



© WFP/ Nihab Rahman



SAVING LIVES  
CHANGING LIVES

## WFP-VAM Market Monitor

Cox's Bazar, May 2022

### Key highlights

- The conflict in Ukraine is aggravating a year of catastrophic hunger, wherein pandemics, climatic shocks, and spiralling food and fuel prices are putting vulnerable populations at risk, creating a band of instability that wraps around the globe including Bangladesh.
- In May 2022, global food prices<sup>1</sup> dropped 0.6 percent month-on-month, marking the second consecutive monthly decline, though still 22.8 percent above its value in the corresponding month last year. All food indices still remain very close to the record high hit in March 2022.
- Instability in the global market has already begun to spill over into Bangladesh markets, with the trade deficit reaching a historic high, the national currency volatile against the US dollar, inflation escalating, and remittance inflows deteriorating.
- In mid-May, a severe flash flood hit the Sylhet region, one of the key rice hubs of the country, damaging 17,760 hectares<sup>2</sup> of Boro season paddy along with summer vegetables. The flood's consequences could be a major impediment to normalizing the inflated price of the national staple.
- In Cox's Bazar district retail markets, most of the essential commodities exhibit an upward trajectory of price trends in May 2022. Month-on-month base prices of soybean oil, egg, onion, salt, lentils, garlic, red chilli, and beef went up, while rice, sugar, and broiler chicken prices remained unchanged or slightly declined.
- The cost of a typical food basket in May 2022 (1,147 BDT) was 3 percent higher than in April 2022 (1,110 BDT) and 10 percent higher than in May 2021 (1,045 BDT). When compared to the pre-Covid-19 level (839 BDT, March 2020), the May 2022 basket was significantly higher (+31 percent), putting a strain on a household's purchasing capacity in Cox's Bazar.

### Russia-Ukraine crisis, Global and Bangladesh Markets:

The ramifications of the conflict in Ukraine are reverberating around the world, causing a global wave of collateral hunger. The world is witnessing an unprecedented growth in global humanitarian needs, with the number of countries facing food crises at record levels. In just two years, the number of severely food insecure people doubled from 135 million pre-pandemic to 276 million, while 48.9 million people in 43 countries are teetering on the edge of famine (IPC4). The prices of food procured by WFP for its operations are on average 50 percent higher than they were in 2019, resulting in additional costs of USD 71 million per month globally, compared to 2019. The World Bank estimated that the pandemic led to 97 million more extremely poor people from pre-pandemic projections.

Major grain exporters have recently ramped up trade protectionist measures to counter domestic inflation – at the expense of tightening supplies on international markets and putting further upward pressure on international prices.

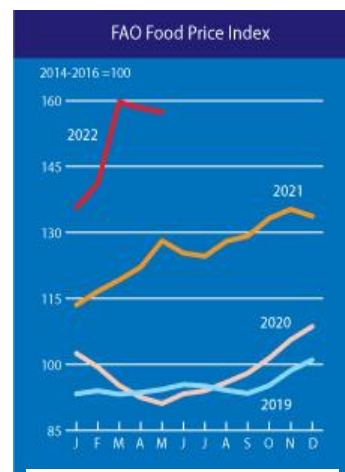


Figure 1: FAO Food Price Index (FFPI)

<sup>1</sup> <https://www.fao.org/worldfoodsituation/foodpricesindex/en/>.

<sup>2</sup> [https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/20223005\\_kin\\_preliminary\\_impact\\_assessment\\_haar\\_flash\\_flood\\_2022\\_final\\_draft.pdf](https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/20223005_kin_preliminary_impact_assessment_haar_flash_flood_2022_final_draft.pdf)

The FAO Food Price Index, a measure of the monthly change in international prices of a basket of food commodities, rose steadily over the course of 2021 and reached a record high in March 2022. In May 2022 the FAO Food Price index went down by 0.6 percent mainly led by a slight reprieve in the vegetable oil, dairy, and sugar sub-indices due to the demand rationing and the removal of Indonesia's short-lived export ban on palm oil. On the contrary, the meat sub-index edged up to hit an all-time high, mainly driven by high poultry feed prices and increased cases of avian influenza. The cereal price index climbed 2.2 percent compared to April 2022, with wheat posting a 5.6 percent month-on-month increase. Year-on-year wheat prices were up by 56.2 percent. The International Grains Council (IGC)'s wheat sub-index was up around 66 percent in May 2022 compared to a year ago.<sup>3</sup> The steep increase in wheat prices was in response to an export ban announced by India amidst concerns over crop conditions in several leading exporting countries, as well as reduced production prospects in the Ukraine-Russia conflict.

