

Commodities



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The oldest of Old Dhaka

KHONDOKER MD SHOYEB

SHARFUDDIN Ali looked at the street full of rain, which showed no signs of stopping soon. "If the rain does not stop now it might cost me a heavy toll," said the storehouse owner at Shyambazar in Old Dhaka.

Most of the products that the market deals with -- different vegetables and dry food items such as onion, garlic, and ginger -- are perishable, the

middle-aged businessman added. "None can store those for long, which requires a quick exchange of hands."

When nature cooperates, labourers start loading trucks in the afternoon. But officially, it only starts at 8pm. Unloading starts two hours later and continues till morning.

There are around 375 shops in the market, said Md Sahid, commissioner of Ward 79 in Farashganj. "All the shops are not of the same kind. Some are

just storehouses, while some belong to importers and wholesalers," said Sahid, who is also the president of Shyambazar Krishi Pannya Arat Banik Samiti.

The half a kilometre long market has Sadarghat Launch Terminal in the west, Banglabazar in the north and the river Buriganga in the south. It ends on the BK Das Road in the east, he added.

This place remains open seven days a week with a three-hour break on Friday, from noon to 3pm.

One of the oldest markets in the country was once the lone handler of imported goods. "Those days are gone," said Khorshed Ali, who works for Dhaka Bangla Arat.

The century-old market was in its full bloom after the liberation war. Later, other markets entered the arena and split the business, Ali recalled.

The number of shops increased and changed the modes of transportation -- from manual boats to steamers and trucks.

Here, profit has various natures. Wholesalers and importers maintain the natural economics of selling at higher prices than the procurement cost. But the storehouse owners' profit comes from commissions.

"Importers give us around Tk 0.30 a kilogram in commis-



A shopkeeper arranges spices for sale at Shyambazar in Dhaka.

AMRAN HOSSAIN

sions if we can sell their products," said Mohammad Hanif, a manager of a storehouse. "But the amount varies depending on the type of the product."

Sales at an average store can be about Tk 5-6 lakh. Big stores are able to store 10 truckloads of goods at a time and can sell 10 times that amount.

"Traders here feel the highest pressure in the months of Falgun/Chaitrya and Baishakh, when new vegetables and dry kitchen items

grow," added Hanif. "At Eid-ul-Azha, demand for spices also increases."

But traders suffer from a lack of security. Most vegetables and products are brought to the market via water, with a possibility of getting looted by pirates.

Other businessmen in the market also feel the same threat on their way to the bank to deposit money.

Traffic congestion and muddy streets are two other wrinkles on smooth trade,

though local commissioner Md Shahid expects improvements soon.

Shahid said: "I formed a community police of 24 members for the market. Splitting into three groups, they move round the market, in rotations, to ensure safe trade everywhere."

On congestion, he added: "It's hard to improve in a day. But we're trying heart and soul."

shoyeb@thedailystar.net



AMRAN HOSSAIN

Shyambazar, one of the oldest markets, is abuzz with activities all day long.

How the cheap turns costly

KHONDOKER MD SHOYEB

COMMODITY prices bear volatile characteristics that have no particular feature. They can change several times in a day and pass through some steps to get their final shape.

Growers prefer to farm commodities in rural areas to make best use of soil fertility. The price circle starts here and gets rolling.

The green vegetables, or commodities, are sold at cheap rates from the growers' field. But this price triples or sometimes quadruples, for which, any single factor is not responsible.

Transportation

A wholesaler pays in two phases to transport the goods: inside the market and outside the market.

Mojibur Rahman, manager of Chowdhury Banijjalaya in Kawran Bazar, said he spent around Tk 3 to Tk 3.5 in transportation costs to bring a kilogram of pointed gourd to the kitchen market from the grower's garden in Jhinaidah.

"We also have to pay to carry the products to our shop inside the market," he added.

Rahman pays around Tk 30 to a labourer to load and unload a 6-maund sack of pointed gourd, while it can go up to Tk 80 in case of a 20-maund sack.

Waste

Kitchen market products are more sensitive than other daily essentials. A delay in sales or the excessive use of water can spoil the items.

Sellers lose around 10 percent of commodities before preparing the produce for sales.

"Sellers sprinkle water to give vegetables a fresh look. But that actually is not good for us, as it's not possible to sell our total buy in a day," said Md Malek, a retail vegetable shop owner at the Mohammadpur kitchen market.

"As a day progresses, the rate at which vegetables spoil goes up. We have to raise the price to minimise losses."

Storage charges and Koyeli

Storehouse owners charge different rates to hoard goods.

Mojibur Rahman of Karwan Bazar takes Tk 3-3.5 a night to store every 5 kilogram of snake beans from wholesalers as trucks laden with such commodities appear at night.

Industry insiders call a storehouse owner an 'Aratdar' and the rate, 'Aratdari'. The rate

to store a 20-maund pack of pointed gourd is Tk 300.

This sector bears another kind of commission -- Koyeli. At most times, a steady rate is maintained and it goes into the aratdar's pockets. Retailers pay in this case.

Koyeli for every 5 kilogram of papaya, brinjal and ridge gourd stands at around Tk 3 in almost all markets in Dhaka. Rice has the lowest commission, Tk 0.30 a kilogram.

Barek Mollah, a fruit retailer at Mirpur 1, said he paid the commission at a rate of 10 percent, which is also the same for some vegetables like cabbage, cauliflower and sweet pumpkin.

Only a few commodities, like potato, onion, garlic and ginger, enjoy Koyeli-free business.

In addition, prices go up because wholesalers have to pay the illegal tolls and guards to bring the produce to Dhaka.

Sometimes, buyers have to wait with their goods at the point of purchase due to a lack of means of transportation, a non-favourable weather condition or any other problem. In this case, buyers deploy a guard with payment to take care of the essentials. This is almost equivalent to the transportation cost.

In addition, there are illegal tolls that make the kitchen market goods more pungent. These two are not common always but can be substantial.

Import is another option but goods need to be brought from further away and there is the risk of greater waste and higher expenses.

"The selling price of the commodities are fixed by adding all these expenditures with the amount buyers pay to the growers," said Monir Miya, a commodity importer in Shyambazar.

This is how a Tk 22-25 kilogram of vegetable is sold for Tk 80 in supermarkets, Miya added.

Prices go up another level when the goods reach the retailer's shop, as a retailer profits by around 30 percent.

"Too many hands are there. Everyone makes the highest possible profit. And we are only a part of the show," said Malek, the retailer in Mohammadpur.

Kamal Sardar, a vegetable grower in Faridpur, depicts the truth. "We cannot afford to buy our products after selling them once. They are like a rich son of a poor father."

shoyeb@thedailystar.net



A trader piles up sacks of ginger at his shop in Shyambazar.

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