The average retail price of coarse rice has increased significantly by 12 percent from last quarter. The countrywide retail prices of coarse rice started to increase from November 2012 following the increase in wholesale price of rice. The average retail price of Aman HYV coarse rice in March was 29.2 Tk/kg, which is 4.5 percent higher than a year ago. The retail price of whole grain wheat flour (atta) has been increasing since August 2012 and in the current quarter increased by 10 percent compared to the last quarter. Retail prices of lentils (masur) and edible oil decreased compared to the last quarter. When compared to the high food prices of 2008, the retail prices of almost all essential food commodities are substantially lower, except for lentils.

The general inflation, measured by the point to point variation in the Consumer Price Index (CPI), stood at 7.74 percent in March compared to 10.1 percent a year ago (base year 1995/96). General inflation rose on the back of food inflation. Frequent supply disruptions due to hartals (general strikes) and rise in transport fares due to a fuel price hike in January contributed to the rise in food prices.

The remittance inflow in this quarter is slightly less than during the same period last year, to some extent because of devaluation of the Taka versus the USD. In USD, the remittance inflow in this quarter is comparable to the same quarter in 2012.

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. Aman harvest in FY 2012/13 is estimated at 12.8 million MT, increasing slightly by 0.77 percent from last year. The Aman production is considered to be good despite falling short of target due to losses caused by less than optimal monsoon rainfalls and flash floods.

Based on wage data collected by WFP in January, the average rice purchasing capacity of a male agricultural day labourer in Barisal, Khulna and Rajshahi divisions was 9.9 kg of rice with his average daily income of 262 Taka, an increase of 15 percent from the purchasing capacity a year ago. The agricultural wage rate in January was 9 percent higher and the rice price was 6.5 percent less than in the previous year which contributed to an increase in rice purchasing capacity. However in February and March, with increasing rice prices, the purchasing capacity of agricultural day labourers dropped.

In January, which is agricultural high season, the average wage in Barisal, Khulna and Rajshahi divisions for a female labourer was only 164 Taka/day, 98 Taka/day less than for a male labourer. Non-agricultural employment opportunities during the lean season are barely available for women and due to frequent countrywide hartals such casual day labour opportunities were less available than during a normal year.

Focus group discussions with the urban poor in mid-April confirm that in the current quarter the income of low income groups such as rickshaw pullers, CNG drivers, construction workers and casual day labourers have decreased by 10-25 percent due to limited work opportunities resulting from countrywide hartals. In addition to this decrease in their total household income, the increased price of rice has negatively affected the purchasing capacity of the urban poor. They have reported adopting coping strategies like buying on credit, eating less diverse meals and eating less quantity.

The government started selling of wheat and rice at the divisional cities and labour-intensive areas in the country as part of its Open Market Sale (OMS) Programme from 18 March. Rice is sold at 24 Tk/kg and whole grain wheat flour (atta) at 20 Tk/kg. The current OMS drive is set to end in April, but may continue longer if rice prices remain high. However, the urban poor reported that, due to reduced income they are buying rice mostly on credit from the markets rather than from OMS.
ENVIRONMENTAL CONDITIONS

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 paddy in the north-east Haor districts. No major damage to standing Boro paddy 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 in favourable weather conditions.

The planting time for rain-fed Aus paddy 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 Aus paddy and growing of Boro paddy.

ECONOMIC CONDITIONS

INFLATION AND REMITTANCES

The general inflation, measured by the point to point variation in the Consumer Price Index (CPI), stood at 7.74 percent in March compared to 10.1 percent a year ago (inflation base year is 1995/96). In the current quarter, the general inflation rose by 0.49 percentage points from January to February due to rising food inflation before dropping slightly in March. Non-food inflation, which was higher than food inflation throughout the year 2012, has dropped lower than the former since February.

Food inflation rose by 1.13 percentage points to 8.34 percent in February which is mainly attributed to the increase in the price of rice. The average retail price of Aman HYV coarse rice increased by 8.3 percent from January to February and by 1.9 percent from February to March. February to Mid-March (between Aman and Boro harvest) is considered as lean period when rice prices usually rise. The prices of essential food items such as whole wheat flour (atta), spices and fish also rose in February. Frequent supply disruptions due to hartals and rise in transport fares due to a fuel price hike in January contributed to the rise in food prices. 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.

