



BANGLADESH FOOD SECURITY MONITORING QUARTERLY BULLETIN

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HIGHLIGHTS

Retail price of food: During the reporting quarter, the national average retail prices of rice and wholemeal wheat flour (*atta*) decreased slightly from the previous quarter. Although the price of lentils (*masur*) was quite stable during the reporting quarter, the quarterly average price was 2 percent higher than in the previous quarter and 20 percent higher than in the same period in 2014. The national average oil (palm oil) price decreased by 5 percent during the quarter as compared to the price in the previous quarter.

Inflation: General inflation, measured by the point to point variation in the Consumer Price Index (CPI), declined till November in the reporting quarter. It went 14 basis points down from 6.19 percent in October to 6.05 percent in November, the lowest in the past ten months. The downward trend of both food and non-food inflation contributed to this decline. However, it raised slightly by 5 basis points to 6.10 percent in December 2015 on the back of a sharp increase in non-food inflation. Food inflation, on the contrary, had a sharp decline by 0.17 percentage points in November and 0.24 percentage points in December as compared to previous months and finally hit 5.48 percent at the end of the reporting quarter.

Remittances: Month-on-month remittance inflow (in USD) showed an increasing trend during the reporting quarter. It had a huge fall by 19 percent in October 2015 compared to the previous month, then grew by about 4 percent in November and again had a huge lift by 15 percent in December 2015. However, the average remittance inflow in the reporting quarter is nearly 10 percent lower than in the previous quarter, yet more than 2 percent higher than the same period last year.

Food production, import and stock: The most recent survey by the Bangladesh Bureau of Statistics (BBS) expects a total *Aus* production of 2.17 million MT for the FY 2015/16, 14 percent less than the target and about 7 percent less than the actual production last year. The *Aman* production figure, though yet to be finalized, has been expected to meet the target. During the reporting quarter, the food grain stock reached 1.65 million MT in November, but decreased slightly to 1.53 million MT in December 2015. Cumulative rice import for the first half of the FY 2015/16 was 0.20 million MT as of January 2016. This figure was 0.14 million MT for the reporting quarter, entirely by the private sector. Cumulative wheat import during the reporting quarter was 1.21 million MT with the lowest amount imported in December 2015.

Public food procurement and distribution: *Aman* procurement started from 15th December 2015 and will continue up to 15th March 2016. The procurement target for *Aman* during the current FY had been fixed at 0.20 million MT and 2,733 MT *Aman* rice had been procured as of 31st December 2015. Cumulative distribution as of 30th December of the current FY was 0.6 million MT of which 0.435 million MT was rice and 0.18 million MT was wheat. The distributed amount during the 1st half of the FY 2015/16 was 30 percent of this FY's target and 82 percent of the amount distributed during the same period a year ago.

Wage rate and purchasing capacity: In October, the first month of the reporting quarter, the average wage for a female labourer was only 173 Taka/day whereas for a male labourer it was 290 Taka/day – a difference of 117 Taka/day. The wage difference between a male and a female labourer was 98 Taka/day in November and 105 Taka/day in December 2015 (average for 4 districts).

The average ToT (calculated using wage data collected from BBS) till July 2015 was higher than during the same period in 2014, mainly due to both lower rice prices and higher wage rates - both for male and female agricultural day labourers. Wage data collected by WFP sub-offices for the reporting quarter for four divisions also showed increasing ToT even though the year-on-year average agricultural daily wage tended to decline a bit.

ENVIRONMENTAL CONDITIONS

Boro paddy and wheat are two major winter (*rabi*) crops according to the agricultural calendar. *Boro* paddy is an irrigation dependent *rabi* crop cultivated during December to mid-February. Again, the cultivation period for wheat is from November to mid-January and it suits better in dry and cold weather. The actual rainfall was considerably low during the reporting quarter, especially in October and November having about 33 and 36 percent deviations respectively from normal. However, the rainfall during this period was considered to have been favourable.

Month-Year	Average Rainfall (mm)			Average Temperature (Celsius)		
	Actual	Normal	Deviation (%)	Actual	Normal	Deviation (%)
Oct-15	127	160	-33.0	28.1	24.8	3.37
Nov-15	6	42	-36.0	27.6	24.4	3.21
Dec-15	8	10	-2.1	20.8	20.3	0.52

Source: Bangladesh Meteorological Department

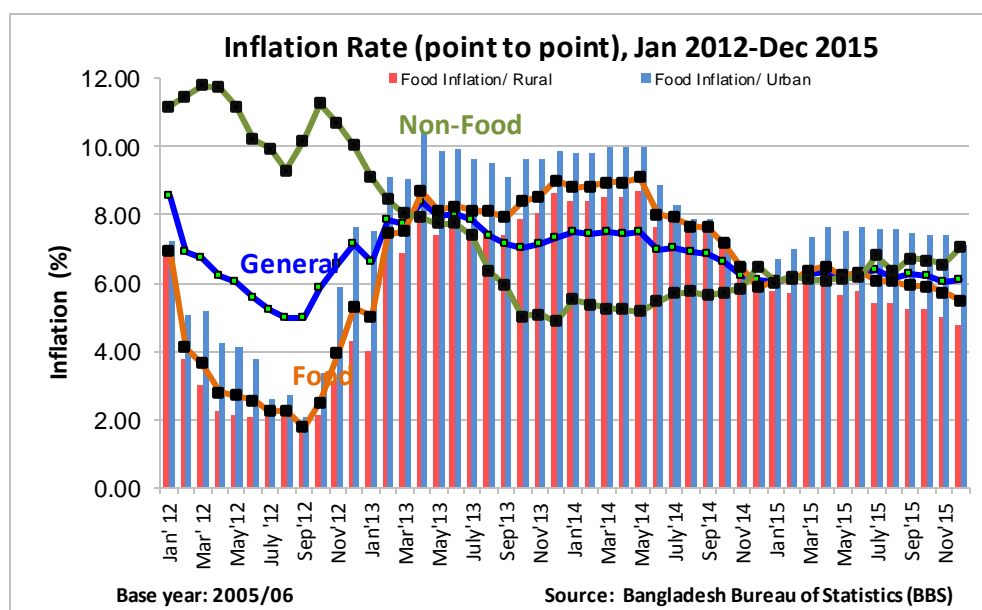
The average temperature during the reporting quarter was close to the normal temperature and was favourable for the planting of both *Boro* paddy and wheat.

