

How potato prices are manipulated



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The price of potatoes, long considered a cheap vegetable, has now risen beyond the reach of the poor. This year, potato price has increased to such an extent that it has broken all previous records. Potatoes are now being sold at Tk 65.70 per kg in the retail market of Dhaka.

The potato market has been volatile for almost two months. Earlier in September, the government fixed the price at Tk 26.27 per kg at the cold storage level, and at Tk 35.36 per kg for retail. But kitchen markets were found defying the fixed prices. On the one hand, the government claimed that there had been a record production of potatoes this year and decided to export the produce. But on the other hand, unable to control the price on the local market, the government has now decided to import potatoes. The question is: if production is higher than demand, how has the price of potatoes increased to a record amount? And why did the authorities decide to import potatoes?

In reality, potato prices do not increase by much during the harvesting season, when the potatoes are mostly in the farmers' possession. The price starts increasing from the month of July, when most of the potatoes have reached the traders, who purchase them through *faria* from the farmers. The traders who buy potatoes from farmers at Tk 10-12 per kg during March-June sell the vegetable at much higher prices after keeping them in the cold storage for some time.

How much does it cost the

traders to keep potatoes in the cold storage? The cost of keeping a bag of 50kg potatoes in the cold storage is Tk 300, while the price of each bag is Tk 55. So, the cost per kg for the cold storage of potatoes is Tk 7.10. If labour and transport costs are assumed to be Tk 2 per kg, the total cost to traders stands at Tk 20 per kg. So, ideally, these potatoes should be sold at Tk 22 per kg at the cold storage level, at Tk 25 in wholesale, and at Tk 30 by retailers. But after June, traders take the advantage of the produce no longer being with farmers and create an artificial shortage of potatoes in the market, selling them at exorbitantly

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higher prices.

Of course, traders cannot perform such manipulation all the time. In a market economy, the scope for price manipulation is the greatest when there is a supply crisis. Although the government is claiming a record production of potatoes, cold storage owners say that smaller amounts of potatoes have been supplied to their facilities this year, compared to last year. According to the Department of Agricultural Extension, around 1.1 crore tonnes of potatoes were produced in the country in the 2021-22 fiscal year. And in the 2022-23 fiscal year, nearly 1.12 crore tonnes of potatoes were produced. That is, the production increased by 1.33 lakh tonnes over one year. But the Bangladesh Cold Storage Association (BCSA) said that this year, the total production will not exceed 85 lakh tonnes, and as a result, 20 percent of the capacity of

cold storages owned by the BSCA members has remained unutilised.

Such a hazy situation regarding potato production, coupled with the government's lack of action in keeping the supply of potatoes normal in the market, has created opportunities for price manipulation by traders.

However, such manipulation of potato prices is not new in Bangladesh. In 2020, we saw hoarders manipulating the price of this vegetable. The prices of potatoes started surging from the middle of September 2020 and reached Tk 50 per kg in the retail market. On October 7, 2020, the Department of Agriculture Marketing (DAM) fixed the price at Tk 30 per kg of potatoes for retailers, at Tk 25 for wholesalers, and at Tk 23 for cold storages. But the traders did not abide by the fixed prices. Thus, the price of potatoes remained high on the market. On

October 20, 2020, caving in to pressure from businesses, the DAM re-fixed the potato prices at Tk 35 a kg for retailers, Tk 30 per kg for wholesalers, and Tk 27 for cold storages.

At the time, *The Daily Star* reported that the ownership of potato stocks at cold storages—which usually changes up to four times a year—changed more frequently in 2020 as a section of opportunistic businesspersons had sensed a crisis coming. As the price of potatoes kept rising, these businesses bought potato stocks from the cold storages at higher rates, hoping to make a hefty profit.

According to a study published in *The Bangladesh Journal of Agricultural Economics*, in 2020, a maximum of 65 percent of potatoes were released in March from traditional storage facilities managed by the farmers, followed

by 25 percent in April, and a lowest of four percent in June. On the other hand, the stock of potatoes in cold storage started being released from June and were exhausted by December, when new potatoes began arriving at the market. It should be noted that the selling price of potatoes was the lowest in March, at Tk 470 for 40kg, followed by Tk 580 for the same quantity in April, when the potatoes were still with farmers. The prices began rising and reached their peak of Tk 1,650 in November 2020, when all the potatoes were in the traders' stock.

The study concluded that the main causes of the 2020 price hike were lower production, low stock in cold storage, frequent ownership changes of cold storages, halting of stock release by different stakeholders (in expectation of higher prices in the future), the government's lack of control over the market, and the demand and supply of potatoes being determined based on false information or rumours.

At present, to stabilise potato prices, the government should establish an agricultural price commission and set maximum and minimum support prices for potatoes, remove ambiguity in terms of production, demand, supply and price data, monitor prices and ensure the release of potatoes from cold storages, and broadcast the correct scenario of the potato market using data in order to counter rumours.

Ultimately, if the government had not stuck to the illusion of there being a surplus production of potatoes, and had instead taken initiatives to increase production—or if it had bought potatoes from farmers at a fair price during the harvest season, put them in cold storage, and arranged to sell them at a fair price during the crisis—we would not be facing the anarchy of the potato market today. But the government has so far failed to take any effective initiatives to break the cold storage-based syndicates, which are robbing ordinary consumers.

