The countrywide retail price of rice has declined from last quarter by 4 percent and from the same quarter of the previous year by 17 percent. There has been a 6 percent and 4 percent increase in the price of whole-grain wheat flour (atta) and palm oil respectively compared to the last quarter. The retail price of lentil has declined in the current quarter compared to both last quarter and last year. When compared to the high food prices of 2008, the retail prices of all essential food commodities except edible oil have decreased.

The general inflation rate and food inflation, measured by the point to point variation in the Consumer Price Index (CPI), was highest in January, however came down in the following months. The inflation hike was attributed to soaring prices of power and fuel as well as the devaluation of the Taka. Inflation in non-food sectors reached a record high in March at 13.96 percent. Urban food inflation was 10.8 percent while rural inflation was 7.2 percent - the highest difference in food inflation between urban and rural areas since August 2011.

The remittance inflow reached a record high in January with the country receiving USD 1.221 billion (in current terms), bolstered by the depreciation of the Taka. As the Taka began regaining against the USD since February, remittance inflow started to decrease.

Aus production as estimated by the Bangladesh Bureau of Statistics (BBS) is 2.3 million MT which is 16.7 percent less than the target. Aman production remained stagnant mainly because of expected low farmgate prices for the produce. BBS’s latest estimate of Aman production in the FY 2011/12 was 12.8 million MT, which is less than the Department of Agriculture Extension’s (DAE) target of 13.3 million MT. In order to retain last year’s total food grain output, Boro production should grow by at least 6 percent, which is unlikely to happen as agricultural input costs have increased manifold.

According to the government’s Food Division, as of 15 April 349,000 MT of Aman rice were procured. As of 22 April 2012, the public stock stood at 1.2 million MT. In March the government had to further revise its previous wheat import target upward due to a declining import trend by the private channels.

In January which is a season of agricultural employment, a male agricultural wage labourer could buy 8.7 kg of rice with his daily income of 254 Taka, an increase of 39 percent from the purchasing capacity a year ago. The decline in rice price and increase in daily wage in January contributed to this increase in rice purchasing capacity of the agricultural day labourers which usually starts falling from mid-February. An estimation of monthly ToT in Khulna division reported 32 percent decline in purchasing capacity from harvest (January) to lean season (March). Sylhet division reported to have worst ToT mainly due to higher price of rice and lower wage rate.

In January, the national average wage for a female agricultural labourer was only 198 Taka/day- leading to 6.6 kg/day in rice purchasing capacity, significantly less than that of a male labourer. In addition work opportunities for female agricultural labourers are far less than for their male counterparts. While a male labourer can find work on average for 20 days per month, female labourers can find work on average for only 10 days per month. FGDs conducted in urban slum households found that nominal income of the urban poor has increased slightly compared to the same time last year and overall, the rice purchasing capacity of the urban poor is higher than the rural poor.

FAO’s estimate for world cereal production in 2011 has been revised upward to 2.3 billion MT, 4 percent above the previous year’s crop production and a new high. World cereal consumption in 2011/12 is forecast to increase by over 2 percent. The global cereal price index remained stable as compared to last quarter, yet decreased by 10 percent compared to the same quarter last year. This is due to the decline in international prices of maize and wheat, while rice price increased.
ENVIRONMENTAL CONDITIONS

FAVOURABLE CROPPING SEASON (JAN - MAR)

- Favourable weather for Aman harvest and Aus/Boro/Wheat planting and growing

The country did not experience any early flash floods in March, which could have damaged the Boro rice crop in the north-east Haor districts. No major damage to standing Boro crop or wheat was reported due to localized pre-monsoon thunder storms which are common during March-April. However, in the beginning of January, the Boro planting season, vast tracts of seedbeds, especially in the Northern region, were damaged due to fog and severe cold. The harvesting of rain-fed Aman paddy was completed in January, it enjoyed favourable weather conditions.

The planting time for the rain-fed Aus crop is from March to mid-May for which a low to moderate level of rainfall is required. The rainfall and daytime temperature in March was favourable for the planting of the Aus crop and growing of the Boro crop.

ECONOMIC CONDITIONS

INFLATION AND REMITTANCES

In the current quarter both the general inflation rate and food inflation, measured by the point to point variation in the Consumer Price Index (CPI), was highest in January. The inflation hike was attributed to soaring power and fuel prices as well as devaluation of the Taka. The inflation rate in January was recorded at 11.5 percent which was up from 10.6 percent in December 2011. Since then it declined to 10.1 percent in March with the value of the Taka increasing against the US dollar.

