



# FAO-WFP JOINT MARKET MONITOR

COX'S BAZAR – BANGLADESH

December 2021



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## Key Highlights

- Under the joint UN-UN agreement, FAO and WFP have joined efforts to understand the overall market environment in the district. This third instalment of the Joint Market Monitoring (JMM) report will provide a more comprehensive overview of the market situation; thanks to expanded coverage of commodities and markets monitored. The results shown in this report refer to the period of August to November.
- During the period of August to November 2021, average prices of essential food commodities in Cox's Bazar retail markets showed mixed trends, with rice prices remaining elevated in comparison to the previous year. Red lentil, soybean oil, and sugar faced a sharp increase and fresh vegetables showed mixed trends as new winter vegetables started to enter local markets.
- The cost of a typical food basket increased to 989-1,053 BDT during August-September 2021 and decreased throughout October-November from BDT 959 in July to BDT 1,014.5 in November. The November 2021 food basket cost was 2 percent higher than that of the November 2020 food basket value which was still 16 percent higher than the pre-covid March 2020 food basket value.
- By August, the overall price of rice remained at its previous high selling price at 13 percent higher prices than last year across all retail markets. As October and November period is the growing period of Boro rice (Growing season: October-April) and harvest will come later, the price was similar compared to the previous year within a 2.5 percent margin and selling at BDT 47-48 per kg for the BR29 variety. A good harvest was reported by the traders in the recent Aman season (Growing season: June-November) and the new rice already started coming into the local markets. Yet the increasing transportation costs may have acted as a barrier to normalizing rice prices.
- Overall prices of import-dependent essential commodities like red lentils, sugar, and soybean oil faced a steep hike within the period of August to November 2021. The overall price of lentils increased by 10-15 BDT per Kg, selling at BDT 88-92 per Kg in retail markets which were respectively 26 percent and 18 percent higher than the October and November prices of 2020. By the end of November, sugar and soybean oil prices were 26 and 42 percent higher, respectively, than in 2020. The rise of prices in international markets and higher transport costs was identified as the rationale explaining this trend by the traders.
- On November 3<sup>rd</sup>, the Energy and Mineral Resources Division increased the prices of diesel and kerosene by 23.08 percent to BDT 15 per litre, which was more than twice the last major price adjustment in 2013 when diesel price was increased by 11.47 percent. This hike may adversely affect all sectors such as agriculture, road and sea transport, power generation; setting off a chain reaction in the economy and slowing down the supposed recovery from the pandemic.
- The government's decision to re-open tourism in Cox's Bazar by mid-August replenished the business kitchens after a long period, increasing demands of food items from the local markets. No supply chain disruption or scarcity of essential commodities was reported by the traders in Ukhia and Teknaf.
- Wage rates remained somewhat unpredictable in the aftermath of the pandemic lockdowns, varying based on the supply and demand of labour across different markets. A typical day's wage was found to be more in the urban areas like Cox's Bazar and Teknaf than rural areas in Ukhia, Pekua and Ramu. In Ukhia, the average wage of casual loading-unloading labour was found to be BDT 500 per day.
- In the informal camp markets, fresh food, especially vegetable prices were on a downward trend as the supply and availability of winter vegetables increased compared to August and September. However, other essential commodities such as rice, lentil, and oil showed similar upward trends as observed in host markets. Limited self-reliance opportunities reportedly increased the credit-seeking tendency among the refugees.

# Commodity Price Trends

**Rice BR29** price showed stable behavior with a 2-5 percent decrease in markets across Cox's Bazar sub-district, whereas a 4.4 percent increase was observed in Chattogram markets in November 2021 compared to October 2021. Although during the August-September period overall rice price was 12-13 percent higher than last year, by November rice price came down to overall 1 percent higher in contrast with November 2020- thanks to the good Aman harvest and the absence of any major natural disaster. The slight increase observed in Chattogram markets was reportedly attributed to the government withdrawal to lower import duty facilities. The early variety of Aman rice already started arriving at the markets and traders were expecting that rice price will remain stable in December.