According to Bangladesh Bank<sup>4</sup>, in the 2020-21 FY, goods worth USD 800 million were imported from Russia, Ukraine, and Belarus- mostly wheat, fertilizer, scrap iron, mustard, chickpeas, soybean seeds, and chemicals. Bangladesh was the third major export market of wheat for both Russia and Ukraine in 2020-21 FY by importing 1.51 million mt of wheat from Ukraine and 1.94 million mt from Russia.<sup>5</sup> According to Chattogram port records, in 2020-21 FY, 41 percent of the total wheat imported through this port was from Russia and Ukraine. The Indian embargo on wheat export is already having an impact on the Bangladesh market with all flour-based food commodities and bakery items prices on the rise in May 2022.

The national monthly CPI<sup>6</sup> increased from 307.02 points in January 2022 to 312.38 in April 2022, resulting in a 1.75 percent increase during that reporting period. The annual inflation rate in Bangladesh rose to 6.29 percent in April this year from 6.22 percent in the previous month. It was the highest inflation rate since October 2020. In May 2022, Bangladesh's trade deficit hit a historic high which is 53 percent higher than the last fiscal year, despite rising export and foreign aid according to Bangladesh Bank. In May 2022, exports climbed by 23 percent, bringing in 47 billion USD, and foreign assistance inflows increased by 59 percent, to 7.7 billion USD. On the other hand remittance inflows dropped by 13 percent raising concerns about a safe level of foreign reserve. A flexible exchange rate is expected to aid exporters and boost remittances through formal banking channels.

## Key Commodity price trends in Cox's Bazar



**Rice:** In May 2022 the retail price of BR29 rice in Cox's Bazar district faced a slight decrease of 2 percent, thanks to the good Boro harvest reported by the Department of Agricultural Extension (DAE). However, the recent flash flood in Sylhet region, damaging 17,760 hectares out of 733,506 hectares of cropland, might have negative implications for normalizing the key staple price in the harvest season. Traders reported the availability of the new rice is still minimal and various issues like low paddy to rice yield ratio, maturity, moisture content, low shelf life, etc. are contributing to lower consumer demand.



**Vegetable oil:** Soybean oil prices faced the biggest hike in early May 2022 as the government increased the price by BDT 38 in one stroke, a 23.75 percent rise over prior levels. This effort attempted to restore normalcy to the market's supply, which had been severely strained by high raw material prices on the international market, rising transportation costs, supply disruptions, and increased demand during the Eid season. In Cox's Bazar, the retail price of oil increased an astonishing 48 percent in May 2022 compared to the same period last year (May 2021). Successively, loose palm oil also saw a steep increase of BDT 18 in May 2022 compared to last month (April 2022).



**Wheat Flour:** Wheat flour prices in Cox's Bazar were steady in May 2022, at 45 BDT in retail markets. However, according to TCB (Trading Corporation of Bangladesh), the price of packaged wheat flour was 44 percent more in May 2022 than it was the previous year at the same time (May 2021). Traders anticipated a price hike in the coming days.



**Red lentils:** Red lentil prices in Cox's Bazar retail markets rose moderately (1 percent) in May 2022, selling at 96 BDT per kg, compared to April 2022. This price is 23 percent higher than the previous year (May 2021).



