

Price Monitoring and Analysis Country Brief

Bangladesh

June-August 2010

Key Messages

- Where rice prices increased sharply in the past months, wheat prices have remained stable.
- The country has faced severe rains and flooding which resulted in extended damages.
- Food security of vulnerable people could be seriously affected by high cereal prices and agencies warn increasing food insecurity in the long term.
- The Government has implemented measures to support producers while extending the export ban until December 2010.

Background

In Bangladesh the total population in 2008 was estimated to reach about 160 million with an annual growth rate of 1%. The proportion of undernourished population was 27%.

| Economic Indicators | View Data |
|---|-----------|
| Total Population (millions) - 2008 (WB) | 160.0 |
| Population growth rate - 2008 (WB) | 1% |
| GNI per capita, \$ PPP - 2008 (WB) | 1450 |
| Population below 1\$ PPP per day - 2005 (MDGI) | 49% |
| Rural population - 2008 (WB) | 72% |
| Agriculture, value added (% of GDP) - 2008 (WB) | 19% |

| Food Consumption | |
|---|------|
| Undernourished Population - 2005/2007 (FAO) | 27% |
| Cereal share in total dietary energy consumption - 2007 (FAO) | 78% |
| Meat share in total dietary energy consumption | n.a. |

| Health Indicators | |
|--|-----|
| Pop. with sustainable access to improved sanitation - 2008 (WHO) | 53% |
| Life expectancy at birth (years) both sexes - 2008 (WHO) | 65 |
| Pop. with access to improved drinking water sources - 2008 (WHO) | 80% |
| Prevalence of HIV among adults aged >= 15 years - 2005 (WHO) | 0% |

Prices

Rice prices have risen markedly from June when from 26.5 Taka/Kg reached 28.89 Taka/Kg in August (national average). In Dhaka markets coarse rice was sold at 31.5 Taka/Kg in August. The national average price of one tonne of rice (408.32 USD/T) was 10% higher than the international price of Rice Thai A1 Super (372.5 USD/T). National average wheat prices remained generally stable in the last few months ranging between 17.1 Taka/kg in June and 17.38 in August. In Dhaka prices registered 19.9 Taka/Kg in August. Compared to international wheat prices No2 Hard Red Winter of 271.8 USD/T, wheat prices in Bangladesh were 10% lower (245.64 USD/T) in August.



Source: [GIEWS Country Briefs](#)

Natural Disasters, Drought and Conflicts

Bangladesh has continued to suffer from a variety of natural disasters such as tidal surges, severe cyclones and flash-flood. People affected by the 2009 cyclone Aila are still in need of assistance. UN agencies have extended support to 14,000 affected families who still live in embankments. Since late July, heavy rainfall and subsequent severe flooding and landslides have again affected several districts in south eastern Bangladesh causing significant damage and dozens of deaths.

| Refugees and IDPs | 2007 | 2008 | 2009 |
|---------------------------|-------|-------|--------|
| Total in the country | 27626 | 28392 | 228586 |
| Total outside the country | 17580 | 16809 | 12258 |

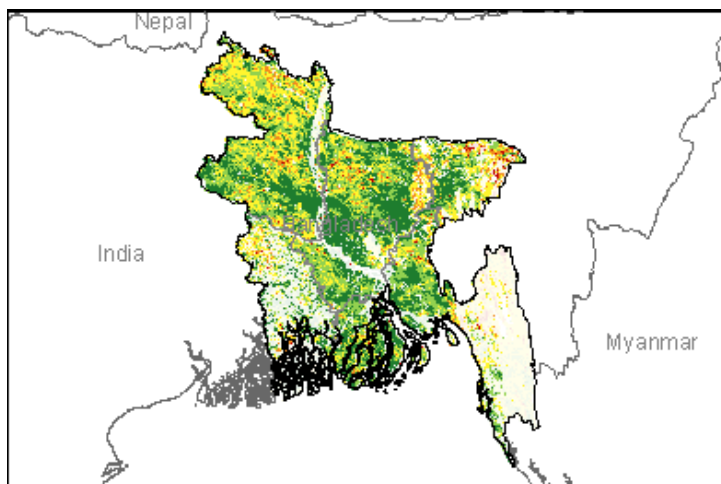
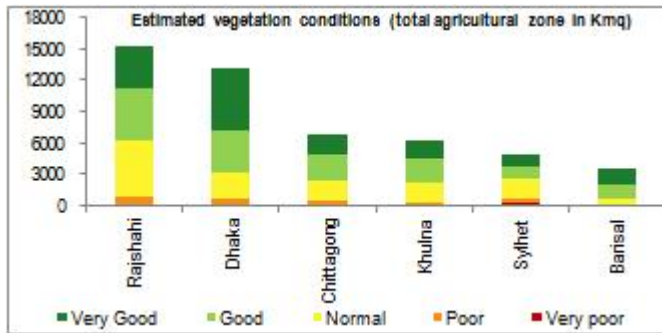
Source: [UNHCR](#) Statistical Online Population Database, United Nations High Commissioner for Refugees (UNHCR), Data extracted on 22/09/2010.

