In the current quarter the countrywide retail prices of rice remained stable at 25 Tk/kg, however, this is 2.5 percent higher than the previous quarter. When compared to the high food prices of 2008, the retail prices of most of the essential food commodities are significantly lower except for lentils. In Dhaka Sadar market, the price of lentils crossed the 2008 peak price in May and reached 133 Tk/kg in December which is 45 percent higher than the 2008 peak price. The retail price of whole grain wheat flour (atta) in the current quarter has increased by 10 percent compared to the last quarter. It is expected that following the decrease in the wholesale price of wheat in December the retail price will decrease.

The general inflation rate after declining by 31 percent from February to October began to rise again and reached 7.69 percent in December. The increase in the price of wheat in the domestic market following the price hike in global markets may have contributed to the recent increase in food inflation. The fuel hike effective from January 2013 may also cause further food price inflation.

The remittance inflow set a record in the month of October 2012, during which the Muslim festival of Eid-ul-Azha took place, with the country receiving USD 1.45 billion, the highest in any month in Bangladesh’s history. In constant Taka terms (of the year 2000), remittance inflows in the current quarter were 21 percent higher than in the same quarter of 2011.

For the FY 2012/13, the Department of Agricultural Extension (DAE) has set Aus, Aman, Boro and wheat production targets at 2.37 million MT, 13.3 million MT, 18.76 million MT and 1.03 million MT respectively. The United States Department of Agriculture (USDA) marginally lowered its production forecast for Bangladesh to 33.8 million MT anticipating crop damage due to flash floods in the north western region.

Aman rice procurement by the government started on 9 December, 2012 at 26 Tk/kg for parboiled rice and 25 Tk/kg for white rice. As of 31 December 2012, the government has distributed a total of 0.83 million MT of food grains under the Public Food Distribution System (PFDS), which is almost the same compared to the total distribution (0.82 million MT) at the same time last year. The Open Market Sales (OMS) drive continues in major cities and districts of the country, with rice being sold at 24 Tk/kg and whole grain wheat flour (atta) sold at 20 Tk/kg.

Based on wage data collected by WFP in December a male agricultural wage labourer could buy 10.5 kg of rice with his daily income of 270 Taka, an increase of 20 percent from the purchasing capacity a year ago. The decrease in the average retail price of rice by 21 percent from a year ago has partly contributed to the improved purchasing capacity. The daily wage of a female agricultural labourer in December was 177 Taka - leading to only 6.7 kg/day in rice purchasing capacity. November to mid-January is considered agricultural peak season.

The divisional variation in monthly ToT is large between the north and the south. In Rajshahi division the monthly rice purchasing capacity in December was 181 kg for male agricultural labourers whereas in Khulna division it was 300 kg and in Barisal division it was 305 kg. With rice prices being the same in both regions; this difference is mainly due to the difference in regional wage rates.

The focus group discussions with the urban poor in the current quarter revealed that housekeepers (maids) have the lowest rice purchasing capacity. Though the income level of the urban poor households is higher than that of the rural poor, their overall living cost including food expenditure is higher than that of the rural poor which makes them no less vulnerable.

FAO’s food price index dropped for the third consecutive month to an average 209 in December 2012 after surging during the July-September period. This reduced previous fears of a looming food crisis.
ENVIRONMENTAL CONDITIONS

Unfavourable winter weather for Boro and Wheat cultivation

The average temperature during November and December 2012 was much lower than the usual average temperature during this period. The unusually foggy and chilly weather may have had a negative impact on the planting of two major winter crops - Boro paddy and wheat. Their planting periods are December to mid-February and November to mid-January respectively.

There were no cyclones during this period. As forecasted by the Bangladesh Meteorological Department (BMD), the winter weather during January will also be cold with two to three moderate cold waves. Unless farmers take extra precaution, the cold weather in January with less sunshine hours may affect the planting and growing of Boro and wheat.

ECONOMIC CONDITIONS

INFLATION AND REMITTANCES

The general inflation, measured by the point to point variation in the Consumer Price Index (CPI), fell from 10.43 percent in February 2012 to 7.22 percent in October (base year 1995/96). The falling general inflation rate was mostly attributed to the declining food inflation as a result of the decrease in prices of essential food items (particularly rice as a result of good harvest and sufficient government stock). The central bank’s move to curb lending to unproductive sectors was also reported to contribute to the declining general inflation (Daily Star, 8 October 2012).