**Poultry, Meat, and Eggs:** In May 2022, the price of broiler chicken dropped 5.9 percent. As a reason for the reduction, traders cited low demand following Eid and infectious disease outbreaks urging poultry farmers to sell quickly. Beef prices, on the other hand, faced an 8 percent month-on-month hike, because of import disruption from Myanmar. Prices of farm eggs increased by 12.5 percent in May 2022 compared to the previous month (April 2022). The reason for the increase, according to traders, was an increase in poultry feed prices and a 65-day ban on fishing in the Bay of Bengal, which drove more consumers to eggs as an alternative protein source.



**Onion:** Onion price increased by 33 percent in May 2022 compared to April 2022. Import ban from India was

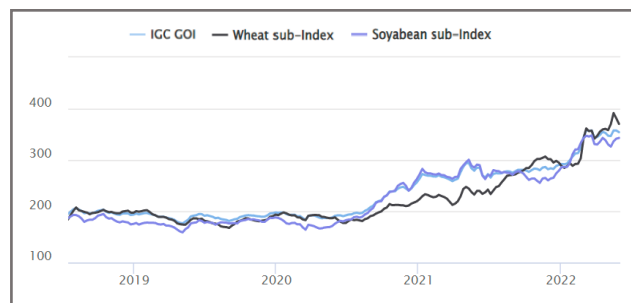


Figure 2: IGC Grains and Oilseeds Index (GOI)

