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WFP-VAM Market Monitor

Cox's Bazar, January 2022

Key highlights

- Mixed price trends observed across the markets. Price of red lentil, green chilli, potatoes, dry fish, tilapia fish, pumpkin and eggplant remained stable and/or declined, while, rice, onion, red chilli, soybean oil, loose sugar, egg and broiler chicken prices have considerably increased.
- The current market instability is characterized and influenced by the unstable prices of key commodities plausibly driven by multiple factors like ongoing lean period, higher transportation cost and international price hikes.
- The cost of the food basket in January 2022 (1,051 BDT in Ukhia and 1,065 BDT across sub-districts of Cox's Bazar) remains considerably higher compared to the pre-Covid-19 level (840 BDT, March 2020) challenging the purchasing power of the entire Cox's Bazar including Chattogram.
- The terms of trade for different wage labourers still remains 30 percent below the pre-Covid-19 (March 2020) levels which invite a more integrated approach in economic recovery activities and safety net provision.

Retail food price trends

Rice: Rice price has seen an increasing trend between 2.1 percent to 4.3 percent in different markets of Ukhia and Teknaf markets, except for Cox's Bazar markets (5.9 percent reduction), leading to a gross 1.2 percent increase in January 2022 compared to December 2021. However, compared to January 2021 prices, an overall 5.8 percent decrease was observed with a maximum reduction in Cox's Bazar markets (11 percent) and a minimum of 6.3 percent decrease in Ukhia.

Soy oil: Overall, 1.1 percent increase in the prices across markets with a minimum increase of 1.6 percent in Cox's Bazar markets, followed by Teknaf (2 percent) was observed in in January 2022 compared to December 2021. Rising price trends continue to be seen for soybean oil with a 29.1 percent heightened overall price compared to the January prices last year (max. 30.8 percent, min. 25.9 percent).

Red lentils: The red lentil prices remained similar in January 2022 compared to the immediate previous month. But compared to January 2021, the overall price across markets was still 24.3 percent higher.

Onion: Overall, a 3.7 percent decrease in price was observed compared to January 2021 with a minimum 10.7 percent reduction in Teknaf followed by 12.3 percent in Cox's Bazar markets and a maximum of 13.7 percent decrease in Ukhia.

Loose sugar¹ : Overall, a 1.8 percent increase was observed in loose sugar prices during January 2022 as compared to the previous month. However, the current price in January 2022 is 5.2 percent lower than the prices consecutively since September 2021. Prices increased by a 2.1-point percentage in Ukhia and a 4.9-point percentage in Teknaf opposed to Cox's Bazar market prices decreasing by 5.9 percent in January 2022 compared to the December 2021 prices.

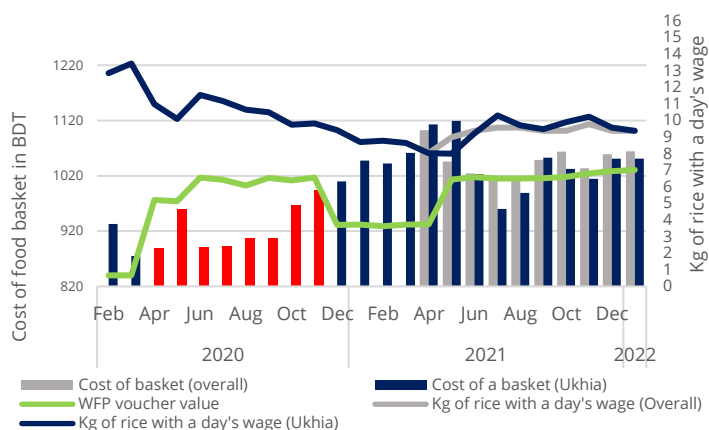
Red chili : Mixed price trends were observed across different markets of different sub-districts yet with an overall decrease in prices by 1.1 percent compared to December 2021.

Figure 1-6. Retail market price trends over different sub-districts



Cost of the food basket

The cost of a typical food basket (see Annex II) remained similar to previous month. However, increased by 1 percent across upzilas between January 2021 and January 2022. The cost of a basket remains 14 percent above pre-crisis levels across upazilas and 18 percent above for Ukhia, with fluctuations in certain items in the basket, mainly red lentil followed by soybean oil, egg, turmeric, rice and loose sugar, respectively.



¹ The loose sugar prices were compared with previous months' prices and prices of 6 months ago due to lack of price points.

