



Farmers thresh Aman season paddy at Shiromoni, nearly 20 kilometres away from Khulna city. This rain-fed crop accounts for Bangladesh's second-biggest rice output or nearly 40 per cent of annual rice production. Farmers and agriculturists say Aman output is higher this year from the previous year. Despite that, prices of paddy and milled rice have risen in the local market. The photo was taken last month.

PHOTO: HABIBUR RAHMAN

Deadline extended for rice purchase agreements

STAR BUSINESS REPORT

The food ministry has extended the deadline to sign contract with rice millers regarding the purchase of the grain by a week to December 15 this year, said a notification.

The announcement comes as the responses from millers to supply the cereal to the state warehouses are low because of high prices in the local market.

The food directorate targets to buy 500,000 tonnes of rice from the ongoing harvest of Aman crops from millers at Tk 42 per kilogramme.

As of yesterday, it has signed the contract for the supply of around 267,000 tonnes with millers, said Md Raihanul Kabir, director of procurement at the Directorate General of Food.

The food ministry initially targeted to complete signing contracts with millers for rice purchase within December 8 this year.

Apart from milled rice, the food office plans to buy 300,000 tonnes of paddy during the current harvesting season of Aman, the second biggest crop providing 39 per cent of total annual rice production.

Rice import by private sector remains low

SOHEL PARVEZ

Rice imports by the private sector in Bangladesh remain low despite five months having passed since the government started allowing local businesses to import the staple grain in a bid to rein in its spiralling prices in the domestic market.

Until December 8, private importers brought 360,000 tonnes of rice while being permitted to import nearly 15 lakh tonnes of the grain since June this year, according to data from the food ministry.

Importers linked the sluggish imports to the banks' apathy in opening letters of credit (LCs) to facilitate shipments of the grain, and risk of losses for lower prices in the domestic market amid the ongoing Aman rice harvesting season.

Traders say increased imports would reduce prices of the grain, which are higher now than what they were during the same period a year ago, and ease the pressure on low and fixed-income households against the backdrop of high inflation.

In November this year, the price of coarse rice was 6 per cent higher year-on-year at Tk 48.09 per kilogramme, data from the Food and Agriculture Organisation showed.

"The biggest problem is that banks are shying away from opening LCs for rice imports due to the US dollar shortage," said a top importer and rice miller, seeking to remain unnamed.

He said entrepreneurs that have export earnings could open LCs for importing rice by using their export proceeds.

In the wake of the spiral in prices for rice, the National Board of Revenue (NBR) in June cut the import tariff for the grain from 62.5 per cent in order to increase supply in local markets.

It eventually slashed the import tariff further to 15.25 per cent as importers were still reluctant, citing that they would not be able to make profit while paying more than 25 per cent as import duty.

Since then, the food ministry has granted permission to private importers to bring in nearly 15 lakh tonnes of rice, a ministry official said.

And in the face of sluggish shipments, the NBR last week extended the deadline for the reduced import duty benefit by another three months to March 31, 2023.

"Apart from problems in opening LCs for import, a section of importers is not interested to import now in fear of losses for the prices fall as there is enough rice in the domestic market," the official said. "Importers also have to pay in full for opening LCs and many lack the means to do so," he added.

Because of the US dollar shortage, Bablur Rahman, owner of Satata Baniyalyaya in the northern district of Dinajpur, could not open an LC from the local branch of a private bank even though he submitted the required documents two months ago.

Rahman got permission from the food ministry to import 4,000 tonnes of rice when permits were first being issued.

Harun Ur Rashid, president of the Hili Land Port Importer-Exporter Group, said plentiful production of paddy during the

ongoing Aman season is another reason for the sluggish response from importers.

"Banks are not providing support to all importers to open LCs. Whoever is getting the scope, they have to provide 100 per cent margin, which is difficult for many," he said.

"For this reason, importers feel discouraged to import and besides, exporters in India are not showing interest to sell the grain to anyone here because of their concerns regarding timely payment," he added.

Md Mezbaul Haque, executive director and spokesperson of Bangladesh Bank, said imports of essential food items are excluded from LC margins.

"So, banks should open LCs in line with that," he added.

Nirod Boron Saha, president of the Rice and Paddy Stockists and Wholesalers Association in Noagaon, one of the main rice hubs in the country's northwest, said prices of paddy are higher by about Tk 120 per maund now compared to the same period a year ago as farmers are slowly supplying the staple grain.

Coarse Aman paddy prices were between Tk 1,104 and Tk 1,139 per maund yesterday, up by roughly 18 per cent from Tk 937 to Tk 967 per maund a year ago, showed data from Department of Agricultural Marketing.

