



BANGLADESH FOOD SECURITY MONITORING QUARTERLY BULLETIN

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HIGHLIGHTS

Retail price of food: During the reporting quarter, the national average retail prices of coarse rice and wholemeal wheat flour (*atta*) decreased slightly from the previous quarter. The prices of lentils (*masur*) and palm oil showed quite a stable pattern since the beginning of the outgoing FY, and hit 102 Tk/kg and 64.4 Tk/litre respectively in March 2016. The quarterly average price of lentils was 14 percent higher than in the same quarter one year ago, whereas that of oil decreased by 9 percent.

Inflation: General inflation, measured by the point to point variation in the Consumer Price Index (CPI), continued to decline during the reporting quarter. It went 45 basis points down from 6.07 percent in January to 5.62 percent in February 2016, the lowest in past three and a half years. The downward trend of both food and non-food inflation contributed to this decline of overall inflation during the month. However, it raised slightly by 3 basis points to 5.65 percent in March 2016 on the back of a sharp increase in food inflation. Non-food inflation, on the contrary, had a sharp decline by 28 basis points in February and 10 basis points in March and hit 8.36 percent at the end of the reporting quarter.

Remittances: The month-on-month remittance inflow (in USD) dropped by 13 percent in January 2016 compared to the previous month, which is about 7 percent lower than the same month a year ago. The Central Bank considers low global oil prices as the cause of this decline which had hit the incomes of Bangladeshi migrant workers in the Middle Eastern countries. After falling slightly in February, it again had a huge lift by 13 percent in March 2016, the highest in the last six months.

Food production, import and stock: The Bangladesh Bureau of Statistics (BBS) had finalized the total *Aus* production at 2.29 million MT for the FY 2015/16, about 1.6 percent less than the actual production last year. The BBS had also estimated *Aman* production for the FY 2015/16 at 13.48 million MT which is close to the target. *Boro* production, falling short of target in terms of area coverage, was not likely to achieve the target of 19 million MT. Foodgrain stocks reached 1.55 million MT in January; slightly decreased in February, then had a huge fall to 1.27 million MT in March 2016. Cumulative rice import during the FY 2015/16 was 0.22 million MT as of March 2016. This figure was 0.01 million MT for the reporting quarter. Cumulative wheat import for this period was 3.07 million MT as of March 2016. During the reporting quarter, a total of 1.1 million MT of wheat was imported.

Public food procurement and distribution: *Aman* procurement started from 15th December 2015 and continued up to 15th March 2016. About 0.20 million MT *Aman* rice had been procured during the outgoing FY. The wheat procurement target for the FY 2015/16 had been fixed at 0.2 million MT which started from April and will continue till May 2016. Cumulative distribution during the first three quarters of the outgoing FY was 1.2 million MT of which 0.85 million MT was rice and 0.35 million MT was wheat.

Wage rate and purchasing capacity: In January 2016, the first month of the reporting quarter, the average wage for a female labourer was only 228 Taka/day whereas for a male labourer it was 309 Taka/day – a difference of 81 Taka/day. The wage difference between a male and a female labourer was 75 and 77 Taka/day in February and March 2016 respectively.

Wage data collected from BBS showed that the average ToT in the reporting quarter was higher than during the same period last year, mainly due to both lower rice prices and higher wage rates – for both male and female agricultural day labourers. The significant difference in the monthly ToT is due to regional differences in wage rates and work opportunities. Wage rates are usually lowest in the northwestern division of Rangpur and the southwestern division of Khulna resulting in lowest ToT in these divisions.

ENVIRONMENTAL CONDITIONS

Boro paddy and wheat are two major winter (*rabi*) crops according to the agricultural calendar. *Boro* paddy is an irrigation dependent *rabi* crop cultivated during December

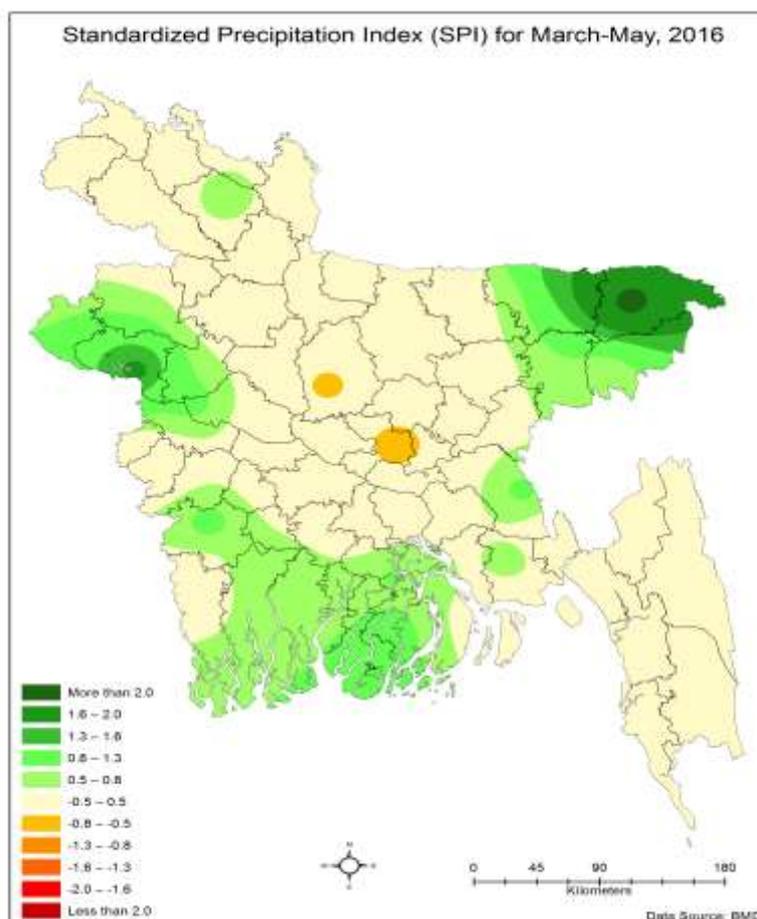
| Month-Year | Average Rainfall (mm) | | | Average Temperature (Celsius) | | |
|------------|-----------------------|--------|---------------|-------------------------------|--------|---------------|
| | Actual | Normal | Deviation (%) | Actual | Normal | Deviation (%) |
| Jan-16 | 7.4 | 9.1 | -18.9 | 18.9 | 18.9 | 0.33 |
| Feb-16 | 35.2 | 25.5 | 37.7 | 23.7 | 21.4 | 10.71 |
| Mar-16 | 75.8 | 52.4 | 44.8 | 27.1 | 25.6 | 5.87 |