However, starting from November with the rise in food inflation the general inflation rate has gradually moved upward and reached 7.69 percent in December.

Like in previous quarters the trends in food and non-food inflation in the current quarter have moved in opposite directions. From October to November the food inflation increased by 32 percent (5.57 to 7.33 percent) and non-food inflation decreased by 19 percent (10.46 to 8.43 percent). As Bangladesh is a wheat and soybean oil importing country, there has been speculation that with the global rise in the prices of wheat, maize and soybean oil food inflation is likely to increase in the country. Fortunately the price of soybean oil did not increase; however, the price of wheat did which may have contributed to the current rise in the food inflation.

The achievement of the government’s target of bringing down the average inflation rate to 7.5 percent in the current fiscal year will very much depend on good agricultural harvests of staples, the government stock situation, the delivery through food based social safety nets and the international prices of food and non-food imports.

Unlike in 2011, non-food inflation in 2012 was much higher than food inflation. The Bangladesh Bureau of Statistics (BBS) linked higher non-food inflation to the power price hike. Any further power price adjustment may increase both food inflation and non-food inflation in 2013. Effective from 4 January 2013, the government raised the price of diesel and kerosene by 7 Tk/litre to 68 Tk/litre, and the prices of octane and petrol by 5 Tk/litre to 99 Tk/litre and 96 Tk/litre respectively.
The World Bank also attributed strong growth in remittances as a reason for the increase in average non-food inflation in 2012. Increased remittance in the hands of mostly poor consumers boosted aggregate demand (The Daily Star, 9 January 2013).

The remittance inflow set a record in the month of October 2012, during which the Muslim festival of Eid-ul-Azha took place, with the country receiving USD 1.45 billion, the highest in any month in Bangladesh’s history. The 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 21 percent higher than in the same quarter of 2011. Remittance inflows have significant impact on the food security of around 8 million households (around 40 million people) who rely on remittances as their primary income.

**FOOD AVAILABILITY**

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

*Domestic food grain production*

The estimation of Aus, Aman and Boro production for FY 2011/12 was finalized by BBS at 2.33 million MT, 12.79 million MT and 18.75 million MT respectively. Total rice production for FY 2011/12 was estimated at 33.88 million MT which is 1 percent more than the previous year’s production.

In the past 20 years there have been noticeable trends and shifts in rice cultivation in Bangladesh. In the 1990s, the Aman variety used to hold the largest share of rice production (around 50 percent) followed by Boro (around 40 percent). The trend reversed at the end of the 1990s with an increasing number of farmers cultivating the high yielding Boro varieties. The average area under Aman cultivation remains the same (around 14,000 thousand acres), however the production has increased with a 43 percent increase in yield. The area under Aman cultivation has always been more than the one for Boro though the latter has a much higher yield and thus higher production.

For the FY 2012/13, the DAE has set Aus, Aman, Boro and wheat production targets at 2.37 million MT, 13.3 million MT, 18.76 million MT and 1.03 million MT respectively (FPMU, FSR 90). It is targeting around 4 percent increase in Aman production with no increase in Boro production.
Government food grain procurement, import and public stock situation

The opening public stock of food grain for the FY 2012/13 is 23 percent higher than last year. As of 7 January 2013 the government stocks of rice and wheat were 1.3 million MT (1.1 million MT of rice and 0.2 million MT of wheat) which is 0.2 million MT less than that of the same time last year (Ministry of Food).

Due to higher opening stock, satisfactory stock situation in government storage, as well as good domestic production, the total import of food grains for the FY 2011/12 was only 43 percent of the total import in FY 2010/11. For the current fiscal year, the target for food grain import has been set at 3.1 million MT of which 0.41 million MT would be rice and 2.69 million MT wheat (FPMU, FSR 90). As of 7 January 2013, the cumulative food grain import in the FY 2012/13 is 0.96 million MT of which import of rice was minimal (0.015 million MT) and the rest was import of wheat (0.94 million MT which is 50 percent of the total wheat import in FY 2011/12). Import orders for wheat jumped in July following soaring international prices as both the public and private sector put an effort to stockpile. Of the 0.94 million MT of imported wheat, 71 percent was imported by the private sector compared to 29 percent by the government.

