

Towards an Agricultural Price Commission: Safeguarding Farmers' Livelihoods

Bangladesh Food Security Network– KHANI and Participatory Research and Action Network – PRAAN in collaboration with The Daily Star, organised a policy cafe titled “Protecting the Farmers: The Case for an Agricultural Price Commission “ on July 17, 2025. Below is a summary of the discussion.

Nurul Alam Masud
Chief Executive, Participatory Research & Action Network – PRAAN

Statistics reveal that agriculture's contribution to the nation's GDP is steadily declining. A distressing trend emerged this year: between January and April, 12 farmers took their own lives. In response, a fact-finding team was assembled to investigate these incidents. The team focused on two recent cases, visiting the bereaved families alongside local officials, and speaking with family members, neighbours, and relevant authorities.

A recent report by the Bangladesh Trade and Tariff Commission (BTTC), surveying four districts and 20 markets, confirmed that farmers are not receiving fair prices for their produce, while middlemen continue to capture the profits. These findings underscore the urgent need for institutional intervention to protect farmers and ensure equitable returns.

Umme Salma
(Keynote Presenter), Programme Coordinator, Participatory Research & Action Network – PRAAN

In the 2023–24 fiscal year, the government projected potato consumption at 9 million tonnes, but the actual harvest surged to 10.6 million tonnes. Such a surplus should have lowered prices, yet potato prices remained high, highlighting inefficiencies in the market. Unchecked profiteering persists, and the more middlemen involved, the less benefit reaches farmers.

Following 12 recent farmer suicides, the Bangladesh Food Security Network – KHANI investigated two tragic cases. In Meherpur, 55-year-old Saiful Sheikh ingested pesticide after suffering catastrophic losses on his onion crop. He had invested 150,000 BDT but earned only 58,000 BDT, of which 26,000 BDT went to labourers. The investigation revealed soaring input costs, unaffordable seeds and pesticides, unreliable markets, and zero bargaining power. Small farmers rarely qualify for bank loans, forcing them into microfinance schemes with punishing weekly repayments, impossible to meet when crops take months to yield returns. Weeks before his death, farmers protested, demanding storage solutions and restrictions on cheap Indian onion imports.

In Rajshahi, Mir Ruhul Amin took his own life by jumping from a train after borrowing from three microfinance lenders. His story mirrored Saiful's: crushing debt, predatory lending, and no safety net.

Rezaul Karim Siddiqui
Vice-Chair, Bangladesh Food Security Network (KHANI)

In our society, middle-class priorities often dominate, leading the government to focus more on urban citizens than



RECOMMENDATIONS

- Set up an Agricultural Price Commission to ensure fair crop pricing, curb middlemen exploitation, and bring transparency to markets.
- Guarantee Minimum Support Prices (MSPs) for key crops, protecting farmers from price volatility and securing reasonable profits.
- Boost storage and post-harvest facilities to reduce losses, stabilise prices, and manage crop surpluses efficiently.
- Expand affordable credit and regulate lending, shielding farmers from debt traps and predatory finance practices.
- Deliver real-time market data via mobile apps or SMS, empowering farmers to make informed sales decisions.
- Promote agro-processing and value addition to turn surplus crops into products, diversify incomes, and reduce waste.
- Ensure farmer participation and gender equity in policymaking, giving smallholders and women farmers a voice and access to resources.

on farmers working in the fields. Whenever prices of essentials rise, authorities respond with imports, open market sales, or subsidies. But farmers remain trapped in a cycle of exploitation: they buy inputs at high prices and then sell their harvest at unfairly low rates. Traders, not farmers, control market prices, leaving cultivators with almost no bargaining power. Weak monitoring only worsens the problem. For example, farmers widely use Shukh-Sagor seeds, but these are often sold through informal, unregulated channels. The government is reportedly considering reforms to ensure a fair balance-keeping food affordable for consumers while also guaranteeing farmers a sustainable profit.

Ayesha Khatun
Female Farmer



In Koyra Upazila, most people depend on fishing for their livelihood, since paddy and vegetable farming are less common in the coastal areas near the Sundarbans. Locally, prawns are sold for 600 to 700 BDT per kilogram, while the same product sells for about 1,200 BDT in Dhaka. Despite this huge price gap, fishermen often fail to make a profit because local buyers pay so little. To continue farming and trading, they frequently take loans from grocery shops, fish feed suppliers, or microfinance NGOs. As a result, their income rarely covers the cost of production. Platforms like this are essential to share such struggles and explore solutions.

