Dairy cooperatives failing Milk Vita

Ahmed Humayun Kabir Topu, *from Baghabari, Sirajganj*

A third of dairy cooperatives still active under Milk Vita are selling most of the milk collected from farmer members in the open market for higher rates instead of supplying it to the state-run organisation.

This has led to milk collection reaching a record low and a drastic fall in production of Bangladesh Milk Producers' Co-operative Union Ltd over the last couple of months.

Established in 1973, Milk Vita's primary objective is to provide a guaranteed market to ensure fair prices for the poor, landless and marginal dairy farmers of rural Bangladesh.

This also benefits citizens who are provided a regular supply of fresh and hygienic milk and milk products at a reasonable price.

The collectives play a vital role in the milk supply chain. Members supply them milk twice a day for weekly cash payments.

After preliminary processing at the nearest plant, the milk is transported to facilities for the production of liquid milk, cream, ice-cream, flavoured milk, sweet yogurt, powdered milk, butter and butter oil.

The price is based on the fat content. The standard rate is Tk 41 for a litre having 4 per cent fat. Anything less than 3.5 per cent is not accepted. For every percentage point higher fat content, the price goes up by Tk 1.

When all of the 3,474 collectives comprising 1.31 lakh dairy farmers were active, they were estimated to have produced over 7 lakh to 7.5 lakh litres of milk every day, Md Rezaul Karim, manager (cooperative society) of Milk Vita, told The Daily Star.

But now 70 per cent of them are infrequent in providing supplies, with leaders and member dairy farmers believing that the government-fixed rate lead to losses, he said.

Up until June, Milk Vita was getting 2 lakh to 2.25 lakh litres of milk every day through its 51 collection centres, he added.

Milk collection cooperatives under Milk Vita are opting for selling off most of their produce at higher rates in the market instead of providing supplies to the state-run entity. The photo was taken at Arkandi village in Pabna's Faridpur recently.

AHMED HUMAYUN KABIR TOPU

DISTRICTS IN FOCUS

But daily collections over the last couple of months have downed to 80,000 to 1 lakh litres, said Karim.

Similarly, 1.8 lakh to 2 lakh litres of liquid milk used to be packaged while a minimum of 20,000 litres turned to powdered milk every day, said Dr Khandakar Md Aminul Islam, additional general manager (production) of Milk Vita.

The dwindling supply has halved liquid milk packaging to 90,000 to 1 lakh litres, leaving no scope to produce powdered milk, he said.

Liquid milk gets sold out, so the demand is there but if supply volumes do not pick up, Milk Vita will face huge losses, apprehends Islam.

The biggest chunk of collections have historically come from Pabna and Sirajganj districts, also known as the Baghabari zone, which has 716 cooperatives.

One of them is Ramkharua Primary Milk Cooperative Association in Sirajganj's Shahzadpur upazila.

Its manager, Md Motiur Rahman, said they sell most of their milk to sweetmeat shops as they pay higher rates.

The same benefit comes from sale to Dhaka-based non-branded ice-cream sellers, said Md Shakhawat Hossain, president of Sonahara Modhyopara Primary Milk Cooperative Society in Pabna's Faridpur upazila.

During hot spells and rains, the fat content falls which leads to losses, he said, adding that no other buyer screened milk like Milk Vita.

Besides, Milk Vita stopped providing its customary benefits three years ago, he added.

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Focus on product diversification in next industrial policy

Speakers say at DCCI webinar

Staff Correspondent, *Chattogram*

Key issues that could play an effective role in creating a vibrant private sector should be incorporated when formulating the National Industrial Policy-2021, according to speakers at a webinar.

For example, the upcoming policy should focus on product diversification, skills development, policy reforms, technology adaptation and facilitation of import subsidies, they said.

A private sector-led economic transformation, safeguarding of the domestic market, increasing participation of female entrepreneurs, redefining small and medium enterprises (SMEs), and developing the sector as a whole could help raise Bangladesh's competitiveness, they said.

This will turn critical at the international stage once the country makes the United Nations status graduation from a least developed to developing country in 2026, they added.

The webinar, styled "Private Sector Expectation in the Proposed National Industrial Policy-2021", was organised by the Dhaka Chamber of Commerce and Industry (DCCI).