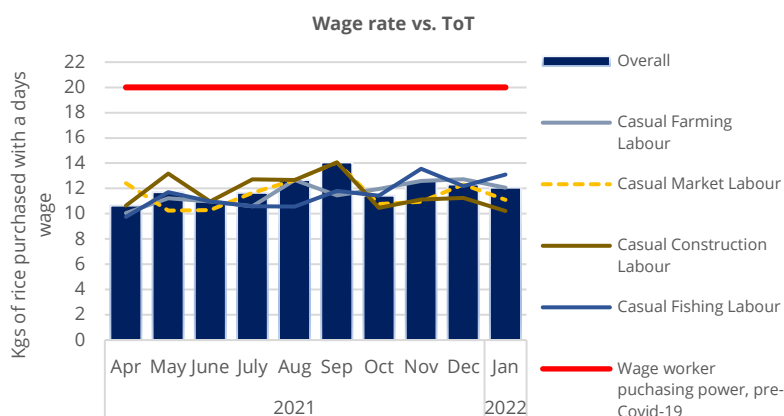
Better cushioning of the affected population

During February-March 2020, just before the onset of Covid-19 lockdown, one day of wage could afford around 13 Kgs of rice across Upazilas. A sharp decrease in purchasing power was observed during the first two months of lockdown, thanks to WFPs revision in entitlement amount for the refugees which successfully conserved refugees purchasing power with a fixed commodity voucher from April 2020 till the end of November 2020. When the economy was relieved of restrictions WFP switched back to value voucher assistance, lower than the food basket value constructed with current prices.

Casual labour wages: trends & terms of trade (ToT)²

During January 2022 the host communities were able to buy only 9.4 Kgs of rice with a day's wage of 450³ BDT in Ukhia Upazila, 3.6 Kg lower than the pre-Covid-19 levels or March 2020. The purchasing power⁴ and food basket value⁵ in January 2022 remains comparable to December 2021 as well as to January 2021.

June 2020 VAM Market Monitor⁶ reiterated the income loss of the wage labourers referenced from Cox's Bazar Urban Vulnerability Assessment⁷ which indicated the wage labourers had overall 20 Kgs of rice purchasing power before the onset of Covid-19 restrictions.



In January 2022, almost at the end of 3 years into the Covid-19 crisis still, the purchasing power of the unskilled wage labourers did not recover and was found ranging between 10 to 14 Kgs.

Background, methodology and coverage

Market price data collection activity has been conducted in Cox's Bazar since 2018, initially through face-to-face data collection. Due to Covid-19 movement restrictions, in 2020 data collection modality shifted to remote through phone surveys using the mobile-Vulnerability Analysis and Mapping (mVAM) approach. In 2021, a joint market monitoring initiative started between WFP and FAO and lasted for 9 months (Apr-Dec), using a combination of remote and field data collection. In January 2022, WFP resumed the market monitoring activity through face-to-face data collection and market visits

A total of 995 surveys were conducted using face to face and remote modalities. In total of 736 face to face surveys were done in 17 markets of the Chattogram, Cox's Bazar Sadar, Teknaf, and Ukhia and 259 remote surveys were done in 30 markets of Chattogram, Cox's Bazar Sadar, Kutubdiya, Teknaf, and Ukhia.

The median prices of each of the commodities were generated after cleaning the extreme outliers with median prices applying the IQR±3 formula.

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² Terms of trade (ToT) is similar and proxy indicator for purchasing power

³ The rate of wage labourers varies between 400-600 BDT according to the 2016 government wage rate policy, on an average which is 450 BDT per day for the wage labourers irrespective of skilled and unskilled classification. The rate is triangulated with every month's rice price to understand the purchasing power of the consumers.

⁴ the purchasing power of households; calculated by measuring the ratio of the average wage rate of unskilled laborers and the average retail price of rice to indicate the amount of rice that an unskilled worker can purchase with a daily wage.

⁵ Components or items in the food basket is available in Annex II. The food basket value was not found to be varying from Ukhia to other sub-district or overall, as a result of which the basket value of Ukhia with the largest makeshift camp residing within was considered as the base basket value.