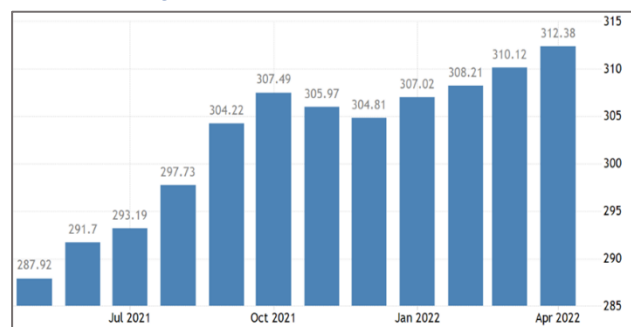


Figure 3: Consumer Price Index (CPI)<sup>6</sup>

<sup>3</sup> <https://www.igc.int/en/markets/marketinfa-qoi.aspx>

<sup>4</sup> <https://www.bb.org.bd/en/index.php>

<sup>5</sup> <https://www.fao.org/faostat/en/>

<sup>6</sup> <https://tradingeconomics.com/bangladesh/inflation-cpi>

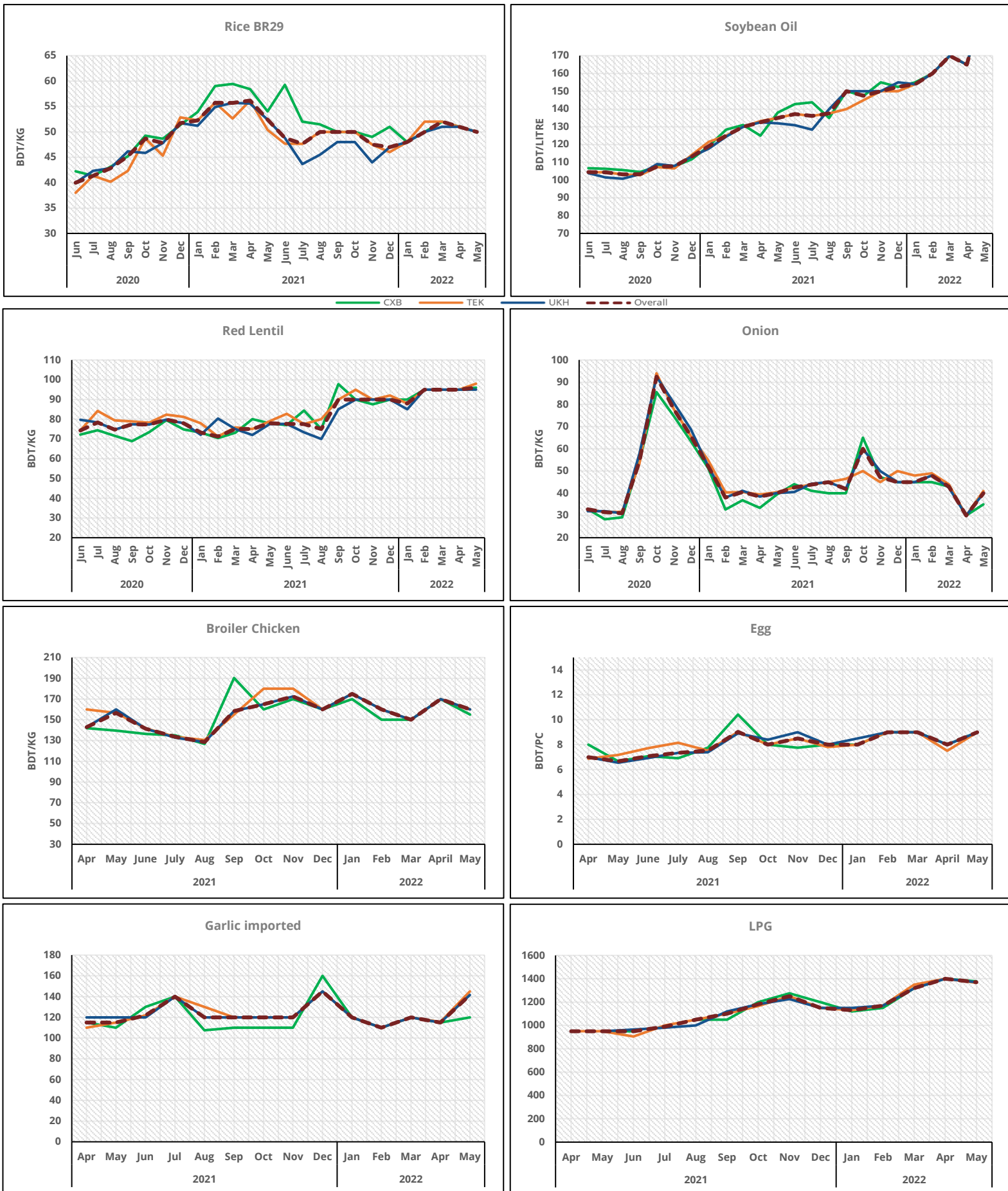


highlighted as the main reason behind the increase by the traders.



**LPG:** LPG prices in Cox's Bazar retail markets fell by 2.1 percent (1370 BDT) in May 2022 compared to April 2022. Compared to the same time last year, the prices of LPG increased by 44.2 percent. As the LPG prices are set by the government according to countries' imports and reserves, the international price fluctuations were not observed in real-time.

Figure 4-11. Monthly retail market price trends over different sub-districts



## Cost of the food basket and terms of trade (ToT)<sup>7</sup>

In May 2022, the cost of a typical food basket in Ukhia<sup>8</sup> faced an upward trend as certain key items in the basket, such as soybean oil, onion, egg, garlic, and red chilli saw an increase in prices. Because of the harvest season, a slight decrease was observed in rice prices while other items remain unchanged. The cost of the food basket in May 2022 increased by 3 percent when compared to April 2022 and a 10 percent increase compared to May 2021 baskets. However, when compared to the early Covid period of March 2020, the cost of the basket remains a staggering 31 percent higher in May 2022. Looking back at the cost of food basket trends for 2020 and 2021, the cost of the food basket should be expected to go down when approaching the harvest season in June, but considering the global market volatility, supply chain issues, high fuel and transport costs, a reprieve in the cost of basket remains uncertain.

During May 2022, typical labour in host communities was able to buy only 9 kg of rice with a day's wage of 450 BDT<sup>9</sup> in Ukhia Upazila, which is 4.5 kg lower than the early Covid-19 periods of March 2020, when a typical day's income was able to buy 13.4 kg of rice. The purchasing power<sup>10</sup> in May 2022 slightly increased compared to April 2022 (8.8 kg) but remained higher than the May 2021 (8.0 kg) level.

