Local traders dry chillies in the sun on the bank of the Jamuna in Sariakandi upazila of Bogura, the largest producer of the kitchen item in Bangladesh, as they plan to sell them when prices go up. This year, farmers have been largely disappointed as most of them have not received a good price for their produce.

PHOTO: MOSTAFA SHABUJ

Chilli growers frustrated over low price

Many switching to maize cultivation

MOSTAFA SHABUJ, *Bogura*

Chilli growers in the char years under Bogura's Sariakandi and Sonatala upazilas are disappointed as they are being forced to sell their produce at a lower price compared to last year.

So, many chilli growers are switching to maize cultivation as the demand, yield and price of the crop are higher. Corn production is also more profitable than chilli cultivation, said farmers and officials of the Department of Agricultural Extension (DAE).

Saidul Islam, 55, a farmer in Batir char in Sariakandi, has cultivated two bighas of chilli this year. But he is not selling green chilli as the price is low.

"I will dry it first and preserve it until the price goes up," he told The Daily Star recently.

In order to produce the key kitchen item on one bigha of land, farmers like Islam have to spend Tk 20,000 to Tk 25,000.

"This year, we have got good yield but the price is low compared to last year," he said.

Mohammad Aliuzzoha Zinnu, a farmer in Satbaki village in Sonatala, has grown chilli on one bigha of land.

He has sold the crop to local traders at Tk 30,000 against the production cost of Tk 25,000. This gave him a profit of a paltry Tk 5,000 whereas it was Tk 20,000 per bigha last year, said Zinnu.

Jahurul Islam, a farmer in Kornibari char in Sariakandi, says the price of dry chilli was Tk 7,000-7,500 per maund last year but this year it had fallen to Tk 4,500-5,000 before surging to Tk 6,000 in the last few days keeping pace with the price hike of essentials.

"The profit we usually make is decreasing," said the 60-year-old.

In Pakhir char area of the Jamuna river in Sariakandi, Tofazzal Hossain has not planted chillies this year because of the lower return. Rather, he has cultivated maize on five bighas of land as the crop is more profitable.

This is because farmers get 50 to 70 maunds of maize from one bigha of land. And each maund of the produce fetches around Tk 30,000 to farmers, against the production cost of Tk 8,000-10,000.

"So, maize cultivation is more profitable than chilli now," he said.

Maize, which was not familiar to farmers in Bangladesh even in the early 1990s, is now the second-largest crop after rice as the grain has become a cash crop thanks to rising purchases by local mills to make feed for livestock and aquaculture.

Abdul Halim, upazila agriculture officer in Sariakandi, says many farmers in the upazila are shifting from chilli to maize as it takes less labour, care, and money to grow the crop.

"On the other hand, the demand for maize is increasing and farmers can preserve it at their home and can sell whenever they want."

Bogura is the largest chilli producing district in Bangladesh and accounts for 5 per cent of the national output of the crop. And most of the chilli is produced in the char areas of Sariakandi and Sonatala upazilas.

Farmers have planted chillies on 6,529 hectares of land this year, down from 6,980 hectares a year ago. They have already harvested 60 per cent of the crop.

They get 8-10 maunds of dry chilli from one bigha of land and 55-60 maunds of green chilli from the same amount of land.

In the district, chilli output stood at 20,500 tonnes last year. The estimated production was 18,176 tonnes this year, according to the DAE in Bogura.

Most of the farmers sold local varieties of green chillies at Tk 13-15 a kg during the peak season.

The price has gone up in the last few days. Currently, local varieties are being sold at Tk 40 a kg and hybrid varieties at Tk 60 per kg at the farmers' level.

The item is being retailed at Tk 80 a kg in the kitchen markets in Bogura.

"The price of chillies has suddenly surged. So, those who have chillies in their fields are mainly making a profit now," said Mokhlesur Rahman, a farmer in Batir char of Sariakandi.

Dulal Hossain, deputy director of the DAE in the northern district, says the price is low because food processors have not started to buy chillies this year yet.

"When they begin buying chilli, the price will go up," he said.

Speaking about farmers' switch from chilli to maize, Hossain says farmers have added 200 more hectares of land to maize acreage this year. These areas were dedicated to chilli plantation last year.

"The shift is taking place because they are getting more profit in maize cultivation than chilli."

Stocks tumble to two-month low

STAR BUSINESS REPORT

The domestic stock market yesterday plunged for the third consecutive trading session as investors continued their selling spree.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), shed 57 points, or 0.86 per cent, to reach 6,638 by the end of the day.

