



Most of the vegetables and spinaches in the fields have been damaged due to untimely heavy rainfall. As a result, the supply in local markets has dropped sharply, causing prices to soar. The photos were taken recently at Baravita village in Phulbari upazila of Kurigram.

PHOTO: S DILIP ROY

# Vegetable prices skyrocket as erratic rain ravages croplands

Over 5,000 farmers affected across six districts

SUKANTA HALDER and S DILIP ROY

In an ideal year, croplands across Bangladesh begin to dry by mid-October as temperatures dip to mark the end of the monsoon and the start of the winter vegetable season. Early winter crops, usually planted in late September, should by now be making their way to markets at affordable prices.

That is not the case this year, nor has it been for the past few years. Throughout September, rain fell somewhere in the country almost every day, flooding seedbeds and drowning newly planted crops. Then came October, the first ten days of which saw more rainfall than is normal for the entire month, according to the Bangladesh Meteorological Department (BMD).

Consumers and farmers are bearing the brunt of the radical shift in weather patterns as crops are damaged and retail prices skyrocket.

## 2,500 HECTARES OF CROPLAND DAMAGED

Data from the Department of Agricultural Extension (DAE) show that erratic and heavy rainfall in September damaged thousands of hectares of cropland in key vegetable-producing districts such as Naogaon, Kurigram, Kustia, Lalmonirhat, and Sherpur.

Nearly 2,572 hectares of cropland were damaged between September 5 and 30, affecting more than 5,600 farmers, DAE estimates show. Later, between September 16 and 30, a further 488 hectares were damaged, and the destruction continued into October.

The losses have pushed vegetable prices sharply higher in retail markets while inflicting heavy financial damage on thousands of farmers.

"Early varieties aren't available as they should be. Incessant rainfall delayed planting and destroyed crops," said Mohammad Shoriful Islam, a trader at Dhaka's Rupnagar market who has been selling vegetables for 18 years.

"Yardlong beans are selling at Tk 80. If the rain hadn't lingered, they would sell for Tk 50-Tk 60. Sponge gourd, which usually sells at Tk 30-Tk 40 per kg around this time, is selling for Tk 100," he added.

He also said that radish is selling at Tk 40-Tk 50, which is Tk 20-Tk 30 higher than the expected rate, and coriander leaves, which usually sell at Tk 50-Tk 60 around this time, are now selling for Tk 80 per kg.

Furthermore, leaf cabbage is selling at Tk 40-Tk 50 per piece, higher by Tk 20-Tk 30, and cauliflower, which is expected to sell at Tk 60-Tk 70 per kg, is selling at Tk 80-Tk 100. "Almost all types of vegetables are selling at

much higher rates," he said.

At Karwan Bazar, another seller, Zahir Sheikh, said prices have risen by Tk 15-Tk 20 per kg over the past two weeks. "Almost every type of vegetable has become expensive," he said.

In Lalmonirhat, farmer Narayan Chandra Roy said continuous rain in early October destroyed about 80 percent of his vegetables.

"Normally, I earn well from early winter crops," he said. "This year, the October rain was completely unseasonal. I managed to save a small portion of my field using polythene sheets and sold what was left at higher prices."



Narayan had invested about Tk 1 lakh in three bighas of land growing red spinach, palong shak, eggplant, and bitter gourd in September. By early October, he had earned only Tk 35,000.

In Rangpur's Kaunia, 50-year-old farmer Ajit Chandra Das faced similar losses. "Radish, eggplant, bitter gourd—about 70 percent of my crops were damaged."

Another farmer from Mahiganj, Surjamal Mia, said his three bighas were "completely destroyed" by the October rains.

According to Sirajul Islam, additional director of the DAE's Rangpur office, around 70 percent of early vegetables in the division have been damaged. "Aman paddy was largely unaffected," he said. "But the loss of early vegetables disrupted market supply and pushed up prices."

## A NEW KIND OF MONSOON

Winter vegetables in Bangladesh are cultivated almost entirely through irrigation and are not dependent on rainfall. Untimely downpours, therefore, are ominous

signs for farmers. Meteorologists say shifting monsoon patterns are to blame.

"Rainfall that used to taper off in September is now persisting into October, and sometimes even November," said Tariful Newaz Kabir of the BMD. "This pattern has become evident over the past two to three years."

During this period, rainfall has increased significantly, with showers recorded almost daily in different parts of the country. As a result, early vegetable fields and seedbeds have been severely damaged this year, he added.

BMD data cited by meteorologist Md Bazlur Rashid show how erratic the rainfall has become. In September 2024, nationwide rainfall was 27 percent above normal, with Dhaka recording 60 percent more, Khulna 71 percent more, and Rajshahi 25 percent more.

