



A cashew tree garden is pictured in Panchari upazila of Khagrachhari district. Thanks to a government initiative to step up cultivation of the crop, total acreage has increased significantly over the past year.

PHOTO: COLLECTED

# Coffee, cashew cultivation expands under DAE project

MOSTAFA SHABUJ, Bogura

Coffee and cashew cultivation are rapidly expanding in Bangladesh thanks to a government initiative that aims to meet the growing domestic demand for these two crops.

The Department of Agricultural Extension (DAE) is the lead implementing agency of the Tk 211 crore project, called "Research, Development and Extension of Cashew and Coffee", while the Bangladesh Agricultural Research Institute is acting as co-agent.

According to the project authority, they have helped increase coffee and cashew cultivation by 800 hectares and 1,200 hectares of land across 19 districts respectively since May last year.

Previously, coffee was grown on just 122 hectares of land while cashew cultivation took up 2,065 hectares of land across the country.

Of the newly cultivated lands, hilly areas like the Chittagong Hill Tracts contributed 80 per cent while the remainder are plain lands in various districts, such as Tangail, Mymensingh, Sylhet and Dinajpur.

Project Director Shahidul Islam said they aim to further increase the land usage for coffee cultivation by 2,000 hectares and cashew cultivation by 3,000 to 4,000 hectares.

According to the DAE, the yearly domestic demand for coffee is nearly 1,200 tonnes worth Tk 600 crore.

Farmers under this project, which was initiated by Agriculture Minister Mohammad Abdur Razzaque, are expected harvest nearly 4,000 tonnes of coffee beans, which will provide 1,000 tonnes of coffee, within the next two or three years. At present, only a few farmers produce just 60 to 70 tonnes of coffee annually.

Similarly, the domestic market for cashews, which is mostly import-oriented, is worth around Tk 400-450 crore.

Besides, there are about 16 or 20 large and medium sized cashew processing industries in Bangladesh that require roughly 20-25 thousand tonnes of raw cashews each year.

"The factory owners now depend on imports but



local farmers will be able to meet their demands within the next 5 to 10 years," the project director said.

"Currently, our farmers in the Chittagong Hill Tracts produce only 1,600-2,000 tonnes of cashew, which is nothing compared to our national demand," Islam added.

He went on to say that the new coffee and cashew farms under the project are being set up mainly on abandoned lands.

Each hectare of land produces about 2 to 2.5 tonnes of coffee, which can be sold at a current market price of around Tk 350 to Tk 400 per kilogramme (kg).

"Our government aims to create a \$1 billion export market for coffee and cashews from Bangladesh," Islam said.

"We are providing farmers with the best variety of coffee plants - Robusta and Arabica - which are highly demanded in international markets," he added.

Sanowar Hossain, a farmer in Tangail's Madhupur area, has been growing coffee on his 1.5 bigha land since 2019.

He collected about 70-80 kgs of processed coffee which sold for between Tk 1,200 and Tk 2,000 per kg in local markets last year.

"I collected these plants with help of the local DAE office under its Year-round Fruit Production for Nutrition Improvement project," Hossain said, adding that he will set up new farms if he gets land in hilly areas.

Lal Duh Sang Bawm, a coffee farmer of Bastlang Para under Bandarban's Ruma upazila, has been cultivating coffee on his 15 acres of hilly land since 2008.

Bawm had sown around 6,000 to 7,000 coffee plants that year but two thirds of his crop has since died as he recently applied the wrong pesticides.

"I got nearly 4-5 maunds of coffee from this land previously and used to sell the beans for Tk 350 to Tk 440 per kg. DAE officials recently provided me over 1,000 new plants of Robusta and Arabica, which I planted last October," he said.

"Coffee is a mostly profitable crop as you do need any new land for it. We grow coffee alongside mango and get extra income from coffee as it has high demand," Bawm added.

Manyang, a farmer of Ranglay Para under Bandarban sadar upazila, has been cultivating coffee on his three acres of land since 2016. He got 130 kgs of coffee beans last year and sold it for Tk 300 per kg.

"I cultivate coffee as a companion crop in my mango and jackfruit orchards. The main problem is irrigation as coffee plants need water but we have a scarcity in hilly areas," he said, adding that he too got some new plants from the project.