While food inflation decreased in the current quarter, non-food inflation followed its increasing trend. In August, the inflation rate in urban areas surpassed that in rural areas for the first time. In March, urban food inflation was 10.8 percent while rural inflation was 7.2 percent- the highest difference in food inflation between urban and rural areas since August 2011. Costlier fuel has raised the cost of transportation, leading to hikes in the prices of essential items transported from rural to urban areas.

Inflation in non-food sectors reached a record high at 13.96 percent in March. Prices of lentil, spices and edible oil were lower in March than February. On the other hand prices of non-food commodities, especially garments, medical services, transport, furniture and those of household and laundry increased causing the spike in non-food inflation.

The remittance inflow set a record in January with the country receiving USD 1.221 billion (in current terms), the highest in any month in its history, despite a global economic crisis. The depreciation of the Taka bolstered the inflow in January as remittance receiving households could exchange dollars for more Taka. The value of the Taka regained against the US dollar in February-March with high export earnings as well as increased remittance inflows. This in turn caused a decrease in the remittance inflow in the following months compared to January. The

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values in the graph are adjusted for inflation and are in constant Taka of the year 2000. In constant Taka terms, remittance inflows in the current quarter were 18.5 percent higher than in the same quarter for 2011 and 15.1 percent higher than in the previous quarter. Remittance inflows have significant impact on the food security of households who rely on remittances as their primary income.

**FOOD AVAILABILITY**

**CROP PRODUCTION, FOOD IMPORT AND PUBLIC GRAIN STOCK**

**Domestic food grain production**

The Department of Agriculture Extension (DAE) set the food grain production target for FY 2011/12 at 35.8 million MT which is 3.7 percent higher than last year’s actual production of 34.5 million MT. Estimation of Aus production has been finalized by BBS at 2.3 million MT which is 16.7 percent less than the target. Despite the Aman season experiencing good rainfall and other favourable growing conditions, Aman production remained stagnant mainly as farmers anticipated comparatively low prices of the produce. The BBS’s latest estimate of Aman production in the FY 2011/12 was 12.798 million MT, which is almost the same as in the previous fiscal year (12.792 million MT) and 540,000 tonnes less than the DAE’s target of 13.3 million MT. The Aman cultivation area declined to 5.58 million hectares in the FY 2011/12 against 5.64 million hectares in the previous fiscal (The Financial Express 03 March 2012).

**Government food grain procurement, import and public stock situation**

The opening public stock of foodgrain for the FY 2011/12 was 0.88 million MT, a 66 percent increase from last year’s opening stock. As of 22 April 2012, the public stock stood at 1.2 million MT. Both imports and domestic procurement have played an important role in building such a satisfactory level of public stock. In addition, as of mid-April, a total of 4000 MT of rice was in the sea port for unloading (MoFDM). Import requirements of food grain are forecast to be less this year following an increased opening public stock, satisfactory 2011 Boro procurement and robust Aman production.

Total food grain import in the FY 2010/11 was 5.4 million MT of which 1.6 million MT was rice and 3.8 million MT wheat. In view of the satisfactory stock situation in government storage as well as good domestic production prospect, the total import target of food grains for the FY 2011/12 has been assessed at a lower level of 3.5 million MT, of which rice and wheat would be 0.6 million MT and 2.9 million MT respectively. As of 22 April, 0.5 million MT of rice and 1.5 million MT of wheat have been imported by private and public sector.

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<th>Cropping Calendar of Bangladesh</th>
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- Planting
- Harvesting
In the second quarter, the government first decided not to import any more rice for the rest of the current fiscal year and curtailed its wheat import target by 0.15 million MT to 0.9 million MT. In March, however, it had to revise upward again to its previous import target against the backdrop of a declining import trend by the private sector. The import of wheat under private initiatives slowed down in recent months following the problems related to the opening of letters of credit (L/Cs) by most of the public and private banks.

The government started Aman rice procurement at 28 Taka/kg on 05 December 2011 with a target of procuring 200,000 MT by February 2012. A revised procurement target was set in March at 350,000 MT (including 300,000 MT of white rice) at 28 Tk/kg for parboiled rice and at 27 Tk/kg for white rice with an extended procurement deadline of 15 April. This aimed to provide price support to the farmers amid a continued fall in prices of both rice and paddy. According to the government’s Food Division, as of 15 April 349,000 MT of Aman rice were procured.