Source: Bangladesh Meteorological Department

to mid-February. Again, the cultivation period for wheat is from November to mid-April and it suits better in dry and cold weather. The actual rainfall was slightly higher than normal rainfall during the reporting quarter, especially in February and March having about 38 and 45 percent deviations respectively. However, the rainfall during this period was considered to have been favourable.

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

The Bangladesh Meteorological Department forecasted the precipitation status for the months of March to May 2016 for the country where the central part of Sylhet district had been estimated to be extremely wet (SPI¹ more than 2.0) and the southern part of Rajshahi district to be very wet (SPI 1.5-1.99). No state of dryness/drought had been forecasted anywhere in the country over this period.



¹ Standardized Precipitation Index (SPI) refers to the probability of precipitation for any time scale to define drought intensity. The SPI ranges from +2.0 and more referring extremely wet condition, to -2.0 and less referring extremely dry condition/drought.

ECONOMIC CONDITIONS

INFLATION AND REMITTANCES

Inflation

General inflation, measured by the point to point variation in the Consumer Price Index (CPI), continued to decline during the reporting quarter. It went 45 basis points down from 6.07 percent in January to 5.62 percent in February 2016, the lowest in the past three and a half years. The downward trend of both food and non-food inflation contributed to this decline of overall inflation during the month. However, it raised slightly by 3 basis points to

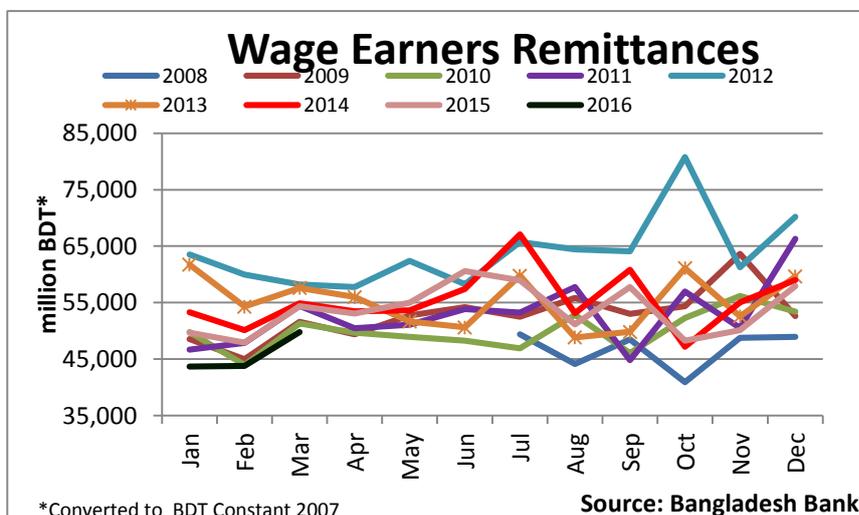
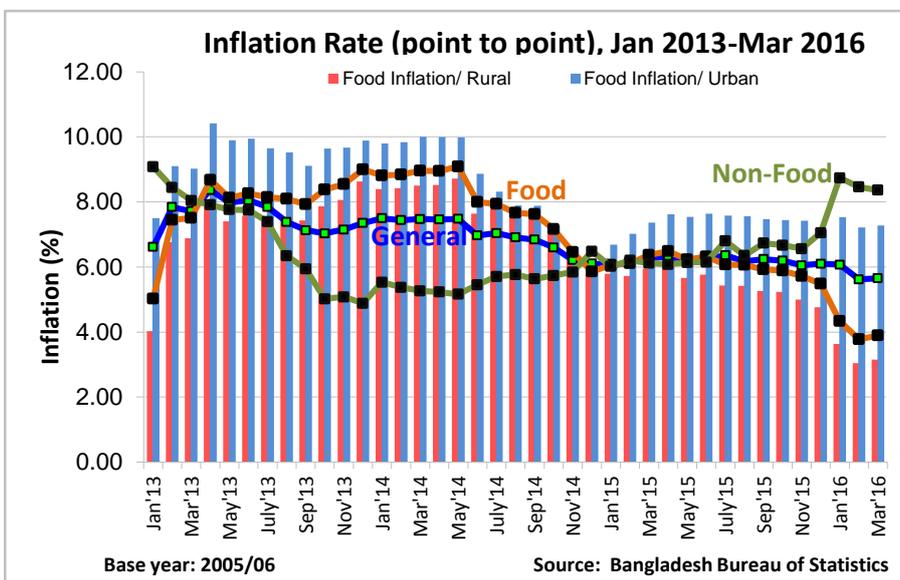
5.65 percent in March 2016 on the back of a sharp increase in food inflation, caused by rise in prices of meat and sugar as stated by the Ministry of Planning. Non-food inflation, on the contrary, had a sharp decline by 28 basis points in February and 10 basis points in March as compared to previous months and hit 8.36 percent at the end of the reporting quarter on the back of stable exchange rates in the international market.

