

Rise of next-gen flour mills

The Daily Star (TDS): How would you describe the current state of the wheat and flour market in Bangladesh?

Mahbub Baset (MB): The wheat and flour market in Bangladesh is growing steadily, driven by urbanisation, rising incomes, and changing food habits. Demand for flour-based products like bread, noodles, snacks, and biscuits is rapidly increasing, boosting atta, maida, and suji consumption. Despite challenges such as price volatility and import dependency, the industry shows resilience through better supply chains, expanded capacity, and product innovation.



MAHBUB BASET

Chief Operating Officer (COO) of IFAD Multi Products Limited.

- “At IFAD, we prioritise upholding international standards in food processing. Our production facilities are equipped with state-of-the-art European milling machinery (Ocrim Ceremona, Italy) that ensures precision, consistency, and hygiene across every batch.”

TDS: How have consumer preferences and flour consumption evolved, and how is IFAD responding?

MB: Consumer preference has shifted from loose, unpackaged flour to branded, hygienically packaged products. Urban households now prioritise convenience, safety, and quality, while rural consumers are increasingly adopting packaged atta, maida, and suji as awareness grows. Since its inception in 2003, IFAD Multi Products Limited has established itself as one of the largest and most advanced flour producers in the country. To meet the demand, IFAD expanded its portfolio with both staple and specialised flours and strengthened its nationwide distribution network for wider accessibility.

TDS: With rising health-consciousness, how is your company innovating products like whole

wheat, fortified, or low GI flour to meet demand?

MB: Health-consciousness is one of the most significant shifts in consumer behaviour. We recently launched one of Bangladesh's first IFAD Wellness Fortified Atta with GAIN (Global Alliance for Improved Nutrition), enriched with Folic Acid, Vitamin B12, Iron, and Zinc to combat hidden hunger and support maternal health. We also offer IFAD Brown Atta, which retains natural fibre and nutrition for consumers seeking wholesome diets.

TDS: How is your brand addressing hygiene concerns around loose flour and promoting a shift to packaged options?

MB: The biggest challenge with unpackaged flour is contamination, inconsistency in quality, and lack of nutritional assurance. IFAD has been

strongly advocating for a shift towards packaged flour by emphasising hygiene, quality, safety, and reliability. Our state-of-the-art production facilities ensure international-standard quality control, from raw wheat sourcing to milling, packaging, and distribution.

TDS: What challenges does the industry face, and what government support is needed?

MB: The biggest challenge is Bangladesh's heavy reliance on imported wheat, making the industry highly vulnerable to global disruptions. The Russia-Ukraine war, rising freight costs, and foreign exchange fluctuations have driven price volatility and uncertainty. We mainly source from Russia and Canada, where market shifts directly affect cost predictability. High energy and logistics expenses further squeeze margins, while import duties and regulatory requirements add to operational burdens.

Rolling in dough, running on imports

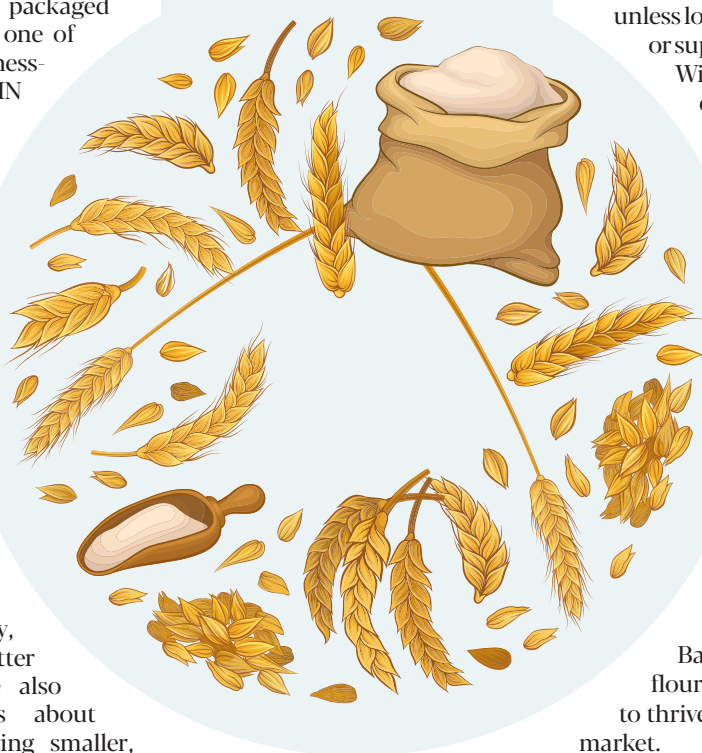
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USDA reports show Russia supplied roughly 60 per cent of imports that year, while Ukraine, Canada, and Argentina supplied most of the rest. Brazil reappeared as a supplier after a pause because of attractive price offers. The dollar shortage in 2022-24 made opening letters of credit (LC) harder. Due to this, shipments got delayed overseas.

