

Thresher making thrives on demand from farmers

Jashore-Jhenaidah emerges as a hub for agricultural machinery

AZIBOR RAHMAN, Jhenaidah

Every year during the harvesting period of paddy, Disha Engineering becomes abuzz with the presence of farmers.

The workshop by the Jashore-Jhenaidah highway makes paddy threshers and this is what draws the growers in droves, seeking to take advantage of this local manufacturing effort in their quest to save time and money.

And Disha Engineering too focuses this time to deliver growers the machines it makes by

district of Bogura to the north-eastern region of Kishoreganj and Sylhet, have emerged over the last couple of decades to cater to the demand for mechanised threshing.

Jashore-Jhenaidah are two of the major regions emerging as a hub for locally made threshers, said farm machinery market analysts.

Bangladesh already has 5 lakh closed and open drum threshers and the annual market for this farm machinery is roughly 70,000, said Md Monjurul Alam, a professor of the Department of Farm Power and Machinery at Bangladesh

against hard surfaces to separate the grain from the stalks while extracting 800 kilogrammes of paddy used to take up four or five hours.

"Now two labours can do the same job within an hour. We can save cost of hiring extra labour because of the threshers," he said.

"We are highly benefited due to paddy threshing machine," said another farmer Mostafa Jaman of Solaimanpur village under Kotchandpur upazila of Jhenaidah.

Robjel Hossain, owner of another threshing machine maker at Kaliganj upazila, said



AZIBOR RAHMAN

The locally-made and cheap paddy threshing machines have huge popularity among farmers. The photos were taken from Jhenaidah recently.

mainly using locally available materials.

"We work the round the year to make paddy threshing machines to sell during the Boro and Aman paddy harvesting time," said Lutfor Rahman, owner of the enterprise owner which is one of 13 workshops that makes such machines in Jhenaidah's Kaliganj upazila, southwest of the country.

These factories arose to cater to the demand for threshers among farmers.

Rahman said altogether, these workshops manufacture nearly 20,000 thresher machines for sale in the two big rice harvesting seasons.

Disha and its peers in Jhenaidah are not the only firms making threshers.

A large number of entrepreneurs and factories in other parts, from the north-western

Agricultural University (BAU).

"The use of the threshers reduces threshing losses along with saving time and money of farmers," he said.

Rahman of Disha said he sold 3,000 machines as of November this year and expects to sell another 1,000 by the first week of December.

"We supply our threshers to various parts, namely Jashore, Satkhira, Narail, Bagerhat, Khulna, Kushtia, Meherpur, Chuadanga, Magura and Faridpur districts," he said.

For farmers, the thresher has been beneficial. Drum-based ones operated by foot pedals cost Tk 4,000 to Tk 4,500 while those powered by machines can go up to Tk 40,000.

Farmer Gafur Ali at Enayetpur village of Kaliganj upazila said they used to manually smash the plant

increased popularity of threshing machines created job opportunities for a good number of people. Each worker earns Tk 600-Tk 700 as a daily wage, said Hossain, who employs 30 workers to make threshers and serve farmers during the harvesting period.

Bablu Rahman, another farmer, said growers who do not have the financial capability to purchase a machine but could rent it. The rent is approximately Tk 150 for every 400 kgs of grain collected. BAU Prof Alam said the government once provided subsidy to farmers to popularise and expand use of the farm machinery.

"Now steps should be taken so that farmers get low cost loans at easy terms. Banks should be soft when financing the agricultural machinery," he said.

UNDP faces graft allegations in climate projects: report

STAR BUSINESS REPORT

The United Nations Development Programme (UNDP) is facing several allegations of fraud and corruption linked to the multibillion-dollar Global Environment Facility, according to an article of the Financial Times.

The report was based on a copy of a draft report by UNDP's office of audit and investigations, dated November 2020. The draft described "financial misstatements" worth millions of dollars across UNDP's portfolio of GEF-funded projects around the world.

The report highlighted problems including signs of "fraudulent activities" at two country offices and "suspicions of collusion among the various project managers" at another, without naming the countries.

"Issues identified by the audit could seriously compromise the achievement of the objectives of the audited entity," the report said, according to the FT.

The GEF was set up in 1991 as part of the World Bank to help fight environmental challenges such as deforestation, species conservation and pollution.