ECONOMIC CONDITIONS

INFLATION AND REMITTANCES

Inflation

General inflation, measured by the point to point variation in the Consumer Price Index (CPI), started declining from the month of September during the previous quarter and continued till November in the reporting quarter. It went 14 basis points down from 6.19 percent in October to 6.05 percent in November, the lowest in the past ten months.



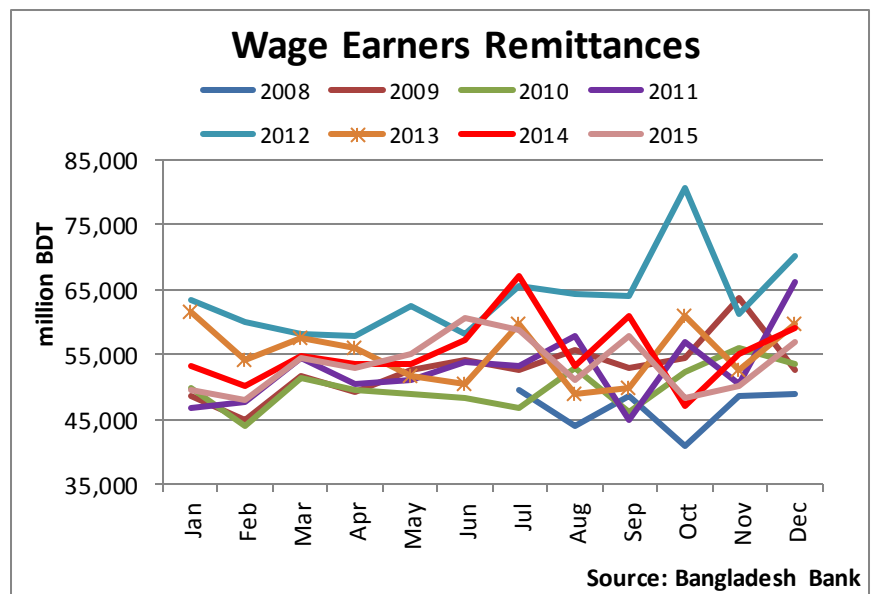
The downward trend of both food and non-food inflation contributed to this decline of overall inflation during the month. However, it raised slightly by 5 basis points to 6.10 percent in December 2015 on the back of a sharp increase in non-food inflation. Being a peak season for tourism and also for Christmas and year-end celebration, non-food inflation went up in December as stated by the Ministry of Planning. Food inflation, on the contrary, had a sharp decline by 0.17 percentage points in November and 0.24 percentage points in December as compared to previous months and finally hit 5.48 percent at the end of the reporting quarter. Food inflation had been showing a falling trend since the last quarter of the FY 2014/15 and continued till December 2015 despite a 9 percent rise of the palm oil price in the international market. As a whole, the reporting quarter shows a fluctuating trend in general as well as for non-food inflation with a downward trend in food inflation.

Non-food inflation had been showing an upward drift as compared to food inflation since the beginning of the FY 2015/16. It was about 9 percentage point higher than in December 2014 and as high as 44.5 percentage points than in December 2013 - when it was 6.48 percent and 4.88 percent respectively. The Bangladesh Bank considered the prevailing price hikes of fuel and electricity in recent times as reason for the high non-food inflation. Although the prices of crude oil had decreased about 60 percent in the international market over the last year, no adjustment had been made in the domestic prices (*World Bank Development Update, October 2015*).

Even though food inflation had been following a decreasing trend since April 2015, the difference between food inflation in rural and urban areas continued widening. Urban food inflation in December was 2.4 percentage points higher than rural food inflation and this gap had been increasing since October 2014.

Remittance inflow

The month-on-month remittance inflow (in USD) showed an increasing trend during the reporting quarter. It had a huge fall by 19 percent in October 2015 compared to the previous month, then grew by about 4 percent in November and again had a huge lift by 15 percent in December 2015. However, the average remittance inflow in the reporting quarter is nearly 10 percent less than in the previous quarter, yet more than 2 percent higher than in the same period last year.



According to the central bank, the Bangladesh Bank, Christmas and year-end celebration in the month of December triggered a positive growth in remittance inflow during the reporting quarter (*newspapersource*). The year-on-year average rose by about 3 percent (USD 1.31 billion) in December 2015 compared to the same period last year (USD 1.27 billion) as per Bangladesh Bank statistics.

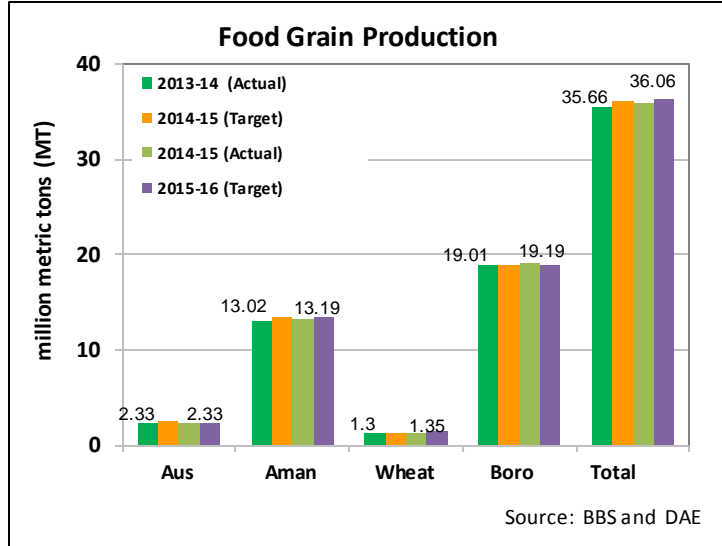
Remittance inflow for the FY 2014/15 reached USD 15.31 billion, the highest in the country's history. Remittances are expected to play a vital role in achieving the country's 7th Five-year Plan and the Sustainable Development Goals (SDGs). But this growth was not adequate as compared with the rise in manpower export. As articulated by the Bangladesh Bank, manpower export rose by 30 percent year-on-year; while the remittance grew only by 1.8 percent. However, a sign of hope is the increased female migration in the international labour market. But the women's safety and security are yet to be ensured. Human trafficking remains another crucial challenge for Bangladesh.

