

FAO-WFP JOINT MARKET MONITOR

COX'S BAZAR – BANGLADESH

AUGUST 2021



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Key Highlights

- This second FAO-WFP Joint Market Monitoring (JMM) report provides an overview of the market situation in Cox's Bazar district during the month of July 2021. The month started with a strict lockdown to prevent the spread of the COVID 19 delta variant, that was temporary suspended for the Eid celebration (mid-July). Heavy rains and floods by the end of July impaired access to markets.
- Prices of most key food commodities (rice, soyabean oil, onion, red lentils and red chili) tended to stabilize or decrease in most Cox's Bazar district markets, except increased prices of onions in Ukhia and lentils in Cox's Bazar Sadar markets.
- Retail rice price decreased between June and July in Cox's Bazar Sadar and Ukhia due to satisfactory Boro harvest, rich stock, and reduction of rice import duty from 73 to 25 percent by the government. Still, rice prices were up to 26% higher than July last year.
- Soybean oil price is maintained around June levels whereas onion price trends vary according to markets. Still, July prices of soyabean and onion were between 25%-45% higher than July last year.
- Red lentil prices in July decreased in Ukhia and Teknaf where it reached lower prices than in July last year. July chili price decreased in Ukhia and it was found similar to July 2020 in most markets of Cox's Bazar district.
- The cost of a typical food basket started coming down by the end of June and throughout July reducing to BDT 959 at the end of July. The cost is still 8% higher than that of July 2020 basket value of BDT 892.
- Most traders reported enough stock level although they faced losses due to rotting of stored perishables like potatoes, onions, etc.
- Vegetable prices continue witnessing a sharp rise due to continued heavy rains that have increased the June impact on farmers.
- Ban on fishing in the Bay of Bengal has ended but fishing has stopped or lessened drastically due to the unfavorable weather condition at the Bay of Bengal.
- Lockdown driven labor shortage and high labor cost continued from June to July. No supply disruption was reported except continuation of high transportation cost due to reduced availability of transport.
- No products were reported to be scarce in the shops. Traders briefly increased the diversity of goods during the Eid period but generally they are keeping less diverse products due to uncertainty of sales.
- Traders are refraining from selling commodities to customers on credit as response to the increased credit seeking behaviour of customers which reflects reduced household purchasing power.
- In camp markets, fresh food, especially vegetable prices, were above BDT 50 per kg, due to price spikes driven by the low supply. Rice price in the camps is 7-13 BDT higher than the nearby host markets. As a result, customers are buying less quantity of goods.

Due to the special events that occurred during the month of July, FAO and WFP decided to produce a special joint market monitor to provide an overview of the market situation during this current context. A strict lockdown was imposed on the 1st of July in Cox's Bazar district to prevent the spread of COVID 19 delta variant. By mid July, Eid festival took place for which the lockdown was temporarily suspended between the 15th and 22nd of July to allow population movement and celebration. Finally, heavy rains occurred in the last week of July which flooded around 48 sq. km of area in camps and Ukhia and Teknaf.

Commodity Price Trends



Rice BR29 price decreased from June to July by 10-12% in Cox's Bazar Sadar and Ukhia, whereas a 5% increase observed in Chattogram markets reflected a continuation of price increases for the period of May-June. Rice price of July was still 17-26% higher than the same time last year in Chattogram and Cox's Bazar Sadar. Traders expected prices to reduce in the coming days.



Fortified Soybean Oil price did not show significant changes from June to July but continue to be 27-30% higher than the same time last year. By July, a liter of bottled soybean oil reached a maximum retail price of BDT 150, BDT 3 less than June 2021. The effect of Bangladesh Vegetable Oil Refiners and Bonospoti Manufacturers Association fixing oil price at 149 BDT/liter was somewhat visible in July.



Onion price showed an upward trend in Ukhia and decreased in Cox's Bazar Sadar from June to July. It remains 39-42% above the same time last year, with prices ranging between 40 to 44 BDT/kg. High transport costs and high labor cost due to unavailability of labor driven by the lockdown escalated the price.



Red Chilly price showed a downward trend in Ukhia and it is maintained similar than same time last year.