Food inflation had been showing a falling trend since the same quarter of the previous FY and reached to 3.89 percent in March 2016, the lowest since November 2012. As stated by the Bangladesh Bank, falling international commodity prices and a good harvest of *Aman* paddy propelled the decline in food inflation.

Even though food inflation had been following a decreasing trend since April 2015, the difference between food inflation in rural and urban areas continued widening. Urban food inflation in March 2016 was 4.12 percentage points higher than rural food inflation and this gap had been increasing since October 2014.

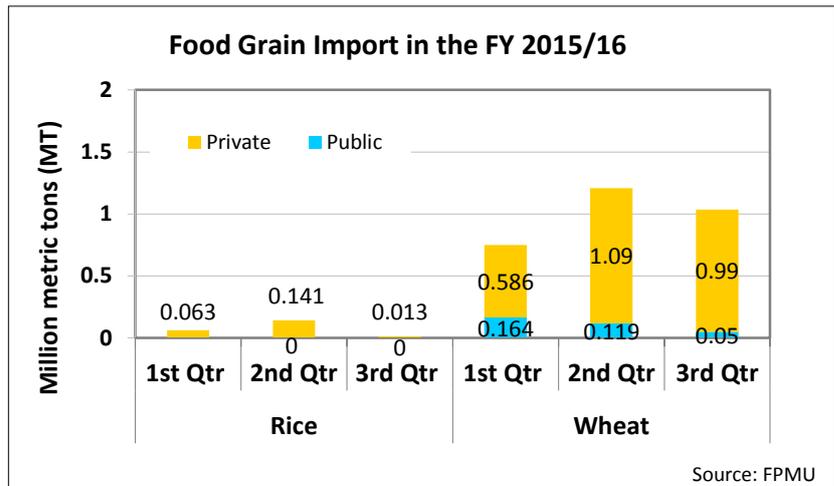
Remittance inflow

The month-on-month remittance inflow (in USD) dropped by 13 percent in January 2016 compared to the previous month, which is about 7 percent lower than the same month a year ago. The Central Bank considers low global oil prices as the cause of this decline which had hit the incomes of Bangladeshi migrant workers in the Middle Eastern countries. After falling slightly in February, it again had a huge lift by 13 percent in March 2016, the highest in last six months.



Food grain import

- The Ministry of Food revised the foodgrain import target for the FY 2015/16 at 4.3 million MT, nearly 23 percent less than the actual import (5.27 million MT) during the FY 2014/15 (FPMU, FSR 104). The Government reduced the rice import target for the current FY to one-third compared to the previous FY (from 1.49 million MT to 0.5 million MT). The National Board of Revenue has doubled the import duty on rice to 20



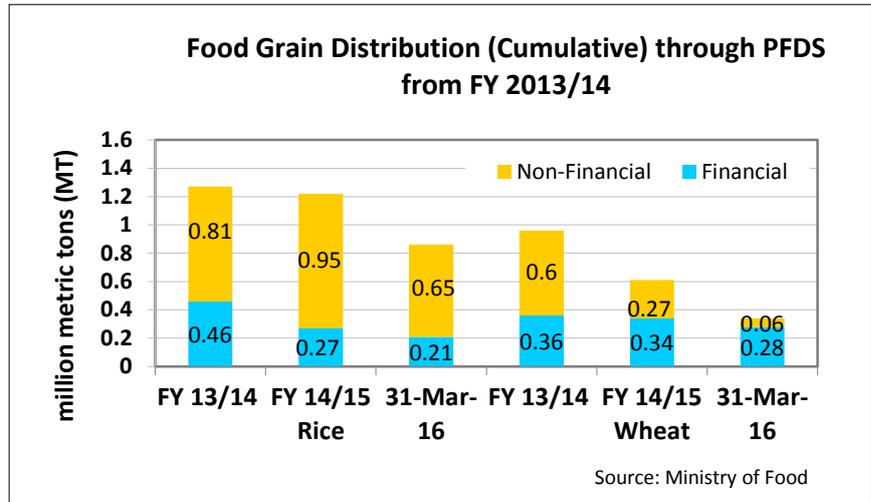
- percent with an intent to discourage import and protect the interest of the local rice growers. However, the Government had been mulling over imposing a 10 percent supplementary duty on top of the existing 20 percent as stated by the Agriculture Minister (Newspaper sources).
- Cumulative rice import for the first three quarters of the FY 2015/16 was 0.22 million MT as of March 2016 (Ministry of Food). This figure was 0.01 million MT for the reporting quarter. The total rice import was undertaken by the private sector, the Government did not import any rice (FPMU, FSR 104).
- Cumulative wheat import for the first three quarters of the FY 2015/16 was 3.07 million MT as of March 2016 (Ministry of Food). During the reporting quarter, a total of 1.1 million MT wheat was imported around 88 percent of which was by the private sector (FPMU, FSR 104).

