Why onion prices are rising abruptly

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In Pabna, one of the country's major onion-growing districts, wholesale prices have surged past Tk 2,000 per maund in recent days, a sharp rise from Tk 800 to Tk 1,000 a month ago. PHOTO: AHMED HUMAYUN KABIR TOPU

Onion prices have been increasing over the past weeks, as farmers and traders release fewer stocks to local markets in the hope of better returns amid the government's suspension of imports.

Despite it being the peak harvesting season, onions have now joined the ranks of other rising kitchen essentials such as rice, soybean oil and vegetables.

In Dhaka's kitchen markets, locally grown onions are currently selling for around Tk 70 per kilogram -- up from Tk 55 to Tk 60 just a week ago.

Official data from the Trading Corporation of Bangladesh (TCB) also shows that retail prices in the capital range from Tk 40 to Tk 65, a rise of 23.5 percent compared to a month earlier.

Only a week ago, consumers could still buy onions for Tk 40 to Tk 55 per kilogramme, according to TCB data.

Retailers and wholesalers in Dhaka, along with farmers in major onion-growing districts like Pabna and Faridpur, said the bulbs were still being sold directly from the fields up until about three weeks ago. But farmers have since harvested the entire crop and stored the better-quality produce.

Earlier in the season, many farmers rushed their onions to market to recover cultivation costs. This temporarily flooded the supply and pushed prices down.

But now, with the entire crop harvested, they are storing high-quality onions that can last longer, giving them more flexibility in timing their sales.

Md Abdur Rahim, director of the plant quarantine wing at the Department of Agricultural Extension (DAE), said that the government has suspended onion imports since March to ensure local growers receive fair prices.

Onions are usually planted in December and start arriving in markets around March or April.

Earlier in the year, farmers made headlines lamenting market prices that fell below their production costs.

According to Agriculture Secretary Mohammad Emdad Ullah Mian, farmers spent between Tk 35 and Tk 48 to produce each kilogramme of the bulb this season.

The DAE estimates the total output this season to be more than 39 lakh tonnes. While this should be sufficient to meet the country's demand, the agency projects a need to import another 6–7 lakh tonnes to cover post-harvest losses.

FROM FIELD TO RETAIL, PRICES RISING AT EVERY STAGE

Saiful Islam, a resident of Farmgate area in Dhaka, said onion prices rose abruptly by Tk 10-Tk 15 per kilogramme.

Nurul Alam Shikdar, a retailer at Pallabi area of Mirpur in Dhaka, echoed this, saying local onion prices have jumped to Tk 70 per kilogramme compared to the previous week.

Md Kalam Sheikh, a wholesale trader at Karwan Bazar, said, "We are buying onions at higher prices from farmers or suppliers. That is why prices are high in the kitchen markets of Dhaka."

Mohammad Abdul Mazed, general secretary of the Shyambazar Onion Wholesalers Association, a major wholesale hub in Dhaka, said supplies have been insufficient despite it being the harvest season.

"Yesterday, local onions were sold at Tk 47 to Tk 50 per kilogramme in wholesale markets, up from Tk 30 to Tk 32 just a week ago," he added.

He linked the increase to the suspension of onion imports.

MARKET TIGHTENS IN ONION HEARTLANDS

In Pabna, one of the country's major onion-growing districts, wholesale prices have surged past Tk 2,000 per maund (37.65 kg) in recent days, a sharp rise from Tk 800 to Tk 1,000 a month ago.

Md Robiul Islam, a wholesaler in Pabna, said that up until two weeks ago, many farmers were still selling onions straight from the fields.

"Now, farmers are storing onions that can be preserved for a long period due to their good quality. So, they are choosing to sell based on prevailing market conditions," he explained.

Montu Khan, a farmer from Sujanagar upazila in Pabna, harvested over 500 maunds of onions but decided not to sell when prices dipped.

"Last month, prices were around Tk 800 to Tk 900 per maund. As it was too low to cover production costs, I have stored the entire stock at home to sell gradually throughout the year," he said.

Prices are also increasing in Faridpur's Saltha upazila, with rates rising to Tk 1,700 to Tk 1,800 per maund.

Kamal Hossain, a wholesale trader in Faridpur sadar, said many farmers are holding on to their produce instead of selling according to market demand. This has led to shortages even in peak season.

He added that some traders are also stockpiling onions, expecting prices to rise further.

Shahadat Hossain, senior agricultural marketing officer in Faridpur, said, "Many farmers are preserving their onions, which has reduced the market supply.

"Besides, traders are buying and storing onions, expecting higher future prices. These factors together have led to the recent price hike," added Hossain.

Agriculture Secretary Emdad Ullah Mian said that to ensure a fair profit for farmers, the ideal retail price should be around Tk 60 per kilogramme, factoring in a 15 to 20 percent margin over production costs.

"When onions were selling below Tk 60 in retail, farmers were largely incurring losses," Mian told The Daily Star.

Why every startup founder must master unit economics

MD TAJDIN HASSAN

In the glittering world of startups -- where valuations, funding rounds, and user growth often dominate headlines -- what remains understated yet absolutely vital is the understanding of unit economics. For any founder serious about building a sustainable and scalable business, grasping this financial foundation is not optional; it's essential.

Unit economics is, in essence, the financial anatomy of your product or service. It tells you how much it costs to acquire a customer (Customer Acquisition Cost or CAC), how much it takes to deliver the product (COGS), and what remains (Gross Margin and EBITDA) after subtracting those costs. These are not just numbers on a spreadsheet -- they are the pulse of your business.