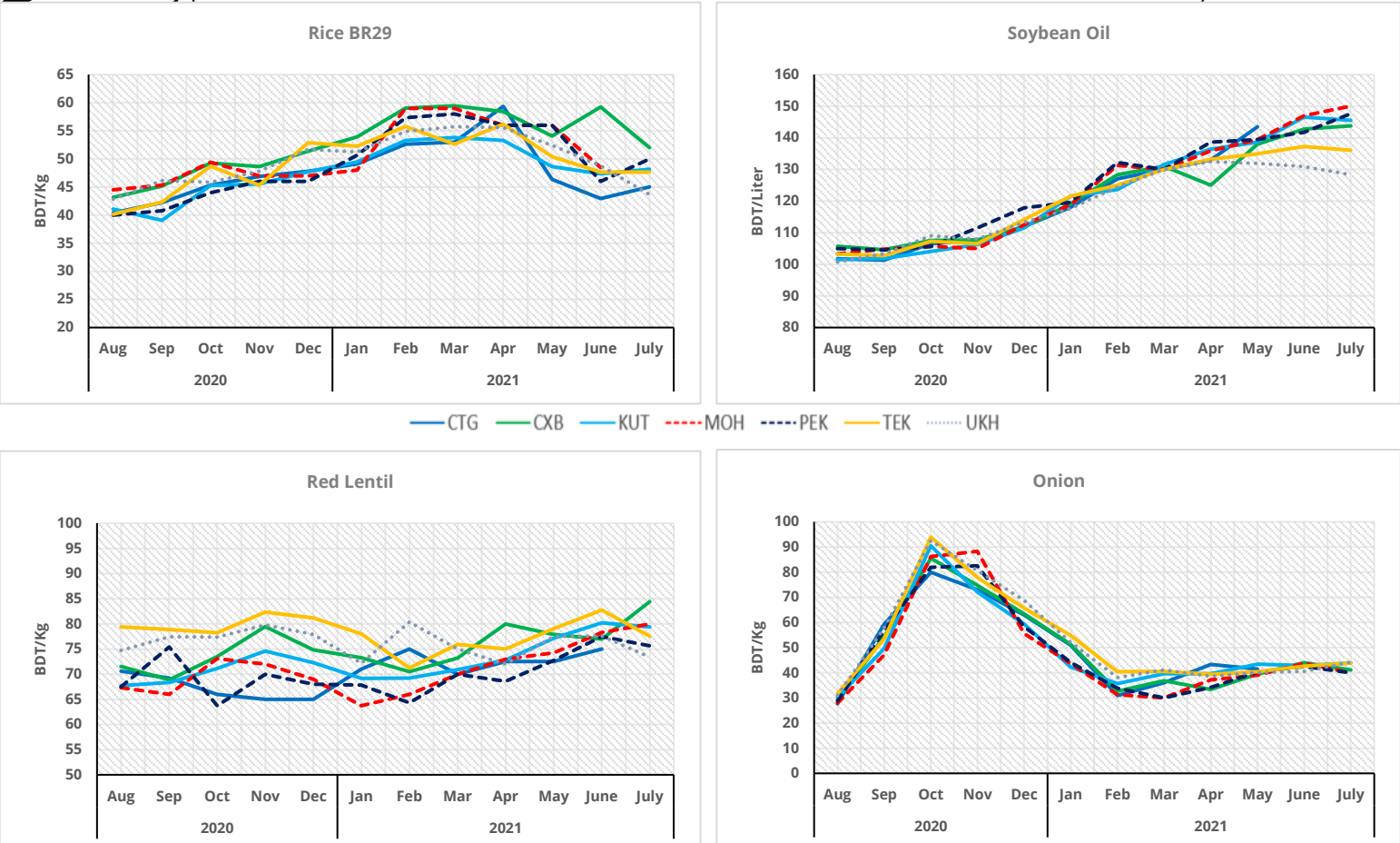


Figure 1-4: Price trend of rice BR28, soybean oil, red lentils and onions from August 2020 to July 2021

Commodities List	% change last month (June-July 2021)				% change last year (July 2020-21)			
	Chattogram	Cox's Bazar	Teknaf	Ukhia	Chattogram	Cox's Bazar	Teknaf	Ukhia
Rice BR29	4.8%	-12.3%	-0.1%	-10.5%	17.7%	25.7%	15.2%	3.1%
Soybean Oil	-1.4%	0.7%	-0.8%	-2.0%	32.1%	35.2%	30.4%	26.4%
Onion	1.2%*	-6.7%	3.0%	9.2%	68.6%*	45.2%	39.1%	38.5%
Red lentils	5.8%	9.7%	-6.3%	-5.4%	8.2%	13.5%	-7.9%	-6.3%
Red Chilli	3.6%*	-3.5%	3.1%	-7.0%	16.9%*	2.2%	-0.7%	-1.5%

Table 1: Percentage change in the last month and last year of key food commodities per market location.

