



© WFP/ Nihab Rahman



WFP-VAM Market Monitor

Cox's Bazar, February 2022

Key highlights

- Whilst the nation is still struggling with the economic recovery from the disruptions of two years long covid pandemic, the conflict in Ukraine and the accompanying sanctions on Russia have complex ripple effects across the markets in Bangladesh starting from the end of February.
- The cost of a typical food basket in February 2022 (1,101 BDT) remained considerably higher than the previous month (1064 BDT, January 2022) and the pre-Covid-19 level (839 BDT, February 2020) challenging the purchasing power of a household in Cox's Bazar District.
- Mixed retail price trends were observed across the Cox's Bazar district markets with most essential commodities exerting an upward trend. Prices of rice, red lentils, soybean oil, chickpea, egg increased while garlic, broiler chicken, salt and potato prices declined or remained stable.
- The current market characteristics may be threatened by the unstable prices of key commodities plausibly driven by multiple factors like the upcoming month of Ramadan, hoarding and price gauging, ongoing lean period, higher transportation cost and international price hikes.

Anticipated impact of Ukraine crisis on Bangladesh Markets¹:

The unfolding crisis in Ukraine has started to rattle the global commodity markets and put global food security in jeopardy. While the situation remains highly fluid and dependent on the length and severity of the conflict, the consequences might influence Bangladesh's economy in two broad categories- i) supply and price shock in the global market, ii) direct trade and investment relations with Russia, Ukraine and Belarus. Bangladesh imports 10.7 percent of its total imported food commodities from Russia and 4.5 percent from Ukraine². Russia and Ukraine are major sources of wheat, maize, soybean, sunflower oil, pulses, fertilizer and some industrial materials and machinery for the global market and the Bangladesh market is heavily dependent on the import of these commodities, especially wheat. Bangladesh imports around 6 million tonnes³ of wheat annually, making it one of the world's biggest grain importers. Bangladesh is heavily dependent on Russia and Ukraine for wheat imports, however, in recent years wheat imports from India also become a major source of supply. On the other hand, Bangladesh's export to Russia was USD 665.31 million, primarily in Ready Made Garments (RMG), in 2020-21. Sanctions against Russian banks cutting them off from the SWIFT payment system created challenges for Bangladeshi exporters. Recessionary trends in Europe and the US could dampen demand for RMG exports increasing unemployment rates. The refugee inflow will likely create a labour surplus in the European labour market. This in turn might impact the demand for Bangladeshi migrant labourers in Europe and subsequently the volume of remittances to Bangladesh from Europe. As the fuel prices are set by the Government of Bangladesh and due to recent revision in oil prices in November 2021, the global fuel price hike might not be seen in real-time in the Bangladesh market. However, a high degree of

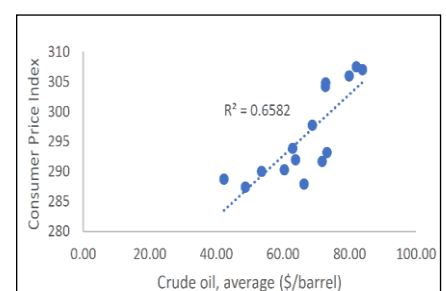


Figure 1: Global Crude Oil price VS Bangladesh CPI (2021-22)¹

¹Source: [UN Bangladesh-Ukraine Crisis: Economic Impact on Bangladesh](https://www.un.org/press/en/2022/02/20220201-bangladesh-ukraine-crisis-economic-impact-on-bangladesh.shtml)

²Source: IFPRI <https://www.ifpri.org/blog/how-will-russias-invasion-ukraine-affect-global-food-security>

³Source: <https://www.reuters.com/article/bangladesh-wheat-idUSL4N2JR05X>

correlation between global oil prices and Bangladesh's consumer price index (CPI) can be seen (Figure 1).