Food inflation was 8.3 percent in March which is only 0.04 percentage points less than in February and food inflation measured by taking 2005/06 as base year in fact rose by 0.05 percentage points in March. Urban food inflation continues to be higher than rural food inflation. The increase in food inflation in urban areas in February (compared to January) was higher than the increase in rural areas. This could possibly be the effect of greater supply disruptions in urban areas due to hartals. However in March urban food inflation decreased (9.15 percent) while rural food inflation kept rising (7.92 percent). Interviews with suppliers in the
Dhaka Sadar markets revealed that they became better prepared for expected disruptions due to hartals and maintained larger stocks of food grain.

Like in previous quarters the trends in food and non-food inflation in the current quarter have moved in opposite directions and food inflation has crossed non-food inflation. Non-food inflation stood at 6.79 percent in March compared to 13.69 percent in March 2012, the highest in the history of Bangladesh.

The achievement of the government’s target of bringing down the average inflation rate to 7.5 percent (base year 2005/06) in the current fiscal year will very much depend on good agricultural harvests of staples, the delivery through food based social safety nets, the international prices of food and non-food imports and pre-election political stability.

The remittance inflow in this quarter (both in current Taka and constant Taka of the year 2000) is slightly less compared to the same period last year. This is to some extent because of the devaluation of the Taka versus the USD. In USD, remittance inflow in this quarter is comparable to the same quarter in 2012. The values in the graph are adjusted for inflation and are in constant Taka of the year 2000.

According to the World Bank (WB) statistics, about 6.6 million Bangladeshis are currently working abroad, with each migrant sending USD 1,672 per year on average. In India, the average remittances per migrant are USD 4,843, whereas for China it is USD 6,112. The reason for Bangladesh’s low remittances per migrant, as per WB, is that the majority of the Bangladeshi wage earners are unskilled labourers (World Bank, Report R No. 67991). While migrant workers have been predominantly male, in recent times Bangladeshi household helpers are being recruited in Middle Eastern countries and Hong Kong who are mainly female.

**FOOD AVAILABILITY**

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

**Domestic food grain production**

The estimation of Aus, Aman and Boro rice production for FY 2011/12 was finalized by the Bangladesh Bureau of Statistics (BBS) at 2.33 million MT, 12.79 million MT and 18.75 million MT respectively. The 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.

For the FY 2012/13, the DAE 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). According to the BBS, the total actual Aman harvest in FY 2012/13 was 12.8 million MT. The Aman production is considered to be good despite falling short of target due to losses caused by less than optimal monsoon rainfalls and flash floods (in the northwest).
Both yield and area coverage of the Aman crop has increased by less than 1 percent compared to last year. The cultivation of broadcast Aman and local transplant Aman has decreased and the area of HYV Aman increased remarkably this year as compared to the previous year.

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

*Food grain stock:* The opening public stock of food grain for the FY 2012/13 was 23 percent higher than last year. As of 7 April 2013 the government stocks of rice and wheat were 1.04 million MT (0.87 million MT of rice and 0.17 million MT of wheat) which is 0.3 million MT less than that of the same time last year (*Ministry of Food*).

*Food grain imports:* For the current fiscal year, the target for food grain imports 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 8 April 2013, the cumulative food grain import in the FY 2012/13 is 1.4 million MT of which import of rice was minimal (0.026 million MT) and the rest was import of wheat (1.38 million MT which is 60 percent of the total wheat import in the FY 2011/12). Of the 1.38 million MT of imported wheat, 71 percent was imported by the private sector compared to 29 percent by the government. Imports dropped in the current fiscal year following high prices in the international market, but are expected to rise in the coming months as import prices have dropped.

*Food grain procurement:* 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 with a target of procuring 0.30 million MT of Aman rice by the end of February 2013. Total Aman procurement was 0.27 million MT.