## MICRO-FINANCE

# Unlocking the power of digital transformation

ENAMUL HUQUE

Our everyday relationship with financial services – their scope, their function, and how we use them – is constantly shifting in profound ways. These changes have been brewing, and as the world continues to mount an unparalleled response to an unprecedented crisis, they are accelerating at warp speed with no signs of slowing down. These transformations are driving financial inclusion forward.

In Bangladesh, the rural economy has powered the move toward greater prosperity.



A sound and consistent policy framework – backed by substantial investments in technology, rural infrastructure, and human capital – has led to widespread gains across major socioeconomic indicators. Micro-finance institutions (MFIs), a key segment of the rural financial market, play a vital role in this story.

The services and resources that MFIs channel to rural areas provide jobs for members of our low-income population, bridging the income gap, raising domestic consumption, and advancing inclusion. MFIs are instrumental in supporting rural agriculture, which proved its mettle and helped support the country during a global pandemic.

With new employment generation increasing in non-farm sectors, and with villages becoming more connected to cities, the need for financing and its potential upside will continue to rise rapidly. Low access to formal credit among rural households and micro-enterprises means that MFIs will be the main conduits of this financing.

**The services and resources that micro-finance institutions channel to rural areas provide jobs for members of our low-income population, bridging the income gap, raising domestic consumption, and advancing inclusion**

Case studies have shown that microfinance can boost income.

According to a study conducted in Bangladesh, households that diversified beyond farming via microfinance saw their income grow by almost 29 per cent when compared to those whose income remained exclusively dependent on farming. Better access to credit was key in enabling this income diversification.

Microfinance is also driving micro-entrepreneurs in urban areas. Take the story of Minara Parvin.

Minara grew frustrated at seeing her husband Nazrul Islam work six days a week in a factory for little reward. She approached the Adamjinnagar branch of an NGO that we work with. With their help, Minara and Nazrul set up Tapoe Lone Enterprise to produce lace.

The business grew quickly and now employs 75 people. Tapoe Lone Enterprise has made it possible for the couple to house and educate their children, empowering them to lead better lives.

The microfinance sector in Bangladesh has seen significant growth in recent decades, but it is time for MFIs to address the key challenge of scalability, expanding social lending activities with lower incremental costs.

Historically, micro-finance operations have been human-intensive, making them inefficient.

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# EU turns to Israel for gas

AFP, Beersheba

The European Union wants to strengthen its energy cooperation with Israel in light of Russia's use of gas supplies to "blackmail" its members over the Ukraine conflict, European Commission chief Ursula von der Leyen said Tuesday.

Her remarks came as Italian Prime Minister Mario Draghi, also visiting Israel, said Rome was seeking to boost gas supplies from Israel as EU members eye options to diminish their reliance on Russian energy.

"The Kremlin has used our dependency on Russian fossil fuels to blackmail us," von der Leyen said in a speech at the Ben Gurion University in the southern Israeli city of Beersheba.

"Since the beginning of the war, Russia has deliberately cut off its gas supplies to Poland, Bulgaria and Finland, and Dutch and Danish companies, in retaliation for our support to Ukraine."

But Moscow's conduct "only strengthens our resolve to break free of our dependence on Russian fossil fuels," she said, noting the EU was "exploring ways to step up our energy cooperation with Israel," with work on an underwater power cable and a gas pipeline in the eastern Mediterranean.

Israel exports gas to Egypt, some of which is then liquefied and shipped to Europe. A significant increase in gas exports would require major long-term infrastructure investments.

In talks with Energy Minister Karine Elharrar on Monday, von der Leyen reiterated "the EU need for Israeli gas," the minister's spokesperson said.

The spokesperson said there had been talks since

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A crude oil storage facility is seen in Oklahoma, USA. Fuel use has rebounded from the 2020 pandemic-induced slump and is set to exceed 2019 levels this year even as prices hit record highs.

PHOTO: AFP/FILE

# Global oil demand growth to slow in 2023 Opec says

REUTERS, London

World oil demand growth will slow in 2023, Opec delegates and industry sources said, as surging crude and fuel prices help drive up inflation and act as a drag on the global economy.

Fuel use has rebounded from the 2020 pandemic-induced slump and is set to exceed 2019 levels this year even as prices hit record highs. But high prices have eaten into growth projections for 2022 and fed into expectations for slower growth in 2023.

The Organisation of the Petroleum Exporting Countries is expected to publish its first forecast for 2023 demand in July. Its forecast, along with that of the Paris-based International Energy Agency, will be watched closely for pointers on how

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