"Prices of rice would have declined had imports rose," Saha added.

Govt rice imports growing Despite sluggish imports by the private sector, the food ministry has so far brought nearly 350,000 tonnes of rice under state-to-state contracts from Myanmar, Vietnam and India out of its agreements for 530,000 tonnes to build stock and distribute through various social safety net schemes, said the food ministry official.

He then said the ministry plans to import another 420,000 tonnes of rice through international tenders.

Prices still high despite higher yield

S DILIP ROY

Aman paddy harvesting season has begun, but the general mass is struggling to buy rice as the price of the staple food is still high in the local market.

The low-income group specially the daily earners are failing to make their ends meet as they now have to spend most of their income to buy rice.

Rice is being sold at Tk 55-60 a kilogramme in the local market and it has remained almost the same in the last four months.

In Lalmonirhat, aman paddy was cultivated on 86,436 hectares of land this year and 263,630 tonnes of rice were produced, according to the local office of the Department of Agricultural Extension (DAE).

In Kurigram, 355,000 tonnes of rice were produced on 119,965 hectares of land.

"I buy rice at Tk 55-60 a kg now, which was Tk 45-50 at the same time last year," said Abed Ali, a 56-year-old day labourer from Kulaghat village in Lalmonirhat sadar.

Rice price did not reduce, rather it continued rising even in the paddy harvesting season this year, he said.

The low-income group, especially the daily earners, are failing to make their ends meet as they now have to spend most of their income to buy rice

"I thought rice will become cheaper when the aman paddy season will begin. But it didn't happen. I now have to spend most of my earning to buy rice," said 50-year-old rickshaw puller Ansar Ali from Lalmonirhat town.

On the contrary, Kurigram's farmer Didar Hossaini said they got expected paddy yield this year and the paddy price is currently hovering around Tk 1,100 a maund, up from Tk 900-950 in the same period last year.



PHOTO: S DILIP ROY

"I have harvested 142 maunds of paddy from 10 bighas of land. I sold only 20 maunds at Tk 1,100 per unit and stored the rest at home to gain more profit in future."

"There is no sign of a reduction in rice prices this year, as the farmers do not want to sell paddy at present to book higher profits," said Abdar Hossain, a rice mill owner of Kurigram's Nageshwari upazila.

"Rice production cost rose this year, as the farmers had to cultivate aman paddy with irrigation water because of a lack of rain during the planting of paddy," Hamidur Rahman, deputy director of the Lalmonirhat DAE, told The Daily Star.

"However, this year's paddy yield was better than last year and the farmers are happy with the current market price of paddy."

Small fishers contribute 90% of marine capture

FAO says on Bangladesh

STAR BUSINESS REPORT

The small-scale or artisanal fishers contribute nearly 90 per cent of all marine capture in Bangladesh, according to the United Nation's Food and Agriculture Organisation (FAO).

On top of that, more than one million people in the country depend on small-scale fisheries and aquaculture for their livelihoods.

The FAO revealed the information at a dialogue marking the International Year of Artisanal Fisheries and Aquaculture 2022 held at Bangabandhu International Conference Centre in Dhaka today.

At the dialogue, the speakers acknowledged the contribution of the small-scale fisheries and aquaculture in Bangladesh and highlighted the importance of women and the impact of climate change in the sector.

Small-scale fishers in Bangladesh make an invaluable contribution to the country's food and nutrition security as well as the rural economy, said Robert D Simpson, FAO representative in Bangladesh.

Climate change is leaving adverse impact on fishery and aquaculture-reliant

communities and the ecosystems they depend on, especially in tropical regions, said Mushabe Norman, FAO's senior technical adviser for fisheries and climate change.

Small-scale fishers in Bangladesh make an invaluable contribution to the country's food and nutrition security as well as the rural economy, said Robert D Simpson, FAO representative in Bangladesh

In the world, around 492 million people depend at least partially on small-scale fisheries for their livelihoods, the FAO said in a press release.

"In Bangladesh, artisanal fisheries contribute an estimated 87 per cent of the total marine capture. The produce provides protein and essential micronutrients such as omega-3 fatty acids, calcium, selenium and zinc," it said.

Nahid Rashid, fisheries and livestock secretary, attended the event chaired by Kh Mahbubul Haque, director-general of the Department of Fisheries.



Workers unloading fish from trawlers in Chattogram. More than one million people in the country depend on small-scale fisheries and aquaculture for their livelihoods, the Food and Agriculture Organisation says.

PHOTO: STAR/FILE