

Market Monitor

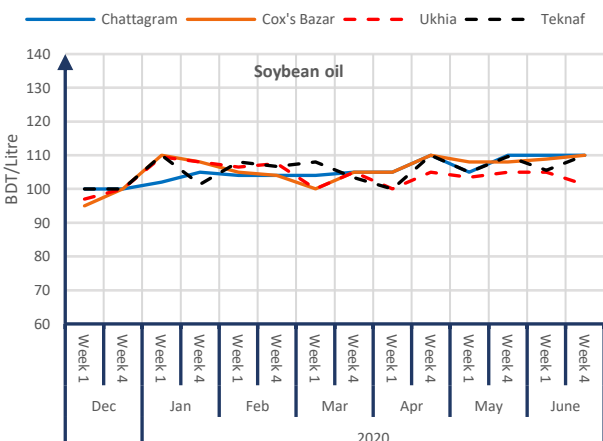
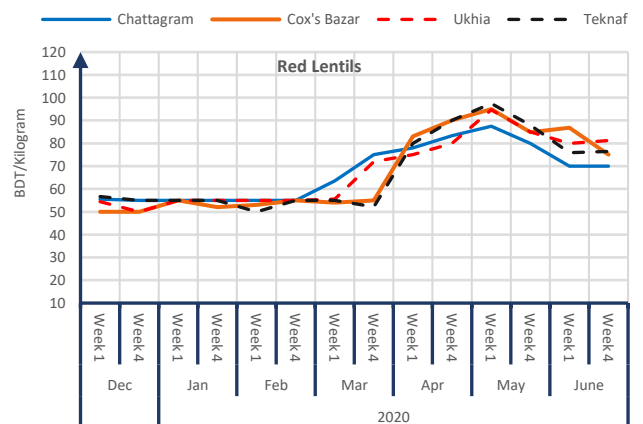
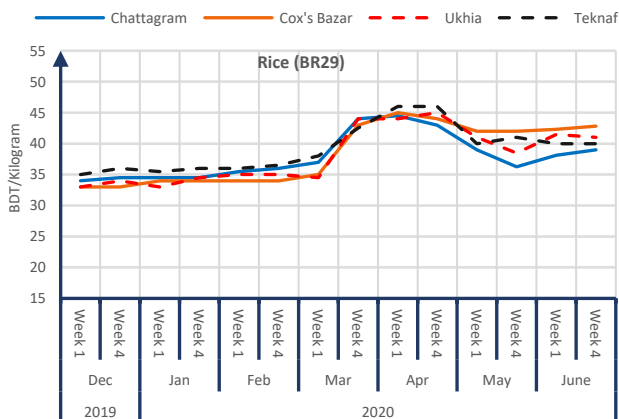
Cox's Bazar, Bangladesh – June 2020

SAVING
LIVES
CHANGING
LIVES

Key Messages

- **Mixed price trends observed across the markets.** Price of rice, red lentils, chicken peas, vegetable oil and onions remained stable and/or declined, while chicken and egg prices has considerably increased.
- The current market stability can be attributed to increased market surveillance and reduced clearance time for imported food commodities at the port.
- **Rice traders are however expressing concerns on potential supply disruptions,** due to the current heavy rains and flooding in northern parts of the country, a major rice supply hub for many traders.
- **Compared to May, egg prices have increased by up to 20 percent following recovery of the poultry market,** after COVID-19 transmission rumours affected it at the early stages of the crisis.
- **While food availability in the markets remains stable,** economic access by households is the major concern. Purchasing power dropped by 42 percent in June compared to pre-crisis period.
- As household incomes continue to fall, or unavailable altogether for some, **a shift in dietary patterns is evident with many households favouring less preferred or cheaper foods, with low nutritional value.** A compromise on healthy diets makes the population more vulnerable to the current pandemic.
- **Livestock trade has also experienced substantial disruptions, with demand for livestock products being atypically low.** Farmers and traders stand to lose more, with the *Eid al-Adha* festivals coming up, typically the peak season for livestock business in Bangladesh.
- **Camp markets have seen a sudden increase in demand for fresh foods, amidst typical supply levels, exerting an upward pressure on fresh food prices** in those markets, and exposing refugees to very unfavourable terms-of-trade.
- Overall, **most markets continue operating at atypically low levels- dampened demand from households being the main reason,** but also due to substantial reduction in demand for relief efforts.
- Movement restrictions threatens **to disrupt agricultural activities, through labour shortages and high input costs,** which could lead to acreage contractions and low yields in future, exacerbating vulnerabilities.