This year, light rain occurred almost daily across the country in September, but the total volume was 20.8 percent below normal. October, however, began with heavy downpours, recording 17 percent more rainfall than usual, while Barishal received up to 400 percent more rainfall in just a few days.

Yet overall, the monsoon's intensity is weakening—with fewer but heavier rain spells. Rashid explained that rainfall is now decreasing in June-July but increasing in August, September, October, and even November. "Rain is occurring outside the traditional monsoon season, which disrupts farming schedules," he said.

The outlook remains uncertain. The BMD has warned that a new low-pressure area may form over the Bay of Bengal later this week, bringing more rain and cloudy skies.

## DAMAGE MANAGEABLE

While vegetable growers have been hardest hit, the DAE maintains that the overall agricultural impact remains manageable.

"The damage to Aman paddy was negligible—only about 0.001 percent," said Obaidur Rahman Mondol, director of the DAE's Field Service Wing. "Farmers affected by vegetable losses will receive government support through incentive programmes."

He added that the impact on markets is unlikely to be long-lasting. "If the damage were severe enough to create a major shortage, we would have seen it already," he said.

Still, in the fields of Rangpur and Lalmonirhat, many farmers are replanting in the hope that, if the skies finally clear, new vegetables will reach the markets by mid-November—just as winter properly begins.

# Simpler regulations needed to ignite startups

FERDAUS ARA BEGUM

To encourage youth-led entrepreneurship and turn innovative ideas into viable businesses, the Bangladesh Bank (BB) announced a Startup Funding Facility in July this year. The initiative targets startups founded and managed by one or more entrepreneurs, operating as technology-driven local or joint-venture companies with scalable business models and the potential to introduce innovative products or services.

Eligible firms must be registered with the Registrar of Joint Stock Companies (RJSC) and submit documents such as proof of business address and directors' declarations. Notably, there is no mandatory paid-up capital requirement for startups, as registration fees are determined by the level of authorised capital.

Under BB's guidelines, a company qualifies as a startup if it has been in operation for no more than 12 years. Existing large companies are excluded from this category. However, inconsistencies remain between BB policies and those of the National Board of Revenue (NBR).

For example, the Startup Sandbox Policy under the Income Tax Act 2023 defines startups as companies with an annual turnover not exceeding Tk 100 crore, registered under the Companies Act, and engaged in developing innovative, technology-based products, processes or services supported by intellectual property rights. The law excludes firms resulting from mergers or demergers and imposes a minimum turnover tax of 0.1 percent annually.

In line with the Companies Act 1994, BB's SME and Special Programmes Department is set to form a Venture Capital Company. A separate guideline will govern its formation, management, investment operations, advisory functions and dividend distribution. Two key funding mechanisms are planned: a Tk 500 crore revolving refinancing fund and banks' own Startup Equity Investment Fund.

BB has also introduced new cross-border investment provisions, allowing startups to invest up to \$10,000 abroad. They can now acquire shares in foreign companies through share or security swaps, following globally accepted valuation practices. This marks a notable liberalisation of foreign investment policy.

Bangladesh now hosts nearly 1,000 active startups, with around 200 new enterprises emerging each year. In 2023, venture capital firms accounted for roughly half of total startup investments, contributing about \$36 million. Over the past decade, Bangladeshi startups have raised around \$753 million across 171 deals from domestic and international investors.

The ecosystem is maturing, but early-stage seed funding remains a challenge. Many startups struggle to secure capital at the idea or prototype stage. Exit options such as IPOs or acquisitions are limited, discouraging investors from committing large sums. Greater policy consistency, regulatory predictability and macroeconomic stability are crucial to maintaining growth momentum in the sector.

In venture capital, multiples on invested capital (MOIC) and exit strategies determine investment success. For example, if an investor contributes \$1 million and exits with \$3 million, that represents a 3x return, generally considered the minimum benchmark for early-stage venture capital success, given the high-risk nature of startup investing. Typically, only a few successful ventures achieve 3x to 10x returns, compensating for losses elsewhere.

The government-owned Startup Bangladesh Limited (SBL) demonstrates a range of exit outcomes, with MOIC values from 1.46x to 7.83x. Its best-performing portfolio category represents 45.34 percent of investments, though most individual investments range between Tk 1 crore and Tk 5 crore—relatively small compared with the Tk 100 crore annual turnover threshold defined by NBR. Notable success stories include Pathao, ShareTrip, 10 Minute School and iFarmer, each showing strong growth potential.