It has since split out to become an independent organisation and disbursed more than \$21 billion in 170 countries, including \$7 billion in projects managed by the UNDP. The audit of the UNDP's GEF-funded projects — which covers 2018 and 2019 and is the first review of its kind since 2013 — comes against a backdrop of rising concern from some donor countries over management and oversight issues at the UN agency.

An investigation by Foreign Policy in 2019 published whistleblower accounts alleging the misappropriation of millions of dollars at a UNDP-run GEF project in Russia. Twelve donor countries — including the US, France, Australia and Japan — have since sought an independent review of the UNDP's handling of that project, according to a letter seen by the FT.

"Matters of misconduct and misappropriation of funds continue to obstruct sustainable development across the world," the donors said in March in the letter to Achim Steiner, the UNDP administrator since 2017.

In a written response to the FT, the UNDP said it "takes all cases of financial



mismanagement and other irregularities extremely seriously", adding that its GEF projects were some of the organisation's "most closely monitored".

"The portfolio, the majority of which is implemented by national and subnational institutions, civil society organisations as well as other UN organisations, is subject to an intricate system of regular reviews, independent assessments and audits," the UNDP said.

While there have been "allegations of misuse of funds" at certain projects, such complaints affected "a tiny fraction — 1.4 per cent" of the UNDP's GEF-funded portfolio, it added.

Other project audits from independent consultants as well as written complaints from current and former UNDP staff, all seen by the FT, suggest that concerns over alleged financial misconduct and poor oversight at the UNDP may be widespread.

READ MORE ON B2

Pipe installation begins to import diesel from India

OUR CORRESPONDENT, Dinajpur

An inauguration ceremony was held yesterday for the installation of a 131-kilometre pipeline to import diesel from India to Bangladesh Petroleum Corporation's (BPC) Parbatipur upazila depot in Dinajpur.

The two governments signed a memorandum of understanding on April 9, 2018 to import diesel from India's Numaligarh by laying the pipeline. The prime ministers laid a foundation plaque on September 18 the same year.

The installation work is scheduled to end by next year.

The diesel apparently contains additives which are supposed to reduce foaming when filling the tank and also cleaners to clean injectors.

Kicking off works at Sonapukur village yesterday, BPC Chairman Md Abu Bakar Siddique said the pipeline would cut delays and transportation cost and ensure that no fuel crisis arises in the country's northern region.

Bonds getting popular meeting capital needs

BSEC approves a subordinated bond, a mutual fund and an IPO

STAR BUSINESS REPORT

An increased number of financial institutions and entrepreneurs are showing interest in issuing bonds instead of going for bank loans to boost their capital base and meet capital needs.

Thirteen companies issued bonds worth Tk 4,059 crore in fiscal 2015-16 whereas 17 enterprises issued bonds worth Tk 8,591 crore in the fiscal year ending recently.

Moreover, six banks got approval in 2020 to issue zero-coupon bonds worth Tk 2,600 crore, according to data from the Bangladesh Securities and Exchange Commission.

Most of the bond issuers are financial institutions which chose the option to help them strengthen their Tier 2 capital base.

Tier one capital is commonly known as a bank's core capital whereas Tier 2 capital is known as a

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bank's supplementary capital.

The capital that falls within the definition of Tier 2 is revaluation reserve, undisclosed reserves, hybrid security and subordinated debt.

"The main objective...is to enhance our (Tier 2) capital base," said IQM Habibullah, company secretary to Islami Bank

Bangladesh.

The stock market regulator approved a Mudaraba Subordinated Bond of Islami Bank worth Tk 600 crore on Wednesday, which is redeemable within seven years, non-convertible, unsecured and unlisted.

With each unit priced at Tk 1

crore, the bonds will be issued to financial institutions, insurance companies, corporate and other eligible investors.

Green Delta Insurance is its trustee while and Standard Chartered Bank the mandated lead arranger.

"When we lend money, we cannot say that all of the loans will come back," Habibullah said, adding that the bond-strengthened capital base supports risky assets of banks.

The stock market regulator also gave its go-ahead to UCB AML First Mutual Fund and the initial public offering of Desh General Insurance Company in a commission meeting chaired by BSEC Chairman Prof Shibli Rubayat UI Islam on December 2.

Desh General will raise Tk 16 crore in funds by issuing 1.6 crore ordinary shares, the BSEC said in a

press release.

The IPO proceeds will be used in government treasury bonds, fixed deposit, and stock market. Prime Finance Capital Management is the issue manager.

Eligible investors need to have at least Tk 1 crore of investment five trading days prior to the start of subscriptions scheduled in February in order to enjoy quota benefits.