**Red Lentils** overall price increased by a sharp 23-26 percent across marketplaces in September and October 2021. In November red lentil price remained 23 percent higher in Chattogram and 10 percent higher in Cox's Bazar markets in comparison to the same month last year, selling at BDT 85-90 per kg on average (17 percent increase across all markets). Traders reported an increase in prices in the global markets and transportation cost was inflicting the sudden price hike. Besides, delays in releasing consignments from the ports also created a negative impact on the market.

**Fortified Soybean Oil** price successively seeing a steep upward trend within the period of August to November selling at overall BDT 152 per liter in November which was BDT 108 per liter a year ago across markets. Prices of soybean oil across markets increased by overall 9 percent in November compared to August and a striking 42% compared to the same period last year. Yet again, the Bangladesh Vegetable Oil Refiners and Vanaspati Manufacturers Association (BVORVMA), one of the key advisors for oil price regulation, have proposed to increase bottled soybean oil prices by BDT 12 to be effective from December 2021. The main reason for the oil price hike was the rise in oil prices in the international markets, mostly caused by the economic disruptions from the coronavirus pandemic according to BVORVMA.

**Onion** prices showed a steep spike in October, with an increase of 37 percent in comparison to August's price. Aligned with the previous two years, traders reported Indian importers raising the price causing the price hike. At the end of November, the onion market slightly recovered with an 18 percent price decrease from the month of October and 38 percent less than the previous year where a significant price hike started from October 2020. The price of onion remained elevated compared to pre-covid times selling at BDT 47 per kg while the average price was BDT 35 per kg in March 2020 before lockdown.