* Chattogram onion and red chilli prices for July obtained from TCB (Trading Corporation of Bangladesh).

Commodity Price Trends



Vegetables price spike continues in July all over Cox's Bazar due to continued heavy downpour. Although traders expected the prices to go down in July when the effect of Eid is not prevailing in the markets anymore, prices for most fresh commodities like potato, egg plant, tomato, green chilly and cucumber were rising due to continued rainfall and high transportation cost.



Poultry meat and eggs prices went down in the month of July. In addition, lifting of the government ban on sea fishing slightly started to increase availability of fish in the market which led to reduction in the demand of eggs and chicken, driving down in July.



Tilapia fish: Trendline shows the sudden price spike at the beginning of fishing ban and gradually coming down while the fishing band ends. The rate of reduction may have been slowed down due to weather-driven inability or reduced ability to fish in the sea.



Other commodities: The effect of Eid was not observed in July for some spices, but a rising trend was observed for garlic, ginger etc.

% change in fresh food/vegetable prices (June-July 2021)										
Sub-districts	Green Chili	Potato	Egg plant	Cucumber	Sweet gourd	Bitter gourd	Tomato	Okra	Snake Gourd	Carrot
Coxs Bazar Sadar	34.2% ▲	-11.5% ▼	42.6% ▲	40.4% ▲	-16.3% ▼	29.1% ▲	12.0% ▲	50.5% ▲	-7.0% ▼	65.0% ▲
Ramu	23.9% ▲	13.0% ▲	6.7% ▲	14.3% ▲	1.4%	33.5% ▲	51.0% ▲	7.8% ▲	-7.1% ▼	20.4% ▲
Teknaf	84.3% ▲	9.5% ▲	22.8% ▲	29.3% ▲	37.9% ▲	16.9% ▲	101.7% ▲	29.9% ▲	-1.0%	25.0% ▲
Ukhia	30.4% ▲	11.9% ▲	-8.3% ▼	-14.4% ▼	-2.8%	2.2%	55.1% ▲	29.2% ▲	-4.0%	37.0% ▲

Table 2 : Percentage change in the last month (June-July) of key fresh food/vegetables per market location.

