



WFP/Nowrin Fatema

Key messages

- Continued elevation of food prices in April reflects the effect of seasonal factors, including Ramadan and effects on COVID-19 related lockdowns including border closure with India which slowed inflow of imports.
- The Consumer Price Index of Bangladesh reached an all-time high of 291.96 points, the highest since July 2011 reflecting the aggregate elevation of commodity prices.
- **Rice** price marginally decreased across most markets and will likely stabilize and/or decrease further as supply from the harvest of other rice varieties continue to be available in markets (including early harvest of Boro rice).
- **Soybean oil** prices increased between 6-8 percent throughout all markets compared to last month and are 30-40 percent higher than same month last year. The price remains high partly due to rising prices in the international market.
- **Onion** prices decreased in the first weeks of April and marginally increased in the second half of April reflecting the start of Ramadan and lockdown (Lockdown period: 5th April-16th May).
- **Red lentil** price remained stable across most markets, continuing a trend observed from March, boosted by adequate stock levels.
- Reports of increased transaction costs were reported for the goods-laden vehicles authorized to cross the border points due to intense checks and sanitary requirements introduced to comply with COVID-19 prevention measures.
- Despite the availability of stock and short restocking time of 1-3 days, prices of **chickpea, brinjal/eggplant, potato, and tomato** spiked as result of additional demand for Ramadan and rise of transportation cost across the country.
- In the camps, key informants reported challenges in restocking since the lockdown, as well as marginal increase in prices of main commodities flowing inside the camps mainly due to higher transport costs.
- Reports of increased credit purchase of food and some selling of food assistance were also reported, probably to cope with the lack of cash in Rohingya households exacerbated by the recent restrictions.
- Although prices tend to come down after Ramadan, prolonged lockdown could further drive prices upwards. Close monitoring of market dynamics is recommended.
- Food insecurity and vulnerability among market dependent poor households could increase further, due to cumulative effects of the monsoon and lockdowns.

Camp markets

- The camp markets are functional between 10 a.m. to 5/6 p.m.. Balukhali Bazar, which was a major market hub, remains non functional since the camp fire.
- Restocking has become highly challenging and customer footfall reduced greatly since the lockdown. Despite the reported availability of goods, lockdown induced higher transportation cost has resulted in increase in prices of key commodities in the local camp markets including oil, pulse, juice, vegetables, fish, garlic, turmeric, green and red chilli and sugar.
- Rice price ranges between 44-46 BDT, comparatively lower than the host markets, and red lentil prices ranges between 60 – 80 BDT. Unsurprisingly different commodity prices like rice, lentils etc. are lower than host community markets due to the difference in quality.
- Key informants reported an increase in credit purchase of food compared to normal times, triggered by the lack of sufficient cash to purchase goods that prevails throughout the camps exacerbated by the lockdown restrictions and price increase.
- The demand of chickpea, chilli, potato, sugar, vegetables and fish has increased significantly, driven by the change in consumption pattern during Ramadan. All these products are highly likely to be scarce due to the lowered supply in camps during lockdown.
- Selling food assistance, specially rice, oil, eggs and pulses continues due to the increased household's need of cash to cover other food and non-food needs.

Food basket, wages and household's purchasing power

- In April, the cost the food basket increased by 5%, from BDT 1057 in March to BDT 1113 in April.
- In Cox's Bazar, the casual fishing labour wage increased 60 percent from BDT 500 but skilled construction labour wage went down by 23-25 percent. This is plausibly due to the lockdown that reduced the work in land in contrast to the waterways which were not under lockdown measures.
- The increase in the cost of the food basket combined with the labour restrictions imposed by the lockdown and lower wages in some sectors continue to lead to reduction in household purchasing power.
- In April 2020, a household was able to buy about 11 kg of rice from a day's wage. In April 2021, the same daily wage would afford about 9 kg or rice, depicting the erosion in purchasing power (Figure 1).