FOOD AVAILABILITY

CROP PRODUCTION, FOOD GRAIN IMPORT AND PUBLIC GRAIN STOCK

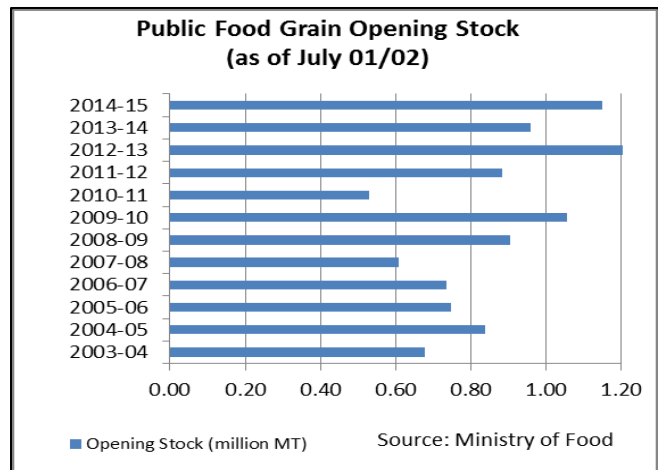
Food grain production

- The Department of Agricultural Extension (DAE) has fixed the target for food grain production at 36.42 million MT for the FY 2015/16 of which 35.02 million MT is for rice and 1.4 million MT for wheat (FPMU, FSR 103), up by almost 1 percent from the previous FY's actual production. 54 percent of the rice production is expected from the *Boro* season (cultivated December-February, harvested April-May).
- The most recent survey by the Bangladesh Bureau of Statistics (BBS) expects the total *Aus* production as 2.17 million MT for the FY 2015/16, 14 percent less than the target and about 7 percent less than the actual production last year. Total area coverage for *Aus* was also revised downwardly because of the conversion of *Aus* areas into more profitable summer vegetables. The *Aman* production figure, though yet to be finalized, is expected to meet the target. DAE presumed that even if the production target for *Aus*, *Aman* and *Boro* would be achieved, the actual food grain production for the FY 2015/16 would fall short marginally of the target and reach 36.13 million MT.



Food grain stocks

The public food grain closing stock in the FY 2014/15 was 1.29 million MT (10 percent higher than a year ago). The opening public stock of food grain for the current FY 2015/16 was 1.48 million MT (as of July 2015) and had been increasing gradually. During the reporting quarter, food grain stocks reached 1.65 million MT in November; but decreased slightly to 1.53 million MT in December 2015. The Ministry of Food anticipated the stock replenishment to be stabilized and be adequate to satisfy the food grain demand for public distribution during the coming months (*Ministry of Food*).

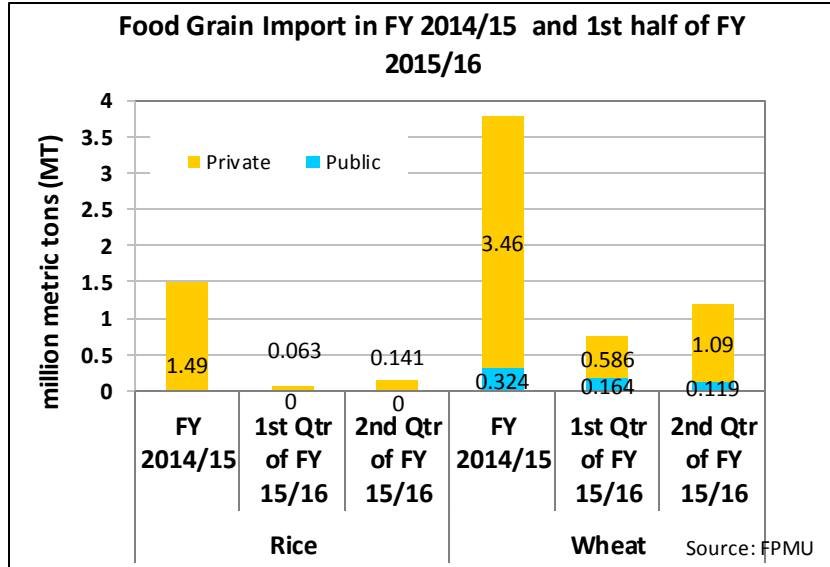


Food grain import

- The Ministry of Food set the food grain import target for the FY 2015/16 at 4.0 million MT, about 32 percent less than the actual import during the FY 2014/15 (5.27 million MT). The Government reduced the rice import target for the current FY to one-third compared to the previous FY (from 1.49 million MT to 0.5 million MT). The National Board of Revenue has doubled the import duty on rice to 20 percent

with an intend to discourage import and protect the interest of the local rice growers. On the other hand, the wheat import target for the FY 2015/16 was fixed at 3.5 million MT, around 7 percent lower than for the previous FY (FPMU, FSR 103).

- Cumulative rice import for the first half of the FY 2015/16 was 0.20 million MT as of January 2016 (Ministry of Food). This figure was 0.14 million MT for the reporting quarter. The total rice import was undertaken by the private sector, the Government did not import any rice (FPMU, FSR 103).



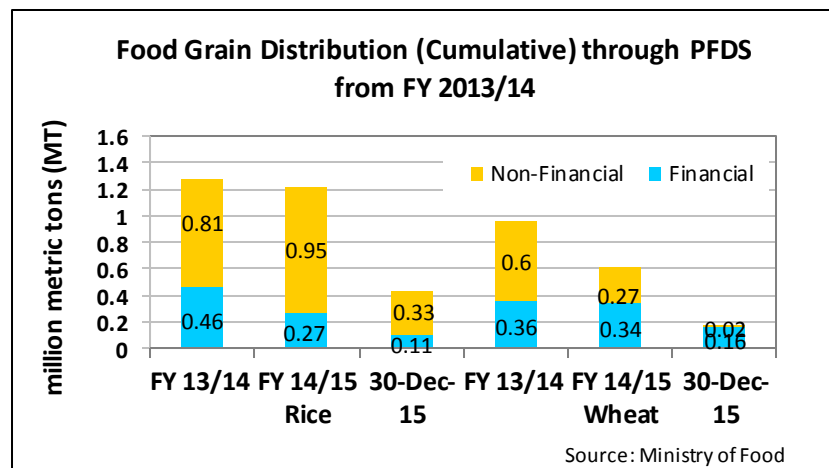
- Cumulative wheat import for the first half of the FY 2015/16 was 2.1 million MT as of January 2016 (Ministry of Food). During the reporting quarter, a total of 1.21 million MT wheat was imported with the lowest amount in December (0.3 million MT), around 91 percent of which was by the private sector (FPMU, FSR 103).

