Northern districts fall in love with coffee farming

EAM Asaduzzaman, *Nilphamari*

In the past, people in rural Bangladesh used to consider coffee as an expensive, imported South American drinking product meant for a select group of people with high income.

But the consumption of coffee is gradually growing in Bangladesh along with the changing lifestyle of the general mass.

What is more, the recent success of tea gardening in Panchagarh, Nilphamari and a few other northern districts has encouraged many to cultivate coffee as both crops need almost the same kind of climate and soil that the region has.

"Acidic soil and moderate temperature are favourable for tea and coffee cultivation as both are of shrub family," said Mesbahur Rahman, a horticulture specialist in Rangpur region of the Department of Agricultural Extension (DAE).

Coffee cherries are grown in one and a half years after plantation, from which coffee powder is made, according to industry insiders.

"Consumption of coffee is increasing," said Chowdhury Kamruzzaman, director for marketing of Pran-RFL, which markets coffee.

Bangladesh consumes 1,100 tonnes of coffee as beverage through imports mainly from Vietnam, Brazil, Malaysia, Indonesia and African countries. The yearly local market for coffee is around Tk 130 crore, and it is growing at 15 per cent.

In the northern part of Bangladesh, coffee farming has gained popularity in the last couple of years, when small growers have developed four coffee gardens in Kishoreganj and Jaldhaka upazila of Nilphamari district and adjacent Taraganj upazila in Rangpur.

"I heard about coffee and was looking for saplings as I like to keep uncommon varieties in my nursery," said Abdul Kuddus, a pioneer in coffee cultivation in the northern part of Bangladesh.

EAM ASADUZZAMAN

***Clockwise from bottom left*, Ripe coffee beans are seen. Farmer Khadiza Akhter of Jaldhaka upazila in Nilphamari is taking care of her garden's coffee plant. Abdul Kuddus, a pioneer in coffee farming in the district, poses with a bowl of coffee powder that he prepared from coffee beans.**

"Finally, I managed 254 pieces from Cox's Bazar in 2014. But there was no buyer for the saplings, as people knew very little about it," said the youthful septuagenarian, who lives in Munshipara village in Kishoreganj upazila.

Enthusiastic Kuddus, who is also a nursery owner, did not lose heart.

He instead planted the saplings in his 15-decimal land and started taking care of them with his knowledge, as the then DAE officials were reluctant to assist him.

In around two years, green cherries appeared, which became reddish after maturity, he continued. But this time Kuddus became confused as he had no idea on how to deal with the fruits.

He used his experience in nursery, broke the shells with the help of husking pedals and collected the beans.

"I fried the beans in a pan, crushed them in a flour mill and got 67 kilograms of chocolate powder called raw coffee."

"Many people spoke highly of my coffee powder then, saying they taste better than that of the branded companies," Kuddus said.

Inspired by Kuddus's success, Khadiza Akhter of Mouja Shaulmari Sunagar village in Jaldhaka upazila, collected saplings from the veteran at Tk 200 apiece.

The 49-year-old female farmer planted 586 coffee saplings in a 40-decimal land in early 2019 and fruits grew in 245 plants at the fag end of that year.

"I processed the fruits manually to get the coffee powder and sometimes offered those to dignitaries, who paid a visit to my garden, including DAE's high-ups and the deputy inspector general of police in Rangpur range and officials of the local agriculture department."

Akhter said her elder son, who is a university student, helped her with the latest information on coffee cultivation.

READ MORE ON B3

Global crude market finds support mainly from China demand

Reuters, *New York/Moscow/London*

China, the global oil market's lifeline this year, has stepped up purchases from exporters like Russia, the United States and Angola in recent weeks, while buyers elsewhere pare orders as coronavirus infections surge and fresh lockdowns are put in place.

China, the world's largest importer of crude, is the only major buyer expected to see increased oil demand this year as the pandemic destroyed consumption globally.

With China's imports expected to reach 12 million barrels per day (bpd) next year, sellers are lining up shipments to retain market share as worldwide oil consumption is expected to fall by nearly 9 per cent in 2020. (Graphic: Global oil demand by region during Q2 and Q3 2020,)

This week, Royal Dutch Shell Plc, Russian Lukoil's trading arm Litasco and Unipec, the trading arm of China's state-owned Sinopec, have provisionally booked, or are looking to book supertankers to ship US crude from the Gulf Coast to Asia in December, according to shipbrokers and Refinitiv Eikon data.