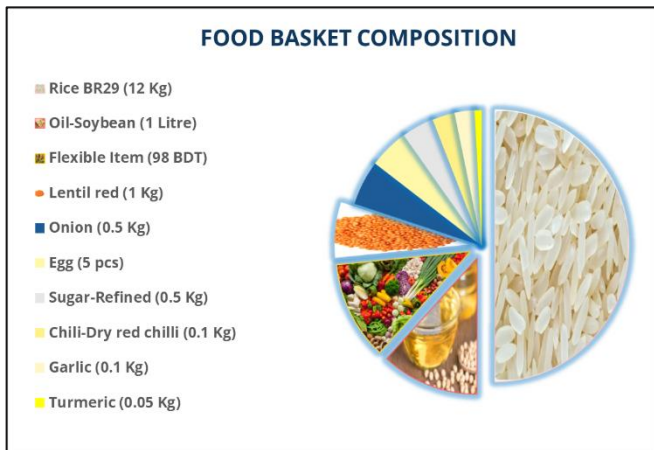


Figure-12: Composition of food basket

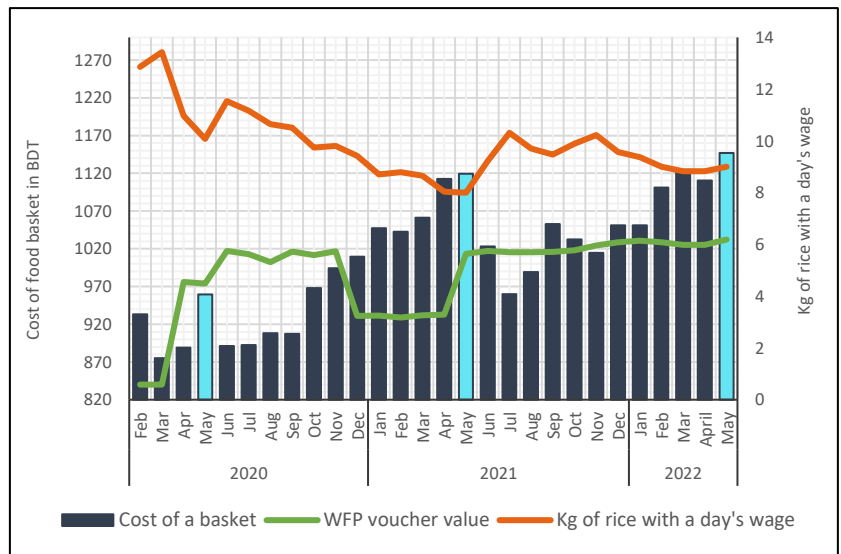


Figure-13: Cost of the food basket and purchasing power

## Methodology and coverage

Market price data collection 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 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 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. The median prices of each of the commodities were generated after cleaning the extreme outliers by applying the IQR formula. The commodity prices were then aggregated monthly at both the district and sub-district/Upazila level representation.

## Contacts for further information

[sheila.grudem@wfp.org](mailto:sheila.grudem@wfp.org); WFP Cox's Bazar Senior Emergency Coordinator

[takahiro.utsumi@wfp.org](mailto:takahiro.utsumi@wfp.org); WFP Cox's Bazar Head of MEAL and VAM



<sup>7</sup> Terms of trade (ToT) is a proxy indicator for purchasing power

<sup>8</sup> 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.

<sup>9</sup> 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.

<sup>10</sup> 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.

