice prices decline at harvest time; however, high paddy prices are leading to high rice prices.

The retail price of coarse rice reached BDT 53 (\$0.51) per kilogram, up about 2 percent over the previous week (Figure 1). Fine and medium quality rice prices remained steady at BDT 72 (\$0.70) and BDT 58 (\$0.56) per kilogram, the same as the previous week.

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



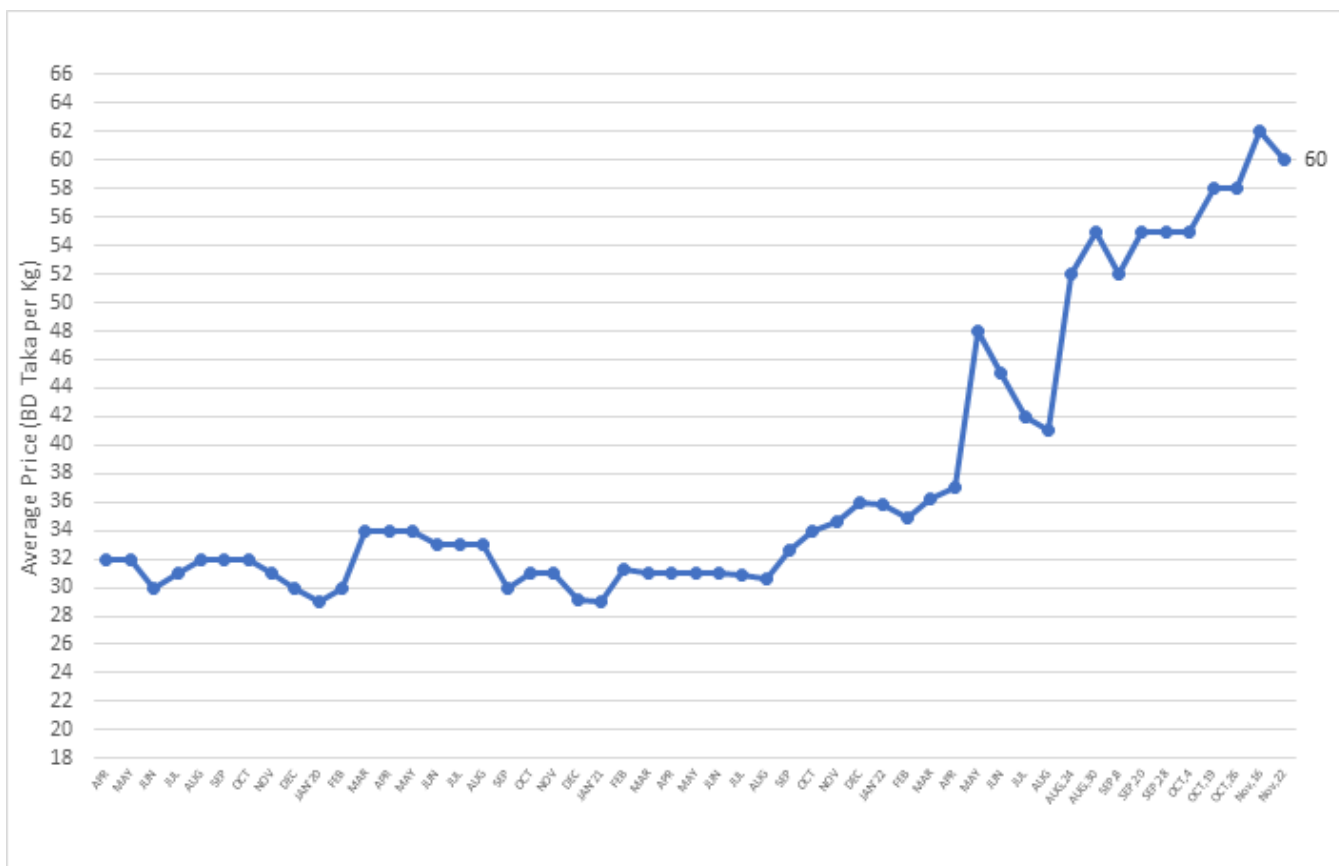
Source: Trading Corporation of Bangladesh (TCB)
 Note: Exchange Rate USD \$1.00 = BDT 103.0

Wheat Flour (*Aata* and *Maida*) Prices Decline Slightly

This week, prices of all types of wheat flour declined slightly from the previous week. According to the TCB, the price of unpacked coarse wheat flour (*aata*) fell to BDT 60 (\$0.58) per kilogram, down approximately 3 percent from the previous week (Figure 2). The unpacked fine quality wheat flour (*maida*) price also fell to BDT 65 (\$0.63) per kilogram, down about 13 percent from last week.