*Food grain distribution:* 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, Fortnightly Outlook 109*). As of 31 March 2012, the government has distributed a total of 1.46 million MT of food grain under the Public Food Distribution System (PFDS), which is almost the same compared to the total distribution (1.42 million MT) at the same time last year (*Ministry of Food*). Of the total distribution in the current fiscal year the percentage share of rice distribution through monetized channels has decreased from 51 percent (during the same period in 2011/12) to 17 percent while the percentage share of wheat distribution through monetized channels has increased.

The government started selling of wheat and rice at the divisional cities and labour-intensive areas in the country as part of its Open Market Sale (OMS) Programme from 18 March. Rice is sold at 24 Tk/kg and whole grain wheat flour (atta) at 20 Tk/kg. Each family can buy up to 5 kg of rice under this programme. The current OMS drive is set to end in April, but may continue longer if rice prices remain high.

### FOOD PRICE MONITORING

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

The wholesale nominal price of rice (in Taka/quotient) has increased countrywide throughout the quarter. Both the average wholesale nominal price and the real price of coarse rice in Dhaka division increased in the current quarter. The average wholesale nominal and real price of rice increased by 4 percent and 8 percent respectively from the last quarter. The quarterly average price remained slightly below the figures of the corresponding quarter of last year. However prices increased fast throughout the quarter (nominal prices increased by 10 percent from January to February and by 5 percent from February to March) and the average wholesale nominal price in March was 18 percent higher than in March last year. Although the nominal wholesale price of rice remains higher than in pre-2008 shock years, the real wholesale price of rice is less compared to the same period.

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Rice</th>
<th></th>
<th>Wheat</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nominal Price</td>
<td>Real Price</td>
<td>Nominal Price</td>
<td>Real Price</td>
</tr>
<tr>
<td>Jan-Mar ’13</td>
<td>2691</td>
<td>924</td>
<td>2971</td>
<td>1021</td>
</tr>
<tr>
<td>Previous Quarter (Oct-Dec ’12)</td>
<td>2590</td>
<td>858</td>
<td>2885</td>
<td>1008</td>
</tr>
<tr>
<td>Previous Year (Jan-Mar ’12)</td>
<td>2730</td>
<td>1010</td>
<td>2459</td>
<td>909</td>
</tr>
<tr>
<td>Pre-shock Years (Jan-Mar ’07)</td>
<td>1792</td>
<td>1024</td>
<td>1893</td>
<td>1313</td>
</tr>
<tr>
<td>Shock Period (Mar-May ’08)</td>
<td>3081</td>
<td>1581</td>
<td>3149</td>
<td>1616</td>
</tr>
</tbody>
</table>

Source: DAM
In general, rice prices peak during February-March which is the period between the end of Aman harvest and beginning of Boro harvest. In addition to that, rice traders are reportedly citing frequent disruptions in the supply chain due to political turmoil and rise in transport costs as two main reasons of the hike in rice price (17 April 2013, The Financial Express). There is high demand of rice from urban wholesalers during this lean period in order to stock up in the face of possible uncertain supply.

The wholesale prices of wheat (in Tk/quintal) in Dhaka Sadar continue to move upwards since June 2012 (dropping slightly in December and January), when prices soared in the international market due to poor production resulting from unfavourable weather conditions.

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 21 percent and 12 percent respectively and from the same quarter last year 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**

Compared to the previous quarter, in the current quarter, the average wholesale price (in USD/MT) of coarse rice in Dhaka division increased by 7 percent, while in Kolkata (India) it remained unchanged and in Thailand the price of 5% broken rice decreased marginally by 2 percent. The monthly wholesale prices of rice both in Dhaka division and in Kolkata have increased throughout the current quarter, both in USD and in local currencies. By contrast the wholesale price of Thai 5% broken rice has been relatively stable. The average wholesale prices of Kolkata coarse rice, Dhaka coarse rice and Thai 5% broken rice in March were 343 USD/MT, 368 USD/MT and 565 USD/MT respectively.

Following the announcement by the Thai government to sell 70,000 MT of rice from the government pledged stock, rice prices in Thailand declined in March. The Thai government will gradually attempt to sell pledged rice stocks at a lower price than it had bought from the farmers (Fortnightly Outlook 112).

