

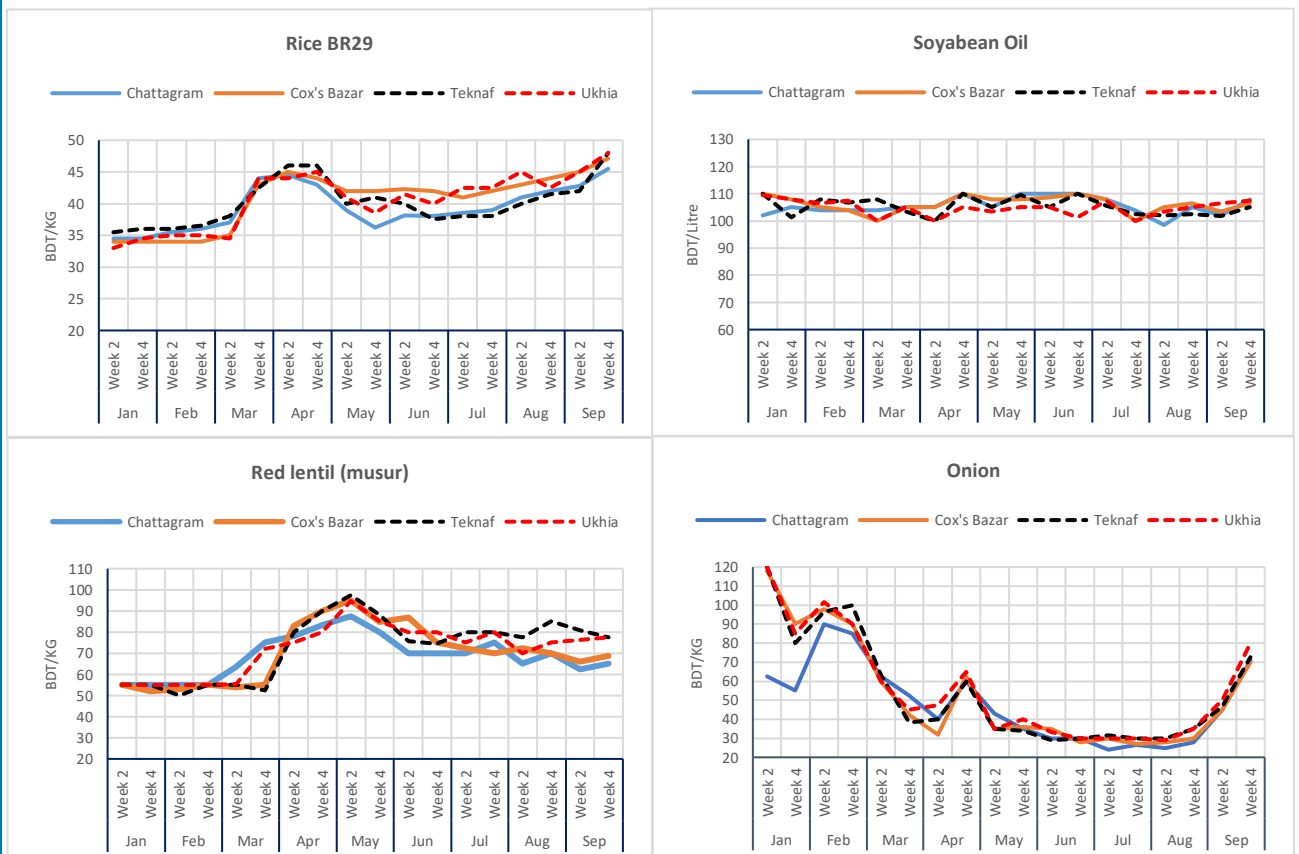
# Market Monitor

## Cox's Bazar, Bangladesh – September 2020

### Key Messages

- **Mixed price trends observed across most commodities**, but significantly so for rice and onions, due to a combination of impacts from the recent monsoon rains and import disruptions.
- **Prices of all rice varieties have risen** across all markets by 13 percent on average compared to the 4th week of July, when many parts of the country started experiencing flooding conditions. The mill-gate price of a 50 kg sack of rice rose by 250 – 270 BDT, resulting in a 4 – 6 BDT/kg increase in the wholesale and retail prices.
- **Traders anticipate that rice prices are likely to continue gradually increasing** through end of the year, with price stabilization only expected from early next year when harvesting of the *Aman* season starts or import inflows pick-up.
- **Onion prices increased due to import disruptions from India**, the main source. However, imports have since been rerouted to Turkey, Egypt, Pakistan and Myanmar in an attempt to stabilize prices.
- Oil, vegetables, garlic and red lentil prices also continue to be unstable across many markets and have remained consistently above pre-Covid-19 levels.
- **Wage rates remain unpredictable** in the aftermath of the pandemic lockdowns, varying based on supply and demand of labour across different markets.
- **Overall trade levels in wholesale markets are reportedly significantly lower than usual.** According to traders, the Chaktai/Khatunganj market in Chittagong which is a major trade-hub is operating at less than 50 percent capacity.
- Despite minimal supply side disruptions, consumer demand continues to be lower than usual, driving sales down due to lower purchasing behaviour, limited operations within the service sector (food and hospitality), and absence of cultural gatherings.
- **In camp markets**, despite gradual resumption of self-reliance opportunities purchasing power for many households remain typically lower than pre-pandemic periods.

### Food Price Trends



## Price trends among key commodities: Pre and Post Monsoon 2020

Price change comparison (pre and post-monsoon): 4th week of July, 2020 and 4th week of September, 2020				
	Chattogram	Cox's Bazar	Ukhia	Teknaf
Rice BR29	17% ▲	12% ▲	13% ▲	12% ▲
Rice BR28	12% ▲	14% ▲	11% ▲	15% ▲
Rice Gazi	11% ▲	19% ▲	12% ▲	6%
Garlic	10% ▼	11% ▼	7%	0%
Onion	168% ▲	159% ▲	167% ▲	142% ▲

- Price of different varieties of rice have increased almost across all markets. Garlic price is relatively stable in markets with drop of price in Chattogram and Cox's Bazar markets.
- Following the clogged import of onion from India aided with heavy monsoonal post-harvest losses, onion price has gone up by up to 1.7 times the pre-monsoon prices.
- Compared to last year the coarse rice price is still 20-25 percent higher this year according to state-run Trading Corporation of Bangladesh (TCB).

## Market Environment

- Although the bumper harvest of *Boro* rice this season replenished food reserves for Bangladesh, reportedly up to November, traders anticipating crop losses in *Aus* and *Aman* season forecast minimal chance of price decrease before the end of the year.