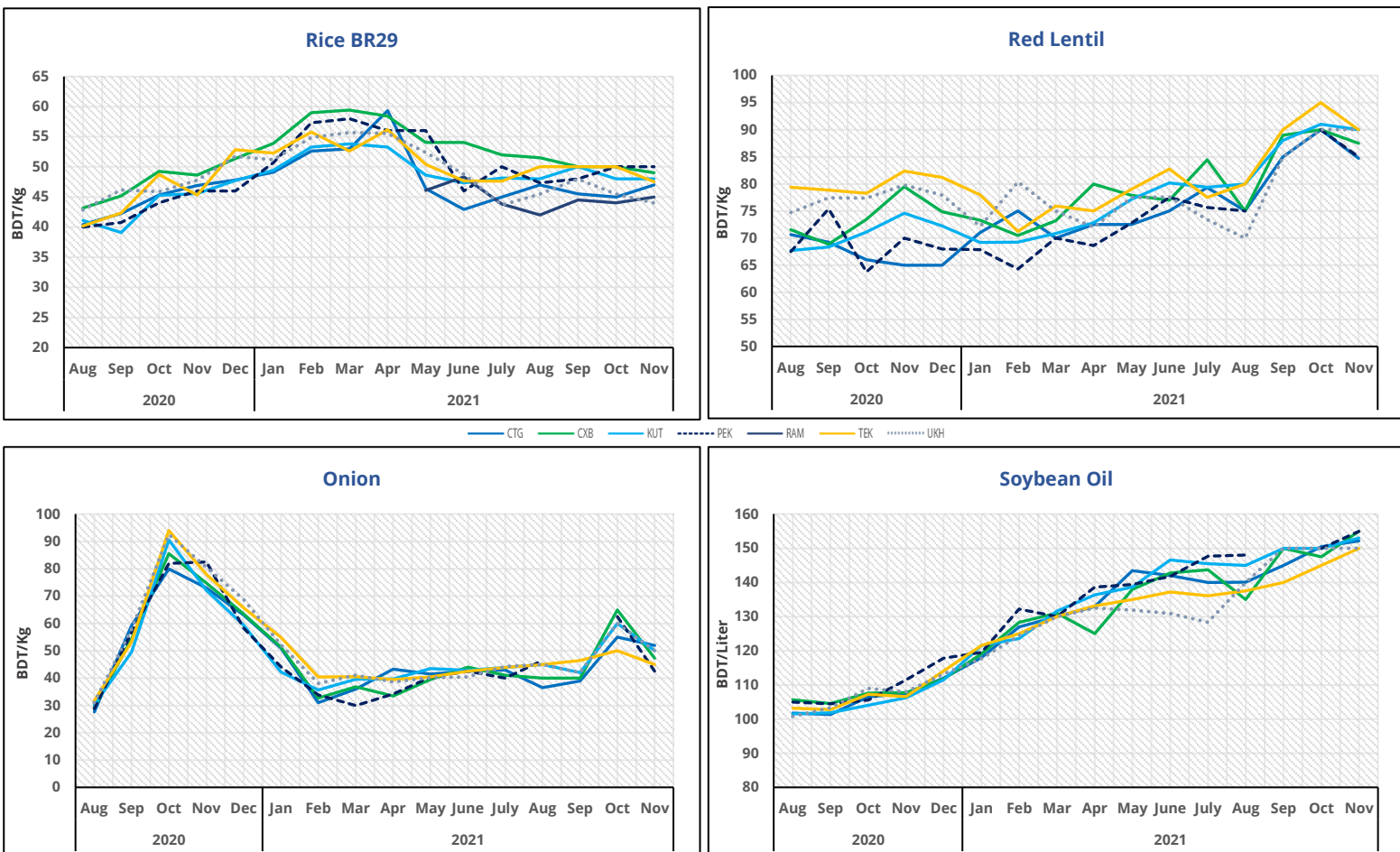


Figure 1-4: Price trends of rice BR29, soybean oil, red lentil and onions from August 2020 to November 2021

Commodities List	% change last month (Oct-Nov 2021)				% change last year (November 2020-21)			
	Chattogram	Cox's Bazar	Teknaf	Ukhia	Chattogram	Cox's Bazar	Teknaf	Ukhia
Rice BR29	4.4%	-2.0%	-5.0%	-3.3%	0.2%	0.8%	4.8%	-7.9%
Soybean Oil	1.1%	5.1%	3.4%	0.0%	41.5%	43.8%	40.8%	38.9%
Onion	-9.1%	-27.3%	-10.0%	-16.7%	-31.5%	-36.8%	-42.2%	-38.0%
Red lentils	-11.1%	-2.8%	-5.3%	0.0%	23.1%	10.1%	9.3%	12.8%
Red Chilli	0.0%	0.0%	-2.6%	-2.5%	-22.7%	-16.1%	-14.5%	-9.8%

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

\* Chattogram onion and soybean oil prices for September and November obtained from DAM (Department of Agricultural Marketing)



# Commodity Price Trends



**Vegetables:** Approaching the vegetable harvesting season in early October, prices of most vegetables saw a steep increase of 13 to 80 percent. However, by the end of November prices of most vegetables were on a downward trend due to good harvest and seasonal availability. In November, potatoes were selling at an average of BDT 23 per kg, tomatoes at an average of BDT 129 per kg, carrot at BDT 105-120 per kg, and eggplants at BDT 35-40 per kg. But traders reported price of these winter vegetables was BDT 5-10 high compared to previous years because of the high transportation cost.