COVID-19 infections are rising worldwide, particularly in heavy fuel users like the United States and Europe.

For the last few months, that pushed the prices of key crude grades lower, allowing Chinese buyers to take advantage. The country is also ramping up commercial oil stockpiling, buying oil at low prices to increase reserves.

The International Energy Agency said last week that China was on track to be the only major country to boost its demand for oil year-on-year. It estimates global demand at 91.3 million bpd in 2020, down from 100.1 million bpd in 2019.

"Lockdowns will probably be in place in Europe for much of this winter. China has raised its quotas and (storage) capacity. It looks like the demand will be centered there in the near future," a trader at a European refiner said.

The premium for Russian January-loading ESPO Blend crude, one of the most popular grades for Chinese independent oil refiners, is at five-month highs.

US crude grades are rebounding as well, with WTI in East Houston WTC-MEH climbing to its highest in about two months this week. US grades have been pressured due to a 12 per cent drop in domestic fuel demand and as new COVID-19 infections hit daily records.

These come on the back of firmer Middle East crude prices, which makes up the baseload of Asia's demand. This week, Qatar sold January-loading al-Shaheen crude at the highest premiums in four months.

"Chinese demand is more visible now," one trader in the Russian Far East crude oil market told Reuters. "Trading firms are very active as they expect more requests from China's independent oil refiners that will buy oil under new import quotas."

A Chinese buyer said traders were offering US crude, North Sea Forties and West African grades as they expected arbitrage economics to improve after sharp gains in Middle East prices.

Premiums for ESPO Blend firmed to $2.90 per barrel above Dubai quotes this week, their highest since June, as trading of January volumes began. Russia's Sokol crude cargoes loading in January also recently firmed to four-month highs.

Bourses see drop in turnover

Recent IPO investments ate up liquidity, say market players

Star Business Report

Stocks fell yesterday as liquidity dried up for investors following the channelling of funds into several initial public offerings over the past month and capital getting stuck for a drop in insurance share prices.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), fell 9.77 points, or 0.19 per cent, to 4,879.96 yesterday.

The bidding for determining cut-off prices of initial public offerings for Mir Akhtar Hossain Company, Lub-rref, and Index Agro was completed this month.

The subscription period for Dominage and Crystal Insurance also ended in November while that of Robi Axiata is underway.

Insurance shares had nearly doubled in the past few months, attracting investment. Later the prices fell, leading to a loss of interest among investors to sell those off, for which the capital got stuck.

Besides, prospective gamblers were successfully deterred from purchasing certain stocks due to prompt action of the market regulator, such as the formation of probe bodies to identify such persons, according to market analysts.

Though this cut off some investment and caused the turnover to fall, the Bangladesh Securities and Exchange Commission (BSEC) deserves appreciation for its efforts, they said.

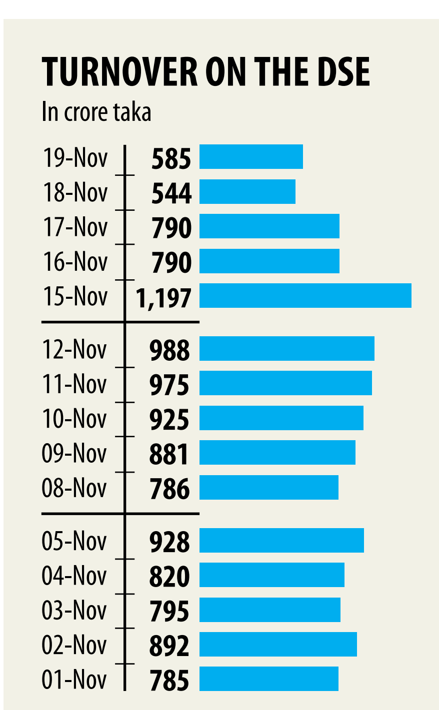
Some rogue players in the insurance and mutual fund sectors were discouraged from engaging in gambling, and this move will have a positive impact on the market in the long run, said a top official of a merchant bank.

"Investors need to learn from this example and invest in good stocks rather than paying heed to rumours," he added.

Khairul Bashar Abu Taher Mohammed, CEO of MTB Capital, echoed the same, saying that insurance and mutual funds were being gambled with and such malpractice-intended investments in these sectors have been deterred.

"Without any reason, the sectors' stock prices had blown up," he said.