In the current quarter, the average wholesale price of wheat in Dhaka Sadar increased by 6 percent compared to the previous quarter, while it dropped by 10 percent in the Gulf of Mexico. Although the wholesale price of wheat in the Gulf of Mexico has been decreasing after...
soaring during June-November 2012, prices are still significantly higher than during the previous year. The average wholesale price of wheat in the Gulf of Mexico in the current quarter is 13 percent higher than in the same period of last year and the figure is even 27 percent for Dhaka Sadar. The average wholesale price of wheat in Dhaka in March was 382 USD/MT and in the Gulf of Mexico it was 309 USD/MT. Although prices have come down in the international market, they continue to move upwards in some Asian countries such as Bangladesh, China and Sri Lanka.

**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 now substantially lower, except for lentils. However, the average retail price of coarse rice has increased significantly by 12 percent from last quarter. The retail price of coarse rice started to increase from November 2012 following the increase in the wholesale price of rice. Although the average retail price of Aman HYV coarse rice in the current quarter is 2 percent less than in the corresponding quarter of last year, the price rose significantly throughout the quarter. The average retail price of Aman HYV coarse rice rose from 26.45 Tk/kg in January to 29.2 Tk/kg in March, which is 4.5 percent higher than a year ago. In Dhaka Sadar market, the retail price of Aman HYV coarse rice stood at 31 Tk/kg in February and March, which is 7 percent more than during the corresponding period last year.

The retail price of whole grain wheat flour has been increasing since August 2012 following increases in the price of wheat in the wholesale market. Although the wholesale price of wheat came down slightly in December 2012 and January 2013, the trend was not reflected in the retail market. The retail price in the current quarter has increased by 3 percent and 11 percent compared to the last quarter and the same quarter last year respectively. Prices are still significantly lower than during the 2008 food price peak period. The average retail price of whole wheat flour (atta) in March was 37.9 Tk/kg.

The average retail price of palm oil has continued to decrease from 104.5 Tk/litre in August 2012 to 82.2 Tk/litre in March. In Dhaka Sadar market, the price had hiked above 2008 peak price during March-May 2012, before starting to come down from June 2012 and stood at 81 Tk/litre in March.

The prices of lentils (masur) after hiking during the month of Ramadan (July-August 2012) kept moving upwards or remained steady before dropping in March. In Dhaka Sadar market, it crossed the 2008 peak price back in May 2012 and remains 36 percent higher in March 2013 than the 2008 peak price. Traders and importers claim 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. To meet the market demand for

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**Retail prices of essential food commodities (Tk/kg): Dhaka Sadar Market**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Jan'13</th>
<th>Feb'13</th>
<th>Mar'13</th>
<th>Peak 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coarse Rice</td>
<td>29</td>
<td>31</td>
<td>31</td>
<td>35</td>
</tr>
<tr>
<td>Wheat Flour (atta)</td>
<td>39</td>
<td>39</td>
<td>39</td>
<td>45</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>82</td>
<td>82</td>
<td>81</td>
<td>100</td>
</tr>
<tr>
<td>Lentil (masur)</td>
<td>137</td>
<td>138</td>
<td>125</td>
<td>92</td>
</tr>
</tbody>
</table>
popular Nepali variety lentils during its cultivation season (end-October to early-April), suppliers reportedly increased imports of lentils from Canada and Australia. The sharp hike in prices of different varieties of lentils prompted the government to hold talks with the importers and traders of pulses/lentils to review the overall supply and price situation of the commodity in the local and international markets (03 January 2013, The Financial Express).

There are divisional variations in the prices of these essential food commodities. Compared to the 2008 peak prices the highest decrease in the prices of rice has been reported in Khulna (by 23 percent) and the lowest in Dhaka (by 14 percent). The nominal retail price of rice is also lowest in Khulna among all the divisions. Lentil retail prices in all divisions except in Dhaka decreased by 8 to 15 percent compared to the 2008 peak prices. In Dhaka the change was an increase by 43 percent which dampened the decrease in the national average retail price of lentils. Throughout all divisions, the price of wheat flour in the current quarter is 13-14 percent less than the 2008 peak price.