Speaking as chief guest, Industries Minister Nurul Majid Mahmud Humayun said they had consulted various stakeholders in the private sector before formulating the policy.

He emphasised on the need for a coordinated effort between public and private entities to generate employment, establish skilled backward and forward linkage industries, and thereby expand the overall economy.

Kamal Ahmed Mojumder, state minister for industries, said protecting the domestic industry, improving productivity and product quality, setting up cluster-based industrial parks, and ensuring sustainable industrialisation and infrastructure development would be addressed in the policy.

Presenting the keynote paper, Md Salim Ullah, senior assistant secretary to the industries ministry, said the policy would focus on increasing the industrial sector's contribution to the GDP from 35 per cent to 40 per cent.

It will also aim for reducing poverty and unemployment by creating skilled workers, he said.

Product diversification of potential export items and capacity building in the industrial sector are also needed to face the challenges of LDC graduation and so, these two aspects will get special attention in the policy, he added.

Ullah stressed on the need to take measures for import-substitute-based industrial development as well.

ASM Mainuddin Monem, managing director of Abdul Monem Limited, urged for aggressive product diversification and technological advancement.

The upcoming policy should also give special attention to skills development, policy reforms, technology adaptation and facilitation of import subsidies, experts say

"We need to diversify as the country is still service sector dependent while garments is the only major industry here," he said.

Terming the land policy as "not friendly enough", he urged for reforms, particularly for economic zones.

He went on to say that target-oriented and time-bound economic zone management was necessary.

Monem urged the government to have at least 10 economic zones out of 100 up and running, putting focus on fiscal incentives, quick infrastructure development and utility connections.

Manwar Hossain, managing director of the Anwar Group of Industries, said the industrial policy should focus not only on the overall industry but also on every individual industrialist or manufacturer.

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GLOBAL BUSINESS

Investors eye wobbling energy sector as gauge for Delta fears

Reuters, *New York*

Energy stocks are becoming a popular bellwether for concerns over how deeply the Delta variant of the coronavirus is expected to impact the US economy, as the so-called reopening trade that boosted some parts of the market earlier this year continues to stumble.

The S&P 500 energy sector is down 12.3 per cent for the quarter-to-date compared with a 3.7 per cent gain for the S&P 500, which stands near record highs. That contrasts with the sector's performance in the first quarter of the year, when it zoomed 29.3 per cent on expectations that a vaccine-fueled economic rebound will boost energy demand.

The decline, which has outstripped a 2 per cent fall in the price of Brent crude, suggests some investors believe the US economic recovery may have peaked in the face of a coronavirus resurgence, leading them to focus on a looming unwind of the easy money policies that have helped the S&P more than double since its March 2020 lows.

Other reopening plays such as airlines and hotels have also stumbled, as investors rotated back into the high-growth technology stocks that have led the markets for years. The S&P technology sector is up 6.8 per cent this quarter.

A Wall St sign is seen outside the New York Stock Exchange in the financial district in New York City, US.

REUTERS/FILE

"The rise of the number of cases of the delta variant has led to a resumption of the outperformance of stay at home defensive stocks like tech," said Jeffrey Kleintop, chief global investment strategist at Charles Schwab. "You're seeing reopening stocks underperform significantly."

Investors will get additional readings on the health of the U.S. economy next week with the release of consumer price index figures, retail sales, and a measure of consumer sentiment.

For now, many are gauging to what degree a slowing economic bounce could impact asset prices. Morgan Stanley cited concerns about slowing growth when it lowered its recommendation on US equities in the past week, while economists at Goldman Sachs cut their estimate of US economic growth in the third quarter to 5.5 per cent from 9 per cent in late August.

Those worries have weighed on energy stocks, with companies like Exxon Mobil Corp and Chevron Corp down more than 13 per cent for the quarter-to-date.

"It's definitely been a painful trade the last couple of months," as investors moved out of crowded positions in energy stocks that rallied at the start of the year, said Garrett Melson, portfolio strategist for Natixis Investment Managers Solutions.

Some investors, however, remain bullish on energy out of expectations that eventual declines in coronavirus case counts will buoy economic growth.

Melson has been increasing his positions in energy stocks because believes that growth will continue to be comparatively robust, leaving the economy expanding at a level that will support oil prices.

