THE HARD TRUTHS about Bangladesh's food security

Abdul Awal Mintoo talks to Priyam Paul of The Daily Star.

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is vice-chairman of BNP and chairman and CEO of Multimode Group.

How would you evaluate Bangladesh's agricultural development over the past 50 years?

In underdeveloped countries, agriculture plays a major role in GDP, with a significant portion of the workforce relying on it for their livelihood. Fifty years ago, when Bangladesh gained independence, about 85 percent of the population depended on agriculture, contributing nearly 80 percent of GDP.

GDP typically comes from three sectors: industry, agriculture, and services. As agricultural productivity rises, employment in the sector declines due to mechanisation, better inputs, and improved irrigation. In Bangladesh, farmland expansion is no longer viable, so increasing productivity is the only option. However, higher productivity reduces agricultural employment. Today, only 45 percent of the population depends on agriculture, and its GDP contribution has fallen to around 13-14 percent. Official statistics may underestimate this figure, and the actual contribution of the agriculture sector to GDP could be closer to 17-18 percent, considering the rise in intermediate crops and overall productivity.

As agriculture's workforce shrinks, industrial expansion is essential. Each year, two million people enter the job market, with agriculture unable to absorb them. Increased industrial investment is necessary to offset this shift.

This structural transformation is natural. While agriculture's share in GDP is declining, total production is increasing due to higher yields. The challenge is ensuring industrial growth keeps pace with employment needs.

Why is the cost of agricultural production high for farmers in Bangladesh?

Every year, the cost of water and electricity for irrigation increases. The groundwater level is dropping, so in many areas, motors and pipes need to be replaced or repositioned deeper. The deeper the water, the higher the cost. The soil in Bangladesh is also severely degraded due to excessive use of chemical fertilisers.

Another issue is related to labour costs, as well as the costs of essential goods. Additionally, there is a lack of a compensation mechanism for farmers who suffer losses due to natural disasters. In many countries, including India, farmers are insured against such losses. For example, in India, if the temperature rises above 36°C, farmers automatically receive compensation. However, in Bangladesh, there is no insurance or compensation system for farmers. As a result, when farmers suffer losses, their costs rise, exacerbating their financial difficulties.

Farmers harvesting rice in Gumai Beel, one of the major grain reserves of the country, in Rangunia.
PHOTO: ANURUP KANTI DAS

How do you assess the commercialisation of Bangladesh's agricultural sector and the role of large industrial conglomerates in this process?

In many countries, higher agricultural productivity leads to commercialisation, but Bangladesh has lagged due to disorganised land management. Land inheritance traditions cause fragmentation, reducing per capita land availability to just 0.67 acres—too small for commercial production. Commercial agriculture requires at least 200-500 acres. Productivity has improved, but this is due to smallholders intensively cultivating their land rather than commercial farming.

Land availability is also declining due to urbanisation, industrialisation, salinisation, and river erosion. As a result, commercialisation of staple crops like rice seems unlikely. However, sectors like livestock farming could become commercialised. Smallholders are more intensive farmers than large landowners, who often lease out land with lower cropping intensity.

The increasing involvement of industrial conglomerates in agriculture is positive but does not equate to commercial farming in production. Companies like Pran facilitate contract farming by supplying seeds and purchasing produce at fixed prices. While this commercialises agricultural goods, production itself remains dominated by small-scale farmers.

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- Due to rising intermediate crops and productivity, agriculture's actual GDP contribution is likely around 17-18 percent, though official statistics may underestimate it.
- In Bangladesh, there is no insurance or compensation system for farmers. As a result, when farmers suffer losses, their costs rise, exacerbating their financial difficulties.
- The government claims we are self-sufficient in food, but in reality, salt is the only item we do not import.
- Achieving full self-sufficiency is impossible—we import 90 percent of edible oil and 80–90 percent of sugar. The key is managing the supply chain effectively. Importing at the right time and from the right sources can stabilise markets.
- A strong link between agricultural researchers and commercial enterprises is essential; without it, research will not effectively benefit farmers.