In the current quarter the average retail price of palm oil in Sylhet division and in Sylhet Sadar market finally went lower than the 2008 peak price, although only by 1-2 percent. 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. In March however, the price in Sylhet Sadar market went up again to 90 Tk/litre, 2 percent higher than the 2008 peak price.

**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 lentils and the average daily consumption (Source: Household Income and Expenditure Survey 2010, BBS) of these items by a typical 5-member household. The average daily household food basket cost in Dhaka Sadar during January-March was Taka 80.1 which is comparable to that of January-March of the food price hike year 2008 (Taka 80). In the current quarter in Dhaka Sadar markets although prices of palm oil and whole wheat flour are lower than in 2008; the average price of lentils is Taka 133.33 while it was Taka 76.33 during the same period in 2008 and the average price of coarse rice is comparable to that of January-March 2008.

The average daily household food basket cost in Dhaka Sadar has increased significantly from the last quarter, by 17.3 percent. This is mainly due to the increase in the price of rice as it constitutes the highest portion of the food basket.

**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 December 2012. WFP collects wage data from a selection of farmers and labourers and interviews with upazila agricultural officers in Barisal, Khulna and Rajshahi (old Rajshahi division including districts from current Rangpur division) divisions. To create a time series of national agricultural day labour (male and female) rates and the daily purchasing capacity up to March 2013,
the wage data collected by WFP was used for the period of January to March 2013 and the wage data from BBS was used for the time period preceding December 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.

In January, the average rice purchasing capacity for a male agricultural day labourer in Barisal, Khulna and Rajshahi divisions was 9.9 kg of rice with his average daily income of 262 Taka, an increase of 15 percent from the purchasing capacity a year ago. The agricultural wage rate in January was 9 percent higher and the rice price was 6.5 percent less than in the previous year which contributed to an increase in the rice purchasing capacity. The daily ToT of a male agricultural wage labourer was only 4 kg/day in January of the high price shock year 2008, indicating that the rice purchasing capacity has more than doubled since then.

However, from February 2013 the price of rice started increasing significantly; this lowered the ToT of agricultural day labourers although the agricultural wage in February was higher than last year. In March the ToT dropped further down with the decline in wages.

There is a significant difference between the agricultural daily wages for male and female labourers. In January, which is agricultural high season, the average wage in Barisal, Khulna and Rajshahi divisions for a female labourer was only 164 Taka/day whereas for a male labourer it was 262 Taka/day – a difference of 98 Taka/day. After the Aman harvesting period ends, there are far less work opportunities for female agricultural labourers than for their male counterparts. Agricultural activities such as Boro planting are predominantly practiced by male agricultural labourers.

Households depending on a woman’s daily labour are therefore highly disadvantaged and remain most impoverished. Trend analysis of the agricultural wage data of male and female labourers show that on average female labourers receive a wage 25 to 40 percent less than their male counterpart; the difference is highest during the Boro harvest season in May. The gap had decreased during the year 2011, but increased again in 2012.

The ToT also vary among divisions. There is a significant regional difference in the monthly rice purchasing capacity (measured by multiplying the daily ToT with the average number of work days per month in the region). Usually the purchasing
capacity in the southern region is higher than in the northern region because of a higher wage rate. The monthly rice based ToT were reported to be highest in Khulna division (252 kg) followed by Rajshahi division (21 kg) and Barisal division (171 kg). With the rice prices being the same in Rajshahi and Khulna divisions, this difference is mainly due to the difference in divisional wage rates and better work opportunities in Khulna division during this season. A wider range of agricultural activities is available in Khulna during January-February including the preparation of ponds (gher) for shrimp cultivation, small scale bee keeping and, tobacco cultivation.

The major reason of lower ToT in Barisal division in the south was the higher price of rice (in January the average price of Aman HYV coarse rice in Barisal division was 27 Taka/kg while in Khulna and Rajshahi divisions it was around 25.8 Taka/kg). With the end of Aman harvesting by early January, agricultural work opportunities were also fewer in Barisal division. Thereafter due to heavy fog planting of the Boro crop reportedly did not take place in full swing. Boro is cultivated in most growing areas except for the saline soil coastal zone.