Overall, price values in the energy sector appear to reflect oil prices at \$50 per barrel, well below their current level of \$72.50 for brent oil, said Ben Cook, a portfolio manager of the Hennessy BP Energy Transition Fund, who has been adding to his positions in large oil producers.

Green investments to be part of EU budget rules review

Reuters, *Brdo, Slovenia*

The possibility of exempting "green" investments from EU deficit calculations will form part of discussions when EU budget rules are revised, European Commission Vice President Valdis Dombrovskis said on Saturday.

The idea to exempt investments that would help prevent climate change is to support the bloc's ambition to cut net CO2 emissions to zero by 2050, reports Reuters.

The exemption of investments in such projects has been nicknamed by EU officials as the "golden rule." "Obviously, the question of a golden rule, in one way or another, will be part of the discussion of the EU fiscal framework," Dombrovskis told reporters after the second day of EU finance ministers' talks in the Slovenian town of Brdo.

During the two-day summit, finance ministers from the bloc have debated how to amend budget rules to better fit changed economic realities once EU budget rules, now suspended until the end of 2022, are reinstated from 2023.

Some, like French Finance Minister Bruno le Maire said the green exemption idea was worth discussing because it would help generate the very large funds needed to transform their economies over the coming years.

Others, like Austrian Finance Minister Gernot Bluemel, expressed concern over how such a rule could be made to work in practice, given the difficulty in precisely defining what constitutes "green" investment.

"From an economic, scientific point of view, that can make sense," he said. "But I have repeatedly seen in the past that such exceptions in budgeting practice ... is often used as an excuse when the political will is lacking to obey the rules," he said.

Domestic tourism boom gives UK seaside new lease of life

Afp, *Blackpool*

Children clutching glow sticks shrieked with delight and onlookers gazed awestruck as Blackpool's Illuminations lights festival launched to a spectacular volley of fireworks from its 158-metre Victorian tower.

The northwest English town's lights display crowns an extended tourist season as Britain's traditional seaside resorts benefit from a domestic tourism boom during the coronavirus pandemic.

Expensive Covid tests, vaccine certification, quarantines and the UK government's ever-changing traffic-light system for international travel have made overseas trips less attractive and even inaccessible for British holidaymakers.

But the lifting of restrictions has helped domestic tourism, providing a boon to seaside resorts that were once Britons' favourite destinations before the advent of cheap overseas package holidays to warmer and sunnier climes. Blackpool, on the Irish Sea north of Liverpool and Manchester, embodies the rise and fall of the quintessential British seaside resort.

After the arrival of the railways, it became Britain's premier mass tourist destination in the 19th and 20th centuries for city dwellers to escape smog and enjoy bracing sea air and cheap entertainment.

But affordable air travel and holidays from the 1960s lured Britons overseas and knocked Blackpool off its perch. By 2008, it offered 40 per cent fewer bed spaces than in 1987.

Once synonymous with leisure and pleasure, Blackpool became a byword for decline and poverty.

US lifts ban on Malaysian glove maker

Reuters, *Kuala Lumpur*

The United States on Friday allowed imports from Malaysia's Top Glove Corp, after customs authorities lifted a year-long ban imposed for alleged forced labour found at the world's largest medical glove maker.

The US Customs and Border Protection (CBP) had banned gloves made by Top Glove in July 2020, saying it had found abuses of migrant workers.

In a statement, the CBP said it will now allow imports after a thorough review of evidence that showed Top Glove has addressed all indicators of forced labour.

Top Glove had said earlier its disposable gloves would be admissible at all US ports as of September 10.

Its shares, which have plunged about 40 per cent since the ban, jumped as much as 10 per cent on Friday.

Top Glove has taken a hit to reputation and business from the ban, which came at a time when it was making record profits as the Covid-19 pandemic boosted demand for its gloves.

Its glove production in Malaysia has dropped and a plan for a \$1 billion Hong Kong listing has been delayed since the ban.

The North American market accounts for 22 per cent of Top Glove's total sales volume, according to most recent data.

The CBP had prohibited imports of Top Glove products citing evidence of forced labour practices at the company, including debt bondage, excessive overtime, abusive working and living conditions, and retention of identity documents.

While Top Glove said in April it had resolved all forced labour indicators, US Customs had two of the company's shipments seized in May.