



DHAKA, MONDAY, MAY 23, 2011, E-MAIL: [business@thedailystar.net](mailto:business@thedailystar.net)

# Districts in Focus

## Low paddy prices for lack of storage

### Farmers suffer as government procurement has not begun

HASIBUR RAHMAN BILU, Bogra

**F**ARMERS in 16 northern districts have to sell paddy to commission agents or middlemen, for a shortage of storage capacities and as the government is yet to begin food procurement.

The food department has not yet fixed a procurement target for paddy and rice this season. Last year, the department began procurement on May 1. It had procured 10.5 lakh tonnes of rice and 1.5 lakh tonnes of

paddy, according to the food department.

"The government has decided to start food procurement but the target quantity as well as price will be fixed at a high level meeting," said Ahmed Hasnain Khan, director general (DG) of the department.

The meeting is likely to take place next week, he said over phone.

Md Ekram Hossain, deputy director (DD) of Department of Agricultural Extension in Bogra, said hybrid paddy production in the northern districts has increased by about 1 tonne more per hectare compared to last



HASIBUR RAHMAN BILU

Farmers are seen selling paddy to wholesalers in Shingra upazila of Natore.

season.

"We got 0.75 tonnes more production per hectare than last year," said Hossain.

DAE officials predict rice production in the north will reach 70 lakh tonnes this year, against a target of 64.78 lakh tonnes.

Abu Bakar, 52, a wholesaler at Ranirhat wholesale paddy market in Shahjahanpur upazila of Bogra district, yesterday said he purchased hybrid paddy at Tk 500 per 40 kilogram, which was Tk 550 to Tk 560 last week. "Most farmers have to sell their paddy at low prices because of storage constraints."

"At the beginning of this season, I bought the BR-28 variety of paddy at Tk 700 per 40 kilogram. But now, it is being sold at Tk 650 in the same market," he added.

Mazibur Rahman Babu, 43, a commission agent at Karimpur Bazar in Kalai

upazila of Joypurhat district, said he purchased hybrid paddy at Tk 510 to Tk 510 per 40 kilogram yesterday, which was Tk 530 to Tk 535 last week.

"Due to a shortage of storage at farmers level and a lack of government procurement, the price is falling every week."

"Last year, I bought the same quality of paddy at Tk 670 to Tk 680," he said.

Zaidul Islam Bhola, 40, from Kantu Nagore village under Shingra upazila of Natore, said most farmers have to store their produce because of a lack of buyers as well.

"I sold fine quality paddy a few days ago at Tk 800 per 40 kilogram, which sold at Tk 700 last year," he said. Early this season, hybrid paddy sold at Tk 400 in wet conditions, but it was Tk 450 last year, he added.

"Last year, I got 0.80 tonnes of fine qual-

ity paddy by cultivating 33 decimals of land. But this year, I got 1 tonne of the same quality on the same piece of land."

Md Anwar Hossain, president of Raninagar Abidpukur Dhan Arat Samity, said they are supplying paddy as commission agents at Tk 6 commission per 40 kilogram.

"A total of 85 members of the organisation have been purchasing paddy since the beginning of the season."

Khoka Biswas, 40, a farmer of Kharuya Jangla village in Shahajadpur upazila of Pabna, said he sold 22.4 tonnes of paddy at Tk 510 per 40 kilogram in wet condition.

"Some paddy still remains with me in front of my house, because I am not getting fair prices. I sold paddy at Tk 650 to Tk 700 last year, but this year, I have to sell at Tk 515 per 40 kilogram to the wholesalers."



## Confusion over govt plans

HASIBUR RAHMAN BILU, Bogra

**M**ORE than 8,500 rice mills in the country, out of a total 17,000, remain idle as the food department has not yet signed an agreement with them to supply rice to the government, said Bangladesh Auto Major and Husking Mill Owners Association officials.

The government has drawn up a list of rice mill owners, who have to count huge losses as establishment costs, they added.

Moreover, the government has imposed some terms and conditions in regards to hoarding of food and bank loan adjustments for the first time this season.

"At least 5 lakh day labourers, who are totally dependent on the

government for food procurement, are passing their days without any work," said KM Layek Ali, convener of the association.

Ali said the high production of paddy and uncertainties over government food procurement have lowered rice prices to a great extent this season. "The government procured about 1 lakh tonnes of rice in May last year, whereas the department concerned has not yet notified the public about procurement of paddy and rice this season."

"I would like to request the government to make public the newly introduced hoarding and bank loan laws for millers," said Ali.

The government issued a letter to the millers, saying that they have to sell paddy within 30 days of purchase and the rice produced will have to be

sold in the local markets or supplied to the government within 10 days of production, he added.

"I think the government should set the targeted procurement date to help keep the market prices stable and encourage food production in the country."

On the other hand, Bangladesh Bank issued a letter, asking millers to adjust cash advances taken within 30 days of disbursement of the loans, said Ali. Most millers are not yet clear about the implications of the government order and hence panic has gripped them generally, he added.

"I'd also request the government to monitor the wholesale market of paddy to check hoarding of food. We are apprehensive about the capital market scam because capital market



KM Layek Ali

funds are likely to be invested in the wholesale paddy market for hoarding."

Sheikh Abdul Hakim, 45, a rice mill owner of Khetlal upazila in Joypurhat, said over phone that he produced 5.2 tonnes of rice a day for government supply last year, based on a contract. But this year, he is yet to begin production.

"I have purchased only 20 tonnes of paddy this season, just to keep my mill running and to support the families of the labourers who work for me. Last year, I bought 200 tonnes of paddy," he said.

I am confused about the government food procurement plan this year, and so, I have decided to purchase a minimum amount of paddy to be able to pay the establishment costs of my mill," he added.

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