	USD	EUR	GBP	CNY
BUY TK	83.95	89.80	102.95	11.70
SELL TK	84.95	93.60	106.75	12.30

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TAMING CORONAVIRUS RAMPAGE

Nation reels towards poultry shortage

Sohel Parvez, EAM Asaduzzaman *and* Ahmed Humayun Kabir Topu

There has been a stunning slump in demand for meat and eggs since coronavirus arrived on these shores. And the dizzying speed at which the lethal pathogen went about upending life in the country prompted many farms, slapped by unprecedented losses, to cut back on production by more than half.

But the development now means the nation is heading towards a poultry shortage and a price increase.

"There would be an impact in the middle of next month and the supply-demand mismatch for poultry would continue for a minimum of six months," said Fazle Rahim Khan Shahriar, managing director of Aftab Bahumukhi Farms.

Breeders used to hatch 1.40 crore day-old chicks every week before coronavirus. Now, it has come down to 70-75 lakh, according to industry people.

In general, it takes a month for a batch of birds to become mature for sales and three weeks to get a bird from an egg.

As the nationwide movement control order took effect on March 26 to flatten the curve on coronavirus, hotels, restaurants, bakeries and fast food joints shuttered on a slump in customer footfall and the need for social distancing meant there were no mass gatherings like weddings.

In short, the demand for chicken and eggs hit the pits, forcing hatcheries either to sell hatched eggs at throwaway prices or dump chicks.

Besides, the ongoing shutdown has wiped out the income of the poor and low-income people, one of the main consumers of poultry products, said Mahamudul Hasan, joint secretary of the Bangladesh Poultry Industries Association (BPIA) for Rangpur division.

The sector has been suffering for low prices for the last eight months and the coronavirus has dealt a fresh blow.

"Some of the breeders even offered day-old chicks to farmers for free, but no farmers wanted to take them," said Sayed Sultan Ahmed, general manager of Kazi Farms, one of the biggest poultry breeders in Bangladesh.

This compelled breeders to sell day-old chicks at Tk 1-2 each against the production cost of Tk 32-Tk 35, according to the Bangladesh Poultry Industries Central Council (BPICC), which represents the Tk 35,000 crore-poultry industry in the country.

The prices of broiler chicken and eggs dropped and farmers had to sell the protein at as much as 50 per cent below the production cost of Tk 95-Tk 100 for each kilogram of broiler chicken and Tk 5.5-Tk 6 for an egg, BPICC data showed.

Prices rebounded in the last two days, said Shariful Alam Biddyut, owner of Mahin Poultry Farm in the northwestern district of Nilphamari, on April 21.

The farm has 13,500 layer chickens. It incurred losses for selling an egg at Tk 5.20 until early this week against the cost of production of more than Tk 6.

"Even the prices of layer chickens have fallen below the level of the prices we got in the days before the coronavirus outbreak," said Biddyut, one of the 88,000 poultry farmers in Bangladesh.

But it is good to see the prices of eggs have started to recover.

"If the trend continues, we would be able to recover the losses," he added.

The rebound in prices, however, might be temporary, said Md Golam Kabir Shishir, a broiler poultry farm owner in Pabna.

The price of broiler chickens has begun to go up as farming dropped, said Ahmed of Kazi Farms. Also, the prices of day-old chicks rose amid farmers' renewed interest in posting higher sales during Eid, scheduled for next month.

"Prices will go up sharply if the shutdown ends and normalcy returns," he added.

The resurgence in demand would be short-lived and the industry situation would turn bad after the Eid-ul-Fitr festival, said BPICC President Moshiur Rahman.

"Overall, the poultry industry situation is not good. This is the worst ever crisis for us."

The BPICC estimates that the sector incurred a loss of Tk 1,650 crore until April 11. This included the losses faced by feed millers and animal health companies.

The loss is forecast to cross Tk 3,000 crore by the end of April. "It is a huge loss," Rahman said.

CORONAVIRUS IMPACT ON POULTRY INDUSTRY

- One-day-old chicks cost Tk 1-2, below production cost of >Tk 32
- Their weekly production dropped to 70-75 lakh from 1.40cr
- Farm gate egg prices dropped below production cost at Tk 5.5-6 each
- Farm gate broiler meat prices dropped to less than Tk 95-100 a kg
- The industry incurred Tk 1,650 crore losses until April 11
- Reduced farming created supply shortage of broiler meat, eggs
- Subsequently, prices of broiler chicken meat edged up 14pc yesterday to Tk 120-130 a kg

Large business groups show up at customers' doorsteps

Ahsan Habib

Big business groups have turned to e-commerce and home delivery to head off a collapse in sales amid the countrywide movement control order.