However, many local enterprises still face challenges in regulatory compliance, audit readiness and strategic management, which hinder scalability and their ability to attract institutional capital. Despite growing interest in alternative financing such as debt and revenue-based funding, most startups remain unprepared due to weak financial reporting, informal bookkeeping and underdeveloped cost structures. Addressing these gaps through regulatory simplification, investor confidence-building, and capacity development will be vital to ignite the next generation of Bangladeshi entrepreneurs.

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# Goldman Sachs warns of rare earth supply risks

REUTERS

Goldman Sachs flagged mounting risks to global supply chains of rare earths and other critical minerals, emphasising China's dominance in mining and refining, and outlining challenges for nations seeking to build independent supply chains.

China expanded export curbs on rare earths on October 9, adding five new elements and extra scrutiny for semiconductor users ahead of an expected summit of leaders Donald Trump and Xi Jinping.

In a note on Monday, Goldman Sachs said China controls 69 percent of global rare earth mining, 92 percent of refining, and 98 percent of magnet manufacturing.

Rare earth elements (REEs) have become a flashpoint in geopolitics, as they are critical to high-tech industries and essential in uses from batteries to computer chips, artificial intelligence, and defence equipment.

While the rare earth market was valued at \$6 billion last year, just a fraction of the size of the copper market, which is 33 times bigger, the bank warned that a disruption of 10 percent in industries reliant on REEs could result in \$150 billion in lost economic output, besides inflationary pressures fed by the shortages.

Goldman Sachs flagged samarium, graphite, lutetium, and terbium as particularly vulnerable to export curbs.

Samarium, used in heat-resistant samarium-cobalt magnets, is key for aerospace and defence. Disruptions in supply of widely-used lutetium and terbium also pose risks of GDP losses. The bank highlighted light rare earths, such as cerium and lanthanum, as future targets for curbs, since China has a dominant role in refining and mining.

# US-Aussie critical minerals pact is worthy stretch

REUTERS, Melbourne

China's President Xi Jinping won't exactly be quaking in his boots after reading the terms of a critical minerals pact signed by his US and Australian counterparts on Monday. Donald Trump and Anthony Albanese between them pledged roughly \$4 billion of their taxpayers' money to bulk up mining and processing of rare earths and other ores that are often small but essential elements for making renewables, semiconductors and high-end weapons. That won't remove the lock China has on the sector any time soon. And there are a number of hurdles to jump. But it's worth doing.

Australia is an obvious place to give it a go. The country is home to the world's fourth-largest reserves of rare earths, per the US Geological Survey, and has plenty of other critical minerals like lithium, magnesium and antimony. It boasts a big mining industry and a government that's keen to see the sector expand from mostly extraction into value-added upstream services like refining and processing. And as a large end-customer and traditionally strong ally for Australia, the US is a sensible partner with which to share the financial burden.

So Washington and Canberra are each willing to invest \$1 billion in various projects. In addition, the US Export

Import Bank is issuing letters of interest worth \$2.2 billion to seven mining companies Down Under. But it's not going to suddenly result in a flood of new ore, despite Trump's assertion on Monday that in a year's time "we'll have so much critical mineral and rare earths that you won't know what to do with them".

The Australian government's first two equity investments, for example, are for existing projects already in early stages of development: \$200 million is going to support Alcoa's plan for a gallium refinery that could account for 10 percent of the world's supply; Arafura Rare Earths, whose largest shareholder is the country's

richest person, Gina Rinehart, is getting \$100 million—on top of more than \$500 million in government loans and grants it received last year. Neither will be up and running for a couple of years at least.

The other projects still barely on the drawing board will take much longer. Securing environmental approvals will be a hurdle; those rules are currently under review in Australia. Plus there's a relative dearth of talent given most of the post-extraction experts for critical minerals are Chinese. What's more, government support is no guarantee of a business being able to start up its diggers and factories. Even if it is successful, future administrations might not be willing to subsidise production at the price floors the current political leaders have committed to set.

Monday's pact, though, sends a strong signal that rich countries are up for the challenge. That ought, at least, to get some competitive juices flowing.

Australia's Prime Minister Anthony Albanese and US President Donald Trump signed an agreement on October 20 pledging that the two countries would invest at least \$1 billion each over the next six months in mining and processing projects for critical minerals and rare earth elements. The governments will also set a price floor for the goods.



Australian Prime Minister Anthony Albanese (left) and US President Donald Trump speak to reporters after signing a \$8.5 billion rare earth minerals agreement during a bilateral meeting in the Cabinet Room of the White House on October 20. PHOTO: AFP