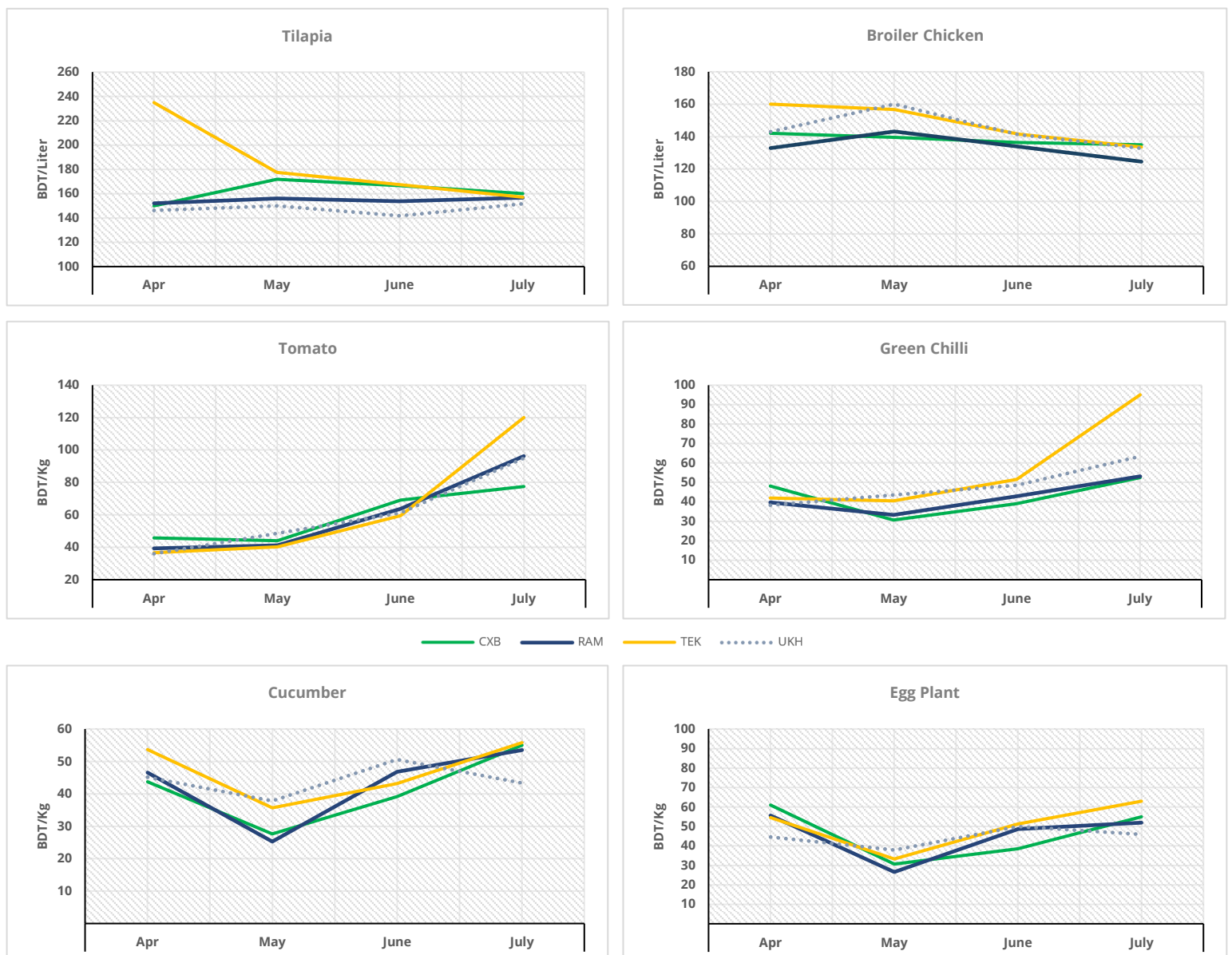


Figure 5-10. Price trend of Tilapia, Broiler chicken, Tomato, Green Chilli, Cucumber and Egg Plant from April to July 2021

Food Basket and Purchasing Power

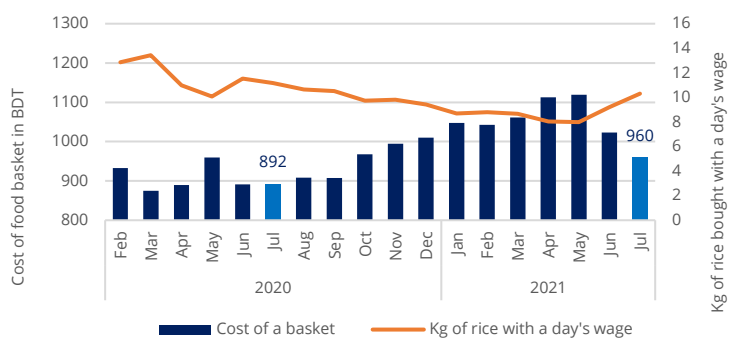


Figure 11: Cost of the food basket and purchasing power.

By the end of June and throughout July, the decrease in prices for different commodities in the basket, especially rice, led to a reduction in the food basket value down to BDT 960. Still the cost of the food basket in July was 8% higher than July last year.

Household purchasing power started increasing by the end of June and throughout July up to 10 kg of rice per daily wage rate. Still, household purchasing power is lower than July last year, when households were able to purchase 11 kg of rice with a day wage.

Camp Markets

Most food shops were functional throughout July. Heavy rainfall damaged some shops while some others kept closed due to continuous heavy downpours.

Traders reported supply disruptions due to the lockdown and restriction of movement in and out of the camps, which reduced the already general low stock levels in camp markets. By the end of July, availability of rice, okra, eggplant was limited and prices increased. Fresh food, especially vegetable prices, were above BDT 50 per kg, and rice price in the camps was between 7-13 BDT higher than the nearby host markets. On the other hand, red lentil prices were 1-5 BDT less than the host markets.

The increased prices forced customers to buy less quantity of goods to adjust their cash in hand which, together with the movement restriction and decreased customer footfall, led to reduced sale volumes.

The already limited access to income generating activities was further constrained due to the movement restriction leading to a progressive reduction of purchasing power. To cope with the situation households sell assistance to access cash to meet essential needs and adopt other coping strategies like seeking credit, borrowing money, etc. The top 4 most reported commodities sold from assistance were oil, lentil, sugar, and rice, in decreasing order.

Although food distribution points have handwashing facilities, this is not the case for informal markets inside and outside camps where social distancing is not widely followed.

Methodology

A total of 784 traders spanning 7 sub-districts of Cox's Bazar and major markets of Chattogram were interviewed following mixed modality (face to face and remote) during 25th June – 31st July 2021 by the WFP M&E assistants and FAO implementing partner (Shushilan) enumerators. Markets were purposively selected based on their strategic importance.

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