The government plans to distribute 1.2 million MT and 1.7 million MT of foodgrains through monetized and non-monetized channels respectively in the FY 2011/12 under the Public Food Distribution System (PFDS) (FPMU, FSR 86). Out of this targeted amount, 0.7 million MT and 0.8 million MT have been distributed till 12 April through respective channels (DG Food). It is 48 percent of this year’s target distribution.

**FOOD PRICE MONITORING**

**WHOLESALE AND RETAIL PRICES & TERMS OF TRADE**

**Nominal and Real Wholesale Prices of Rice and Wheat in Bangladesh**

The average wholesale price of rice (both nominal and real price) in the current quarter has decreased compared to the same quarter last year and the previous quarter. This decline of prices in the domestic wholesale market can be attributed to satisfactory Aman harvest in the current FY and the release of stock by private stockholders and government distribution through Open Market Sale (OMS)/Fair Price Card (FPC) channels to support the poor consumers.

The wholesale price of rice in Dhaka division stood at 2433 Tk/quintal in March, decreasing from 3047 Tk/quintal in September 2011, the pre-Aman harvest month. Compared to the prices in same quarter during pre-shock year 2007, the average wholesale nominal prices of rice and wheat have both increased by 52 percent and 30 percent respectively. But in real terms the prices have actually decreased by 1 percent and 16 percent respectively.

The average wholesale prices of rice in both in nominal and real terms in the current quarter have decreased compared to last year and shock year. While the average wholesale nominal price and real price of wheat in Dhaka Division have decreased compared to both last year and shock year, the prices have increased from the last quarter by 3 percent and 1 percent respectively.
International wholesale prices of rice and wheat

In the current quarter, the average prices of coarse rice in Dhaka division, Kolkata (India) and of Thai 5% broken parboiled rice declined. Increased global production prospect is expected to have further moderating effects on rice prices in the coming months.

The wholesale price of Kolkata rice has continued its decreasing trend since the beginning of this fiscal year partly due to the devaluation of the Indian Rupee. The Kolkata coarse rice price in Rupee remained unchanged throughout the current quarter, but the price decreased in USD terms due to the devaluation of the Rupee. Thai export prices of rice declined due to lack of enquiries. Foreign buyers continued to purchase Indian and Vietnamese rice which is substantially cheaper. Thai rice exporters expect a reduction in Thai rice exports as the Thai government run Paddy Pledging programme makes Thai rice price uncompetitive (FPMU, Outlook 89). The rice pledging programme, which guarantees high price for the farmers, is opposed by exporters as they claim it contributes to increasing procurement costs leading to higher export prices. The average wholesale price of Kolkata coarse rice in March stood at 318 USD/MT, while it was 297 USD/MT and 577 USD/MT respectively for Dhaka division coarse rice and Thai 5% broken rice.

The Dhaka coarse rice price fluctuated during the current quarter also due to fluctuation in the exchange rate of the USD versus the Taka. The average price in the current quarter has decreased by 10 percent from the last quarter, by 29 percent from the same period last year and by 27 percent from the 2008 high food price period.

In the Gulf of Mexico the price of wheat has been rising since January. It increased by 2 percent during the current quarter when compared to the last quarter. On the other hand, although the wholesale price of wheat in Dhaka division Sadar markets has decreased by 4 percent from last quarter; it has been rising since February. In comparison to last year, the wholesale price is lower by 14 percent in the Gulf of Mexico whereas it is still 16 percent lower in Dhaka. The average wholesale price of wheat in Dhaka in the month of December was 309 USD/MT, a 39 percent decrease from the peak price of March 2008.
Retail prices for essential food commodities

The countrywide retail prices of rice have declined from last quarter as well as the same quarter of the previous year. When compared to the high food prices of 2008, the retail prices of almost all essential food commodities have decreased except for palm oil. There has been a 6 percent and 4 percent increase in the price of whole-grain wheat flour (atta) and palm oil respectively compared to the last quarter. The retail price of lentil has declined in the current quarter compared to both last quarter and last year.

In Dhaka Sadar, the retail prices of whole wheat grain flour (atta), palm oil and lentil have increased from last quarter. The retail price of rice has remained stable at 29 Tk/kg since December 2011.

There are divisional variations in the prices of these essential food commodities. Although the retail price of oil in the current quarter has decreased in all division by 2 to 4 percent from the 2008 peak period, the price in Sylhet stood at 20 percent higher compared to the same period. In general food prices in Sylhet division tend to be higher than in other divisions. In the last quarter this figure was 31 percent. The highest decreases in the prices of rice, wheat flour and lentil compared to the 2008 peak prices are by 20 percent, 25 percent and 27 percent respectively in Rajshahi.

