



The tea industry will expand faster if the government takes initiatives to set up a state-owned tea factory and third auction centre in Panchagarh to ensure fair prices, said leaders of Bangladesh Small Tea Growers Association. PHOTO: COLLECTED

# Tea growers worried over low prices

They hold protests, demand govt support

MD QUAMRUL ISLAM RUBAIYAT,  
Thakurgaon

Tea growers of Panchagarh yesterday staged a demonstration at Sher-e-Bangla intersection of the Panchagarh-Dhaka highway, demanding a fair price for raw tea leaves in the ongoing harvesting season.

Jointly organised by the Panchagarh District Tea Garden Owners Association and Panchagarh District Tea Growers' Rights Implementation Committee, speakers at the protest threatened to launch tougher movements if their demand is not met immediately.

The growers alleged they are being deprived of fair prices as a syndicate of tea factory owners have been intentionally dropping the purchasing price of tea leaves during the peak harvesting season, between May and October, for the last two or three years.

As a part of the factory owners' ill motive, they dropped the purchasing price of raw tea leaves to Tk 12-14 per kilogramme (kg) from Tk 22-26 per kg within just two months since the harvest began in March, pushing growers into a tight corner.

On various pretexts, factory owners are also curtailing 15 per cent to 40 per cent of the total weight of the tea leaves being supplied by farmers. As a result, growers are getting less than Tk 10 per kg for their tea leaves, which is much less than the production cost.



The speakers also sought government intervention in setting up a tea auction market and state-owned tea factory in the fast-growing area as it would help local tea growers get fair prices for their produce.

They alleged that the syndicate of factory owners also influenced the tea board authority to refrain from setting up a state-owned factory in Panchagarh while a proposal was submitted primarily in this connection.

Md Sayed Ali, president of the Panchagarh District Tea Growers' Rights Implementation Committee, Md Jahangir Alam, general secretary, and others addressed the event.

Earlier on Wednesday and Thursday, local tea farmers organised processions for the same cause in the Tentulia and Panchagarh towns.

When contacted, Mohammad Shamim Al Mamun, senior scientific officer of the Bangladesh Tea Board's regional office in Panchagarh, said that the price of raw tea leaves has not been fixed yet in the district.

Regarding how factory owners quote less weight that what is being supplied by farmers, Mamun said that the practice is completely unethical.

"They may reject the leaves if they are damp, over matured or for other causes but after receiving the full supply, they cannot curtail a certain percentage from the total weight," he added.

There are 22 tea factories in operation in the country's northern region. Of these factories, 20 are in Panchagarh and one each in Thakurgaon and Lalmonirhat. "The BTB has given permission a total of 41 factories in the

region," Mamun said.

Mosharaf Hossain, president of the Tea Factory Owners' Association, told the Daily Star over phone that factory owners deduct weight from the total supply as growers bring wet leaves as the water temporarily adds weight.

Mohammad Jahurul Islam, deputy commissioner of Panchagarh, informed that he will sit with tea farmers, factory owners and other stakeholders at his office on May 18 to fix the price of raw tea leaves.

In response to a query, Mamun said that if tea is cultivated following the instructions of the Tea Board, the production cost for each kilogramme of raw tea leaves would be about Tk 16.

Tea production in the northern region started from last March with a target of producing 18 million kgs of processed tea this year. Last year, a record 14.5 million kgs of tea were produced in the northern plain lands, making it the second largest tea-producing region in the country after Sylhet.

Professional growers can pluck between tea leaves for 32 to 34 day rounds each season. But in Panchagarh, growers usually pluck in just 6 to 8-day rounds in a season with about a 40-day interval in between due to a labour shortage.

"For this, the leaves become older and the quality of tea deteriorates," he added.

According to data of the Bangladesh

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## UPCOMING BUDGET

# Raise per capita safety net allowance

## An economist urges govt

MD ASADUZ ZAMAN

The government should increase per capita allowance under its social safety net programmes (SSNPs), particularly for the elderly, widows, disabled and marginalised women, considering the high-level food inflation and the rising cost of living, said an economist.