Take EBITDA, for example -- Earnings Before Interest, Taxes, Depreciation, and Amortisation. This simple metric gives you a clear picture of whether your business is capable of generating profits even before financial and accounting complexities come in. Any investor worth their salt will look at EBITDA before putting money on the table. Why? Because it reveals the core profitability of your operations, without the noise of interest payments or tax shields.

Then comes the contribution margin -- how much you really earn from each unit after covering variable costs. This figure can help you determine breakeven points and understand how many units you need to sell before you actually start making a profit. More importantly, it signals whether your business model is viable in the long run or just temporarily sustained by external funding.

From the lens of a founder, understanding unit economics is like having night vision in a dark jungle. It helps you navigate decisions -- whether it's pricing, marketing spend, or choosing between growth and profitability. It's easy to get lost in vanity metrics like app downloads or social media followers. But unless each unit sold pushes your business closer to profitability, growth is just an illusion.

From the experience of working in the edtech and e-commerce industries, we may focus on three key areas: reducing Customer Acquisition Costs (CAC), increasing Customer Lifetime Value (LTV), and optimising pricing and cost structures.

High CAC can quickly erode margins and limit growth. To bring acquisition costs down, utilise organic channels such as community-driven marketing, strategic influencer partnerships, and institutional collaborations with universities or corporations. Implementing referral incentives and affiliate programmes can further reduce dependence on paid acquisition without sacrificing lead quality.

Increasing LTV requires more than just repeat purchases -- it's about building a relationship. This means improving product or course quality, adding personalised user experiences, and offering post-purchase or post-enrolment value. When users see tangible outcomes or benefits, they tend to stay longer, upgrade plans, and refer others. A higher LTV justifies a higher CAC and creates a healthier financial model.

Lastly, pricing and cost structure optimisation is vital. We experimented with tiered pricing, bundling, and flash sales to find the sweet spot between value and affordability. On the cost side, we re-evaluated team structures, vendor partnerships, and marketing spends -- focusing on ROI over assumptions.

In conclusion, startups shouldn't chase scale blindly. Before dreaming of being the next unicorn, a founder must ensure their unit economics make sense. Because in the end, sustainable growth isn't built on fundraising -- it's built on fundamentals.

The writer is the chief business officer of The Daily Star and the chief operating officer of Keeron, an upskilling platform in Bangladesh.

PHOTO: AFP/FILE

A ship of German container shipping firm Hapag-Lloyd is seen in Rotterdam harbour. In the long run, shipping companies expect a decline in freight rates -- as happened in 2018-2019 during Donald Trump's first term.

Bangladesh Submarine Cables' profit rises 8% in Q3

STAR BUSINESS REPORT

Bangladesh Submarine Cables PLC (BSCPLC) saw its profit grow in the January-March quarter of the fiscal year 2024-25 (FY25).

The state-run company reported an 8 percent year-on-year increase in profit to Tk 43.58 crore.

Its diluted earnings per share (EPS) stood at Tk 2.33 during the quarter, up from Tk 2.16 in the same period a year ago, the company said in a disclosure posted on the Dhaka Stock Exchange (DSE) website yesterday.

Shares of the company went up 1.72 percent to close at Tk 124.20 on the DSE.

However, its nine-month EPS from July 2024 to March 2025 dropped to Tk 6.83, down from Tk 8.99 in the corresponding period of the previous fiscal year.

The company said its net operating cash flow per share (NOCFPS) fell to Tk 7.83 in the first three quarters of the current financial year from Tk 14.06 over the same period a year ago.

Global shipping navigates Trump tariffs uncertainty

AFP, *Paris*

Shifting trade announcements have led to unprecedented volatility in the global shipping industry in recent weeks, with industry players having to constantly adapt to new US tariffs.

Cargo ships put to sea half empty, fluctuating freight rates and possible shipping route changes are some of the recent adjustments industry specialists have noted.

The global economy has been riding a rollercoaster since US President Donald Trump returned to the White House in January and kicked off a tariff offensive.

Trump's recent walk-back, announcing a 90-day pause on some previously announced levies -- with the exception of those targeting China -- has once again upset the balance.

"In the three weeks leading up to the announcement, we saw a slowdown in trade and many ships were only 50 percent full on the transatlantic and transpacific trades to the United States," said Alexandre Charpentier, transport specialist at consulting firm Roland Berger.

During that time, sea freight rates fell and many companies held on to their stocks as a precaution.

"As of last week, we've had the opposite effect," Charpentier said. "People want to ship as much as possible to the United States, they're destocking and there has been a rush for space."

And prices have started to rise again. Adding to the headwinds facing shipping are new US port fees for Chinese-built and -operated ships, unveiled by Washington on Thursday and due to kick in from mid-October.

Those come on top of the tariffs of up to 145 percent the Trump administration has introduced on a large number of Chinese imports, resulting in a top tax line as high as 245 percent on some products.

China builds nearly half of all ships launched, ahead of South Korea and Japan.

In the long run, shipping companies expect a decline in freight rates -- as happened in 2018-2019 during Trump's first presidential term.

Back then liners "experienced an oversupply of shipping capacity, decreased shipping rates, increased operational costs and ultimately, a reduction in revenue," said Sandy Gosling, specialist in transport and logistics at consulting firm McKinsey.