### IMPACT OF SHOCKS ON HOUSEHOLD FOOD SECURITY

**FOOD INSECURITY IN URBAN SLUM HOUSEHOLDS**

WFP recently (April 2013) conducted three brief focus group discussions (FGD) in slums of Dhaka city with three occupational groups (housekeepers, rickshaw pullers and readymade garments (RMG) workers) on their income and expenditure. It also interviewed non-agricultural day labourers and construction workers as well as retail traders in Dhaka Sadar markets on the effect of hartals on their businesses. The city of Dhaka was affected by 2, 5 and 9 days of hartals in January, February and March respectively.

FGDs confirm that in the current quarter the income and expenditure of low income groups have been adversely affected by hartals. The income of daily wage earners such as rickshaw pullers, CNG drivers, construction workers and casual day labourers are most affected by hartals which limit their work opportunities. Their overall monthly income has decreased by 10-25 percent compared to non-hartal periods. Food expenditure as percentage of total income has increased for the low income occupational groups. In addition to the decrease in total household income, the price of rice has increased, negatively affecting the rice purchasing capacity of these groups.

In general the urban poor households tend to purchase rice from OMS. However, as income is low now, most of them are buying rice on credit from markets (rice from OMS cannot be bought on credit) although the market price is more than the OMS rice price (24 Tk/kg). Traders have also reported an increase in sale on credit especially in grocery stores (vegetables are usually not sold on credit). This indicates that if there are more and continuous hartals, the urban poor can easily fall into large debts. The FGD participants also reported a decrease in diet diversity, eating less of protein sources which are more expensive and eating less quantity of food per meal.

In the new calendar year the living cost in the slums has also increased compared to last year. For example in the city's Bhashantek Slum in Mirpur the house rent has increased from Taka 700 to Taka 950, electricity rent from Taka 150 to 200 and water rent from Taka 100 to Taka 120.

The income of largely female housekeepers is lowest among the participants of the FGDs and varies by age (many still being children), and the number and type of tasks they do in their job. Their income does not

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**Comparative rice ToT of different groups of workers living in urban slums**

<table>
<thead>
<tr>
<th></th>
<th>January 2013</th>
<th>March 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td><strong>Rice ToT * (kg/month)</strong></td>
<td><strong>Income</strong></td>
</tr>
<tr>
<td>Housekeeper</td>
<td>1000-3000</td>
<td>42-125</td>
</tr>
<tr>
<td>Rickshaw puller</td>
<td>8000-9000</td>
<td>320-360</td>
</tr>
<tr>
<td>RMG worker</td>
<td>3000-8000</td>
<td>125-333</td>
</tr>
</tbody>
</table>

*For January 2013 rice ToT of housekeepers and RMG workers based on OMS quoted price of 24 Tk/kg in Dhaka Sadar and that of rickshaw pullers based on rural market price of Rajshahi division – 25 Tk/kg.*

*For March 2013 rice ToT of housekeepers and RMG workers based on OMS quoted price of 24 Tk/kg and market price of 26 Tk/kg in Dhaka Sadar and that of rickshaw pullers based on rural market price of Rajshahi division – 28 Tk/kg.*
have any seasonal variation, but has increased compared to a year ago. A year ago they used to earn around Taka 1000 for 3 tasks (e.g. washing clothes, cleaning house, cooking); now they earn Taka 400 per task. Hartals do not have any impact on the income of housekeepers as they work in nearby households, but affect the total income of the male members of their household who usually work as day labourers or rickshaw pullers. Due to physical limitations, housekeepers are also unable to increase their income by taking up more household jobs.

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. RMG workers reported delayed wage payment by the RMG factory owners during hartal periods. RMG workers receive a monthly bonus for timely attendance at workplace; occasional delays in reporting to work place due to hartal related disruptions on the road resulted in the loss of their monthly attendance bonus of around Taka 400-500.

The earnings of rickshaw pullers vary significantly by 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.

Although it is safer for rickshaw pullers than CNG or bus drivers to bring out their vehicles during hartal days, nevertheless they have far less income during these periods as there are fewer people on the road and the fare also decreases. Rickshaw pullers prefer to leave the city when there is continuous hartal. They utilize the time at their rural home either as their rest period or to work as day labourers in earthwork (work opportunities in earthwork increase just before the rainy season).