Food grain procurement

- The FY 2015/16 budget allocated BDT 54.8 billion (USD 703 million) for grain procurement, which is about 3 percent more than the FY 2015/16 revised budget (Ministry of Food). The foodgrain procurement target for the current FY has been set at 1.63 million MT, 1.43 million MT of rice and 0.2 million MT of wheat (FPMU, FSR 104).
- Aman procurement started from 15th December 2015 and continued up to 15th March 2016. About 0.20 million MT Aman rice had been procured during the outgoing FY. The wheat procurement target for the FY 2015/16 had been fixed at 0.2 million MT which started from April and will continue till May 2016 (FPMU, FSR 104).

Food grain distribution through PFDS

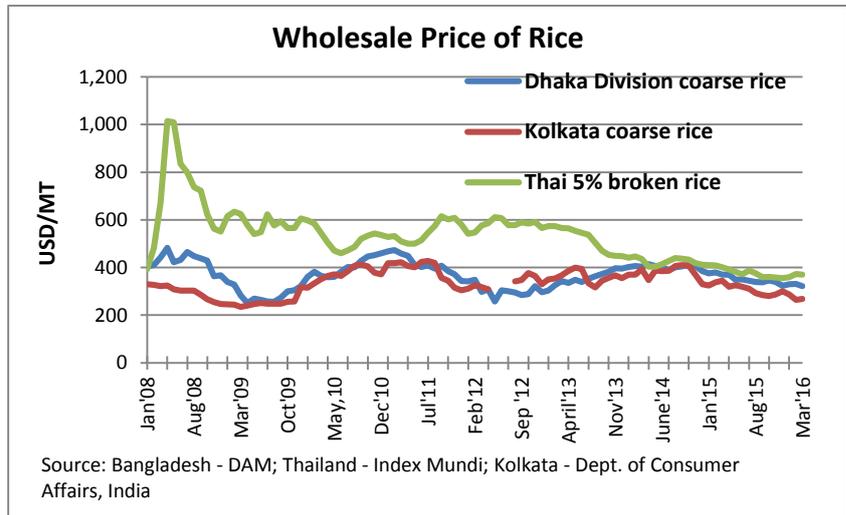
- The Ministry of Food had revised the target for public foodgrain distribution for the current FY to 2.21 million MT. The actual distribution of rice and wheat during the FY 2014/15 was 1.84 million MT, 17 percent less than the amount distributed during the same period a year ago.
- Cumulative distribution during the first three quarters of the outgoing FY was 1.2 million MT of which 0.85 million MT was rice and 0.35 million MT was wheat. The distributed amount up to the end of the 3rd quarter was 54 percent of this FY's target and slightly higher than the amount distributed during the same period a year ago (*FPMU, FSR 104*).
- 43 percent of the distribution in the current FY as of 31 March 2015 was through financial channels with Open Market Sales (OMS) having the largest share. Among non-financial channels the Vulnerable Group Development (VGD) and the Food For Work (FFW) programmes dominated with higher shares of distribution.



FOOD PRICE MONITORING

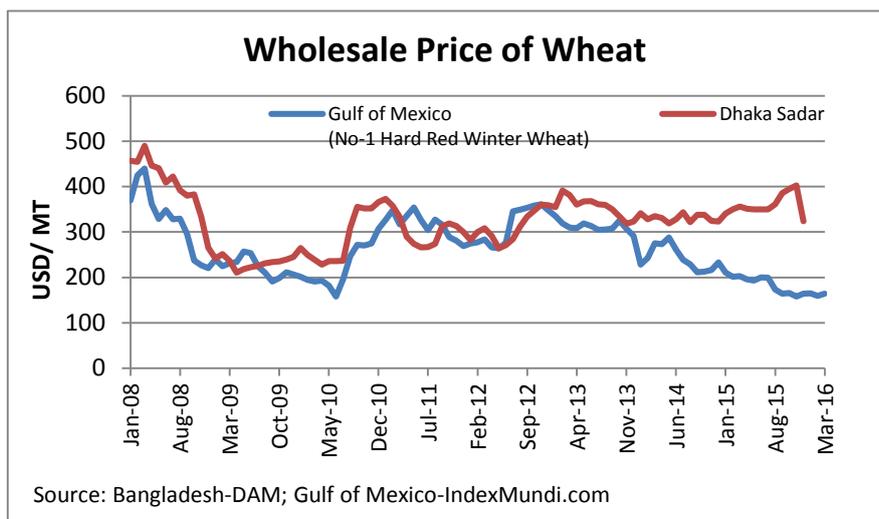
WHOLESALE AND RETAIL PRICES AND TERMS OF TRADE

International rice prices, as per FAO rice price index which is based on 16 rice export quotations, had been showing a decreasing trend since the FY 2014/15. However, the trend fluctuated a little during the reporting quarter. It was 195 points in January, raised to 197 points in February and again dropped to 196 points in March 2016. Sluggish import demands and abundant export supplies are said to have pushed down the international rice prices.



Coarse rice prices in Dhaka division during the reporting quarter decreased by almost 3 percent as compared to the average price in the previous quarter, which was 13 percent lower than the same period a year ago. The average coarse rice price in Kolkata declined by about 6 percent during the reporting quarter, while there was around 3 percent price increase for Thai 5% broken rice, as compared to the previous quarter. Although the international coarse rice prices as well as the average price for Dhaka and Kolkata followed a declining trend, that of Thai 5% broken rice showed the opposite within the reporting quarter. For the month of March 2016, the average wholesale prices of Dhaka coarse rice, Kolkata coarse rice and Thai 5% broken rice was 322 USD/MT, 269 USD/MT and 370 USD/MT respectively.