"It is admirable that the government has expanded the social safety net coverage. Per capita allowance should also be increased taking into account higher inflation," said Sayema Haque Bidisha, a professor of the economics department at the University of Dhaka, during a phone interview recently.

"If we don't raise the allowance, it will not work properly. The allocation for SSNPs should be guided and linked by the National Social Security Strategy of the government."

The government introduced an allowance at the rate of Tk 100 per person in the fiscal year of 1997-1998 and increased it to Tk 500 in FY17. People with disabilities get Tk 750 each.

The economist suggested separating the government employees' pension scheme from the safety net programmes.

This is because although the government raised the safety net allocation by 12 per cent to Tk 1,07,614 crore in the ongoing fiscal year compared to a year ago, a major portion is used as pension expenses.

"This means the real allocation for the poor is far less," she said.

The safety net allocation is 17.83 per cent of the budget and 3.11 per cent of the gross domestic product, data from the finance ministry showed.

But Tk 26,690 crore has been set aside as pensions for retired government employees and their families for FY22, which is more than one-fourth of the allocation.

She recommended the government bring slum-dwellers under the social safety net programmes.

Prof Bidisha, also the research director of the South Asian Network on Economic Modeling, an independent think-tank, suggested the government initiate measures to document all transactions and tag them with the Taxpayer Identification Number (e-TIN), with a view to raising revenue collection.

"Year after year, many transactions have remained undocumented and have not come under direct taxation. In order to ensure higher tax collection, all transactions must be documented and tagged with e-TINs. We need to significantly reform the income taxation structure."

The tax collection as a percentage of GDP is stuck at around 7.6 per cent in Bangladesh, the lowest in South Asia, one of the lowest in the world and the lowest among the low-middle-income countries.

The upcoming budget should aim to increase the investment in the health and education

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# China's economy cools sharply as lockdowns bite

REUTERS, Beijing

China's economic activity cooled sharply in April as widening Covid-19 lockdowns took a heavy toll on consumption, industrial production and employment, adding to fears the economy could shrink in the second quarter.

Full or partial lockdowns were imposed in dozens of cities in March and April, including a protracted shutdown in commercial centre Shanghai, keeping workers and shoppers confined to their homes and severely disrupting supply chains.

Retail sales in April shrank 11.1 per cent from a year earlier, the biggest contraction since March 2020, data from the National Bureau of Statistics (NBS) showed on Monday, and worse than forecast.

Dining-out services were suspended in some provinces, which led to a 22.7 per cent drop in catering revenue in April. China's auto sales plunged 47.6 per cent from a year earlier as car makers slashed production amid empty showrooms and parts shortages.

As the anti-virus measures snarled supply chains and paralysed distribution, industrial production fell 2.9 per cent from a year earlier, below expectations for 0.4 per cent growth. The reading was the largest decline since February 2020.

In line with the decline in industrial output, China processed 11 per cent less crude oil in April than a year earlier, with daily throughput falling to the lowest since March. The country's April power generation also fell 4.3 per cent from the previous year, the lowest since May 2020.

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Cargo containers are stacked at a port in Lianyungang in China's eastern Jiangsu province on May 9. China's export growth slumped in April to its lowest level in almost two years, customs data showed recently, as a Covid resurgence shuttered factories, sparked transport curbs and caused congestion at key ports.

PHOTO: AFP

# Wheat prices hit record high after Indian export ban

AFP, Paris

Wheat prices surged to a new record high on Monday after India decided to ban exports of the commodity as a heatwave hit production.

The price jumped to 435 euros (\$453) per tonne as the European market opened.

Global wheat prices have soared on supply fears since Russia's February invasion of agricultural powerhouse Ukraine, which previously accounted for 12 per cent of global exports.

The spike, exacerbated by fertiliser shortages and poor harvests, has fuelled inflation globally and raised fears of famine and social unrest in poorer countries.

India, the world's second-largest wheat producer, said on Saturday that it was banning exports after its hottest March on record.

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