Square Toiletries, ACI Foods, Pran-RFL, Aarong Dairy, Transcom Digital, Rangs Electronics, Singer Bangladesh, Hurrier Baby Diaper, Dan Cake, Fresh and Golden Harvest are among the companies that are taking their products to the doorsteps of consumers.

"We have started home delivery as we want to ensure our consumers that we are with them in this crisis," said Ahmed Rajeeb Samdani, chairman of Golden Harvest Group, a frozen food giant.

Consumers' response has been good and it is convenient to supply the products due to low traffic on the roads.

This, however, is not a money-spinning exercise. "We are just keeping the ball rolling," Samdani added.

"We have no resources to reach consumers directly, so we are depending on e-commerce service providers," said Jesmin Zaman, head of marketing of Square Toiletries, which is currently delivering essential products such as hand sanitisers and sanitary napkins.

The home delivery system is getting significant response as the consumers benefit from the service, said Kamruzzaman Kamal, Pran-RFL's marketing director.

"Our outlets are doing the work of distribution with the help of e-commerce providers," he added.

Sadeeq Agro, which sells dairy and meat products, has taken the direct-to-consumer route amid the shutdown, said Mohammed Imran Hossain, its proprietor.

"Customer response has been so high that we can't fulfil their demand. It is clear that the marketing side needs more investment to ensure a good price for producers," he said.

The shift is not without challenges for the companies though.

Because of the small order bill and travel restrictions, Pran-RFL can't afford to supply products across the country, Kamal said.

"We are taking the risks because our products are being sold and people who are staying at home are also getting the supply," said Hossain, also the secretary general of the Bangladesh Dairy Farmers Association.

Frozen food having its day in the sun amid pandemic

Sohel Parvez

In a moment of crisis, many reach out for comfort foods.

And that is exactly how urban residents are behaving as uncertainty about the future and morbid fear reign supreme, propping up the demand for frozen foods up at a time when a vast range of consumer goods and services have fallen prey to the global coronavirus pandemic.

As the coronavirus situation is only getting worse, restaurants and fast food joints, which could have satisfied their craving for comfort food, have kept their doors shut, shoppers are to the supermarket aisles to pick up ready-to-eat chicken and beef products, the closest substitute.

Sales of chicken-based food products are bested only by those of frozen parathas these days, according to industry people.

And yet, overall sales have remained well below the pre-coronavirus days.

"Two of our sales channels are contributing less now than in the pre-COVID period. But we see good sales through supermarkets," said Tanvir Haider Chaudhury, chief executive officer of Kazi Food Industries, one of the leading frozen foods and chicken products processors in Bangladesh.

Active for the last one and a half decades, the company has found a niche among the convenience-seeking middle-class and working families.

Apart from marketing its frozen foods through supermarkets and neighbourhood shops, Kazi Food Industries has 150 quick-service restaurants. Most of the kiosks are shut. Besides, limited opening hours for convenience and superstores are hampering sales.

The company is also facing difficulty in delivering products in many areas because of the countrywide movement control order, with its business now limited to only Dhaka and Chattogram metropolitan areas.

"We see demand in these areas. From that perspective, frozen foods are still keeping us afloat. But things could have been much better," Chaudhury added.

The market for ready-made foods and snacks has been growing fast and the pace of growth accelerated in recent years to stand from as low as Tk 300 crore to Tk 1,000 crore.

It is growing at 15 per cent year-on-year, said Ahmed Rajeeb Samdani, managing director of Golden Harvest Agro Industries, a frozen food giant.

"Our frozen food market has not fallen to that extent. Frozen foods are moving from the shelves compared with other products that are not moving at all," he said.

As the shutdown affected demand and distribution in many parts of the country, Golden Harvest has begun home delivery to make use of its trucks that have become idle after the requirement for delivery out of Dhaka dropped.

Most of the companies in the trade have started home delivery, Samdani said. Paragon Group, one of the leading poultry breeders and processors, has found home delivery as one of the main windows to retain sales to some extent amidst a dip in demand for chickens and eggs.

The company used to supply its processed chicken to some global chain restaurants and hotels in Bangladesh but the shutdown has hit its sales hard.

The introduction of home delivery could arrest the bleeding to some extent.

"Demand for home delivery has soared but we can't meet the increased demand as we don't have enough delivery vans to respond to all calls," said Moshiur Rahman, managing director of Paragon Group.

For AG Agro Industries, daily sales of processed chicken, processed chicken items and flour-based frozen foods fell 40 per cent to Tk 6 lakh after the shutdown began, said Md Lutfor Rahman, chief executive of the poultry breeder and processor.

"Shops are not open everywhere. We see an increased demand in the areas where we can access shops. In general, sales have been below the level of the pre-COVID-19 period," said Kamruzzaman Kamal, director marketing of Pran-RFL Group.

Processors are sanguine about the future. There would be a jump in the frozen food market once the lockdown ends, Samdani said.