Bangladesh is a net importer of wheat and international prices heavily influence the price in the domestic market. The wholesale price of hard red winter wheat in the Gulf of Mexico started showing an instable trend during the reporting quarter. It was 165 USD/MT in January, reduced to 159 USD/MT in February, again raised to 164 USD/MT in March 2016.



In Dhaka *sadar* market the wholesale price of imported red wheat was 322 USD/MT in August 2014- a difference of 93 USD/MT compared to the price in the Gulf of Mexico. Prices for the imported red wheat since then were not directly available from the Department of Agricultural Marketing website; therefore, that of imported white wheat were used from September 2014 till date. The price started decreasing during the previous quarter and hit 242 USD/MT in March 2016, the lowest in the country's history. The fall in price was mainly on the back of reduced import during the reporting quarter, as well the Government's decision to slightly reduce the cereal price for OMS in order to clear stock (*Newspaper sources*).

Retail prices for essential food commodities

During the reporting quarter, the national average retail prices of coarse rice and wholemeal wheat flour (*atta*) decreased slightly from the previous quarter. However, the prices of coarse rice were 16 percent and those of wheat were 9 percent less as compared to the same period last year. The prices of lentils (*masur*) and palm oil showed quite a stable pattern since the beginning of the outgoing FY, and hit 102 Tk/kg and 64.4 Tk/litre respectively in March 2016. The quarterly average price of lentils was 103 Tk/kg which was 14 percent higher than in the same quarter one year ago. On the other hand, the national average oil price decreased by 9 percent during the reporting quarter as compared to the same period last year.

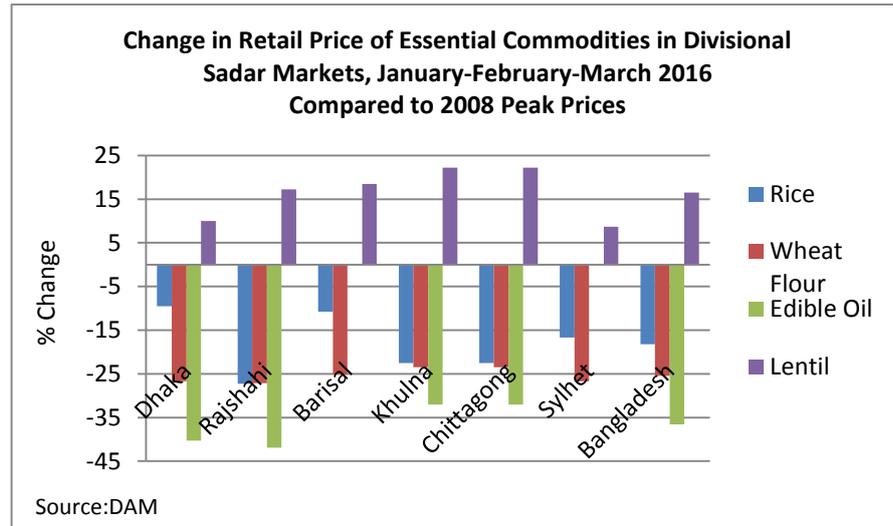
| % Change of Retail Prices (National Average) of Jan-Mar'16 compared to past | | | |
|---|--------------|------------|-------------------------------------|
| Commodities | Last Quarter | Last Year | 2008 (high food price peak periods) |
| | Oct-Dec'15 | Jan-Mar'15 | |
| Coarse Rice | -0.4 | -16.1 | -19.0 |
| Wheat Flour (<i>atta</i>) | -1.0 | -9.0 | -24.2 |
| Palm Oil | -0.7 | -9.3 | - |
| Lentil (<i>masur</i>) | 0.5 | 14.2 | 13.8 |

The national average retail prices of coarse rice and wheat were around 26-27 Tk/kg and 32-33 Tk/kg respectively during the reporting quarter. Among the divisional *sadar* markets, coarse rice prices during the reporting quarter were recorded highest in Dhaka division (28.78 Tk/kg) and lowest in Rajshahi division (24.57 Tk/kg). Similarly, the prices of wheat in all the divisional *sadar* markets fluctuated between 31 to 34 Tk/kg during the reporting quarter. The quarterly average price in Barisal *sadar* was found to be highest (34 Tk/kg), and that in Rajshahi *sadar* to be lowest (31 Tk/kg) among the divisional *sadar* markets.

| Retail prices of essential food commodities (Tk/kg); Dhaka Sadar Market | | | | | |
|---|--------|--------|--------|--------|-----------|
| | Dec'15 | Jan'16 | Feb'16 | Mar'16 | Peak 2008 |
| Coarse Rice | 28 | 30 | 33 | 32 | 35 |
| Whole wheat flour | 33 | 33 | 33 | 33 | 45 |
| Palm Oil | 59 | 59 | 59 | 61 | 100 |
| Lentil (<i>masur</i>) | 101 | 103 | 103 | 101 | 92 |