Professor Dr. Mihir Kumar Roy
Ex-Dean, Faculty of Business & Economics & Syndicate Member, City University Bangladesh



In Bangladesh, the government sets prices for staples like rice and paddy, leaving farmers without a voice in the process. While the country is often celebrated as a top global producer of various crops, this recognition rarely translates into benefits for farmers or society at large. Official statistics are frequently politicised, offering little reflection of real challenges. The core issue lies in systemic neglect. Two solutions stand out: genuine political commitment and a truly democratic government

that places farmers at the centre of policymaking. Only such leadership can drive meaningful reforms through strong policies, informed debates, and a firm pro-farmer stance.

Dr. Md Abdul Mueeed
Former Director General, Department of Agricultural Extension



In the industry, when gas, electricity, or raw material costs rise, producers adjust their prices to sustain profit margins. Farmers, however, lack such flexibility. Once their crops are harvested, they cannot reset prices; rising input costs often leave them in debt – a burden so severe that it has, tragically, led some to despair and even suicide.

The proposed Agricultural Price Commission, discussed today, offers a potential remedy. If the Department of Agricultural Marketing could provide farmers with real-time market price data, it would empower them to make informed decisions, ensuring fairer returns. Equally vital is addressing market access. Government-supported transportation, along with crop collection through cooperatives and direct delivery to wholesale markets, could reduce the stranglehold of middlemen. Such measures would not only stabilise farm incomes but also create a more equitable balance between producer and consumer prices.

Professor Sharmind Neelormi
Department of Economics, Jahangirnagar University



Onion cultivation, a profitable cash crop, is one area where farmers carefully calculate returns. In contrast, paddy farmers face diverse challenges depending on the type of crop. Boro rice requires irrigation and significant upfront investment, while Amon rice is labour-intensive. Losses in these harvests vary greatly, just as they do for onion growers. Agricultural policy must therefore recognize these disparities in costs and crop patterns.

The Department of Agricultural Marketing offers onion farmers loans of 4.5–5 lakh BDT, with an equity requirement of 1–1.5 lakh BDT. Building an onion silo costs about 2–2.2 lakh BDT, which demands government support. However, loans that begin at

70,000 BDT can rise to 3 lacs BDT with interest, turning well-meaning schemes into financial burdens.

Agriculture's share of GDP has fallen from 60% in the mid-1960s to around 13–14% today, despite steady production—a typical structural shift in a developing economy. Women's participation in farming increased from 2000 to 2016 but later declined, likely due to mechanisation. Still, young women (ages 15–29) are entering the sector, a contribution often overlooked. Finally, when political pledges promise rice at 10–20 BDT per kilo, policymakers must clarify who ultimately bears the cost.

Anwar Faruque
Former Secretary, Ministry of Agriculture



The keynote highlighted a major concern: Bangladesh lacks reliable agricultural data, which complicates policy decisions.

Regarding a price commission, the critical question is whether government agencies would follow its recommendations. A major gap lies in the lack of coordination between the Ministries of Agriculture and Food. For example, even when Ministry of Agriculture reports a rice surplus, the Food Ministry often fails to procure, undermining price stability. A comparison is telling: West Bengal procures around 20% of its rice and wheat, while Bangladesh struggles to reach even 1%. Without stronger procurement, stability is impossible. Farmers also need financial support for storage facilities. Above all, firm procurement policies and strong political will must come before other reforms.

Dr. Jahangir Alam Khan
Former Director General, Bangladesh Livestock Research Institute



A pragmatic, forward-looking pricing policy anchored by a dedicated price commission—is essential. Currently,

Bangladesh sets procurement prices only for rice, wheat, and tobacco. These are determined by the Agriculture Ministry, considering production data, the previous year's rates, market trends, import–export parity, inflation, and living costs, with a 6–7% profit margin for farmers.

However, the absence of “incentive pricing,” used internationally to

boost production, remains a gap. A price commission could fill this void by creating a framework to ensure fair pricing through regulation and influence, rather than direct control. It would guide market outcomes while protecting farmer livelihoods.