Meanwhile, the subscription periods for a few IPOs were scheduled over the past one month and so much of the investments



made during that time were channelled into those IPOs.

"As a result, the turnover of the secondary market has dropped," Mohammed added.

The CEO also said he feels the second wave of Covid-19 was yet to make people limit their investments on the market.

Institutional investors are not participating in the secondary market yet, and as a result, the index and turnover remained low, said stock investor Abul Kalam Azad.

This is because institutional investors are either fearful of the Covid-19's impacts or are busy bidding for the recently approved IPOs.

"But without their participation, developing a sustainable, vibrant stock market is not possible," Azad added.

Institutional investors have been cautious about their spending since the outbreak began in March, according to a top asset manager.

"This is not about a potential second wave," he said.

READ MORE ON B3

As regulators prepare to weigh in on 737 MAX, FAA's global dominance fades

Reuters, *Sydney/Montreal*

Global regulators have held off approving the Boeing 737 MAX despite a decision by the US Federal Aviation Administration to end a 20-month grounding, highlighting changes in the global regulatory pecking order caused by two crashes of the jet.

In March 2019, when the second MAX crash in five months brought the death toll on the recently introduced Boeing Co BA.N model to 346 people, China quickly grounded the airliner, sparking a cascade of flight bans around the world.

The announcements from East to West highlighted China's growing clout in aerospace and global affairs.

Now, however, the ungrounding process is expected to take days, weeks or longer as foreign regulators check the FAA's homework and impose their own conditions for a return to service.

In the past, regulators promptly followed the guidance of the FAA, credited for decades with pioneering aviation safety. But many are now wary of seeming to toe the FAA line after the US agency was faulted for lax oversight.

Canada and Brazil, two aircraft-producing nations with heft in the industry, are expected to back the FAA's decision within weeks. But both said on Wednesday they weren't yet ready to decide.

"I think it's causing the countries to be a little bit more critical of the type-certificate validation process," said Mike Daniel, a former FAA certification expert and accident investigator based in Singapore. "Hopefully they're a little bit more critical of what their air operators are required to do with regard to training."

The ability of regulators to co-operate is crucial in a sector spanning dozens of jurisdictions.

Having a regulator such as the FAA do the heavy lifting to certify a US plane reduces costs and time, because agencies abroad can validate the results without having to duplicate them, said Teal Group analyst Richard Aboulafia.

"What the FAA does need are more resources," he said.

Emerging strengthened from the crisis, many analysts say, is the European Union Aviation Safety Agency (EASA), a direct peer to the FAA that oversees Airbus.

It has been closely involved in vetting the MAX changes and is expected to have greater scrutiny of future projects like Boeing's 777X, while the FAA may do likewise with Airbus jets.

The crisis has boosted EASA's influence as some agencies wait for its decision on the MAX rather than copy the FAA.

"We have been working with EASA since the early days on the issue and their position will be taken into account," a spokesman for Australia's Civil Aviation Safety Authority said.

Industry sources say EASA could issue its ungrounding order as early as next week, followed by a 30-day comment period.

But there will be some differences between what the FAA approved and what Europe and Canada will require for their airlines. Canada, one of the last major nations before the US to ground the MAX, has faced criticism for shadowing its ally.

FAA chief Steve Dickson played down the differences.

"There's very little daylight" between the FAA and regulators around the world, he said, adding that the FAA had worked "arm in arm" with Europe, Canada and Brazil.

"As painful and as arduous as the process has been, it has really strengthened the cooperation between these regulators and I think it put us in a much stronger position globally for aviation safety going forward," he said. He expected other agencies to approve the MAX in a "relatively short period of time".

That still leaves unanswered questions over China's plans for approving the MAX. As the biggest operator, its decisions have an immediate impact on Boeing, and its broader airspace ban could hamper the return to service by other Asian airlines.

But as a rising aerospace power with its own commercial jet programme and ambitions to be taken seriously as a regulator, China has wider interests too, analysts say. Some do not exclude Beijing using the MAX as a political bargaining chip.

"We worry that it might be used as a tool in the escalating tensions between the US and Chinese governments," Morningstar analyst Burkett Huey wrote. "That noted, we are encouraged by the coming change in the US government and think the new administration may have a less combative trade policy, which we think increases the chance of Chinese recertification."

REUTERS

Grounded Boeing 737 MAX aircraft are seen parked at Boeing facilities at Grant County International Airport in Moses Lake, Washington, US on November 17.