Source: Department of Agricultural Marketing

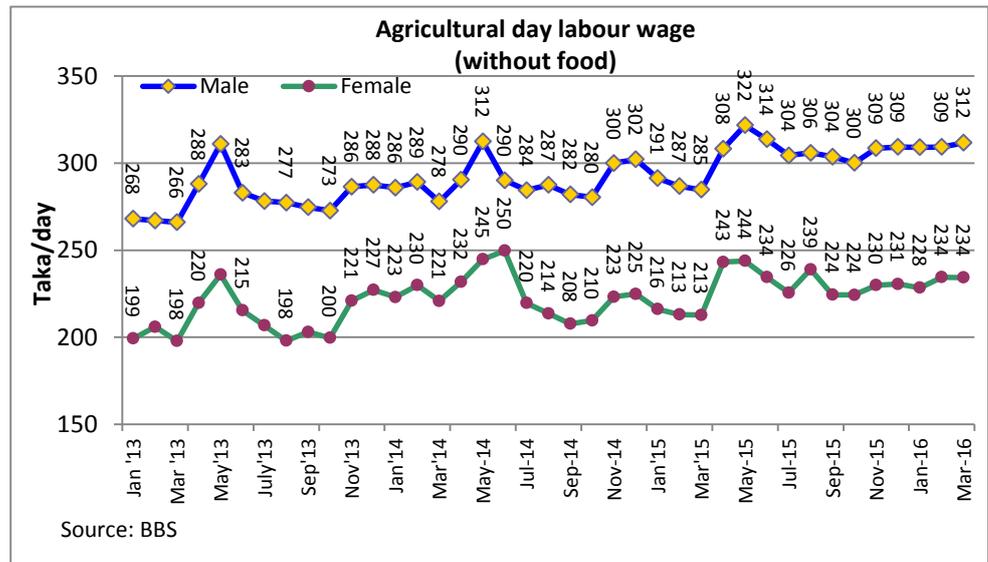
Palm oil is the dominating edible oil in the country, accounting for around 64 percent of the market share among the three major edible oils (the other two being soybean oil and mustard oil). 90 percent of the edible oil requirement is imported. The quarterly average prices of palm oil in all the divisional *sadar* markets varied widely from the lowest 56 Tk/litre in Rajshahi *sadar* to the highest 70 Tk/litre in Sylhet *sadar* during the reporting period. For the average lentil prices in the divisional *sadar* markets, the highest price during the reporting quarter was recorded in Barisal *sadar* market with 109 Tk/kg and the lowest in Sylhet *sadar* with 100 Tk/kg. The prices of lentils in the divisional *sadar* markets during the reporting quarter were in fact higher than during the peak of 2008 (high food price year). About 80 percent of the lentil requirement is met by imports. Local production can meet the demand for only 2-3 months.



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Terms of Trade/Food purchasing capacity of agricultural day labourers

The agricultural wage data for the reporting quarter was available from BBS. Year-on-year the average agricultural daily wages for male labourers increased by about 6-9 percent during the reporting quarter, which was 0-2 percent during the same period a year ago. The scenario was somewhat similar for female labourers over the third quarter of the outgoing FY. Although the wage rate of female labourers was lower than their male counterparts, year-on-year average grew about 6-10 percent during this period. January is the peak time for the *Boro* rice cultivation. Rice plantation, weeding in rice fields, post-harvesting and processing activities of *Aman* crops were the major agricultural activities in the reporting quarter. But the later part of the reporting quarter (March), being considered as lean season, instigated temporary migration of labourers to other places in search of non-farm working opportunity.

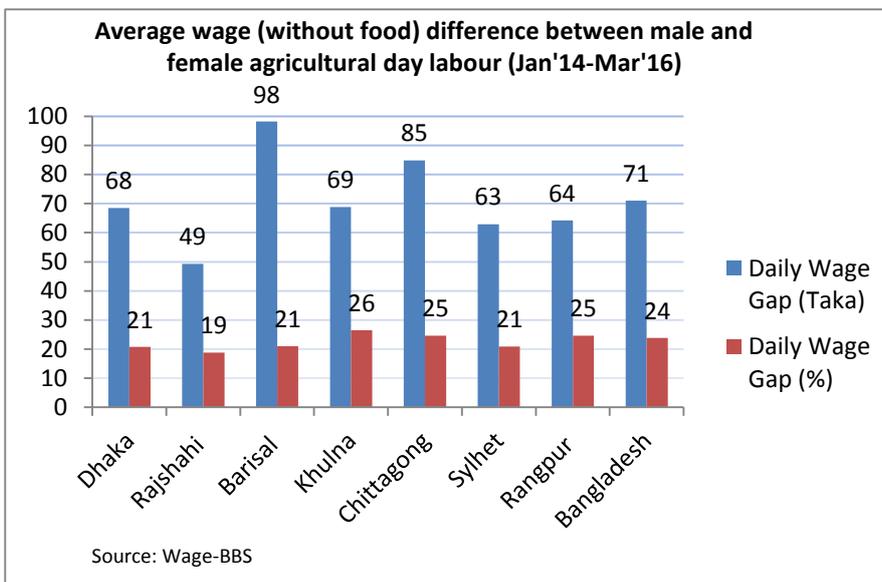


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There continues to be a significant difference between the agricultural daily wages of male and female labourers. In January 2016, the first month of the reporting quarter, the average wage for a female labourer was only 228 Taka/day whereas for a male labourer it was 309 Taka/day – a difference of 81 Taka/day. The wage difference between a male and a female labourer was 75 and 77 Taka/day in February and March 2016 respectively. The wage gap was the highest in Barisal division which has the second highest poverty rate, and lowest in Rajshahi division. After the *Aman* harvesting period ends, there are far less work opportunities for the female agricultural labourers than for their male counterparts. *Boro* transplanting (December-February)