Retail cost of basic food basket

The cost of this basket is calculated based on the prices of essential food items like rice, wheat flour, edible oil and lentil. The average daily household food basket cost in Dhaka Sadar markets during January-March is Taka 75.60. It has decreased from both the last quarter and last year by 3.2 percent and 15.1 percent respectively. This is mainly due to the decrease in the price of rice as rice constitutes the highest portion of it. The average food basket nominal cost is 46.7 percent higher than the cost during the same quarter in the pre-shock year 2007.
Terms of Trade/ Food purchasing capacity of agricultural day labourers

The Terms of Trade (ToT) of agricultural day labourers, the ratio of the daily wage of agricultural labourers and the average retail price of rice in the market, is used to assess the food purchasing capacity of impoverished households. It is an indicator of the quantity of essential food items that an agricultural day labourer can buy with his/her daily income.

The rice purchasing capacity of agricultural day labourers started to improve already from October 2011 instead of the usual trend of November, partly due to a 6 percent fall in the price of rice in October 2011 compared to the price in October 2010. In January, a male agricultural wage labourer could buy 8.7 kg of rice daily with his daily income of 254 Taka, an increase of 43 percent from the purchasing capacity (6 kg/day) a year ago. In January 2012, the average price of rice decreased by 15.8 percent and daily agricultural wage increased by 21 percent, which improved the purchasing capacity of agricultural day labourers.

The relatively higher food purchasing capacity of agricultural day labourers in January is expected due to harvesting of Aman and planting of Boro and wheat. February-March is considered agricultural lean season and the purchasing capacity generally diminishes unless the price of rice also decreases significantly.

There is a significant difference between the agricultural daily wages for male and female labourers. In January, the national average wage for a female labourer was only 198 Taka/day whereas for a male labourer it was 254 Taka/day – a difference of 56 Taka/day. Female headed households depending on a woman’s daily labour are therefore highly disadvantaged and remain most impoverished. Based on January data, male agricultural labourers had the capacity to purchase 8.4 kg of rice per day, whereas a female agricultural labourer could only purchase 6.6 kg of rice. In addition work opportunities for female agricultural labourers are far less than for their male counterparts. While a male labourer can find work on average for 20 days per month, female labourers can find work on average for only 10 days per month.

The Terms of Trade vary among the divisions. In January, the highest daily wage rates of male agricultural labourers were in Chittagong, Barisal and Dhaka at 277 Taka, 276 Taka and 268 Taka respectively. The lowest wage was 223 Taka/day in Khulna. The coarse rice price was the highest in Sylhet division at 32 Taka/kg and the lowest
in Rajshahi division at 27 Taka/kg. These regional differences demonstrate that an agricultural labourer in Barisal division could buy 9.5 kg of rice with his daily income whereas an agricultural labourer in Sylhet could only buy 7.2 kg of rice with his daily income.

Based on the wage data collected by WFP from a survey of farmers and labourers and interviews with Upazila agricultural officers, the rice purchasing capacity of agricultural labourers in Rajshahi division decreased in March compared to January 2012. In Barisal division although the wage for agricultural labour decreased in March, the ToT increased because of the further fall in the price of rice.

It is notable that just considering the daily ToT, the purchasing capacity seems better during March which is a lean season. But during the lean season, these day labourers have fewer days of work opportunities. While a male labourer can find work on average 20 days in January, in March it comes down to an average of 12 days/month. Considering these figures a calculation of the monthly ToT shows that in Khulna the monthly rice purchasing capacity in January is 159 kg of rice and in March it is 108 kg of rice - a difference of 51 kg rice between peak season and lean season. As a result the daily labourers are reportedly adopting coping strategies such as migrating to main district towns to work as non-agricultural labourer (e.g. rickshaw/ van pulling, working at brick fields, carrying goods, working at salt factory etc) or/and selling household productive assets at a low rate. In January, due to late harvesting of Aman paddy in coastal districts some male agricultural labourers temporarily migrated to upland towns e.g Jessore, Faridpur, Gopalganj, Madaripur and Rajbari.

### IMPACT OF SHOCKS ON HOUSEHOLD FOOD SECURITY

#### IMPACT OF HIGH FOOD PRICES ON URBAN SLUM HOUSEHOLDS

Data on wages and income of the poor living in slums is scarce. WFP recently (April 2012) conducted four focus group discussions (FGD) in slums of Dhaka. The FGDs reported that the income of the urban poor has increased slightly in nominal terms compared to the same time last year. However, the income varies by occupational groups and by season.

