



BANGLADESH
South Asia Region

COUNTRY STATS

POPULATION (2022):

169.4 million (Urbanization 38%)

GDP (2023):

\$446.35 billion

AVG. ECONOMIC GROWTH (2023): 6.03%

PER CAPITA INCOME (2023):

USD \$2,528

MARKET SNAPSHOT:

BANGLADESH

Bangladesh is the world's 8th most populous nation, with approximately 169.4 million people. It is also one of the world's most dense populations, with a land mass about the size of the U.S. state of Georgia. This puts an exceptionally high premium on land, necessitating imports to meet local needs for food security. Bangladesh is the world's 4th ranked soybean oil importer and has the world's 5th-largest aquaculture industry, producing ~4.6 million metric tons (MMT) annually. Soybean meal is predominantly used in the poultry and aquaculture sector.

U.S. Soy has collaborated in Bangladesh since 1996.

MARKET STATS

- Bangladesh is the largest soybean importer in South Asia, estimated at 2.7 MMT.
- Large crush capacity, currently sitting at 4-4.5 MMT per year.
- Two additional crushers are planned to open with a capacity of 7,500 MT per day.
- Commercial feed production is 6.57 million MT.
- The total demand for soybean meal in Bangladesh is an estimated 2.5 to 2.6 MMT per year.
- In 2021, Bangladesh was the 43rd largest exporter of soybean oil in the world.

Soy Usage by Sector MY 2022/23

Animal Protein (total)	2.14 MMT	Aquaculture	0.48 MMT
Poultry	1.37 MMT	Other	0.03 MMT
Cattle	0.26 MMT		

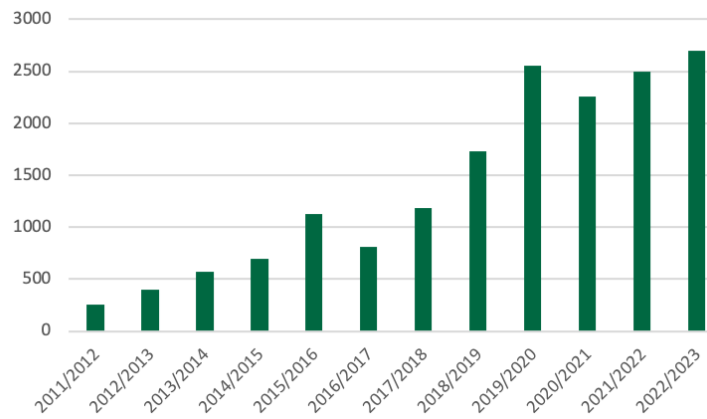
MMT=Million Metric Tons

SOY MARKET SIZE MY 2022/23

Product	Total Volume	U.S. Soy Volume	U.S. Soy % Share
Soy Complex (whole soybean, meal, oil)	1.89 MMT	0.509 MMT	30%
Whole Bean	1.414 MMT	0.57 MMT	40%
Soybean Meal	0.447 MMT	0.01 MMT	2.1%

MMT=million metric tons, TMT=thousand metric tons

BANGLADESH DOMESTIC CRUSH (1,000 MT)



STRENGTHS

- Given its population density, Bangladesh has prioritized agricultural processing as an important sector for development, as it creates higher-value revenue streams.
- The country has a high preference for U.S. soybeans due to color, processing characteristics, moisture, low heat damage and other intrinsic qualities.
- The aquaculture industry is quite large, with six In-Pond Raceway Systems in operation and more being installed. The government supports aquaculture and the future looks promising.
- Bangladesh has a 0% import tariff on meal and soybeans.
- Capacity utilization of crush plants sits at around 60%, making for tight margins at times, but with plenty of room to grow.
- The government of Bangladesh has banned the import and sale of meat and bone meal, which puts an added value and priority emphasis on the protein component, like soybean meal, in animal rations.
- The government has encouraged research and development of genetically modified organisms in food production, including the adoption of Bt brinjal (eggplant). The developer, Bangladesh Agricultural Research Institute, won the 2023 HungerCON award presented by USSEC.

OPPORTUNITIES

- As a low-lying country, Bangladesh is especially vulnerable to rising oceans and sits on the United Nations' V20, a list of the 20 nations most vulnerable to climate change.
- Having recently imported its first U.S. Soy Sustainability Assurance Protocol (SSAP) verified shipment of soybeans, the country is placing increasing importance on sustainability, particularly carbon and its effect on climate change, for national development.
- A modern, efficient large-scale crush industry has room to grow and help meet Bangladesh's soybean crushing needs.
- Demand is increasing, and as a result, two more local conglomerates are entering the crushing sector with 7,000 metric tons crushing capacity per day. Both are under construction and will hopefully begin operations by end of 2024, after experiencing delays in obtaining equipment due to letter of credit restrictions.
- The country recently zeroed out the tariff duty for soybean meal.
- Recent dollar shortages in the Bangladesh Central Bank have led to difficulties in opening letters of credit and acquiring trade finance. The International Monetary Fund has shown a willingness to work with the government to adopt reforms and grow their hard currency reserves.

CHALLENGES

- Human rights issues and an emphasis on free and fair elections have led to various economic sanctions and continue to be a key diplomatic topic between the U.S. and Bangladesh.
- Difficult purchasing agreements among several buying factions cause frustration and delay.
- Poor infrastructure and lack of deep-water ports require lighter vessels and offloading into barges to transit the river for end destinations, adding cost and inhibiting scale.
- A 39-day sail from New Orleans, Louisiana, versus 27 days from Paranaguá, Brazil, means a freight disadvantage the U.S. must overcome in Free on Board (FOB) price.

Sources:

- Observatory of Economic Complexity (OEC)
- Bangladesh Poultry Industries Central Council (BPICC)
- World Economics
- Focus Economics
- United States Department of Agriculture | Foreign Agriculture Service GAT