Aman rice procurement by the government started on 9 December, 2012 at 26 Tk/kg for parboiled rice and 25 Tk/kg for white rice. In the previous Aman procurement programme (FY 2011/12), which marked the highest ever quantity (0.35 million MT) of Aman procurement in the history of domestic procurement, the government had purchased rice at 28 Tk/kg. The Food Minister was quoted (The Daily Star, 3 December 2012) saying that the production cost of Aman this season was 24.76 Tk/kg and the procurement price was set considering the production cost and the current market price. The government plans to procure 0.30 million MT of Aman rice by the end of February 2013.

The total distribution planned for FY 2012/13 is 2.77 million MT against the actual distribution of 2.10 million MT in FY 2011/12 (FPMU, Forthightly Outlook 109). As of 31 December 2012, the government has distributed a total of 0.83 million MT of food grain under the Public Food Distribution System (PFDS), which is almost the same compared to the total distribution (0.82 million MT) at the same time last year (Ministry of Food). Of the total distribution during the first half of the current fiscal year 37 percent of rice and wheat was distributed through monetized channels and the rest 63 percent through non-monetized channels. During the first half of the previous fiscal year the figures were 57 percent and 43 percent respectively. During this period, the percentage share of rice distribution through monetized channels has decreased from 71 percent to 32 percent while the percentage share of wheat distribution through monetized channels has increased.

The Open Market Sales (OMS) drive, which resumed in major cities and districts of the country, continues with rice being sold at 24 Tk/kg and whole grain wheat flour (atta) sold at 20 Tk/kg. Under the drive, atta is sold in all districts and rice is sold only in the southern districts.

### FOOD PRICE MONITORING

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

Both the average wholesale nominal price and the real price of rice in Dhaka division in the current quarter decreased compared to the same quarter last year. Although the nominal wholesale price of rice remains higher than in pre-2008 shock years, the real wholesale price of rice has decreased compared to the same period.

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Rice</th>
<th>Wheat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nominal Price</td>
<td>Real Price</td>
</tr>
<tr>
<td>Oct-Dec ’12</td>
<td>2456</td>
<td>858</td>
</tr>
<tr>
<td>Previous Quarter (July-Sep ’12)</td>
<td>2398</td>
<td>857</td>
</tr>
<tr>
<td>Previous Year (Oct-Dec ’11)</td>
<td>2834</td>
<td>1064</td>
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<tr>
<td>Pre-shock Years (Oct-Dec ’07)</td>
<td>2283</td>
<td>1174</td>
</tr>
<tr>
<td>Shock Period (Mar-May ’08)</td>
<td>3081</td>
<td>1581</td>
</tr>
</tbody>
</table>

Source: DAM

Compared to prices in the previous quarter, the average wholesale price (both nominal and real price) of rice remained stable in the current quarter (nominal price increasing by 2 percent). The wholesale price of Aman rice in Dhaka division stood at 2393 Tk/quintal in December, decreasing by 9 percent from a year ago.
Following the international trend, the wholesale prices of wheat (in Tk/quintal) in Dhaka Sadar continued to increase before dropping by 2 percent in December.

Both the average wholesale nominal price and real price of wheat in Dhaka division have increased from the previous quarter as well as the same quarter of the previous year. The average nominal and real prices have increased from the last quarter by 14 percent and 11 percent respectively and from the same quarter last year the nominal and real prices increased by 20 percent and 12 percent respectively. The prices are however, significantly lower than the prices of the 2008 shock year.

**International wholesale prices of rice and wheat**

In the current quarter, the average wholesale prices (in USD/MT) of coarse rice in Dhaka division and in Kolkata (India) and the price of 5% broken rice in Thailand have increased marginally by 3 percent, 4 percent and 0.3 percent respectively compared to the last quarter. Compared to the same quarter of the previous year, the price of rice in Dhaka division has decreased significantly by 17 percent and the price of Thai 5% broken rice has decreased by 3 percent, while the price of Kolkata rice has increased by 11 percent. The average wholesale price of all these three types of rice dropped in December (Kolkata coarse rice-297 USD/MT, Dhaka coarse rice-329 USD/MT and Thai 5% broken rice price-565 USD/MT).