This week, the prices of packed *aata* and *maida* also fell to BDT 65 (\$0.63) and 75 (\$0.72) per kilogram, respectively, down slightly from the previous week.

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



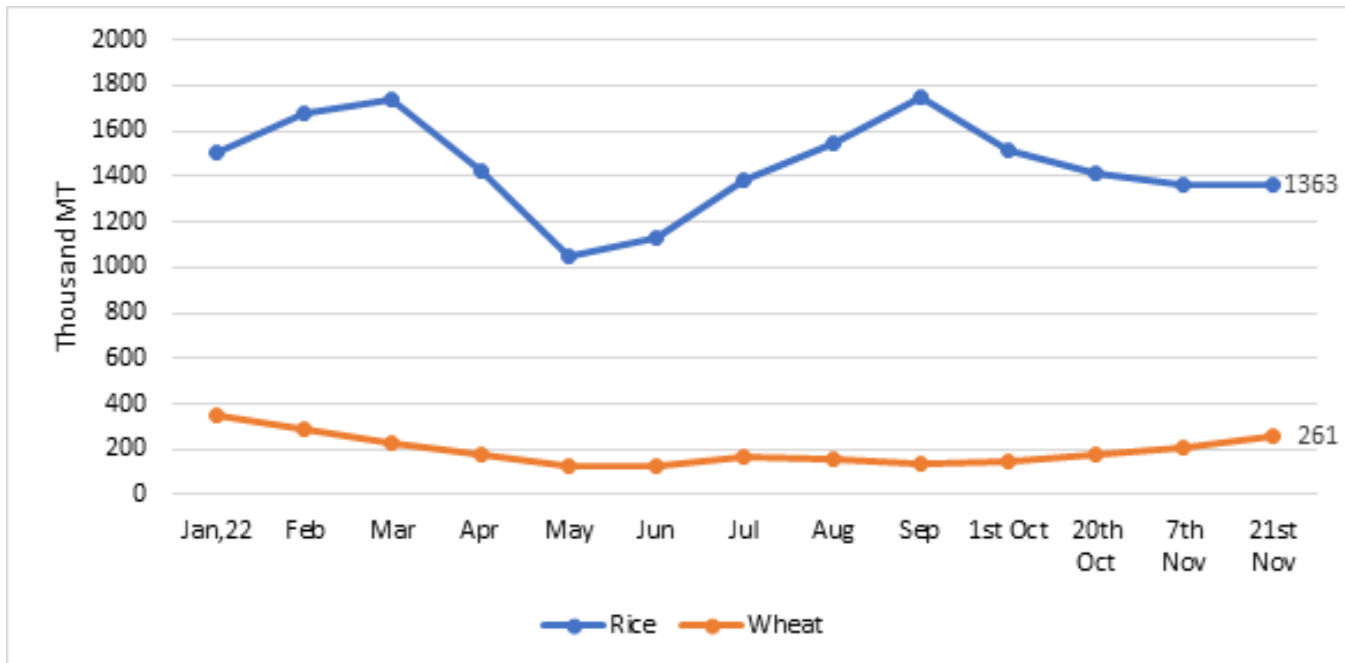
Source: TCB

Wheat Stocks Remain Low; Rice Stocks Stable

As of November 22, 2022, wheat stocks in public granaries reached 261,000 metric tons (MT), up about 24 percent from the previous week (Figure 3). Amid the wheat supply shortage and high prices in local market, the Government of Bangladesh (GoB) decided to purchase wheat from Russia, beginning in September 2022 (Please see: [Grain and Feed Update, October 2022](#)). Three Russian ships, each carrying around 50,000 MT of wheat, arrived in Bangladesh on October 13, November 10, and November 17. However, current wheat stocks are below normal.

Rice stocks are stable at around 1.3 million MT. The GoB started its *Aman* season rice procurement program for public granaries on November 10, 2022. For the program this year, the GoB raised the price of parboiled rice by BDT 2 per kilogram to BDT 42 (\$0.41) and paddy by BDT 1 per kilogram to BDT 28 (\$0.26). The GoB is targeting to procure 500,000 MT of parboiled rice and 300,000 MT of paddy this *Aman* season.