Food price trends in Cox's Bazar

Rice: In February 2022, the median price of rice BR29 variety has seen an increasing trend of 4.2 percent in Ukhia and 8.3 percent in Teknaf retail markets in Cox's Bazar district, compared to January 2022. However, in contrast to the same time in the previous year (February 2021), retail rice prices remained 6.7 percent lower in Teknaf Upazila and 8.9 percent lower in the Ukhia subdistrict. On average a 50 Kilogram sack of rice (BR29) was selling at BDT 2,350 in the wholesale markets of Cox's Bazar.

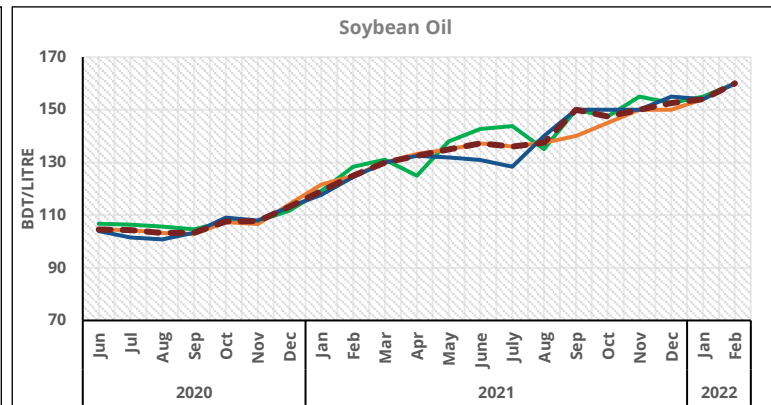
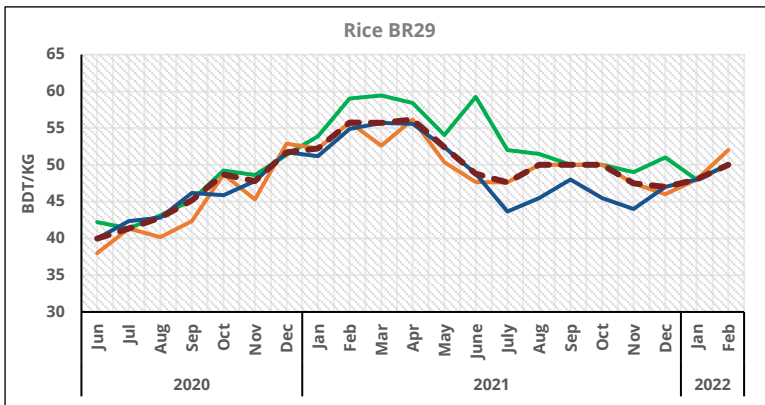
Vegetable oil: Higher vegetable oil price in global markets is starting to be seen in the local retail markets in Cox's Bazar. In February 2022, bottled soyabean oil faced an overall increment of 4 percent compared to January 2022 and 28 percent compared to February 2021, pushing the prices to BDT 160 per litre in Cox's Bazar retail market. Loose palm oil and mustard oil also faced an overall hike of 6.6 percent and 7.1 percent respectively, across Cox's Bazar retail market when compared with January 2022 prices.

Red lentils: Red lentils' price faced a steep spike of 8 percent in February 2022 compared to the previous month in Cox's Bazar district retail market. Compared to February 2021, the overall price across Cox's Bazar district in February 2022 was a staggering 33 percent Higher. Traders reported price hikes in the international market and higher shipment costs as the rationale for this increase.

Poultry and Eggs: In February 2022, Broiler chicken prices went down by 8.6 percent from January 2021 as the infectious disease rate rises up in the poultry farms and less demand from consumers in the local market. On the contrary, due to high demand and low supply, eggs prices saw an upward trend of overall 12.5 percent across Cox's Bazar district retail market when compared to January 2021.

Chickpea: With Ramadan approaching, the prices for one of the most consumed legumes-chickpeas, have begun to soar by 7 percent across Cox's Bazar district retail market compared to January 2022.