The wholesale price of Kolkata coarse rice in Rupee remained unchanged from November 2011 to April 2012, but the price fluctuated in USD terms due to fluctuation of the exchange rate of the Rupee. The wholesale price of Kolkata rice increased in June and again in August both in Rupee and USD terms, before decreasing in December.

Wholesale prices of wheat in both Gulf of Mexico and Dhaka Sadar fell in December for the first time since prices began to soar in mid-June 2012 following the worst drought in half a century which impacted crop yields in the US, the world’s biggest wheat exporter. In the Gulf of Mexico, the wholesale price of wheat increased by 25 percent from June to July and consequently the wholesale prices of wheat in Dhaka Sadar market increased in the following month (by 9 percent from July to August). The average wholesale price of wheat in the Gulf of Mexico in the current quarter is 27 percent higher than the same period of last year and the figure is 14 percent for Dhaka Sadar. The average wholesale price of wheat in Dhaka in the month of December was 359 USD/MT and in the Gulf of Mexico it was 348 USD/MT.
Retail prices for essential food commodities

When compared to the high food prices of 2008, the retail prices of almost all essential food commodities are substantially lower except for lentils and to some extent for palm oil. However, retail prices of whole grain wheat flour (atta) and lentils (masur) have both increased compared to last quarter and the same quarter of the previous year. The countrywide retail prices of rice in the current quarter remained stable at 25 Tk/kg. In Dhaka Sadar market, the retail price of Aman HYV coarse rice stood at 28 Tk/kg.

The increase in the wholesale price of wheat grain started to affect the retail price of wheat flour from August. The retail price of whole grain wheat flour in the current quarter has increased by 10 percent compared to the last quarter and by 14 percent compared to what it was in July-September last year. Prices are still significantly lower than during the 2008 food price peak period. Since the wholesale price of wheat decreased in December, it is expected that the retail price will also start to decrease in the following months.

In Dhaka Sadar market the price of palm oil continued to decrease after shooting up to 107 Tk/litre in April. Since Bangladesh is a soybean importing country retail prices of soybean oil were speculated to increase following the international price hike. Fortunately it has remained stable and stood at 120 Tk/litre in December.

The prices of lentils (masur) after hiking during the month of Ramadan (July-August) have not come down yet. In Dhaka Sadar market, it crossed the 2008 peak price back in May and stood at 133 Tk/kg in December which is 45 percent higher than the 2008 peak price. Traders and importers claimed that the price hike of lentils in the exporting countries (Bangladesh mainly imports lentils from Nepal, Turkey and Canada) and the shortage of supply against the demand are responsible for the price spiral in the local markets. Although the Nepali variety is more expensive than the other imported varieties, it is preferred by the consumers. To meet the market demand for lentils during Nepal's cultivation season (end-October to early-April), suppliers are reported to have increased imports of lentils from Canada and Australia. In the July-November period 119,000 MT of lentils were imported from Canada and Australia, about a 310 percent rise year-on-year (The Daily Star, 27 December 2012).

There are divisional variations in the prices of these essential food commodities. The highest decrease in the prices of rice compared to the 2008 peak prices have been reported in Khulna (by 31 percent) and the highest decreases in the prices of whole grain wheat flour compared to the 2008 peak prices have been reported in both Barisal and Rajshahi (by 27 percent). Lentil retail prices in all divisions except in Dhaka decreased by 4 to 18 percent compared to the 2008 peak prices. In Dhaka the change was an increase by 38 percent which dampened the decrease in national average retail price of lentils.

Despite the decrease in the national average retail price of palm oil in the current quarter, the price in Sylhet division remains higher than the 2008 peak price. The retail price of palm oil in Sylhet Division had been...
increasing since March 2009 (57 Tk/litre) and crossed the 2008 peak price (88 Tk/litre) in February 2011. However over the current quarter the price has been showing a decreasing trend.

**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 and the average daily consumption (source: Household Income and Expenditure Survey (HIES) 2010, BBS) of these items by a typical 5-member household. The average daily household food basket cost in Dhaka Sadar markets during October-December is Taka 68.32. It has decreased from both the last quarter and last year by 5.4 percent and 13.4 percent respectively. This is mainly due to the decrease in the price of rice as it constitutes the highest portion of the food basket. The average food basket cost is 39.6 percent higher than the cost during the same quarter in the pre-shock year 2006.

