The prices of grass, straw, bran and salt have gone up in Bangladesh recently, making it difficult for dairy farmers to rear cattle. Owing to the price spiral, the cost of producing milk has outpaced the price growers get. The photo was taken from Ramkharua village in Sirajganj's Shahjadpur upazila recently.

PHOTO: AHMED HUMAYUN KABIR TOPU

Dairy farmers struggle as production costs jump

AHMED HUMAYUN KABIR TOPU, *back from Sirajganj*

The price of dairy feed has climbed rapidly in recent months keeping pace with the price spiral of essential commodities, making farming costlier and raising milk production costs for the millions of farmers in Bangladesh.

The animal feed has become dearer after the price of maize and soybean meal -- the key ingredients for feed-- went up in the global market in recent months, owing to demand recovery from the coronavirus pandemic and supply disruptions.

Besides, the price of grass, straw and bran, which are used by many farmers to feed their cattle, has surged, handing a blow to the dairy industry in Pabna and Sirajganj, one of the biggest milk-producing hubs in Bangladesh.

For example, each 50-kilogramme bag of wheat bran is retailing at Tk 1,400 to Tk 1,450, up from Tk 1,050 to Tk 1,100 three months ago.

The pulse bran is selling at Tk 1,500 to Tk 1,550, which was Tk 1,250 to Tk 1,300. The price of complete ready feed has jumped by Tk 250 to Tk 300 per 50kg bag, according to farmers and traders.

"The price of essential commodities has soared in recent times. Due to the price hike of solid materials, the price of bran used in dairy feed has also gone up," said Johurul Islam, a feed trader in Pabna Boro Bazar.

Besides, solid feed, grass and straw have also become costlier.

The price of a bundle of Napier grass has doubled from Tk 12-15 to Tk 20-25 in a span of a month, according to Manik Ratan, a grass trader in Pabna's Bera Haat.

Each maund of paddy straw is selling at Tk 500 whereas it was Tk 300 to Tk 350 a month ago, while each kg of oil cake costs Tk 50 at the retail level, up 43 per cent from Tk 35 in February.

Dairy farmers in Pabna and Sirajganj say the price of dairy feed has jumped 30 per cent to 40 per cent in the last few weeks. As a result, they are incurring losses for milk production.

The cost of producing milk has gone up to Tk 48 to Tk 50 a kg due to the soaring feed price. "But we are bound to sell it at Tk 41 to Tk 50 a kg," said Md Raju Ahmed, a dairy farmer in Ramkharua village in Sirajganj's Shahjadpur upazila.

Ahmed owns 17 cows, with nine of the cattle giving 80 to 90 litres of milk a day collectively.

But he has to spend Tk 28,000 to Tk 30,000 every week to rear the cattle. Of the expenses, the feed cost accounts for Tk 23,000 to Tk 25,000 alone.

But he gets Tk 24,000 to Tk 26,000 by selling milk, meaning Ahmed has to suffer a loss of Tk 3,000 to Tk 4,000 per week.

Rubia Khatun, a female dairy farmer in the same village, has five cows. But she is now planning to sell one of them as she can't afford to bear the excessive expenses of rearing.

"Throughout the pandemic, we have experienced huge losses. Now, farming has become tough due to the price hike. If the price hike continues, I have to sell all of the cows."

Farmers say they don't want milk prices to go up; they just want the government to rein in the runaway feed market.

"If milk price increases, it will be an extra burden for consumers. But if the feed price comes under control, we will be able to make a profit," said Raju Ahmed, president of the Ramkharua Purbopara Milk Co-operative Association.

According to the livestock offices of Pabna and Sirajganj, 28 lakh litres of milk are produced every day in the two districts, which are home to more than 16.28 lakh cattle.

"The feed price has gone up. But we have no market monitoring authority," said Gouranga Kumar, district livestock officer of Sirajganj.

Md Al Mamun Hossain, district livestock officer in Pabna, thinks the price of dairy feed is likely to come under control soon.

Bangladesh requires around 80 lakh tonnes of animal feed annually.

The poultry industry is the biggest consumer but the demand for cattle feed for dairy farming is growing fast as well, said Md Ihtesham B Shahjahan,

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16 firms face show-cause for not submitting financial reports

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) has asked the management of 16 listed companies to show valid reasons for not submitting their financial reports within a certain period.