Before this, a comprehensive sector review is vital to identify key challenges and align the Agriculture Ministry's interventions with both short-term needs and long-term sustainability.

Farah Kabir
Country Director, ActionAid Bangladesh



A central question is whether the proposed price commission will ensure meaningful participation for farmers, particularly smallholders.

Representation, influence, and decision-making power must be guaranteed, with specific attention to women farmers, whose contributions often go unrecognised unless mediated by male representatives.

Another challenge is the lack of unified farmer representation. Government support should encourage diversification—such as turning surplus potatoes into value-added products like chips—and invest in innovative storage solutions, particularly those developed by younger generations.

Farmers should be brought under insurance schemes, with safeguards to prevent undue financial burdens. This requires strong institutional and political will, alongside collaboration with corporate farmers, banks, and other stakeholders.

Beyond establishing the commission, agricultural policy must integrate accurate market projections, climate change impacts, and Bangladesh's unique geographic and ecological conditions. Only through such a holistic approach can the country build a resilient agricultural framework that guarantees fair price for farmers while ensuring food security for all.

Dr Md Mahmudur Rahman
Additional Secretary, Ministry of Agriculture



A proposed Agricultural Price Commission could play a pivotal role in ensuring farmers receive fair prices for their produce.

Establishing such a body is only the first step; as seen in India, the Minimum Support Price covers key staples such as rice and lentils but excludes perishables like onions and potatoes.

The Ministry of Agriculture is developing a broader reform framework, encompassing price forecasting, production planning, and farmer welfare. Fair pricing is addressed across three stages before, during, and after production. At the outset, input costs are monitored, although fertiliser prices are the only inputs under direct state control. Post-harvest, initiatives such as free

onion blower services are being trialled to reduce losses.

Ultimately, the government's role is to balance the interests of farmers and consumers, while strengthening growers' bargaining power—an inherently complex challenge.

Dr Mohammad Emdad Ullah Mian
Secretary, Ministry of Agriculture



The Ministry of Agriculture has identified six critical challenges facing the sector, prompting the formulation of nine thematic areas for targeted government intervention. These, in turn, have been broken down into 25 sub-sectors to enable precise and actionable strategies. The long-term vision is guided by the Agricultural Strategic Plan, with key milestones set for achievement by 2050, aimed at ensuring a sustainable supply of safe and nutritious food for both human and livestock consumption.

Among recent innovations is the Khamari Mobile App, designed to offer data-driven agricultural guidance. It draws on soil sample analyses collected from every village and union. The ministry is also strengthening seed quality assurance and distribution systems, while future plans include AI-based crop disease diagnostics and real-time weather updates to support farmers' decision-making.

To address data gaps, drone technology will be introduced in collaboration with the Space Research and Remote Sensing Organisation, alongside coordination with the national statistics division to improve data accuracy. Reliable production estimates will, in turn, support incentives for crop diversification and help mitigate price volatility arising from surpluses.

Government intervention in market pricing remains limited; regulatory measures are triggered only when product prices fall below production costs plus a 10 per cent profit margin.

The ministry is keen to enhance collaboration with the private sector and sees NGOs as a vital bridge between farmers and government support mechanisms. An engagement with NGOs is planned, while discussions with Bangladesh Bank have explored agricultural loans, collateral-free lending, and an emergency fund to cover collateral requirements. The ministry also seeks to work with the FAO to establish a farmer safety net.

Tanjim Ferdous
(Moderator), In-Charge, NGOs & Foreign Missions, The Daily Star



This dialogue has been a call for fairness in economic, systemic, and moral values. We have gathered not just as professionals,

but as people who depend daily on farmers' undervalued labour. Bangladesh is a global leader in rice, jute, and fish production, yet its farmers struggle to survive. The rise in farms suicides is not just tragic but a warning. An Agricultural Price Commission could ensure fair prices, stabilise markets, and bring justice to agriculture sector. Other nations have shown that this works and Bangladesh must follow it. Today, we've heard from experts, policymakers, and grassroots voices, not just to debate, but to demand change. Let us turn these insights into action. Farmers deserve a system that values their work. Together, we can build a fairer, sustainable future.