According to the HIES 2010, over the years per capita consumption of wheat has increased (by 8.3 percent from 2005 to 2010) as rice consumption has decreased (by 8 percent from 2005 to 2010). Yet in absolute figures, consumption of wheat (12.1 grams per day per capita) is minimal compared to rice consumption (406.2 gram per day per capita). The change in consumption pattern has minimal impact on the retail cost of the basic food basket. The absolute decrease in the cost for rice is nullified by increases in the costs of whole grain wheat flour and edible oil (both price and consumption of oil has risen). The average daily household food basket cost in Dhaka Sadar markets during October-December would have been Taka 66.80 had there been no change in consumption pattern since the HIES 2005.

**Terms of Trade/ Food purchasing capacity of agricultural day labourers**

The Terms of Trade (ToT) of agricultural day labourers, the ratio between 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 latest available wage data from BBS is of June 2012. WFP collects wage data from a selection of farmers and labourers and interviews with upazila agricultural officers in Barisal, Khulna and Rajshahi divisions. To create a time series of national agricultural day labour (male and female) rates and the daily purchasing capacity up to December 2012, the wage data collected by WFP was used for the period of July to December 2012 and the wage data from BBS was used for the time period preceding July 2012. However, the estimated ‘national average’ based on wage data collected by WFP is an average of wage data from only 3 divisions- Barisal and Khulna in the south and Rajshahi in the north. It cannot be presented as statistically valid data, but provides an indication of the wage trend.
Based on December data, a male agricultural wage labourer could buy 10.5 kg of rice with his daily income of 270 Taka, an increase of 20 percent from the purchasing capacity a year ago. The daily ToT of a male agricultural wage labourer was 5.2 kg/day in December of the high price shock year 2008- indicating that the rice purchasing capacity has doubled since then. In December 2012, the average retail price of rice decreased by 12 percent from a year ago which partly contributed to the improved purchasing capacity of agricultural day labourers. Mid-August to October is considered agricultural lean season and November to mid-January is considered agricultural peak season with activities such as planting of Boro and wheat and harvesting of Aman. Purchasing capacity generally increases during the peak period. Following the usual trend, the purchasing capacity of agricultural day labourers decreased in September and started to increase from November.

There is significant difference between the agricultural daily wages for male and female labourers. In December, the average wage in Barisal, Khulna and Rajshahi divisions for a female labourer was only 177 Taka/day whereas for a male labourer it was 270 Taka/day – a difference of 76 Taka/day. Households depending on a woman’s daily labour are therefore highly disadvantaged and remain most impoverished. Based on December data, on average male agricultural labourers in the three divisions had the capacity to purchase 10.5 kg of rice per day, whereas female agricultural labourers could only purchase 6.7 kg of rice. In addition work opportunities for female agricultural labourers are far less than for their male counterparts and women are generally bound to search for work in the village or vicinity whereas men can temporarily migrate.

The ToT also varies among divisions. There is significant regional difference in monthly rice purchasing capacity (measured by multiplying the daily ToT with the average number of work days per month in the region) especially between north and south. Calculation of the monthly ToT shows that in Rajshahi division, the major rice producing region, the monthly rice purchasing capacity in December was 181 kg whereas in Khulna division it was 300 kg and in Barisal division it was 305 kg. With rice prices being the same in both regions; this difference is mainly due to the difference in regional wage rates (in December the average daily wage for male labourers in Barisal, Khulna and Rajshahi divisions was Tk 300, Tk 271 and Tk 238 respectively).

There is significant monthly variation in the rice purchasing capacity as well. Due to limited employment opportunities and lower wage rates thereafter the rice purchasing capacity was low in October. During the lean season the male labourers are involved in non-agricultural day labour such as causal labour in the brick fields and ferry stations (in the south) and as rickshaw pullers etc. However, such non-agricultural employment opportunities are barely available for women. Purchasing power, as mentioned earlier, starts to increase in November with increased wage rates due to employment opportunities in rice, wheat and winter vegetable cultivation and processing.