"It is because of convenience."

Many residents in urban areas will be shaky in hiring domestic workers to make food such as traditional paratha for fear of coronavirus infection.

"We are experimenting with new products and planning to expand capacity. I think the frozen and ready-to-eat food industry is going to grow."

ZINA TASREEN

BB orders banks for quick release of import documents

Star Business Report

The Bangladesh Bank yesterday asked banks to speedily release import-related documents such that the goods can be released from the port without further delay as the government scrambles to prevent any supply disruption during Ramadan.

Banks were also asked to settle the import liabilities swiftly such that essential goods can be supplied to the market smoothly amid the ongoing lockdown.

The goods that must get priority include rice, lentil, onion, salt, sugar, ginger, garlic, water, baby food, food items and all types of medical and electronic equipment.

The instructions were given following a commerce ministry letter.

As per the ministry instruction, the imported goods will be transported to the required zones of the country by maintaining the health code.

The country's supply chain has been disrupted on a massive scale due to the ongoing shutdown to snuff out the coronavirus pandemic.

Many authorised dealer branches that settle foreign exchange transactions have remained shut for the shutdown. This slowed the release of products from the Chattogram port.

CPA pleads with importers to ease port congestion

Dwaipayan Barua, *Ctg*

In a last-ditch move, the Chattogram Port Authority (CPA) has started writing to importers directly asking them to take delivery of imported cargoes that have piled up at the country's premier port and causing congestion.

Yesterday, it sent letters to 13 importing firms that brought in about 2,800 tonnes of garlic, ginger and onion and asked them to take the deliveries.

The items were imported to meet the heightened demand during Ramadan, but they have been stranded at the port for the last few weeks.

According to the port, 208 TEUs containers loaded with 850 tonnes garlic, 475 tonnes ginger and 1,473 tonnes onion were lying at the port yards.

"We did this to reduce the congestion and accelerate the supply of commodities in the market," said CPA Member Md Zafar Alam.

About 44,000 TEUs (twenty-foot equivalent units) of fully loaded containers were lying at the port yards against the capacity of 34,868 TEUs, it said in the letter.

"As the delivery of the containers has been very slow for the last one month, the port has been facing operational disruption," the letter added.

More containers carrying the three items have remained on board of several vessels waiting at the outer anchorage to get a berth, said CPA officials.

Importers earlier blamed limited services provided by various government and other offices involved in releasing goods for the slow delivery from the port.

Because of repeated pressure from the CPA and the shipping ministry to resolve the congestion, the National Board of Revenue and the Bangladesh Bank last week even took several initiatives, like the full-scale reopening of the Chattogram Customs House and some branches of banks as well as allowing all types of imports to be shifted to the private inland container depots.

The situation would not improve much if the importers don't take their cargoes, according to berth operators, shipping agents and off-dock owners.

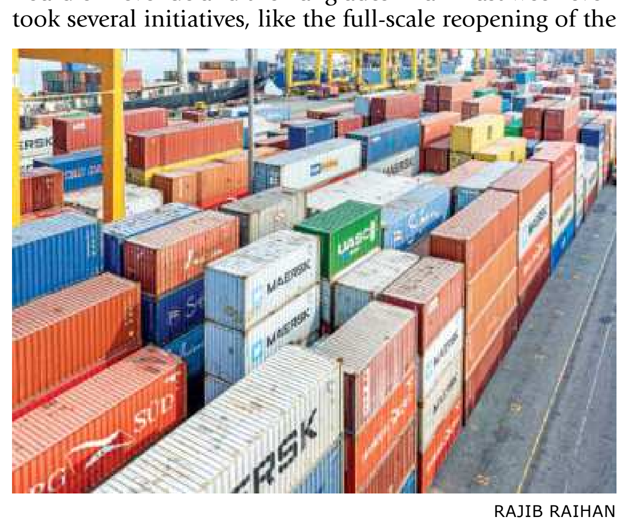
The CPA also sent letters to the Chittagong Chamber of Commerce and Industry and the Chattogram C&F Agents Association to take initiative in this regard.

The importers failed to get the delivery on time as the related offices like customs house, banks, the plant quarantine department and the Bangladesh Atomic Energy Commission have been working on a limited scale since the shutdown started, said Liakat Ali Hawlader, secretary (port) of the Chattogram C&F Agents Association.

Though most offices have gradually reopened, all the banks are yet to begin their operation fully, causing problems for the importers to process import-related documents, said Hawlader, adding that the situation would improve gradually.

Meanwhile, the price of imported ginger has continued to soar for the last four weeks because of a supply shortage. It shot up by Tk 100 to Tk 150 per kg to Tk 280 last week. Retailers are selling it at Tk 300 a kg.

Prices of the food items went up at the wholesale hub of Khatunganj, too.



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