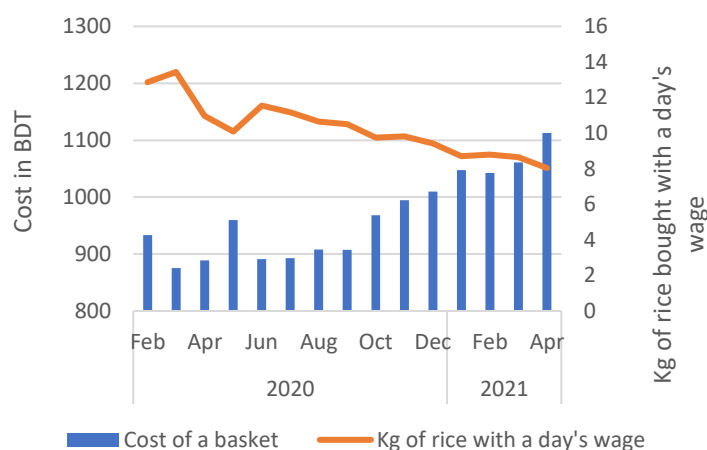


Figure 1: Cost of food basket and rice price versus wage rate since February 2020.

Conclusions

- Combined effect of Ramadan, lockdown and border closure has triggered price spikes for most of the major commodities.
- Prolonged lockdown is likely to continue driving food prices upwards. Close monitoring of market dynamics to continue.
- As stated last month, food insecurity and vulnerability among market dependent poor households likely to be exacerbated by compounding factors including monsoon, lockdown and border closures which affect income opportunities and commodity prices.

Methodology

- A total of 182 traders spanning 7 sub-districts of Cox's Bazar and major markets of Chattogram were interviewed following mixed modality during 1st April – 30 April 2021 by the WFP M&E Field Monitors and FAO CP enumerators. Markets were purposively selected based on their strategic importance.
- 38 key informants interviews were conducted over the phone with traders from Chattogram, Ukha, Teknaf and camp markets.

Food price trends

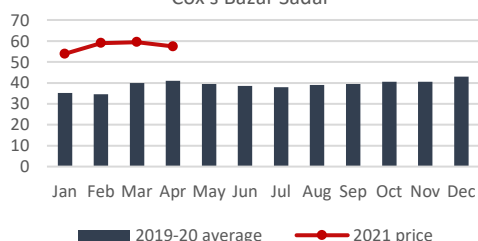
	% change last month (March-April 2021)				% change last year (April 2020-21)				% change last two year (April 2019-21)			
	Chattagram	Cox's Bazar	Ukhia	Teknaf	Chattagram	Cox's Bazar	Ukhia	Teknaf	Chattagram	Cox's Bazar	Ukhia	Teknaf
Rice BR29	-7.5% ▼	-3.4%	-0.3%	1.0%	10.1% ▲	23.9% ▲	24.5% ▲	7.8% ▲	40.0% ▲	58.3% ▲	55.6% ▲	55.9% ▲
Soybean Oil	6.9% ▲	6.6% ▲	6.2% ▲	6.5% ▲	30.8% ▲	32.5% ▲	35.2% ▲	38.0% ▲	36.3% ▲	40.0% ▲	31.4% ▲	27.8% ▲
Onion	0.0%	-9.4% ▼	-6.8% ▼	-5.3% ▼	-28.0% ▼	-29.3% ▼	-31.1% ▼	-31.0% ▼	36.9% ▲	18.4% ▲	27.8% ▲	32.6% ▲
Red lentils	0.0%	-0.3%	0.0%	0.1%	-14.3% ▼	-18.9% ▼	-13.0% ▼	-11.0% ▼	2.5%	-6.6% ▼	-7.1% ▼	-3.8%
Red Chilli	0.0%	1.9%	-1.8%	-3.8%	-8.5% ▼	1.1%	4.2%	4.0%	46.7% ▲	43.8% ▲	44.7% ▲	38.9% ▲

Table 1. Percentage change in April 2021 compared to March 2021, April 2020 and April 2019 for the key food commodities per market location.

Food prices trends: comparing 2021 prices levels against the two-year average (2019-20)

