Maize farmers call for storage, processing facilities

S Dilip Roy, *Lalmonirhat*

PHOTO: S DILIP ROY

A farmer proudly displays a bundle of maize grown in the Char Falimari area of Rangpur's Lalmonirhat Sadar upazila. The low cost crop has brought fortunes to many a farmer in Lalmonirhat district, which accounts for a majority of the maize produced in Bangladesh's northern region. The photo was taken recently.

DISTRICTS IN FOCUS

Lalmonirhat district, bordering the Teesta, Dharla and Saniazan rivers, accounts for about one-third of the maize produced in Bangladesh's northern region.

More than 20,000 families, mostly based in the district's char areas, have achieved both food and financial security by growing maize, according to the Department of Agricultural Extension (DAE).

But farmers said they would have gotten better prices for their produce had there been storage and processing facilities in the region.

Maize was cultivated on a record 34,440 hectares of land across the five upazilas of Lalmonirhat this year, up from 30,150 hectares in 2020, resulting in a yield of 335,000 tonnes of the cereal grain.

Besides, of the total one lakh hectares of land in the country's northern region brought under maize cultivation this year, Lalmonirhat contributed a majority of roughly 34 per cent.

When maize cultivation first began in the district in 1995, only 150 hectares of land was used.

"I cultivated maize on just half a bigha of land back then," said Mafir Uddin, a farmer based in the Char Dawabari area by the Teesta river in Lalmonirhat's Hatibandha upazila.

This year though, the 67-year-old farmer cultivated the crop on 16 bighas of land.

"Since farmers usually get their expected yields while production costs are comparatively low, maize is considered a highly profitable crop," he added.

Nazrul Islam, a farmer in the Char Gaddimari area of the same upazila, told this correspondent that he started growing maize back in 2010 on a small plot of land but has since expanded cultivation to about 20 bighas.

Each bigha produces about 33 to 40 maunds of maize at a cost of about Tk 6,000 to Tk 7,000.

"Maize cultivation in the sandy soils of char areas is getting better as less irrigation water is required for the crop," Islam said, adding that maize cultivation has changed the fortunes of farmers in Teesta's char areas.

According to various farmers, each maund (around 37 kilogrammes) of maize sold for around Tk 700 to Tk 800 during the May-June harvesting period but the price shot up to Tk 1,050 to Tk 1,200 just two or three months later.

As a result, traders who purchased maize directly from farmers during the harvesting period benefitted greatly.

Considering this lost opportunity, farmers in Lalmonirhat said they too could have enjoyed this benefit had the proper storage facilities been available.

They went on to say that representatives of various feed companies and local buyers purchase maize directly from the farms at fair prices, going as far as to pay in advance in many cases.

"So, we have been demanding a maize processing centre in the area but to no avail," said Aftab Uddin, a farmer based in the Kalmati char area of Lalmonirhat sadar upazila.

"If the government fulfils our demand, it will give us the scope to earn more from the crop," he added.

Mahirul Islam, a representative of a feed company, told The Daily Star that about 40 lakh tonnes of maize were produced in the country each year.

However, Bangladesh annually imports a further 18 tonnes to 20 tonnes of the grain to meet domestic demand.

"Against this backdrop, local maize cultivation is increasing day by day and in the next two to three years, it could be possible for the country to become self-sufficient in this regard," Islam said.

Shamim Ashraf, deputy director of the DAE office in Lalmonirhat, said a majority of the district's maize cultivation takes place in char areas.

Farmers can earn between Tk 13,000 to Tk 15,000 by cultivating maize on one bigha of land, providing them an opportunity to become solvent with relatively low investment compared to other crops.

READ MORE ON B2

CPD POWER & ENERGY STUDY

COP26: Will world leaders make commitment out of the box?

Khondaker Golam Moazzem and Abdullah Fahad

The COP26 began at the Scottish Event Campus in Glasgow yesterday. The whole world is closely watching how much of their expectation on reducing climate vulnerabilities is being addressed through required actions.

One of the main attractions of the event is the World Leaders Summit, which will take place on November 1-2. A total of 120 world leaders is going to attend this year's conference and will deliver their conference speech.