The 16 companies are: Aman Feed, Shurwid Industries, Appollo Ispat, Emerald Oil, Bangas, Active Fine Chemicals, Aman Cotton Fibrous, Sunlife Insurance, Libra Infusion, Ambee Pharmaceuticals, Progressive Life Insurance, Imam Button, Delta Spinners, Delta Life Insurance, Fareast Islami Life Insurance, and Intech.

As per regulations, listed companies are bound to submit the audited financial report of each financial year and unaudited financial reports of every quarter within a certain period.

However, the aforementioned companies did not submit their financial reports regularly in a timely manner.

A top official of the BSEC, preferring anonymity, said some listed companies do not upload the financial reports on their website and so, stock investors are deprived of the scope to analyse the real scenario of the companies.

Besides, some of them did not submit the financial reports to the regulators either, which is a breach of listing regulations and securities rules. As a result, the BSEC recently sent letters to the managing directors of these companies asking for proper justification in regard, he added.

Meanwhile, general investors sought the regulator's action against the listed companies if they do not upload financial reports on their website.

Most listed companies in Bangladesh do not post their quarterly financial reports within 48 hours of securing approval from their boards as they take advantage of the lack of specific regulations in this regard, experts say.

As per listing regulations, the issuer of listed securities must make its detailed financial statements available on its website as well as that of the country's bourses through a link arrangement. However, no deadline has been set to make such disclosures.

Debt deadline and central bank hikes loom in Russia

REUTERS, *London*

The cost of Russia's invasion of Ukraine will become a lot clearer next week, with a previously unthinkable sovereign default looming, more emergency central bank measures likely and a stock market crash guaranteed if it reopens.

Moscow's "special operation" in its former Soviet neighbour has cut Russia off from key parts of the global financial markets by the West, triggering its worst economic crisis since the 1991 fall of the Soviet Union.

Wednesday could mark another low. The government is due to pay $117 million on two of its dollar-denominated bonds. But it has been signalling it will not, or if it does it will be in roubles, tantamount to a default.

Technically it has a 30-day grace period, but that is a minor point. If it happens it would represent its first international default since the Bolshevik revolution over a century ago. "Default is quite imminent," said Roberto Sifon a top analyst at S&P Global which has just hit Russia with the world's biggest ever sovereign credit rating downgrade.

Fed set to hike rates to tame inflation

AFP, *Washington*

Surging prices for fuel, food and housing have sent US inflation to the highest in four decades, and the Russian invasion of Ukraine has made the situation worse, so the Federal Reserve is preparing to take action this week.

But the central bank's efforts to put out the inflation fires will be complicated by the prospect the war and wide-ranging sanctions imposed on Russia will disrupt trade flows and undermine the US economic recovery.

The policy-setting Federal Open Market Committee holds its two-day policy meeting this week, with an announcement set for Wednesday when it is poised to begin raising the benchmark lending rate that was cut to zero at the start of the Covid-19 pandemic in March 2020.

That would be the first in a series of rate hikes, but amid the rising uncertainty, some economists think policymakers may move less aggressively than previously expected as they weigh the competing forces on the economy.

"The Fed is being tugged in two different directions by the massive increase in energy prices that's taken place over the last few weeks," David Wilcox, a former senior advisor to three successive Fed chairs, told AFP.

While higher inflation justifies the tightening moves, "the reduction in purchasing power that households are experiencing ... would call for a more accommodative stance of policy, a more cautious approach," said Wilcox, now with the Peterson Institute for International Economics and Bloomberg Economics.

Markets are pricing in about six rate hikes this year, but Grant Thornton Chief Economist Diane Swonk expects seven, while Wells Fargo raised their forecast from five to six -- which would still leave the policy rate below two per cent.

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A clerk bags dried peppers for a customer inside Grand Central Market in downtown Los Angeles, California on March 11. US consumer prices hit a new 40-year high in February as the world's largest economy continued to be battered by a surge of inflation, which the fallout from Russia's invasion of Ukraine is expected to worsen.

PHOTO: AFP

Fitch downgrades Russian oil, gas firms

AFP, *Paris*

Credit rater Fitch Saturday downgraded 28 Russian natural resources companies including state gas giant Gazprom, warning they risk defaulting on payments under sanctions imposed for Russia's invasion of Ukraine.

Fitch Ratings said in a statement it had lowered the rating on the companies, which also include oil producer Lukoil and miner Rusal, from B to CC. The latter rating implies some form of default on their payments was "probable".

It cited a Russian decree on March 5 that authorised Russian companies to settle debts to certain blacklisted foreign companies in rubles rather than foreign currency. The move was a response to sanctions imposed on Russia due to its February 24 invasion.