Flour prices stayed stable in 2023-24 because the government released stocks and companies managed risks. But that calm masked higher import bills and continuous cost pressure for millers and bakers. Every shift in dollar rates or transport expenses required recalculation at the mill gate, squeezing small bakers' margins and adding uncertainty for large food makers.

Against this backdrop, leading brands like ACI, IFAD, Meghna Group, and City Group have stepped up to ensure both quality and innovation. They are investing in modern milling units, advanced European technology, and fortified flour lines. Consumers now have access to brown atta, multigrain atta, and vitamin-enriched atta in hygienically packaged staples. “We launched one of Bangladesh's first wellness-fortified flours with GAIN (Global Alliance for Improved Nutrition), enriched with folic acid, vitamin B12, iron, and zinc to combat hidden hunger,” said Mahbub Baset, Chief Operating Officer of IFAD. Companies are also actively replacing loose, unpackaged flour, which once dominated the market, with branded options marketed for safety, consistency, and better nutrition. Brands are also educating consumers about food safety and offering smaller,

From stoves to bakery ovens to factory lines, wheat now underpins far more of daily life than a decade ago. Official estimates put the country's wheat food use at about 7.7-7.8 million tonnes a year, while domestic output is near 1.1 million tonnes. That leaves roughly 6.6-6.7 million tonnes to be imported, and recent marketing years saw imports around 6.8-6.9 million tonnes. “Over 85 percent of the country's wheat is imported, mainly from Russia, Ukraine and Canada.



affordable packs to make packaged flour accessible across both urban and rural markets. “We have observed a clear shift in consumer behaviour. Now more people are becoming health-conscious and are actively seeking healthier alternatives,” added S.M. Muzibur Rahman, Senior General Manager and Head of Accounts of Meghna Group of Industries (MGI).

ACI highlights that consumers are shifting dynamically toward health-focused products, but balancing affordability and quality amid inflation remains tough. Baset stresses that “the greatest challenge is Bangladesh's heavy reliance on imported wheat, which makes the sector vulnerable to global disruptions.” Both ACI and IFAD say the industry needs stronger policy support. They urge the government to simplify imports, improve storage and transport, and ease letters of credit during currency stress. They also suggest higher duties on low-quality wheat bran to protect local producers and digitised systems to reduce syndicate influence.

All forecasts suggest food consumption will keep rising as the population grows and urban diets change. Imports will remain critical unless local production increases or supplier networks diversify.

Widening supplier bases, easing LC access during currency stress, and supporting mill modernisation and supplementation programmes can help reduce exposure.

Despite the hurdles, optimism runs high. The sector's resilience, continuous innovation, and consumer shift toward branded products suggest that Bangladesh's wheat and flour industry will continue to thrive amidst a volatile global market.

HOW WHEAT FUELS A TK 16,000CR INDUSTRY

MD ABU TALHA SARKER

Bangladesh's appetite for wheat has grown steadily over the past decade, driven by shifting dietary preferences, expanding urban lifestyles, health concerns, and comparatively lower global prices. Once considered supplementary to rice, wheat has now cemented its position as the country's second most-consumed staple, reshaping both consumption patterns and trade flows.

■ GROWING DEPENDENCE ON IMPORTS

Domestic wheat production meets only 14-15 percent of annual demand, leaving Bangladesh heavily reliant on foreign supplies. “The country's annual demand stands at 74-75 lakh tonnes, most of which must be imported,” said Taslim Shahriar, senior assistant general manager at Meghna Group of Industries. The private sector

