

A modern approach to farm budget

Shykh Seraj discusses the need for a push to sustain success in agriculture

MD FAZLUR RAHMAN

BANGLADESH'S neglected agriculture sector needs a major push to take it to the next level and modernise the centuries old farming practices, a top agriculture activist said.

"We have reached a certain stage in agriculture so far. But if we cannot modernise it and give it a push, then it would be tough to sustain this success," said Shykh Seraj.

"There should be research on agriculture and a new extension system. It has to be enriched with new knowledge and technology. Otherwise, the hostile climate will completely cripple agriculture, farmers and the rural economy," he said.

He said the contribution of the farmers to the economy is much higher than any other sector, but there is no body to look after them, as they do not have any powerful trade body to lobby for them.

"The whole spectrum of agriculture should be brought under a framework to guarantee that budgetary allocation reaches the farmers, fair price for them, good governance and an accountable agriculture department," Seraj said.

The founder director and head of news of Channel i said the country's budget should have been more agriculture friendly. However it did not happen for various reasons in the past.

However, in the last decade, the budget is gradually giving attention to the sector.

Bangladesh has achieved near self-sufficiency in food, riding on the performance of Bangladesh Agriculture Development Corporation (BADC), Bangladesh Agriculture Research Institute (BARC) and Department of Agriculture Extension (DAE).

Seraj said the past budgets for the agriculture sector were mainly limited to paddy cultivation, but there has been crop diversification in a major way in the country since 1990.

"There has not been any budgetary allocation to enhance crop diversification, ensure market access for new varieties and crops, develop storage and processing facilities and ensure value addition," he said.

"As a result, tomatoes, potatoes and vegetables rot, and farmers do not get fair prices for their produce. The government has not concentrated enough to this effect."

The 58-year-old said the government has not also given adequate attention to the agriculture sub-sectors, such as poultry, fisheries and livestock, which supply protein.

Seraj said things are changing thanks to an increase in media reporting and a focus on agriculture.

He said the government allocated Tk 4,500 crore in subsidies for the sector last year, which rose to over Tk 10,000 crore at the end of the year due to crises such as high prices of fertilisers in international markets and grants and incentives.

Seraj said crop insurance is being discussed for the last 8-9 years. "It is urgently needed for the farmers. If you want to protect a farmer, you need to have a mechanism."

He said crop insurance exists in over 100 countries.



Shykh Seraj

Bangladesh is also a disaster-prone country, and floods, drought and rains always destroy crops.

Whenever any crop is damaged, farmers endure the brunt and in most cases, they cannot make a comeback as they are not under any insurance coverage, he said.

Seraj, who clinched the prestigious UN Food and Agriculture Organisation AH Boerma Award in 2009 for pioneering contribution towards increasing public awareness of all aspects of agriculture and development, said the government has to form a price commission so that farmers get fair prices for what they produce.

"It is a must. The government should fix the base price for some agriculture products, as the gap between the price a farmer gets and the price an end-consumer pays is huge."

"The middlemen are eating away the profits, even if they are not farmers and do not have any contribution to the society or economy."

Seraj said there must be a commodity exchange in Bangladesh; the private sector has to invest in this sector and the government will have to provide incentives.

He said in the last three budgets, the government allocated a significant amount of money for public private partnership, mainly to build roads, bridges, and highways in the country.

"But we have failed to utilise the fund. My question is -- why is the allocation for PPP not rural-bound?"

He said the government has the capacity to store a

maximum of 15 tonnes of crops. "But you will not be able to control the price of paddy with such a meagre capacity."

"It is never possible, as the total production of rice in the country is over 3.25 crore tonnes a year. Investment is needed in expanding the storage facility."

"If the government stores a significant amount of rice, it will be able to control the market."

Seraj, who also won Ekushey Padak in 1995, said the storage facility should be area-based. "The PPP fund should be spent in developing area-based storage facilities and cold-storages."

He said the country's crops should gradually be brought under zoning.

Seraj said the budget for agriculture should not be for a single year; it has to be for several years, like the fifth-year planning.

In the current fiscal year, the government has allocated Tk 5 crore for crop insurance, Seraj said. "But we could not spend as we do not have any framework."

"India has three crop insurances. Bangladesh's weather is almost similar to that of West Bengal of India. We can bring their model and utilise it."

Initially, it would be tough to enforce crop insurance in case of paddy, as Bangladesh's land holdings are small, he added. "We can go for insurance in case of high value crops such as litchi, mango, guava, and strawberry."

He said crop insurance should also be applied to poultry, fisheries and livestock.

"One bird flu contagion is enough to destroy an entire poultry farm. Similarly, there are a huge risk factor in case of fisheries and dairy. Crop insurance is needed for all productive sub-sectors."

Seraj said the government should start crop insurance, even if subsidies have to be given to this effect.

He said although there has been much hue and cry over large subsidies for agriculture, the incentives are never a grant for the farmers.

"It is their right because they are paying back. The subsidies are an investment of the state. The state is getting better crop because of this investment. If the country does not get desired results, it has to import a significant amount of crop."

"During our pre-budget programme across the country, farmers did not ask for subsidies. They just wanted fair prices for their products. They wanted only 10 per cent in profit."

He said there are faults in the government's rice and paddy procurement practice. "The government buys it from the millers. As a result, the real farmers do not benefit from the extra money that the government pays beyond the production cost."

He said the National Board of Revenue (NBR) sits with various stakeholders before the budget announcement. "But they do not sit with farmers. The government prepares the budget for the agriculture sector out of assumption."