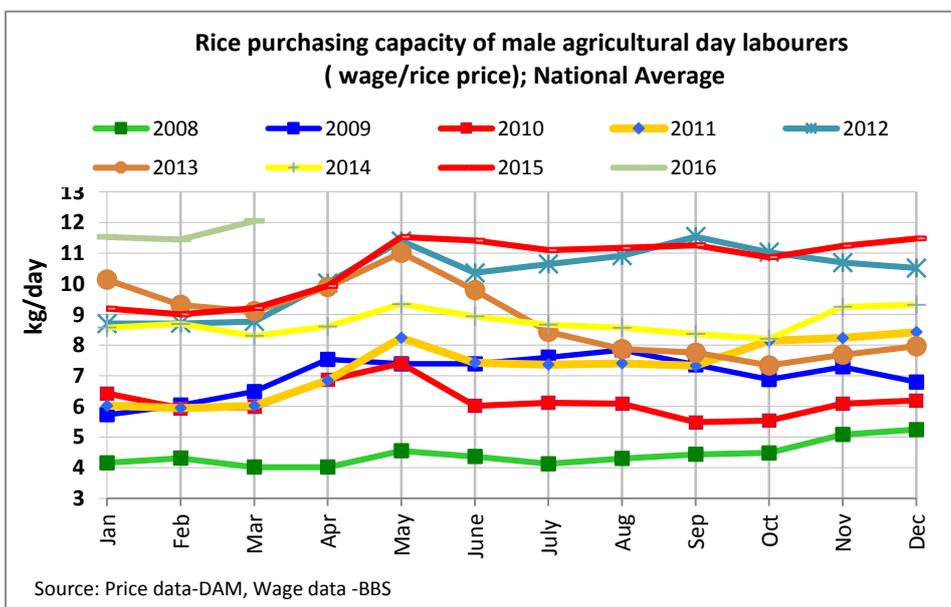
is predominantly performed by male labourers. Thus, the wage gap is also higher during the *Boro* season. Households depending on female wage labourers are, therefore, highly disadvantaged and remain more impoverished.

Trend analysis of the agricultural wage data of male and female labourers in the past two years shows that on average, female labourers receive a wage that is 24 percent less than their male counterparts, resulting in a purchasing capacity difference of about 2.5 kg of rice per day. This has had significant implications on the food security status of households dependent largely on the income of the female members. The wage gap is higher in the southern divisions of



Chittagong and Barisal. On average during January 2014 to March 2016, the wage gap for a female labourer was 98 Taka/day in Barisal division, the second poorest division in the country. Again, a female agricultural labourer in Chittagong division, which has the second lowest poverty rate among all divisions, received 85 Taka/day less wage (25 percent less) than her male counterpart during this period. Chittagong is one of the divisions where agricultural activities are less concentrated and female labourers are of less demand, partly due to the conservative nature of the society. Wage differences were lowest in Rajshahi division in the northern part of the country.

The Terms of Trade (ToT) of an agricultural day labourer's wage is an indicator of the quantity of essential food items that the household can buy with his/her daily income. Since rice is the staple food and constitutes the major share in household food expenditure, rice purchasing capacity is an important indicator of the ToT. Wage data collected from BBS showed that the average ToT in the reporting



quarter was higher than during the same period last year, mainly due to both lower rice prices and higher wage rates – for both male and female agricultural day labourers.

Differences in rice prices weigh little on the monthly ToT (ToT*average monthly work days). The significant difference in the monthly ToT is due to regional differences in wage rates and work opportunities. Wage rates are usually lowest in the northwestern division of Rangpur and the southwestern division of Khulna resulting in lowest ToT in these divisions.

EVIDENCE ON HOUSEHOLD FOOD SECURITY AND NUTRITION

Transfer Modality Research Initiative (TMRI)

WFP, in partnership with the International Food Policy Research Institute (IFPRI), piloted a “Transfer Modality Research Initiative (TMRI)” to create definitive evidence on the efficient and cost-effective types of transfer modalities that could improve the household income, food security and child nutrition status of the poor (published in February 2016). WFP was responsible for the implementation of the research initiative and for delivering the alternative benefits to the selected women and their households. IFPRI designed the research and conducted the impact evaluation. The initiative included 4,000 ultra-poor women and their households in the northern and southern regions of Bangladesh. The transfer modalities were:

- **Cash only (Cash):** Tk 1,500 cash to the women participants during the second week of every month via a new mobile phone cash-transfer system
- **Food ration only (Food):** Food rations (30 kg rice, 2 kg lentils, 2 litres of micronutrient-fortified cooking oil) to the women participants during the second week of every month
- **Cash and food ration combination (Cash+Food):** The total transfer was 15 kg rice, 1 kg lentils, 1 litre of micronutrient-fortified cooking oil and Tk 750
- **Cash conditional on attending behavioural change communication on nutrition (Cash+BCC):** Selected woman participants had to attend the nutrition BCC training sessions to get the monthly cash transfer
- **Food conditional on attending behavioural change communication on nutrition (Food+BCC):** Selected woman participants had to attend the nutrition BCC training sessions to get the monthly food ration

Research findings:

Impacts on household consumption: The research found meaningful improvement in all the five measures of household consumption (self-assessed hunger, income, expenditure on consumption, calorie intake and household diet quality) measured by WFP’s Food Consumption Score (FCS). In the north, which is the poorest region in Bangladesh but with relatively better market access than the south, the *Cash+BCC* modality had the most statistically significant impact on all five measures of household consumption. In the south, which is disaster-prone but has relatively higher income than the north, only *Food+BCC* had statistically significant impacts on calorie intake of the households. Magnitudes of impact from a given modality tended to be consistently larger in the north than in the south, possibly due to better market access in the north, a larger precautionary savings motive in the south, and greater crowding-out of private transfers in the south.