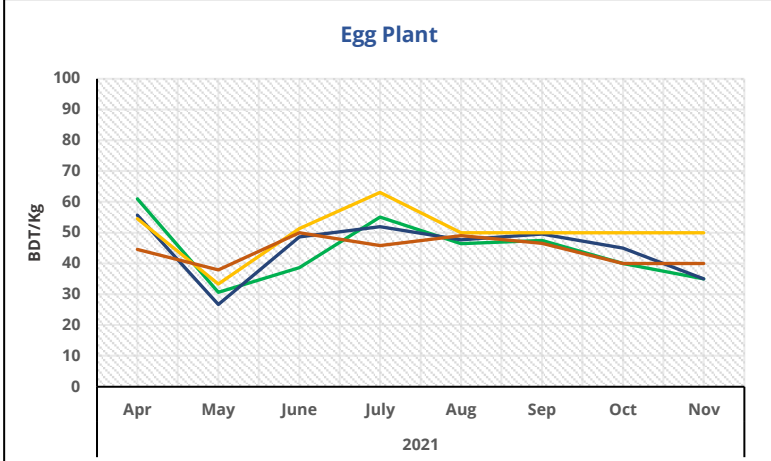
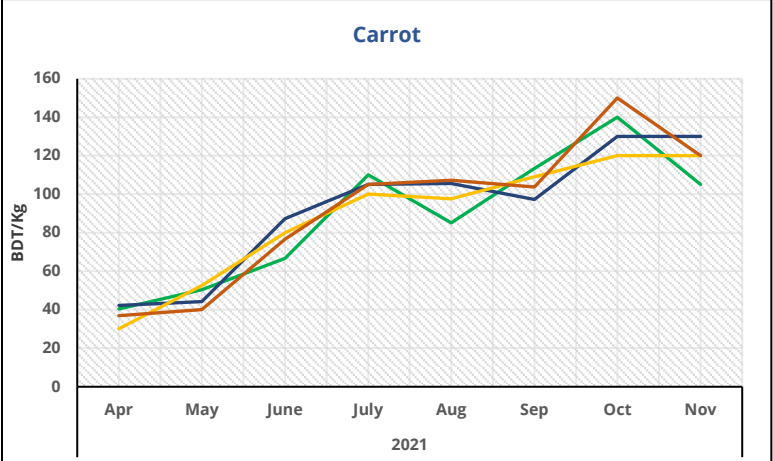
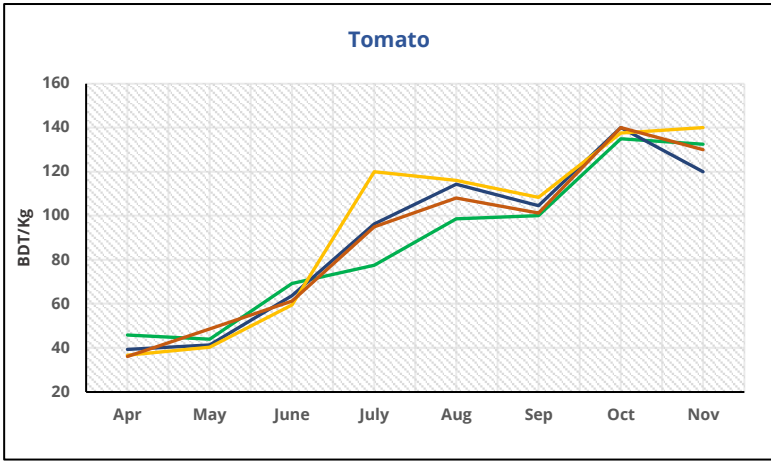
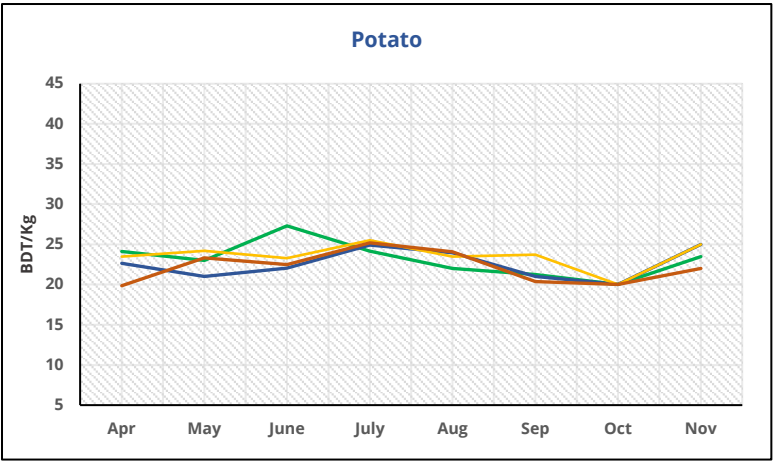
**Poultry Meat and Eggs:** Prices of broiler chicken started going up in September with a steep increase of BDT 40-45 per Kg. Broiler chicken was selling at BDT 175-185 per Kg up from BDT 135-140 per Kg a month ago in August. On the other hand, egg prices also increased by 25 percent within the period of August-September. The rationale behind the sudden price hike of egg and chicken was the ripple effect of frequent hikes in the poultry feed prices caused by excessive soybean meal exports.



**Fresh and Dry Fish:** Mixed price trends observed in fresh and dry fish markets in Cox's Bazar. As business kitchens remained fully functional, the demand for fresh fish was somewhat increasing pushing the prices upward. The government imposed a ban on fishing in the sea and an increase in feed price also acted as a catalyst. The price of dried fish came down from August 2021 due to low demand during the pandemic. By November, Churi shutki (Dry Ribbon Fish) was selling at BDT 600-675 per kg.