| Disaster Type (last year) | Date | Location | Alert |
|---------------------------|------------|--------------------|-------|
| Earthquake | 2010-09-10 | Chittagong | 1/3 |
| Earthquake | 2009-02-22 | Khulna | 1/3 |
| Flood | 2010-09-09 | Sirajganj District | 2/3 |

Source: [Global Disaster Alert and Coordination System](#) - 3 = 1000 or more people killed or 800000 or more people displaced. 2 = 100 or more people killed or 80000 or more displaced.

Vegetation Condition

Normal to very good vegetation conditions are observed for the major part of the country. The general indicator of vegetation condition provided below is the relative difference between the NDVI for August 2010 and the average of the last 10 years, calculated on the agricultural zones derived from the GLOBCOVER land cover database (2005).



Source: JRC MARS – FoodSec

Food Security Situation Assessment

The recent increase in food prices could easily result in deteriorating food security for the most vulnerable due to difficult access to markets. WFP reports moderately high hunger while IFPRI describes a situation of alarming hunger.

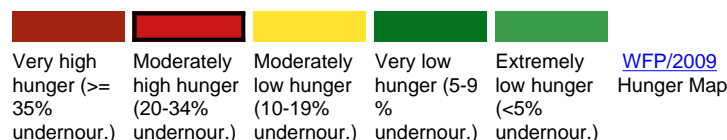
CURRENT EMERGENCY ASSESMENT



Bangladesh is not covered by FEWSNET.

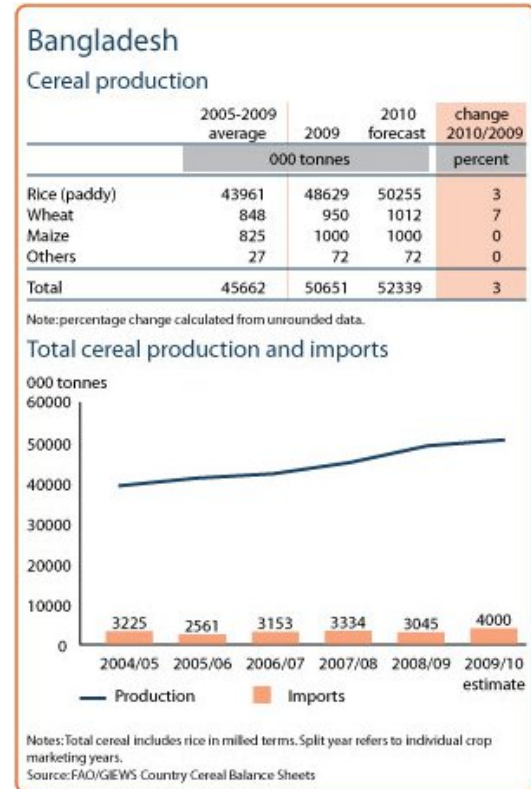
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SCALE OF HUNGER



Food Balance Sheet

The 2010 paddy and wheat crops are estimated to be good. The total cereal production is forecasted at around 52.3 million tonnes. Total rice paddy production (around 50 million tonnes) is estimated to increase by 3% from last year production. Cereal imports reached 4 million tonnes in 2009/2010 marketing year (July/June) compared to 3 million tonnes in 2008/2009.



Source: GIEWS Country Briefs

Government Policies

The Gvmt increased the procurement price on the 1st July (from 25 to 28 Tk/kg) as an incentive to meet its procurement target of 1.2 million tonnes of milled rice from the 2010 Boro season. Rice export ban has been extended until Dec 2010. Through the Agriculture Input Assistance Card, 18.2 million farmers received subsidized fertilizer, quality seeds, and electricity power and diesel for irrigation.

| | |
|---------------------------------------|--|
| Consumer and market oriented measures | n.a. |
| Producer oriented measures | Increased procurement price; inputs support. |
| Trade policy measures | Export ban extended. |
| Safety net (increased or introduced) | n.a. |

Different sources

Current events to watch (Click to see the full report)

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For more information, contact: Information-for-action@fao.org
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