Since the last COP (COP25) major changes in key political leadership have taken place in key world economies such as the US and Germany. It is expected that the world leaders will express their commitment "out of the box" to take action against climate change.

On November 1, a number of key world leaders will address the conference, including those from the US, France, the European Council, the European Union, Canada, Japan, India and several Asian countries.

Expectations from world leaders in the Summit

There are a number of expectations from the world leaders that could be termed out of the box and are expected to be reflected in their speeches. A major thrust of that expectation is major world economies will make fresh commitments about climate change.

US President Joe Biden is expected to make a fresh commitment on climate finance if Congress agrees to his "Build Back Better Plan" for spending $800 billion on climate and clean energy. Such mitigation finance would contribute to developing a clean energy base both within the US and around the world.

The leaders of G20 countries met in Rome just before the COP Summit, and it is expected that they would make a fresh commitment. G20 countries need to rebuild their image in meeting their commitments.

Though their pledge to support developing countries in accessing Covid vaccines, made some progress, it was less than what was committed.

The Group needs to unlock trillion dollars of green cash as climate finance. G20 countries need to make a fresh commitment with a view to stopping providing funds for fresh coal projects, and also need to gradually reduce the huge amount of subsidies for fossil fuel.

India, China, Turkey, and Saudi Arabia lagged behind in delivering new nationally determined contributions (NDCs) targeting 2030. Similarly, other major economies such as Mexico, Brazil and Australia fell short of the commitment as expected.

Given China's recent stance on greening the Belt and Road Initiative, it is expected that it will further detail out its plan in the Summit. Indonesia, a major coal-producing country, has made a commitment to abolishing it by 2040.

OPINION

Expectation from Bangladesh's Prime Minister Speech

Bangladesh's prime minister will deliver her speech at the Summit. She will get special attention at the Summit given her commitment to addressing the climate vulnerabilities both at home as well as being the Chair of the Climate Vulnerable Forum.

The Mujib Climate Prosperity Plan, developed to shift Bangladesh's trajectory from vulnerability to resilience and prosperity, is likely to receive special attention.

The Mujib Prosperity Plan has put focus on four strategies: increasing economic growth by maximising resilience with loss and damage financing through locally-led adaptation hubs; strengthening employment in a green

READ MORE ON B2

GLOBAL BUSINESS

US, EU agree to resolve Trump-era steel, aluminum tariffs

Reuters, *Washington*

The United States and European Union are expected this weekend to announce a deal to resolve a dispute over US steel and aluminum tariffs imposed in 2018 by former President Donald Trump, easing a major transatlantic trade irritant, six people familiar with the agreement said.

Three of the sources said the agreement, details of which were still being finalized, would allow EU countries to export duty free some 3.3 million tons of steel annually to the United States under a tariff-rate quota system.

"An agreement on steel has been reached and will be announced soon," said one source familiar with the matter, speaking on condition of anonymity.

US President Joe Biden has sought to mend fences with European allies following Trump's presidency to more broadly confront China's state-driven economic practices that led to Beijing building massive excess steelmaking capacity that has flooded global markets.

Italian Prime Minister Mario Draghi raised the need to resolve trade issues during a meeting with Biden on Friday as a G20 leaders summit got underway in Rome, a source familiar with the meeting said.

The deal may ease record-high US steel prices that have topped $1,900 a ton as the industry has struggled to keep up with a demand surge after Covid-19 pandemic-related shutdowns.

This has contributed to rising price inflation for manufactured products in the United States including cars. Steel volumes above the 3.3 million-ton quota would be subject to tariffs, but additional duty free-status would be extended for about 1 million tons of EU steel products that had previously won Commerce Department tariff exclusions, three sources said.

Former US president Donald Trump and first lady Melania Trump look on prior to game four of the World Series between the Houston Astros and the Atlanta Braves Truist Park on October 30 in Atlanta, Georgia.

PHOTO: AFP

The agreement leaves intact Trump's global tariffs of 25 per cent on steel and 10 per cent on aluminum but on a practical basis exempts a substantial portion of Europe's steel exports to the United States.