Onion: Onion prices also faced an upward trend in February 2022 compared to January 2021 with an overall 6.7 percent increase



across Cox's Bazar district retail markets.

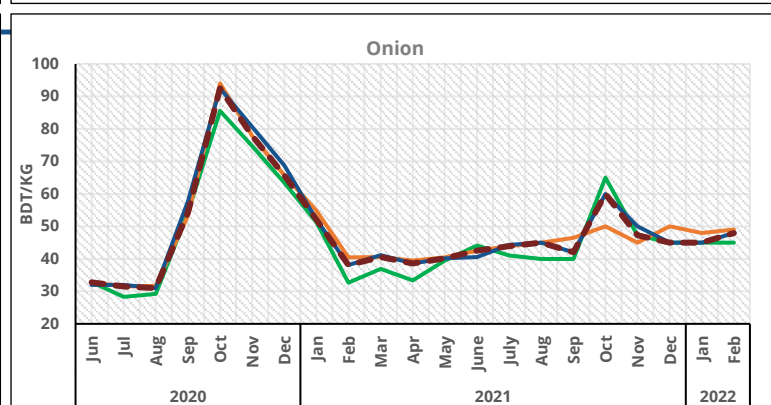
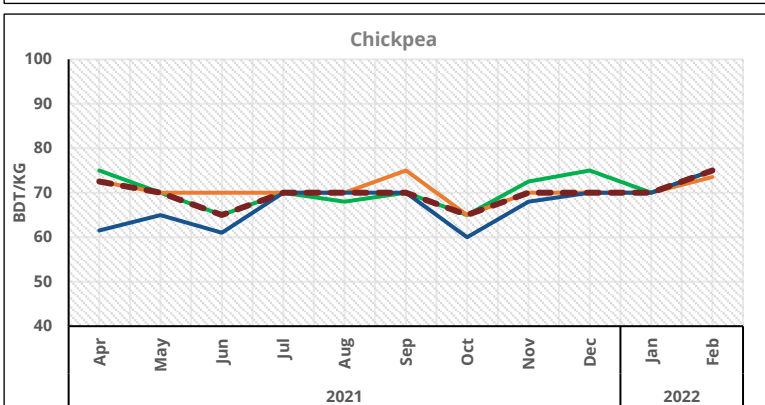
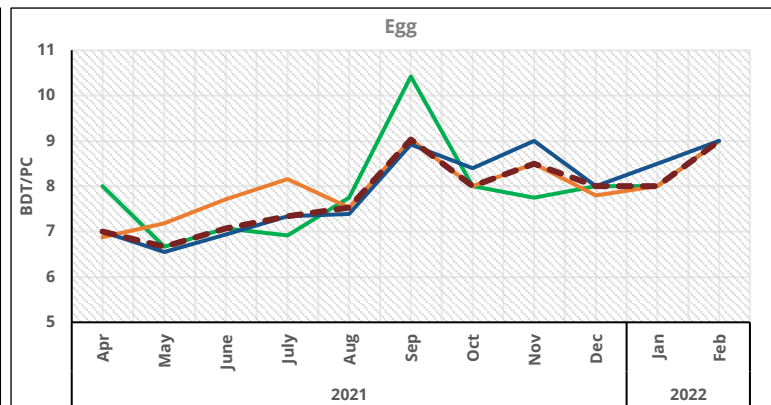
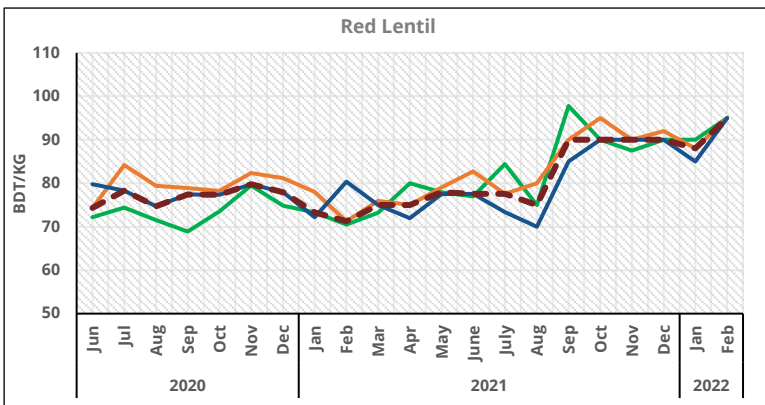


