Overview

- Nationwide lockdown following Covid-19 outbreak has caused trade flow disruptions of essential food and non-food items.
- Mixed price trends in the markets over the past two weeks: increased for rice (~20%) and red lentils (>20%), vegetable oil and garlic remained stable.
- Sufficient rice availability in Chattogram and local markets, supported by inflows from newly harvested Boro rice. Price increases due to high transactional costs (high labour costs at milling plants due to shortage, high transport costs).
- Red lentil price spikes due to low imports, unavailability of loading/unloading labour at the port, and higher wage demands at port and mills. Traders reported 30% - 35% increases on milling costs.
- Increased rice and red lentil prices also reflect increased demand due to relief efforts by NGOs and groups supporting vulnerable people.
- Unfavourable terms of trade (ToT) are evident in the markets. Increasing food prices against reduced household income has eroded purchasing power for many households.

Trends

Rice BR28 (retail prices)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Chattogram</th>
<th>Cox’s Bazar</th>
<th>Ukhia</th>
<th>Teknaf</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice BR-29</td>
<td>▲22%</td>
<td>▲19%</td>
<td>▲22%</td>
<td>▲19%</td>
</tr>
<tr>
<td>Rice BR-28</td>
<td>▲18%</td>
<td>▲20%</td>
<td>▲21%</td>
<td>▲21%</td>
</tr>
</tbody>
</table>

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Increased rice and red lentil prices also reflect increased demand due to relief efforts by NGOs and groups supporting vulnerable people.

Unfavourable terms of trade (ToT) are evident in the markets. Increasing food prices against reduced household income has eroded purchasing power for many households.

Vegetable Oil (retail prices)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Chattogram</th>
<th>Cox’s Bazar</th>
<th>Ukhia</th>
<th>Teknaf</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil</td>
<td>1%</td>
<td>1%</td>
<td>5%</td>
<td>▲3%</td>
</tr>
</tbody>
</table>

Price changes (%) between 1st week of March & 1st week of April, 2020
Market Attributes

- Rice was the most bought commodity in the past two weeks; followed by red lentils, onions, potatoes and garlic.
- 37% of traders interviewed did not know how long it will take to restock if their current stock levels run out.
- Most markets around the camps also recorded low levels of business: limited economic capacity of both host community and refugees to buy, and fears of crowding reported as the main reasons.

Short term forecast: Rice and Red Lentils

- Price subsidy on rice announced by the government and inflow of Boro harvest will likely dampen market demand and mitigate any sharp price spikes. Concerns, however, remain regarding high transaction costs (labour at milling plants and transport). These uncertainties are likely to keep prices elevated at current levels.
- The price of red lentils will likely be more volatile than rice. Persistent high demand from consumers against very low supplies, due to closure of key mills in Chattogram and high transaction cost, will continue driving prices up.
- Most traders are confident that prices of other key commodities like garlic, ginger, red chilli, and onions will remain stable.

Issues to watch

Livelihoods disruptions from the current lockdown likely to result in increased food insecurity outcomes especially among the market dependent poor households.

Cumulative effects of the lockdown and the forthcoming monsoon season likely to result in a longer than expected period of socio-economic disruption. Economic vulnerability likely to increase for the host community, who lack universal assistance coverage like the refugees.

Methodology

- A total of 35 traders spanning six markets across Cox’s Bazar district were interviewed through short phone surveys between 25 March – 7 April 2020. WFP M&E team supported in data collection, through phone surveys.
- Owing to the prevailing conditions, efforts have been made to minimize trader errors/biases as much as possible.