Food grain procurement

- The FY 2015/16 budget allocated BDT 54.8 billion (USD 703 million) for grain procurement, which is about 3 percent more than the FY 2015/16 revised budget (Ministry of Food). The food grain procurement target for the current FY has been set at 1.7 million MT, 1.5 million MT of rice and 0.2 million MT of wheat. The actual food grain procurement in FY 2014/15 could fulfill the target by procuring 1.68 million MT of which 1.47 million MT was rice and 0.21 million MT was wheat. And this actual procurement was about 14 percent higher than the actual procurement during the FY 2013-14, 1.29 million MT of which rice and wheat were 1.15 million MT and 0.14 million MT respectively (FPMU, FSR 103).
- Aman procurement started from 15th December 2015 and will continue up to 15th March 2016. The procurement target for Aman during the current FY had been fixed at 0.20 million MT and 2,733 MT Aman rice had been procured as of 31 December 2015 (FPMU, FSR 103).

Food grain distribution through PFDS

- The Public Food Distribution System (PFDS) was basically a rationing system (through food-aid) until the country's first National Food Policy and Strategy had been formulated in 1980, with the goal to achieve food self-sufficiency. The policy focused more on increasing domestic production of food grain and private sector participation in the local and international markets.



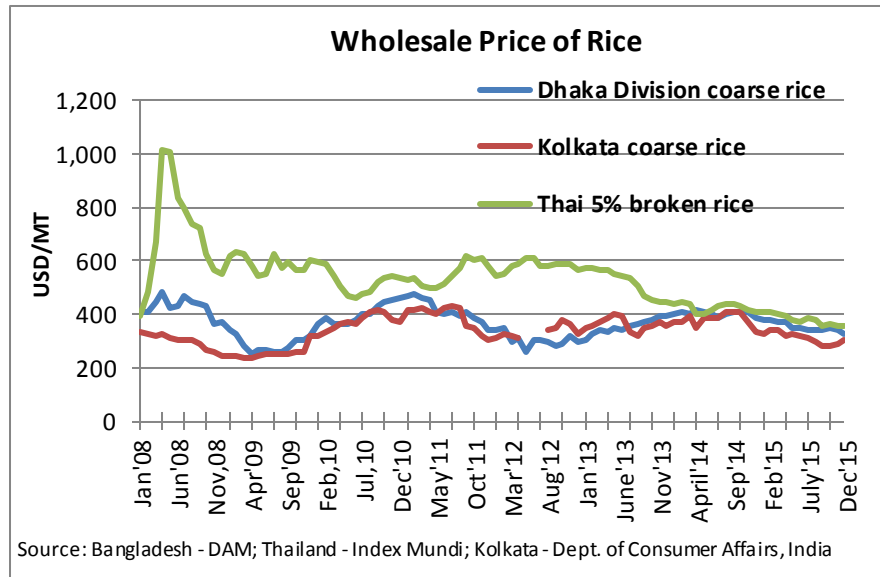
- The ration subsidy system was terminated in 1992 for better targeting of poor people who were the most in need and also to prevent leakage and operational cost. The current shape of the PFDS (since 2000) is highly targeted and the programmes rely mostly on conditional transfers. There is evidence that the shift to targeted programmes has boosted up the efficiency of the PFDS (*Bangladesh Food Security Investment Forum, 2010*).
- The Ministry of Food had revised the target for public food grain distribution for the current FY to 2.055 million MT. The actual distribution of rice and wheat during the FY 2014/15 was 1.84 million MT, 67 percent was rice and 33 percent was wheat. This is 17 percent less than the amount distributed during the same period a year ago. The Government distributed a higher amount of food grains in 2013/14 to ease the hardship of poor people since this period was marked by frequent strikes (*hartal*) and blockades which disrupted the supply chain of rice and led to price increases.
- Cumulative distribution as of 30th December of the current FY was 0.6 million MT of which 0.435 million MT was rice and 0.18 million MT was wheat. The distributed amount during the 1st half of the FY 2015/16 was 30 percent of this FY's target and 82 percent of the amount distributed during the same period a year ago (*FPMU, FSR 103*).
- 48 percent of the distribution in the current FY as of 30th December 2015 was through financial channels with Open Market Sales (OMS) having the largest share. Among non-financial channels the Vulnerable Group Development (VGD) and Vulnerable Group Feeding (VGF) programmes dominated with higher shares of distribution.

Cropping Calendar of Bangladesh												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1. Aus Rice			■	■	■		■	■				
2. Aman Rice	■					■	■	■	■		■	■
3. Wheat	■			■	■						■	■
4. Boro Rice	■	■			■	■						■
	■ Planting						■ Harvesting					

FOOD PRICE MONITORING

WHOLESALE AND RETAIL PRICES AND TERMS OF TRADE

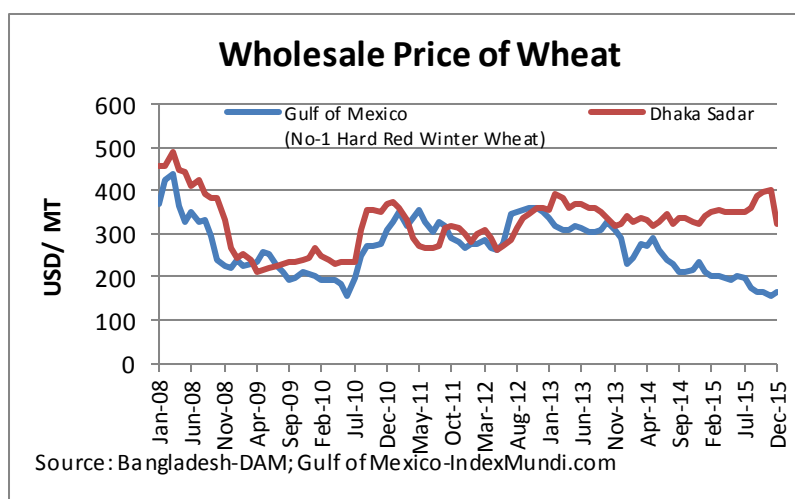
International rice prices, as per FAO rice price index which is based on 16 rice export quotations, showed a decreasing trend throughout the FY 2014/15 and the trend continued through the first half of the current FY as well. During the reporting quarter it was 199 points in October and dropped to 196 points in November 2015. Sluggish import demands and abundant export supplies are said to have pushed down the international rice prices.