Overall, the rice purchasing capacity of the urban poor is higher than of the rural poor. Moreover, unlike rural poor households, the number of earning members in urban poor households is higher which provides some income protection against risks. However, more information on urban expenditure patterns needs to be obtained and considered for future analysis as the urban poor have much higher non-food living costs which is usually not the case in rural areas.

The income of housemaids is the lowest and varies depending on how many jobs they take, but does not have any seasonal variation. The income of rickshaw pullers and construction helpers varies by season. Both of them earn most during winter season. During winter rickshaw pullers can work for longer periods, sometimes in two shifts, due to favourable weather conditions. As the temperature increases from March, although they can earn more per rickshaw trip, they cannot work longer hours - usually one shift a day for 20 days a month. Similarly most construction workers can work for an equivalent of 40 days a month.
(considering working in evening shifts as overtime) during winter season, whereas during summer they work on average 20-25 days a month. Most construction work starts in winter and slows down in summer with completely halting during the rainy season.

While most of the slum households purchased rice at OMS prices in January and February 2012, some resorted to the market due to long lines for OMS rice and poor quality of rice. In March, none of the FGD participants bought OMS rice as the price was reportedly 2 Taka/kg higher than the market price. Respondents stated that 60 to 90 percent of their income goes towards purchasing food. The other major household cost for the FGD participants who have family living in Dhaka is payment for rent and utilities, which ranges from 1000-2500 Taka per month and education of children. Most rickshaw pullers and construction helpers do not have their family living in Dhaka. Rickshaw pullers usually live for free in rickshaw garages and construction helpers live in staff quarters sharing room with fellow helpers.

**FOOD INSECURITY IN SAJEK, RANGAMATI AND REMAKRI, BANDARBAN**

Findings of a rapid food security assessment in April 2011 by WFP in Sajek union of Rangamati district of Chittagong Hill Tracts indicated that the food security situation would further deteriorate if assistance throughout the agricultural lean season is not provided to vulnerable populations. Unfortunately no assistance could be provided to the vulnerable population of Sajek. In recent months extreme deterioration in the food security situation in Sajek and Remakri unions has been reported by WFP field staff, NGOs and in the national dailies. This led WFP to conduct another rapid food security assessment in these chronically food insecure areas in March 2012.

**Major Findings from Assessment in Sajek and Remakri**

- Continuous rodent and pig attacks on crops, ban on jhum (shifting) crop cultivation, discontinuation in bamboo collection, the communal conflict, crop damage due to excessive rainfall have altogether eroded the access to food and income. In addition the drastic fall in the prices of turmeric and ginger has unexpectedly reduced the cash income of jhum cultivators who have been increasingly investing in the production of these cash crops. The produce from the last harvest was exhausted within 2-3 months and there is currently no food stock for the upcoming lean season (May – September).

- The households are consuming two meals a day especially rice, edible oil and fish paste (nappi) in very small quantity. Although rice is consumed twice a day, it is consumed only for 4 to 5 days in a week depending on income and availability; the rest of the week people eat wild potatoes which have been reported to cause skin itching and swelling of hands and feet. Generally in rural Bangladesh the most vulnerable households consume 2.2 meals a day with rice consumption seven days per week. Based on food consumption frequency and diet diversity over 80 percent of the people covered by the assessment can be considered food insecure. Such high levels of poor food consumption were never reported in any of the previous food security assessments in Bangladesh, not even in an emergency context. The purchasing capacity of labourers stands at 3.3 to 5 kg rice/day for male labourers and 1.3 kg to 2.6 kg rice/day for female labourers. During planting and harvest season, day labourers usually find work for 15-20 days a month.

- Since lactating mothers are away from home to earn an income their children are not properly fed with breast milk and complementary food. While data on nutrition or nutritional behaviour was not assessed, there is a high likelihood and risk that this situation affects significantly the nutritionally vulnerable family members such as pregnant and lactating women and children under 5.

- The affected population is using coping strategies, such as reducing meal size, eating less preferred and less expensive food and often wild foods (e.g. wild potatoes and wild bananas), borrowing money from local lenders (mahajan) and in this way enter into a further debt trap, eating less (adults) to provide children with food, male and female household members both going out to work together (leaving elder children to look after younger ones), migrating with the whole family to other unions or to the Indian state of Mizoram or Myanmar.