Food Price Trends

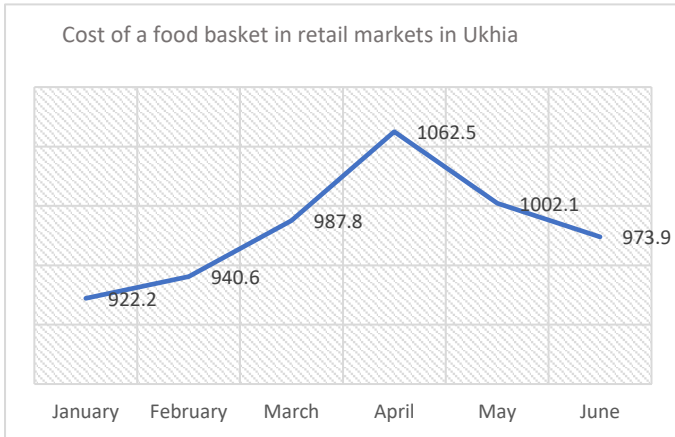


Price change comparison: 4th week of June and 4th week of May

	Chattagram	Cox's Bazar	Teknaf	Ukhia
Rice BR29	3%	1%	0%	1%
Red lentils	-20% ▼	-9% ▼	-22% ▼	-15% ▼
Soybean Oil	3%	1%	0%	1%
Onion	-29% ▼	-22% ▼	-15% ▼	-22% ▼
Garlic	-27% ▼	-18% ▼	-4% ▼	-4% ▼
Red Chilli	-2%	-2%	-2%	-4%



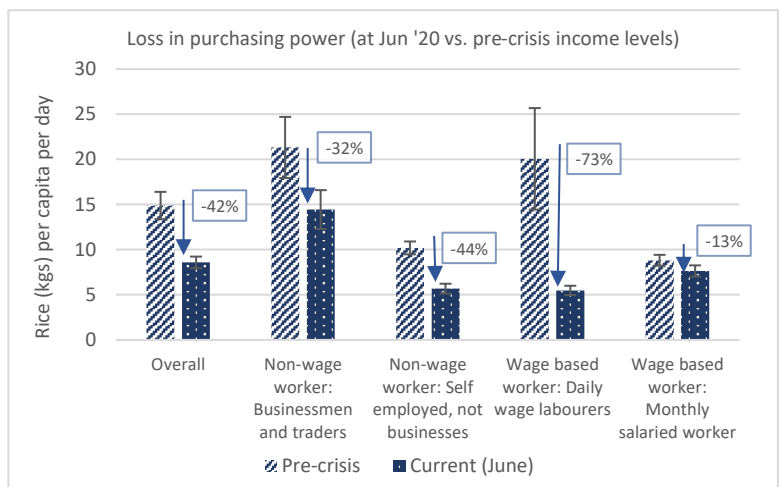
Cost of a consumer basket



- The cost of a typical food basket increased by about 13 percent between February and April, at a time when food prices were spiking due to lockdown effects on supply chains.
- However, the cost of a basket levelled off from mid-May, occasioned by stability and/or decline in food prices from that period, as supplies improved in the markets.
- The cost of a basket remains above pre-crisis levels, with significant fluctuations in certain items in the basket, mainly poultry products (eggs/chicken).
- With household incomes still below normal levels, affordability remains a key challenge.

Consumers purchasing power

- Purchasing power erosion remains the greatest challenge many households are grappling with.
- Overall, households purchasing power has dropped by 42 percent in June considering current verses usual income levels¹.
- Currently, with a day's income, a household in Cox's Bazar can buy about 9 kg of rice, a drop from 15 kg of rice that could be bought from usual pre-crisis income.
- Marked differences can be seen across income categories, with daily wage labourers, who had low income levels to begin with, losing up to 73 percent of their purchasing power.



Market Environment

Camp Markets

- Camp markets are more accessible now compared to two months ago, though level of activities remain low.
- Anecdotally, reduced income earning opportunities could be driving up sell and/or exchange of portions of assistance, to support access to other food and non-food items.
- There's an increased demand on the local markets for fresh food items, mainly fruits, vegetables, fish, and chicken, following suspension of WFP's farmers markets and fresh food corners in the retail outlets. However, supply remains low, as local producers struggle to keep up with the demand. Local traders are also not able to circumvent high transactional costs of getting these perishable products from distant source markets. Some traders are reportedly taking advantage to hike prices of these food items.
- With minimal surveillance on traders' conducts in the local camp markets, refugee households' terms-of-trade remain significantly disadvantaged.
- Concerns remain high within the camp population about further increase in fresh foods prices in the days ahead.
- Camp traders also reported increased credit borrowing, but they limit this to only households with good credit history.

Conclusions

- Increased surveillance in the camp markets acting as the main source of fresh foods warranted. The current poor terms of trade could be jeopardizing refugee households' ability to have adequate food consumption. Options for alternative ways of providing fresh foods can be explored.
- As lockdown measures and effects continue to permeate daily lives and livelihoods of the local population, the need for strengthening social protection programs remains high.
- Support for income and food access remains priority needs of the affected populations.

¹ Methodology footnote: the graph shows drops in purchasing power at June rice price levels, based on changes in usual daily income levels to the last received income levels. Drops in last received income levels are driven by earnings immediately before and during the lockdown (March-June 2020)