For pension fund and provident fund, the investment should be at least Tk 50 lakh, the BSEC said.

Meanwhile the primary target of the open-ended UCB AML First Mutual Fund is to generate Tk 20 crore. Of the fund, UCB Asset management will provide Tk 2 crore and the remaining Tk 18 crore is open for general investors. The price of each unit is Tk 10.

Sandhani Life Insurance and Brac Bank was the fund's trustee and custodian respectively.



GLOBAL BUSINESS

World food price index jumps to six-year high

REUTERS, Rome

World food prices rose for a sixth month running in November, hitting almost a six year high with the index posting its biggest monthly increase since July 2012, the United Nations food agency said on Thursday.

The Food and Agriculture Organization's food price index, which measures monthly changes for a basket of cereals, oilseeds, dairy products, meat and sugar, averaged 105.0 points last month, versus a slightly revised 101.0 in October.

The October figure was previously given as 100.9.

The Rome-based FAO also said in a statement that worldwide cereal harvests remained on course to hit an annual record in 2020, even though it trimmed its forecast for a third month running.

Vegetable oil prices led the upward charge in the overall index, surging 14.5 per cent month-on-month, thanks largely to a rally in palm oil prices tied to a sharp fall in global inventories.

The cereal price index posted a more modest 2.5 per cent rise in November from the month before, some 19.9 per cent above its value a year earlier. Wheat export

prices were pushed higher as a result of "reduced harvest prospects" in Argentina, while maize prices were lifted partly by lower crop forecasts in the United States and Ukraine. Rice prices held steady.

Average sugar prices increased 3.3 per cent from October amid fears of a future

shortfall in global production as poor weather hit crop prospects in the European Union, Russian and Thailand. The dairy index climbed 0.9 per cent on the month to a near 18-month high, driven in part by firmer butter and cheese prices.

The meat index also pushed up 0.9 per

cent, ending a run of nine consecutive monthly declines, but is down 13.7 per cent on the year.

FAO revised down its forecast for the 2020 cereal season for a third month running, cutting it to 2.742 billion tonnes from a previous 2.75 billion tonnes. However, this still represents a record high and is 1.3 per cent above last year's level.

"Looking further ahead, planting of the 2021 winter wheat crop in the northern hemisphere is underway, and sowings in several major producing countries are foreseen to increase driven by remunerative prices, although recent dry weather could curb planting expansions and hinder yields," FAO said.

The forecast for world cereal utilisation in 2020/21 was put at 2.744 billion tonnes, little changed from the previous estimate and up 1.9 per cent from the 2019/20 level. The forecast for world cereal stocks by the close of seasons in 2021 was 866.4 million tonnes, down 9.6 million tonnes from the previous estimate posted last month.

"At this level, the global cereal stock-to-use ratio would decline from 31.8 percent in 2019/20 to 30.7 percent in 2020/21, a five-year low but still a relatively comfortable level," FAO said.



REUTERS/FILE

A woman buys food from a booth at a drive-in Christmas market under a large marquee, amid the spread of the coronavirus disease (COVID-19), in Landshut, Germany.

NEWS In Brief

Gold gains as vaccine hopes dent dollar

REUTERS

Gold climbed on Thursday as the dollar dropped on hopes that coronavirus vaccines will be rolled out soon and cautious investor optimism over a US stimulus deal.

Spot gold was up 0.3 per cent at \$1,837.30 per ounce at 0822 GMT, having hit its highest since Nov. 23 at \$1,843.11. US gold futures were up 0.7 per cent at \$1,843.60.

Hopes of a stimulus deal and vaccine progress pushed the US dollar to a near 2-1/2-year low, making bullion cheaper to holder of other currencies.

Although Congressional lawmakers were unable to agree on a fresh US coronavirus relief package, early signs indicate that a \$908 billion bipartisan proposal could be gaining traction as a negotiating tool.

Flipkart to spin off PhonePe payments business

REUTERS, New Delhi

Walmart Inc-controlled Indian e-commerce firm Flipkart said on Thursday it was partially spinning off PhonePe to widen the digital payments platform's access to capital to fuel its growth.

PhonePe, which competes with Alibaba-backed home-grown payments pioneer Paytm and Google Pay, will raise \$700 million in primary capital, Bengaluru-based Flipkart said in a statement.

The money will be raised from existing Flipkart investors led by Walmart, giving PhonePe a valuation of \$5.5 billion including the fundraising, the statement said.