Europe exported around 5 million tons of steel annually to the United States prior to Trump's imposition of the "Section 232" tariffs in March 2018 on national security grounds.

The Commerce Department, US Trade Representative's office and White House did not immediately respond to requests for comment.

US Trade Representative Katherine Tai is scheduled to address American steel industry executives on Tuesday in Washington.

The industry and the United Steelworkers union have been pressing Biden's administration to maintain the steel tariffs to protect a resurgence in new investment since 2018.

What's in the global tax reform agreed by G20?

AFP, *Rome*

After years of negotiations, G20 leaders on Saturday endorsed an historic deal aimed at ending tax havens, although some developing countries complain it still falls short.

Some 136 countries representing more than 90 per cent of global GDP have signed the OECD-brokered deal to more fairly tax multinational companies and enact a minimum tax on global corporations of 15 per cent.

US Treasury Secretary Janet Yellen hailed the "historic" green-light by leaders of the world's major economies, which was also confirmed by sources close to the G20 summit in Rome ahead of a final statement expected on Sunday.

The tax reform, first proposed in 2017 and given a boost through the support of US President Joe Biden, is due to come into effect in 2023.But this date will almost certainly slip, as each country must translate the global deal into national legislation -- with Biden facing some of the toughest domestic opposition.

"It is very likely that the implementation of the deal will be delayed," Giuliano Noci, professor of strategy at Milan's Polytechnic business school, told AFP. "The devil is in the detail -- all aspects of its implementation must be resolved and it must be approved by national parliaments.

"The first pillar of the reform, which involves taxing companies where they made their profits, not just where they are headquartered, has run into fierce opposition in the US Congress.

It targets above all internet giants such as Google parent Alphabet, Amazon, Facebook and Apple, experts in basing themselves in low-tax countries -- which allows them to pay derisory levels of tax in relation to their huge profits.

"If the US were to withdraw from the deal, it would be doomed to failure," added Noci. Noci expects Congress to give the green light, however, saying the "attitude towards the digital giants has changed dramatically in recent years".

The OECD says a 15 percent global minimum corporate tax rate could add $150 billion annually to global tax revenues. About 100 multinationals reporting annual turnover of more than 20 billion euros will see part of their taxes redistributed to countries where they actually operate.

But this, and the 15 percent minimum tax rate, have been criticised as insufficient by many developing countries. Not least because the average global tax rate is currently a higher 22 percent, itself well below the average of 50 percent in 1985.

Argentina is pressing for a tax rate of 21 per cent, or even 25 per cent, because "tax evasion by multinationals is on the of most toxic aspects of globalisation", according to its economy minister, Martin Guzman.

Saudi Aramco Q3 profits soar 158pc on higher oil prices

AFP, *Riyadh*

Saudi Aramco's earnings rose 158 percent year-on-year in the third quarter on higher oil prices and volumes sold as the global economy recovered, it said on Sunday.

Aramco's profits surge comes as world leaders prepare for the UN's COP26 climate summit starting in Glasgow later on Sunday, a key meeting in the battle against global warming. Aramco's net income was $30.4 billion in the third quarter, up from $11.8 billion in Q3 last year, with free cash flow more than doubling to $28.7 billion. Shareholders will receive $18.8 billion in dividends.

The profits are the biggest since Aramco listed on the Saudi stock exchange in December 2019, before suffering a 44.4 per cent slump in 2020.

"The increase in net income was primarily the result of higher crude oil prices and volumes sold," the Saudi oil giant said in its earnings statement.

It also cited "stronger refining and chemicals margins in Q3, which were underpinned by rebounding global energy demand and increased economic activity in key markets".

The latest rise comes after profits nearly quadrupled in Q2 as the world economy bounced back from the Covid crisis, lifting demand and pushing oil prices back above $80 a barrel.

"Some headwinds still exist for the global economy, partly due to supply chain bottlenecks, but we are optimistic that energy demand will remain healthy for the foreseeable future," Aramco chief executive Amin Nasser said.