



Covid-19 Bangladesh: UBINIG REPORT SERIES 1

FARMING COMMUNITY & AGRICULTURE

A gradual reduction in the contribution of agriculture sector to the GDP has been visible since 1990, when agriculture contributed 38% of the national GDP, in 2018 it stooped to a meager 13.7%. This is due to continuous lack of attention and proper planning by the government, which often takes decisions that proves to be detrimental for the greater interest of agriculture as a sector and those of farmers as productive population. Bangladesh is a country of small farm holdings (less than 3 acres), constituting 84% of total farming households; medium farms 14% and large farms (over 7.50 acres) are only 9% (GOB, 2015). Despite its decreasing importance in the GDP, agriculture provides over 40% of employment.

Bangladesh Government first announced detection of COVID-19 infection on 8 March and on 24th March declared 'General Holiday' or the Lockdown. The so called 'General Holiday' was accompanied by the transport shut down throughout the country.

The farmers had many of their winter crops in the field, particularly the vegetables and Boro rice; harvesting of the crops were waiting. Shutting down of the transportation without any alternative strategy to bring the agricultural produce to the market had devastating effect on the agricultural sector, particularly to farming households, who indeed feeds the most of the population of the country.

As an agriculture sector support measure, the Government declared subsidy that largely went to benefit the agribusiness companies and rural elite, who are mostly the political constituency of the ruling party in power. It shows Covid-19 is creating triangular alliance between agribusiness, rural elite and the rulers. It has also triggered debate on the agricultural mechanization and appropriate policy, safeguarding environment and ecology. Environmentalist and agroecologists are concerned that mechanized harvesters are going to replace agricultural laborers and will further damage already precarious environmental and agro-ecological conditions, affecting the livelihood of rural population.

We recommend the following:

1. The interest of the marginal farmers and those of agricultural labourers must be given priorities by ensuring market and better price for their produce. They are the ones, who are hardly hit by measures during Covid-19 pandemic.
2. The Government should immediately ensure safe and free movement of agricultural wage labourers within and between different districts and geographical areas so that they can continue their work in the present harvesting of Boro and next planting season of Aman.
3. The Government must stop subsidizing big agro-machinery companies in the guise of helping farmers and refrain from touting subsidizing business as agricultural mechanization.

Government must organize policy debates among stakeholders to determine the appropriate strategy of agricultural mechanization. Such debate must take into account the major concerns such as labour displacement and unemployment as well as recovery of the damage already done to environment and agro-ecology.

SHUTTING DOWN TRANSPORTATION: VEGETABLE FARMERS UNABLE TO SELL THEIR PRODUCE

There were restrictions on the timing in the local markets. These are the places where social distancing is hard to maintain. Therefore, farmers had to sell their produce within these 4 hours of the market often at a price that does not even recover the production costs. Vegetables cannot be stored for a long time. Though crops like garlic and onion can be stored for a while, that was not even a viable option for the farmers. Farmers needed instant cash, more so because of the pandemic imparting a sense of uncertainty. The news related to the hardships of the farmers began to surface in the daily newspapers from the last week of March. Farmers who cultivated potato, cucumber, bean and brinjal/eggplant are hit badly. They have been compelled to sell those crops at a much lower price than they had expected. Cucumbers were sold at a price of Taka 3-5 /kg, brinjals were sold at Taka 5/kg and tomatoes were sold at Taka 7-8 per kg which is 300% to 400% less than the normal price.

Many aggrieved farmers, with such low price, fed these vegetables to their livestock out of frustration. This is not the first time farmer's desperation is expressed in such kind of protest, Market price below production cost is rather a common feature. The development policy of Bangladesh favors industrial sector and often against agriculture and rural economy. The price of agricultural commodities is kept low in order to ensure cheap food for the urban population, Fiscal and monetary policies are biased toward protecting the interest of industrial sector, particularly the export oriented garment industries.