**Other commodities:** The price of sugar soared sharply all over the country. Reportedly, unpacked sugar was sold at BDT 78-80 per kg and packed sugar at BDT 80-86 per kg in November, which was 26% higher than last year. Fruits like apple, malta prices remained stable but traders reported issues with quality. Turmeric prices were slowly increasing while other important spices like ginger and garlic price remained steady. Reportedly, prices of some non-food items also escalated- for instance, handwash, bathing soap, laundry soap, etc. In November, LPG price had increased in all markets from BDT 1225 to BDT 1300 per 12 Kg cylinder. The prices of Diesel and Kerosene increased by BDT 15 per liter from BDT 65 to 80.



— CXB — RAM — TEK — UKH

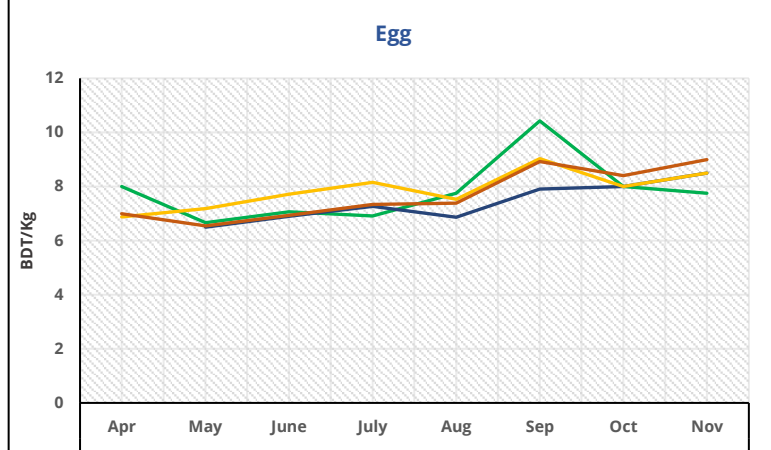
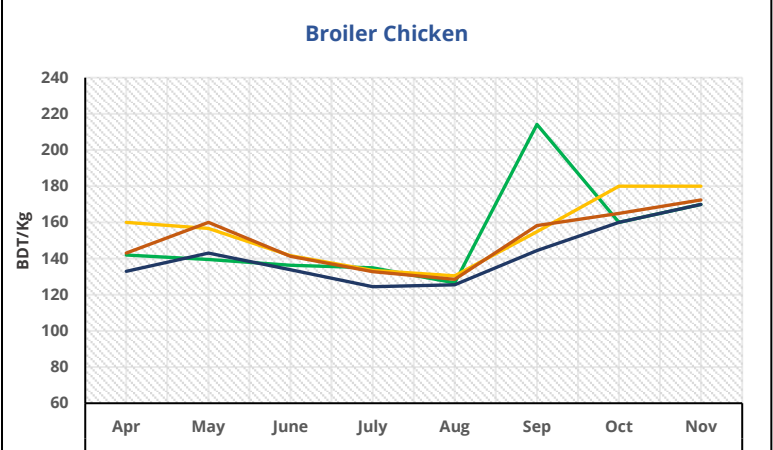


Figure 5-10. Price trend of Potato, Tomato, Carrot, Eggplant, Broiler chicken, and Egg from April to November 2021

% change in fresh food/vegetable prices (Oct-Nov 2021)

Sub-districts	Green Chili	Potato	Egg plant	Cucumber	Sweet gourd	Bitter gourd	Tomato	Okra	Snake Gourd	Carrot
Coxs Bazar Sadar	-58.3% ▼	17.5% ▲	-12.5% ▼	-16.7% ▼	16.7% ▲	-8.3% ▼	-1.9%	-15.0% ▼	0.0%	-25.0% ▼
Ramu	-23.1% ▼	25.0% ▲	-22.2% ▼	25.0% ▲	0.0%	0.0%	-14.3% ▼	-20.0% ▼	-16.7% ▼	0.0%
Teknaf	-14.3% ▼	25.0% ▲	0.0%	16.7% ▲	14.3% ▲	16.7% ▲	1.8%	0.0%	0.0%	0.0%
Ukhia	-41.7% ▼	10.0% ▲	0.0%	0.0%	0.0%	20.0% ▲	-7.1% ▼	0.0%	0.0%	-20.0% ▼