Having lost 115 points collectively over the past three trading sessions, this is the lowest point the index has hit since December 26 last year, when it stood at 6,629.

At the DSE, 98 stocks advanced, 247 fell and 34 remained the same while turnover of the country's premier bourse rose 1 per cent to Tk 655 crore.

Beximco Ltd was the most traded stock with shares worth Tk 70 crore changing hands followed by Fortune Shoes, British American Tobacco Bangladesh, Bangladesh Shipping Corporation, and Sonali Paper and Board Mills.

The stocks extended their losing streak for a third consecutive day as investors opted to stay on the side-lines amid global economic uncertainty caused by Russia's invasion of Ukraine, International Leasing Securities said in its daily market review.

As a result, turnover also remained low, it added.

Meanwhile, the DS30, the blue-chip stock index, and the DSES, the sharia-compliant stock index, lost 24 and 10.97 points respectively.

Among the sectors, mutual funds rose 2.2 per cent, paper and printing appreciated 1.2 per cent, and jute increased 1.1 per cent.

The investors' attention was mainly concentrated on miscellaneous (15.3 per cent), pharmaceuticals (14 per cent) and textiles (11.7 per cent).

First Prime Finance Mutual Fund topped the gainers list, rising 9.87 per cent, followed

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Global banks face costly, arduous process to exit Russia

REUTERS, *New York*

Global banks face an arduous and costly process if they decide to close businesses in Russia, banking sources and experts say, complicating decisions over whether they should withdraw.

Sanctions placed on Russia following its week-old invasion of Ukraine and retaliation from Moscow have raised questions over how much longer banks can continue.

One banking source raised particular concerns about how banks navigate an order on

ANALYSIS

rouble lending and the implications for foreign companies in Russia. Banks are also weighing the risk to their reputations in staying there.

While banks have not yet announced exits, at least one global lender with operations in Russia is creating an in-house team and working with outside lawyers and consultants to determine whether and how it could exit before making public announcements, one banking source said.

British energy giants BP and Shell last week said they would quit Russia. BP is abandoning its stake in Russian oil giant Rosneft, resulting in charges of up to $25 billion, it said. read more

However, banks will find it harder to extricate themselves, experts say.

"For an oil company, walking away from refinery assets in Russia might be as simple as dropping the keys and leaving but a unilateral

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War in Ukraine will have severe impact on global economy: IMF

REUTERS, *Washington*

The International Monetary Fund on Saturday said it expected to bring Ukraine's request for $1.4 billion in emergency financing to its board for approval as early as next week and was in talks about funding options with authorities in neighboring Moldova.

In a statement, the global lender said the war in Ukraine was already driving energy and grain prices higher, and had sent a wave of more than 1 million refugees to neighboring countries, while triggering unprecedented sanctions on Russia.

"While the situation remains highly fluid and the outlook is subject to extraordinary uncertainty, the economic consequences are already very serious," the IMF said in a statement after a board meeting chaired by Managing Director Kristalina Georgieva.

"The ongoing war and associated sanctions will also have a severe impact on the global economy," it warned, noting that the crisis was creating an adverse shock to inflation and economic activity at a time when price pressures were already high.

It said price shocks would be felt worldwide, and authorities should provide fiscal support for poor households for whom food and fuel made up a higher proportion of expenses, adding that the economic damage would increase if the war escalated.

Sweeping sanctions imposed on Russia by the United States, European countries and others would also have "a substantial impact on the global economy and financial markets, with significant spillovers to other countries."

In addition to the human toll, Ukraine was experiencing substantial economic damage, with sea

READ MORE ON B2

A woman carries a dog while people cross a destroyed bridge, as they evacuate the city of Irpin, north-west of Kyiv, during heavy shelling and bombing on March 5.

PHOTO: AFP

Russian shops to limit food sales to counter black market

AFP, *Moscow*

Retailers in Russia will limit sales of essential foodstuffs to limit black market speculation and ensure affordability, the government said Sunday, as sanctions imposed over Moscow's military incursion into Ukraine began to bite.

The trade and industry ministry over the weekend said there had been cases where essential foodstuffs had been purchased "in a volume clearly larger than necessary for private consumption (up to several tons) for subsequent resale".

Trade organisations representing retailers proposed that retailers be allowed to limit the volume of specific goods sold to individuals at any one time.

"The Ministry of Industry and Trade and the Ministry of Agriculture supported the initiative of trade organisations," the release said.