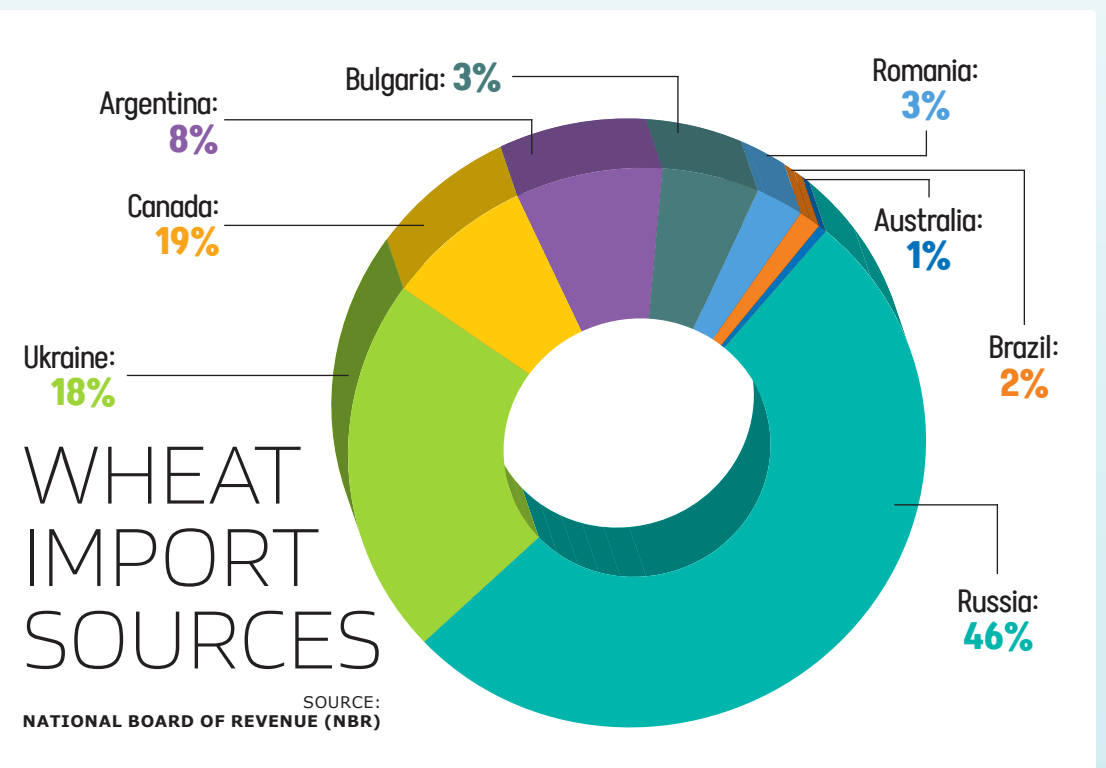
increasing preference for whole grain products.

■ BAKERY BOOM AND EXPORT GROWTH

The bakery industry has multiplied consumption of bread, biscuits, cakes, pizza, burgers and snacks several times over the past decade. Exports have also surged, rising from Tk 4.33 lakh in FY2015-16 to Tk 21 crore in FY2023-24, according to the Export Promotion Bureau. Wheat by-products also underpin the country's expanding animal feed industry, linking the crop to wider agribusiness dynamics.

■ LOCAL PRODUCTION: STALLED PROGRESS

Bangladesh produces only 1.0-1.2 million tonnes annually, a figure largely unchanged for six years. USDA projects production at 1.1 million tonnes



handles about 90 percent of imports, with the government procuring the rest. Following a slowdown in FY2021 and FY2022, imports rebounded in FY2023 on the back of softer international prices.

According to Jamal Razzak, senior general manager of IFAD Multi Products Limited, wheat purchases have risen by 10-15 percent annually over the past decade, underscoring entrenched reliance on overseas suppliers. IndexMundi ranks Bangladesh as the world's eighth-largest wheat importer. Egypt tops the list with 12.5 million tonnes annually, followed by Indonesia with 12 million tonnes.

■ DIET SHIFTS AND AFFORDABILITY

Health concerns are reshaping food consumption in Bangladesh. Nutritionists note that wheat offers more protein and less water than rice, making it attractive to consumers seeking balance. Rising rates of diabetes and obesity have also encouraged a shift towards whole grains.

According to the Directorate General of Food, per capita wheat consumption nearly doubled in the last decade, from 72 grammes in FY2015 to 125 grammes today.

Affordability drives this shift. Trading Corporation of Bangladesh (TCB) data show flour is consistently Tk 10-12 cheaper per kg than medium-grade rice. On 30 August, medium rice retailed at Tk 60-75 per kg, coarse rice at Tk 55-60, while atta sold at Tk 45-65 and maida at Tk 55-75.

Demand for maida remains stronger than atta, with health-conscious consumers showing

for MY 2024-25 and 2025-26. In FY2023-24, 1.2 million tonnes were harvested from roughly 350,000 hectares of land, slightly above 1.149 million tonnes from 329,000 hectares in FY2018-19. Officials promote high-yielding varieties such as BARI Gom-25 and BARI Gom-26, but output growth remains modest.

“Demand for wheat has doubled in recent years, yet local output has not kept pace,” said Abul Bashar Chowdhury, chairman of BSM Group.

■ EXPANDING MARKET PLAYERS

Once dominated by a handful of firms, the market now features more than two dozen major players, including Meghna, City, Bashundhara, Akij, ACI, Pran-RFL, and IFAD. Large corporations typically import wheat via mother vessels carrying up to 60,000 tonnes, while smaller firms combine 10,000-20,000 tonne shipments to reduce costs.

■ LOOKING AHEAD

With demand rising at 10-15 percent annually, dependence on imports will continue unless local production expands significantly. Yet the sector's resilience is evident in the booming bakery trade, growing exports, and rising consumer preference for branded flour. As ACI Foods' Yasmin notes, “The flour industry is now worth around Tk 16,000 crore, with the retail segment alone valued at Tk 1,340 crore.”

Bangladesh's wheat story is thus one of opportunity as much as challenge. It is a vital food sector growing in size, sophistication, and strategic importance.