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

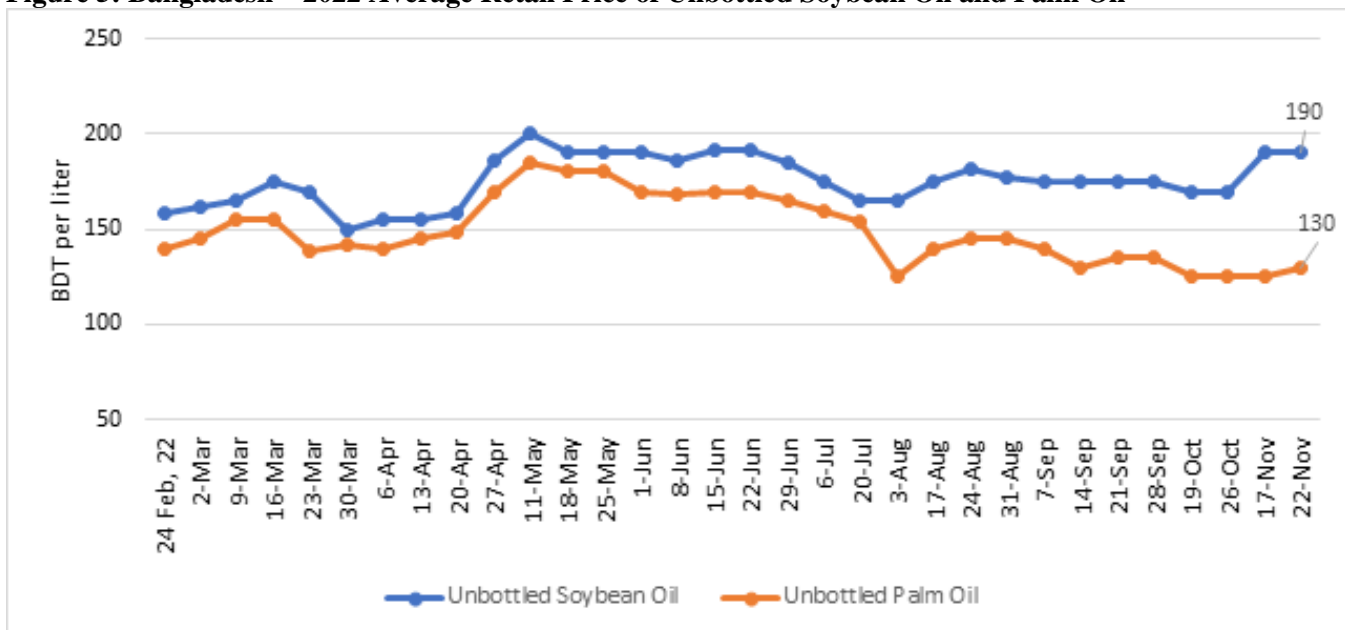


Source: Ministry of Food

High Soybean Oil Prices Continue

On November 17, 2022, the GoB increased the bottled soybean oil price 7 percent to BDT 190 (\$1.88) per liter. This week, the unbottled soybean oil price remained the same as the previous week (Figure 4). The unbottled palm oil price reached BDT 130 (\$1.26) per liter, up 4 percent over the previous week.

Figure 5: Bangladesh – 2022 Average Retail Price of Unbotled Soybean Oil and Palm Oil



Source: TCB

Prices of Other Commodities

- Average retail price of sugar reached BDT 115 (\$1.12) per kilogram, up about 6.5 percent over the government fixed rate. Last week, the GoB fixed the packed sugar retail price at BDT 108 per kilogram.
- Average retail price of lentils reached BDT 140 (\$1.36) per kilogram, up about 4 percent over the previous week.
- Average beef prices remained at BDT 700 (\$6.80) per kilogram, up 15 percent from the same period last year.
- Average price of eggs fell to BDT 130 (\$1.26) per dozen, down about 13 percent compared to the previous week.

Policy

Bangladesh Forms Food Security Fund

On November 10, 2022, Bangladesh's Central Bank formed a BDT 50 billion (\$485 million) fund under which farmers can take out loans at a maximum 4 percent interest rate to enhance domestic food production. The fund will close on June 30, 2024. The Central Bank created the fund to increase food production in light of increasing global prices.

Further Background

Agricultural and food commodity prices first began rising in September 2021 due to the COVID-19 pandemic. In November 2022, prices have further increased, 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.