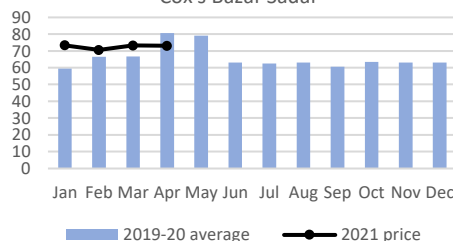
Rice BR 29

Cox's Bazar Sadar



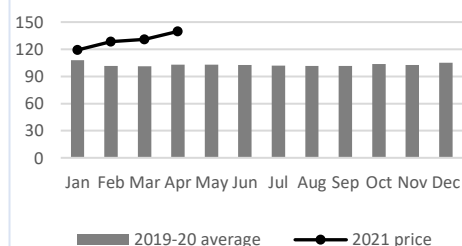
Red Lentils

Cox's Bazar Sadar

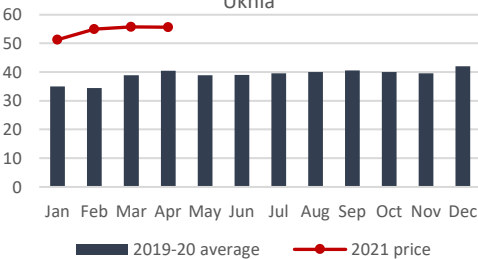


Soybean oil

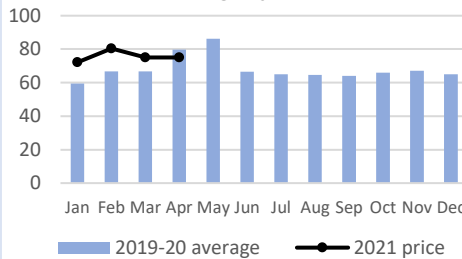
Cox's Bazar Sadar



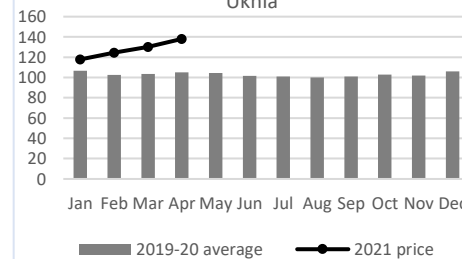
Ukhia



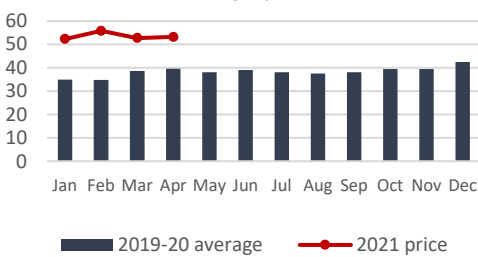
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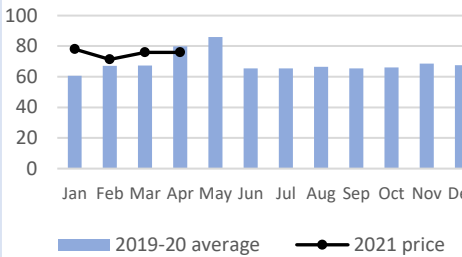
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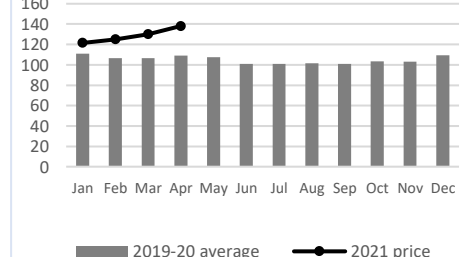
Teknaf



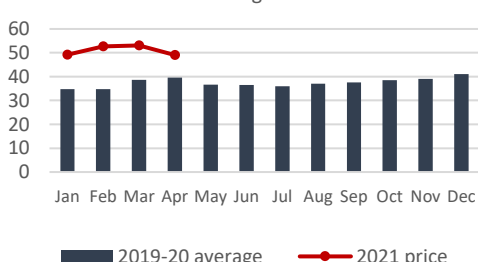
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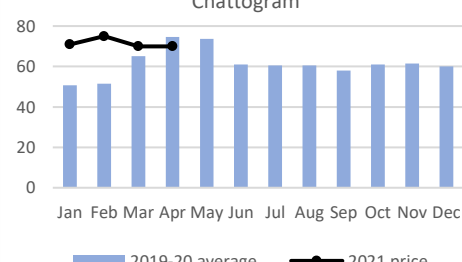
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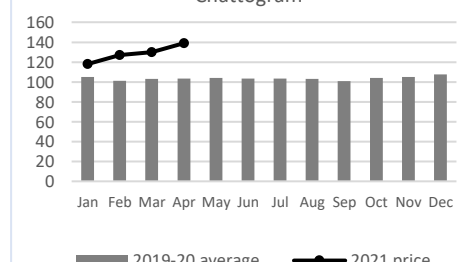
Chattogram



Chattogram



Chattogram



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