Figure 2-7. Retail market price trends over different sub-districts

Cost of the food basket and terms of trade (ToT)⁴

In February 2022 the cost of a typical food basket in Ukhia⁵ faced an upward trend as certain key items in the basket, mainly rice, soybean oil and red lentils saw a significant price increase. The cost of the food basket in February 2022 increased by 5 to 6 percent when compared to January 2022 and January 2021 basket, respectively. However, when compared to the pre-covid period of February 2020, the cost of the basket remains a staggering 31 percent higher in February 2022. Looking back at the cost of food basket trends of 2020 and 2021 when approaching the lean period of March-May, the value of the cost basket may increase further in the upcoming months of 2022.

During February 2022, host communities were able to buy only 9 Kgs of rice with a day's wage of 450 BDT⁶ in Ukhia Upazila, which is 3.9 Kg lower than the pre-Covid-19 levels of February 2020, when with a typical day income a household was able to buy 12.9 kg of rice. The purchasing power⁷ in February 2022 slightly dropped compared to January 2022 (9.4 kg) but remained higher than the February 2021 (8.8 kg) level.

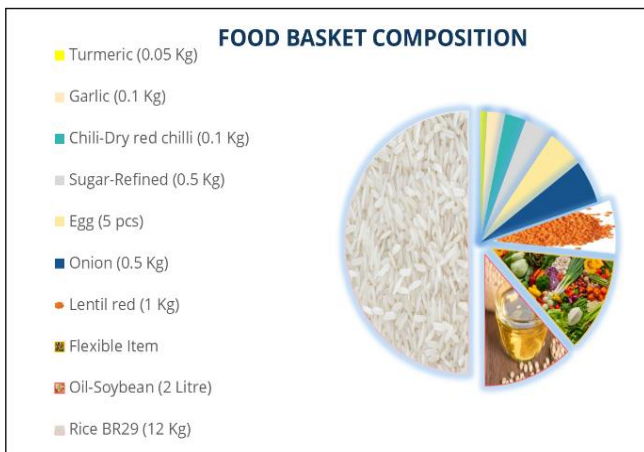


Figure-8: Composition of food basket

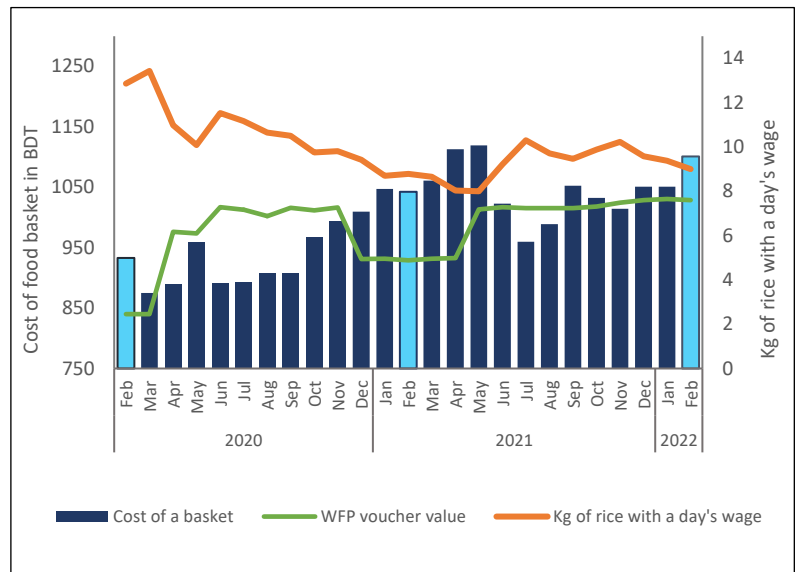


Figure-9: Cost of the food basket and purchasing power

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 January 2022, WFP resumed the market monitoring activity through face-to-face data collection and market visits.