Farmers require enabling environment so that they can gainfully participate in the market. They must have an enabling economic environment so that costs of production could be regained as well as a reasonable amount of monetary return could be ensured. The pandemic has made the situation of farmers worse and intensified vulnerability. This is the case, not only for now, but also for the coming days.

Farmers cultivate onions, wheat, mustard, grass pea, chickpea, mung lentil, etc. as their cash crops. The lockdown started just after these crops had been harvested. But the government, despite concerns expressed in media, hardly took any heed and took no initiative to ensure facilities for marketing of these crops amid the lockdown.

The expectation of the Department of Agricultural Extension (DAE) that the yield of potato this year was 10.8 million tones, of which 9.76 million tones have been harvested. But for onions, only a bit over one-third of the produce could be harvested, only 0.97 million tones out of the total yield of 2.38 million tones. Farmers who cultivated fruits like Bangi (yellow melon) and Tarmuj (watermelon) have also incurred a huge loss due to the lockdown as those could not be brought to the market. But this situation might have been averted had the Department of Agricultural Extension taken some timely measures for the marketing of these crops. Farmers, raising cows were unable to buy fodders at a higher price, wanted to sell their cows but could not even do so as they did not get proper prices.

BORO RICE FARMERS UNABLE TO HARVEST DUE TO NON-AVAILABILITY OF FARM LABOURS

Boro is the major rice-cropping season producing 55 per cent of rice the country consumes. Boro is grown from December to mid-March and harvest goes on from April to June. As the harvesting period of the Boro rice crops come nearer, farmers feared another setback in terms of financial loss. Usually Boro farmers hire migrant labourers for harvesting their crops from other districts. Since there is an on-going all out lockdown in effect, these labourers were not able to come in time for the harvesting of the Boro crops.

Boro crops are mostly grown in the Haor (back swamps) areas as well as other parts of country with the use of irrigation. This year, until March 3, Boro farmers transplanted seedlings on 4.44 million hectares of land against 4.74 million hectares in the corresponding period in 2019. The Department of Agriculture Extension (DAE) data, shows the target was 4.86 million hectares, indicating a shortage

of 0.12 million hectares (Wardad, 2020). This is not due to COVID-19, but the lower price Boro farmers face a low price for their harvest, resulting in lack of interest in its production.

According to the DAE sources, the target for Boro rice production is 20.4 million tones, with the yields from the Haor regions making up 20 per cent of it in this year (2020) from the wetlands across seven districts of Kishoreganj, Netrokona, Sunamganj, Moulvibazar, Habiganj, Sylhet and Brahmanbaria. However, Haor farmers faced shortage of agricultural labourers due to the shutdown of the public transport system.

On April 12, in a video conference with the divisional commissioners of the Barisal and Khulna divisions Prime Minister Sheikh Hasina urged the law enforcing agencies to ensure unhindered movement of the agricultural labourers so that they can travel from different parts of the country to the Boro paddy fields of the Haor region during the harvest. She said, 'Harvesting of Boro crops should not be hampered for want of agricultural labourers. She instructed the authorities, to ensure movement of agricultural labourers freely from one part of the country to another when needed so that harvesting is not disrupted. Under any circumstances production has to be kept running' (Kalerkontho, 2020).

STIMULUS PACKAGE AND SUBSIDY ON AGRICULTURE

On April 12, PM Sheikh Hasina announced a stimulus package of 50 billion taka at an interest rate of 4%. Though the solvent entrepreneurs who buy crops and cereals from the farmers to sell in the market have been considered eligible to get this loan, all poor crop and cereal farmers including those cultivating Boro are left out of this scheme.

A Bangladesh Bank circular states that it can lend a maximum of 145 billion taka in the current fiscal year to the crop and cereal producers at an exorbitant interest rate of 9%.

Ministry of Agriculture announced on April 8 a stimulus package of Tk. 92.9 million for the Aus producers for buying seeds and fertilizers, which, however, also excluded the Boro producers.

According to the data collected from Bangladesh Bureau of Statistics, of 36.4 million tons of rice produced in the country in 2018-19, Boro was 54%, Aman was 38% and Aus was 8%.