The wholesale rice price in Dhaka division showed a sharp (about 6 percent) fall from April to May 2015 and kept on decreasing till the reporting quarter. Coarse rice prices in Dhaka division and in Kolkata during the reporting quarter decreased by 1 and 2 percent respectively as compared to the average price in the previous quarter, while there was around 4 percent decrease for Thai 5% broken rice. Although the international coarse rice prices as well as the average price for Dhaka and Thai 5% broken rice followed a declining trend, that of Kolkata showed the opposite within the reporting quarter. For the month of December, the average wholesale prices of Dhaka coarse rice, Kolkata coarse rice and Thai 5% broken rice was 324 USD/MT, 300 USD/MT and 356 USD/MT respectively.

The price of Thai 5% broken rice has been falling since August 2014 and hit 356 USD/MT in December 2015. In an effort to boost farmers' incomes, in 2011 the then Thai Government had started paying paddy farmers 15,000 baht (USD420) per ton - a 60 percent increase over 2010, under its rice pledging programme. With this higher price Thailand lost out to India (which took off a four year ban on the export of non-basmati rice) in 2012 as the world's largest rice exporter. One year after the start of the programme rice export prices for Thailand were on a decreasing trend as it tried to sell its huge stockpile of rice as a result of the intervention.

Bangladesh is a net importer of wheat and international prices heavily influence the price in the domestic market. After increasing steadily during October to December 2014, the wholesale price of hard red winter wheat in the Gulf of Mexico started showing a decreasing trend and slumped to 164 USD/MT in December 2015 which is lowest since August 2010.



In Dhaka sadar market the wholesale price of imported red wheat was 322 USD/MT in August 2014 - a difference of

93 USD/MT compared to the price in the Gulf of Mexico. Prices for the imported red wheat since then were not directly available from the Department of Agricultural Marketing website; therefore, that of imported white wheat were used from September 2014 till date. The price started increasing during the previous quarter and continued till November 2015 and hit 403 USD/MT, the highest in the country's history. Then it faced a huge fall by about 20 percent in December 2015, mainly on the back of reduced import during this month.

Retail prices for essential food commodities

During the reporting quarter, the national average retail prices of rice and wholemeal wheat flour (*atta*) decreased slightly from the previous quarter. However, the prices of coarse rice were 20 percent and those of wheat were 8 percent less as compared to the same period last year. The price of lentils (*masur*) started increasing in the previous quarter on the back of Ramadan during June-July and hit 103 Tk/kg in September 2015. Although the prices were quite stable during the reporting quarter, the quarterly average price was 2 percent higher than in the previous quarter and 20 percent higher than in the same quarter in 2014. The national average oil (palm oil) price decreased by 5 percent during the quarter as compared to the price in the previous one.

% Change of Retail Prices (National Average) of Oct-Dec'15 compared to past			
Commodities	Last Quarter July-Sep'15	Last Year Oct-Dec'14	2008 (high food price peak periods)
Coarse Rice	-1.0	-19.8	-19.0
Wheat Flour (<i>atta</i>)	-1.1	-7.8	-24.2
Palm Oil	-4.8	-10.8	-
Lentil (<i>masur</i>)	2.1	20.1	13.8

The national average retail price of coarse rice was around 26-27 Tk/kg through the first half of the current FY and hit 26 Tk/kg in the last month of the reporting quarter. The price of wheat for this period also showed a similar stable pattern. Among the divisional *sadar* markets, coarse rice prices during the reporting quarter were recorded highest in Barisal division (29.67 Tk/kg) and lowest in Sylhet division (26 Tk/kg).

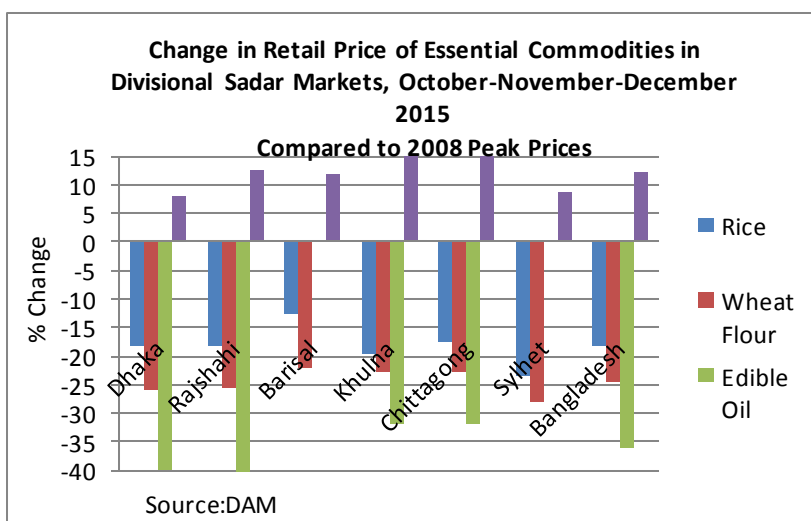
Retail prices of essential food commodities (Tk/kg); Dhaka Sadar Market					
	Sep'15	Oct'15	Nov'15	Dec'15	Peak 2008
Coarse Rice	29	29	29	28	35
Whole wheat flour	34	34	33	33	45
Palm Oil	67	61	60	59	100
Lentil (<i>masur</i>)	104	100	100	101	92

Source: Department of Agricultural Marketing

The average retail price of wholemeal wheat flour (*atta*) in the reporting quarter was around 33 Tk/kg which is 1 percent less than the average of the previous quarter. Prices in all the divisional *sadar* markets fluctuated between 32 to 35 Tk/kg during the reporting quarter. The quarterly average price in Barisal *sadar* was found to be highest (35 Tk/kg), and that in Rajshahi *sadar* and Chittagong *sadar* to be lowest (32 Tk/kg) among the divisional *sadar* markets.