A total of 624 surveys were conducted using face to face modality spanning across 3 Upazilas and 15 markets of Cox's Bazar District- Cox's Bazar Sadar, Ukhia and Teknaf Upazilas. For each Upazila, 5 union representative markets were selected based on their geographical distribution and strategic importance. Data collections were conducted on the second and fourth week of the month and each round took 3 days to cover the full sample size. Besides a total of 507 traders were surveyed through phone calls in 28 markets of Chattogram, Ukhia, Teknaf, Cox's Bazar Sadar, Maheshkhali and Pekua Upazila. The median prices of each of the commodities were generated after cleaning the extreme outliers applying the IQR±3 formula. Then the commodity prices were aggregated to monthly at both the district and sub-district/upazila level representation.

Contacts for further information

sheila.grudem@wfp.org; WFP Cox's Bazar Senior Emergency Coordinator
takahiro.utsumi@wfp.org; WFP Cox's Bazar Head of MEAL and VAM



⁴ Terms of trade (ToT) is a proxy indicator for purchasing power

⁵ 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 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.

⁷ the purchasing power of households is 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.

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

N.B. Some commodities in the column for 1-year price comparison are blank due to the introduction of new commodities and lack of data points

Sub-District	Commodity	Current price	Price Change			Commodity	Current price	Price Change									
			1 Month (%)	6 Month (%)	1 Year (%)			1 Month (%)	6 Month (%)	1 Year (%)							
Overall	Rice BR29	50.0	4.2%	▲	0.0%	▲	-10.3%	▼	Overall	Soybean Oil	160.0	3.9%	▲	16.4%	▲	28.0%	▲
Cox's Bazar Sadar		50.0	4.2%	▲	-2.9%	▲	-15.3%	▼	Cox's Bazar Sadar		160.0	3.2%	▲	18.5%	▲	24.7%	▲
Ukhia		50.0	4.2%	▲	9.9%	▲	-8.9%	▼	Ukhia		160.0	3.9%	▲	14.3%	▲	28.6%	▲
Teknaf		52.0	8.3%	▲	4.0%	▲	-6.7%	▼	Teknaf		160.0	3.9%	▲	16.4%	▲	28.0%	▲
Overall	Red Lentil	95.0	8.0%	▲	26.7%	▲	33.3%	▲	Overall	Onion	48.0	6.7%	▲	6.7%	▲	26.1%	▲
Cox's Bazar Sadar		95.0	5.6%	▲	26.7%	▲	34.8%	▲	Cox's Bazar Sadar		45.0	0.0%	▲	12.5%	▲	37.5%	▲