It is not easy for the small farmers to get loans from the bank, who need to go through to complex process of bribing the middlemen to obtain the loan. Due to such complications in getting the government loan, small farmers often resort to the micro-finance institutions who lend them at a much higher rate.

SUBSIDIZING COMPANIES AND DISPLACING FARM LABOURERS

The Lock-down affected the day labourers, who worked in the agricultural fields, and dependent for the harvesting work for livelihood have suffered most as it was their sole means of survival. The migrant agricultural labourers who migrate internally from one district to the other during the planting and harvesting season of paddy crops, are not able to move and are without any work. On the other hand, the middle farmers as well as sharecroppers cannot harvest their Boro rice crop and anticipate very high price for paying to the short supply of the labours.

In a research conducted by the Bangladesh Rice Research Institute (BRRI) it has been found that 50% of the lands of the Haor area are plain lands and remaining 50% of the lands are in the Haor area constituting a total of 0.9 million hectare which require 8.4 million agricultural labourers to perform the harvesting work (Shahin, 2020).

Instead of supporting agricultural labourers to travel to their destination areas for harvesting paddy, the government took the decision of mechanization of boro harvesting. On April 30, the Agricultural Minister Dr. Abdur Razzak in a TV channel stated that processing was underway to import harvester machines to solve the problem of the farmers regarding the harvesting of Boro paddies. He informed that the Prime Minister has endorsed the decision. According to the Minister, every year 90 billion taka is kept aside to meet any urgent need of the agricultural sector, out of which 60 billion taka is needed for fertilizers and the remaining 30 billion taka is now going to be used, to buy the harvester machines. These machines will be distributed to the farmers at a “nominal price”.

The government also announced that a 2 billion Taka has been announced for agricultural input subsidy. This financial incentive announced for the agricultural sector to cope up with the present crisis created by covid-19 pandemic. The agricultural subsidy actually served the interest of large agricultural companies like ACI motors as well as various Chinese and Japanese companies. The need of the farmers has been exploited as a business opportunity to sell the harvester machines. The cost of a Japanese harvester machine is around 2.8 million taka which after 50% government subsidy may cost around 1.4 million taka. On the other hand, a Chinese harvester machine costs around 2 million Taka which after 50% government subsidy may cost 1.0 million taka. The subsidy benefit obviously will go to mainly to rural business elite, who could offer cash to purchase the machine. Already the advertisement of harvester machines of ACI motors is being run on the TV channels. It is very clear that the ultimate beneficiaries are not the poor small farmers, rather the large agriculture based industrial companies and local rural elite. Government money is spent, in the name of helping farmers to reinforce the triangular alliance between international companies, local elite and the government.

If these harvester machines were truly beneficial to the farmers, then their sale would occur under the normal circumstances as normal market behavior, since the shortage of agricultural workers is not a new phenomenon (Akhter, 2020). The so called agricultural subsidy has been used to create an artificial market. But amid the current crisis the sale of these harvester machines has risen to a staggering 400 percent. According to a report in the daily newspaper, in 2019 two large companies which deal in the harvester machines managed to sell 40 combined harvester machines in Bangladesh. However, it is projected in that report that this year this number may surpass 1000 (Ahmed, 2020).

The dealers of these machines who were sitting idle all these time now have seized the opportunity to make a good chunk of profit out of the current crisis. As a result of this, the attention has been diverted from the small farmers and agricultural labourers and has been shifted to the mechanization policy of the agricultural sector and its so-called benefits.

Finally, companies such as ACI Motors Ltd enjoying the benefits of the shortage of wage labourers by offering modern farm machinery like combined harvester and ripper. The Japanese Yanmar brand of combined harvester costs Tk 2.5-2.8 million each. Such modern harvester can harvest, thresh or even package paddy of 3.5 hectares a day with only 61 labourers, displacing 213 labourers (Wardad, 2020) Government offered no subsidy to the farmers so that they could hire farm labours

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