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Palm oil is the dominating edible oil in the country, accounting for around 64 percent of the market share among the three major edible oils (the other two being soybean oil and mustard oil). 90 percent of the edible oil requirement is imported. The national average price of palm oil in the reporting quarter is 65 Tk/litre which is about 5 percent less than the previous quarter (68 Tk/litre). However, it was about 11 percent lower during the same period one year ago (Oct-Dec 2014). It showed a

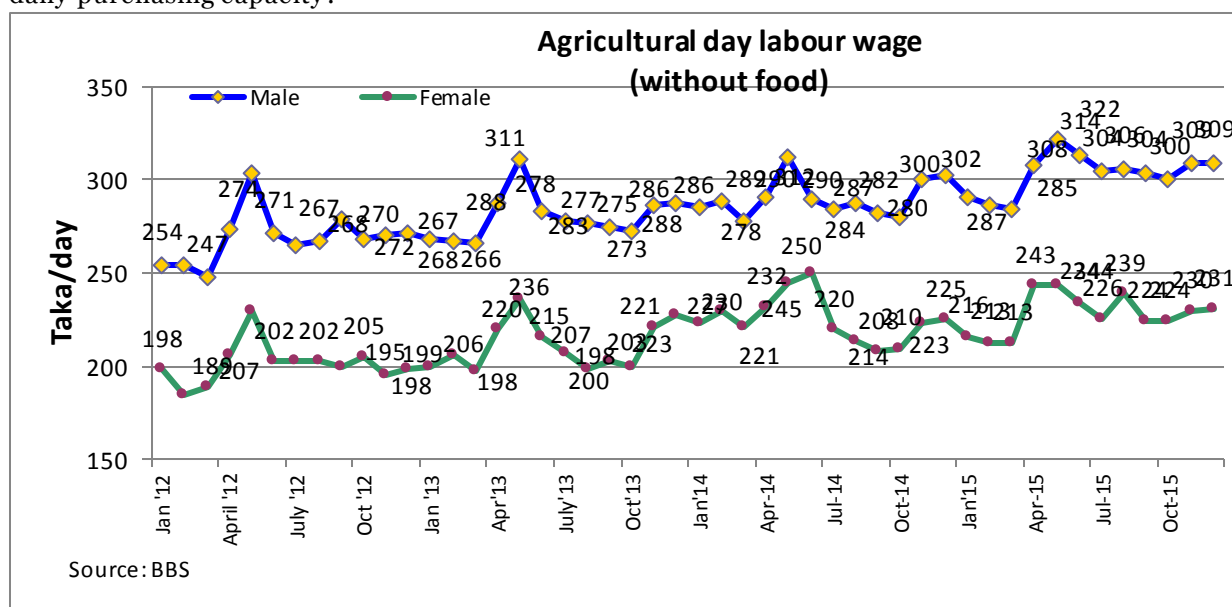


decreasing trend in all the divisional *sadar* markets with the highest quarterly average in Sylhet (70Tk/litre) during the reporting quarter.

The national average retail price of lentils (*masur*) for October-December 2015 was 102 Tk/kg; it was quite stable throughout the quarter. Among divisional *sadar* markets on average, the highest price during the reporting quarter was recorded in Chittagong *sadar* market with 112 Tk/kg and the lowest in Rajshahi with 98 Tk/kg. The prices of lentils in the divisional *sadar* markets during the reporting quarter were in fact higher than during the peak of 2008 (high food price year). The price of lentils in Chittagong *sadar* market reached 113 Tk/kg in September and continued to be that high until November 2015 which is the highest in the country's history ever. About 80 percent of the lentil requirement is met by imports. Local production can meet the demand for only 2-3 months.

Terms of Trade/Food purchasing capacity of agricultural day labourers

The agricultural wage data for the reporting quarter was available from BBS. WFP also collects wage data including the average days of work in a month from a selection of farmers and labourers and interviews with upazila agricultural officers in Barisal, Khulna, Rajshahi and Rangpur divisions. The wage data collected from BBS was used to create a time series of national agricultural day labour (male and female) wage rates and the daily purchasing capacity.

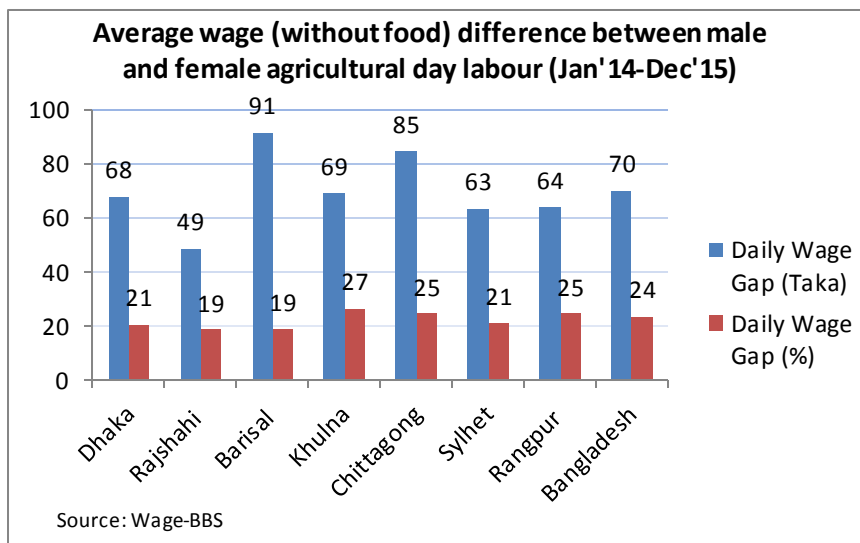


Year-on-year the average agricultural daily wages for male labourers increased by about 2-8 percent during the first half of the FY 2015/16. The average rate of growth in the previous FY was 3.5 percent. The scenario was somewhat similar for female labourers over the first half of the current FY. Although the wage rate of female labourers was lower than their male counterparts, year-on-year average grew about 3-12 percent during this period. Being the agricultural peak season, harvesting of *Aman* rice, seedbed preparation of *Boro* rice and cultivation of winter vegetables were the major agricultural activities in the reporting quarter. It instigated working opportunity as well as average days of work per month for the agricultural wage labourers.

There continues to be a significant difference between the agricultural daily wages of male and female labourers. In October, the first month of the reporting quarter, the average wage for a female labourer was only 224 Taka/day whereas for a male labourer it was 300 Taka/day – a difference of 76 Taka/day. The wage difference between a male and a female labourer was 79 Taka/day in November-December 2015. The wage gap was the highest in Barisal division which has the second highest poverty rate, and lowest in Rajshahi division. After the *Aman* harvesting period ends, there are far less work opportunities for the female agricultural labourers than for their male counterparts. *Boro* transplanting (December-February) is predominantly performed by male labourers. Thus, the wage gap is also higher during *Boro* season.