Ukhia		95.0	11.8%	▲	35.7%	▲	18.2%	▲	Ukhia		48.0	6.7%	▲	6.7%	▲	26.1%	▲
Teknaf		95.0	8.0%	▲	18.8%	▲	33.3%	▲	Teknaf		49.0	2.1%	▲	8.9%	▲	21.2%	▲
Overall	Chickpea	75.0	7.1%	▲	7.1%	▲	-	Overall	Salt	30.0	-6.3%	▼	-10.4%	▼	-		
Cox's Bazar Sadar		75.0	7.1%	▲	10.3%	▲	-	Cox's Bazar Sadar		30.0	-6.3%	▼	7.1%	▲	-		
Ukhia		75.0	7.1%	▲	7.1%	▲	-	Ukhia		30.0	-6.3%	▼	-10.4%	▼	-		
Teknaf		73.5	5.0%	▲	5.0%	▲	-	Teknaf		30.0	-6.3%	▼	-14.3%	▼	-		
Overall	Garlic	110.0	-8.3%	▼	-8.3%	▼	-	Overall	LPG	1170.0	3.5%	▲	11.4%	▲	-		
Cox's Bazar Sadar		110.0	-8.3%	▼	2.3%	▲	-	Cox's Bazar Sadar		1150.0	2.7%	▲	9.5%	▲	-		
Ukhia		110.0	-8.3%	▼	-8.3%	▼	-	Ukhia		1170.0	1.7%	▲	17.0%	▲	-		
Teknaf		110.0	-8.3%	▼	-15.4%	▼	-	Teknaf		1170.0	3.5%	▲	11.4%	▲	-		
Overall	Broiler Chicken	160.0	-8.6%	▼	24.5%	▲	-	Overall	Tilapia	175.0	9.4%	▲	12.2%	▲	-		
Cox's Bazar Sadar		150.0	-11.8%	▼	18.4%	▲	-	Cox's Bazar Sadar		165.0	3.1%	▲	10.0%	▲	-		
Ukhia		160.0	-8.6%	▼	24.5%	▲	-	Ukhia		180.0	12.5%	▲	14.3%	▲	-		
Teknaf		160.0	-8.6%	▼	22.7%	▲	-	Teknaf		180.0	12.5%	▲	12.5%	▲	-		
Overall	Egg	9.0	12.5%	▲	19.5%	▲	-	Overall	Cucumber	50.0	42.9%	▲	55.3%	▲	-		
Cox's Bazar Sadar		9.0	12.5%	▲	16.1%	▲	-	Cox's Bazar Sadar		50.0	42.9%	▲	70.7%	▲	-		
Ukhia		9.0	5.9%	▲	21.8%	▲	-	Ukhia		50.0	42.9%	▲	26.8%	▲	-		
Teknaf		9.0	12.5%	▲	19.5%	▲	-	Teknaf		50.0	42.9%	▲	55.3%	▲	-		
Overall	Red Chilli	240.0	5.5%	▲	14.3%	▲	7.3%	▲	Overall	Potato	15.0	-25.0%	▼	-36.1%	▼	-	
Cox's Bazar Sadar		240.0	5.5%	▲	23.1%	▲	7.3%	▲	Cox's Bazar Sadar		14.0	-30.0%	▼	-36.4%	▼	-	
Ukhia		240.0	11.6%	▲	14.3%	▲	16.1%	▲	Ukhia		15.0	-25.0%	▼	-37.7%	▼	-	
Teknaf		240.0	4.3%	▲	9.1%	▲	-3.0%	▲	Teknaf		15.0	-25.0%	▼	-36.1%	▼	-	
Overall	Green Chilli	40.0	33.3%	▲	-65.0%	▼	-	Overall	Tomato	38.0	8.6%	▲	-64.8%	▼	-		
Cox's Bazar Sadar		40.0	33.3%	▲	-65.0%	▼	-	Cox's Bazar Sadar		35.0	0.0%	▲	-64.5%	▼	-		
Ukhia		40.0	33.3%	▲	-64.8%	▼	-	Ukhia		40.0	14.3%	▲	-63.0%	▼	-		
Teknaf		40.0	33.3%	▲	-74.0%	▼	-	Teknaf		38.0	1.3%	▲	-67.2%	▼	-		
Overall	Pumpkin	26.0	-13.3%	▼	-20.0%	▼	-	Overall	Eggplant	30.0	0.0%	▲	-38.8%	▼	-		
Cox's Bazar Sadar		24.0	-20.0%	▼	-24.2%	▼	-	Cox's Bazar Sadar		30.0	0.0%	▲	-35.4%	▼	-		
Ukhia		26.0	-13.3%	▼	-20.0%	▼	-	Ukhia		30.0	0.0%	▲	-38.8%	▼	-		
Teknaf		28.0	-6.7%	▼	-18.8%	▼	-	Teknaf		30.0	-7.7%	▼	-40.0%	▼	-		