⁶ https://docs.wfp.org/api/documents/WFP-0000117596/download/?_ga=2.99072791.821002866.1646211770-915868023.1640582671

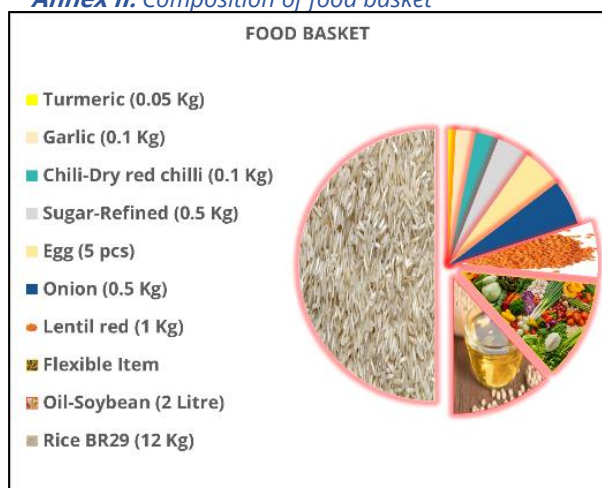
⁷ https://docs.wfp.org/api/documents/WFP-0000118820/download/?_ga=2.94294804.821002866.1646211770-915868023.1640582671

Annex I. Retail market price (median) of main commodities in different sub-districts

Sub-District	Commodity	Current price	Price Change		Commodity	Current price	Price Change			
			1 Month (%)	1 Year (%)			1 Month (%)	1 Year (%)		
			Overall	48			1.2%	-5.8%	▼	154
Cox's Bazar Sadar	48	-5.9%	▼	-11.0%	▼	155	1.6%	30.1%	▲	
Ukhia	48	2.1%	-6.3%	▼	154	-0.6%	30.8%	▲		
Teknaf	48	4.3%	-8.1%	▼	153	2.0%	25.9%	▲		
Kutubdiya	46	-4.2%	-7.0%	▼	155	0.0%	27.5%	▲		
Overall	88	-1.2%	24.3%	▲	47	4.8%	-3.7%			
Cox's Bazar Sadar	90	0.0%	22.8%	▲	45	0.0%	-12.3%	▼		
Ukhia	88	-2.8%	21.2%	▲	45	0.0%	-13.7%	▼		
Teknaf	88	-4.3%	12.8%	▲	49	-2.0%	-10.7%	▼		
Kutubdiya	90	0.0%	30.1%	▲	45	0.0%	6.5%	▲		
Overall	8	6.5%	▲	12.9%	▲	48	1.8%	-5.2%	▼	
Cox's Bazar Sadar	9	6.3%	▲	22.9%	▲	48	-5.9%	▼	-11.0%	▼
Ukhia	9	6.3%	▲	15.8%	▲	48	2.1%	-6.3%	▼	
Teknaf	8	2.6%	-1.9%		48	4.3%	-8.1%	▼		
Kutubdiya	9	-5.6%	▼	3.2%		-	-	-		
Overall	215	1.1%	-0.9%		20	-16.9%	▼	-19.9%	▼	
Cox's Bazar Sadar	230	4.5%	3.2%		20	-20.0%	▼	-17.2%	▼	
Ukhia	213	6.3%	▲	-5.9%	▼	20	-20.0%	▼	-20.6%	▼
Teknaf	230	-8.0%	▼	1.1%		20	-23.1%	▼	-21.6%	▼
Kutubdiya	230	12.2%	▲	6.3%	▲	20	-28.6%	▼	-23.2%	▼
Overall	480	-16.8%	▼	-38.1%	▼	30	-17.2%	▼	-54.5%	▼
Cox's Bazar Sadar	480	-	-		30	0.0%	-42.9%	▼		
Ukhia	500	-20.6%	▼	-		30	-25.0%	▼	-52.6%	▼
Teknaf	460	15.0%	▲	-		30	-25.0%	▼	-68.4%	▼
Kutubdiya	-	-	-		-	-	-	-		
Overall	172	5.6%	▲	30.6%	▲	158	-1.6%	0.7%		
Cox's Bazar Sadar	170	6.3%	▲	25.9%	▲	155	-3.1%	-3.1%		
Ukhia	170	6.3%	▲	28.1%	▲	158	-1.6%	3.8%		
Teknaf	175	9.4%	▲	31.1%	▲	160	-5.9%	▼	1.8%	
Kutubdiya	-	-	-		-	-	-	-		
Overall	29	-13.8%	▼	-11.8%	▼	31	-20.2%	▼	-42.1%	▼
Cox's Bazar Sadar	30	-14.3%	▼	0.0%		30	-14.3%	▼	-45.5%	▼
Ukhia	30	0.0%	2.9%		30	-25.0%	▼	-34.5%	▼	
Teknaf	30	-14.3%	▼	-28.6%	▼	30	-25.0%	▼	-52.4%	▼
Kutubdiya	-	-	-		-	-	-	-		

N.B. The column for 1-year price comparison for loose sugar prices are 6 months comparison due to lack of data

Annex II. Composition of food basket



ANEX II: Coverage map

