

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Bangladesh

### LOCK-UP REPORT

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**Report Highlights:**

Post revises its MY 2008/09 (July-June) rice production estimate up to 31 million tons and rice imports down to 700,000 tons. The MY 2009/10 rice import forecast is revised downward to 500,000 tons due to high carry over stocks while there is no change in the wheat import forecast which remains at 2 million tons.

**Post:**

Dhaka

**Commodities:**

Rice, Milled

**Author Defined:**

## **Record Boro rice harvest in MY 2008/09**

Post revises its MY 2008/09 rice production estimate upward to 31 million tons, a 7.6 percent increase over the official MY 2007/08 estimate. The *Boro* rice crop (planted in December/January and harvested in April/May), benefited from favorable weather conditions and government support in the form of subsidized fertilizer and electricity/diesel for irrigation. The Boro crop currently being harvested is forecast at 17.3 million tons, 1.3 million tons higher than Post's previous estimate. Public concern over high food price inflation last year prompted the government to boost extension services and enhance input supplies for the Boro crop, which combined with larger coverage under hybrid seeds (over 15 percent) imported mostly from China, resulted in a record Boro harvest. The Aus and Aman crops harvested earlier were also good.

Assuming normal weather conditions, Post revises the MY 2009/10 rice production forecast upward to 31 million tons.

## **Foodgrain price situation**

A significant increase in the domestic supply of rice and wheat due to consecutive good harvests of rice and large wheat imports have helped to keep domestic foodgrain prices restrained. The current retail price of coarse rice is Taka 18 per kg, which is 41 percent lower than last year's price. Current wheat prices are 50 percent below April 2008 prices. Prices are expected to decline further when the Boro rice harvest peaks in the next two weeks. Falling domestic prices would be a disincentive for rice farmers so the government has established a higher procurement price of Taka 22 for milled rice (Taka 14 for milled rice) for this year's Boro crop. However, this year's price is lower than last year's procurement price of Taka 28 per kilogram of milled rice (Taka 18 for un-husked rice).

## **Imports**

Considering the improved domestic supply situation and lower prices, Post revises MY 2008/09 rice imports down to 700,000 tons. This includes 386,000 tons of Indian rice imported by the government under a government-government agreement signed last year following the cyclone SIDR. Imports during July 2008 to March 2009 were 594,000 tons, 68 percent lower than imports during the same period of MY 2007/08. The MY 2009/10 rice import forecast is revised downward to 500,000 tons due to estimated larger carry over stocks. The wheat import estimate for MY 2008/09 and forecast for MY 2009/10 remain unchanged at 2 million tons.

**Table 1: Commodity, Rice, Milled, PSD**

Rice, Milled Bangladesh	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jul 2007			Market Year Begin: Jul 2008			Market Year Begin: Jul 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Feb
			Data			Data			Data
Area Harvested	11,000	11,100	11,100	11,400	11,300	11,600			11,600
Beginning Stocks	446	446	446	546	546	546			1,246
Milled Production	28,800	28,600	28,800	29,700	29,400	31,000			31,000
Rough Production	43,204	42,904	43,204	44,554	44,104	46,505			46,505
Milling Rate (.9999)	6,666	6,666	6,666	6,666	6,666	6,666			6,666
MY Imports	2,047	1,700	2,047	1,000	1,000	700			500
TY Imports	1,658	1,235	1,658	1,000	1,000	700			500
TY Imp. from U.S.	0	0	0	0	0	0			0
Total Supply	31,293	30,746	31,293	31,246	30,946	32,246			32,746
MY Exports	0	0	0	0	0	0			0
TY Exports	0	0	0	0	0	0			0
Total Consumption	30,747	30,200	30,747	30,800	30,400	31,000			31,800
Ending Stocks	546	546	546	446	546	1,246			946
Total Distribution	31,293	30,746	31,293	31,246	30,946	32,246			32,746
Yield (Rough)	4.	0.	3.8923	4.	0.	4.0091			4.0091