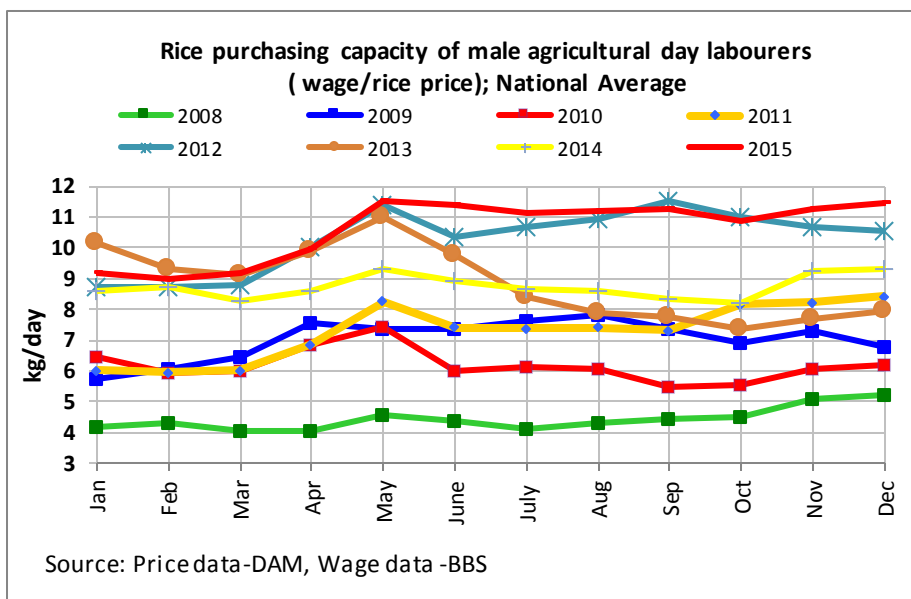
Households depending on female wage labourers are, therefore, highly disadvantaged and remain more impoverished.

Trend analysis of the agricultural wage data of male and female labourers in the past two years shows that on average, female labourers receive a wage that is 24 percent less than their male counterparts. The wage gap is higher in the southern divisions of Chittagong and Barisal. On average during January 2014 to December 2015, the wage gap for a female labourer was 91 Taka/day in Barisal division, the second poorest division in the country. Again, a female agricultural labourer in



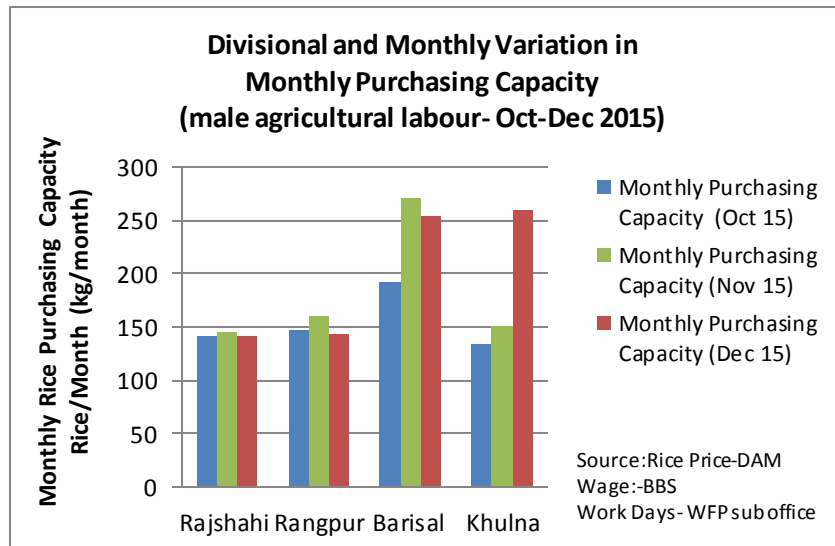
Chittagong division, which has the second lowest poverty rate among all divisions, received 85 Taka/day less wage (25 percent less) than her male counterpart during this period. Chittagong is one of the divisions where agricultural activities are less concentrated and female labourers are of less demand, partly due to the conservative nature of the society. Wage differences were lowest in Rajshahi division in the northern part of the country.

The Terms of Trade (ToT) of an agricultural day labourer's wage is an indicator of the quantity of essential food items that the household can buy with his/her daily income. Since rice is the staple food and constitutes the major share in household food expenditure, rice purchasing capacity is an important indicator of the ToT. Wage data collected from BBS showed that the average ToT in the just concluded calendar year 2015 was higher than during the same period in 2014, mainly due to both lower rice prices and higher wage rates – for both male and female agricultural day labourers.



The monthly rice purchasing capacity is measured by multiplying the daily ToT with the average number of work days in the respective months in the region. The number of work days in a month was collected from the WFP sub-offices as this data was not available from the BBS. Differences in rice prices weigh little on the monthly ToT (ToT*average monthly work days). The significant difference in the monthly ToT is due to regional differences in wage rates and work opportunities. Wage rates are usually lowest in the northwestern division of Rangpur and the southwestern division of Khulna resulting in lowest ToT in these divisions.

The analysis on divisional and monthly variation in purchasing capacity for the reporting quarter was done using wage data from BBS and average monthly work days data from WFP sub-offices. Since WFP operates data collection in 4 divisions, the analysis also shows monthly variations for 4 divisions only. The reporting quarter is considered to be the peak season for agricultural activities and the purchasing capacity generally increases unless the price of rice also rises significantly. The purchasing capacity went up in November



compared to the previous month in all the four divisions. *Aman* planting and seed-bed preparation for *Boro* boosted up both the agricultural wage rates and work opportunities as reported by the WFP sub-offices. In December, the purchasing capacity was somewhat stable in Rajshahi, Rangpur and Barisal divisions and increased quite significantly in Khulna division.

IMPACT OF SHOCKS ON HOUSEHOLD FOOD SECURITY

FOOD INSECURITY AND UNDERNUTRITION IN THE URBAN SLUMS

WFP conducted a survey in 2013 (published in December 2015) in the slum households of Dhaka, Barisal and Sirajganj to investigate the food security conditions of the households and the undernutrition status of women and children living in them.