He thanked Finance Minister AMA Muhith for engaging officials from the finance ministry and the NBR to know and write down the demands of the farmers during the pre-budget discussion organised by Channel i.

He said DAE has to be modernised so that it fits with the changing times and needs. "The DAE's thoughts are still limited to achieving self-sufficiency in food riding on rice cultivation. But the farmers have gone for crop diversification in the meantime."

"On the other hand, the method the DAE used to extend agriculture is not feasible at present. For example, one DAE field officer has to take care of 1,200 farm households -- which is impossible."

The development activist said DAE has to modify its extension system. The DAE field officials should hold meetings with farmers at night, where they will be able to reach more farmers simultaneously.

Seraj said BADC, which claims it accounts for about 20 percent of the country's total seed requirement, should strive to supply at least 50 percent.

He urged the government to increase the retirement age limit for the agri-scientists and reform their remuneration structure so that they do not go out of the country for better opportunities.

At least 150 breeder scientists have migrated to mainly Australia and Canada in the last 10 years, he said.

He especially thanked the central bank governor for asking the private commercial banks to invest in agriculture.

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Shykh Seraj's budget recipe

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FARMERS have urged the government to bring prices of the agriculture inputs under their purchasing capacity to reduce costs of production and ensure fair sales prices.

The farmers said the total cost of agriculture, including prices of the agriculture inputs, has gone up. But the market prices of agriculture products are inconsistent with the cost of production.

Their observations came at one of the pre-budget discussions recently organised by private television station Channel i, said Shykh Seraj, founder director and head of news of the channel.

The channel organised "Agriculture budget, budget for the farmers" as part of its popular programme Hridoye Mati O Manush to give voice to the neglected segment of the society before the government announces its budget for fiscal 2012-13.

Under the programme, the channel organised pre-budget discussions in Comilla, Jessore, Cox's Bazaar, Mymensingh, Manikganj and Tangail, where 25,000 farmers took part, Seraj said on Saturday.

The farmers helped Seraj make 55 recommendations, comprising 18 for agriculture, 14 for poultry, 12 for fisheries and 11 for livestock and dairy industries.



CHANNEL I

A farmer shares his view with Shykh Seraj, an agriculture activist and head of private television station Channel i, at a pre-budget discussion in Mymensingh last month.

Seraj, for the eighth time since 2005, has submitted a list of recommendations to the finance minister recently.

SUGGESTIONS

For poultry:

- Ban on imports of eggs and day-old chick from India
- Tax holiday for the sector up to 2025
- Input support cards
- Easy credit for poultry farmers
- Steps for reducing prices of poultry feed

- Special allocation for the people who have lost capital to bird flu
- Steps to make vaccines
- Poultry and hatchery policies

For fishery:

- The sector should be given benefits similar to agriculture
- Withdraw income tax for fisheries and fry-producing hatcheries
- Govt ID cards for fish farmers
- Free rivers of pollution
- Fair price for farmers

- Overhaul research institutions
- Recover water bodies from grabbers
- Protect endangered fish species

For dairy:

- Input support cards for animal rearers and dairy farmers
- Milk processing centres and chilling plants in areas rich in dairy production
- Fair price for milk
- Cuts in prices of livestock foods
- Easy credit for dairy producers

Barefoot lawyers bring food security to India's tribes

REUTERS, Khammam, India

IT was a deal struck almost 40 years ago by a poor, illiterate Indian farmer, driven by desperation after a drought wiped out his crops and left his family close to starvation.

The agreement: 10 acres of land, the size of four soccer pitches, for a mere 10 kg (22 lbs) of sorghum grains.

"My father-in-law pawned the land for food," said Kowasalya Thati, lifting the hem of her grey sari and stepping into the muddy field of rice paddy in Kottasurream village in the southern region of Andhra Pradesh.

"When he returned the grain later, the land owners refused to give it back. They claimed it and we had no document to prove otherwise. For 28 years, we had to work on the land we once owned. Without land, we had nothing ... not even enough food. It's a miracle we got it back."

Kowasalya's family is one of hundreds of thousands who belong to India's 700 listed tribes who are at last gaining legal titles to the land they have lived on for generations, thanks to a legal aid scheme run by the Andhra Pradesh government with international advocacy group Landesa.

In the scheme, which is likely to be rolled out nationally, young people often armed with only a secondary-level education are drawn from mud-and-brick villages and trained as paralegals, then sent out to help peo-

ple to understand their rights and secure title, or "patta", to their land.

For most tribal and landless families, that simple piece of paper means an end to a constant fear of hunger.

"Land is the most important factor of production," said Pramod Joshi, South Asia director of the International Food Policy Research Institute.

"It helps ensure food security for the poorest of the poor. It has been shown in many regions that if the poor have land, they are in a better position to feed themselves."

Despite a slew of "pro-poor" policies, India's economic boom has largely bypassed India's tribes, who make up more than 8 percent of its 1.2 billion population, living in remote villages and eking out a living from farming, cattle rearing and collecting and selling fruit and leaves from the forests.

Social indicators such as literacy, child malnutrition and maternal mortality in these communities are among the worst in the country.

Neglect by authorities and a Maoist insurgency in the tribal belt in central parts of the country have further exacerbated their plight.

But the biggest threat, activists say, has always been to their land. A lack of documents proving ownership of the land means that many are treated as criminals, exploited by wealthy land owners and money lenders, moved off their farms in illegal land grabs, or face extortion by officials.