The Tigers' missed opportunity to unite a nation



BLOWIN' IN THE WIND

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The group stage of the 2023 ICC Men's Cricket World Cup is fast approaching its end, and it's been a rollercoaster ride for one of the 10 participating teams, Bangladesh. As they entered the tournament, they held fast to the competition's slogan: "It takes one day to make history and be history." After a strong initial victory against the underdog Afghanistan, optimism soared. Fans began to believe that a single day's performance could catapult them ahead of their competitors. However, the elation of their early win soon gave way to the agony of consecutive defeats. Even the most ardent supporters withdrew their backing, disheartened by their team's dismal performance. It wasn't just the losses that disappointed, but the manner in which the team succumbed to their opponents, resembling a group of schoolchildren grappling with internal conflicts. The governing board, despite its authority, failed to exorcise the demons plaguing the team, resulting in a loss of respect both on and off the field.

The buildup of enthusiasm before the tournament and the ensuing disappointment following their underwhelming performance underscore a broader issue within our national psyche. Since Bangladesh joined the elite ranks of test-playing nations in 2000, cricket has supplanted football as the most cherished sport. It has become a unifying force for a nation brimming with sports enthusiasts. Over the past two decades, the nation has embraced this once imperial game, making it a passport to gain global recognition. The 11 players on the field represent more than just athletes; they symbolise the iconic Royal Bengal Tiger, serving as torchbearers for a collective identity that resonates with millions.

A rickshaw puller gazes at a TV showroom, watching the men in green dash between the wickets; a garment worker listens to commentary on her phone while returning from work; a bank teller discreetly monitors scores on his computer screen; family members gather in their living rooms to offer unsolicited



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FILE PHOTO: AFP

expertise after each shot; and avid fans travel abroad donning team jerseys to witness their team's efforts. The national anthem at the start of every game brings tears to millions' eyes, uniting the entire nation under a banner of pride.

Historian Eric Hobsbawm aptly notes, "The imagined community of millions seems more real as a team of 11 named people." Expanding upon historian Benedict Anderson's concept of "imagined communities," Hobsbawm emphasises how sports provide a platform for a community to imagine their togetherness. Sociologists have observed the inseparable link between a national sports team and the manifestation of national identity. The national cricket team's journey through international competitions often mirrors the country's own path, filled with ups and downs, resilience, and hope. When a national team participates in an international sporting event, it acts as a gateway to understanding one another's cultures, offering a glimpse into the national psyche.

Within this larger sports drama,

numerous subplots have unfolded, pitting the national against the international. The defeat of the Springboks by the Dutch, steeped in colonial memory, is a prime example. A similar mini-drama played out when the Afghans defeated Pakistan, the team that once mentored them onto the world stage. The quintessentially English game has fallen behind on the world stage, showing that even the inventor of the sport is not immune to stumbles. The

event as nothing more than a learning opportunity. The head coach's comments indicated a lack of belief in the team's capacity to win the trophy, prompting those who harboured such dreams to wake up.

Midway through the tournament, the captain left the team abroad, ostensibly seeking batting tips from a personal coach. The board, boasting a balance sheet with Tk 900 crore, remained passive and allowed the ego-driven leader to manipulate the situation. Senior players felt neglected, and junior players lacked the experience and expertise for the highest level of play. These issues are not isolated anomalies but rather reflections of broader cultural challenges.

Internal politics and power struggles have disrupted the team's harmony and cohesion. These

issues extend beyond the cricket field, serving as symptoms of a larger societal problem, one that hints at a lack of unity and a shared purpose. The absence of democratic norms, with long-standing leaders at the helm and no significant improvements to the team, belies the nation's potential talent and resilience.

At the grandest stage of men's cricket, the Tigers missed an opportunity to leave a mark, precisely when the country is divided on many issues. It would be best for them to put this event behind and

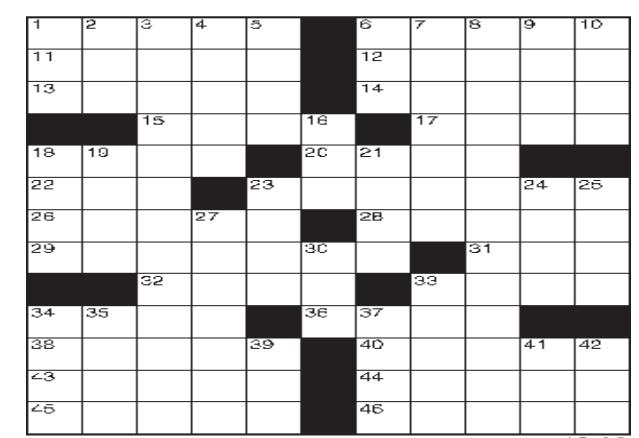
seek inspiration from the women's team, where the game is still played for passion and players take pride in donning their jerseys to represent the nation, not just themselves.

CROSSWORD

BY THOMAS JOSEPH

ACROSS	export	1945
1 Short-term workers	32 Greek vowel	8 Verify
6 Long cars	33 Sea dog	9 Raw rocks
11 Corn-husker city	34 Heaps	10 Dispatched
12 Not out of it	36 Himalayan giant	16 Ready to go
13 White horse's river	38 Taboo acts	18 Cook's mint
14 Game piece	40 Musical sounds	19 High point
15 Cuts off	43 River catch	21 Accord
17 Witty remark	44 Garment	23 Theater unit
18 Unvarying	45 Sentimental person	24 Yule song
20 Sweeping story	46 Whopping	25 Blinds piece
22 Copy	33 Took the	27 Clear up
23 Flower parts	34 Small workers	30 Coral island
26 Bottled spirit	35 Barcelona bull	33 Took the
28 Yule song	37 Engrave	wrong way
29 Literary passage	39 Sow's place	34 Small
31 Assam	41 Finish off	workers
	7 Battle site of	35 Barcelona
		bull

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YESTERDAY'S ANSWERS

A	P	P	S		M	A	N	I	A	C
M	A	R	C		A	K	I	N	T	O
I	G	O	R		L	I	C	K	E	D
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