- Anticipation of crop losses for the ongoing and upcoming harvests have reportedly driven millers as well as farmers to hoarding rice and paddy, causing the hike in rice prices through an artificial supply crisis despite the absence of systematic supply chain disruptions.
- Traders report decline in rice quality due to disruption of agricultural extension services from the Government and other organizations due to COVID-19.
- Farmers report receiving low to no guidance on suitable varieties, pest control and other agricultural practices for the *Aus* and *Aman* season resulting in the decrease in rice quality.
- Export bans in India resulted in the surge in prices of imported onions, mirroring a similar trend observed in the previous year during this time.
- Import channels had been swiftly rerouted to Turkey, Egypt, Pakistan, and Myanmar but the stabilizing effects have not been reflected within the wholesale markets yet.
- The Chittagong port has been operating at full capacity, reflected mainly in the stabilization of imported red lentil prices, mainly coming in through these channels from Australia and Canada.

## Camp Market

- Camp markets are fully functional with regular supplies with low to no difficulty in purchasing and no restrictions in mobility. Beneficiaries report receiving adequate and timely food assistance without disruptions.
- Skill-based programmes have restarted operations in limited capacity, with contraction of purchasing power still prevalent among majority of the camp populations.
- Households with some purchasing power, are reportedly opting for relatively cheaper vegetables and smaller quantities of fresh fish.
- Terms of trade remain unfavourable towards demand for fresh foods owing to steady increase in prices for tomato, potato, green leafy vegetables and onion. On the contrary, poultry prices have stabilized owing to increasing supplies.
- Pulses, potato and oil received as assistance continue to be sold by some households at lower prices, possibly to cover for loss of livelihood opportunities.

## Conclusions

- Crop losses due to the monsoon and floods have not threatened rice reserves yet. However, there could be need to consider increasing rice imports as a cushion to sustain stock levels till the end of the year.
- Market supply chains continue to be functional and responsive despite lower consumer demand. Sustained operational constraints due to COVID-19 are evidently having persistent impacts on wage rates and purchasing power.
- Food market stability can be attributed to timely intervention from the Government in adjusting to imports, supply chain disruptions and food stocking.
- Targeted support to small scale traders continues to be a major action point to enable continued market functionality.
- Long term reduced camp operations and livelihoods activities may have resulted in adoption of negative coping mechanisms among refugees, already evident through the resurgence in sale of assistance.