Sub-District	Commodity	Current price	Price Change			Commodity	Current price	Price Change		
			1 Month (%)	6 Month (%)	1 Year (%)			1 Month (%)	6 Month (%)	1 Year (%)
<b>Overall</b>	Rice BR29	50.0	-2.0%	5.3%	-4.6%	Soybean Oil	200.0	21.2%	33.3%	48.2%
Cox's Bazar Sadar		50.0	-2.0%	2.0%	-7.5%		200.0	21.2%	29.0%	44.9%
Ukhia		50.0	-2.0%	13.6%	-4.6%		200.0	21.2%	33.3%	51.6%
Teknaf		50.0	-2.0%	5.3%	-0.8%		199.0	20.6%	32.7%	47.4%
<b>Overall</b>	Red Lentil	96.0	1.1%	6.7%	23.2%	Onion	40.0	33.3%	-15.3%	-0.3%
Cox's Bazar Sadar		96.0	1.1%	9.7%	23.2%		35.0	16.7%	-25.9%	-11.3%
Ukhia		95.0	0.0%	5.6%	22.6%		40.0	33.3%	-20.0%	-0.3%
Teknaf		98.0	3.2%	8.9%	24.0%		41.0	36.7%	-8.9%	1.3%
<b>Overall</b>	Sugar	80.0	0.0%	0.0%	14.3%	Salt	32.0	6.7%	-1.5%	6.7%
Cox's Bazar Sadar		80.0	0.0%	0.0%	14.3%		32.0	6.7%	0.0%	6.7%
Ukhia		80.0	0.0%	0.0%	14.3%		32.0	-8.6%	-1.5%	-8.6%
Teknaf		80.0	0.0%	-3.0%	14.3%		35.0	16.7%	0.0%	16.7%
<b>Overall</b>	Garlic	141.5	23.0%	17.9%	23.0%	LPG	1370.0	-2.1%	9.6%	44.2%
Cox's Bazar Sadar		120.0	4.3%	9.1%	9.1%		1377.5	-1.6%	8.0%	45.0%
Ukhia		141.5	23.0%	17.9%	17.9%		1370.0	-2.1%	11.8%	44.2%
Teknaf		145.0	25.5%	20.8%	26.1%		1365.0	-2.5%	9.2%	43.7%
<b>Overall</b>	Broiler Chicken	160.0	-5.9%	-7.2%	2.1%	Tilapia	175.0	-2.8%	9.4%	1.8%
Cox's Bazar Sadar		155.0	-8.8%	-8.8%	11.0%		175.0	-2.8%	9.4%	1.8%
Ukhia		160.0	-5.9%	-7.2%	0.0%		180.0	0.0%	12.5%	20.0%
Teknaf		160.0	-5.9%	-11.1%	2.1%		175.0	-2.8%	2.9%	-1.4%
<b>Overall</b>	Egg	9.0	12.5%	5.9%	35.0%	Cucumber	25.0	-28.6%	-16.7%	-29.9%
Cox's Bazar Sadar		9.0	12.5%	16.1%	35.0%		25.0	-28.6%	0.0%	-9.7%
Ukhia		9.0	12.5%	0.0%	37.4%		24.0	-29.4%	-20.0%	-36.6%
Teknaf		9.0	20.0%	5.9%	25.3%		25.0	-28.6%	-28.6%	-29.9%
<b>Overall</b>	Red Chilli	285.0	5.6%	50.0%	23.1%	Potato	20.0	0.0%	-14.9%	-14.2%
Cox's Bazar Sadar		285.0	5.6%	50.0%	16.7%		20.0	0.0%	-14.9%	-13.0%
Ukhia		285.0	5.6%	46.2%	23.1%		20.0	0.0%	-9.1%	-14.2%
Teknaf		280.0	3.7%	47.4%	27.9%		20.0	0.0%	-20.0%	-17.4%
<b>Overall</b>	Green Chilli	55.0	-3.5%	-21.4%	35.5%	Tomato	48.0	60.0%	-63.8%	9.2%
Cox's Bazar Sadar		55.0	6.8%	10.0%	79.3%		48.0	60.0%	-63.8%	9.2%
Ukhia		58.0	1.8%	-17.1%	33.1%		48.0	60.0%	-63.1%	-1.3%
Teknaf		50.0	-13.8%	-58.3%	23.2%		50.0	61.3%	-64.3%	24.0%
<b>Overall</b>	Pumpkin	30.0	0.0%	-14.3%	20.0%	Eggplant	35.0	-30.0%	-12.5%	5.0%
Cox's Bazar Sadar		30.0	0.0%	-14.3%	24.8%		35.0	-30.0%	0.0%	14.1%
Ukhia		30.0	0.0%	-14.3%	0.0%		36.5	-27.0%	-8.8%	-3.6%
Teknaf		30.0	0.0%	-25.0%	20.0%		35.0	-30.0%	-30.0%	5.0%

Annex I. Retail market price (median) in MAY 2022 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