Survey findings:

The survey results found that the food security situation in the Dhaka slums had not materially improved. Half of slum households in Dhaka (50 percent) and nearly two thirds of slum households in Barisal (63 percent) were consuming less than 2,122 kcal/capita/day. Slum households in Barisal and Sirajganj were directing nearly 60 percent of their expenditures towards food, a comparatively higher proportion than the 2010 Household Income and Expenditure Survey (HIES) found for all urban areas (48 percent). With regard to the nutritional status, nearly half of all children under five in the urban slums (44 percent) were stunted (too low height-for-age) and 16 percent were wasted (too low weight-for-height). The survey findings also suggest that two in five adolescent girls (41 percent) were found to be too thin for their age as per their Body Mass Index (BMI), while the prevalence among all women in the survey was 20 percent. However, 27 percent of women living in households in the lowest expenditure quintile were too thin compared to just 16 percent of women living in households in the highest quintile.

The labour market remained a fundamental factor in the food security situation of slum households, and the inequalities in earning power and support structures for women were directly contributing to the poor food security conditions observed. The survey findings revealed that men earned twice per hour compared to women (Tk 30 per hour vs. Tk 16 per hour). The median hourly wages in Dhaka were also higher for both men and women compared to the other two cities, with workers in Sirajganj and Barisal making 25 to 33 percent less each hour than their counterparts in Dhaka. The majority of households had only one member earning an income (54 percent).

The survey found that households across all three cities were affected by one shock above all others over the year preceding the survey—price hikes—which affected a third of the households in Dhaka and Barisal and

over 60 percent in Sirajganj. Moreover, natural disaster related shocks such as waterlogging and flooding were reported at a much higher frequency by slum households in Barisal than in Dhaka or Sirajganj. Their access to/participation in any formal social safety-net programmes, which are mainly targeted to rural areas, were found to be minimal. A key source of adaptation to shocks in the urban slums is to send children to work. In times of hardship households also reportedly used their savings to meet their needs or borrowed money from friends and relatives (24 percent), banks and NGOs or moneylenders.

Recommendations:

The survey results provided some indications as to where programme and policy makers might focus their efforts in order to improve the food insecurity and undernutrition conditions of the slum dwellers in the coming years. The recommendations focused on three broad areas:

1. **Labour market dynamics:** a potential set of opportunities that could be pursued along several fronts together with public, private, and development sectors includes:
 - Extension of maternity safety net schemes to women in urban slums
 - Enforcement of maternity leave policies in the private sector
 - Improvement in childcare options
 - Support efforts to recognize the labourers' rights and meet their minimum living standard and opportunity
2. **Coping with uncertainty:** considering the lack of financial literacy of the urban slum dwellers and their lack of access to and familiarity with the formal financial sectors, focus could be on the following areas:
 - Financial literacy training
 - Provision of linkages with the formal financial sector
 - Extension of social safety nets to slums
 - Livelihood and skills training
3. **Access to public services:** limited access of the slum households to public services has implications for programme and policy design concerned with the longer-term challenges of food insecurity and undernutrition in the urban slums:
 - Promotion of primary and secondary education
 - Provision of free/low-cost primary health and nutrition services

FOOD SECURITY OUTLOOK

FOOD GRAIN PRODUCTION, IMPORT, UTILIZATION AND PRICE

Global

Global food prices have been declining steadily since the beginning of FY 2014/15 with the exception of October 2015. The Food Price Index (consisting of average food price indices of five commodity groups - cereals, dairy products, oil, sugar and meat) reported by the Food and Agriculture Organization (FAO) declined gradually during the reporting quarter and reached 153 points in December 2015 which is about 25 points (18 percent) down from December 2014. In the month of October, food prices increased on the back of an increase in the prices of sugar, vegetable oil and dairy products, while the prices of cereals also increased somewhat. However, food prices in the international market were still 18 percent lower in October 2015 compared to the same month a year ago.

The FAO Cereal Price Index declined consistently through the first half of the current FY and hit 151.6 points in December 2015 which is about 18 percent down from the same period a year ago and the lowest since July 2010. Favourable harvesting conditions and settled supply outlook especially for maize and rice triggered this price fall especially for coarse grains.

FAO forecasted the world cereal production for 2015 at 2.53 billion MT which is 3.9 million MT higher than reported in December, yet 30.1 million MT (1.2 percent) below the 2014 record. The upward forecast reflects better wheat production mainly in Canada and Russia. The global cereal production prospect for 2016 has been considered to be varied depending on the weather patterns in the cereal producing and supplying countries around the world.

Global cereal utilization in 2015/16 has been forecasted at 2.5 billion MT which is only 0.8 percent higher than in 2014/15. Cereal consumption prospects as both food and feed had been anticipated to increase as compared to 2014/15. Wheat utilization was projected to increase to 729 million MT, an increase by almost 2 percent. Total coarse grain utilization in 2015/16 had been projected at about 1.3 billion MT (*FAO Food Price Index, February 2016*).

Bangladesh

The rice prices during the first half of FY 2015/16 were much lower than what was observed in the past few years. The rice price trend followed a somewhat stable pattern during the reporting quarter as predicted beforehand by the Government's price monitoring model to forecast domestic food grain prices. Domestic production of rice almost meets the national rice requirement and there have even been minimal rice exports in recent years, mostly through private channels. The rice cultivation area targeted for the FY 2015/16 fixed by the Department of Agricultural Extension (DAE) had almost been achieved for *Aus* and *Aman* during the first half (*FPMU, FSR 103*). Food inflation showed a decreasing trend during the first half of the current FY (from 6 percent in January 2015 to 5.48 percent in December 2015). Since rice weighs 80 percent in the food inflation, a downward trend of the rice price hugely contributes to a decline in food inflation, which constitutes 56 percent of the weight in general inflation.

For the agricultural cycle of July 2015 to June 2016, the United States Department of Agriculture (USDA) in its 'Annual Update of Grain and Feed for Bangladesh' forecasted wheat production at 1.3 million MT and imports at 3.8 million MT on expectations of low international wheat prices and strong domestic demand. Commercial wheat import is mostly done by the private sector; the public sector contributes a very insignificant part. Imports constitute 70 percent of Bangladesh's total wheat consumption and strong global production and high global exportable supplies keep international prices low.

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