

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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

Voluntary \_ Public

**Date:** 1/11/2013

**GAIN Report Number:** BG3001

## Bangladesh

**Post:** New Delhi

### Grain Update - January 2013

**Report Categories:**

Grain and Feed

**Approved By:**

David Leishman

**Prepared By:**

Sarwer Hussain

**Report Highlights:**

Bangladesh rice production in MY 2012/13 is expected to reach 34 million tons. Higher than expected yields in the *Aman* rice crop (harvested in November/December) have helped bolster domestic supplies. With correspondingly lower domestic prices, MY 2012/13 rice imports are forecast to reach 50,000 tons, consisting mostly of Basmati and other aromatic varieties.

## General Information:

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

Rice, Milled Bangladesh	2010/2011		2011/2012		2012/2013		
	Market Year Begin: May 2010		Market Year Begin: May 2011		Market Year Begin: May 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Harvested	11,700	11,700	11,720	11,720	11,650	11,650	(1000 HA)
Beginning Stocks	770	770	1,378	1,378	1,341	1,341	(1000 MT)
Milled Production	31,700	31,700	33,700	33,700	33,800	34,000	(1000 MT)
Rough Production	47,555	47,555	50,555	50,555	50,705	51,005	(1000 MT)
Milling Rate (.9999)	6,666	6,666	6,666	6,666	6,666	6,666	(1000 MT)
MY Imports	1,308	1,308	563	563	250	50	(1000 MT)
TY Imports	1,486	1,486	240	240	250	250	(1000 MT)
TY Imp. from U.S.	2	2	0	0	0	0	(1000 MT)
Total Supply	33,778	33,778	35,641	35,641	35,391	35,391	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
TY Exports	0	0	0	0	0	0	(1000 MT)
Consumption and Residual	32,400	32,400	34,300	34,300	34,500	34,500	(1000 MT)
Ending Stocks	1,378	1,378	1,341	1,341	891	891	(1000 MT)
Total Distribution	33,778	33,778	35,641	35,641	35,391	35,391	(1000 MT)
Yield (Rough)	4.	4.0645	4.	4.3136	4.	4.3781	(MT/HA)
TS=TD		0		0		0	

## Production

Bangladesh rice production in MY 2012/13 (May/April) is expected to reach 34 million tons. The MY 2012/13 *Aman* rice crop (harvested in November/December) received less than ideal rainfall during the first part of the monsoon season, flash floods affected the north and south western regions, however the crop recovered. Higher than expected yields helped to offset the reduction in planted acreage. The MY 2012/13 *Aman* crop is estimated at 12.8 million tons, a level unchanged from the previous year. The *Aman* crop accounts for approximately 38 percent of Bangladesh's annual rice production, *Boro* and *Aus* cropping seasons account for 55 percent and 7 percent, respectively.

## Stocks

In MY 2012/13, domestic procurement of *Boro* rice through October, 2012, was just above the government target of one million tons. With the better than expected *Aman* crop harvest, the Government of Bangladesh has set a procurement target of 300,000 tons (250,000 tons parboiled and 50,000 tons non-parboiled). The procurement price of parboiled rice has been fixed at Taka 26 (\$0.32) per kilogram, while non-parboiled rice is set at Taka 25 (\$0.31) per kilogram. The procurement effort is currently ongoing, and will continue until February 28, 2013. In MY 2012/13, there was no government procurement of wheat or Aus rice.

At the end of December, 2012, government-held food grain stocks were estimated at 1.37 million tons, consisting of 1.13 million tons of rice and 240,000 tons of wheat. Most of the wheat stocks have been imported. The Government of Bangladesh is currently considering augmenting the sale of rice through the public distribution system (PDS), reducing the existing open market sales price (now set at Taka 24 or \$0.30 per kilogram) to make room for procurement of the new *Aman* rice.

## Price

Since December 2012, the average domestic retail price for coarse rice has remained stable at around Taka 29 (\$0.36) per kilogram. The average wholesale price of Taka 24,300 (US\$ 304) per ton is currently 8 percent lower than a year ago. Media reports suggest that the farmer gate price for paddy (un-milled rice) is 6 to 8 percent lower than the cost of production. Given the current domestic availability rice, prices should remain stable throughout this marketing season.

## Imports

For the first 8 months of MY 2012/13, only 23,000 tons of rice has been imported. Eighty percent of imports have been through the private sector. The recent *Aman* harvest, coupled with available stocks and current low process, has dampened the possibility of a significant increase in coarse rice imports. The Government of Bangladesh is currently examining a proposal to allow some exports of rice through private channels to contain declining domestic prices and improve profit margins at the farm gate. Given the market dominance of millers and traders, these measures may not provide much direct benefit to the farmer.

As a result, rice imports in MY 2012/13 will likely reach 50,000 tons, mostly consisting of Basmati and other aromatic varieties.