

## Rice boom causes problems for Bangladesh

The surplus production of rice this year in Bangladesh, which is prone to foodgrain shortage and calamities, has raised the confidence of farmers and the government but also caused pricing and storage problems, media reports here said Tuesday.

Estimated at 32.4 million tonnes, the current fiscal this month-end will mark the highest production of rice, the staple diet of the country's 153 million population. The average requirement is about 30 million tonnes.

The production will be 6.12 percent higher than last year, when the country, reeling in the aftermath of cyclone Sidr, was desperately importing rice and the government was prompting people to consume more potatoes to meet the rice shortage.

However, The Daily Star newspaper said the high yield was not good news for the farmers.

'Such a surplus has now turned rather problematic for farmers who allocated more of their lands to rice production, encouraged by the staple's high prices in the previous two years.

'It is a clear indication of farmers' response to high prices of rice. They produced more this year, encouraged by the high prices for their produce in the last two years,' said Mahabub Hossain, executive director of BRAC, the country's largest NGO.

The farmers have now been hit by a decline in prices. Analysts say low prices might dampen prospects for rice plantation in the next fiscal.

'It appears that there is a surplus supply of rice and it's dampening the prices. One clear indication it gives is that the farmers will cut their production next year,' said Hossain, also a former director general of the Bangladesh Institute of Development Studies (BIDS).

Although jubilant about the highest-ever rice production, the government and its agencies admit to having inadequate storage capacity.

Plans are afoot to raise temporary storage facilities to prevent destruction of the crop.

The bumper crop has also raised high expectations for continuing policy support for agriculture in the national budget for fiscal 2009-10, the newspaper noted.

Earlier this month, cyclone Aila hit Bangladesh, jeopardising the prospect of a good Aman rice cultivation. Tens of thousands of farmers in the south-western coastal region are in trouble following the storm.

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