**FOOD SECURITY OUTLOOK**

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

**Global**

According to FAO’s report on the Food Price Index, since November the Index has moved within a narrow 210 - 212 point range, as increases in the prices of dairy products and oils/fats were largely balanced out by declines in the prices of cereals and sugar. The Food Price Index figures in 2013 are below the figures in corresponding months last year. The Cereal Price Index has been declining or remained stable since November 2012. In the current quarter rice prices increased, wheat prices declined and maize prices remained stable.

FAO revised both its world cereal production estimate (2.309 billion MT) for 2012 and cereal utilization forecast (2.335 billion MT) for 2012/13. The increase in cereal utilization forecast reflects larger feed use of maize.

**Bangladesh**

The rice price remained relatively low and stable throughout 2012. The current rise in rice prices is not expected to come down before the beginning of the Boro harvest which starts mid-April. The stability of rice prices will largely depend on good harvests, storage capacity, stable fuel price and non-disruption of supply.

Despite lower acreage for Boro cultivation and increased production cost, Boro production is expected to be good. The Department of Agricultural Extension (DAE) in its preliminary estimate of the Boro cultivation area cited that the area had reduced slightly as farmers, frustrated over the low price of paddy last year, shifted to cultivation of other crops such as maize and wheat. However as the rice price started to increase significantly at the beginning of the Boro cultivation season (planting December-February), farmers may have allocated more land to the crop at a slightly later stage. Irrigation dependent Boro production is less susceptible to adverse weather conditions. However a cold and foggy winter can cause damage to seedbeds and the winter this year was colder than in average years resulting in extra costs to recover crops from cold injury. Irrigation costs for Boro are expected to have risen as the diesel price increased by 11 percent in the beginning of the Boro season. There are speculations that the Boro rice price will be higher compared to last year.
For the agricultural cycle of May 2013-April 2014, the United States Department of Agriculture (USDA) in its Annual Update of Grain and Feed for Bangladesh forecasted rice production at 34.2 million MT and rice consumption at 34.7 million MT. Bangladesh rice imports are forecast to reach 0.38 million MT during the same cycle, almost all of which is likely to take place through the private sector.

With reduced per capita rice consumption and farmers shifting to cultivation of hybrids and high yielding varieties of rice, Bangladesh has been moving towards almost self-sufficiency in rice production. The main challenge remains a growing demand from a growing population and less arable land every year. According to the USDA, with the population growing by 1.8 million per year, Bangladesh currently needs to produce approximately an additional 300,000 MT of rice a year.

While wheat only accounts for about 12 percent of the total cereal consumption, it is the second most important food staple in Bangladesh after rice and the per capita consumption of wheat has been increasing over the years. In FY 2011/12 Bangladesh produced 0.995 million MT wheat, which is less than what it used to produce in the 1990s. There was considerable growth in wheat production, acreage and yield in the 1990s, before declining during the early 2000s. Wheat acreage is still declining, but thanks to the introduction of new wheat varieties developed by the Bangladesh Agricultural Research Institute (BARI), the wheat yield has increased from 0.73 MT per acre in 2006/07 to 1.12 MT per acre in 2011/12, resulting in an increase in production. Demand for wheat is rapidly growing especially among the urban population who has a more diversified diet. While rice imports have been declining, wheat imports have been increasing over the past few years.

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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).
Terms of Trade
Purchasing Capacity of Male Agricultural Day Labourer (Wage/Rice Price)
March 2013

Kg of Rice/Day
- 8.2
- 8.3 - 8.4
- 8.5 - 8.9
- Data Not Available

Administrative Boundary
- Division Boundary
- District Boundary
- Main River

Source: Wage Data - WFP, Rice Price Data - DAM
Terms of Trade
Purchasing Capacity of Female Agricultural Day Labourer (Wage/Rice Price)
March 2013

Kg of Rice/Day
- 4.5
- 4.6 - 5.6
- 5.7 - 6.4
- Data Not Available

Administrative Boundary
- Division Boundary
- District Boundary
- Main River

Source: Wage Data - WFP, Rice Price Data - DAM