**IMPACT OF SHOCKS ON HOUSEHOLD FOOD SECURITY**

**FOOD INSECURITY IN URBAN SLUM HOUSEHOLDS**

WFP recently (January 2013) conducted three brief focus group discussions (FGD) in slums of Dhaka with three occupational groups (housekeepers/maids, rickshaw pullers and readymade garments (RMG) workers) on their income and expenditure. Their income varies by occupational groups with the income of housekeepers being the lowest and varying by age (many still being children), and the number and type of tasks they do in their job. Their income does not have any seasonal variation and does not seem to have changed compared to last winter season. However during winter rickshaw pullers can work for longer periods, sometimes in two shifts, due to favourable weather conditions and thus earn more compared to the summer season. The minimum wage of RMG workers is still Taka 3000 per month (since November 2010). They have for quite some time been demanding that their minimum wage be increased to Taka 7000 per month.
Most of the households of housekeepers and RMG workers purchased rice at OMS prices of Taka 24 per kg. Respondents stated that 60 to 90 percent of their income goes towards purchasing food. Overall, the rice purchasing capacity of the urban poor is higher than that 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.

A major household expenditure item for the FGD participants who have family living in Dhaka is payment for rent and utilities, which ranges from Taka 1000 to 2500 per month and the education of children. During the winter season costs related to health care (medicine, doctor visit fee) increase significantly.

Most rickshaw pullers and construction helpers do not have their family living in Dhaka. Rickshaw pullers usually live free of cost in rickshaw garages and send their income back to their families. Their families in villages have to buy rice at the market price. Rickshaw pullers stated that temporary migration for work from rural areas to urban Dhaka increases during the agricultural lean season and before Eid festivities.

RMG workers usually have work hours from 8am to 8pm which sometimes extend to 10pm if they work overtime. Many female RMG workers have their children living in villages with their parents or parents-in-laws or other relatives as they hardly get any time to provide care to their children.

**FOOD SECURITY OUTLOOK**

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

**Global**

Global food prices started to soar from mid-June due to poor production in major food exporting countries as a result of unfavourable weather conditions. FAO’s food price index dropped for the third consecutive month to an average of 209 in December 2012 after surging during the July-September period. This reduces previous fears of a looming food crisis. According to FAO the decline was led by drops in the international prices of major cereals and oil/fat. Cereal export quotations dropped because of weaker demand for feed and industrial uses and maize prices fell sharply, as large export supplies in South America relieved pressure from tight availabilities in the United States. However, despite the decline at the end of 2012, average prices of cereals except rice remained higher in 2012 than in 2011.

**Bangladesh**

The United States Department of Agriculture (USDA) in its November issue of Grain and Feed Update on Bangladesh revised the rice production figures for FY 2012/13 marginally downwards to 33.8 million MT. The revision was based on a lower production forecast (12.6 million MT) for Aman rice as its cultivation faced moderate to severe shortage of monsoon rainfall and flash floods in the northwest region at the time of planting. However according to the Food Planning and Monitoring Unit (FPMU) in its latest issue of the Food Situation Report (FSR), the Aman production target of 13.3 million MT is likely to be achieved as the initial setback due to lesser rainfall was compensated by subsequent intermittent rains and there was no major incidence of natural disasters and pest infestation.

So far rice prices have remained stable in the current fiscal year. However the stability of rice prices will largely depend on good harvests and storage capacity. The government aims to raise the storage capacity of its silos up to 2.2 million MT by 2015 to maintain emergency stocks and to help farmers receive fair prices as the rice price falls with every production boom. In the past 3 years, the storage capacity of government silos increased from 1.45 million MT to 1.65 million MT and the finance minister in his budget speech in June 2012 vowed to further raise it by 24,000 MT by 2013.
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The Bangladesh Food Security Monitoring Bulletin is prepared by the Vulnerability Analysis and Mapping (VAM) unit of the World Food Programme (WFP) and published by the WFP Bangladesh Country Office. It is published four times a year and focuses on developments affecting food security in Bangladesh. This issue is based on data available up to early-January 2012 and covers the quarter of October to December 2012.

BFSM bulletins are available on the internet at the following URL address: http://www.wfp.org/content/bangladesh-food-security-monitoring-system-2013. The bulletins can be received by e-mail subscription upon request. For comments or queries, please contact nusha.choudhury@wfp.org (Head, VAM Unit, WFP Bangladesh) or kayenat.kabir@wfp.org (Senior Programme Officer, VAM Unit, WFP Bangladesh).