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

## Food Basket and Purchasing Power

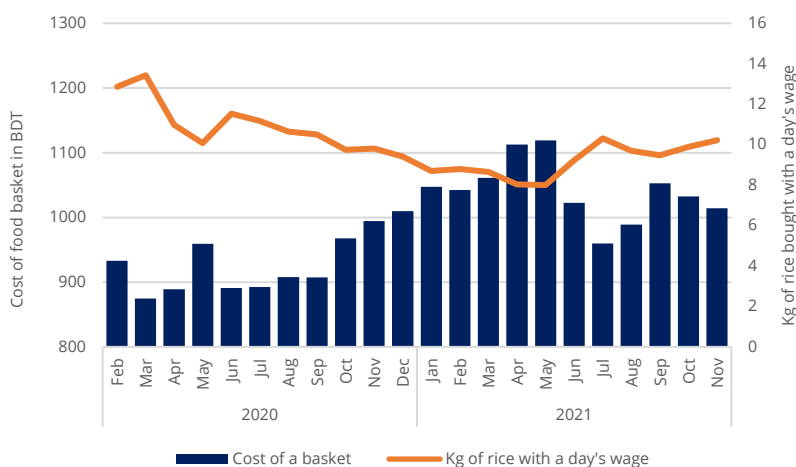


Figure 11: Cost of the food basket and purchasing power.

By the end of August and throughout September, the increase in prices for different commodities in the food basket, especially rice, soybean oil, red lentils, onion, and sugar led to an increase in the food basket value from BDT 989 to BDT 1,052.8. The prices gradually reduced and landed on 1,014.5 BDT in November which was still higher than that of August 2021. The cost of the food basket in November 2021 was 2 percent higher than that of November last year. Compared to the pre-covid basket of March 2020, the food basket cost was still higher by 16 percent.

On the contrary, household purchasing power declined in August and started kicking back afterwards till November yet lower than July-August 2021 levels. As of November the ability to purchase rice with a day's wage came down to 10.2 kg which was 13 Kg in March 2020 (pre-covid). This household purchasing power marginally increased in November 2021 compared to November 2020 where people could purchase 9.8 kg of rice with a day's wage.

## Informal Camp Markets

Informal camp markets remained functional and accessible, although movement restrictions outside of the camp for refugees were still in place. Traders reported issues with the supply chain as they were unable to purchase wholesale goods in some scenarios. Many traders also had to pay high rates of money to market leaseholders or owners as shop rent.

Continued lack of income opportunities and access to cash continued forcing the refugees to purchase on credit and buy less preferred or low-quality food and non-food commodities. Selling of food assistance at a lower price to access cash to meet other needs or get services was also reported. The most common items being sold by the refugees were rice, egg, and soybean oil as reported by the traders inside the camps.

Seven out of ten traders operating inside the camp markets reported that they were facing a financial crisis due to the diminished demand from customers, supposedly indicating lower household purchasing power. The government recently implemented a rule to stop the opening of any new shop inside the camps.

An amplified demand for fresh vegetables, fresh fish, dried fish, and meat was reported by the traders inside the camps. That indicated getting those food items from assistance was still not sufficient to meet the daily household needs of the refugees and only the most vulnerable households were receiving fresh food corner top-up as targeted assistance. Some of the essential food commodity prices had risen in November across all camp markets namely rice, onion, sugar, red lentil, and soybean oil compared to October. For fresh food commodities, the price remained stable, but vegetable prices (green chili, potato, lemon, cauliflower, cabbage, etc.) were lower than that of September.

Clothes, crockeries, utensils, etc. were the most sold NFI items inside the camps as reported by the traders.

## Methodology

From August 2021 through November 2021, a total of 25 markets spanning 7 subdistricts of Cox's Bazar and major markets of Chattogram were surveyed based on their strategic importance.

A total of 289 surveys were done in the last four months, through phone calls, and 416 surveys were done following face-to-face interviews in Cox's Bazar and Chattogram district. To understand market drivers, 25 key informant interviews were conducted in Chattogram (face to face), 12 interviews were conducted in the camp market remotely.

## For further information

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