- It is notable that some of the coping strategies that were found to be adopted last year were not effective this year. These are purchasing food on credit, borrowing food and cash from neighbours and friends and selling labour in advance. This is mainly because the financial vulnerability of the household reached a point when credit no more remains an option. The households are in a highly critical situation.
The FGD participants identified the provision of staple foods as an immediate priority for the upcoming prolonged lean season from May to September/October. Without such food they would not to be able to work extensively in jhum cultivation which is very labour intensive. They also mentioned the urgent need for cash to purchase perishable food and non-food items and pay for transportation costs, as well as purchase seeds for the jhum planting season. The majority of the focus groups as well as key informants requested interventions with self-employment opportunities such as livestock rearing, homestead and mixed fruit gardening as the appropriate means of medium-term support.

Based on the assessment findings European Commissions Humanitarian Aid Office (ECHO) is providing Euro 2 million in food and cash assistance (including a one-time cash grant for buying agricultural inputs especially seeds) as an emergency relief to a targeted 6500 households in Thanchi, Ruma and Rowangchari upazilas of Bandarban and Sajek union of Rangamati. The food and cash distribution starts on 31st May. The full assessment report is available on request by e-mail.

**FOOD SECURITY OUTLOOK**

**FOOD GRAIN PRODUCTION, IMPORT, EXPORT AND PRICE PROSPECT**

**Bangladesh**

Farmers reportedly cut winter cultivation targets as the prices of agricultural products like jute, paddy and vegetables declined drastically, while the prices of urea, diesel and agricultural equipment increased in December. There was an acute crisis of seedlings during the current Boro season, as vast tracts of seedbeds, especially in the Northern region, were damaged due to fog and severe cold. Frustrated over the price fall of Aman paddy, many farmers became interested in wheat cultivation this season instead of Boro (The Financial Express, 10 January 2012).

The shortfall in production of Aman has created pressure on Boro production this year. Boro output should grow by at least 6 percent to retain last year’s total food grain output, which is reportedly hardly possible as its input costs have increased manifold. Harvesting of early Boro varieties will begin from the first week of May and harvesting of the rest of Boro varieties will be in full swing from the end of May and first week of June. Boro is the country’s largest grain crop with 54 percent market share. The department of Agriculture Extension (DAE) is targeting a production of 18.7 million MT Boro paddy in 2011/12. But this target could be seriously hampered due to the above reasons. Experts opine that Bangladesh now needs to concentrate on the use of second generation High Yielding Varieties of rice seeds to further increase production (The Financial Express, 03 March 2012).

**Global**

The FAO estimate for world cereal production in 2011 has been revised upward to 2.3 billion MT, 4 percent above the previous year’s crop and a new high. World cereal consumption in 2011/12 is forecast to increase by over 2 percent to 2.3 billion MT, around 10 million MT more than the earlier forecast. FAO’s first forecast for world wheat production in 2012 stands at 690 million MT, 10 million MT less than last year’s record high, but still the second largest crop. Plantings remain high in response to favourable price prospects but yields are assumed to return to average after bumper levels last year in some countries. In India and Pakistan, record high crops are forecast, reflecting adequate supplies of water for these mostly irrigated crops and good price prospects encouraging an increased use of inputs to boost yields. (FAO, Crop Prospects and Food Situation March 2012). The global cereal price index remained stable from last quarter, yet decreased by 10 percent compared to the same quarter last year. Its dwindling trend is due to the decline in international prices of maize and wheat by 3 percent and 14 percent respectively from the first quarter 2011; while the rice price increased by 6 percent (WFP The Market Monitor April 2012).

China and India are leading the changes in the rice export market. Traditionally, Thailand and Vietnam are the world’s biggest rice exporters. Since 2008, India imposed a ban on non-basmati export for curbing domestic price rise. Due to lifting the ban on non-basmati rice shipments in September 2011, total India rice exports in 2012 is expected to cross 6.5 million MT, which could push India to emerge as the top rice exporting country in the world. In recent months, China, the world’s biggest rice producer and consumer stepped up purchases from Pakistan and Vietnam to keep a lid on domestic rice prices which have climbed on the back of government support to paddy farmers. There has been a three-fold jump in rice imports by China from Vietnam this year.
Terms of Trade

Purchasing Capacity of Female Agricultural Day Labourer (Wage/Rice Price)
January 2012

Kg of Rice/Day

- 5.0 - 5.2
- 5.3 - 7.6
- 7.7 - 9.7

Source: Wage Data - BBS, Rice Price Data - DAM
References:

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