Impacts on maternal knowledge and practices related to child nutrition: In both north and south, the TMRI modalities with BCC components had large, significant impacts on maternal knowledge regarding nutrition and related care practices. Given that neither the cash treatment in the north nor the food treatment in the south showed comparable effects, these increases in maternal knowledge were attributable to the BCC. Moreover, in both zones, mothers acted on this increased knowledge on hygiene practices and food diversity within the household. These patterns are also reflected in child diets. Transfers combined with BCC led to large impacts on children’s consumption of non-staple foods, such as animal source foods, fruits and vegetables, flesh foods and dairy. The BCC also increased women’s use of micronutrient powders in both zones, with effects larger in the north than in the south.

Impacts on child nutrition: In the north, cash transfers combined with nutrition BCC trainings led to a significant reduction in chronic undernutrition. Among children that were less than 48 months old at endline, *Cash+BCC* increased height-for-age z-scores by 0.24 standard deviations. It reduced stunting by 7.3 percentage points over the duration of the project (two years)—an achievement almost three times the national average over the same time period.

Costing: Excluding the value of the transfer itself, modality-specific costs per monthly transfer were: cash, \$5.41; food, \$8.90; and cash and food, \$10.62. Total value of each monthly transfer was \$18.66. Thus, to transfer \$1.00 to a safety net participant, it cost \$0.29 through cash transfer, \$0.48 through food transfer, and \$0.57 through half-cash and half-food transfer. Excluding fixed costs, nutrition BCC cost \$50 per year per participating household.

Recommendations/Policy implications:

The analysis of TMRI provides rigorous evidence that if an intervention's policy objective is to improve the diets of poor households, both cash transfers and food transfers can be effective. However, if the policy objective is to improve the nutritional status of children from the poorest households, transfers alone are inadequate. TMRI findings strongly recommend linking cash transfers with BCC to improve child nutrition. Adding high-quality BCC to transfers—in particular, cash transfers—can deliver large reductions in chronic undernutrition, as measured by height-for-age z-scores and stunting.

The analysis on costing of the modalities recommends that the consumption and child nutrition impacts of cash transfers were either the same or better than those of food transfers. Also, the delivery cost of cash transfers was considerably lower than that of food transfers. Therefore, cash transfers appeared to be more cost-effective than food transfers. Putting it another way, with the same amount of resources, cash transfers could reach significantly more participating households than food transfers, with similar or better outcomes on household and child well-being.

FOOD SECURITY OUTLOOK

FOOD GRAIN PRODUCTION, IMPORT, UTILIZATION AND PRICE

Global

The Food Price Index (consisting of average food price indices of five commodity groups - cereals, dairy products, oil, sugar and meat) reported by the Food and Agriculture Organization (FAO) declined gradually during the months of the outgoing FY and reached 149.7 points in February, then had a slight rise to 150.8 in March 2016. This increase of the global food prices was on the back of an increase in the prices of sugar and vegetable oil. However, food prices in the international market were still 14 percent lower in March 2016 compared to the same month a year ago.

The FAO Cereal Price Index declined consistently through the months of the outgoing FY and hit 147.6 points in March 2016 which is about 15 percent down from the same period a year ago and the lowest since July 2010. Favourable harvesting conditions and settled supply outlook especially for maize and rice triggered this price fall especially for coarse grains.

FAO forecasted the world cereal production for 2016 at 2.54 billion MT which is 0.6 percent higher than in 2015 and only 0.7 percent below the 2014 record. The upward forecast reflects better wheat production mainly in Argentina, the EU and Russia. Compared to 2015, world wheat production is likely to decline, while rice and coarse grains outputs are forecast to increase. The global cereal production prospect for 2016 has been considered to be varied depending on the weather patterns in the cereal producing and supplying countries around the world.

Global cereal utilization in 2016/17 has been forecasted at 2.5 billion MT which is only 0.9 percent higher than the 2015/16 estimate. Cereal consumption prospects as both food and feed had been anticipated to increase as compared to the FY 2015/16. However, total wheat utilization was projected to reduce during the FY 2016/17 by up to 0.1 percent (*FAO Food Price Index, May 2016*).

Bangladesh

The rice prices during the months of the outgoing FY 2015/16 were much lower than what was observed in the past few years. The rice price trend followed somewhat stable pattern, at around 24 Tk/kg, during the reporting quarter. The Government, through its price monitoring model to forecast domestic foodgrain prices, has estimated the wholesale prices of coarse rice for the months of the last quarter of FY 2015/16 to be reduced gradually. Domestic production of foodgrain had been predicted not to meet the target for the FY 2015/16. The cultivation area targeted for the outgoing FY fixed by the Department of Agricultural Extension (DAE) had been revised downwardly for *Aus* due to shift of *Aus* areas to summer vegetables which are more profitable. Again, *Boro* plantation fell short of targeted area which would be resulting in less production than target (*FPMU, FSR 104*).

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

Reference:

- Bangladesh Bank, Central Bank of Bangladesh, <http://www.bangladesh-bank.org/>
- Bangladesh: Grain and Feed Annual 2015 (USDA), http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Grain%20and%20Feed%20Annual_Dhaka_Bangladesh_5-5-2015.pdf
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